

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

ZTE CORPORATION AND ZTE (USA) INC.  
Petitioner

v.

CONTENTGUARD HOLDINGS INC.  
Patent Owner

---

Case IPR2013-00134  
U.S. Patent No. 7,225,160

---

Before JAMESON LEE, MICHAEL W. KIM, and  
MICHAEL R. ZECHER, *Administrative Patent Judges*.

ZECHER, *Administrative Patent Judge*

DECISION  
Institution of *Inter Partes* Review  
37 C.F.R. § 42.108

## I. INTRODUCTION

ZTE Corporation and ZTE (USA) Inc. (“ZTE”) filed a petition (“Pet.”) requesting *inter partes* review of claims 1-38 of U.S. Patent No. 7,225,160 (“the ’160 patent”). Paper 3. In response, Patent Owner, ContentGuard Holdings Inc. (“ContentGuard”), filed a preliminary response (“Prel. Resp.”). Paper 9. We have jurisdiction under 35 U.S.C. § 314.

The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a), which provides:

**THRESHOLD** --The Director may not authorize an *inter partes* review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

For the reasons set forth below, we conclude that the information presented in the petition demonstrates that there is a reasonable likelihood that ZTE will prevail in establishing claims 12-22 and 30-38 as unpatentable. However, we conclude that the information presented in the petition does not demonstrate that there is a reasonable likelihood that ZTE will prevail in establishing claims 1-11 and 23-29 as unpatentable. Pursuant to 35 U.S.C. § 314, we hereby authorize an *inter partes* review to be instituted only as to claims 12-22 and 30-38 of the ’160 patent.

### A. Related Matters

ZTE indicates that the ’160 patent was asserted against it in *ContentGuard Holdings Inc. v. ZTE Corporation et al.*, Civil Action No.

Case IPR2013-00134  
U.S. Patent No. 7,225,160

1:12-cv-0206-CMH-TCB, filed in the U.S. District Court for the Eastern District of Virginia on February 27, 2012. Pet. 1. According to ZTE, this patent infringement lawsuit was transferred to the U.S. District Court for the Southern District of California on May 21, 2012. *Id.* ContentGuard does not dispute that it asserted the '160 patent against ZTE.

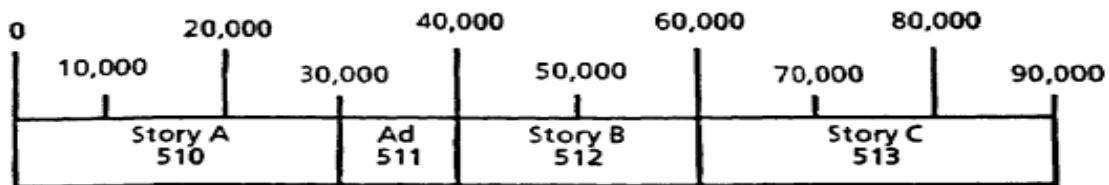
ZTE also filed five other petitions seeking *inter partes* review of the following patents: U.S. Patent No. 7,523,072 (IPR2013-00133); U.S. Patent No. 7,359,884 (IPR2013-00136); U.S. Patent No. 6,963,859 (IPR2013-00137); U.S. Patent No. 7,139,736 (IPR2013-00138); and U.S. Patent No. 7,269,576 (IPR2013-00139). Pet. 1-2.

*B. The Invention of the '160 Patent (Ex. 1001)*

The invention of the '160 patent generally relates to distributing and enforcing usage rights for digital works. Ex. 1001, 1:15-16. A digital work refers to any work that has been reduced to a digital representation, including any audio, video, text, or multimedia work, and any accompanying interpreter, *e.g.*, software, which may be required to recreate or render the content of the digital work. Ex. 1001, 5:20-24. Usage rights refer to rights granted to a recipient of a digital work that define the manner in which a digital work may be used and distributed. Ex. 1001, 5:26-30. According to the '160 patent, the disclosed invention permits the owner of a digital work, or other authorized party, to specify a manner of use of the content associated therewith. Ex. 1001, 3:51-54.

The '160 patent discloses dividing a digital work into two files: (1) a contents file; and (2) a description tree file. Ex. 1001, 7:65-67. The contents file is a stream of addressable bytes, the format of which completely depends on the interpreter or rendering engine used to play, display, or print the digital work. Ex. 1001, 7:67-8:4. The description tree file makes it possible to examine the rights and fees associated with the digital work without reference to the content of the digital work. Ex. 1001, 8:4-6.

Figure 5 of the '160 patent illustrates a contents file layout for a digital work. Ex. 1001, 4:16-18, 8:10. Figure 5 of the '160 patent is reproduced below:



**Figure 5**

Figure 5 illustrates the format of the contents file of a digital work.

According to the contents file illustrated above, digital work 509 includes story A 510, advertisement 511, story B 512, and story C 513. Ex. 1001, 8:11-12. Assuming that digital work 509 is stored starting at a relative address of 0, the aforementioned portions of digital work 509 are stored so

that story A 510 occupies the address of 0-30,000, advertisement 511 occupies the address of 30,001-40,000, story B 512 occupies the address of 40,0001-60,000, and story C 513 occupies the address of 60,0001-90,000. Ex. 1001, 8:12-18.

Figure 8 of the '160 patent illustrates the description tree layout or structure of digital work 509. Ex. 1001, 4:26-27, 8:55-56. Figure 8 of the '160 patent is reproduced below:

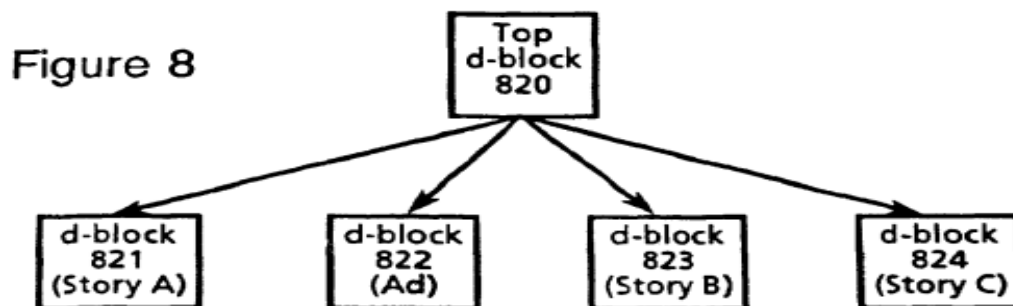


Figure 8 illustrates the structure of the description tree portion of a digital work.

According to the description tree illustrated above, the top descriptor block (“d-block”) 820 of the digital work refers to the various stories and advertisement contained therein. Ex. 1001, 8:56-58. The top d-block 820 points to the following: (1) d-block 821, which represents story A 510; (2) d-block 822, which represents advertisement 511; (3) d-block 823, which represents story B 512; and (4) d-block 824, which represents story C 513. Ex. 1001, 8:58-61.

Figure 9 of the '160 patent further illustrates a portion of the description tree associated with d-block 821, which represents story A 510.

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.