

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETFLIX, INC.,
Petitioner,

v.

UNILOC 2017 LLC,
Patent Owner.

IPR2020-00041
Patent 8,407,609 B2

Before CHARLES J. BOUDREAU, DANIEL J. GALLIGAN, and
JULIET MITCHELL DIRBA, *Administrative Patent Judges*.

DIRBA, *Administrative Patent Judge*.

JUDGMENT
Final Written Decision
Determining All Challenged Claims Unpatentable
35 U.S.C. § 318(a)

I. INTRODUCTION

Netflix, Inc. (“Petitioner”) and Roku, Inc.¹ filed a Petition seeking institution of *inter partes* review of claims 1–3 of U.S. Patent No. 8,407,609 B2 (Ex. 1001, “the ’609 patent”). Paper 1 (“Pet.”). Uniloc 2017 LLC (“Patent Owner”) filed a Preliminary Response. Paper 9. After reviewing those papers, we determined that Petitioner had demonstrated a reasonable likelihood that it would prevail in proving that claims 1–3 of the ’609 patent are unpatentable, and we instituted an *inter partes* review of all challenged claims on all grounds set forth in the Petition. Paper 10 (“Institution Decision” or “Inst. Dec.”).

After institution, Patent Owner filed a Response (Paper 15, “PO Resp.”), Petitioner filed a Reply (Paper 18, “Pet. Reply”), and Patent Owner filed a Sur-Reply (Paper 22, “PO Sur-Reply”). An oral hearing in this proceeding was held on December 3, 2020, and a transcript of the hearing is included in the record. Paper 28 (“Tr.”).

We have jurisdiction under 35 U.S.C. § 6. This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a). For the reasons discussed below, Petitioner has shown by a preponderance of the evidence that claims 1–3 of the ’609 patent are unpatentable under 35 U.S.C. § 103(a).

A. *Related Matters*

The parties identify various civil actions involving the ’609 patent that are or were pending in district court, including *Uniloc 2017 LLC v. Netflix, Inc.*, 8:18-cv-02055 (C.D. Cal.); *Uniloc 2017 LLC v. Sling TV, LLC*, 1:19-

¹ Roku, Inc. was terminated from this proceeding following a settlement with Patent Owner. Paper 14 (Termination Order).

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cv-00278 (D. Colo.); *Uniloc 2017 LLC v. Vudu, Inc.*, 1:19-cv-00183 (D. Del.); *Uniloc 2017 LLC v. Google LLC*, 2:18-cv-00502 (E.D. Tex.). Pet. 2–3; PO Resp. 9.

The '609 patent is or was the subject of three other petitions for *inter partes* review. A petition filed by Sling TV L.L.C. was instituted by the Board. *Sling TV L.L.C. v. Uniloc 2017 LLC*, IPR2019-01367 (“the 1367 IPR”), Paper 7 (PTAB Feb. 4, 2020) (Institution Decision in the 1367 IPR). In IPR2020-00677, Vudu filed a petition that is substantively identical to the petition filed in the 1367 IPR, and the Board instituted that review and joined Vudu to the 1367 IPR as a petitioner. IPR2019-01367, Paper 16 (Joinder Order). A final written decision in the 1367 IPR is being issued concurrently with this Decision. Also, the '609 patent was previously the subject of another petition for *inter partes* review that was discretionarily denied under 35 U.S.C. § 314(a). *Google LLC v. Uniloc 2017 LLC*, IPR2020-00115, Paper 8 (PTAB Mar. 27, 2020).

B. The Petitioner's Asserted Grounds

Petitioner asserts the following grounds of unpatentability (Pet. 5):

Claims Challenged	35 U.S.C. §	References/Basis
1–3	103(a) ²	Davis, ³ Choi ⁴

² The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 285–88 (2011), revised 35 U.S.C. § 103 effective March 16, 2013. Because the challenged patent was filed before March 16, 2013, we refer to the pre-AIA version of § 103.

³ US 5,796,952, issued Aug. 18, 1998 (Ex. 1003).

⁴ US 2003/0236905 A1, published Dec. 25, 2003 (Ex. 1004).

Claims Challenged	35 U.S.C. §	References/Basis
1–3	103(a)	Siler, ⁵ Davis

Petitioner also relies on the testimony of Dr. Michael Franz to support its contentions. Ex. 1002; Ex. 1009 (reply declaration).⁶

C. Summary of the '609 Patent

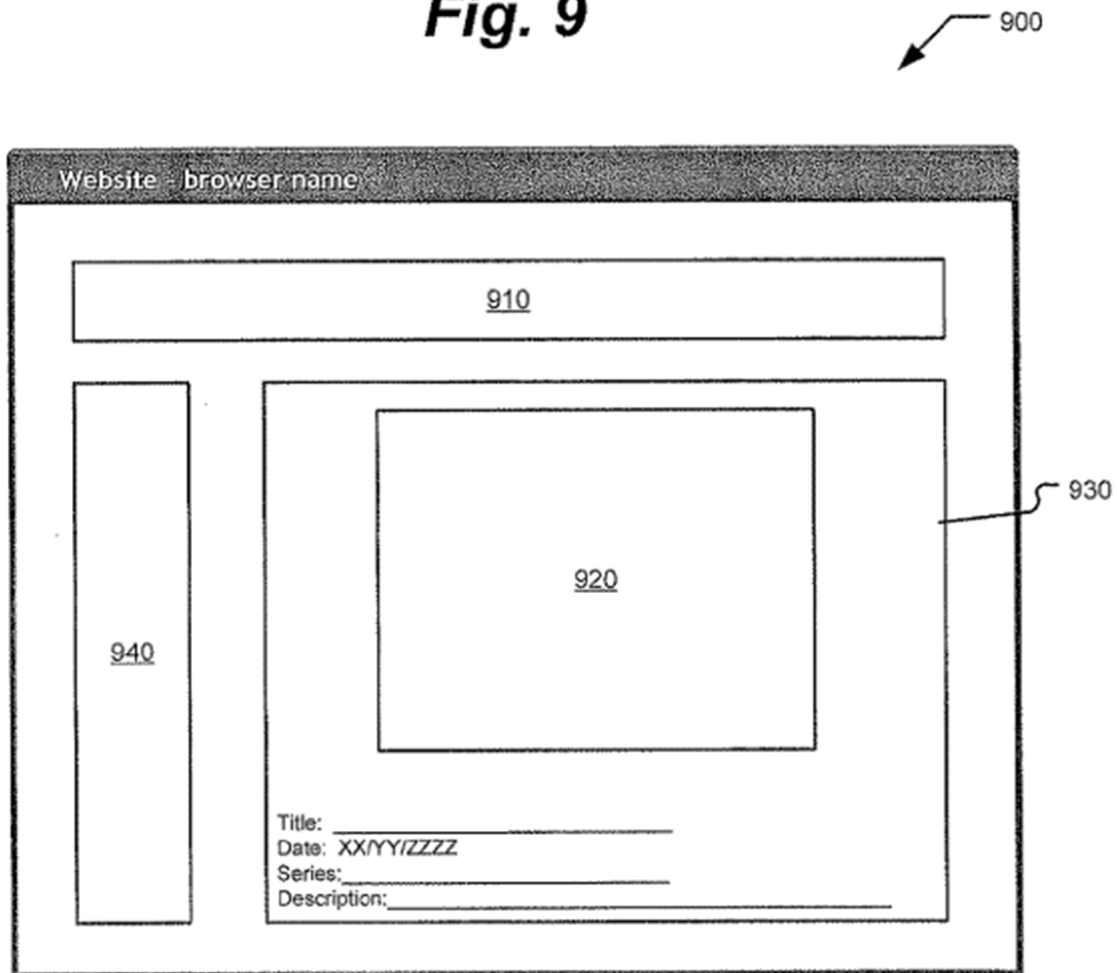
The '609 patent is titled “System and Method for Providing and Tracking the Provision of Audio and Visual Presentations via a Computer Network.” Ex. 1001, code (54). The application that led to the '609 patent was filed on August 21, 2009, and claimed the benefit of a U.S. provisional application filed August 21, 2008. *Id.* at codes (22), (60).

⁵ US 2004/0133467 A1, published July 8, 2004 (Ex. 1005).

⁶ According to Patent Owner, “the Reply and its accompanying Franz Supplement (Ex. 1009) belatedly introduce at least two new theories, both of which are improper,” and consequently, “[t]he Board should not consider the entire reply.” PO Sur-Reply 4–5; *see id.* at 6–8 (identifying alleged new theories). We are not persuaded that it is appropriate to wholly disregard either document, as we can easily separate the challenged portions from the remainder of the document. Moreover, for each portion of those documents that we rely upon in this Decision, we have determined that Petitioner’s argument and evidence fairly respond to arguments presented in Patent Owner’s Response. *See Anacor Pharm., Inc. v. Iancu*, 889 F.3d 1372, 1380–81 (Fed. Cir. 2018) (“[T]he petitioner . . . may introduce new evidence after the petition stage if the evidence is a legitimate reply to evidence introduced by the patent owner, or if it is used ‘to document the knowledge that skilled artisans would bring to bear in reading the prior art identified as producing obviousness.’” (quoting *Genzyme Therapeutic Prods. L.P. v. Biomarin Pharm. Inc.*, 825 F.3d 1360, 1369 (Fed. Cir. 2016))); *see also* Consolidated Trial Practice Guide 73–75 (Nov. 2019) (“Consolidated TPG”), available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

The '609 patent discloses tracking a user computer's receipt of digital media presentations via a web page. Ex. 1001, code (57). An exemplary web page provided to a user's computer is shown in Figure 9, which is reproduced below:

Fig. 9



Ex. 1001, Fig. 9. As shown above, Figure 9 depicts a web page (900) with portion 930 (including portion 920, where a presentation selected by the user may be displayed) and portions 910 and 940, which “may be used to display related information, such as advertisements.” *Id.* at 11:59–12:6, 12:12–14. In order to appropriately value the advertising space, the '609 patent seeks to

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