

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VOLKSWAGEN GROUP OF AMERICA, INC.,
Petitioner,

v.

STRATOSAUDIO, INC.,
Patent Owner.

IPR2021-00721
Patent 8,166,081 B2

Before JUSTIN T. ARBES, HYUN J. JUNG, and
KEVIN C. TROCK, *Administrative Patent Judges*.

Opinion for the Board filed by *Administrative Patent Judge* TROCK.

Opinion Dissenting filed by *Administrative Patent Judge* ARBES.

TROCK, *Administrative Patent Judge*.

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

I. INTRODUCTION

We have authority to hear this *inter partes* review under 35 U.S.C. § 6. This Final Written Decision issues pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons discussed herein, we determine that Volkswagen Group of America, Inc. (“Petitioner”) has shown by a preponderance of the evidence that claims 9–11 and 23 (the “challenged claims”) of U.S. Patent No. 8,166,081 B2 (Ex. 1001, “the ’081 Patent”) are unpatentable. *See* 35 U.S.C. § 316(e) (2018); 37 C.F.R. § 42.1(d) (2019).

A. Procedural History

Petitioner Volkswagen Group of America, Inc. filed a Petition (Paper 1, “Pet.”) requesting *inter partes* review of claims 9–11 and 23 of the ’081 Patent. Patent Owner StratosAudio, Inc. filed a Preliminary Response. Paper 6. Pursuant to an Order, Paper 11, Petitioner filed a Reply, Paper 12, and Patent Owner filed a Sur-reply, Paper 14 to address issues raised in Patent Owner’s Preliminary Response. Based upon the record at that time, we instituted *inter partes* review on all challenged claims on the grounds presented in the Petition. Paper 16 (“Institution Decision” or “Dec.”).

After institution, Patent Owner filed a Response, Paper 27 (“PO Resp.”), Petitioner filed a Reply, Paper 31 (“Pet. Reply”), and Patent Owner filed a Sur-reply, Paper 36 (“PO Sur-reply”).

On June 2, 2022, we granted a Motion for Joinder with IPR2021-00721 filed by Mazda Motor of America, Inc., Subaru of America, Inc., and Volvo Car USA, LLC in IPR2022-00203. *See* Paper 37. Pursuant to that Order, Mazda Motor of America, Inc., Subaru of America, Inc., and Volvo Car USA, LLC maintained a secondary role in this proceeding.

On July 21, 2022, we issued an Order, Paper 43, terminating Mazda Motor of America, Inc. from this proceeding due to a settlement.

IPR2021-00721
Patent 8,166,081 B2

On July 22, 2022, an oral hearing was held. A transcript of the hearing is made part of the record. Paper 52 (“Tr.”).

On September 29, 2022, we issued an Order, Paper 56, terminating Volvo Car USA, LLC from this proceeding due to a settlement.

Concurrently with this Final Written Decision we are issuing an order terminating Subaru of America, Inc., from this proceeding due to a settlement.

B. Related Matters

The parties identify the following as related matters:

- *StratosAudio, Inc. v. Hyundai Motor America*, No. 20-cv-01125-ADA (W.D. Tex.);
- *StratosAudio, Inc. v. Mazda Motor of America, Inc.*, No. 20-cv-01126-ADA (W.D. Tex.).
- *StratosAudio, Inc. v. Subaru of America, Inc.*, No. 20-cv-01128-ADA (W.D. Tex.).
- *StratosAudio, Inc. v. Volvo Cars USA, LLC*, No. 20-cv-01129-ADA (W.D. Tex.).
- *StratosAudio, Inc. v. Volkswagen Group of America, Inc.*, No. 6:20-cv-1131 (W.D. Tex.);¹

Pet. 1; Paper 4, 1.

¹ Patent Owner identifies this proceeding as *StratosAudio, Inc. v. Volkswagen Group of America, Inc.*, No. 20-cv-01127-ADA (W.D. Tex.). Paper 4, 1. The correct case number appears to be 6:20-cv-1131-ADA. Ex. 2006, 1.

C. The '081 Patent

The '081 Patent relates to media advertising and associating an advertising media signal with another media signal. Ex. 1001, 1:18–20. The '081 Patent explains that it is generally desirable to associate products with specific characteristics and such associations may increase the chance that a potential customer will decide to purchase a product when the product is associated with a favorable characteristic. *Id.* at 1:22–30. In view of this, the '081 Patent states that an advertisement may be more effective if it is associated with an image of a celebrity or another media element that exhibits favorable characteristics. *Id.* at 1:30–34.

The '081 Patent describes a media enhancement system that is configured to associate a secondary media signal (e.g., an advertisement) to a primary media signal (e.g., a radio broadcast). *Id.* at 3:8–12. The '081 Patent explains that the secondary media signal may be based on the content of the primary media, user characteristics (e.g., demographic and/or geographic information), and/or third party preferences (e.g., the goals of advertisers). *Id.* at 3:17–21.

The '081 Patent discloses one example in which a radio station transmits a song in a first media signal that is received by a user enabled-device (e.g., a cellular phone with a radio). *Id.* at 3:27–30. A media association system analyzes the song to determine what media elements can be associated with the song, and the media association system provides a second media signal (e.g., an advertisement) to the user enabled-device. *Id.* at 3:30–36. While the user enabled-device is playing the song, the user enabled-device displays the media content in the second media signal (e.g., a still or moving picture of the advertised product). *Id.* at 3:37–40. The '081 Patent discloses another embodiment in which a user enabled-device is

playing a song from a first media signal, media content from a second media signal (e.g., a still or moving picture with selectable audio of an advertised product) is displayed by the user enabled-device, and the audio track for the first media signal is paused upon selection of the second media signal audio. *Id.* at 3:41–47.

Figure 1A of the '081 Patent is reproduced below.

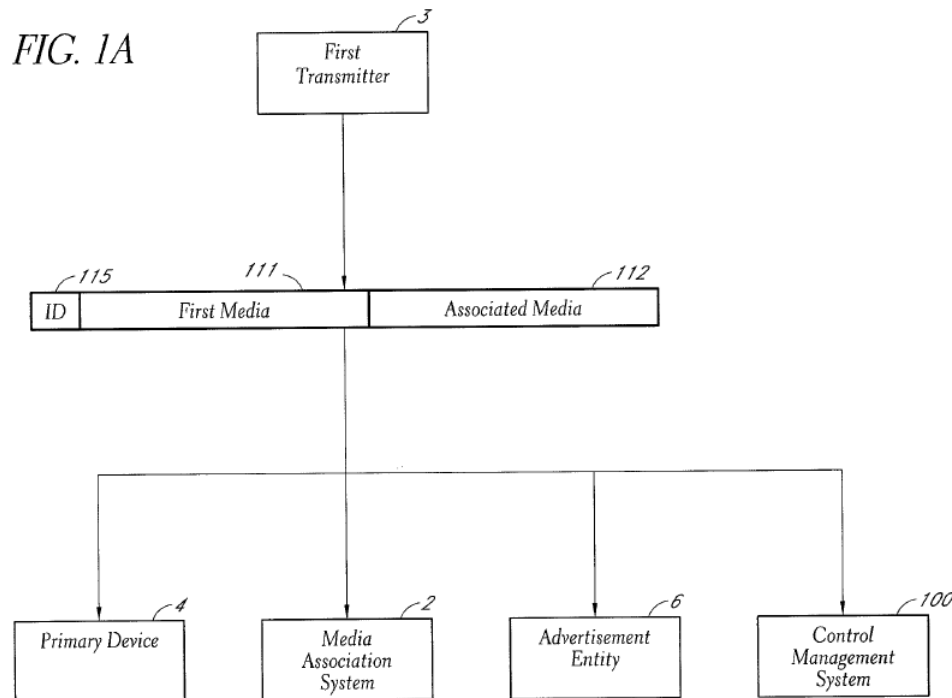


Figure 1A, above, is a block diagram that depicts signals and identifiers correlated and transmitted between elements of a media enhancement system. *Id.* at 2:41–43. The system can include first transmitter 3, control management system 100, media association system 2, primary device 4, and advertisement entity 6. *Id.* at 8:11–16. First transmitter 3 can be broadcast content from a radio station, from over the internet, through a cable line, or satellite, and/or through other communication methods. *Id.* at 8:17–24. For instance, first transmitter 3

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.