UNITED STATES PATENT AND TRADEMARK OFFICE
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BEFORE THE PATENT TRIAL AND APPEAL BOARD
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TikTok, Inc.,
Petitioner

v.

10Tales, Inc.,
Patent Owner
_____

Case IPR2021-00476
U.S. Patent 8,856,030
_____

PATENT OWNER'S PRELIMINARY RESPONSE

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Patent Owner 10Tales, Inc. ("10Tales") respectfully opposes Petitioner

TikTok Inc.'s ("TikTok's") Petition for *Inter Partes* Review of U.S. Patent No.

8,856,030 (EX. 1001, "the '030 Patent"). The Board should deny that Petition and

decline to institute. TikTok did not establish a reasonable likelihood of proving the

challenged claims unpatentable by a preponderance of the evidence. The proposed

references lack the claimed retrieval of social network information containing user

attributes, used for the provision of content that is enhanced for a user.

  In the alternative, the Board should use its discretion to decline to institute.

I. Introduction

  The challenged claims of the '030 Patent cover a novel system that

personalizes digital media for a user. Recognizing that it can be "difficult to keep

the interest of individuals within [a] market segment" because a media presentation

"may be so generic that the user cannot respond to or relate to the work," inventor

David Russek set out to devise an improved digital media presentation system.

(See EX. 1001 2:41-52). Mr. Russek realized the great sway a person's interactions

with an online community can hold over a person's self-identification. (EX. 1001

8:1-6, 9:53-59, 13:16-17, 20:9-37). In other words, what we do in a community,

among our friends, helps us define for ourselves who we are and what our interests

and inclinations are, both consciously and subconsciously. In turn, this realization

set the stage for development to add a "social" element for provision of media

content that is "enhanced and more impacting for a user." (EX. 1001 Abstract;

12:11-62).

As eventually claimed after a thorough examination, the claims focus on the

retrieval of social network information containing user attributes, used for the

provision of content that is enhanced for a particular user. (EX. 1001 21:13-22:15;

Abstract). Those user attributes facilitate creation of a user specific composite

digital media display, to further personalize a feed.

The Board should deny the Petition as Petitioner has not demonstrated that

the cited references disclose the claimed retrieval of social network information

containing user attributes, used for the provision of content that is enhanced for a

user. At most, each of the three references named by Petitioner (Bar-El, Leeke,

Reisman) selects digital media assets in the well-known conventional way: through

user demographics, affinities selected by a user, and other attribute sources that are

not social networks. As such, Petitioner's references are less relevant than the prior

art considered during original examination.

Although a variety of reasons exist for why the '030 Patent is valid over

Petitioner's asserted references, this Preliminary Response focuses on only limited

reasons why *inter partes* review should not be instituted. *See Travelocity.com L.P.*

v. Cronos Techs., LLC, CBM2014-00082, Paper 12 (P.T.A.B. Oct. 16, 2014), at 10

("[N]othing may be gleaned from the Patent Owner's challenge or failure to challenge the grounds of unpatentability for any particular reason.").

II. Overview of the '030 Patent

The '030 Patent is directed to systems for presenting a personalized digital experience for a user, informed by the user's online social networking activity. The '030 Patent dates back to the nascent stages of online social networking. David Russek was the first to devise a system for tapping into online social networking information to tailor content for users to enrich their experience.

Claim 1 of the '030 Patent is directed to a system that identifies a first set of digital content for transmitting to a user based on that user's profile. The claimed system acquires additional information about the user based on the user's interaction with a social network. Based upon that additional information, the system identifies a second, more personalized set of digital content to transmit to the user to improve the user's experience.

As explained in the '030 Patent specification, the invention "allow[s] for customizing and personalizing content based on a combination of the user's demographics, psychodemographics, cognitive states, emotional states, *social placement and group interaction dynamics within an online community*, and/or affinity for certain elements (images, sounds, segments, graphics, video, text, dialog), self-provided narrating content, internal narrative traits preference

topology, and expectation level and temporal spacing of assets within the narrative." (EX. 1001 2:65-3:7, emphasis added). Although the specification as just quoted names nearly a dozen possible parameters, only one ended up as an express personalization claim limitation: social network user attributes. *See Chicago Bd. Options Exch., Inc. v. Int'l Sec. Exch., LLC*, 677 F.3d 1361, 1690 (Fed. Cir. 2012) (different specification terms are presumed to convey different meanings); *Acumed LLC v. Stryker Corp.*, 483 F.3d 800, 807 (Fed. Cir. 2007) (same).

The relevant claim language notably does not use the term "user attributes" unmodified. Such language is modified and narrowed to be "user attributes found in the user social network information." (EX. 1001 22:1-2). This plain language and ordinary meaning distinguish conventionally-known user attribute sources, such as mere demographic, psychographic, behavioral or questionnaire-based information. Thus, despite Petitioner's repeated citation to the patent's definition of "user attributes," this definition standing alone is of limited use in the patentability analysis. In other words, "user attributes" may broadly be "aspects, characteristics, and qualities of the user that are useful for determining (matching, correlating, and selecting) digital media assets" (EX. 1001 6:32-38), but the property rights defined by the personalization features of the claims only encompass those "user attributes" sourced from "social network information."

Figure 5A in the '030 Patent illustrates this diagrammatically.
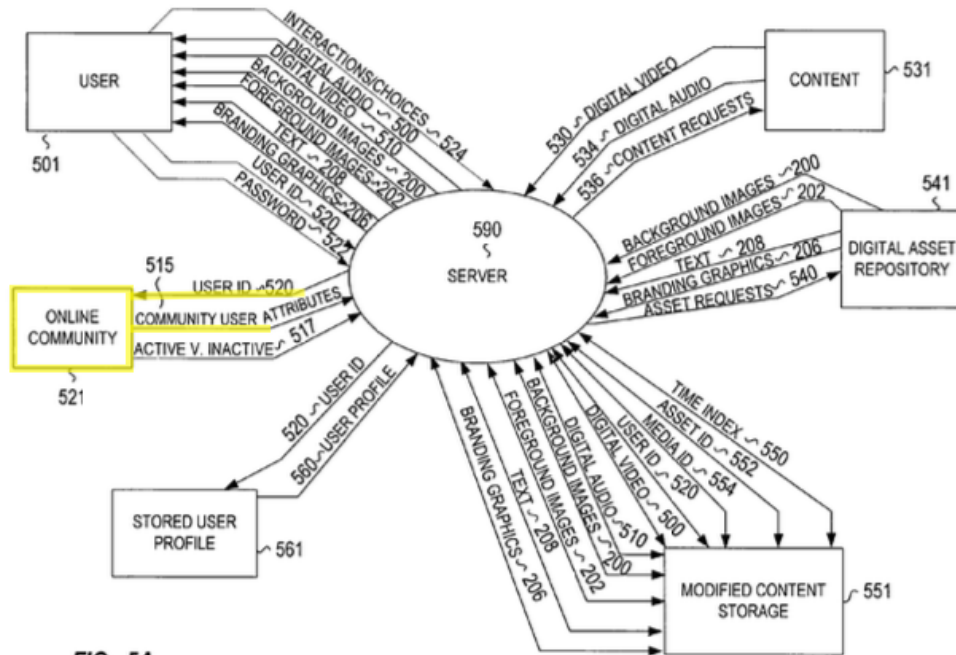
FIG. 5A

The specification describes the relevant part of this figure to show that "user 501 may participate in an online community system 521 in which the server 590 sends the user ID 520 to the online community system and receives lists of community user attributes 515 and active vs. inactive status." (EX. 1001 12:22-28). The specification further explains that this may involve consultation of databases "such as a group and social dynamics database 518," illustrated in Figure 5B. (EX. 1001 12:47-62). Consistently during prosecution, the applicant distinguished Srinivasan (EX. 1028) (a reference described by the examiner as "the closest prior art" (EX. 1002 at 12)), by noting that it "does not utilize social network information obtained

from a source external to the presentation (e.g. video display of Srinivasan)." (EX. 1002 at 102). The examiner agreed, noting that Srinivasan "gets user attribute information by asking the users." (EX. 1002 at 12).

Thus, as the specification explains, the system can receive "user attributes" from interactions with an online community, which can be used to personalize the user's experience. (EX. 1001 12:22-30). The specification distinguishes this source for "user attributes" from others by describing it independently as "social placement and group *interaction* dynamics within an online community." (EX. 1001 2:65-3:7, emphasis added; *see also* 3:18-23; 8:1-6; 9:53-59; 11:11-16). Claim 1 and the intrinsic record shows that "user social network information" means information relating to a particular user's interaction within a networked community. It is *this* information that supplies the "user attributes" used in claims 1 and 2, and that the ultimate personalized composite media experience is "based on." (EX. 1001 21:18).

III. Summary of Prior Art Considered During Original Prosecution

The '030 Patent underwent a thorough examination during original prosecution. Virtually ignored in the Petition, the examiner applied and considered several items of prior art that were more relevant than the references Petitioner cites today.

In the time before the "social network user attribute" terminology was a claim limitation, the examiner rejected the claims over Dedrick, U.S. Patent No. 5,754,787 (EX. 1032). (*See* EX. 1002, at 132-34). Dedrick discloses the personalization of targeted advertising in a video content-delivery system based on a user profile created from demographics and psychographics, and updating the profile based on user activity. (EX. 1032 Fig. 7a; 3:59-4:32; 6:21-31; 7:15-25). At that time, the claims recited classification of media (*i.e.*, not classification of users) based on "at least one of significance of affinity, self narrating audience generated content classification, defined topologies, time sensitive sequencing, and collective/collaborative classification." (EX. 1002, at 199-200). In an unsuccessful attempt to use a claim amendment to overcome the anticipation rejection, the applicant revised the claims to require the generation of personalized display content based upon a series of user responses to a digital media asset (*i.e.*, not based on social network interaction information). (EX. 1002, at 117-22). This led the examiner to issue a final rejection, now using Srinivasan (EX. 1028) as the anticipation reference. (EX. 1002, at 110).

The following quotation from the prosecution history shows that the examiner found in Srinivasan anticipating disclosures for every then-recited claim limitation:

identifying a digital media asset (a *main video data stream,* col. 1 lines 17-20) stored on a computer-readable storage medium (mass *storage devices,* col. 2 lines 1-8).

presenting, to a user via a display server, the digital media asset as a video sequence (*presenting the dynamic result* as a *display on the TV screen,* col. 2 lines 1-8);

receiving, from the user in response to the presenting, user responses to interactive opportunities (col. 15 lines 51-56);

generating personalized content based upon the user responses (col. 31 lines 48-57);

associating the personalized content with at least one trigger in the digital media asset (*preferences made by users interactively,* col. 31 lines 51-53), wherein each trigger indicates a time in the digital media asset when the personalized content is directly associated with the digital media asset (col. 32 line 57 to col. 33 line 3);

storing a personalized digital media asset on a computer-readable storage medium, the personalized digital media asset comprising the digital media asset, the trigger, and the personalized content (col. 31 line 58 to col. 32 line 21); and

> presenting the personalized digital media asset as a video sequence to
> a user via a display screen so that the personalized content is
> presented at a point in the video sequence corresponding to the trigger
> (col. 31 lines 51-53 and col. 32 lines 15-21).

(EX. 1002, at 110). Indeed, like many of Petitioner's references, Srinivasan

disclosed the conventional technique of using user profiles to determine what ads

to insert to personalize a video stream. (EX. 1028 31:58-32:22). Those profiles

included "such parameters as age, group, sex, income groups and area"—*i.e.*, at

least demographics of a user. (EX. 1028 32:1-4).

In response, the applicant filed a request for continued examination,

canceling claims 1-14 and adding new application claims 15-16. After this

amendment, the claims now recited the "social network user attribute" claim

limitations at issue here. These application claims are verbatim what became the

challenged '030 Patent claims 1 and 2. Along with the amendment, the applicant

explained that Srinivasan did not anticipate, because "among other things,

Srinivasan does not utilize social network information obtained from a source

external to the presentation (e.g. video display of Srinivasan)." (EX. 1002, at 102).

The applicant further explained that "creation of the second set of digital media

assets [occurs] through rule based substitution." (EX. 1002, at 102).

After a further prior art search, the examiner allowed the claims without requiring further amendment. (EX. 1002, at 12). The examiner's statement of reasons for allowance explained:

> the closest prior art, Srinivasan *et al.,* does not teach or suggest, **retrieving user social network information from at least one source external to the presented first composite digital media display, wherein the user social network information contains one or more user attributes.** Herz (US 7,483,871 B2, claims 17 and 21) teaches this limitation, but the prior art does not teach or suggest adding this teaching from Herz to the teachings of Srinivasan *et al.* Srinivasan *et al.* gets user attribute information by asking the users. The prior art does not teach or suggest that the benefits of going to social networks to get user attribute information would outweigh the costs.

(EX. 1002, at 12, emphasis in original).

Importantly here, the examiner found that a separate reference (Herz, EX. 1019) does teach the "retrieving user social network information" claim limitation.[1] The examiner found this limitation in Herz's disclosure of a "user

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[1] The Examiner made this finding about Herz under the "broadest reasonable interpretation" standard, not the *Phillips* claim construction standard applicable both at the Board and in federal court.

target profile summary" that gets built from a user's interaction with a plurality of

bulletin boards. (EX. 1002, at 12 n.1, citing EX. 1019 4:51-5:8; *see also* 58:42-

59:41, disclosing how profiles are updated based on user interaction with the

bulletin boards). The examiner found that Herz's plurality of bulletin boards is a

social network. (EX. 1002, at 12 n.1). The examiner conversely noted that a mere

"electronic program guide" for television in a separate reference (Ward III) is "not

a social network." (EX. 1002, at 13).

Even though the examiner found a disclosure in Herz of an early form of

"social network user attributes" being retrieved and used within that social

network, the examiner still allowed the claims. The examiner reasoned that "if one

of ordinary skill in the art at the time of the invention, wanted to improve

Srinivasan *et al.*, he or she would more likely have done so by using an EPG

[electronic program guide], as taught by Ward, III *et al.*, than by using social

networks, as taught by Herz." (EX. 1002, at 13). Petitioner omits this prosecution

history from its Petition. As discussed in the next section, none of Petitioner's

references disclose retrieving or putting to the claimed use "social network user

attributes." Petitioner's *inter partes* review attack is less relevant, and is at most

cumulative of, grounds already considered during prosecution.

IV.   Summary of Petitioner's Prior Art

Patent Owner discusses here aspects of Petitioner's references insofar as they relate to user attributes, and their alleged use in the context of personalized media presentations. The issues raised in this Patent Owner Preliminary Response make it unnecessary to delve into many areas that Petitioner tries to address. The rank absence of the claimed "social network user attributes" renders such analysis moot, since the Board may easily deny the Petition on grounds raised here.

1.   Bar-El is entitled METHOD AND SYSTEM FOR PERSONALIZING IMAGES INSERTED INTO A VIDEO STREAM. Like Dedrick and Srinivasan, Bar-El generates personalized content based on a user profile. Like Dedrick and Srinivasan, there is media substitution. Also like Dedrick and Srinivasan, substitution of media is based conventionally on profiled demographics. As shown in Figure 2 and discussed in the specification:

> the video might include the movement of a person 29 along a street 30 to a building 32. For a first user who is known to be a young person, the advertisement might be for a drink. Fig. 1 shows a drink bottle 34 on one wall 35 of a building along the street, in the monitor labeled 28A. For a user who is known to be a soccer fan, the advertisement might be for a sports company. Monitor 28B shows a soccer ball 36 on wall 35.

(EX. 1004, at 8, 25).

Just like Dedrick and Srinivasan, updating of this profile occurs internally to personalization system 10 with its video server 11, and clients 12. Bar-El expressly states that each user profile is "created and updated based on his or her input," which can be "in answer to a questionnaire," "gathered from the user's responses to advertising images previously implanted," "based on the user's address on the network," or "any other fact about the user which the server 11 has the ability to gather." (EX. 1004, at 8:19-24). When a user first sets up the subscription to the system, a questionnaire is used, and thereafter at future logins, like Dedrick, an already-built user profile is retrieved and activity is monitored to update the profile. (EX. 1004, at 10:3-13).

Server 11, in turn, is a self-contained and traditional bidirectional server that performs client-server operations through login sessions. (EX. 1004, at 10:3-13). It communicates "via a network of some kind, such as a local area network and/or the internet," whereby "network communication is typically bi-directional as described hereinbelow." (EX. 1004, at 7:13-19). In other words, Bar-El does not fathom retrieving or using profiles of any sort that were gathered elsewhere, such as on a distinct server or a distinct database. It certainly does not describe retrieving user attributes from a social network. This is explicit, since in Bar-El's words, the system limits itself to profiles generated from "fact[s] about the user which the *server 11 has the ability to gather*." (EX. 1004, at 8:23-24, emphasis added).

Having no communications with other servers, Bar-El's "server 11" only has an "ability to gather" facts that come to it via the disclosed client-server bidirectional communication.

It is plainly evident that Bar-El is cumulative of both Dedrick and Srinivasan, already considered during prosecution.

2.   Leeke is entitled CONTENT PLAYER METHOD AND SERVER WITH USER PROFILE. In Leeke, content such as ads will be delivered to a user in the conventional way, *i.e.*, dependent on the conventional user profile. (EX. 1006 Abstract). Leeke discloses what in modern parlance would be considered a "skin" for a media player, with particular focus on playing audio streamed by radio stations. Specific demographic information and listening preferences are requested from the end user before granting customer services. (EX. 1006 6:37-43; 29:30-37). An advertising component delivers user-specific advertisements to the content player. (EX. 1006 48:15-24). Those are selected for the end user based on "online and off-line purchasing, demographics, psychographics, geographies, sonagraphics (e.g. listening preferences), and listener behavior." (EX. 1006 48:15-24). User profiles are updated by monitoring such information on a user-specific basis as each user interacts with the client player apparatus. (EX. 1006 50:28-37).

Without giving any detail, Leeke indicates only once and never again that optional functionality is possible, including "a chat room among listeners of a radio

station." (EX. 1006 15:8-9). Nothing in the figures illustrates such "chat room"

functionality, and no detail is provided. In particular, Leeke provides no disclosure

suggestive of updating a user profile with a user's interaction with the "chat room."

Leeke discloses somewhat more detail about a "rating room" as a feature of

the content player. With this function, a listener may give personal ratings to

music. (EX. 1006 30:22-39). However, the ratings are not shared "socially" or

through interaction with any online community, since they are accumulated on a

user-specific basis to reward individual users who rate enough content by giving

them complementary copies of music. (EX. 1006 31:40-56; 33:27-37). Such

isolated user-ratings are used to provide market research reports to the relevant

commercial entities behind the music. (EX. 1006 38:28-44). Leeke provides no

disclosure suggestive of updating a user profile with a user's interaction with the

"rating room."

Leeke thus discloses conventional (and limited) internal sources for updating

user profiles, such as demographics, psychographics, and collected listener

behavior. (EX. 1006 48:15-24). Leeke's content player is not itself a social

network, nor does Leeke disclose a server having any need to retrieve social

network information for profile updating purposes.

It is plainly evident that Leeke is cumulative of both Dedrick and Srinivasan,

already considered during prosecution.

3.   Reisman is entitled METHOD AND APPARATUS FOR BROWSING USING ALTERNATIVE LINKBASES. The Petition puts Reisman forward as the main reference allegedly disclosing "social network user attributes" (the role played by Herz during prosecution), but this is inaccurate as considered below. Reisman instead discloses session coordination among a single user's television watching and internet web viewing. This is done through backend coordination between a television provider's cable systems and its web systems. (EX. 1005 Fig. 8). At a technical level, Reisman discloses this can be done by using "push" technologies residing on individual client web portals (*e.g.*, to "push" a television show's cast information to a viewer on a computer screen while that viewer is watching a TV show on a TV screen). (EX. 1005 ¶¶ [0292], [0574]). Reisman is lengthy and discusses numerous ancillary embodiments, but its basic thrust is simple: to create a novel interactive television (ITV) experience. Despite its verbosity, only a few key facts about Reisman are truly relevant to the Petition.

Insofar as it discusses media personalization and user profiles, Reisman operates just as conventionally as the previously discussed references. As described in detail later, Reisman discloses targeted ads and a rudimentary social network, but never suggests combining the two, cutting against any argument that David Russek's innovation would have been obvious to a POSITA in view of the prior art. Only one aspect of Reisman is relevant: its disclosure of ad serving. In

this regard, Reisman discloses "personalized ads . . . which might be selected for targeted presentation based on various individual and/or household characteristics such as location, demographics, psychographics, history, behavior, interests, channel and program viewed, and/or the like." (EX. 1005 ¶ [0522]). This is simply the same conventional notion of targeting disclosed in Dedrick and Srinivasan, having nothing to do with social networks.

One enhancement Reisman discloses is to use TV-watching context ("TVC") as a further behavioral parameter for populating a user profile, and thus for personalized ad serving during browsing on the internet. (EX. 1005 ¶ [0820]). In other words, Reisman's system will use TV watching behavior to serve targeted ads during web browser sessions. This is the furthest extent of Reisman's additions to a conventional user profile. But even in this disclosure (akin to the "activity monitor" of Dedrick), nowhere does Reisman disclose creating a profile based on interactions on a social network. It does not disclose "social network user attributes" as part of a profile, nor the use of such concept to personalize a media display.

What perhaps confuses Petitioner is that Reisman does disclose an ancillary embodiment that somewhat resembles the *creation* of a rudimentary social network. Reisman discloses a "portal service" to "assist users in finding fellow users who are watching the same program at a given time" to help them "maintain

relationships with such users." (EX. 1005 ¶ [0634]). This is an online television

watching community, where viewing is monitored so that synchronous watching of

the same television show by a "buddy" on a "buddy list" may be flagged to invoke

the "common bond of such synchronicity." (EX. 1005 ¶¶ [0634]-[0640]). Yet this

disclosure is less pertinent than Herz (considered during prosecution), since the

concept of an online community as such was already known to exist. Reisman is

less pertinent than Herz because Reisman discloses nothing whatsoever about

interactions with this buddy-matching "portal service" becoming "social network

information containing user attributes." Instead, as discussed above, Reisman's ad

serving profile was well-known and conventional (*e.g.*, based on demographics). It

takes little effort to conclude that Reisman could have disclosed the use of

interactions with others in the "buddy" list for targeted ads, but did not. The reason

is clear. Reisman himself had not conceived that concept at the time.

In a final aspect, Reisman discloses an option to fashion a community

generated rating system within an electronic program guide (EPG) for television.

(EX. 1005 ¶ [0212]). This disclosure is not germane for two reasons. First, as with

the synchronicity-watching community discussed just above, Reisman does not

disclose monitoring interactions with such a rating system to update any sort of

profile. Second, the examiner during prosecution already determined that an EPG

environment is not a social network, when distinguishing Ward III that way. (EX. 1002, at 113).

Interestingly, the term "profile" is used sparingly in Reisman, and the term "user attribute" does not appear at all. This is because profiles and personalization were not a focus of Reisman, since in that regard Reisman simply uses conventional strategies for ad targeting. Those conventional strategies are unrelated to any user's social network / online community interactions. Reisman is thus less pertinent than Herz, which at least did disclose enough to cause the examiner to believe it disclosed the entire "retrieving" claim limitation, including its "social network information containing user attributes."

V.   **The Board Should Deny the Petition Under 35 U.S.C. § 325(d)**

The Board should deny the Petition on discretionary grounds because it attempts to retread ground already covered during original prosecution, without attempting to demonstrate examiner error. The Board uses the two-part framework of *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 (P.T.A.B. Feb. 13, 2020) (precedential), to determine whether to exercise discretion to deny institution based on a petitioner's presentation of "substantially the same" prior art as previously considered during prosecution:

(1) whether the same or substantially the same art previously was

presented to the Office or whether the same or substantially the same

arguments previously were presented to the Office; and (2) if either

condition of first part of the framework is satisfied, whether the

petitioner has demonstrated that the Office erred in a manner material

to the patentability of challenged claims. . . . At bottom, this

framework reflects a commitment to defer to previous Office

evaluations of the evidence of record unless material error is shown.

Id. at 8-9. If it is shown that the prior art is "substantially the same," and "the

petitioner fails to make a showing of material error, the Director generally will

exercise discretion not to institute *inter partes* review." *Id.* at 9. Even if

"reasonable minds can disagree" on whether there was a material error during

examination, "it cannot be said that the Office erred in a manner material to

patentability." *Id.*

The facts of *Advanced Bionics* show that prior art is "substantially the same"

if a petitioner relies on the new prior art "in the same manner as the Examiner

relied on [the old prior art] during prosecution." *Id.* at 16. Thus, if a new reference

allegedly discloses a limitation "in the same manner that the Examiner relied on"

an old reference, that means the new reference is "substantially the same." *Id.* at

17; *see also* 18 (petitioner attempted to apply "substantially the same magnet shape

and configuration" in both old and new references to a claim limitation). Where a

reasoned argument has convinced the examiner to allow claims over the prior art, a

petitioner must at least make a showing that the non-identical references "cure this

deficiency" identified in the prosecution prior art. *Id.* at 22. Otherwise, there is no

"material error" to allow a petitioner to escape part 2 of the analysis.

Here, Dedrick (EX. 1032) and Srinivasan (EX. 1028) disclose essentially the

same subject matter as the substance of Bar-El and Leeke that Petitioner would

read on the claims. Srinivasan in particular is entitled "METHOD AND

APPARATUS FOR MUTLIPLEXING SEPARATELY-AUTHORED

METADATA FOR INSERTION INTO A VIDEO DATA STREAM." The

examiner determined Srinivasan to be the most pertinent prior art. (EX. 1002, at

12). The examiner found it to disclose personalization of a media presentation

based on a profile content, including the triggers and rules. (EX. 1002, at 110). In

Srinivasan, an interactively-generated profile based on demographic information is

used to select and personalize which ads to serve in a video streaming context.

(EX. 1028 31:48-32:31; 34:54-67). Similarly, as argued by the Petition, Bar-El and

Leeke involve an interactively-generated profile based on demographic

information used to select and personalize which ads to serve in a video streaming

context. To the extent Petitioner would point to Srinivasan lacking an activity

monitor used for updating the user profile, Dedrick discloses this and more—like

Srinivasan, also disclosing an interactively-generated profile (based on ***both***

demographic information and user activity) used to select and personalize which

ads to serve in a video streaming context.

All that is left to consider under *Advanced Bionics* part 1 is Reisman.

Petitioner alleges that Reisman (EX. 1005) discloses creation of social network

user attributes, *e.g.*, through a chat feature (EX. 1005 ¶¶ [0632]-[0633]), the rating

system feature within the electronic program guide, or the "buddy list"

synchronous-watching alerts. To that extent, Reisman is substantially the same

prior art in material respects as Herz (EX. 1019). The examiner determined that

Herz disclosed creation of social network user attributes through a user's bulletin

board search analysis. (EX. 1002, at 12-13). In fact, Reisman is no more than

cumulative, and is actually less relevant. It does not disclose creation or the

claimed use of social network user attributes at all, but rather, at EX. 1005 ¶¶

[0355], [0522], discloses conventional profiling (*e.g.*, using demographics) to

target ads. *See Boragen, Inc. v. Syngenta Participations AG*, IPR2020-00124,

Paper 16 (P.T.A.B. May 5, 2020), at 27 (exercising discretion under Section 325(d)

by finding a reference "less relevant" than what was considered by the examiner,

thus making it "substantially the same" and "cumulative" under the *Advanced*

Bionics analysis); *Regeneron Pharma., Inc. v. Kymab Ltd.*, IPR2019-01580, Paper

9 (P.T.A.B. Mar. 18, 2020), at 15 (Section 325(d) denial, where "Petitioner's

reliance on [a non-identical secondary reference] is largely cumulative of the

arguments the Examiner considered during prosecution based on [a prosecution secondary reference]").

Finally, the Petition contains no discussion of Section 325(d) or alleged examiner error, thus foreclosing Petitioner's ability to avoid discretionary denial under part 2 of the *Advanced Bionics* analysis. Merely attempting a Section 314(a) "reasonable likelihood" showing does not substitute for an "examiner error" showing. That kind of improper bootstrapping would render the need for a showing under *Advanced Bionics* part 2 a nullity.

For the foregoing reasons, the Board should deny the Petition under *Advanced Bionics* and Section 325(d).

VI. The Challenged Claims are Patentable

The Board should also decline to institute *inter partes* review at least because claims 1 and 2 are patentable over and not rendered obvious by Bar-El, Leeke and Reisman. The Board denies institution where, as here, a petitioner presents a Section 103 obviousness challenge founded on an incorrect assertion that the combination of prior art adds up to every claim limitation. *Sony Interactive Entertainment LLC v. BOT M8, LLC*, IPR2020-01218, Paper 8 (P.T.A.B. Jan. 27, 2021). When a patent owner's preliminary response demonstrates that at least one claim limitation is missing from the asserted combination, a petitioner has failed to establish a sufficient "reasonable likelihood" to justify institution and devotion of

scarce and valuable Board resources. *Id.* at 19-20; *see also T-Max (Hangzhou)*

Tech. Co., Ltd. v. Lund Motion Prods., Inc., IPR2019-00503, Paper 7 (P.T.A.B.

May 2, 2019) (declining to institute because the references, alone or in

combination, did not teach a particular claim limitation reciting relative dimensions

of a retractable vehicle step).

A. Ground 1: Claims 1 and 2 are Patentable Over Bar-El in View of Reisman Because Petitioner has not Demonstrated that Bar-El in View of Reisman Discloses the Claimed Social Network User Attributes

Independent claim 1 of the '030 Patent recites a system that includes a

computer-readable storage medium with programming instructions for associating

user attributes with digital media asset attributes and creating a user specific

composite digital media display. (EX. 1001 21:1-5). Claim 1 recites that this

associating method (powered by the programming instructions that enable it)

includes an important "retrieval" step: *i.e.*, "retrieving ***user social network***

information from at least one source external to the presented first composite

digital media display, wherein the ***user social network information contains one***

or more user attributes." (EX. 1001 21:13-16, emphasis added). Claim 1 goes on

to explain how the associating method in the claimed system must make use of this

retrieved information. The system (powered by the instructions that enable it) must

"select[], ***based on the user attributes in the social network information***, a second

set of digital media assets, wherein the second set of digital media assets is

associated with one or more user attributes found in the user social network

information." (EX. 1001 21:17-22:2, emphasis added). As mentioned earlier,

"social network information" is information relating to a particular user's

interaction within a networked community.

Petitioner asserts that these claim limitations are obvious over Bar-El in

view of Reisman. *See, e.g.,* Petition at 33-41. But Bar-El and Reisman, alone and

in combination, do not disclose any of these claim limitations. To construct its

argument that retrieval and use of "user attributes found in the user social network

information" exists in the prior art, Petitioner makes numerous citations to the

record. But careful analysis of each citation shows that Bar-El and Reisman simply

do not disclose what Petitioner says they disclose. Nor can expert testimony back-

fill missing elements from the challenged claims. *See* PTAB Consolidated Trial

Practice Guide, November 2019, at 36 ("Expert testimony, however, cannot take

the place of a disclosure in a prior art reference, when the disclosure is required as

part of the unpatentability analysis."); *K/S Himpp v. Hear-Wear Techs., LLC*, 751

F.3d 1362, 1365 (Fed. Cir. 2014) (conclusory assertions about knowledge in the art

cannot, without supporting evidence, supply a missing claim limitation).

As an initial matter, though Petitioner discusses Bar-El using profiles in

general, Petitioner does not argue that Bar-El retrieves "user social network

information" containing "user attributes." *See* Petition at 33-35. Petitioner's

Ground 1 solely asserts that Reisman discloses the claimed "user social network

information." *See* Petition at 36. Petitioner cites the following excerpts of Reisman

in making this assertion (starting with the bottom of page 36 to the bottom of page

38):

- ¶ [0577]

- ¶¶ [0632]-[0642]

- ¶ [0722]

- ¶ [0522]

- ¶ [0820]

- ¶ [0059]

- ¶ [0068]

- ¶ [0212]

- ¶ [0638]-[0638] (sic)

- ¶ [0641]

- ¶ [0063]

- ¶ [0641]

- ¶¶ [0837]-[0838]

- ¶ [0052]

- ¶ [0492]

- ¶ [0799]

- ¶ [0802]

But within these 17 separate and noncontiguous areas of Reisman's lengthy

disclosure, Reisman never discloses retrieval of social network information, of any

kind, to build any sort of profile. The very fact that Petitioner resorts to so many

Reisman citations to support its argument speaks to how implausible is Petitioner's

assertion. If Reisman truly disclosed this limitation, far fewer citations would have

sufficed.

10Tales now walks through each citation that Petitioner has forced upon it

and the Board. This walkthrough shows the lack of merit in Petitioner's arguments.

Quality, not quantity, counts at the Board.

First, paragraph 577 discloses an aspect of Reisman's "whobot" feature,

which disclosure begins at paragraph 574. With this feature, a server pushes to a

PC links of information related to TV programming being watched in the moment,

such as links to actor filmographies, biographies, and merchandise purchase

opportunities. (EX. 1005 ¶ [0576]). The paragraph cited by Petitioner explains an

"additional level of intelligence" whereby the service might learn of actors the

viewer already knows and shows interest in, for ranking purposes. (EX. 1005 ¶

[0577]). This does not disclose the creation or retrieval of social network

information containing user attributes. There is no networked community involved. Paragraph 577 at most suggests a possible storage of a user's interactions in the past with the very same "whobot" feature, to initialize this "additional level of intelligence."

Paragraphs 632-642 disclose Reisman's aspiration to build optional "community communication services [that] can also be portal business model aspects." (EX. 1005 ¶ [0632]). Without supplying any detail, Reisman includes in this category "chat, IM, bulletin boards, Weblogs, and/or other real-time or asynchronous communications among viewers, along with related presence awareness and contact/relationship management services" that utilize a "linkage to TV viewing [as] a basis for organizing and building communities." (EX. 1005 ¶¶ [0632]-[0633]). At most, this disclosure is only of the creation of a social network—a banal fact of no legal significance, since the mere existence of social networks was well-known before David Russek's invention, as acknowledged during examination. (EX. 1002, at 12). Paragraphs 632-642 do not disclose the creation, retrieval or use of "social network user attributes." And as discussed before, Paragraph 638 only goes so far as to "flag individuals on a buddy list who were watching the same program." (EX. 1005 ¶ [0638]). This, too, does not suggest the creation, retrieval or use of "social media user attributes." It at most signifies that *within* a TV-oriented social network, a person's "buddy list" is

known, without disclosure of how this knowledge got collected, and without

suggesting using the information in media-substitution decisions.

Paragraph 722 discloses an aspect of "channelization" of media to create a

customized experience. This paragraph notes that media selected for a given

channel might arise from collections "filtered based on different methods," one of

which is "collaborative filtering"—a process that is left unexplained. (EX. 1005 ¶¶

[0720]-[0722]). This does not disclose the creation or retrieval of social network

information containing user attributes.

Paragraphs 522 and 820 are already discussed above, and disclose

conventional and well-known ad targeting based on ordinary profiles that are not

derived from social network information (*e.g.*, demographic, *etc*.). (EX. 1005 ¶¶

[0522], [0820]). Petitioner's citation of these paragraphs actually cuts against its

Petition, since it reveals that Reisman was aware of the use of profiles in general

for purposes of media substitution, and chose the conventional well-known

approach that David Russek innovated through devising a system that instead uses

social network information.

Paragraph 59 discloses an audience voting concept for polling the viewing

public about how they might want to alter the plot of a TV story. (EX. 1005 ¶

[0059]). Paragraph 68 provides Reisman's definition of the word

"personalization." (EX. 1005 ¶ [0068]). Paragraph 212 discloses audience-

generated ratings of programs in an electronic program guide (EPG). (EX. 1005 ¶ [0212]). Paragraph 638, already discussed above, discloses giving a "match" alert if someone on a "buddy list" is watching the same TV programming at the same time. (EX. 1005 ¶ [0638]). Paragraph 641 discloses business ownership by the TV portal service of any "content created by viewers," which then enters the "pool of resources" managed by the system. (EX. 1005 ¶ [0641]). Nothing about these disparate excerpts in Reisman discloses the creation or retrieval of social network information containing user attributes.

Paragraph 63 gives Reisman's definition of the word "channel." (EX. 1005 ¶ [0063]). Paragraph 641 is already discussed in the preceding paragraph. Paragraphs 837-838 disclose monitoring user link usage for purposes of traffic analysis and usage accounting, and for supplying personal data (attributes, preferences and behavior) to third parties to facilitate third parties obtaining content or services most relevant to characteristics of the users (although no disclosure exists about how third parties might provision such content). (EX. 1005 ¶¶ [0837]-[0838]). Nothing about these disparate excerpts in Reisman discloses the creation or retrieval of social network information containing user attributes.

Finally, Petitioner cites paragraphs relating to well-known and conventional usage of cookies. Paragraph 52 discloses definitions of "state," "state variables" and "state record." (EX. 1005 ¶ [0052]). Paragraph 492 discloses the concept (but

not implementation) of using PC-resident data to personalize a TV session. (EX.

1005 ¶ [0492]). And Paragraphs 799-802 disclose including various arguments in

an HTTP request to an "enhanced content" provider, formed by the PC browser,

including demographic or user data (alternatively as cookies instead of HTTP

arguments). (EX. 1005 ¶¶ [0799]-[0802]). As before, nothing about these disparate

excerpts in Reisman discloses the creation or retrieval of social network

information containing user attributes.[2]

The foregoing shows that Petitioner's citation list attempting to map

Reisman's disclosures to the "retrieving social network information" claim element

does not succeed. The slimmest amount of scrutiny shows that nowhere does

Reisman disclosure *social network information* containing user attributes. The

Board is typically not bedazzled when petitioners try to mask lack of quality with

sheer quantity of in-reference citations. While some form of "user attribute" does

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[2] There are other Reisman citations in the Petition's page range covering the

"retrieving" limitation, but Petitioner does not advance them as reflecting a

disclosure in Reisman of social network containing user attributes, *e.g.*, 5:14-17 (a

reference to Reisman's issued patent, corresponding with EX. 1005 ¶ [0027]),

31:23-31 (or, ¶ [0118]), 42:32-36 (or, ¶ [0162]), 135:18-49 (or, ¶¶ [0665]-[0666]).

appear in Reisman, it is simply the conventional well-known variety used commonly in the time for ad targeting, ***not*** sourced from social media information.

Having failed to establish any likelihood that Reisman *retrieves* "social network user attributes," Petitioner necessarily fails to establish their claimed use for *selecting* particular media assets *based on* them. *See* Petition at 39-41. As before, the Petition does not assert that Bar-El discloses the claimed use in the "selecting" limitation of "social network user attributes," but instead looks to Reisman for such contentions. Petition at 41. Because of a Petitioner citation error, Petitioner presents its Reisman citation supporting this proposition as: "TTI-1004, 14:12-17, 17:39-45, 129:53-67, 130:14-17." Petition at 41. However, Petitioner evidently intended to cite here to EX. 1005 ¶¶ [0059], [0068], [0636]-[0638] and [0641]-[0642]. Petitioner states in this regard that it had already explained that "Bar-El combined with Reisman discloses 'retrieving user social network information' and personalizing content based on this social network information." Petition at 41. Other than this gloss, followed with the foregoing string-cite, Petitioner offers no analysis that Reisman supposedly discloses the "selecting" limitation.

Reisman indeed does not disclose the selection of media assets based on user attributes found in social network information. As explained before, Reisman's ¶¶ [0059], [0068], [0636]-[0638] and [0641]-[0642] do not disclose anything

whatsoever about "social network user attributes." Only one aspect of Reisman is

relevant to media-substitution selection: Reisman's disclosure of ad serving. In this

regard, Reisman discloses "personalized ads . . . which might be selected for

targeted presentation based on various individual and/or household characteristics

such as location, demographics, psychographics, history, behavior, interests,

channel and program viewed, and/or the like." (EX. 1005 ¶ [0522]). This list does

not refer to social network information. It is simply the same conventional ad

targeting process disclosed in Dedrick or Srinivasan, having nothing to do with

social networks.

For the foregoing reasons, the asserted combination lacks at least the

"retrieving" and "selecting" limitations.[3] Petitioner has not shown a reasonable

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[3] There is no need at this time to assess Petitioner's "motivation" assertions,

because even if a motivation to combine were present, the asserted combination

does not achieve the claimed invention. *See In re Nuvasive*, 842 F.3d 1376, 1381

(Fed. Cir. 2016) (motivation or reason to combine must be to achieve the *claimed*

invention). Petitioner's theories assert a motivation to modify the base references

"with Reisman's teachings," not to modify deficient references into the claimed

invention without Reisman's teachings. Petition at 76.

likelihood of proving unpatentability under Ground 1 by a preponderance of the

evidence. The Board should deny the Petition by not instituting.

B. Ground 2: Claims 1 and 2 are Patentable Over Bar-El in View of Leeke and Further in View of Reisman Because Petitioner has not Demonstrated that Bar-El in View of Leeke and Reisman Discloses the Claimed Social Network User Attributes

The Board may easily dispose of Ground 2. Ground 2 adds Leeke to the

combination of references that includes Bar-El and Reisman. However, Petitioner

only adds Leeke to cure deficiencies noted in Bar-El. Petition at 48-54. The

Petition in Ground 2 does not assert that Leeke cures any deficiencies in Reisman,

with respect to the "retrieving" and "selecting" limitations, and their requirements

relating to the use of "social network user attributes."

For the foregoing reasons, the asserted combination lacks at least the

"retrieving" and "selecting" limitations. Petitioner has not shown a reasonable

likelihood of proving unpatentability under Ground 2 by a preponderance of the

evidence. The Board should deny the Petition by not instituting.

C. Ground 3: Claims 1 and 2 are Patentable Over Leeke in View of Reisman Because Petitioner has not Demonstrated that Leeke in View of Reisman Discloses the Claimed Social Network User Attributes

Ground 3 is somewhat different from Ground 2, in that Petitioner does assert

that "Leeke discloses a social network." Petition at 62. Petitioner mostly relies on

Reisman, though, to assert that the combination contains the "social network user

attribute" information required by the "retrieving" and "selecting" limitations.

Petition at 65. To that extent, the same analysis about Reisman applies to Ground

3. Since Reisman does not disclose the creation, retrieval or use of the social

network information as claimed, the Petition should be denied as to Ground 3.

All that remains is to show that Petitioner's attempt to cure the deficiencies

of Reisman with citations within Leeke do not succeed. In this regard, Petitioner

cites the following areas of Leeke (EX. 1006) to assert that the "retrieving"

limitation is present:

- 15:8-9

- 28:1-3

- 37:31-64

- 46:19-55

- 49:51-57

- 50:28-37

- Claim 18

- 48:11-24

- 50:53-57

- 6:11-56

- 33:42-24 (sic)

- 45:55-56

- Fig. 1

- Claim 4

Petition at 62-64. Petitioner also cites the following areas of Leeke to assert that the "selecting" limitation is present:

- 48:15-24

- 49:57-50:9

- Claims 1, 11, 12, 14

- 7:15-16

- 49:54-58

- Fig. 2

Petition at 66-67. Mere inspection of these portions of Leeke reveals the emptiness of Petitioner's assertions. These citations do not disclose the "social network user attribute" features, and necessarily do not disclose media selection "based on" such attributes. As before with Petitioner's treatment of Reisman, quantity is not quality.

At 15:8-9, Leeke discloses the mere option to support an unspecified "chat room" that is never mentioned again; at 28:1-3 and 37:31-64, Leeke discloses a music critic feature or "rating room" for users to leave comments (to themselves or to the system-provider) about how they like music they have heard; and at 46:19-

55 and 49:51-57, Leeke discloses audience measurement reporting and audience tracking for passing along to radio stations for them to use in whatever ways they like. (EX. 1006). These citations do not suggest the creation of user-specific profiles based on interactions inside an online community.

At 50:28-37 and Claim 18, Leeke discloses a user profile, but it is one created in the conventional and well-known way: one that "can include transaction information, demographic information, psychographic information, geographic information, sonographic information, and listening behavior information for its associated user." (EX. 1006 50:28-37, Claim 18). At 48:11-24, Leeke specifies that this well-known and conventional *non*-social network profile information can be used to customize advertisements; and at 50:53-57, this conventional information gets tracked to provide personalized information for each user (*e.g.*, after being sent to radio stations). (EX. 1006 48:11-24, 50:53-57). At 6:11-56, Leeke discloses a storage architecture for such conventional and well-known profiles; while at 33:42-44, this profile is retrieved; and at 45:50-55 a report of users can be generated indexed by profile fields such as gender, age, occupation and geography. (EX. 1006 6:11-56, 33:42-44, 45:50-55). Leeke's Figure 1 and Claim 4 denote structural aspects of this storage architecture. (EX. 1006 Fig. 1, Claim 4).

Since Leeke is not a social network (its mention of an optional "chat room" capability is fleeting and never repeated), all of these discussions of conventional

and well-known profile generation, manipulation and management reporting are irrelevant to patentability of the '030 Patent. These citations do not disclose the claimed "retrieval," nor its requirement for "social network information" that contains "user attributes."

The same is also true about the "selecting" limitation. Leeke discloses only what conventionally came before. At 48:15-24, Leeke discloses conventional ad targeting and its reliance on conventional and well-known types of profiles (*e.g.*, demographics). (EX. 1006 48:15-24). At 49:57-50:9 and Claims 1, 11, 12 and 14, Leeke discloses selecting and serving images during audio playback based on that conventionally-generated user profile. (EX. 1006 49:57-50:9, Claims 1, 11, 12, 14). And at 7:15-16, 49:54-58 and Fig. 2, Leeke discloses the mere fact that its player displays images. (EX. 1006 :15-16, 49:54-58 and Fig. 2). These citations do not disclose the claimed "selection" of digital assets "based on" "social network user attributes."

For the foregoing reasons, the asserted combination lacks at least the "retrieving" and "selecting" limitations. Petitioner has not shown a reasonable likelihood of proving unpatentability under Ground 3 by a preponderance of the evidence. The Board should deny the Petition by not instituting.

**VII. The Board Should Deny the Petition Under Its Section 314(a)
Discretion Based on Faster-Concluding Parallel Litigation That Will
Resolve Substantially the Same Issues**

Based on Petitioner's February 2021 filing date, the Board would likely

render its final written decision after a hypothetical institution of trial in **August**

2022. This significantly post-dates by 4-5 months the expected trial date of **March**

7, 2022 in parallel litigation: *10Tales, Inc. v. TikTok Inc.*, 6:20-cv-00810-ADA

(W.D. Tex.). (Ex.1036, at 5). The Board should therefore use its discretion to deny

institution because of parallel litigation that will likely conclude resolution of

substantially the same issues prior to any issuance of a Board final written

decision.

Petitioner spends part of its Petition trying to avoid this outcome. But it does

not succeed. The discretionary denial factors named in *Apple Inc. v. Fintiv, Inc.*,

IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020) (precedential) ("*Fintiv*") only

support discretionary denial.

Just before the filing of this Patent Owner Preliminary Response, 10Tales

learned informally that the Court intends to transfer the case to a new forum. If the

new forum ends up altering deadlines or otherwise modifying the case calendar

that exists now, 10Tales would like the opportunity to address any impact that

might have on the *Fintiv* factors. For now, of course, all Court orders remain in

place (including the agreed expected March 7, 2022 trial date) and the factor-considerations discussed below remain valid.

A. *Fintiv* Factor 1

This factor strongly favors denial because Petitioner has not sought a district court stay pending resolution of any instituted IPR trial. Though the Petition at 82 indicates that Petitioner "plans to file" such a motion, it has not done so. Moreover, the assigned Judge is on record stating he will not grant such motions, if contested (which this one would be). *See* https://www.jdsupra.com/legalnews/december-2020-patent-practice-in-97154/. The Board deems this factor to weigh against institution when a petitioner has not moved for a stay, and the record shows it "likely that the district court would still refuse to grant a stay if [the Board] were to institute." *Kiosoft Techs., LLC v. Payrange Inc.*, CBM2020-00026, Paper 11 (P.T.A.B. Mar. 22, 2021), at 10-11.

Petitioner incorrectly argues that this factor supports institution because it was "expeditious" for it to wait two months to file the Petition after receiving 10Tales' infringement contentions. If relevant, this would be a Factor 3 consideration, not Factor 1. In any case, the 2-month delay is not remarkably "expeditious."

B. *Fintiv* Factor 2

Petitioner wrongly argues that Factor 2 is neutral because the August 2022 Board decision is "around the same time" as the March 2022 jury trial. This is false. This factor weighs in 10Tales' favor because March 2022 is not "around the same time" as August 2022. Petitioner's own cited authority holds that in a situation where the trial date pre-dates the Board's resolution, "the Board generally has weighed this fact in favor of exercising authority to deny institution under *NHK*." *Sotera Wireless, Inc. v. Massimo Corp.*, IPR2020-01019, Paper 12 (P.T.A.B. Dec. 1, 2020), at 12. This authority considers "around the same time" to mean a litigation trial slightly ***post***-dating a Board decision, a "neutral" circumstance. *Id.* Here, the trial would significantly ***pre***-date the Board, a denial-tilting circumstance.

Petitioner attempts to leverage *In re Apple*, 979 F.3d 1332, 1341 (Fed. Cir. 2020), to argue that the assigned Judge's trial date must be disregarded. However, that was a venue-transfer decision. The Federal Circuit expressly limited its discussion to the court congestion factor under a venue analysis, holding that a trial judge cannot weigh the court-congestion factor against transfer based "alone" on the setting of a close trial schedule in a given case. *Id.* In contrast, the *Fintiv* factors are specifically designed to weigh the particular trial date scheduled for a given case (as logically they must).

C. *Fintiv* Factor 3

Factor 3 speaks to the investment of effort in the case by the parties and the court by the time of the institution decision. This is a factor that is subsumed within Factors 1 and 2, insofar as it is used to prognosticate the likelihood of a stay by the court, thus the avoidance of duplicative cost or effort. *Fintiv*, at 10. This factor should receive no weight in the present context, where it is extremely unlikely that there would ever be a stay.

If considered at all, however, this factor supports denial. Claim construction briefing has already commenced. The *Markman* is scheduled for June 4, 2021, before any institution decision is likely. (EX. 1036). By August 2021, initial disclosures and final infringement/invalidity contentions will have been exchanged, and fact discovery will be well underway. (EX. 1036). Though a transfer motion is pending and argued (and evidently will be granted), the Court has permitted the schedule to proceed on the unassailable logic that case preparation done for the transferor forum will be usable in the transferee forum.

D. *Fintiv* Factor 4

While Petitioner presents a Stipulation (EX. 1039) that it asserts makes Factor 4 favor institution, this factor is neutral at most, and more correctly favors denial. First, the Petition misstates what the Stipulation says. Rather than covering an agreement (after institution) not to rely on "any of the references pursued in this

petition," Petition at 84 (*i.e.*, covering at least 3 "grounds" references and 5

"motivation" references), the Stipulation as worded covers the "grounds"

referenced. One must ask, why would Petitioner overstate the scope of its own

narrow Stipulation in arguments within the Petition?

Second, this narrow Stipulation would only carry weight upon a showing by

Petitioner that the ***remaining*** prior art to be asserted in the litigation involves

"materially different grounds, arguments, and/or evidence." *Fintiv*, at 12-13.

Petitioner makes no effort to do so. It will be impossible for Petitioner to prove that

"materially different" prong. Petitioner's invalidity contentions are substantially

the same between the grounds raised here, versus the grounds that would remain

for trial in the litigation if Petitioner were to abide by its Stipulation after a

hypothetical institution of trial. (*See* EX. 2006, Invalidity Contentions naming over

250 combinations). For example, the way Petitioner characterizes its petition prior

art and its "motivation" case is substantially similar to the way it characterizes the

same things for grounds not used in this Petition. (EX. 2006, *compare* pp. 23-24,

"in order to provide more impactful and personalized composite digital media

displays (e.g., advertisements)," *with* p.127, "in order to provide personalized

content"). The grounds are so similar that Petitioner actually cites disclosures in

Leeke (ostensibly part of its Stipulation) when trying to make its case for

combinations of "DoubleClick" and "GeoCities" (prior art outside of its

Stipulation). (EX. 2006, p.141).

Third, the narrowness of the Stipulation renders it effectively meaningless. It

merely agrees to forego "grounds based on" Bar-El, Leeke and Reisman. (EX.

1039, defining such "grounds" using the term "the References"). The Board rejects

such narrow stipulations as having no impact whatsoever on Factor 4, for the

reason that the petitioner could have (but did not) mitigate concerns about

inefficiency and the possibility of conflicting decisions by stipulating not to pursue

"any ground raised or that could have been reasonably raised." *Samsung Elec. Co.*

Ltd. v. Clear Imaging Research, LLC, IPR2020-01402, Paper 12 (P.T.A.B. Mar. 4,

2021), at 23. Petitioner did not make the Board-favored broad stipulation that

might have earned it some weight under Factor 4.

Finally, it is of little moment that the Petition addresses claim 2, which is not

among 10Tales' current infringement contentions. Claim 2 is a dependent claim

from claim 1. Claim 1 is common between the litigation and this IPR. Inclusion of

claim 2 in this IPR does not indicate that the parallel litigation must address

materially different issues, since both proceedings involve consideration of the

much lengthier claim 1. *Amazon.com, Inc. v. Freshub, Ltd.*, IPR2020-01145, Paper

10 at 16–17 (PTAB Jan. 11, 2021) (concluding that a difference of 3 dependent

claims out of a total of 11 claims constituted "considerable overlap" and weighed

in favor of exercising discretion to deny institution). Therefore, Factor 4 favors

denial.

E. *Fintiv* Factor 5

Identity of the parties weighs "slightly in favor" of denial under Factor 5.

Fintiv, at 16. Petitioner's citation of a dissenting opinion that disagrees with this

precedential weighing principle handed down in *Fintiv* cannot justify Petitioner's

attempted departure from precedential authority.

F. *Fintiv* Factor 6

Finally, for the catch-all "other circumstances" factor, Petitioner relies on

the purported "strength" of the invalidity grounds, and the "materially different"

nature of the grounds versus what the examiner considered during prosecution. As

reflected in this Response, Petitioner is not correct. In fact, Petitioner does not

explain what was "materially different" about the original prosecution, Petition at

85-86, but merely incorporates by reference its previous Section IV.D. This

incorporated-by-reference section also makes no effort to explain what was

"materially different." Petition at 7-8. Petitioner presents no "other circumstances"

that would suggest overriding the rest of the *Fintiv* factors.

Since all discretionary *Fintiv* factors either favor denial in support of the

Board's administrative efficiency, or are at worst neutral, the Board should follow

the *Fintiv* precedential framework and deny institution based on its Section 314(a)

discretion.

VIII. **Discretionary Denial is Important and Appropriate to Deter Certain Types of Petitions that Undermine the Economy and the Integrity of the Patent System, and Where Extrinsic Factors Might Threaten Timely Completion, Under the Board's Authority Under 35 U.S.C. §§ 314(a) and 316(b)**

A final sound reason exists for discretionary denial. This reason admittedly

does not match prior precedential discretionary standards (*e.g.*, *Fintiv*, *Advanced*

Bionics, *General Plastics*), but is sound nonetheless because of the Congressional

mandate to consider factors under 35 U.S.C. § 316(b). Those factors include

consideration of how institution might affect the economy, the integrity of the

patent system, and the ability of the Board to complete proceedings in a timely

manner. *Id.*

Here, each of those Section 316(b) factors weighs strongly against

institution, regardless of patentability merits or other discretionary frameworks.

This is because an IPR (if instituted) would cause the Board to interfere with

preexisting high level policy matters playing out in real time in the courts and in

other parts of the Executive Branch.

The Government is right now executing a preexisting and dynamic policy

initiative against the present Petitioner and real party in interest—one that

implicates foreign policy, national security and national competitiveness in

connection with the technology the Patent Owner accuses of infringement

(TikTok's recommendation system which constitutes information and

communications technology intended to enable the transmission, storage and

display of customized media). The infringement allegation pending in federal

district court, if successful, would place some amount of control over Petitioner's

information and communications technology into the hands of a United States

entity (*i.e.*, 10Tales). Institution of a trial, in contrast, would transform a branch of

the Department of Commerce (this Board) into an instrument that might serve the

interests of a company and nation state that another branch of the Department of

Commerce (the Office of Intelligence and Security) has vociferously condemned

as acting against the interests of the United States and its people.

In short, it would be best for the country and for the Board if this Board did

not inject itself into these weighty matters. In raising these factors, 10Tales does

not intend to malign Petitioner or its parent company, nor any of its officers or

employees. Nor is there any need for this Board to weigh or condemn anyone's

ethics or motives. 10Tales simply raises the obvious point that unusual policy

factors are impacted by this matter, and the Department of Commerce has already

spoken.

The best summary of the current state of affairs is the Department of

Justice's discussion in its brief opposing Petitioner's and its real party in interest

ByteDance's motion for a preliminary injunction in Case No. 1:20-cv-02658-CJN

(D.D.C.), filed September 25, 2020. (EX. 2001). Less than one year ago, the

President invoked his national emergency powers to determine that steps were

necessary to protect the United States and its people with respect to Petitioner

TikTok and real party in interest ByteDance (its parent). The President determined

that certain transactions with ByteDance or its subsidiaries would be prohibited

and directed the Secretary of Commerce to identify the prohibited transactions. On

September 19, 2020, the Secretary published an amended version of those

prohibited transactions. Prohibitions were to include internet hosting services,

content delivery network services, and internet transit or peering services, enabling

the functioning or optimization of the TikTok mobile application. (*See generally*,

EX. 2001, at 1-13).

These steps were needed because "ByteDance is a mouthpiece for the CCP

[Chinese Communist Party] in that it is committed to promoting the CCP's agenda

and messaging." (EX. 2001, at 1). As justification for these prohibitions, the

Secretary of Commerce (acting on an Office of Intelligence and Security memo

dated September 17, 2020) found that the People's Republic of China is "building

massive databases of Americans' personal information" to help the "Chinese

government to further its intelligence-gathering and to understand more about who

to target for espionage, whether electronically or via human recruitment." (EX.

2003, at 5, citing EX. 2002, at 6). The Secretary also found that TikTok and its mobile application facilitate (or would be under compulsion from the Chinese government to facilitate) this effort. (EX. 2003, at 5-7, citing EX. 2002, at 7-15).

Petitioner preliminarily avoided those national security sanctions in the pending District of Columbia district court litigation, winning its preliminary injunction motion. (EX. 2003). But as Judge Nichol's opinion makes clear, Petitioner avoided national security sanctions only because of a statutory exclusion for the identified types of transactions. (EX. 2003, at 9-14). Judge Nichol did not make findings contradicting the foundational reasons for national security sanctions. Rather, Judge Nichol observed (in the context of an expedited emergency motion) that the Department of Commerce's "specific evidence of the threat posed by Plaintiffs . . . remains less substantial" compared with the "ample evidence that China presents a significant national security threat." (EX. 2003, at 17). But whether "less substantial" or "ample," the national security threat evidence was credited and uncontradicted in the four corners of Judge Nichol's preliminary injunction decision. The Government has appealed that preliminary injunction decision to the D.C. Circuit, where the matter is currently stayed and receiving 60-day status reports from the parties, to give time for the new Biden Administration to determine its intentions for that appeal.

Because the national security and related policy issues are unfamiliar in the Board's day-to-day activities, Patent Owner assists the Board through its submission of the testimony of two recognized IP / national security / national competitiveness policy experts: Mark Cohen (EX. 2004) and Suzanne Harrison (EX. 2005).

Mr. Cohen is one of the world's foremost recognized China IP policy experts. He served in that role for over 13 years at the USPTO, including service for 6 years as the Senior Advisor to the Director of the USPTO on China Affairs and Senior Counsel, China (2012-2018). (EX. 2004 ¶¶ 2-4). Mr. Cohen explains that instituting this IPR would support Chinese industrial policies that target United States technology companies, and would adversely affect the integrity of the patent system. (EX. 2004 ¶¶ 8-22). This includes specific Chinese government initiatives involving technologies within the international Cooperative Patent Classification ("CPC") of the '030 Patent. (EX. 2004 ¶¶ 9-11).

China's IP-related industrial policy favors "lawfare": the use of legal tools to advance national technology interests, typically with a goal of creating an unbalanced playing field with foreigners. (EX. 2004 ¶ 14). In Mr. Cohen's detailed discussion of the many branches of Chinese industrial policy deployed for this effect, he lays out the extensive nature of Chinese industrial targeting against the technologies encompassed by the '030 Patent and how it undermines the integrity

of the market-based United States system. (EX. 2004 ¶ 21). Factors include non-market interventions that imbalance the playing field: subsidies for Chinese national patent prosecution, IP courts biased against foreigners, export controls designed to prevent corporate sales, and implementation of the "Made in China 2025" plan ("MIC2025") in a manner adverse to United States interests. (EX. 2004 ¶¶ 12-17, 20). On this point, Mr. Cohen concludes that IPR should not be instituted absent adequate analysis of the potential impact in the U.S. economy and the integrity of the patent system due to Chinese industrial policy non-market interventions in the technology areas encompassed by the '030 Patent. (EX. 2004 ¶ 22). Patent Owner submits that such analysis is impossible to achieve at the case-by-case adjudication level (indeed, has not yet been done), and should occur through formal rulemaking to involve the expertise of policy experts on all sides of the debate and the USPTO's own Chief Economist.

Mr. Cohen also cogently explains the impact of national security sanctions (discussed above, currently on appeal to the D.C. Circuit). Using the real-world examples of the lengthy dispute (now at the World Trade Organization) brought by Cuba on United States treatment of the "Havana Club" trademark, plus the current Huawei ban, Mr. Cohen discusses the nature of the President's power to prohibit "transactions" involving intellectual property. (EX. 2004 ¶¶ 23-27). These economic sanctions raise concerns over the timely completion of this IPR (if

instituted), and economic impact related to the privacy rights of United States citizens. In particular, certain technology transfer prohibitions might end up including actions in pursuing this IPR, in which case Petitioner would require a license to continue such efforts. (EX. 2004 ¶ 26). It is uncertain if such a license could be acquired in a manner permitting timely completion of this IPR. (EX. 2004 ¶¶ 26-27). Further, instituting IPR would condone TikTok's recognized privacy and national security risks, such that past breaches of privacy rights and their close connection with the technology area of the '030 Patent "do not, in my opinion, merit the privilege of initiating an IPR." (EX. 2004 ¶¶ 28-31).

Mr. Cohen concludes with discussion of disparate treatment between China and the United States concerning small and medium enterprises ("SMEs"), such that institution of this IPR would have a disparate economic impact on a small inventor in the United States competing with China. (EX. 2004 ¶¶ 32-42). At present, foreign SMEs are disadvantaged when trying to compete in the Chinese market. (EX. 2004 ¶ 33). China supports its SMEs with, among other things, an "Early Warning System" ("EWS") concerning third party and foreign IP rights that might create market entry headwinds. (EX. 2004 ¶¶ 14, 39). There is some likelihood that Petitioner's attention on the '030 Patent, and the filing of this IPR, are aspects of China's EWS. (EX. 2004 ¶ 14). In light of all of this, Mr. Cohen explains that the solution to these complicating policy factors is that Petitioner can

continue to pursue its patent remedies before an Article III Court, where further background on its motivations and plans can be discovered, and the Court can weigh due consideration for the public interests in accordance with applicable law before that proceeding. (EX. 2004 ¶¶ 43-45). This will avoid the need to embroil the Board in the intersection of Chinese industrial policy, U.S. trade laws, trade sanctions, privacy doctrine and U.S. IP law.

Ms. Harrison's expert policy opinion comes at the issues from a different direction, but corroborates Mr. Cohen's opinion. Ms. Harrison is an expert at the intersection of IP management practice and national competitiveness. (EX. 2005 pp. 1-4). She is co-author of an influential paper, *Innovation Warfare*, which has been relied upon this year by at least one national security agency within the U.S. government. (EX. 2005 p.10). She, too, focuses on the effect on the economy and integrity of the patent system. Naming China as an "Innovation Warfare" adversary, Ms. Harrison explains the negative impact of allowing an instrumentality of such an adversary (*i.e.*, Petitioner) to use an administrative agency of the United States government to potentially destabilize the United States. (EX. 2005 p.24).

Ms. Harrison explains what "national competitiveness" is, and how it includes aspects of economics and national security. (EX. 2005 pp. 8-9). National competitiveness must address our history of nation states attempting to acquire or

misappropriate technology from the United States to enable their own industrial

base and/or achieve their own geopolitical goals. (EX. 2005 p.11). She observes

that the White House has labeled China's technology transfer activities as

"aggression." (EX. 2005 p.12).

Ms. Harrison notes that there is a current government list that names critical

and emerging technologies ("C&ET"). (EX. 2005 pp. 13-16). At present, sixteen

technologies are represented, one of which is "Data Science and Storage"—a field

encompassing the '030 Patent and its CPC. (EX. 2005 pp. 15-16). Ms. Harrison

also notes that there are current government lists (of various types) that name

economic "bad actors." (EX. 2005 p.21). Applying her "Innovation Warfare"

counterstrategy expertise, Ms. Harrison explains that these two types of lists lend

themselves to the Board's exercise of discretion in appropriate cases. Namely, it

should be one of our country's "counterstrategies" to an aggressor nation's anti-

United States "Innovation Warfare" to foreclose access (under certain

circumstances) to use of a United States federal agency as a tool against a United

States patent holder. Ms. Harrison proposes a 3-part test that should apply to

discretionary institution decisions:

1. Is the patent at issue related to the Critical & Emerging Technologies

   list?

2. Is there a likelihood that one or more of the Petitioner real parties in interest are acting as an agent of a nation state?

3. Is there any other relevant information that is deemed pertinent to the case?

(EX. 2005 pp. 23-24).

In application, Ms. Harrison explains that a "yes" answer to the first two questions should normally yield an institution denial. (EX. 2005 p.24). Otherwise, a risk exists that the federal agency might become an adversary's tool against the innovation interests of the nation's citizens. (EX. 2005 p.26). As a federal agency, the USPTO is expected to comply with and uphold efforts that ensure the safety and security of United States citizens and companies, whether through economic, technological or national security efforts. (EX. 2005 p.24). Here, Ms. Harrison finds that the answers to questions 1 and 2 are "yes," and there are no other factors that would merit departing from the default counterstrategy. (EX. 2005 pp. 25-26). Consequently, Ms. Harrison corroborates Mr. Cohen. Section 316(b) factors counsel exercising discretion to deny institution.

Policy experts agree that the nature of the parties involved and the nature of the underlying technology, coupled with past United States Government recognition of economic, national security and national competitiveness risks, are relevant here. Further, United States foreign policy relevant to this case is dynamic

and right now being directed from levels far higher than this Honorable Board.

These factors, if nothing else, should lead to discretionary denial of institution for

this IPR.

IX. CONCLUSION

For the foregoing reasons, the Board should decline to institute, either based

on its discretion or based on Petitioner's inability to present its required

"reasonable likelihood" showing.

Dated May 17, 2021

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Under 37 C.F.R. §42.24(d), Patent Owner certifies that this Patent Owner

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CERTIFICATE OF SERVICE

The undersigned certifies that on May 17, 2021, the **PATENT OWNER'S**

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