

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK, INC., MATCH.COM LLC, PEOPLE MEDIA, INC., and
GOOGLE INC.,
Petitioner,

v.

B.E. TECHNOLOGY, LLC,
Patent Owner.

Case IPR2014-00052
Case IPR2014-00053
Case IPR2014-00698
Case IPR2014-00743
Case IPR2014-00744
Patent 6,628,314

Before SALLY C. MEDLEY, KALYAN K. DESHPANDE, and
LYNNE E. PETTIGREW, *Administrative Patent Judges*.

DESHPANDE, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a); 37 C.F.R. § 42.73

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I. INTRODUCTION

A. Background

Facebook, Inc. (“Facebook”) filed two Petitions¹ to institute *inter partes* review of claims 11, 12, 13, 15, 18, and 20 of U.S. Patent No. 6,628,314 (Ex. 1001, “the ’314 patent”). 52 Paper 1 (“52 Pet.”); 53 Paper 1 (“53 Pet.”). B.E. Technology, LLC (“Patent Owner”) did not file a Preliminary Response to either Petition. Pursuant to 35 U.S.C. § 314, we instituted *inter partes* review on April 9, 2014, as to claims 11, 12, 13, 15, 18, and 20 of the ’314 patent under 35 U.S.C. § 103 as obvious over Shaw² and W3C³ and as obvious over Angles⁴ and Shaw. 52 Paper 10 (“52 Dec.”); 53 Paper 10 (“53 Dec.”).

After institution of the *inter partes* reviews, Match.com LLC (“Match.com”) and People Media, Inc. (“People Media”) filed a Petition and a Motion to Join the IPR2014-00053 *inter partes* review. IPR2014-00698, Papers 1, 4. Google, Inc. (“Google”) filed two Petitions and Motions to Join the *inter partes* reviews. IPR2014-00743, Papers 1, 3; IPR2014-00744, Papers 1, 3. We granted Match.com, People Media, and Google’s motions and joined Match.com, People Media, Google, and Facebook (collectively, “Petitioner”) in the *inter partes* reviews. 52 Paper 28; 53 Paper 26; 53 Paper 28.

Patent Owner filed a Response in each of the proceedings; the following table identifies the remaining papers filed by the parties:

¹ Citations may be preceded by “52” to designate IPR2014-00052 or “53” to designate IPR2014-00053.

² U.S. Patent No. 5,809,242 (52 Ex. 1103) (“Shaw”).

³ Melissa Dunn et al., *Privacy and Profiling on the Web* (June 1, 1997), available at <http://www.w3.org/TR/NOTE-Web-privacy.html> (52 Ex. 1105) (“W3C”).

⁴ U.S. Patent No. 5,933,811 (53 Ex. 1003) (“Angles”).

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Case No.	IPR2014-00052	IPR2014-00053
Petition	Paper 1 (“52 Pet.”)	Paper 1 (“53 Pet.”)
Decision to Institute	Paper 10 (“52 Dec.”)	Paper 10 (“53 Pet.”)
PO Response	Paper 31 (“52 PO Resp.”)	Paper 32 (“PO Resp”)
Petitioner’s Reply	Paper 33 (“52 Pet. Reply”)	Paper 33 (“Pet. Reply”)
Patent Owner’s Motion to Amend	Paper 32 (“52 Mot. to Amend”)	Paper 31 (“53 Mot. to Amend”)
Petitioner’s Opposition to Motion to Amend	Paper 34 (“52 Opp. Mot. to Amend”)	Paper 34 (“53 Opp. Mot. to Amend”)
Patent Owner’s Reply to Petitioner’s Opposition to Motion to Amend	Paper 36 (“52 PO Reply Opp. Mot. to Amend”)	Paper 36 (“53 PO Reply Opp. Mot. to Amend”)

Oral hearing for both IPR2014-00052 and IPR2014-00053 was held on December 10, 2014, and the hearing transcript has been entered in the record as 52 Paper 44 and 53 Paper 44.

The Board has jurisdiction under 35 U.S.C. § 6(c). This final written decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons discussed below, we determine that Petitioner has shown by a preponderance of the evidence that claims 11, 12, 13, 15, 18, and 20 of the ’314 patent are unpatentable. Patent Owner’s contingent Motion to Amend is *denied*.

B. Related Proceedings

Petitioner indicates that the ’314 patent is the subject of several district court cases: *B.E. Technology, L.L.C. v. Google, Inc.*, No. 2:12-cv-2830-JPM (W.D. Tenn.), filed on October 9, 2012; *B.E. Technology, L.L.C. v. Facebook, Inc.*, No.

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12-cv-2769-JPM (W.D. Tenn.), filed on September 7, 2012; *B.E. Technology, L.L.C. v. People Media, Inc.*, No. 2:12-cv-02833 (W.D. Tenn.), filed on September 21, 2012; and *B.E. Technology, L.L.C. v. Match.com LLC*, No. 2:12-cv-02834 (W.D. Tenn.), filed on September 21, 2012. 52 Pet. 1; 53 Pet. 1; IPR2014-00698, Paper 1, 2; IPR2014-00743, Paper 1, 2; IPR2014-00744, Paper 1, 2.

The '314 patent is also the subject of *Google, Inc. v. B.E. Technology, L.L.C.*, IPR2014-00038 (PTAB Apr. 9, 2014), *Microsoft Corp. v. B.E. Technology, L.L.C.*, IPR2014-00039 (PTAB Apr. 9, 2014), *Match.com LLC v. B.E. Technology, L.L.C.*, IPR2014-00699 (PTAB June 13, 2014), and *Google, Inc. v. B.E. Technology, L.L.C.*, IPR2014-000738 (PTAB June 18, 2014). IPR2014-00699 has been joined with IPR2014-00038 and IPR2014-00738 has been joined with IPR2014-00039.

C. The '314 Patent

The '314 patent relates to user interfaces that provide advertising obtained over a global computer network. 52 Ex. 1101, col. 1, ll. 12–16. The '314 patent discloses a client software application that comprises a graphical user interface (GUI) program module and an advertising and data management (ADM) module. *Id.* at col. 6, ll. 64–67. The GUI comprises multiple regions, including a first region comprising a number of user selectable items and a second region comprising an information display region, such as banner advertisements. *Id.* at col. 4, ll. 24–37. Program modules associated with the GUI store statistical data regarding the display of the selected informational data, allowing the targeting of banner advertisements based upon the type of link selected by the user. *Id.* at col. 4, ll. 43–51. The system for selecting and providing advertisements is set forth in Figure 3 as follows:

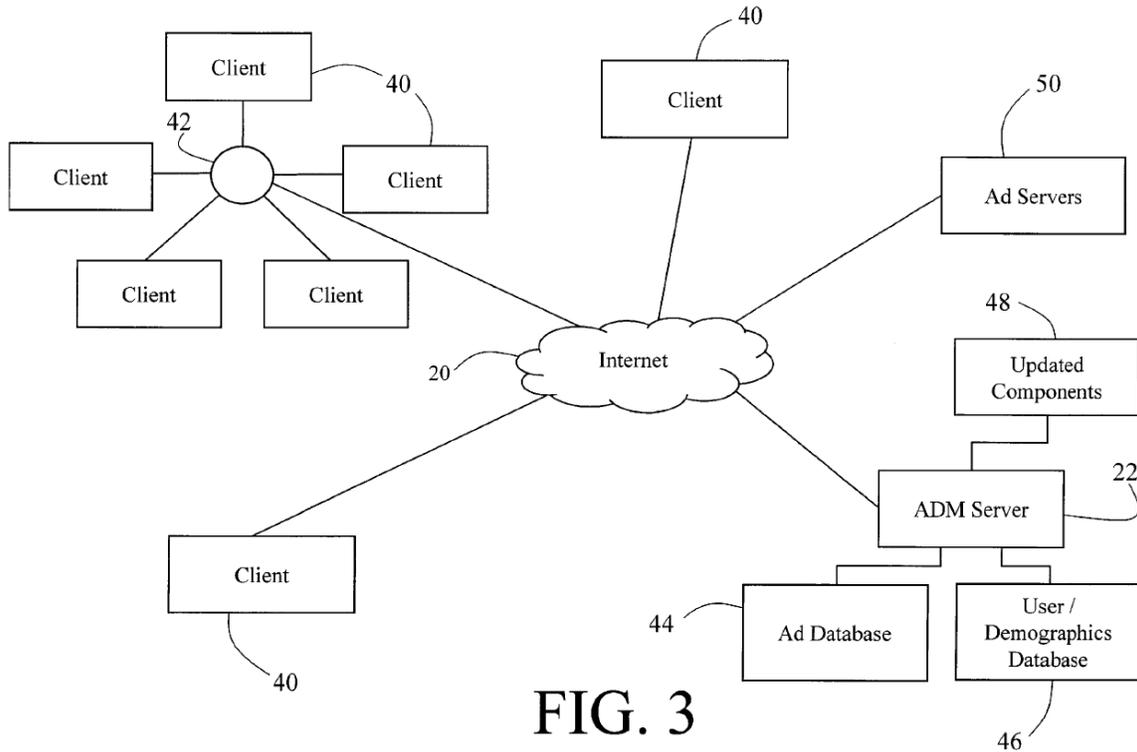


FIG. 3

Figure 3 illustrates a block diagram of a system distributing advertisements over the Internet. *Id.* at col. 6, ll. 21–22. ADM server 22 is accessible by client computers 40 over Internet 20, where client computers 40 have the client software application installed. *Id.* at col. 8, ll. 32–35. ADM server has associated with it Ad Database 44 and User/Demographics Database 46. *Id.* at col. 8, ll. 38–43. Ad Database 44 stores banner advertising that is provided to client computers 40. *Id.* User/Demographics Database 46 stores demographic information used in targeting advertising downloaded to individual client computers 40. *Id.* at col. 8, ll. 55–57.

When a user first accesses the client software application for the purposes of downloading and installing the application, the user submits demographic information that is used to determine what advertising is provided to the user. *Id.* at col. 8, ll. 57–62. The demographic information is submitted by the user by entering the information into a form provided to the user, and ADM server 22

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checks the completeness of the form. *Id.* at col. 16, l. 60–col. 17, l. 2. ADM server 22 then assigns a unique ID to the user and stores the unique ID with the received user demographic information. *Id.* at col. 17, ll. 11–15. An initial set of advertisements is selected, and the client software application is downloaded to client computer 40 for installation. *Id.* at col. 17, ll. 17–23. The client software application monitors user interaction with the computer, whether with the client software application or with other applications, and later reports this information to the ADM server. *Id.* at col. 12, ll. 55–59, col. 13, ll. 1–2. Advertising banners are displayed in response to some user input or periodically at timed intervals. *Id.* at col. 14, ll. 40–43. The client software application targets the banner advertising displayed, based on the user’s inputs, so that it relates to what the user is doing. *Id.* at col. 14, ll. 43–46.

D. Illustrative Claim

Petitioner challenges claims 11, 12, 13, 15, 18, and 20 of the ’314 patent.

Independent claim 11 is illustrative of the claims at issue and follows:

11. A method of providing demographically-targeted advertising to a computer user, comprising the steps of:
 providing a server that is accessible via a computer network,
 permitting a computer user to access said server via said computer network,
 acquiring demographic information about the user, said demographic information including information specifically provided by the user in response to a request for said demographic information,
 providing the user with download access to computer software that, when run on a computer, displays advertising content, records computer usage information concerning the user’s utilization of the computer, and periodically requests additional advertising content,
 transferring a copy of said software to the computer in response to a download request by the user,

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providing a unique identifier to the computer, wherein said identifier uniquely identifies information sent over said computer network from the computer to said server,
associating said unique identifier with demographic information in a database,
selecting advertising content for transfer to the computer in accordance with the demographic information associated with said unique identifier;
transferring said advertising content from said server to the computer for display by said program,
periodically acquiring said unique identifier and said computer usage information recorded by said software from the computer via said computer network, and
associating said computer usage information with said demographic information using said unique identifier.

E. Claim Construction

The Board will interpret claims of an unexpired patent using the broadest reasonable construction in light of the specification of the patent in which they appear. *See* 37 C.F.R. § 42.100(b); *see also In re Cuozzo Speed Techs., LLC*, No. 2014-1301, 2015 WL 448667, at *7–8 (Fed. Cir. Feb. 4, 2015) (“Congress implicitly adopted the broadest reasonable interpretation standard in enacting the AIA,” and “the standard was properly adopted by PTO regulation.”). Under the broadest reasonable construction standard, claim terms are given their ordinary and customary meaning, as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *In re Translogic Tech. Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007).

1. “periodically”

Claim 11 recites a method that includes steps of “providing . . . software that . . . periodically requests additional advertising content” and “periodically acquiring said unique identifier and said computer usage information.” Petitioner

proposes that “periodically” should be construed to mean “recurring from time to time.” 52 Pet. 8. Petitioner bases this construction on the dictionary definition of “periodically,” which includes “(1) having or marked by repeated cycles; (2) happening or appearing at regular intervals; or (3) recurring or reappearing from time to time; intermittent.” *Id.* (citing 52 Ex. 1125, 6). Patent Owner has not provided a construction for “periodically.”

We agree with Petitioner. The ’314 patent specification does not provide a special definition for “periodically,” and the claims do not limit further the scope of periodically. Accordingly, we agree with Petitioner that the broadest reasonable definition provided by the dictionary is “(3) recurring or reappearing from time to time; intermittent” because this definition does not require regular cycles or intervals. Additionally, the broadest reasonable meaning of “periodically” does not require the recurrence or reappearance to be at a specific interval. Accordingly, we construe “periodically” to mean “recurring from time to time, at regular or irregular time intervals.”

2. “*associating*”

Claim 11 recites “associating said unique identifier with demographic information in a database” and “associating said computer usage information with said demographic information using said unique identifier.” Petitioner contends that the plain and ordinary meaning of “associating” is “to connect or join together, combine.” 52 Pet. 7 (citing 52 Ex. 1125, 4). Petitioner further contends that this ordinary meaning for “associating” also should include both indirect and direct “associating.” *Id.* at 7–8. Patent Owner has not provided a construction for “associating.”

We agree with Petitioner. The '314 patent specification does not provide a special definition for “associating.” As discussed by Petitioner, claim 11, under the broadest reasonable interpretation, requires that the datasets of usage information and demographic information be associated, directly or indirectly, using the unique identifier. *Id.* Accordingly, we adopt the ordinary meaning and construe “associating” to mean “to connect or join together,” either directly or indirectly.

II. ANALYSIS

A. Obviousness of Claims 11, 12, 13, 15, 18, and 20 over Shaw and W3C

1. Shaw (52 Ex. 1103)

Shaw discloses an electronic mail system that displays targeted advertisements to remote users when the users are off-line. 52 Ex. 1103, col. 1, ll. 8–11. Shaw discloses that a user operates a client computer that runs a client program. *Id.* at col. 3, ll. 24–26. The client program allows a user to read, write, edit, send, receive, and store electronic mail. *Id.* at col. 3, ll. 56–58. The client program displays advertisements to the user when the user is composing emails. *Id.* at col. 4, ll. 4–6.

The user completes a member profile that includes information about the user, such as hobbies, interests, employment, education, sports, demographics, etc. *Id.* at col. 5, ll. 5–9. The server system utilizes the user’s entered information to determine which advertisements should be directed to the user. *Id.* at col. 5, ll. 14–16. The client program periodically communicates with a server system. *Id.* at col. 3, ll. 35–36. The server system transmits eligible advertisements to the client program when the client program establishes a connection with the server system. *Id.* at col. 5, ll. 19–24. The advertisements are stored on the user’s client computer

so that advertisements can be displayed when the user is not on-line. *Id.* at col. 5, ll. 32-35. The email system for providing targeted advertisements is set forth in Figure 1 as follows:

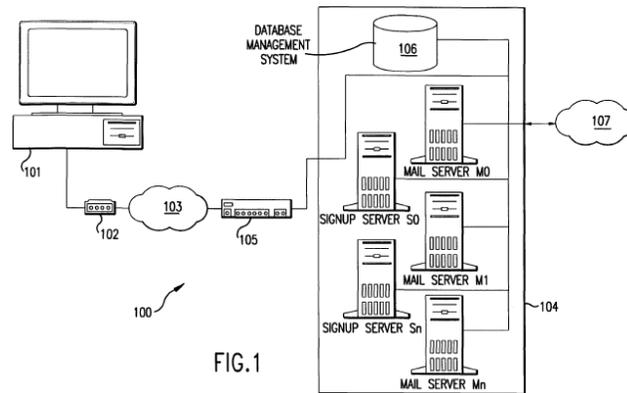


Figure 1 illustrates the email system that transmits and displays advertisements to users when composing emails. Client computer 101 communicates with server system 107 via network 103. *Id.* at col. 9, ll. 31-35. Server system 107 includes database management system 106. *Id.* at col. 10, ll. 14-15. The user is provided with software, either on disk or electronically downloaded over the Internet, which is executed on client computer 101. *Id.* at col. 10, ll. 44-48.

2. W3C (52 Ex. 1105)

W3C is directed to the personalization and targeting of information for customers using demographic information, where the customers provide demographic information once and retain control over how the information is disclosed. 52 Ex. 1105, 1-2. Users are enabled to create one or more personae, which describe the role the user wishes to release to a website. *Id.* at 4. A persona includes an identifier, UserID, and demographic information, such as birthday, gender, level of education, marital status, number of children, and income level. *Id.* at 5-6. The personae are associated with a single profile for a user. *Id.* at 4.

The user profile information is stored locally in order for the client software to provide information to websites. *Id.* at 7. Users are provided an interface in order to maintain their profile information. *Id.*

The exchange of persona information is illustrated in Figure 2 as follows:

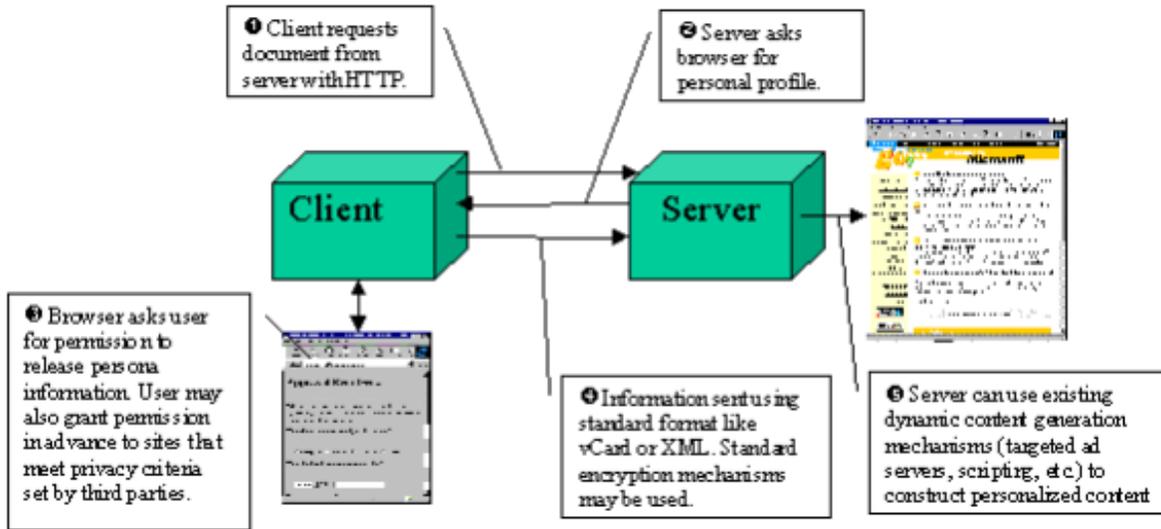


Figure 2. Exchanging the user Persona

The client requests a document from a website. *Id.* at Fig. 2. The website or server responds with a request for personal information from the client and a statement of how this information is to be used. *Id.* at 8. The client defines rules for accessing and acquiring data, and the server only receives the requested data if the rules are satisfied. *Id.* at 8-9.

The persona information further includes “click-stream” information. *Id.* at 6. Click-stream information describes a user’s activity on a website. *Id.* at 12. The Web browsers keep track of the user’s browsing behavior locally. *Id.* This information periodically is posted back to the Web server. *Id.*

3. *Analysis*

Petitioner argues that Shaw discloses every limitation of claim 11, and argues that W3C discloses a unique identifier that uniquely identifies the client independent of website affiliation. 52 Pet. 16–17. Petitioner further argues that all of the elements of this limitation are disclosed by Shaw and W3C, and the combination would have yielded nothing more than predictable results. *Id.* at 18–19. Petitioner alternatively argues that a person with ordinary skill in the art would have been motivated to combine the unique identifier of W3C with Shaw in order to have a “richer and more complete set of profile information” that can be used to increase the targeting of advertising. *Id.*

Patent Owner argues (a) Shaw fails to disclose “providing a unique identifier to the computer,” (b) a person with ordinary skill in the art would not have combined Shaw with W3C, and (c) the adoption of the “broadest reasonable construction” rule exceeds the PTO’s rule making authority. 52 PO Resp. 5–9.

a. *“providing a unique identifier to the computer, wherein said identifier uniquely identifies information sent over said computer network from the computer to said server”*

Claim 11 recites “providing a unique identifier to the computer, wherein said identifier uniquely identifies information sent over said computer network from the computer to said server.” Petitioner argues that Shaw discloses a unique email address that is associated with each user and this email address is used to connect to the server system to send member profile information. 52 Pet. 16–17 (citing 52 Ex. 1103, col. 1, ll. 45–50, col. 12, ll. 6–13, 59–65, col. 18, ll. 39–42, 46–56). Petitioner further argues that W3C discloses that a user creates a persona that is associated with a User ID and demographic information, and the unique User ID uniquely identifies the user independent of website affiliation. *Id.* (citing Ex. 1105,

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5–7). Petitioner contends that the claim does not require any particular system, process, or entity to provide a unique identifier to the computer and that Shaw’s disclosure that the user provides the unique identifier to the computer meets this claim limitation. 52 Pet. Reply 3–4.

Patent Owner argues that Shaw discloses that the “e-mail address is provided by the user at the client, to the server,” whereas the ’314 patent requires that the unique identifier is “provided” to the computer by the server. 52 PO Resp. 5 (citing 52 Ex. 1103, col. 12, ll. 6–13). Patent Owner argues that the ’314 patent specification describes that “[o]nce all required information has been provided, flow moves to block 164 where the application reports demographic data back to server 22, *receives an assigned ID from the server*, and stores the new user data at the client computer in user data storage 34.” 52 PO Resp. 6 (quoting 52 Ex. 1101, col. 18, ll. 11–16). Accordingly, Patent Owner argues that a “person of ordinary skill in the art would understand the difference between an identifier being provided from the server to the client . . . and an identifier being provided from the client to the server.” *Id.*

Claim 11 recites “providing a unique identifier to the computer.” Claim 11, however, does not require a particular system, process, or entity to provide the unique identifier to the computer. Although the ’314 patent specification suggests that the unique identifier is assigned from the server, Patent Owner has not provided persuasive evidence or argument that this feature from the ’314 patent specification is required by the claims. Accordingly, we agree with Petitioner’s argument that Shaw’s disclosure of a user entering a unique email address to the computer describes “providing a unique identifier to the computer.” 52 Pet. 16–17

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(citing Ex. 1103, col. 1, ll. 45–50, col. 12, ll. 6–13, 59–65, col. 18, ll. 39–42, 46–56); 52 Pet. Reply 3–4.

Patent Owner further contends that Shaw’s e-mail address does not identify uniquely “the computer” and does not identify uniquely “information sent from the computer to the server.” 52 PO Resp. 6. Patent Owner specifically argues that Shaw discloses that more than one user may utilize a single client computer and, therefore, the e-mail address identifies a user, not the computer or the information sent from the computer to the server. *Id.* Petitioner responds that the claim language does not require that the “unique identifier” identify the computer itself. 52 Pet. Reply 5–6. Petitioner argues that Shaw’s email address identifies the user and connects the client system to the appropriate mail server. *Id.* at 7 (citing Ex. 1103, col. 18, ll. 34–56). Petitioner further argues that Shaw’s e-mail address uniquely identifies user profile information and user statistics when those files are sent from the client to the server. *Id.* (citing Ex. 1103, col. 6, ll. 21–29, Fig. 11).

Claim 11 recites that the unique identifier “uniquely identifies information sent over said computer network.” Claim 11 only requires that “information” is identified by the identifier. Patent Owner has not provided persuasive evidence or rationale to demonstrate that the “information” must be the computer itself, or that it must be specifically anything else. Accordingly, the term “information” must be construed broadly to include any information, including information that identifies the user. As argued by Petitioner above, Shaw discloses a unique email address that uniquely identifies the information as information regarding the user. *See* 52 Pet. Reply 7 (citing Ex. 1103, col. 6, ll. 21–29, col. 18, ll. 34–56, Fig. 11). Accordingly, we agree with Petitioner that Shaw discloses this limitation.

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b. Combination of Shaw and W3C

Petitioner argues that both Shaw and W3C are directed toward systems and methods for providing targeted advertising to users over the Internet using client/server architectures. 52 Pet. 18–19, 22. Petitioner further argues that all of the elements of claim 11 are disclosed by Shaw and W3C with no change to their respective functions and that combining Shaw and W3C to produce a system with all of the features would render nothing more than predictable results. *Id.* at 18–19, 22, 25–26. Petitioner additionally argues that the combination of Shaw and W3C involves nothing more than known computer techniques to improve a similar advertising system in the same way. *Id.* Mr. Robert J. Sherwood’s Declaration supports Petitioner’s argument that the combination of Shaw and W3C would have been obvious to a person with ordinary skill in the art and that such a combination would render nothing more than predictable results. 52 Ex. 1111 ¶ 54.

Patent Owner contends that “Shaw is a mostly disconnected e-mail system that is not dependent on the use of an identifier that can be used on the World Wide Web,” whereas W3C “addressed a possible personal profile standard that could be used on the Web.” 52 PO Resp. 7. Patent Owner, accordingly, concludes that the “W3C profile is of no use to the Shaw system.” *Id.* (citing Ex. 2001 ¶ 23). Patent Owner further argues that “there is no reason why an unapproved proposal [standard] of this nature would have been adopted by one of ordinary skill.” *Id.* (citing 52 Ex. 2001 ¶ 24).

Petitioner responds that Shaw contemplates its system’s usage with web pages. 52 Pet. Reply 9–10 (citing Ex. 1103, col. 23, l. 64 – col. 24, l. 4). Petitioner further explains that in W3C the demographic profile is more developed because of the user interactions with multiple websites, and a person with ordinary skill in the

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art would have “recognized that the more detailed profile in the W3C Submission would have allowed Shaw ‘to draw upon a richer and more complete set of profile information the user has accumulated,’ thus resulting in improved and more accurate target[ed] advertising.” 52 Pet. Reply 10–11 (quoting Ex. 2001 ¶ 19). Petitioner further argues that W3C discloses clearly that “it was *not* the type of formal industry standard that had to go through an official approval process.” 52 Pet. Reply 11.

We disagree with Patent Owner. First, Patent Owner has not directed us to evidence or rationale to demonstrate that the combination of the personal profile schema associated with the User ID of W3C with the member information associated with the e-mail address of Shaw would have rendered anything more than predictable results. Petitioner has shown that the combination of W3C with Shaw includes known elements and that the combination would have rendered nothing more than predictable results. Pet. 18–19. Patent Owner has not provided persuasive evidence or an argument to rebut the Petitioner’s position.

Second, Patent Owner has not provided persuasive supporting evidence that a person with ordinary skill in the art would not have combined personal profile schema associated with the unique User ID of W3C with the member profile information associated with the e-mail address of Shaw. Specifically, Patent Owner has not demonstrated, with supporting evidence or rationale, why a person with ordinary skill in the art would not have combined an element that is used on the Web (W3C) with an e-mail system (Shaw). Rather, Patent Owner’s argument, and Mr. Neal Goldstein’s testimony, merely allege that the “W3C profile is of no use to the Shaw system” without providing a factual basis to support this conclusion. *See* 52 PO Resp. 7 (citing Ex. 2001 ¶ 23). In light of the Shaw system

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contemplating the adaptation of the Shaw system to provide a series of advertisements to a user in a number of web pages (Ex. 1103, col. 23, l. 64 – col. 24, l. 2), we are not persuaded by Patent Owner that a person with ordinary skill in the art would not have combined W3C with Shaw. Furthermore, Patent Owner also has not directed us to persuasive evidence or rationale to demonstrate that a person with ordinary skill in the art would not have combined W3C with Shaw because the W3C standard was not approved. As pointed out by Petitioner, Patent Owner has not provided persuasive evidence that the W3C standard requires approval. 52 Pet. Reply 11–12.

c. Adoption of the “Broadest Reasonable Interpretation” Standard

Patent Owner argues that the United States Patent and Trademark Office (“PTO”) does not have substantive rule-making authority and, accordingly, Patent Owner contends that the broadest reasonable construction standard should not be applied and claim construction should be carried out in the same manner as applied in a judicial proceeding. 52 PO Resp. 7–9. Patent Owner has not provided a claim construction as would have been carried out in a judicial proceeding or alleged any distinctions between the claim construction that would have been carried out in a judicial proceeding and the broadest reasonable construction. As such, Patent Owner’s argument does not articulate clearly how our determinations would be different based a different claim construction standard. Accordingly, Patent Owner’s argument is tantamount to a request for an advisory opinion.

In any event, we disagree with Patent Owner. Our reviewing court has held that “Congress implicitly adopted the broadest reasonable interpretation standard in enacting the AIA,” and “§ 316 provides authority to the PTO to conduct rulemaking.” *In re Cuozzo Speed Techs., LLC*, No. 2014-1301, 2015 WL 448667,

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at *7–8 (Fed. Cir. Feb. 4, 2015). Accordingly, the “broadest reasonable interpretation standard affects both the PTO’s determination of whether to institute IPR proceedings and the proceedings after institution and is within the PTO’s authority under the statute.” *Id.*

4. Conclusion

We determine that Petitioner has demonstrated, by a preponderance of the evidence, that claim 11 would have been obvious over Shaw and W3C. Similarly, we determine that Petitioner has demonstrated, by a preponderance of the evidence, that claims 12, 13, 15, 18, and 20 would have been obvious over Shaw and W3C.

B. Obviousness of Claims 11, 12, 13, 15, 18, and 20 over Angles and Shaw

1. Angles (53 Ex. 1003)

Angles discloses a system for an on-line advertising service that can custom tailor specific advertisements to particular consumers and track consumer responses to the advertisements. 53 Ex. 1003, col. 2, ll. 45–49. A consumer registers with an advertisement provider by entering demographic information into the advertisement provider’s demographic database. *Id.* at col. 3, ll. 18–21. The advertisement provider assigns the consumer a unique member code. *Id.* at col. 3, ll. 24–25. The consumer is provided software that enhances the consumer’s Internet browser so that custom advertisements can be merged with electronic documents provided by the content provider. *Id.* at col. 3, ll. 25–29. The advertisement provider obtains the unique member code from the consumer’s computer. *Id.* at col. 3, ll. 54–56. The consumer member code is used to identify the consumer’s demographic information and preferences. *Id.* at col. 3, ll. 56–58.

The consumer's demographic information and preferences are used to select an appropriate advertisement for the consumer. *Id.* at col. 3, ll. 58-61.

The system for providing on-line custom advertisements is set forth in Figure 1 as follows:

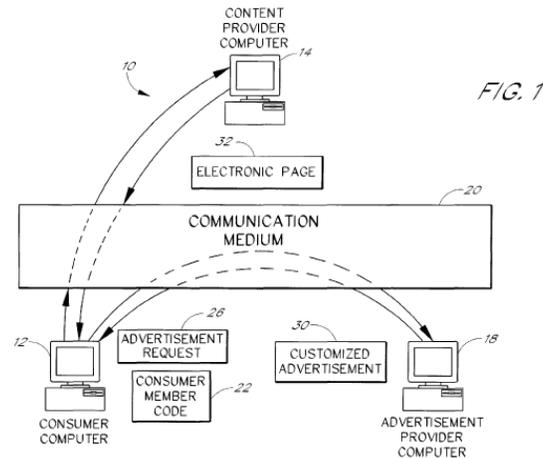


Figure 1 illustrates the interaction between consumer computer 12, content provider computer 14, and advertisement provider computer 18. *Id.* at col. 4, ll. 50-53. A consumer directs consumer computer 12 to establish a communications link with content provider computer 14. *Id.* at col. 7, ll. 53-55. Content provider computer 14 transfers electronic page 32 to consumer computer 12, where electronic page 32 contains embedded advertisement request 26. *Id.* at col. 7, ll. 55-60. The embedded advertisement request 26 directs consumer computer 12 to establish a communications link with advertisement provider computer 18. *Id.* at col. 7, ll. 61-65. Advertisement provider computer 18 obtains consumer member code 22 and uses consumer member code 22 to access the consumer's profile in a demographics database. *Id.* at col. 8, ll. 10-13. Advertisement provider computer 18 selects appropriate customized advertisement 30 based on the consumer's profile and sends customized advertisement 30 to consumer computer 12. *Id.* at col. 8, ll. 13-17.

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2. *Analysis*

Petitioner argues that Angles discloses every limitation of claim 11, except “computer software that . . . records computer usage information concerning the user’s utilization of the computer,” “computer software that . . . periodically requests additional advertising content,” and the step of “periodically acquiring said unique identifier and said computer usage information recorded by said software from the computer via said computer network.” 53 Pet. 40, 43–44, 52–54. Petitioner argues that Shaw discloses these limitations. *Id.* Petitioner further argues that all of the elements of these limitations are disclosed by Angles and Shaw, and the combination would have yielded nothing more than predictable results. *Id.* at 41–42, 45–46, 48, 54–55.

Patent Owner argues (a) a person with ordinary skill in the art would not have combined Angles with Shaw, and (b) the adoption of the “broadest reasonable construction” rule exceeds the PTO’s rule making authority. 53 PO Resp. 5–13.

a. Combination of Angles and Shaw

Petitioner argues that both Angles and Shaw are directed toward systems and methods for providing targeted advertising to users over the Internet using client/server architectures. 53 Pet. 41, 45, 54. Petitioner further argues that all of the elements of claim 11 are disclosed by Angles and Shaw with no change to their respective functions and that combining Angles and Shaw to produce a system with all of the features would have rendered nothing more than predictable results. *Id.* at 41–42, 45–46, 48, 54–55. Petitioner additionally argues that the combination of Angles and Shaw involves nothing more than known computer techniques to improve a similar advertising system in the same way. *Id.* Mr. Sherwood’s Declaration supports Petitioner’s argument that the combination of Angles and

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Shaw would have been obvious to a person with ordinary skill in the art and that such a combination would have rendered nothing more than predictable results. 53 Ex. 1007 ¶¶ 68–69.

Patent Owner argues that a person with ordinary skill in the art would not have considered combining Angles and Shaw. 53 PO Resp. 5–11. First, Patent Owner argues that Angles does not disclose software that “records computer usage information” on the computer that has access to download the software, and, therefore, a person with ordinary skill in the art would not have considered “complicating the existing Angles system by providing for the download of software to the consumer computer that would record advertising audit information or anything similar.” 53 PO Resp. 7 (citing 53 Ex. 2001 ¶ 32). Patent Owner argues that there is no problem in Angles that is remedied by Shaw, and a person with ordinary skill in the art only would have filled the gaps in Angles using hindsight. *Id.* at 8 (citing 53 Ex. 2001 ¶¶ 24–33). Petitioner responds that Patent Owner’s argument does not rebut the rationale relied on by Petitioner in combining Angles and Shaw, and Patent Owner’s argument that Angles discloses “no problem to solve, and no reason to change or complicate the Angles system’ . . . [is] a fundamental misunderstanding of the law of obviousness under *KSR Int[’l] Co. v. Teleflex Inc.*, 550 U.S. 398 (2007).” 53 Pet. Reply 11–12 (quoting 53 PO Resp. 10). Petitioner further responds that a person with ordinary skill in the art would have recognized the advantage gained by combining Shaw with Angles is that the consumer computer can defer to connect to the Internet at a time when costs are lower, thereby reducing overall cost, and retrieving advertisements from local storage is faster, thereby increasing efficiency. 53 Pet. Reply 9–10 (citing 53 Ex. 1007 ¶¶ 60, 66).

We disagree with Patent Owner. Patent Owner does not dispute that all of the elements are disclosed by the combination of Angles and Shaw, and does not present any persuasive evidence or rationale to rebut Petitioner’s argument that the combination of Angles and Shaw would have rendered nothing more than predictable results. Accordingly, Patent Owner has not rebutted Petitioner’s showing that the combination of Angles and Shaw discloses all of the limitations and the combination of Angles and Shaw renders nothing more than predictable results. *See* 53 Pet. 41–42, 45–46, 48, 54–55. Furthermore, we agree with Petitioner that a person with ordinary skill in the art would have been motivated to combine Angles and Shaw in order to reduce costs and increase efficiencies for the reasons set forth by Petitioner. *See* 53 Pet. Reply 9–10.

Second, Patent Owner argues that Angles does not disclose software that “periodically requests additional advertising content” on the computer that has access to download the software. 53 PO Resp. 9–11. This is so, Patent Owner argues, because Angles discloses a continuous connection with the advertisement provider computer. *Id.* Patent Owner argues that a person with ordinary skill in the art would not have modified Angles to include software that “periodically requests additional advertising content,” as disclosed by Shaw, because there is “no problem to solve, and no reason to change or complicate the Angles system,” absent hindsight. *Id.* Patent Owner specifically argues that the “Angles system is dependent on the continuous connection needed to facilitate communication among the consumer computer, the content provider computer, and the advertisement provider computer” and Angles is not designed or intended to work without a continuous connection, whereas in Shaw advertisements are downloaded for off-line display. *Id.* Petitioner argues that Angles is not limited to a continuous

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connection and contemplates use with a “dial-up” configuration, where the connection is not continuous. 53 Pet. Reply 6–7 (citing Ex. 1003, col. 10, ll. 23–25).

Patent Owner does not direct us to persuasive evidence or rationale to rebut Petitioner’s argument that the combination of Angles and Shaw discloses all of the elements of claim 11 and that the combination of Angles and Shaw would produce anything more than predictable results. Furthermore, we are not persuaded that a person with ordinary skill in the art would not have looked to a “mostly disconnected” system, such as Shaw, when contemplating improvements or modifications of a continuously connected system, such as Angles. 53 PO Resp. 9–11; 53 Ex. 2001 ¶ 28. Rather, as discussed above, we agree with Petitioner that a person with ordinary skill in the art would have been motivated to combine the feature of periodically requesting additional advertisement content from Shaw with Angles in order to lower costs and increase efficiency. *See* 53 Pet. Reply 9–10. Accordingly, we are not persuaded that a person with ordinary skill in the art would not have combined Angles and Shaw.

b. Adoption of the “Broadest Reasonable Interpretation” Standard

Patent Owner argues that the United States Patent and Trademark Office (“PTO”) does not have substantive rule-making authority and, accordingly, Patent Owner contends that the broadest reasonable construction standard should not apply and claim construction should be carried out in the same manner as applied in a judicial proceeding. 53 PO Resp. 12–13. Patent Owner also presents this argument in support of IP2014-00052, and this argument is discussed in detail above. We are not persuaded by this argument with respect to IPR2014-00053 for the same reasons discussed above in our discussion of IPR2014-00052.

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3. Conclusion

We determine that Petitioner has demonstrated, by a preponderance of the evidence, that claim 11 would have been obvious over Angles and Shaw.

Similarly, we determine that Petitioner has demonstrated, by a preponderance of the evidence, that claims 12, 13, 15, 18, and 20 would have been obvious over Angles and Shaw.

C. Patent Owner’s Motion to Amend

Patent Owner proposes substitute claims 23–34, contingent in the “event that original claim 11 is found to be not patentable.” 52 Mot. to Amend 1. As discussed above, Petitioner has demonstrated by a preponderance of the evidence, that all of the challenged claims are unpatentable. Therefore, Patent Owner’s contingent Motion to Amend is before us for consideration.

Patent Owner proposes the same substitution of claims 23–34 in both IPR2014-00052 and IPR2014-00053, presents the same support for the claimed subject matter, and same discussion of the patentability of the substitute claims. Accordingly, the discussion of the substitution of claims 23–34 for IPR2014-00052 applies also for Patent Owner’s Motion to Amend in IPR2014-00053.

As the moving party, Patent Owner bears the burden of proof to establish that it is entitled to the relief requested. 37 C.F.R. § 42.20(c). Entry of the proposed amendment is not automatic, but only upon Patent Owner’s having demonstrated the patentability of those claims.

1. Substitute Claims 23–34

Independent claim 23, proposed substitute for independent claim 11, is reproduced below:

23. (Proposed substitute for original claim 11) A method of providing demographically-targeted advertising to a computer user, comprising the steps of:

providing a server that is accessible via a computer network, permitting a computer user to access said server via said computer network,

acquiring demographic information about the user, said demographic information including information specifically provided by the user in response to a request for said demographic information,

providing the user with download access to computer software that, when run on a computer, displays advertising content, records computer usage information concerning the user's utilization of the computer, and periodically requests additional advertising content, wherein the computer usage information comprises information about the user's interactions with said computer software displaying advertising content and at least one other program,

transferring a copy of said software to the computer in response to a download request by the user,

providing a unique identifier to the computer, wherein said identifier uniquely identifies information sent over said computer network from the computer to said server,

associating said unique identifier with demographic information in a database,

~~selecting advertising content for transfer to the computer in accordance with demographic information associated with said unique identifier;~~

~~transferring said advertising content from said server to the computer for display by said program,~~

periodically acquiring said unique identifier and said computer usage information recorded by said software from the computer via said computer network, ~~and~~

associating said computer usage information with said demographic information using said unique identifier,

selecting advertising content for transfer to the computer in accordance with real-time and other computer usage information and demographic information associated with said unique identifier, and

transferring said advertising content from said server to the computer for display by said program.

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Substitute claims 24–34, recite the same limitations as original claims 12–22 but depend from substitute claim 23.

2. *Claim Construction*

Claim construction is an important step in a patentability determination. *Oakley, Inc. v. Sunglass Hut Int’l*, 316 F.3d 1331, 1339 (Fed. Cir. 2003); *Medichem, S.A. v. Rolabo, S.L.*, 353 F.3d 928, 933 (Fed. Cir. 2003) (“Both anticipation under § 102 and obviousness under § 103 are two-step inquiries. The first step in both analyses is a proper construction of the claims The second step in the analyses requires a comparison of the properly construed claim to the prior art.” (internal citations omitted)). A motion to amend claims must identify how the proposed substitute claims are to be construed, especially when the proposed substitute claims introduce new claim terms. *See Idle Free Sys., Inc. v. Bergstrom, Inc.*, Case IPR2012-00027, slip op. at 7 (PTAB June 11, 2013) (Paper 26) (informative).

Patent Owner discusses that substitute claim 23 introduces the additional elements of “wherein the computer usage information comprises information about the user’s interactions with said computer software displaying advertising content and at least one other program” and the selecting of advertising content step is in accordance with “real-time and other computer usage information.” 52 Mot. to Amend 6 (emphasis omitted). Patent Owner argues that these features distinguish the proposed substitute claims from all of the cited prior art. *Id.* at 13.

Patent Owner, however, does not provide claim constructions for how the new claim terms should be construed. For example, Patent Owner does not direct us to any discussion or explanation as to how the limitation “selecting advertising content for transfer to the computer in accordance with real-time” is to be

construed. Absent a proposed claim construction for this limitation, it is unclear as to whether the “selecting” or “transfer” is in accordance with “real-time.” Accordingly, Patent Owner’s Motion to Amend does not provide adequate information for us to determine whether the substitute claims are patentable over the prior art. Therefore, we are not persuaded that Patent Owner has met its burden to demonstrate the patentability of the propose substitute claims under 37 C.F.R. § 42.20(c).

3. *Written Description*

A motion to amend claims must identify clearly the written description support for each proposed substitute claim. 37 C.F.R. § 42.121(b). The requirement that the motion to amend must set forth the support in the original disclosure of the patent is with respect to *each claim*, not for a particular feature of a proposed substitute claim. The written description test is whether the original disclosure of the application relied upon reasonably conveys to a person of ordinary skill in the art that the inventor had possession of the claimed subject matter as of the filing date. *Ariad Pharms., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (en banc). Thus, the motion should account for the claimed subject matter as a whole, i.e., the *entire* proposed substitute claim, when showing where there is sufficient written description support for each claim feature. *See Nichia Corp. v. Emcore Corp.*, Case IPR2012-00005, slip op. at 4 (PTAB June 3, 2013) (Paper 27) (representative).

Patent Owner points to several passages of the “as-filed version” of the ’314 patent application for support for substitute claim 23. 52 Mot. to Amend 6–7. Patent Owner, however, fails to point out with any particularity or explanation as to where in the several cited passages the additional limitations are supported.

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Patent Owner further fails to provide citations and explanations for support for substitute claims 24–34. For example, it is unclear from Patent Owner’s discussion in which passage there is support for the limitation “selecting advertising content for transfer to the computer in accordance with real-time.” We have reviewed the passages cited by Patent Owner and are unable to discern readily where support for this limitation is found. Accordingly, we are not persuaded that Patent Owner has met its burden to demonstrate written description support for each proposed substitute claim as required by 37 C.F.R. § 42.121(b)(1) and § 42.121(b)(2).

4. Conclusion

For the foregoing reasons, Patent Owner has not satisfied its burden of proof and, accordingly, Patent Owner’s Motion to Amend is denied.

III. CONCLUSION

We conclude that Petitioner has demonstrated, by a preponderance of the evidence, that (1) claims 11, 12, 13, 15, 18, and 20 would have been obvious over Shaw and W3C and (2) claims 11, 12, 13, 15, 18, and 20 would have been obvious over Angles and Shaw.

This is a final written decision of the Board under 35 U.S.C. § 318(a). Parties to the proceeding seeking judicial review of this decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

IV. ORDER

Accordingly, it is hereby:

ORDERED that claims 11, 12, 13, 15, 18, and 20 of U.S. Patent No. 6,628,314 are held unpatentable; and

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FURTHER ORDERED that Patent Owner's Motion to Amend is
denied.

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