

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HULU, LLC,
Petitioner,

v.

INTERTAINER, INC.,
Patent Owner.

Case CBM2014-00053
Patent 8,468,099

Before MICHAEL W. KIM, SUSAN L. C. MITCHELL,
and JENNIFER M. MEYER, *Administrative Patent Judges*.

MEYER, *Administrative Patent Judge*.

DECISION

Denying Institution of Covered Business Method Patent Review
37 C.F.R. § 42.208

I. INTRODUCTION

On December 20, 2013, Hulu, LLC (“Petitioner”) filed a Petition for a covered business method patent review of claims 13-15 and 18 of U.S. Patent No. 8,468,099 (Ex. 1001, “the ’099 patent”). Paper 1. A corrected Petition was filed on January 14, 2014. Paper 8 (“Pet.”). Patent Owner, Intertainer, Inc. (“Patent Owner”) did not file a Preliminary Response.

We have jurisdiction under 35 U.S.C. § 324. The standard for instituting a covered business method patent review is set forth in 35 U.S.C. § 324(a), which provides as follows:

THRESHOLD.—The Director may not authorize a post-grant review to be instituted unless the Director determines that the information presented in the petition filed under section 321, if such information is not rebutted, would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.

Petitioner challenges claims 13-15 and 18 of the ’099 patent as unpatentable under 35 U.S.C. §§ 103 and 112. Upon consideration of the information presented in the Petition, we conclude that the Petition does not demonstrate that it is more likely than not that the challenged claims are unpatentable. Pursuant to 35 U.S.C. § 324 and § 18(a) of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), we do not authorize a covered business method patent review to be instituted as to claims 13-15 and 18 for the grounds of unpatentability asserted in the Petition.

Accordingly, the Petition is DENIED.

A. *Related Proceedings*

Petitioner has been sued for infringement of the '099 patent in a district court case titled, *Intertainer, Inc. v. Hulu, LLC*, No. 2:13-cv-05499 (C.D. Cal.). Pet. 4. In addition to this proceeding, Petitioner has also petitioned for covered business method patent review of certain claims of Patent Owner's U.S. Patent No. 8,479,246 B2 (CBM2014-00052). *Id.* at 5.

B. *The '099 Patent*

The '099 patent, titled "Digital Entertainment Service Platform," issued on June 18, 2013, based on application 12/587,667 ("the '667 application"), filed October 10, 2009. The '667 application is a continuation of application 11/189,608, filed July 26, 2005 (abandoned), which is a continuation of application 09/947,592, filed September 5, 2001, which issued as U.S. Patent No. 6,925,469, which claims the benefit of provisional application 60/280,653, filed March 30, 2001.

The '099 patent relates to methods managing, distributing, and/or retailing digital media assets from various content suppliers. Ex. 1001, 2:20-23. Content suppliers may provide media assets (e.g., streaming video) to a digital services platform and receive payments based on use of the media assets by consumers. *Id.* at 2:28-37, 2:65-3:2. The digital services platform allows consumers to access content from multiple suppliers at a single location, and allows content suppliers to define parameters regarding distribution of the media asset. *Id.* at 2:37-43, 3:2-11. Additional purchasing opportunities are embedded within the media assets, allowing consumers, for example, to purchase a related product simply by clicking on an embedded advertisement within a streaming video. *Id.* at 3:26-32, 6:39-54.

C. Illustrative Claim

Of the challenged claims, only claim 13 is independent. Claim 13 of the '099 patent, reproduced below, is illustrative of the challenged claims:

13. A method for managing and marketing digital media content supplied by media content suppliers to consumers, the method comprising:

providing a digital media content service platform operable to manage and distribute video content to a plurality of the consumers in accordance with business rules supplied by the media content suppliers, wherein distribution to geographic locations is one of the business rules supplied by the media content suppliers;

providing the media content suppliers access to the digital media content service platform for permitting the media content suppliers to directly supply the video content to the digital media content service platform by electronic transmission;

storing the video content supplied by the media content suppliers on the digital media content service platform;

including coded information with the video content, the coded information being advertising information associating at least one advertisement with the video content;

specifying at least one of the business rules for distributing the video content to a specified geographic location;

grouping the consumers by a geographic location associated with the consumers;

embedding purchasing opportunities for merchandise with the video content, the merchandise being other than the video content supplied to the digital media content service platform and purchasable by the consumer interacting with the embedded purchasing opportunities;

distributing the video content to the grouping of consumers if the geographic location of the consumers corresponds to the specified geographic location in the at least

one of the business rules, wherein the video content being distributed corresponds to a localized market for the grouping of consumers; and

offering the merchandise to the consumers for purchase via the embedded purchasing opportunities.

Ex. 1001, 15:1-16:10.

D. The Applied References

Petitioner relies upon the following references. Pet. 5.

Patent No.	Date of Issuance	Exhibit No.
U.S. Patent No. 6,201,536 ("Hendricks '536")	Mar. 13, 2001	Ex. 1004
U.S. Patent No. 6,463,585 ("Hendricks '585")	Oct. 8, 2002	Ex. 1005
U.S. Patent No. 5,774,664 ("Hidary")	Jun. 30, 1998	Ex. 1006
U.S. Patent No. 6,950,804 ("Strietzel")	Sept. 27, 2005	Ex. 1007
U.S. Patent No. 6,820,277 ("Eldering")	Nov. 16, 2004	Ex. 1008

Petitioner further relies on the Declaration of V. Michael Bove, Jr. ("Bove Declaration," Ex. 1012).

E. The Asserted Grounds

Petitioner challenges claims 13-15 and 18 on the following grounds.

Pet. 5.

Claims Challenged	Basis	Reference(s)
13-15, 18	§ 103	Hendricks '536, Hendricks '585, and Hidary
13-15, 18	§ 103	Strietzel, Eldering, and Hidary
13	§ 112, indefiniteness	Not applicable

II. ANALYSIS

A. *Claim Construction*

In a covered business method patent review, a “claim in an unexpired patent shall be given its broadest reasonable construction in light of the specification of the patent in which it appears.” 37 C.F.R. § 42.300(b). Under this standard, we construe claim terms using “the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in the applicant’s specification.” *In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997). We presume that claim terms have their ordinary and customary meaning. *See In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007) (“The ordinary and customary meaning is the meaning that the term would have to a person of ordinary skill in the art in question.” (citation omitted) (internal quotation marks omitted)). This presumption, however, may be rebutted when the patentee acts as his own lexicographer, giving the term a particular meaning in the specification with “reasonable clarity, deliberateness, and precision.” *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994).

Petitioner has not provided proposed constructions for the claim terms “directly supply,” “embedded purchasing opportunity,” and “coded information,” but contends each of these terms is indefinite under 35 U.S.C. § 112. In construing the claims, we have applied the broadest reasonable interpretation, taking into account the plain meaning of the terms and their usage in the specification.

1. “*directly supply*”

Independent claim 13 recites, among other things, “providing the media content suppliers access to the digital media content service platform for permitting the media content suppliers to directly supply the video content to the digital media content service platform by electronic transmission.” Petitioner asserts that the language “directly supply” in this claim limitation is indefinite. Pet. 54. Specifically, Petitioner asserts it is not clear if the video content must go from the media content supplier to the digital media content service platform without passing through intermediate systems and/or networks. *Id.* We disagree.

The ’099 patent does not define explicitly “directly supply.” The specification, however, describes that the content supplier may deliver media assets “electronically using file transfer protocol methods or other known means of delivering digital data.” Ex. 1001, 4:29-32. The specification further describes a supplier console that is, for example, a computer “operable to run an enterprise software application permitting a content supplier to remotely deposit its media assets,” among other functions. *Id.* at 8:18-24. As further described, this “enterprise software application is preferably installed at the content supplier’s location to facilitate the remote communication between the content supplier and [the digital services] platform.” *Id.* at 8:39-42. Accordingly, as the specification discloses that the media assets are supplied via intermediate networks and systems, such as FTP and enterprise servers, we are not persuaded that “directly supply” excludes passing through intermediate systems and/or networks.

Merriam-Webster’s Online Dictionary defines “directly” as “in a direct way” and defines “direct” as “coming straight from a source.”

MERRIAM-WEBSTER, <http://www.merriam-webster.com/dictionary/directly> (last visited May 19, 2014); *Id.* at <http://www.merriam-webster.com/dictionary/direct> (last visited May 19, 2014). Merriam-Webster's Online Dictionary defines "supply" as "to provide someone or something with (something that is needed or wanted)." *Id.* at <http://www.merriam-webster.com/dictionary/supply> (last visited May 19, 2014). When considered together, the focus of the definitions are the source and destination.

Given the disclosure in the specification and these definitions, we construe "permitting the media content suppliers to directly supply the video content to the digital media content service platform by electronic transmission" as "the media content suppliers themselves (not another entity) provide the video content to the digital media content service platform."

2. *"embedded purchasing opportunities"*

Independent claim 13 recites, among other things, "embedding purchasing opportunities for merchandise with the video content, the merchandise being other than the video content supplied to the digital media content service platform and purchasable by the consumer interacting with the embedded purchasing opportunities." Petitioner asserts that the language "embedding/embedded purchasing opportunities" in this claim limitation is indefinite. Pet. 55. Specifically, Petitioner asserts "it is not clear if a hyperlink inserted within a video-stream which when selected opens a separate webpage which includes a form that may be completed for purchasing a product would constitute an 'embedded purchasing opportunity.'" *Id.*

The '099 patent does not provide an explicit definition for “embedded purchasing opportunities.” The specification, however, provides examples of what may constitute embedded purchasing opportunities. One such example includes a point and click option embedded in a video stream, through which a user can purchase an item “through a user interface of the platform, which includes an electronic commerce fulfillment system to ship the product to the consumer.” Ex. 1001, 3:26-32, *see* Ex. 1001, 6:42-45.

The Oxford Online Dictionary defines “embed” in the computing context as “incorporate (a text or code) within the body of a file or document.” OXFORD DICTIONARIES, http://www.oxforddictionaries.com/us/definition/american_english/embed (last visited May 19, 2014).

Given the disclosure in the specification and this definition, we construe “embedded purchasing opportunities” in the context of claim 13 as “text or code incorporated within video content, with which the consumer may interact, and thereby purchase merchandise via such interaction.”

3. “*coded information*”

Independent claim 13 recites, among other things, “including coded information with the video content, the coded information being advertising information associating at least one advertisement with the video content.” Petitioner asserts that the language “coded information” in this claim limitation is indefinite. Pet. 55-56.

The '099 patent does not provide an explicit definition for “coded information.” The specification, however, defines “intelligent media” as “content that includes coded information regarding the use of the content for tracking or targeting purposes.” Ex. 1001, 5:46-48. This intelligent media

may include “advertising information to associate one or more advertisements with the media asset.” *Id.* at 5:55-56. Intelligent media, and coded information, is further discussed in application 09/605,695 (“the ’695 application”), which was incorporated by reference into the ’099 patent. *See id.* at 5:57-62. The ’695 application¹ describes a “smart media object” which is a media object associated with a “coded header representing a profile of that media object, the profile being derived at least partially from captured user activity information and other information associated with the media object,” e.g., advertising information. Ex. 3001 ¶ 0019. According to the ’695 application, a “coded header is preferably an encoded descriptor (i.e., data) associated with a specific media object that includes targeting information unique to a media object.” *Id.* ¶ 0018. As further described in the ’695 application, “any suitable coding system may be used” to generate the coded header. *Id.* ¶ 0029.

Merriam-Webster’s Online Dictionary defines “code” in the computing context as “to change (information) into a set of letters, numbers, or symbols that can be read by a computer.” MERRIAM-WEBSTER, <http://www.merriam-webster.com/dictionary/code> (last visited May 19, 2014).

Given the disclosure in the specification and this definition, we construe “coded information,” consistent with its ordinary meaning, as “information that has been changed into a form that can be read by a computer.”

¹ Citations to the ’695 application are to U.S. Appl. Pub. 2009/0144154 (Ex. 3001).

B. Covered Business Method Patent

A “covered business method patent” is a patent that “claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.” AIA § 18(d)(1); *see* 37 C.F.R. § 42.301(a). For purposes of determining whether a patent is eligible for a covered business method patent review, the focus is on the claims. *See* Transitional Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention; Final Rule, 77 Fed. Reg. 48,734, 48,736 (Aug. 14, 2012). A patent need have only one claim directed to a covered business method to be eligible for review. *Id.*

1. Financial Product or Service

In promulgating rules for covered business method patent reviews, the Office considered the legislative intent and history behind the AIA’s definition of “covered business method patent.” *Id.* at 48,735-36. The “legislative history explains that the definition of covered business method patent was drafted to encompass patents ‘claiming activities that are financial in nature, incidental to a financial activity or complementary to a financial activity.’” *Id.* at 48,735 (citing 157 CONG. REC. S5432 (daily ed. Sept. 8, 2011) (statement of Sen. Schumer)). The legislative history indicates that “‘financial product or service’ should be interpreted broadly.” *Id.*

Petitioner contends that the ’099 patent is a covered business method patent because it claims activity that is “financial in nature,” and it is in a classification that the Office presumes to contain covered business method

patents. Pet. 2-4. As Petitioner notes, classification in class 705 raises a presumption that a patent is a covered business method. Pet. 4 (citing 157 CONG. REC. S1368, S1379 (daily ed. March 8, 2011) (statement of Sen. Kyl)); *see* 77 Fed. Reg. at 48,739. The '099 patent is classified in class 705, subclass 59.

We agree with Petitioner that the '099 patent claims subject matter that is “financial in nature, incidental to a financial activity or complementary to a financial activity.” *See* 77 Fed. Reg. at 48,735. As noted by Petitioner, the claims are directed to the “use and availability of advertising information that may be used to allow for the purchase of merchandise,” which is a financial activity. Pet. 3. Specifically, claim 13 is directed to “[a] method for managing and marketing digital media content” including “embedding purchasing opportunities for merchandise with the video content, the merchandise being . . . purchasable by the consumer interacting with the embedded purchasing opportunities.” Ex. 1001, 15:1-16:10. The specification of the '099 patent further confirms the claimed method's connection to financial activities. For example, the specification discloses an embodiment in which the distributed video is “a first-run movie with digital commerce opportunities embedded in the video stream and accessible by the consumer (e.g. using an intuitive point and click)” through which the consumer can purchase an item. *Id.* at 3:26-32. We, thus, conclude that independent claim 13 satisfies the “financial product or service” component of the definition set forth in § 18(d)(1) of the AIA.

2. *Exclusion for Technological Inventions*

The definition of “covered business method patent” in § 18(d)(1) of the AIA does not include patents for “technological inventions.” To

determine whether a patent is for a technological invention, we consider “whether the claimed subject matter as a whole recites a technological feature that is novel and unobvious over the prior art; and solves a technical problem using a technical solution.” 37 C.F.R. § 42.301(b). The following claim drafting techniques, for example, typically do not render a patent a “technological invention”:

(a) Mere recitation of known technologies, such as computer hardware, communication or computer networks, software, memory, computer-readable storage medium, scanners, display devices or databases, or specialized machines, such as an ATM or point of sale device.

(b) Reciting the use of known prior art technology to accomplish a process or method, even if that process or method is novel and non-obvious.

(c) Combining prior art structures to achieve the normal, expected, or predictable result of that combination.

Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,763-64 (Aug. 14, 2012).

Petitioner contends that the '099 patent does not claim a technological feature that is novel and unobvious over the prior art, nor does it solve a technical problem using a technical solution. Pet. 3-4. Specifically, Petitioner contends that the claims of the '099 patent are “directed to providing streaming video to consumers combined with advertisements allowing purchasing of merchandise,” both of which were well known in the art. *Id.* at 3. We agree with Petitioner that the '099 patent is not for a technological invention, because we are unable to identify any limitation of claim 13 that is a technological feature that is novel or unobvious over the prior art.

Because both prongs must be satisfied for a patent to be excluded from covered business method patent review for being a technological invention, we conclude that claim 13 does not define a “technological invention” within the meaning of 37 C.F.R. § 42.301(b), and that the ’099 patent is eligible for a covered business method patent review.

C. The Asserted Grounds of Unpatentability Based upon 35 U.S.C. § 102(e) Prior Art References

Petitioner’s grounds asserting obviousness of the challenged claims are defective because each ground relies on one or more references that are asserted to be prior art to the challenged claims only under pre-AIA 35 U.S.C. § 102(e). Such § 102(e) references do not qualify as prior art on which a covered business method patent review may be based. *See* AIA § 18(a)(1)(C); *Liberty Mut. Ins. Co. v. Progressive Cas. Ins. Co.*, CBM2012-00010, slip op. at 28 (PTAB Feb. 25, 2013) (Paper 16) (recognizing that § 102(e) references do not qualify as prior art under AIA § 18(a)(1)(C)); *MeridianLink, Inc. v. DH Holdings, LLC*, CBM2013-00008, slip op. at 2 (PTAB Sept. 12, 2013) (Paper 24) (stating that, although a reference may be prior art under § 102(e), it does not meet the criteria to support a challenge under AIA § 18(a)(1)(C)).

The ’099 patent was filed October 10, 2009, and claims priority to application 09/947,592, filed September 5, 2001, and to provisional application 60/280,653, filed March 30, 2001. Ex. 1001.

Hendricks ’585 issued in 2002 from an application filed in 1998, and was not published prior to issuance. Ex. 1005. Thus, Hendricks ’585 is prior art to the ’099 patent only under pre-AIA 35 U.S.C. § 102(e), as

Petitioner acknowledges. Pet. 17. Accordingly, Hendricks '585 is not prior art upon which a covered business method patent review may be instituted.

Strietzel issued in 2005 from an application filed in February 2001, and was published in August 2002. Ex. 1007. Thus, Strietzel is prior art to the '099 patent only under pre-AIA 35 U.S.C. § 102(e), as Petitioner acknowledges. Pet. 31. Accordingly, Strietzel is not prior art upon which a covered business method patent review may be instituted.

Eldering issued in 2004 from an application filed in 2000, and was not published prior to issuance. Ex. 1008. Thus, Eldering is prior art to the '099 patent only under pre-AIA 35 U.S.C. § 102(e), as Petitioner acknowledges. Pet. 33. Accordingly, Eldering is not prior art upon which a covered business method patent review may be instituted.

Because each of Petitioner's obviousness grounds relies upon one or more of Hendricks '585, Strietzel, and Eldering, references that are unavailable as prior art on which a covered business method patent review may be instituted, we deny review on each of those grounds.

D. 35 U.S.C. § 112 ¶ 2 Ground of Unpatentability

Petitioner contends that claim 13 is indefinite under 35 U.S.C. § 112 ¶ 2.² Pet. 53-56. Petitioner contends that the claim terms "directly supply,"

² Section 4(c) of the AIA re-designated 35 U.S.C. § 112 ¶ 2, as 35 U.S.C. § 112(b). Because the '099 patent has a filing date before September 16, 2012 (the effective date of the relevant section of the AIA), we will refer to the pre-AIA version of 35 U.S.C. § 112 in this decision. We also note that, although the Petition cites to 35 U.S.C. § 112 ¶ 1, the asserted ground and all arguments are directed to indefiniteness, which is brought appropriately under 35 U.S.C. § 112 ¶ 2. Thus, we address the arguments herein in view of 35 U.S.C. § 112 ¶ 2.

“embedded purchasing opportunity,” and “coded information,” render claim 13 indefinite. *Id.* at 54. Petitioner argues that no definition is given in the specification for any of these claim terms, nor does the prosecution history offer any definition or other objective basis to determine the bounds of these claim terms. *Id.* at 54-56. We are not persuaded that Petitioner has demonstrated that it is more likely than not that the claims are indefinite.

The scope of the claims must be sufficiently definite to inform the public of the bounds of the protected invention, i.e., what subject matter is covered by the exclusive rights of the patent. *Halliburton Energy Servs. Inc. v. M-I LLC*, 514 F.3d 1244, 1249 (Fed. Cir. 2008).

Petitioner contends that the claim term “directly supply” lacks a “meaningfully precise claim scope.” Pet. 54. As discussed above, we have construed the phrase “permitting the media content suppliers to directly supply the video content to the digital media content service platform by electronic transmission” as “the media content suppliers themselves (not another entity) provide the video content to the digital media content service platform.” Petitioner argues “it is not clear if the data must go from the supplier to the platform without passing through intermediate systems and/or networks.” *Id.* This, however, is a statement that the term is broad, not that it is indefinite. *See In re Gardner*, 427 F.2d 786, 788 (CCPA 1970) (“Breadth is not indefiniteness.”).

Petitioner also contends that the claim term “embedded purchasing opportunities” lacks a “meaningfully precise claim scope.” Pet. 55. We have construed “embedded purchasing opportunities” as “text or code incorporated within video content, with which the consumer may interact, and thereby purchase merchandise via such interaction.” Petitioner argues

“it is not clear if a hyper-link inserted within a video-stream which when selected opens a separate webpage which includes a form that may be completed for purchasing a product would constitute an ‘embedded purchasing opportunity.’” *Id.* Again, this is a statement that the term is broad, not that it is indefinite.

Petitioner further contends that the claim term “coded information” is not defined within the specification. *Id.* at 55-56. We have construed “coded information” as “information that has been changed into a form that can be read by a computer.” Petitioner provides no other arguments with respect to this claim term.

We are not persuaded Petitioner has provided sufficient evidence as to why a person of ordinary skill in the art, in view of the specification, would not have understood the scope of claim 13. For the foregoing reasons, we determine that Petitioner fails to demonstrate that it is more likely than not that claim 13, and claims 14, 15, and 18 which depend therefrom, are indefinite under § 112 ¶ 2.

III. CONCLUSION

For the foregoing reasons, the information presented in the Petition does not demonstrate that claims 13-15 and 18 of the '099 patent, more likely than not, are unpatentable.

IV. ORDER

Accordingly, it is

ORDERED that pursuant to 35 U.S.C. § 324(a) and § 18(a) of the AIA, a covered business method patent review is hereby DENIED as to claims 13-15 and 18 of the '099 patent.

CBM2014-00053

Patent 8,468,099

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