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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FACEBOOK, INC. and INSTAGRAM, LLC,
Petitioner,

v.

SKKY, LLC,
Patent Owner.

Case CBM2017-00002
Patent 9,203,870 B2

Before KARL D. EASTHOM, WILLIAM V. SAINDON, and
CHRISTOPHER G. PAULRAJ, *Administrative Patent Judges*.

SAINDON, *Administrative Patent Judge*.

DECISION

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

I. INTRODUCTION

Facebook, Inc. and Instagram, LLC (collectively, “Petitioner”), filed a Petition (Paper 1, “Pet.”) requesting covered business method (“CBM”) patent review of claims 1–14 of U.S. Patent No. 9,203,870 B2 (Ex. 1001, “the ’870 patent”) under Section 18 of the Leahy-Smith America Invents Act, Pub. L. No. 112–29, 125 Stat. 284, 329 (2011) (“AIA”). Patent Owner, Skky, LLC, filed a Preliminary Response. Paper 8 (“Prelim. Resp.”). With its Preliminary Response, Patent Owner provided evidence (Ex. 2001) that it filed with the Office a statutory disclaimer of claims 1–7 and 9 of the ’870 patent pursuant to 37 C.F.R. § 1.321(a). Prelim. Resp. 1–2 (citing Ex. 2001). After the Preliminary Response, Petitioner filed a Preliminary Reply to Patent Owner’s Preliminary Response, as authorized by the panel pursuant an e-mail request by Petitioner, to address the consequences of Patent Owner’s disclaimer of those claims. Paper 9 (“Pet. Prelim. Reply”). In response to the Preliminary Reply, Patent Owner filed a Preliminary Sur-Reply, also as authorized by the panel. Paper 19 (“PO Sur-Reply”).

We have jurisdiction under 35 U.S.C. § 324(a).

Section 18(a)(1) of the AIA provides that a covered business method patent review “shall be regarded as, and shall employ the standards and procedures of, a post-grant review” with certain exceptions not relevant here. Under 35 U.S.C. § 324(a), a post-grant review cannot be “instituted unless the Director determines that the information presented in the petition. . . would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.”

Upon consideration of the record, we determine that the ’870 patent is not a covered business method patent and accordingly deny the Petition.

A. Related Matters

Petitioner states that Patent Owner asserted the '870 patent against Petitioner in pending litigation, namely *Skky, LLC v. Facebook, Inc.*, No. 16:cv-00094 (D. Minn.) (filed Jan. 15, 2016). Pet. 1. Petitioner lists related PTAB proceedings as follows: CBM2016-00091 (challenging U.S. Pat. No. 9,037,502, a continuation of the same application to which the '870 patent also claims priority); and IPR2014-01236 (challenging U.S. Patent No. 7,548,875, the parent to the '870 patent). *Id.* at 1–2. In addition to CBM2016-00091, Patent Owner lists several related PTAB proceedings and other related matters. *See* Paper 6, 2–3. Listed PTAB proceedings involving the instant parties include the following: CBM2017-00003; CBM2017-00006; CBM2017-00007; IPR2017-00088; IPR2017-00089; and IPR2017-00092; IPR2017-00097. *Id.* at 2.

B. The '870 Patent

The '870 patent describes a method for delivering audio and/or visual media files, including recordings of songs, musical compositions, ringtones, video, films, television shows, and personal recordings, wirelessly or non-wirelessly to devices for playback of the content, with or without an Internet connection. Ex. 1001, Abstract.

Figure 5 of the '870 patent follows:

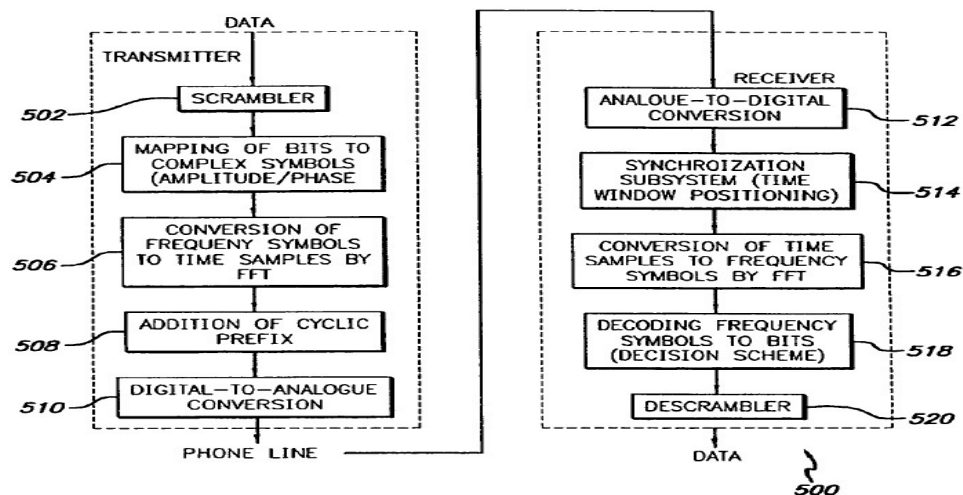


FIG. 5

According to the specification, Figure 5 depicts a flow chart for delivering data content by transmitting data over an audio channel of a wireless telephone. *See* Ex. 1001, 16:29–34. Data transmission method 500 includes transferring data from a server by converting stored digital information to analog information (i.e., D/A conversion, step 510) wherein the server transmits the signal to a receiver using an orthogonal frequency-division multiplex scheme (OFDM). *See id.* at 16:29–17:46; Ex. 1002 ¶¶ 42–45, 93–95. Prior to the D/A conversion, the transmitter scrambles data representing a data file (502), maps that to complex frequency symbols (504), converts that to time samples using a Fast Fourier Transform (FFT) (506), and adds a cyclic prefix (508). Ex. 1001, 16:37–41. After the D/A conversion and OFDM modulation, a telephone receiver decodes the modulated symbols by a reverse conversion process (i.e., an analog to digital (A/D) conversion process) to recover the transmitted audio or video file to be stored as digital information (512–520). *See id.* at 16:41–46, 18:5–11.

C. Challenged Claim 1

Claims 8 and 10–14 remain of the originally challenged claims.

Claim 8 is the sole independent claim challenged:

8. A method for distributing electronic content over a cellular network to a user operating a cellular phone, the method being executable by a computer system that includes server hardware and a data base, the method comprising:
 - providing for the transmission to the cellular phone by orthogonal frequency-division multiplex (OFDM) modulation of a database of electronically accessible data files, each data file been subject to a copyright owner;
 - receiving, by the computer system, a selection from the cellular phone corresponding to at least one of the data file;
 - providing for the transmission of, by the computer system and in response to the received selection, a portion of the selected data file to the cellular phone electronic device;
 - receiving, by the computer system, a request for the data file for which the portion was provided to the cellular phone electronic device; and
 - providing for the transmission, by the computer system, of the requested data file to the cellular phone, said cellular phone including a digital signal processor configured to receive the data file over a cellular network by orthogonal frequency-division multiplex (OFDM) modulation.

D. The Alleged Grounds of Unpatentability

The Petition asserts the unpatentability of claims 1–14 for failure to recite patent-eligible subject matter under 35 U.S.C. § 101, for failure to correspond in scope with that which the inventor regards as the invention under 35 U.S.C. § 112(b) (pre-AIA 35 U.S.C. § 112 ¶ 2), and for lack of written description under 35 U.S.C. § 112(a) (pre-AIA 35 U.S.C. § 112 ¶ 1). Pet. 44. Based on Patent Owner’s disclaimer of claims 1–7 and 9, only challenges to claims 8 and 10–14 remain. To support its challenges,

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