

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

YAHOO! INC.,
Petitioner,

v.

CREATEADS LLC,
Patent Owner.

Case IPR2014-00200
Patent 5,535,320

Before MEREDITH C. PETRAVICK, JENNIFER S. BISK, and
PATRICK M. BOUCHER, *Administrative Patent Judges*.

BOUCHER, *Administrative Patent Judge*.

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

I. INTRODUCTION

A. Background

On November 27, 2013, Google Inc. and Yahoo! Inc. filed a Petition (Paper 1) pursuant to 35 U.S.C. §§ 311–319 to institute an *inter partes* review of claims 1–20 of U.S. Patent No. 5,535,320 (Ex. 1001, “the ’320

IPR2014-00200
Patent 5,535,320

patent”). A Corrected Petition (Paper 7, “Pet.”) was filed on December 18, 2013. CreateAds LLC (“Patent Owner”) filed a Preliminary Response (Paper 9, “Prelim. Resp.”) to the Corrected Petition on March 17, 2014. Pursuant to 35 U.S.C. § 314(a), the Board instituted trial on May 9, 2014, as to claims 1–20. Paper 10 (“Institution Decision” or “Dec.”).

During the trial, Patent Owner timely filed a Patent Owner Response (Paper 20, “PO Resp.”), and Petitioner timely filed a Reply to the Patent Owner Response (Paper 25, “Reply”). An oral hearing was held on February 2, 2015 (Transcript, Paper 41).

On November 7, 2014, the proceeding was terminated with respect to Google Inc. Paper 27. On February 26, 2015, the proceeding was terminated with respect to Yahoo! Inc. Paper 40. Although the proceeding thus was terminated with respect to all petitioners, the proceeding itself was not terminated, and we indicated our intention to proceed to this Final Written Decision. *Id.* at 2.

We have jurisdiction under 35 U.S.C. § 6(c). This is a Final Written Decision under 35 U.S.C. § 318(a) as to the patentability of the challenged claims. Based on the record before us, Petitioner has demonstrated by a preponderance of the evidence that claims 1–20 are unpatentable.

B. Related Proceedings

The ’320 patent is involved as an asserted patent in the following district-court lawsuits between Patent Owner and the original petitioners: *CreateAds LLC v. Google Inc.*, Case No. 12-1606-GMS (D. Del.) and

IPR2014-00200
Patent 5,535,320

CreateAds LLC v. Yahoo! Inc., Case No. 12-1613-GMS (D. Del.). Petitioner represents that the '320 patent is also involved in thirty-three other copending lawsuits in the United States District Court for the District of Delaware, identified in Exhibit 1004. Pet. 1.

C. Grounds of Unpatentability

Petitioner relies on the following prior-art references.

Sieber	US 5,649,216	July 15, 1997	(Ex. 1005)
Sieber PCT	WO 92/21097	Nov. 26, 1992	(Ex. 1006)
Powell	US 4,873,643	Oct. 10, 1989	(Ex. 1010)
Amari	Thomas R. Amari, <i>Automating the Design of Packaging Families Using PackIT, The Packager's Inferencing Tool</i> , 1–131 (1987) (Ex. 1009)		
Feiner	Steven Feiner, <i>A Grid-Based Approach to Automating Display Layout</i> , Proc. Graph. Int. 1988, 192–97 (1988) (Ex. 1011)		

The grounds on which we instituted review are summarized by the following chart.

References	Basis	Claim(s) Challenged
Sieber	§ 102(e)	1, 2, 4–8, 10–15, and 17–20
Sieber PCT	§ 102(b)	1, 2, 4–8, 10–15, and 17–20
Amari	§ 102(b)	1, 2, 4–8, 10–15, and 17–20
Sieber and Amari	§ 103(a)	9
Sieber PCT and Amari	§ 103(a)	9
Sieber and Feiner	§ 103(a)	3, 5, 16, and 18
Sieber PCT and Feiner	§ 103(a)	3, 5, 16, and 18

D. The '320 Patent

The '320 patent, titled “Method of Generating a Visual Design,” issued on July 9, 1996, based on Application 08/268,613, filed July 1, 1994, and claims priority under 35 U.S.C. § 119(a) to GB 9313761, filed July 2, 1993. The '320 patent “relates to a method of generating a visual design for [an] application, for example, in the field of advertising, packaging or creating corporate images.” Ex. 1001, col. 1, ll. 8–10. The '320 patent describes three databases that contain information used in generating the visual design: (1) a first database that stores “visual design elements,” described as “typically includ[ing] logos, logotypes, graphics or other images, icons and custom wording in predetermined fonts,” *id.* at col. 2, ll. 51–53; (2) a second database that stores required “text elements,” described as “typically includ[ing] predetermined words, phrases, and blocks of text which may be descriptive or promotional in nature,” *id.* at col. 2, ll. 55–57; and (3) a third database that “stores data relating to predetermined design parameters which vary according to the visual design application which is selected,” *id.* at col. 2, ll. 59–61. Examples of “visual design applications” provided in the patent “include stationery, livery, signage, environmental items or structures, interior and exterior design, packaging, promotions and advertising.” *Id.* at col. 2, ll. 61–64.

Software uses these databases to generate a visual design, with the '320 patent illustrating four basic kinds of calculation through a series of flow diagrams: a reading-distance calculation, a scaling calculation, a positioning calculation, and an artwork-sizing calculation. *Id.* at col. 3,

ll. 55–60. A user may input values for certain parameters, with the software applying the calculations to determine values for other parameters used in generating the visual design. For example, if a user inputs design dimensions, the software may calculate the appropriate reading distance; if a user inputs a desired reading distance, the software may calculate overall dimensions of the design. *Id.* at col. 3, ll. 61–67. The various calculations result in determining a size and position for visual design elements and/or text elements in the visual design. *Id.* at col. 4, ll. 1–25.

Claim 1 is illustrative of the challenged claims:

1. A method of generating a representation of a visual design comprising:
 - storing data defining a plurality of visual design elements;
 - storing data defining a plurality of predetermined design parameters;
 - selecting one of a plurality of predetermined visual design applications, wherein each one of said plurality of predetermined visual design applications is associated with one or more of said plurality of predetermined design parameters;
 - selecting at least one visual design element for inclusion in the visual design;
 - generating a visual design utilizing the selected visual design element, the size and position of the element in the visual design being determined by the predetermined design parameters associated with the selected design application; and
 - generating a representation of the visual design.

Id. at 45–62.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.