

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE INC.,
Petitioner,

v.

VEDANTI SYSTEMS LIMITED,
Patent Owner.

Case IPR2016-00212
Patent 7,974,339 B2

Before MICHAEL R. ZECHER, JUSTIN T. ARBES, and
JOHN A. HUDALLA, *Administrative Patent Judges*.

HUDALLA, *Administrative Patent Judge*.

DECISION

Institution of *Inter Partes* Review
35 U.S.C. § 314(a) and 37 C.F.R. § 42.108

Petitioner, Google Inc. (“Google”), filed a Petition (“Pet.”) (Paper 2) requesting an *inter partes* review of claims 1, 6, 7, 9, 10, 12, and 13 of U.S. Patent No. 7,974,339 B2 (Ex. 1001, “the ’339 patent”) pursuant to 35 U.S.C. §§ 311–19. Patent Owner, Vedanti Systems Limited (“Vedanti”), filed a

Preliminary Response. Paper 6 (“Prelim. Resp.”). We have jurisdiction under 35 U.S.C. § 314.

Under 35 U.S.C. § 314(a), the Director may not authorize an *inter partes* review unless the information in the petition and preliminary response “shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” For the reasons that follow, we institute an *inter partes* review as to claims 1, 6, 7, 9, 10, 12, and 13 of the ’339 patent on the asserted ground of unpatentability presented.

I. BACKGROUND

A. *Related Proceedings*

Both parties identify the following proceeding related to the ’339 patent (Pet. 3, 59; Paper 5, 2): *Max Sound Corp. v. Google, Inc.*, No. 5:14-cv-04412 (N.D. Cal. filed Oct. 1, 2014).¹ Google was served with this complaint on November 20, 2014. *See* Pet. 3 (citing Ex. 1021). The ’339

¹ In *Max Sound*, plaintiff Max Sound Corporation (“Max Sound”) sued Google and others for infringement of the ’339 patent. Ex. 1011, 1–2. Although Max Sound listed Vedanti as a co-plaintiff at the outset of the case, Max Sound later alleged Vedanti was a defendant. *See id.* at 1; Order, *Max Sound Corp. v. Google, Inc.*, No. 3:14-cv-04412 (N.D. Cal. Nov. 24, 2015), ECF No. 139, 3–4. The court dismissed the action for lack of subject matter jurisdiction after determining Max Sound did “not demonstrate[e] that it had standing to enforce the ’339 patent at the time it initiated th[e] action, with or without Vedanti as a party.” *See id.* at 9. Max Sound has appealed the dismissal. *See* Notice of Appeal, *Max Sound Corp. v. Google, Inc.*, No. 3:14-cv-04412 (N.D. Cal. Feb. 19, 2016), ECF No. 150. In its mandatory notices pursuant to 37 C.F.R. § 42.8, Vedanti states that it owns the ’339 patent and that the *Max Sound* case was “filed without authorization” by Max Sound. Paper 5, 2.

patent is also the subject of another petition for *inter partes* review in Case IPR2016-00215. Pet. 59; Paper 5, 2.

Google also identifies a second action among the same parties that was dismissed without prejudice voluntarily: *Vedanti Sys. Ltd. v. Google, Inc.*, No. 1:14-cv-01029 (D. Del. filed Aug. 9, 2014). See Pet. 3 n.1 (citing Exs. 1009, 1010), 59 (citing Ex. 1010). We agree with Google (*see id.* at 3 n.1) that, as a result of the voluntary dismissal without prejudice, this Delaware action is not relevant to the bar date for *inter partes* review under 35 U.S.C. § 315(b). See *Oracle Corp. v. Click-to-Call Techs., LP*, Case IPR2013-00312, slip. op. at 15–18 (PTAB Oct. 30, 2013) (Paper 26) (precedential in part).

B. The '339 patent

The '339 patent is directed to “us[ing] data optimization instead of compression, so as to provide a mixed lossless and lossy data transmission technique.” Ex. 1001, 1:36–39. Although the embodiments in the patent are described primarily with reference to transmitting frames of video data, the Specification states that the described optimization technique is applicable to any type of data. See Ex. 1001, 1:50–52, 4:44–46, 4:60–62, 7:42–45, 9:54–56. Figure 1 of the '339 patent is reproduced below.

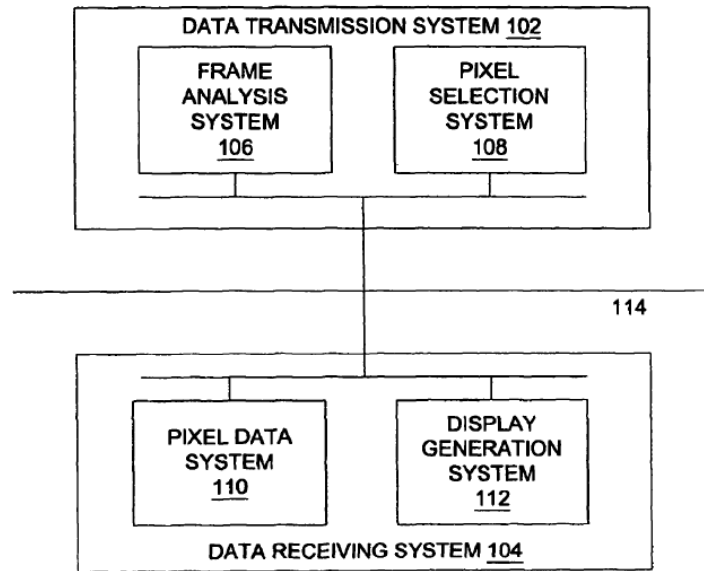


FIGURE 1 100 ↑

Figure 1 depicts system 100 for transmitting data having data transmission system 102 coupled to data receiving system 104. *Id.* at 2:47–49.

Data transmission system 102 includes frame analysis system 106 and pixel selection system 108. *Id.* at 2:65–67. The frame analysis system receives data grouped in frames, and then generates region data that divides frame data into regions. *Id.* at 1:42–46. Regions can be uniform or non-uniform across the frame, and regions can be sized as symmetrical matrices, non-symmetrical matrices, circles, ellipses, and amorphous shapes. *Id.* at 5:54–6:3. Figure 10 of the '339 patent is reproduced below.

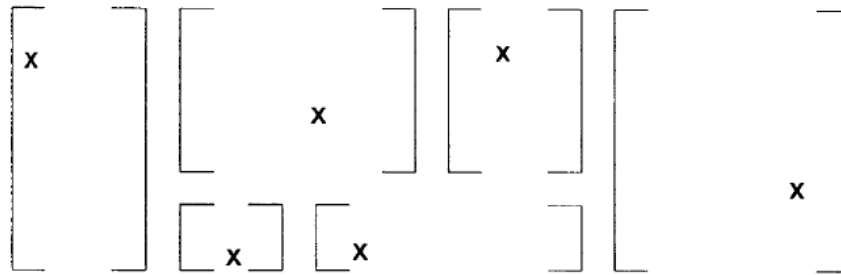


FIGURE 10 1000↑

Figure 10 depicts segmentation of an array of pixel data where the regions are non-uniform matrices. *Id.* at 10:38–41. The pixel selection system receives region data and generates one set of pixel data for each region, such as by selecting a single pixel in each region. *Id.* at 1:46–49. In Figure 10 above, the “X” in each matrix represents a selected pixel. *Id.* at 10:24–29, 10:47–52. Transmission system 102 then transmits matrix data and pixel data, thereby “reduc[ing] data transmission requirements by eliminating data that is not required for the application of the data on the receiving end.” *Id.* at 3:13–15, 7:63.

Data receiving system 104 further includes pixel data system 110 and display generation system 112. *Id.* at 3:35–36. Pixel data system 110 receives region data and pixel data and assembles frame data based on the region data and pixel data. *Id.* at 4:32–34. In turn, display generation system 112 receives frame data from pixel data system 110 and generates video data, audio data, graphical data, textual data, or other suitable data for use by a user. *Id.* at 4:44–46.

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