

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 IPR2017-00550
Patent 9,037,502 B2

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

PAULRAJ, *Administrative Patent Judge*.

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

I. INTRODUCTION

Facebook, Inc. and Instagram LLC (“Petitioner”) filed a Petition (Paper 2, “Pet.”) requesting an *inter partes* review of claims 1–3, 5, and 7 of U.S. Patent No. 9,037,502 B2 (Ex. 1001, “the ’502 patent”). Skky, LLC (“Patent Owner”) filed a Preliminary Response (Paper 8, “Prelim. Resp.”) to the Petition.

In our Institution Decision (Paper 9, “Inst. Dec.”), we instituted an *inter partes* review of claims 1–3 and 7 of the ’502 patent (“the challenged claims”) on alternative grounds of obviousness over 1) Rolf, Gatherer, Fritsch, and Frodigh, and 2) Rolf, Gatherer, Fritsch, O’Hara, and Tagg. We further instituted *inter partes* review of claim 5 based on each of the foregoing alternative prior art combinations in further combination with Yukie. A table of references and evidence relied upon in the Petition follows:

Reference or Declaration	Exhibit No.
Declaration of Tal Lavian, Ph.D. (“Lavian Declaration”)	Ex. 1002
Rolf, U.S. Patent No. 7,065,342 B1 (filed Nov. 22, 2000, issued June 20, 2006) (“Rolf”)	Ex. 1003
Yukie et al., U.S. Patent No. 6,956,833 B1 (filed April 4, 2000, issued Oct. 18, 2005) (“Yukie”)	Ex. 1004
Gatherer et al., <i>DSP-Based Architectures for Mobile Communications: Past, Present and Future</i> , 38:1 IEEE COMMUNICATIONS MAGAZINE 84–90 (2000) (“Gatherer”)	Ex. 1005
Frodigh et al., U.S. Patent No. 5,726,978 (issued Mar. 10, 1998) (“Frodigh”)	Ex. 1006
Tagg, U.S. Patent No. 8,996,698 B1 (filed Nov. 3, 2000, issued Mar. 31, 2015) (“Tagg”)	Ex. 1060
Bob O’Hara and Al Petrick, IEEE 802.11 HANDBOOK, A DESIGNER’S COMPANION (1999) (“O’Hara”)	Ex. 1061
Fritsch, U.S. Patent 6,233,682 B1 (filed Jan. 18, 2000, issued May 15, 2001) (“Fritsch”)	Ex. 1062

See Inst. Dec. 4; Pet. 3, 7–18.

After institution, Patent Owner filed a Response (Paper 14, “PO Resp.”), and Petitioner filed a Reply (Paper 18, “Pet. Reply”). The parties waived their right to an oral hearing.

This Final Written Decision issues pursuant to 35 U.S.C. § 318(a). For the reasons set forth below, Petitioner has shown by a preponderance of the evidence that claims 1–3, 5, and 7 of the ’502 patent are unpatentable.

A. Related Proceedings

The parties indicate that the following district court case involves the ’502 patent: *Skky, LLC v. Facebook, Inc.*, No. 0:16-cv-00094 (D. Minn.). Pet. 1; Paper 4, 2. The following petitions for *inter partes* review or covered business method review relate to the instant proceeding:

Case No.	Involved U.S. Patent No.
IPR2014-01236	U.S. Patent No. 7,548,875
IPR2017-00088	U.S. Patent No. 9,124,718
IPR2017-00089	U.S. Patent No. 9,118,693
IPR2017-00092	U.S. Patent No. 9,124,717
IPR2017-00097	U.S. Patent No. 8,892,465
IPR2017-00602	U.S. Patent No. 9,219,801
IPR2017-00641	U.S. Patent No. 9,203,956
IPR2017-00685	U.S. Patent No. 9,203,870
IPR2017-00687	U.S. Patent No. 9,215,310
CBM2016-00091	U.S. Patent No. 9,037,502
CBM2017-00002	U.S. Patent No. 9,203,870
CBM2017-00003	U.S. Patent No. 9,219,810
CBM2017-00006	U.S. Patent No. 9,215,310
CBM2017-00007	U.S. Patent No. 9,203,956

Pet. 1–2; Paper 4, 2. The Board denied institution in each of the covered business method reviews after Patent Owner disclaimed claims having a financial component or disclaimed all claims. The Board also denied institution in IPR2017-00641 in view of Patent Owner’s disclaimer of the

challenged claims. The Board issued final written decisions in IPR2014-01236, IPR2017-00088, IPR2017-00089, IPR2017-00092, and IPR2017-00097.¹

B. The '502 Patent

The '502 patent describes delivering audio and/or visual files to an electronic device. Ex. 1001, Abstract, 1:19–21. Specifically, the '502 patent discloses delivering audio/visual files, such as songs or films, from one or more servers to the electronic device. *Id.* at Abstract. The system transmits the files in a compressed format, and the electronic device receives and plays the files on demand by a user. *Id.* The system employs an orthogonal frequency-division multiplex (“OFDM”) modulation technique. *Id.* at 16:63–17:22.

C. Illustrative Claim

Independent claim 1, from which claims 2, 3, 5, and 7 depend, recites as follows (with bracketed letters added for reference):

1. A method for wirelessly delivering one or more digital audio and/or visual files from one or more servers to one or more cell phones comprising:
 - [a] storing a library of compressed digital audio and/or visual files on one or more servers;
 - [b] providing to a cell phone a representation of at least a portion of the library of compressed digital audio and/or visual files;
 - [c] receiving a request from the cell phone for at least one of the compressed digital audio and/or visual files stored on the one or more servers,

¹ The U.S. Court of Appeals for the Federal Circuit affirmed the Board’s decision in IPR2014-01236, finding claims 1–3, 5, and 15–23 of U.S. Patent No. 7,548,875 B2 unpatentable. *Skky, Inc. v. MindGeek, S.A.R.L.*, 859 F.3d 1014, 1016 (Fed. Cir. 2017).

[d] providing the one or more requested compressed digital audio and/or visual files to the cell phone and wherein the cell phone comprises a receiver and one or more processors including a digital signal processor and is configured for receiving and processing files transmitted by orthogonal frequency-division multiplex modulation;

[e] tracking the selection of the requested compressed digital audio and/or visual files.

II. ANALYSIS

A. Level of Ordinary Skill in the Art

Petitioner's declarant, Tal Lavian, Ph.D., states that a person of ordinary skill in the art would have had "at least a bachelor's degree in computer science, computer engineering, or electrical engineering (or equivalent degree or experience) with at least four years of experience with wireless communications systems and at least two years of experience with the communication of digital media." Ex. 1002 ¶ 15. Patent Owner does not provide a definition of the level of ordinary skill in the art. Patent Owner also does not dispute Dr. Lavian's definition. Based on the evidence of record, including the types of problems and solutions described in the '502 patent and the asserted prior art, we agree with and adopt Dr. Lavian's definition of the level of ordinary skill in the art. *Id.* ¶¶ 15–17.

B. Claim Construction

The Board interprets claims of an unexpired patent using the broadest reasonable interpretation in light of the specification of the patent in which they appear. 37 C.F.R. § 42.100(b); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144–45 (2016). In its Petition, Petitioner did not contend that any term from the '502 patent requires an explicit construction in order to understand how the claims apply to the prior art cited in the Petition. Pet. 6.

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