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571–272–7822

Paper 11
Entered: July 13, 2017

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*.

DECISION
Institution of *Inter Partes* Review
37 C.F.R. § 42.108

I. INTRODUCTION

Facebook, Inc. and Instagram LLC (collectively, "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.

An *inter partes* review may not be instituted "unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." 35 U.S.C. § 314(a). For the reasons set forth below, Petitioner demonstrates a reasonable likelihood of prevailing in showing the unpatentability of claims 1–3, 5, and 7 of the '502 patent. Accordingly, we institute an *inter partes* review for those claims based on the unpatentability grounds set forth in the Petition and discussed below.

A. Related Proceedings

The parties indicate that the '502 patent is at issue in the following district court case: *Skky, LLC v. Facebook, Inc.*, No. 16-cv-00094 (D. Minn.) (filed Jan. 15, 2016). Pet. 1; Paper 4, 2. The parties also identify several Board proceedings, including *inter partes* reviews and covered business method reviews, which relate to this case. *See* Pet. 1–2; Paper 4, 2–3. Additionally, in *Skky, Inc. v. MindGeek, s.a.r.l.*, 859 F.3d 1014 (Fed. Cir. 2017) ("*MindGeek*"), the Federal Circuit affirmed the Board's final written decision in IPR2014-01236 determining that certain claims of U.S. Patent 7,548,875, to which the '502 patent claims priority as a continuation, were unpatentable as obvious.

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,
>
> [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.

D. Asserted Grounds of Unpatentability

Petitioner challenges the patentability of the claims of the '502 patent on the following grounds:

References	Basis	Claim(s) challenged
Rolf[1], Gatherer[2], Fritsch[3], and Frodigh[4]	§ 103(a)	1–3 and 7
Rolf, Gatherer, Fritsch, Frodigh, and Yukie[5]	§ 103(a)	5
Rolf, Gatherer, Fritsch, O'Hara[6], and Tagg[7]	§ 103(a)	1–3 and 7
Rolf, Gatherer, Fritsch, O'Hara, Tagg, and Yukie	§ 103(a)	5

In addition to the teachings of the references, Petitioner relies upon the Declaration of Tal Lavian, Ph.D. ("Lavian Decl.") (Ex. 1002) to support its challenges.

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[1] Rolf, U.S. Patent No. 7,065,342 B1 (filed Nov. 22, 2000, issued Jun. 20, 2006) ("Rolf") (Ex. 1003).

[2] Alan Gatherer et al., *DSP-Based Architectures for Mobile Communications: Past, Present and Future*, 38:1 IEEE COMMUNICATIONS MAGAZINE 84–90 (2000) ("Gatherer") (Ex. 1005).

[3] Fritsch, U.S. Patent 6,233,682 B1 (filed Jan. 18, 2000, issued May 15, 2001) ("Fritsch") (Ex. 1062).

[4] Frodigh et al., U.S. Patent No. 5,726,978 (issued Mar. 10, 1998) ("Frodigh") (Ex. 1006).

[5] Yukie, U.S. Patent No. 6,956,833 B1 (filed April 4, 2000, issued Oct. 18, 2005) ("Yukie") (Ex. 1004).

[6] Bob O'Hara and Al Petrick, IEEE 802.11 HANDBOOK, A DESIGNER'S COMPANION (1999) ("O'Hara") (Ex. 1061).

[7] Tagg, U.S. Patent No. 8,996,698 B1 (filed Nov. 3, 2000, issued Mar. 31, 2015) ("Tagg") (Ex. 1060).

II. ANALYSIS

A. Claim Construction

The claims of an unexpired patent are interpreted using the broadest reasonable interpretation in light of the specification of the patent in which they appear. *See* 37 C.F.R. § 42.100(b); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144–45 (2016). Petitioner does 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. Patent Owner agrees. Prelim. Resp. 5. On this record and for purposes of this decision, we determine that no claim terms require express construction to resolve the parties' disputes regarding the asserted grounds of unpatentability. *See Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) ("[O]nly those terms need be construed that are in controversy, and only to the extent necessary to resolve the controversy.").

B. Asserted Grounds of Unpatentability

1. Obviousness of Claims 1–3 and 7 over Rolf, Gatherer, Fritsch, and Frodigh

Petitioner argues that claims 1–3 and 7 would have been obvious over the combination of Rolf, Gatherer, Fritsch, and Frodigh. Pet. 19–38.

Petitioner relies primarily upon the teachings of Rolf as disclosing the majority of the limitations of the challenged claims. At a general level, Rolf describes a technique for allowing a cellular phone to wirelessly download selected songs from a remote server. Ex. 1003; Pet. 7–9; Prelim. Resp. 9–10. Petitioner acknowledges, however, that Rolf does not does not expressly disclose that the cell phone includes a "digital signal processor" (DSP). Pet. 26. Petitioner also acknowledges that Rolf does not disclose the use of OFDM to transmit the data file. *Id.* at 29.

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