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Paper 38
Entered: October 11, 2018

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

STINGRAY DIGITAL GROUP INC.,
Petitioner,

v.

MUSIC CHOICE,
Patent Owner.

Case IPR2017-01191
Patent 9,351,045 B1

Before MITCHELL G. WEATHERLY, GREGG I. ANDERSON, and JOHN F. HORVATH, *Administrative Patent Judges.*

Opinion for the Board filed by *Administrative Patent Judge* WEATHERLY.

Opinion Dissenting-in-Part filed by *Administrative Patent Judge* HORVATH.

Opinion Concurring with additional views filed by *Administrative Patent Judge* WEATHERLY

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

I. INTRODUCTION

A. BACKGROUND

Stingray Digital Group Inc. ("Petitioner") filed a petition (Paper 2, "Pet.") to institute an *inter partes* review of claims 1–20 (the "challenged claims") of U.S. Patent No. 9,351,045 B1 (Ex. 1001, "the '045 patent"). 35 U.S.C. § 311. Music Choice ("Patent Owner") timely filed a Preliminary Response. Paper 5 ("Prelim. Resp."). On October 13, 2017, based on the record before us at the time, we instituted an *inter partes* review of claims 1–20. Paper 6 ("Institution Decision" or "Dec."). We instituted the review to determine whether the challenged claims are unpatentable as obvious under 35 U.S.C. § 103 in view of the combination of U.S. Patent Application Publication No. 2002/0078456 A1 (Ex. 1004, "Hudson") and U.S. Patent No. 6,248,946 B1 (Ex. 1006, "Dwek"). Dec. 24.

After we instituted this review, Patent Owner filed a Patent Owner Response in opposition to the Petition (Paper 20, "PO Resp.") that was supported by a Declaration from Samuel Russ, Ph.D. (Ex. 2109). Patent Owner's Response included a section VI(E) pertaining to secondary considerations of non-obviousness. *See* PO Resp. 32–52. However, Patent Owner filed an unopposed Motion to Expunge and Strike section VI(E) from its Response. Paper 26, 1. We granted Patent Owner's Motion, and therefore do not consider any of Patent Owner's secondary considerations of non-obviousness in reaching our conclusions regarding the patentability of the challenged claims. Paper 27, 2–3. Petitioner filed a Reply in support of the Petition (Paper 28, "Reply") that was supported by a Reply Declaration of Michael Shamos, Ph.D (Ex. 1020). Patent Owner did not move to amend any claim of the '045 patent.

We heard oral argument on June 19, 2018. A transcript of the argument has been entered in the record (Paper 37, "Tr.").

We have jurisdiction under 35 U.S.C. § 6(c). The evidentiary standard is a preponderance of the evidence. *See* 35 U.S.C. § 316(e); 37 C.F.R. § 42.1(d). This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73.

For the reasons expressed below, we conclude that Petitioner has demonstrated by a preponderance of evidence that claims 1–4 and 6–9 are unpatentable, but has failed to do so for claims 5 and 10–20.

B. RELATED PROCEEDINGS

The parties identified as a related proceeding the co-pending district court litigation of *Music Choice v. Stingray Digital Group, Inc.*, No. 2:16-cv-00586-JRG-RSP (E.D. Tex. June 6, 2016). Pet. 1; Paper 4, 2. Patent Owner identifies a number of other applications, patents, or proceedings as being related to this proceeding, including:

a. *Stingray Digital Group Inc. v. Music Choice*, Case IPR2017-00888 (PTAB), involving related U.S. Patent No. 7,320,025;

b. U.S. Patent Application Serial Number 11/002,181, issued as U.S. Patent No. 7,320,025 B1 on January 15, 2008;

c. U.S. Patent Application Serial Number 11/963,164, issued as U.S. Patent No. 8,166,133 B1 on April 24, 2012;

d. U.S. Patent Application Serial Number 13/453,826, filed on April 23, 2012 (Abandoned);

e. U.S. Patent Application Serial Number 14/153,872, filed on January 13, 2014 (Abandoned); and

f. U.S. Patent Application Serial Number 15/162,259, filed on May 23, 2016 (Abandoned).

Paper 4, 2–3.

A. THE '045 PATENT

The '045 patent relates to "broadcast, on-demand and/or personalized entertainment and information systems." Ex. 1001, 1:24–25. Figure 1, reproduced below, is a block diagram illustrating an embodiment of system 100.

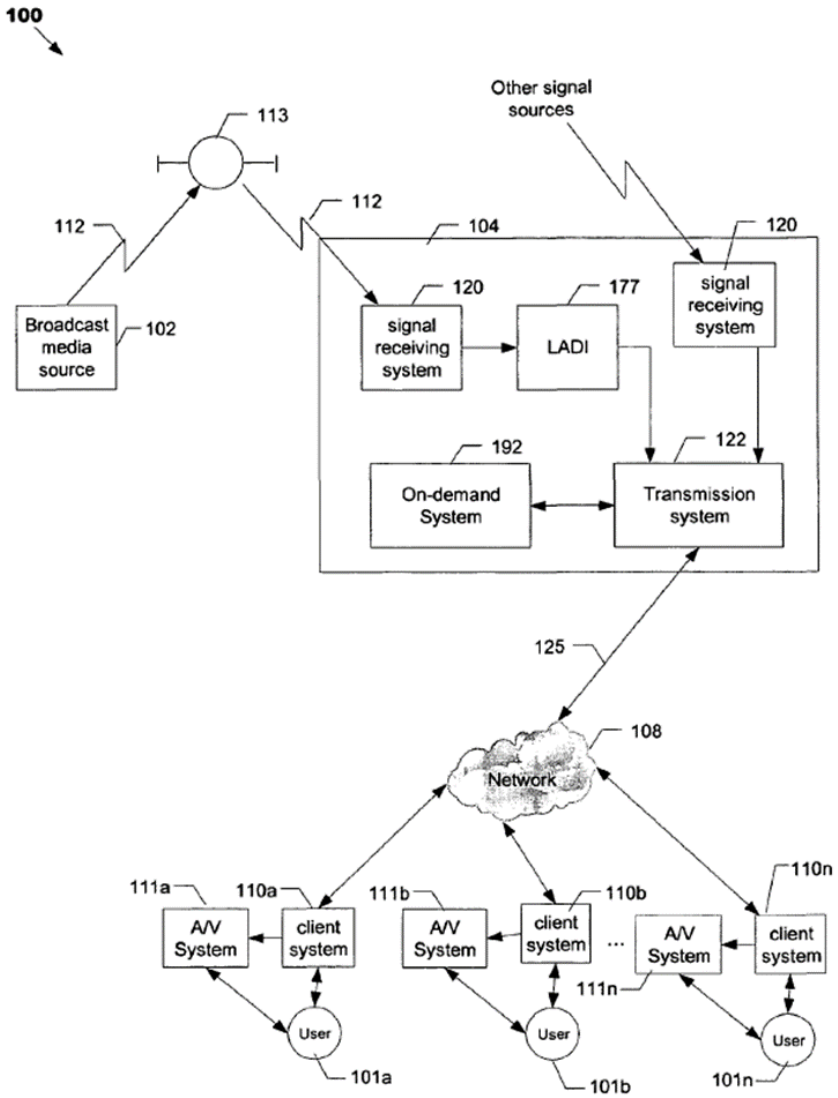

FIG. 1

Figure 1 illustrates that system 100 may include distribution center 104 with "one or more broadcast signal receiving systems 120 for receiving signals transmitted from broadcast media source 102," as well as a "transmission system 122 for combining an output of signal receiving systems 120 and on-demand channels outputted by on-demand system 192 to generate a combined signal 125" for transmission to a plurality of client systems 110. *Id*. at 4:37–46.

"[M]edia source 102 transmits to the distribution centers 104 audio data corresponding to a song, video data to complement the audio data, and client application data," and each "distribution center 104 may retransmit some or all of this data to a plurality of client systems 110." *Id*. at 5:43–50. "[T]he client application data may control at least part of the user interface displayed to the user 101," as shown in Figure 3, which is reproduced at right. *Id*. at 5:57–58. "[V]ideo content" may correspond to one or more "still images 302, 304 and text 306, 308 . . . all of which may be related to the current audio content of the broadcast channel." *Id*. at 5:63–

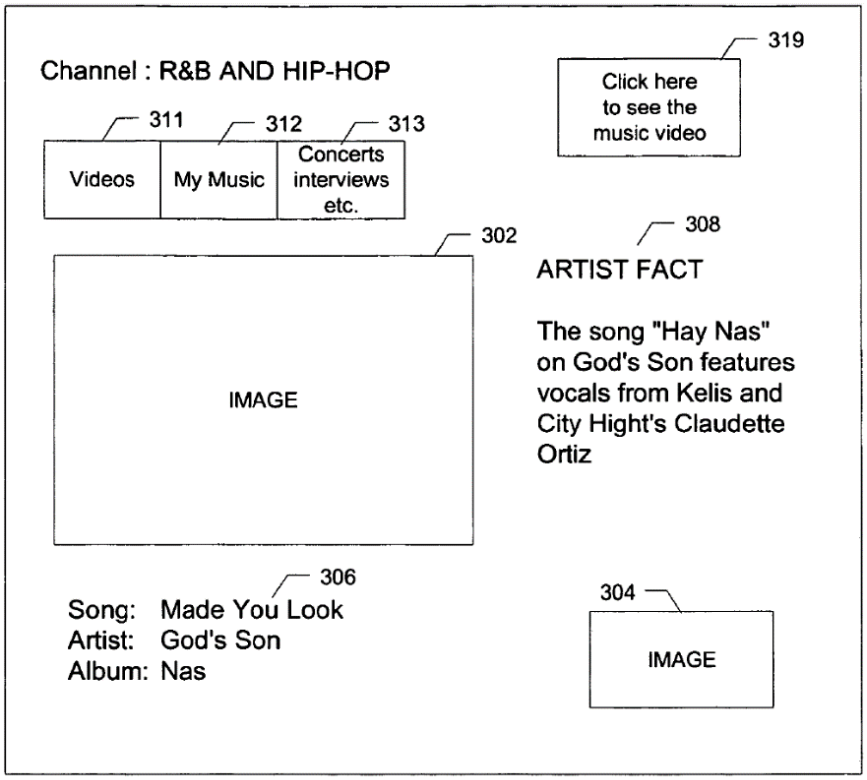

FIG. 3

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