

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMAZON.COM, INC., AMAZON DIGITAL SERVICES, INC., AMAZON
FULFILLMENT SERVICES, INC., HULU, LLC, and NETFLIX, INC.,
Petitioners

v.

UNILOC USA, INC. and UNILOC LUXEMBOURG S.A.,
Patent Owners

IPR2017-00948
PATENT 8,566,960

**PATENT OWNER PRELIMINARY RESPONSE TO PETITION
PURSUANT TO 37 C.F.R. § 42.107(a)**

Tables of Contents

| | | |
|-------------|---|-----------|
| I. | INTRODUCTION | 1 |
| II. | THE '960 PATENT | 2 |
| A. | Overview of the '960 Patent | 2 |
| B. | Distinctions between the Independent Claims 1, 22 and 25 | 6 |
| C. | Priority Date of the '960 Patent | 6 |
| D. | Petitioner Oversimplifies the Patented Technology | 7 |
| III. | THE PETITION PRESENTS UNJUSTIFIED REDUNDANCIES | 7 |
| IV. | ORDINARY SKILL IN THE ART | 10 |
| V. | NO REASONABLE LIKELIHOOD THAT AT LEAST ONE OF THE CHALLENGED CLAIMS IS UNPATENTABLE | 12 |
| A. | Claim Construction | 12 |
| 1. | Petitioner incorrectly argues no claim preamble is limiting | 12 |
| 2. | “device identity” (all challenged claims) | 16 |
| 3. | “a first time period after an initial authorization of the digital product” (only independent Claim 25) | 17 |
| B. | No Prima Facie Anticipation Based on DeMello | 18 |
| 1. | No prima facie anticipation for “verify that a license data associated with the digital product is valid based at least in part on a device identity generated by sampling physical parameters of the given device” | 18 |
| 2. | No prima facie anticipation for “in response to the device identity not being on the record, set the allowed copy count to a first upper limit for a first time period” | 23 |
| C. | No Prima Facie Obviousness Based on DeMello in view of alleged knowledge of POSITA | 31 |
| D. | No Prima Facie Obviousness Based on DeMello in view of Staruiala | 34 |

I. INTRODUCTION

Pursuant to 35 U.S.C. § 313 and 37 C.F.R. § 42.107(a), Uniloc Luxembourg S.A. (“Patent Owner”) submits this Preliminary Response to the Petition for *Inter Partes* Review (“the Petition”) of U.S. Patent No. 8,566,960 (“the '960 Patent”) filed by Amazon.com, Inc., Amazon Digital Services, Inc., Amazon Fulfillment Services, Inc., Hulu LLC, and Netflix, Inc. (collectively, “Petitioner”).

The Petition should be dismissed for procedural and substantive defects. As a procedural matter, the Board need not and should not consider each of the three facially-redundant grounds because the Petition articulates no bi-directional explanation of their relative strengths *and* weaknesses. Because the Board has yet to decide the extent to which the Petition is impermissibly redundant and cumulative, Patent Owner identifies herein example instances where each ground fails to satisfy the axiomatic All Elements Rule.¹ Petitioner has thus failed to produce an anticipatory reference or present a *prima facie* case of obviousness for invalidity of any claim of the '960 Patent. Accordingly, Petitioner has not satisfied its burden under 37 CFR § 42.104(b)(5) to identify evidence that supports the invalidity challenge and has failed to meet its burden under 37 CFR § 42.108(c) to demonstrate a reasonable likelihood of invalidity.

¹ Patent Owner does not concede the legitimacy of any arguments in the Petition that are not specifically addressed herein.

II. THE '960 PATENT

A. Overview of the '960 Patent

During prosecution, Applicant offered the following overview of the '960 Patent:

The present application (“Richardson”) discloses an invention for a system that automatically adjusts usage limitations on licensed software. The adjustable license is based on exploitation of an advanced technique for generating a “device fingerprint” or “device identifier” for each of many computers that a single licensee may use to execute the licensed software. The device identifier uniquely identifies each computer so that the licensing system can keep an accurate count of the number of computers authorized to use the software under any particular license. Unlike other software licensing schemes, the Richardson system anticipates that a licensee’s number of computers and computer configurations will change over time, and therefore implements a method for allowing such changes to occur without the user having to relicense the software, and without allowing unauthorized use of the software to run out of control.

EX1005, at 29; *see also* Declaration of Dr. DiEuliis (“EX2001”) at ¶ 22 (citing the same).

Consistent with that overview, the '960 Patent describes in its background section that consumers who license use of a digital product typically exhibit a pattern of usage which includes use of the digital product on multiple devices.

EX2001 ¶ 23 (citing EX1001, 1:31-41). Conventionally, publishers and digital owners have limited the license to a predefined number of devices. This scheme fails to consider normal addition and attrition that occur during the life of the licensed product. Such attrition and addition include, for example, the addition of new devices or replacement of older devices with new ones. The conventional method further requires the user to go through several tedious steps to retain its right to use the licensed product or to transfer these rights from one device to another device. *Id.*, (citing EX1001, 1:61-2:2).

To address these and other shortcomings, the '960 Patent teaches that certain embodiments are configured to temporarily adjust device limits of a license in automatic response to certain detected conditions. In certain embodiments, the adjustment is designed “to accommodate a reasonable small increase in the number of devices linked to a specific license” EX2001 ¶¶ 25-26 (citing EX1001, 3:63-4:2). According to one example, a “license may state that the publisher authorizes the user to use their software on up to, for example, five devices, but that the publisher reserves the right to increase this limit at their own discretion.” *Id.* (citing EX1001, 3:48-51). Within weeks of the purchase the licensed user reasonably seeks to exceed the five-device limit by one. *Id.* (citing EX1001, 3:52-63). The '960 Patent discloses that the sixth uniquely-identified device requesting to operate the software “may be allowed to run even though the publisher[']s stated device limit per license

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.