UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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UNIFIED PATENTS INC.,
Petitioner,

v.

QUANTUM STREAM INC.,
Patent Owner.

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Case IPR2017-01672
Patent 9,047,626 B2

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Before BARRY L. GROSSMAN, BEVERLY M. BUNTING, and
RICHARD H. MARSCHALL, *Administrative Patent Judges*.

MARSCHALL, *Administrative Patent Judge*.

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

I. INTRODUCTION

Unified Patents Inc. ("Petitioner") filed a Petition for *inter partes* review of claims 1–17 of U.S. Patent No. 9,047,626 B2 (Ex. 1001, "the '626 patent"). Paper 2 ("Pet."), 1. Quantum Stream Inc. ("Patent Owner") filed a Preliminary Response. Paper 6 ("Prelim. Resp."). Institution of an *inter partes* review is authorized by statute only when "the information presented in the petition . . . and any 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." 35 U.S.C. § 314(a); *see* 37 C.F.R. § 42.108. For the reasons set forth below, we conclude that the information presented in the Petition establishes a reasonable likelihood that Petitioner will prevail in showing the unpatentability of claims 1–17 of the '626 patent. Accordingly, we institute an *inter partes* review as to those claims.

A. Related Matters

Petitioner and Patent Owner identify the following proceedings in the U.S. District Court for the Southern District of New York as related matters: *Quantum Stream Inc. v. Charter Communications, Inc.*, No. 1:17-cv-01696-PAE (pending); *Quantum Stream Inc. v. Neptune Holding US Corp.*, No. 1:16-cv-08604 (terminated); and *Quantum Stream Inc. v. DirecTV, LLC*, No. 1:15-cv-08240 (terminated). Pet. 1; Paper 4, 1.

B. The '626 Patent

The '626 patent describes a video distribution system that provides secondary content for inclusion within video content. Ex. 1001, 1:25–32, 15:42–43. A primary content provider, such as a television station or Internet publisher, typically enters into agreements with secondary content

providers, such as advertisers, long before the transmission of the content to user devices. *Id.* at 1:43–53. According to the '626 patent, "there is a need for a system that can combine the diverse area of commerce into a single universally accessible system to all content providers . . . that permits digital content providers to explicitly target consumers" and maximize revenues. *Id.* at 2:50–57.

The system contemplated by the '626 patent discloses matching "vacancies" within the primary content with secondary content. *Id.*, Abstract. Vacancies are the places in the video content reserved to hold a unit of secondary content created by a content provider. *Id.* at 3:27–30, 5:27–28. "Both the vacancies and the content units that fill them have attributes that may be used to determine how and when a vacancy will be filled by a unit of content, or how and when a unit of content can be used." *Id.* at 3:5–8. The '626 patent further describes these attributes in the following manner:

> Static attributes may include required secondary content type (such as teenage advertising, sales opportunity, syndicated news, an audio stream), the physical size and location of the vacancy, time and date qualifications for the vacancy, or classification of the vacancy. Dynamic attributes are defined as attributes that can change or be derived at any time, or attributes that are evaluated just-in-time as the vacancy is offered. Depending on the medium, dynamic attributes may contain any combination of changing information—for example, about the specific consumer, the content environment, or previous consumer interactions with the content environment.

Id. at 6:41–52.

The '626 patent describes advertising as one of the possible applications of the disclosed system. *Id.* at 7:62–63. According to the '626 patent, the marketplace system that involves matching vacancies with

secondary content "enables digital content providers to dynamically seek the most favorable placement opportunities based on real-time data." *Id.* at 7:64–67. In addition, such providers "can create robust campaigns that match digital content in real-time to any targeted criteria, including full consumer profiles, contextual content, and search keywords." *Id.* at 7:67–8:3.

C. Claims

Claim 1 is the only independent claim of the '626 patent and is reproduced below:

1. A system for providing secondary content for inclusion in video content, the system comprising:

a consumer device comprising:

at least one network connector for receiving secondary content selected based on targeted criteria and for receiving (a) video content having at least one vacancy, and (b) information relating to the video content, wherein the information relating to the video content includes one or more attributes associated with the at least one vacancy;

at least one storage device for storing the secondary content and information relating to the secondary content, wherein the information relating to the secondary content includes one or more attributes; and

at least one processor for inserting the secondary content to fill the at least one vacancy of the video content, wherein the insertion is based on matching the one or more attributes associated with the at least one vacancy with the one or more attributes of the information relating to the secondary content; and

at least one server interface for transferring the video content and the secondary content to the consumer device;

> wherein the consumer device outputs the secondary content within the at least one vacancy of the video content.

Ex. 1001, 15:41–64.

D. Asserted Grounds of Unpatentability

Petitioner challenges claims 1–17 based on the following grounds (Pet. 4–5):

Ground	Reference(s)	Basis	Challenged Claims
1	Arazi[1] and Rosser[2]	§ 103[3]	1–6, 8–12, and 14–17
2	Arazi, Rosser, and Zigmond[4]	§ 103	7
3	Arazi, Rosser, and Brown[5]	§ 103	13
4	Eldering '039[6] and Eldering '277[7]	§ 103	1, 7, and 10
5	Eldering '039, Eldering '277, and Gupta[8]	§ 103	13

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[1] WO 97/19560 (published May 29, 1997) (Ex. 1006, "Arazi").

[2] WO 98/28906 (published July 2, 1998) (Ex. 1007, "Rosser").

[3] The relevant sections of the Leahy-Smith America Invents Act ("AIA"), Pub. L. No. 112–29, 125 Stat. 284 (September 16, 2011), took effect on March 16, 2013. Because the application from which the '626 patent issued was filed before that date, our citations to Title 35 are to its pre-AIA version.

[4] US 6,698,020 B1 (filed June 15, 1998) (Ex. 1008, "Zigmond").

[5] US 5,887,133 (filed Jan. 15, 1997) (Ex. 1009, "Brown").

[6] US 6,615,039 B1 (provisional filed May 10, 1999) (Ex. 1010, "Eldering '039").

[7] US 6,820,277 B1 (provisional filed Apr. 20, 1999) (Ex. 1012, "Eldering '277").

[8] US 6,487,538 B1 (filed Nov. 16, 1998) (Ex. 1015, "Gupta").

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