

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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RIOT GAMES, INC. & VALVE CORP.,  
Petitioner,

v.

PALTALK HOLDINGS, INC.,  
Patent Owner.

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Case IPR2018-00130<sup>1</sup>  
Patent 5,822,523 & 5,822,523 C1<sup>2</sup>

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Before THU A. DANG, KARL D. EASTHOM, and NEIL T. POWELL  
*Administrative Patent Judges.*

EASTHOM, *Administrative Patent Judge.*

DECISION  
Final Written Decision  
*35 U.S.C. § 318(a) and 37 C.F.R. § 42.73*

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<sup>1</sup> The panel joined Petitioner Valve Corp. and Case IPR2018-01241 to the instant proceeding. Paper 23.

<sup>2</sup> The Petition challenges original claims and claims issued pursuant to an *ex parte* reexamination certificate. See Ex. 1001.

## I. INTRODUCTION

### A. Background

Riot Games, Inc. (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1, 11–15, and 19–30 of U.S. Patent Nos. 5,822,523 and 5,822,523 C1 (Ex. 1001, the “’523 patent”). Paper 1 (“Pet.”). PalTalk Holdings, Inc. (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). Pursuant to our authorization (Paper 8, “Order”), Petitioner filed a Reply to Patent Owner Preliminary Response (Paper 9, “Pet. Prelim. Reply”) addressing Patent Owner’s claim constructions, and Patent Owner filed a Preliminary Sur-Reply (Paper 10, “PO Prelim. Sur-Reply”).

After we instituted trial on challenged claims 1, 11–15, and 19–30 (Paper 11, “Institution Decision” or “Inst. Dec.”), Patent Owner filed a Response (Paper 22, “PO Resp.”), Petitioner filed a Reply to Patent Owner’s Response (Paper 26, “Reply”), and Patent Owner filed a Sur-Reply to Petitioner’s Reply (Paper 31, “Sur-Reply”). An Oral Hearing transpired on February 13, 2019. The record includes a transcript of the Oral Hearing. Paper 36 (“Tr.”).

We have jurisdiction under 35 U.S.C. § 6. This Final Written Decision issues under 35 U.S.C. § 318(a). For the reasons discussed below, Petitioner has demonstrated by a preponderance of the evidence that claims 1, 11–15, and 19–30 of the ’523 patent are unpatentable under 35 U.S.C. § 103(a).

### B. Related Proceedings

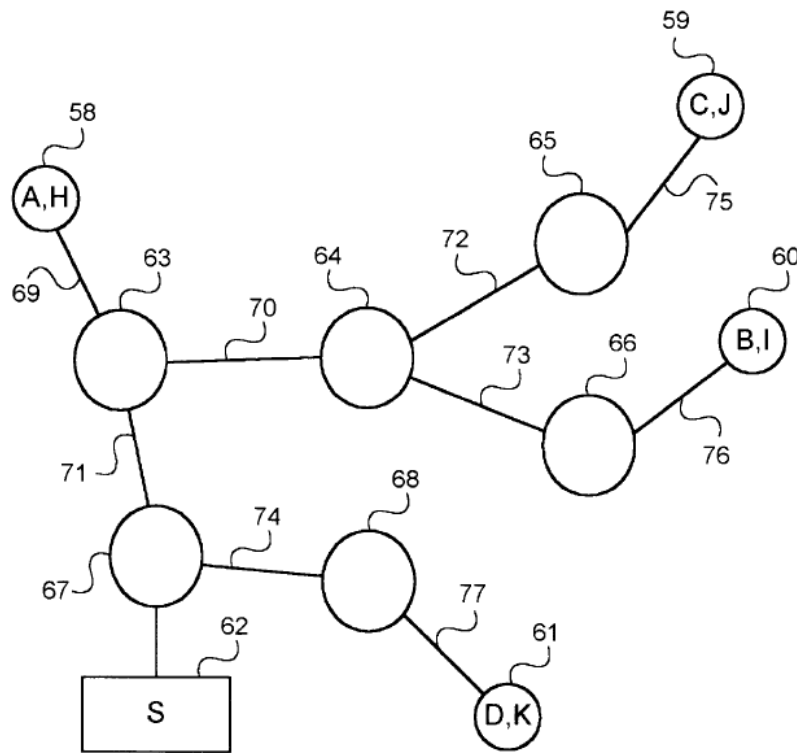
Petitioner states that the ’523 patent relates to U.S. Patent Nos. 6,226,686 (the “’686 patent”) and 6,018,766. Pet. 1. Also, *ex partes*

IPR2018-00130  
Patent 5,822,523

reexamination No. 90/011,036 (Ex. 1006) involved a reexamination of the '686 patent. Pet. 1. A concurrent request for *inter partes* review, IPR2018-00129, challenges claims of the '523 patent. Pet. 1. Two other concurrent requests for *inter partes* reviews, IPR2018-00131 and IPR2018-00132, involve challenges to claims of the '686 patent. Pet. 1. Petitioner also states that the following cases involve the '523 and '686 patents: *PalTalk Holdings, Inc. v. Valve Corp.*, No. 16-cv-1239-JFB-SRF (D. Del.) (filed Dec. 16, 2016); *PalTalk Holdings, Inc. v. Riot Games, Inc.*, No. 1:16-cv-1240-JFB-SRF (D. Del.) (filed Dec. 16, 2016); *PalTalk Holdings, Inc. v. Sony Computer Entertainment America, Inc.*, No. 2:09-cv-00274-DF-CE (E.D. Tex.) (filed Sept. 14, 2009); *PalTalk Holdings, Inc. v. Microsoft Corp.*, Case No. 2:06-cv-00367-DF (E.D. Tex.) (filed Sept. 12, 2006); and *Mpath Interactive v. Lipstream Networks, Inc.*, No. 3:99-cv-04506-WHA (N.D. Cal.) (filed Oct. 7, 1999). Pet. 1–2.

### C. The '523 Patent

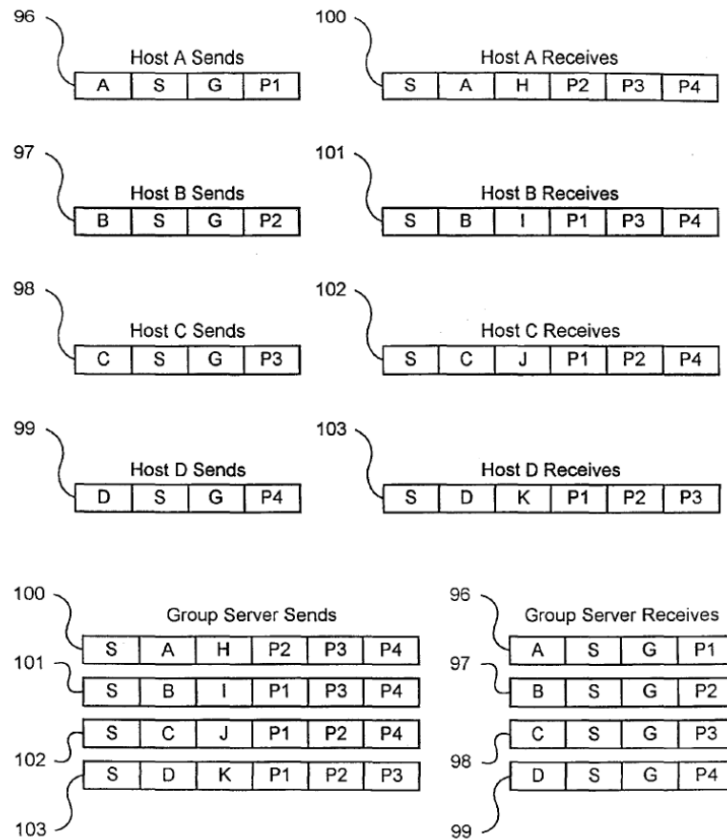
The '523 patent describes a “group messaging server” and a “method for deploying interactive applications over a network containing host computers and group messaging servers.” Ex. 1001, [57]. Figure 5, reproduced below, illustrates a unicast network over which the interactive applications may be deployed.



**Figure 5**

Figure 5 depicts a wide area network with hosts 58, 59, 60, and 61, and a group messaging server (“GMS”) 62. *Id.* at 8:61–9:1. Host 58 has Transport Level Protocol (TLP) address A and Upper Level Protocol (ULP) address H. *Id.* at 8:62–63. Host 59 has TLP address C and ULP address J, host 60 has TLP address B and ULP address I, and host 61 has TLP address D and ULP address K. *Id.* at 8:63–65. GMS 62 has TLP address S. *Id.* at 9:10. The conventional unicast network includes network links 69, 70, 71, 72, 73, 74, 75, 76, and 77, and unicast routers 63, 64, 65, 66, 67, and 68. *Id.* at 8:65–9:1. GMS “62 receives messages from the hosts addressed to a message group and send[s] the contents of the messages to the members of the message group.” *Id.* at 9:1–4.

Figure 7, reproduced below, depicts ULP datagrams with payload aggregations for implementing an interactive gaming application between the four hosts in Figure 5.



**Figure 7**

Figure 7 shows GMS (group messaging server) 62 receiving multiple messages 96, 97, 98, and 99 before sending them to hosts within message group G. *Id.* at 9:18–20, 10:24–28. As shown in Figure 7, multiple messages 96, 97, 98, and 99, each respectively contain payload P1, P2, P3, and P4, three of which GMS aggregates into a single larger message, 100, 101, 102, or 103. *Id.* Prior to aggregation, host 58 sends message 96 (shown in Figure 7 as “Host A sends”), host 60 sends message 97, host 59 sends message 98, and host 61 sends message 99, wherein each of the messages from the hosts has destination TLP address S and ULP address G

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