

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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FIDELITY INFORMATION SERVICES, LLC,  
Petitioner,

v.

GROOVE DIGITAL, INC.,  
Patent Owner.

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IPR2019-00050  
Patent 9,454,762 B2

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Before BRYAN F. MOORE, NORMAN H. BEAMER, and  
STACY B. MARGOLIES, *Administrative Patent Judges*.

BEAMER, *Administrative Patent Judge*.

JUDGMENT  
Final Written Decision  
Determining Some Challenged Claims Unpatentable  
Denying Petitioner's Motion to Exclude  
*35 U.S.C. § 318(a)*

## I. INTRODUCTION

On October 17, 2018, Fidelity Information Services, LLC (“Petitioner”) filed a Petition (Paper 2, “Pet.”) to institute an *inter partes* review of claims 1, 3, 7–9, 14, 18–20, 22, 24–25, 29–31, 33, and 35–37 of U.S. Patent No. 9,454,762 B2 (Ex. 1001, “the ’762 patent”). On February 7, 2019, Groove Digital, Inc. (“Patent Owner”) filed a Preliminary Response (Paper 11, “Prelim. Resp.”). Pursuant to a March 7, 2019 Order (Paper 15), Petitioner filed a Reply to the Preliminary Response (Paper 16), and Patent Owner filed a Sur-Reply (Paper 18).

On May 3, 2019, applying the standard set forth in 35 U.S.C. § 314(a), which requires demonstration of a reasonable likelihood that Petitioner would prevail with respect to at least one challenged claim, we instituted an *inter partes* review of the challenged claims. Paper 19 (“Institution Dec.”). In the Institution Decision, we determined Petitioner demonstrated a reasonable likelihood that it would prevail as to the challenged claims, and we instituted trial on all claims and all grounds in the Petition. Institution Dec. 24.

Following institution, Patent Owner filed a Response to the Petition (Paper 27, “PO Resp.”), Petitioner filed confidential and redacted versions of a Reply (Papers 41 and 44, “Pet. Reply”), and Patent Owner filed confidential and redacted versions of a Sur-Reply (Paper 49 and 50, “PO Sur-Reply”).<sup>1</sup> In addition, Petitioner filed a Motion to Exclude a portion of the declaration of Samuel Gaidemak, one of the inventors of the ’762 patent.

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<sup>1</sup> Citations to Petitioner’s Reply and Patent Owner’s Sur-Reply are to the confidential versions.

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Paper 54 (directed to Ex. 2030 ¶ 46). Patent Owner filed an Opposition to the Motion (Paper 57), and Petitioner filed a Reply (Paper 59).

On January 9, 2020, Patent Owner’s request for live testimony of Mr. Gaidemak during the oral hearing was granted. Paper 51. The oral hearing and inventor testimony took place on February 4, 2020. Confidential and non-confidential versions of the Transcript are included in the record as Papers 62 and 61, respectively.

After considering the parties’ arguments and supporting evidence, we determine that Petitioner has proven by a preponderance of the evidence that claims 14, 18–20, 22, 24–25, 29–31, 33, 35, and 37 of the ’762 patent are unpatentable, but has not proven by a preponderance of the evidence that claims 1, 3, 7–9, and 36 of the ’762 patent are unpatentable. 35 U.S.C. § 316(e) (2018).

## II. BACKGROUND

### *A. The ’762 Patent*

The ’762 patent, titled “System And Method For The Delivery Of Content To A Networked Device,” issued September 27, 2016, from an application filed March 17, 2006, and claims priority from a provisional application filed March 18, 2005. Ex. 1001, codes (54), (45), (22), (60). The parties have not submitted a copy of the March 18, 2005 provisional application; a copy, annotated with consecutive page numbers, has been added to the record. Ex. 3001.

The ’762 patent describes distributing an advertisement to end users on a network by displaying an “applet (also known as an alert or notification)” on the desktop of a networked user device such as a computer,

PDA, or cell phone. *Id.* at 1:13–16, 5:16–18, 6:23–26. An example of such an applet is illustrated in Figure 1, reproduced below.

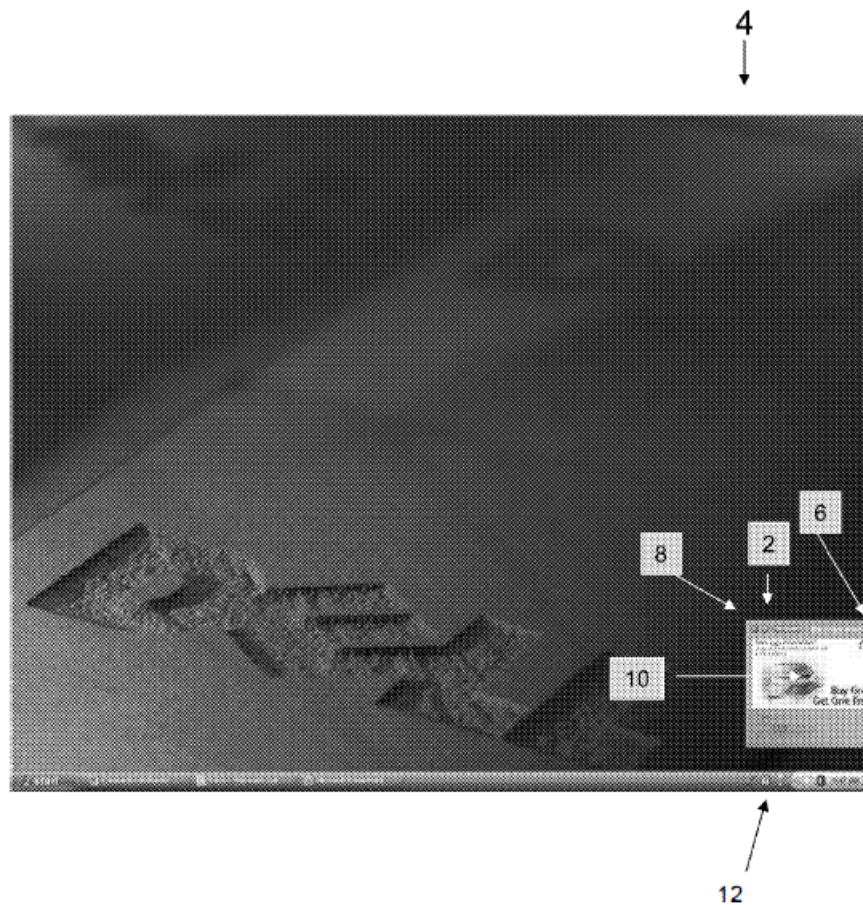


Figure 1

Figure 1 illustrates virtual desktop 4 with applet 2 displayed in the lower right hand corner, containing product or brand logo 10. *Id.* at 5:25–28, 5:54–56. Exemplary applets are described:

Each applet may be designed to be uniform in nature and roughly 1.5 x 1.5 in. area, or alternatively, may be uniquely shaped or sized. . . .

. . . .

Although the applet does present itself to the user periodically, it is non-invasive in the sense that a user knows that it will be

presented, but does not take over the cursor or interrupt the user's interaction with the active application.

. . . .

[The user] is merely notified by a non-obtrusive small sized applet 2 that is deployed in a predetermined location on the virtual desktop 4 and that does not interrupt that user's activities on the user's device. . . .

*Id.* at 3:16–18, 3:41–44, 6:23–26.

The applets are presented to the user by means of an “applet application” residing on the user's networked device, which is downloaded by a participating user via a network connection from a server (referred to as a “campaign deployment and tracking system” (CPT System 40 in Figure 3)) that administers the advertisement distribution campaign. *Id.* at Fig. 3, 4:19–22, 6:27–31, 6:63–7:1. After the applet application is installed on the user device, specific advertisements and the like may be deployed from the server to the applet application and displayed in an applet — the particular selected advertisement is based on matching geographic and demographic information in a user database with advertisement delivery criteria — *i.e.*, “segmentation requirements,” such as zip code. *Id.* at Fig. 3 (“Match & Deploy System 62”), 3:25–36, 5:65–6:3, 11:17–20.

While an applet is deployed, a user may select it (e.g., by “clicking” on it), thereby launching a browser with additional advertising content related to the applet, and optionally dismissing the displayed applet. *Id.* at Fig. 2, 3:55–63, 6:38–48.

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