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Paper 16
Entered: October 25, 2021

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VOLKSWAGEN GROUP OF AMERICA, INC.,
Petitioner,

v.

STRATOSAUDIO, INC.,
Patent Owner.

IPR2021-00718
Patent 9,584,843 B2

Before JUSTIN T. ARBES, HYUN J. JUNG, and KEVIN C. TROCK, *Administrative Patent Judges*.

JUNG, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. Background and Summary

Volkswagen Group of America, Inc. ("Petitioner") filed a Petition (Paper 1, "Pet.") requesting institution of an *inter partes* review of claims 10, 11, 13, and 15 of U.S. Patent No. 9,584,843 B2 (Ex. 1001, "the '843 patent"). StratosAudio, Inc. ("Patent Owner") filed a Preliminary Response

(Paper 6, "Prelim. Resp."). With our authorization (Paper 11), Petitioner filed a Reply to Patent Owner's Preliminary Response (Paper 12), and Patent Owner filed a Sur-reply (Paper 14) directed solely to the issue of whether we should exercise our discretion to deny the Petition under 35 U.S.C. § 314(a).

Under 35 U.S.C. § 314, an *inter partes* review may not be instituted "unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." Upon consideration of the Petition and Preliminary Response and for the reasons explained below, we do not institute an *inter partes* review of claims 10, 11, 13, and 15 of the '843 patent.

B. Real Parties in Interest

Petitioner identifies Volkswagen Group of America, Inc. as a real party in interest (Pet. 1), and Patent Owner identifies StratosAudio, Inc. as a real party in interest (Paper 4, 1).

C. Related Matters

Petitioner indicates that the '843 patent has been asserted in *StratosAudio, Inc. v. Volkswagen Group of America, Inc.*, 6:20-cv-1131 (W.D. Tex.). Pet. 1. Patent Owner identifies *StratosAudio, Inc. v. Volkswagen Group of America, Inc.*, 20-cv-01127-ADA (W.D. Tex.) as a related matter. Paper 4, 1. The parties also identify several other litigations with StratosAudio, Inc. as the plaintiff against other entities in the Western District of Texas. Pet. 1; Paper 4, 1.

The '843 patent issued from an application that is a continuation of an application that issued as the patent challenged in IPR2021-00719. Ex. 1001, code (63). Petitions challenging claims of other patents asserted in the related litigation have been filed in IPR2021-00712, IPR2021-00716, IPR2021-00717, IPR2021-00720, and IPR2021-00721. A different

petitioner filed petitions challenging claims of other patents asserted in related litigation in IPR2021-01267, IPR2021-01303, IPR2021-01305, and IPR2021-01371.

D. The '843 Patent (Ex. 1001)

The '843 patent issued on February 28, 2017 from an application filed on February 8, 2016, that is a continuation of two other applications, the earliest of which was filed on February 5, 2009 and claims priority to a provisional application filed on February 5, 2008. Ex. 1001, codes (22), (45), (60), (63), 1:7–11.

The '843 patent "relates generally to the field of broadcasting, and in particular methods, systems, and devices for scanning broadcasts." Ex. 1001, 1:20–22. Figure 1 of the '843 patent is reproduced below.

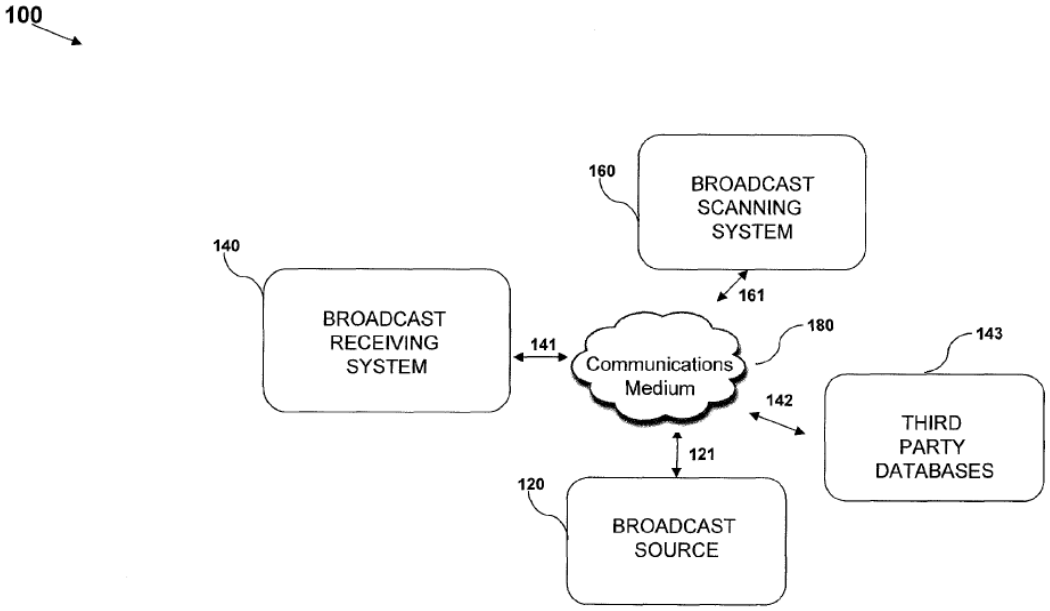

FIG. 1

Figure 1 is "a high-level block diagram of one embodiment of a broadcast system." Ex. 1001, 3:33–35. Broadcast system 100 includes broadcast source 120, broadcast receiving system 140, broadcast scanning

system 160, third party databases 143, and network 180. *Id.* at 6:15–17. Broadcast source 120, broadcast receiving system 140, broadcast scanning system 160, and third party databases 143 communicate with each other through network 180. *Id.* at 6:18–21.

Broadcast stream 121, broadcast receiver link 141, third party database link 142 and/or broadcast scanning system link 161 represent the data that flows through communication means 180. Ex. 1001, 7:55–60. Broadcast source 120 transmits broadcast stream 121. *Id.* at 6:41–48. Broadcast receiving system 140 receives broadcast stream 121 from broadcast source 120 through link 141. *Id.* at 10:7–9. Broadcast scanning system 160 scans broadcast stream 121 or a subcarrier data stream with broadcast stream 121. *Id.* at 10:38–55. Figure 3 of the '843 patent is reproduced below.

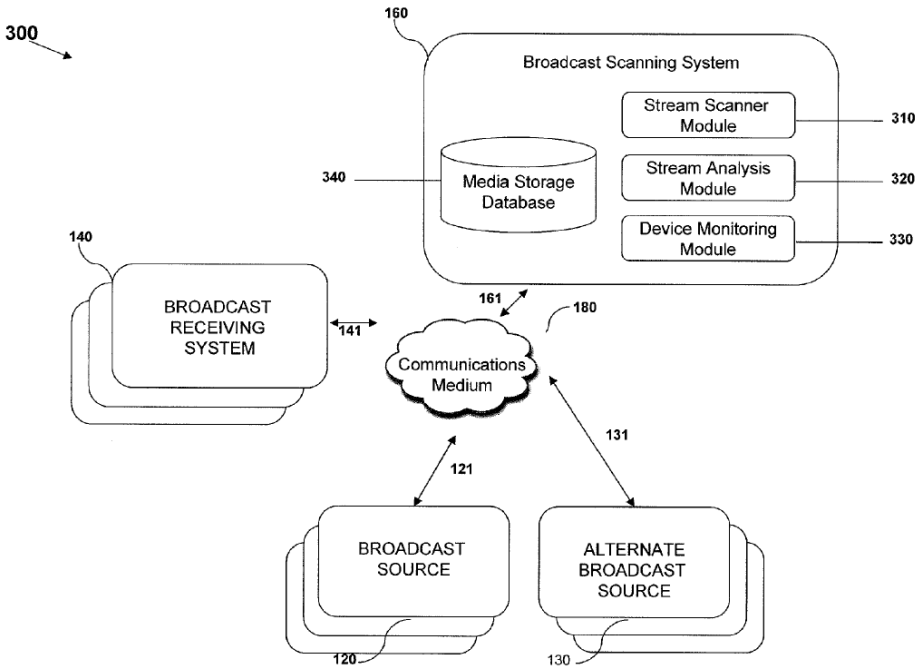

FIG. 3

Figure 3 is "a block diagram of one embodiment of a broadcast scanning system." Ex. 1001, 3:39–41. Broadcast scanning system 160 can

capture the broadcast stream received by broadcast receiving system or device 140, so that broadcast scanning system 160 can track the specific broadcast stream being received. *Id.* at 10:38–43. Broadcast receiving system 140 can "receive a content identifier, a broadcaster media event identifier, a unique event identifier and/or any combination of identifiers from the broadcast scanning system 160." *Id.* at 10:43–47. Broadcast scanning system 160 can conduct an analysis of the broadcast stream 121 to determine the media content in broadcast stream 121, assign a unique event identifier to a specific instance of the broadcast stream, and/or send the unique event identifier along with any other relevant information from broadcast scanning system 160 to broadcast receiving devices 140 that are receiving broadcast stream 121 from broadcast source 120. *Id.* at 10:47–55.

E. Illustrative Claim

The '843 patent includes claims 1–15, of which Petitioner challenges claims 10, 11, 13, and 15. Of the challenged claims, claim 10, reproduced below, is the only independent claim.

> 10. A broadcast scanning system for associating data that enables a unique identification of a specific instance of acquisition of encoded third party data with a reception of a specific instance of a media segment in an electronic transmission, the system comprising:
>
> one or more computer readable storage devices configured to store a plurality of computer executable instructions comprising at least a broadcast scanning module; and
>
> one or more hardware computer processors in communication with the one or more computer readable storage devices and configured to execute the plurality of computer executable instructions in order to cause the system to:
>
> receive, using the broadcast scanning module, the specific instance of the media segment in the electronic transmission; determine data that identifies a source of the electronic transmission;

> acquire encoded third party data associated with the reception of the specific instance of the media segment in the electronic transmission;
>
> generate data that enables the unique identification of the specific instance of acquisition of the encoded third party data;
>
> determine an identification of the media segment using at least the encoded third party data; and
>
> store in a database the identification of the media segment determined at least in part using the encoded third party data in association with the data that enables unique identification of the specific instance of acquisition of the encoded third party data and the data that identifies the source of the electronic transmission.

Ex. 1001, 36:8–41.

F. Asserted Prior Art and Proffered Testimonial Evidence

Petitioner identifies the following references as prior art in the asserted grounds of unpatentability:

Name	Reference	Exhibit
Christensen	US 8,200,203 B1, filed Oct. 4, 2010, issued June 12, 2012, continuation of application filed Mar. 22, 2004	1004
Levy	US 2003/0174861 A1, published Sept. 18, 2003	1005
Finley	US 10,303,434 B2, filed May 22, 2015, issued May 28, 2019, continuation of application filed June 27, 2007	1006

Petitioner also provides a Declaration of Vijay Madisetti, Ph.D. in Support of Petition for *Inter Partes* Review of U.S. Patent No. 9,584,843 (Ex. 1003).

G. Asserted Grounds

Petitioner asserts that claims 10, 11, 13, and 15 are unpatentable on the following grounds:

Claims Challenged	35 U.S.C. §	Reference(s)/Basis
10, 11, 13, 15	102(e)[1]	Christensen
10, 11, 13, 15	102(b)	Levy
10, 11, 13, 15	103	Levy, Finley

II. ANALYSIS

A. Legal Standards

35 U.S.C § 312(a) identifies the required contents of a petition. Among other requirements, it provides that the petition must identify *with particularity* (1) the claims challenged, (2) the grounds on which that challenge is based, and (3) the evidence supporting those grounds, including the prior art patents and printed publications and affidavits or declarations of supporting evidence and opinions, if the petitioner relies on expert opinions. 35 U.S.C. § 312(a)(3) (2020); *see also* 37 C.F.R. § 42.104 (setting forth the required contents of a petition).

The Director may not authorize an *inter partes* review to be instituted unless the Director determines that the information presented in the petition 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) (2020).

[1] The relevant sections of the Leahy-Smith America Invents Act ("AIA"), Pub. L. No. 112–29, 125 Stat. 284 (Sept. 16, 2011), took effect on March 16, 2013. Because the '843 patent claims priority to an application filed before that date, our citations to 35 U.S.C. §§ 102 and 103 are to their pre-AIA versions.

If an *inter partes* review is instituted, the petitioner bears the burden of proving unpatentability of the challenged claims, and the burden of persuasion never shifts to the patent owner. *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015). To prevail in an *inter partes* review, the petitioner must support its challenges by a preponderance of the evidence. 35 U.S.C. § 316(e); 37 C.F.R. § 42.1(d) (2020).

Petitioner contends that the challenged claims of the '843 patent are unpatentable under §§ 102(b), 102(e), and 103(a). A claim is anticipated under § 102 "only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros., Inc. v. Union Oil Co. of Cal.*, 814 F.2d 628, 631 (Fed. Cir. 1987).

A claim is unpatentable under § 103(a) if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations, including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of skill in the art; and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966). When evaluating a combination of teachings, we must also "determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue." *KSR*, 550 U.S. at 418 (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)). Whether a combination of elements produces a

predictable result weighs in the ultimate determination of obviousness. *Id.* at 416–417.

B. Level of Ordinary Skill in the Art

Petitioner asserts that one of ordinary skill in the art "would have had a B.S. in computer science or electrical engineering (or a related field), and approximately three years of experience working in the communications- or Internet-related industries, or, alternatively, an advanced degree (such as a master's degree) in computer science or electrical engineering (or a related field)." Pet. 9 (citing Ex. 1003 ¶ 45). Petitioner also argues that "a higher education or skill might make up for less experience, and vice-versa." *Id.* (citing Ex. 1003 ¶ 45). Patent Owner neither addresses Petitioner's proposed level of ordinary skill nor proposes its own. *See generally* Prelim. Resp.

Based on the record at this stage, we adopt Petitioner's asserted level of ordinary skill to determine whether there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the claims challenged in the Petition. This level of skill in the art is consistent with the disclosure of the '843 patent and the prior art of record. *In re GPAC Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995).

C. Claim Construction

In an *inter partes* review based on a petition filed on or after November 13, 2018, the claims are construed

> using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. [§] 282(b), including construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent.

37 C.F.R. § 42.100(b) (2020); *see Phillips v. AWH Corp.*, 415 F.3d 1303, 1312–13 (Fed. Cir. 2005) (en banc).

Petitioner proposes interpreting "media segment" with citations to the record. Pet. 10 (citing Ex. 1001, 14:43–47; Ex. 1003 ¶¶ 51, 52). Patent Owner provides a response. Prelim. Resp. 55–56.

At this stage, because determining whether Petitioner shows a reasonable likelihood of prevailing does not depend on a particular interpretation for any claim term, we determine that no claim term requires express interpretation. *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) (construing explicitly only those claim terms in controversy and only to the extent necessary to resolve the controversy); *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (applying *Vivid Techs.* in the context of an *inter partes* review).

D. Challenges Based on Levy

Petitioner argues that Levy anticipates claims 10, 11, 13, and 15 with citations to Levy and declarant testimony. Pet. 3, 47–69. Petitioner also argues that claims 10, 11, 13, and 15 are unpatentable over Levy and Finley. *Id.* at 3, 69–73. Patent Owner responds, *inter alia*, that Petitioner ignores an explicit ordering required in the challenged claims. Prelim. Resp. 26–29.

For the reasons below, Petitioner does not show that there is a reasonable likelihood that it would prevail with respect to at least one of the challenged claims in its challenges based on Levy.

1. Levy (Ex. 1005)

Levy "relates to linking audio and other multimedia data objects with metadata and actions via a communication network." Ex. 1005 ¶ 4. Figure 1 of Levy is reproduced below.

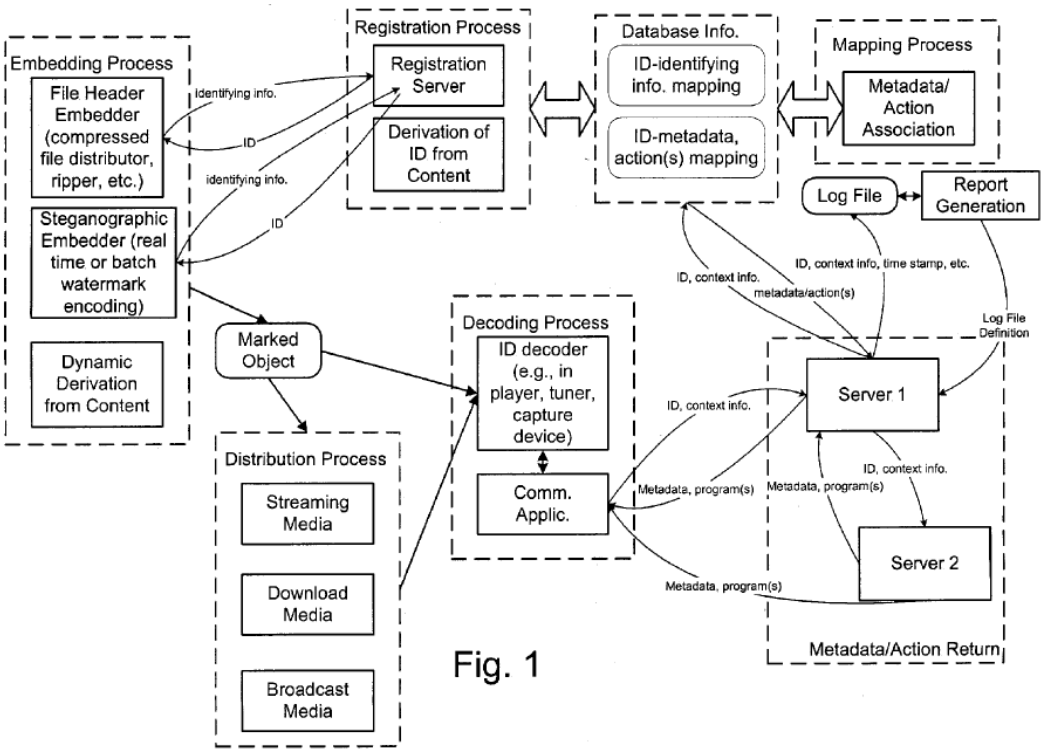

Fig. 1

Figure 1 shows "examples of media object linking processes and systems." Ex. 1005 ¶ 8. "Media objects are transformed into active, connected objects via identifiers embedded into them," and "[t]hese identifiers can be embedded by the owner or distributor of the media object, or automatically created from the media object." *Id.* ¶ 6. One "way to associate the identifier is to embed it as auxiliary data in the audio signal using steganographic methods, such as digital watermarking or other data hiding techniques." *Id.* ¶ 12.

The identifier can be an "object ID that identifies an audio object," "distributor ID that identifies the distributor of the audio object," or "broadcaster ID that identifiers the broadcaster of the audio object." Ex. 1005 ¶ 15; *see also id.* ¶ 56 (describing that a broadcaster ID can be a "radio station ID"). "[M]ore than one identifier may be encoded into an audio object." *Id.* ¶ 15. If "a distributor or broadcaster identifier is encoded with the object, other context information, such as the time of play back or

distribution, location of distribution, etc. may be used to identify the audio object as part of the linking process." *Id.*; *see also id.* ¶ 56 (describing that context information can be "play time captured at the tuner").

"When the identifier is associated with metadata or actions, it transforms the media object into a 'linked' object." Ex. 1005 ¶ 13. "The identifier travels with the object through distribution, including in some cases, . . . through electronic distribution (broadcast or network communication)" and "may travel within the same band as the audio object, such as a watermark, or via a separate band, such as a file header or footer or separate broadcast band." *Id.*

"A decoding device or programmatic process extracts the identifier from the object and uses it to retrieve related data or actions ('metadata')." Ex. 1005 ¶ 13; *see also id.* ¶ 92 (describing that decoding devices include "receivers"). "In the case of an audio object, like a song, the metadata typically includes the title, artist, lyrics, copyright owner, sound recording owner, information about buying or sampling opportunities and URLs to this type of data as well as web sites and other programs and devices," and "[l]inked actions include device or programmatic processes for electronically establishing a license, transferring content (either streaming or download), sending an email, recording marketing data about a transaction, etc." *Id.* ¶ 13. "The decoding process may be implemented as a separate program or device, or integrated into a player, tuner, or some other capture device, such as listening devices that convert ambient audio waves to an electronic signal and then extract the identifier from the signal." *Id.* ¶ 21.

"An example is a radio station that marks its broadcasts with a station ID and maintains a playlist database with the air times of each audio object, and "[a]t decoding time, the station ID is extracted and used along with

context information such as the air time of the audio object to look up the audio object or its corresponding metadata and actions" so as "to provide audio object specific metadata or actions even without requiring a unique object identifier in every audio object." Ex. 1005 ¶ 15; *see also id.* ¶ 6 (describing that "[i]n the context of a user's playback experience, a decoding process extracts the identifier from a media object and possibly additional context information and forwards it to a server" that "in turn, maps the identifier to an action, such as returning metadata, re-directing the request to one or more other servers, requesting information from another server to identify the media object, etc.").

2. Independent Claim 10

Petitioner argues that Levy discloses and would have been understood by one of ordinary skill in the art to describe the limitations of independent claim 10 with citations to Levy and declarant testimony. Pet. 47–65.

In particular, for the claim limitation of a processor that causes the system to "acquire encoded third party data associated with the reception of the specific instance of the media segment in the electronic transmission," Petitioner argues that Levy's object identifier constitutes "encoded third party data" because it can be a numeric or alphanumeric code, originates outside of Levy's user device, and is associated with a specific instance of a media segment in an electronic transmission through mapping to metadata that identifies title, artist, and lyrics. Pet. 57–59 (citing Ex. 1003 ¶¶ 181–188; Ex. 1005 ¶¶ 6, 13–15, 22, 24, 26, 56, 64–68, Fig. 1).

For the claim limitation of a processor that causes the system to "generate data that enables the unique identification of the specific instance of acquisition of the encoded third party data," Petitioner argues that, in Levy, generating context information to be used with a broadcaster ID to

look up the object identifier meets this claim element. Pet. 59–60 (citing Ex. 1003 ¶¶ 189–194; Ex. 1005 ¶¶ 6, 13–15, 22, 26, 56, 64–69, Fig. 1).

a) Patent Owner's Preliminary Response

Patent Owner responds that "generat[ing] data that enables the unique identification of the specific instance of acquisition of the encoded third party data" must occur either at the same time or after "acquir[ing] encoded third party data associated with the reception of the specific instance of the media segment in the electronic transmission" because the generated data identifies the specific instance of acquisition of the encoded third party data. Prelim. Resp. 27. According to Patent Owner, Petitioner argues that Levy describes receiving a broadcast with an embedded broadcaster ID, forwarding the broadcaster ID and context information to a server, and using the forwarded broadcaster ID and context information to map an object identifier to metadata. *Id.* at 27–28 (citing Pet. 57, 58).

Patent Owner argues that Levy's "object identifier" is Petitioner's asserted "encoded third party data" and Levy's "context information" is the asserted generated data. Prelim. Resp. 28 (citing Pet. 59). Patent Owner also argues that "Levy uses the context information to obtain the object identifier, not the other way around," and thus, Petitioner's mapping "contradicts the language of the claim." *Id.*

b) Petitioner Fails to Show that Levy Discloses All the Limitations of Claim 10

As argued by Patent Owner, Petitioner asserts that "Levy's user device receives via a broadcast a song that includes an embedded identifier (*e.g.*, a "broadcaster ID")," "decodes (extracts) the 'broadcaster ID' from the song," and "forwards to a server the extracted 'broadcaster ID' and certain 'context information'" so as to query for Levy's "object identifier." Pet. 57–

58 (citing Ex. 1003 ¶¶ 183, 184, 186; Ex. 1005 ¶¶ 6, 13–15, 22, 26, 56, 64–68, Fig. 1). Petitioner asserts that "Levy's 'object identifier' constitutes 'encoded third party data.'" *Id.* at 58–59 (citing Ex. 1003 ¶¶ 187, 188).

Petitioner also argues that

> generation of the context information (specifically, "the time of playback") on Levy's user device—which is sent to the server with the "broadcaster ID" to provide the server with sufficient information to be able to look up the "object identifier" (*i.e.*, the encoded third party data) in the radio station's playlist database, (Ex. 1005, ¶56, Fig. 1)—corresponds to the claimed "generate data that enables the unique identification of the specific instance of acquisition of the encoded third party data."

Pet. 60 (citing also Ex. 1003 ¶ 192). Petitioner further argues that one of ordinary skill in the art

> would have understood that the context information "generated" by the user device "enable[s] a[n] . . . identification of a specific instance of acquisition" of the object identifier, because the context data identifies when the "object identifier" was obtained by the server (*e.g.*, the timestamp shows when the context data was generated at the user device and sent to the server/radio station playlist database to obtain the object identifier).

Id. (citing Ex. 1003 ¶¶ 193, 194) (alteration in original).

As argued by Petitioner and supported by Petitioner's declarant testimony, Levy expressly describes extracting an embedded identifier and forwarding that identifier with context information to identify an audio object. Ex. 1005 ¶ 6 ("In the context of a user's playback experience, a decoding process extracts the identifier from a media object and possibly additional context information and forwards it to a server. The server, in turn, maps the identifier to an action, such as returning metadata, re-directing the request to one or more other servers, requesting information from another server to identify the media object, etc."), ¶ 13 ("A decoding

device or programmatic process extracts the identifier from the object and uses it to retrieve related data or actions ('metadata').''), ¶ 15 ("In the event that an object ID is not encoded with an audio object, but instead, a distributor or broadcaster identifier is encoded with the object, other context information, such as the time of play back or distribution, location of distribution, etc. may be used to identify the audio object as part of the linking process."), ¶ 22 ("Based on identifier and optional context information, the server determines an associated action to perform, such as re-directing an identifier or context data to another server, returning metadata (including programs, content, etc.), downloading content, logging a transaction record."), ¶ 56 ("To identify the object, context information such as the play time captured at the tuner is used along with the radio station ID extracted from the received audio signal to identify the audio object. The decoding process forwards this information to a server."); *see also* Pet. 13–15 (describing Levy's asserted disclosures); Ex. 1003 ¶¶ 63–74 (presenting declarant's understanding of Levy).

Based on our review of Petitioner's relied-upon portions of Levy, Levy uses an extracted identifier, such as a broadcaster ID, and "context information" to identify an audio object. Ex. 1005 ¶¶ 15, 56. Thus, if we accepted Petitioner's position that obtaining Levy's "object identifier" discloses "acquir[ing] encoded third party data associated with the reception of the specific instance of the media segment in the electronic transmission," Petitioner does not explain sufficiently how context information that is extracted and forwarded with the broadcaster ID to obtain the "object identifier" can disclose "generat[ing] data that enables the unique identification of the specific instance of acquisition of the encoded third party data." *See* Pet. 57–60; Ex. 1003 ¶¶ 181–194. Petitioner does not

explain or point to record evidence that indicates how Levy's "object identifier" can be acquired and generated in the manner argued by Petitioner. *See* Pet. 57–60; Ex. 1003 ¶¶ 181–194; *see also* Prelim. Resp. 36–37 (contending that Petitioner's anticipation challenges lack particularity).

As argued by Patent Owner, claim 10 requires that "generat[ing] data that enables the unique identification of the specific instance of acquisition of the encoded third party data" occur either after or at the same time as "acquir[ing] encoded third party data associated with the reception of the specific instance of the media segment in the electronic transmission." Ex. 1001, 36:28–33. Claim 10 recites a "specific instance of *acquisition* of the encoded third party data" that apparently refers to the earlier-recited "*acquire* encoded third party data associated with the reception of the specific instance of the media segment in the electronic transmission," and Petitioner does not address the interpretation of "acquisition" in view of the previously recited "acquire." *See* Pet. 9–10, 57–60. Additionally, Petitioner's declarant testimony does not explain further the arguments or evidence presented in the Petition and does not provide additional evidence beyond that cited in the Petition. *See* Ex. 1003 ¶¶ 181–194.

Thus, for the reasons above, Petitioner fails to show that Levy discloses all the limitations of independent claim 10.

3. Dependent Claims 11, 13, and 15

Petitioner argues that Levy anticipates dependent claims 11, 13, and 15 with citations to the record. Pet. 65–69. Petitioner's arguments and relied upon evidence for these claims do not remedy the deficiencies discussed above for independent claim 10.

For the reasons discussed above for claim 10, Petitioner fails to show that Levy discloses all the limitations of dependent claims 11, 13, and 15 and, therefore, fails to show that Levy anticipates these claims.

4. Asserted Obviousness in view of Levy and Finley

Petitioner argues that:

> [t]o the extent . . . that Levy does not anticipate the Challenged Claims because Levy does not disclose the complete details of the claimed database (in other words, that the difference between each claim as a whole and the prior art as a whole is the explicit recitation of the claimed database), it would have been obvious to store the object ID lookup information or purchase transaction tracking information.

Pet. 69 (citing Ex. 1003 ¶ 227); *see also id.* (contending that Levy teaches storing a transaction log in a log file of a database). Petitioner's arguments that Levy and Finley would have rendered obvious claims 10, 11, 13, and 15 do not further address the limitations we discussed above for claim 10, and Petitioner's proposed modification of Levy in view of Finley does not remedy the deficiencies of Petitioner's arguments that Levy discloses all the limitations of claim 10.

Thus, for the reasons discussed above for claim 10, Petitioner fails to show that Levy and Finley teach or suggest all the limitations of claims 10, 11, 13, and 15 and, therefore, fails to show that Levy and Finley would have rendered obvious these claims.

5. Petitioner Fails to Show a Reasonable Likelihood of Prevailing

As discussed above, Petitioner's arguments and evidence fail to show that Levy anticipates claims 10, 11, 13, and 15 and fail to show that Levy and Finley would have rendered obvious these claims. Petitioner, therefore, fails to show a reasonable likelihood of prevailing in its challenges based on Levy.

E. Challenge Based on Christensen

Petitioner argues that Christensen anticipates claims 10, 11, 13, and 15 with support from Christensen and declarant testimony. Pet. 3, 20–47. Petitioner does not address whether we should exercise our discretion under § 325(d). *See generally id.*; *see also id.* at 13 (stating that "Christensen was listed in a 183-reference-long [Information Disclosure Statement (IDS)] during prosecution, Ex. 1002, 100–108, but, Christensen was never cited by the Examiner"); Paper 11 (requesting additional briefing only to address our discretion under § 314(a)).

Patent Owner responds that institution should be denied under § 325(d) because Christensen was previously considered and discussed during prosecution. Prelim. Resp. 41–51.

1. 35 U.S.C. § 325(d)

Institution of *inter partes* review is discretionary. *See Harmonic Inc. v. Avid Tech, Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) ("[T]he [Office] is permitted, but never compelled, to institute an [*inter partes* review] proceeding."). Pursuant to 35 U.S.C. § 325(d), in determining whether to institute an *inter partes* review, "the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office." In evaluating the exercise of discretion to deny institution under § 325(d), the Board uses the following two-part framework: (1) determining whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and (2) if either condition of the first part of the framework is satisfied, determining whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged

claims. *Advanced Bionics, LLC v. Med-El Electromedizinishe Geräte GmbH*, IPR2019-01469, Paper 6, 8 (PTAB Feb. 13, 2020) (precedential).

In applying the two-part framework, we consider several non-exclusive factors, including:

> (a) the similarities and material differences between the asserted art and the prior art involved during examination; (b) the cumulative nature of the asserted art and the prior art evaluated during examination; (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection; (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art; (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson & Co. v. B. Braun Melsungen AG, IPR2017-01586, Paper 8 at 17–18 (PTAB Dec. 15, 2017) (precedential as to Section III.C.5, first paragraph) ("*Becton, Dickinson*").

Factors (a), (b), and (d) of the *Becton, Dickinson* factors relate to whether the art or arguments presented in the Petition are the same or substantially the same as those previously presented to the Office. *Advanced Bionics*, Paper 6 at 10. Factors (c), (e), and (f) "relate to whether the petitioner has demonstrated a material error by the Office" in its prior consideration of that art or arguments. *Id*. Only if the same or substantially the same art or arguments were previously presented to the Office do we then consider whether petitioner has demonstrated a material error by the Office. *Id.* "At bottom, this framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown." *Id.* at 9.

a) Same or Substantially the Same Art or Arguments Previously Presented to the Office

We first consider whether Petitioner asserts the same or substantially the same art or arguments that previously were presented to the Office. *Advanced Bionics*, Paper 6 at 8.

(1) Becton, Dickinson Factors (a), (b), and (d)

As to *Becton, Dickinson* factor (a), Petitioner argues that "Christensen was listed in a 183-reference-long IDS during prosecution, Ex. 1002, 100–108, but, Christensen was never cited by the Examiner." Pet. 13. Patent Owner responds that Christensen "was expressly referred to and discussed on the record by the examiner of the '843 patent." Prelim. Resp. 43 (citing Ex. 2012, 1475; Ex. 2013, 111, 395).

Christensen was cited in an IDS during prosecution and appears on the face of the '843 patent. Ex. 1001, code (56); Ex. 1002, 102. Christensen was also cited during prosecution of the parent application (U.S. Appl. No. 14/481,747) and the grandparent application (U.S. Appl. No. 12/366,483). Ex. 1001, code (63); Ex. 2012, 1475; Ex. 2013, 111, 395.

Because the same reference was cited during prosecution, there is no material difference between Christensen and the prior art involved during examination. Given these facts, we need not further evaluate factor (b), whether Christensen is cumulative, nor factor (d) the extent of overlap in arguments regarding Christensen. Thus, we find that the same reference was previously presented to the Office, and we move on to the second part of the *Advanced Bionics* framework.

b) Whether the Office Erred in a Manner Material to Patentability

Because we find that the same art previously was presented to the Office, we turn to whether Petitioner demonstrates that the Office erred in a manner material to the patentability of the challenged claims. *Advanced Bionics*, Paper 6 at 8, 10; *see Becton, Dickinson*, Paper 8 at 24.

(1) Becton, Dickinson Factor (c)

As to *Becton, Dickinson* factor (c), the extent to which Christensen was evaluated during prosecution of the '843 patent, Patent Owner argues that "during prosecution [Applicants] amended the claims of the Grandparent patent to recite subject matter that is different from Christensen 203,[2] and those differences carried through to the claims of the Parent patent and the '843 patent, as indicated with the double patenting rejections and the terminal disclaimers within the family." Prelim. Resp. 44.

Although Petitioner notes that Christensen was cited in an IDS, Petitioner does not address expressly the extent to which Christensen was evaluated during prosecution of the '843 patent or its parents. *See generally* Pet. By specifying the length of the IDS that listed Christensen, Petitioner appears to imply that Christensen was not extensively evaluated. *See id.* at 13.

[2] Patent Owner refers to Christensen as "Christensen 203" to distinguish from other references also named "Christensen." Prelim. Resp. 43 (noting that "the 'Christensen' prior art references discussed in the rejection of the Grandparent patent [] include[] Christensen 203"). The named inventors of the '843 patent are Kelly Christensen, John Hansen, and Thomas Mock. Ex. 1001, code (72). The named inventors of Christensen are Kelly Christensen, Thomas Mock, Lewis Kushner, and Richard Bowman. Ex. 1004, code (75). Patent Owner is the listed assignee for both patents. Ex. 1001, code (73); Ex. 1004, code (73).

As argued by Patent Owner, however, Christensen was distinguished during prosecution of the grandparent application, and terminal disclaimers were filed in view of the claims that issued from the grandparent and parent applications. Ex. 1002, 159; Ex. 2012, 1475; Ex. 2013, 129. Based on Patent Owner's arguments, the Examiner was familiar with the substance of Christensen because the same Examiner examined both the grandparent and parent applications. Ex. 2012, 1078 (Office Action by Examiner Castro), 1334 (Office Action by Examiner Castro), 1467 (Notice of Allowability by Examiner Castro); Ex. 2013, 101 (Office Action by Examiner Castro), 393 (Notice of Allowability by Examiner Castro).

Because the Examiner was already familiar with the substance of Christensen, and Patent Owner listed Christensen in an IDS, it is assumed that the Examiner considered the substance of Christensen when examining the '843 patent, despite the lack of an express claim rejection over Christensen during prosecution of the '843 patent. Ex. 1002, 102; *see also Advanced Bionics*, Paper 6 at 7–8 (explaining that "[p]reviously presented art includes art made of record . . . such as on an Information Disclosure Statement (IDS)").

Factor (c), thus, favors exercise of our discretion.

(2) Becton, Dickinson Factor (e)

Factor (e) asks whether Petitioner points to error in the Examiner's evaluation of Christensen. We agree with Patent Owner that Petitioner fails to point out any error in the Examiner's evaluation of Christensen. Prelim. Resp. 50–51 (citing Pet. 13; Ex. 2012, 1475; Ex. 2013, 111, 395).

Thus, factor (e) weighs in favor of denial.

(3) Becton, Dickinson Factor (f)

Patent Owner argues that "Petitioner presents no additional evidence or facts that would warrant reconsideration of Examiner Castro's conclusion that the claims of the '843 patent are not taught in Christensen 203," Petitioner's declarant testimony "is a verbatim copy of the attorney argument in the Petition and should be accorded no weight," and "the Petition includes no additional evidence or facts that would indicate the Examiner was wrong in his conclusion that Christensen 203 does not teach the subject matter of the '843 patent." Prelim. Resp. 51.

Relevant to factor (f), Petitioner offers the testimony of Dr. Madisetti (Ex. 1003), which was not available to the Examiner, but is consistent with the arguments made in the Petition. At this stage, we cannot say that the testimony should be given no weight, as argued by Patent Owner.

Thus, this factor is, at most, neutral.

2. Exercising Our Discretion to Deny

For the reasons set forth above, we conclude that the circumstances of this case, on the record presented, warrant exercise of our discretion to deny institution based on § 325(d). Patent Owner cited Christensen during prosecution and Petitioner has not shown that the Examiner materially erred in allowing the claims of the '843 patent.

As we explain in detail above in Section II.D., Petitioner has not demonstrated a reasonable likelihood of prevailing on its other asserted grounds of unpatentability. Because each of Petitioner's grounds should be denied, either for an inadequate showing on the merits or pursuant to our discretion under § 325(d), we do not institute review.

III. CONCLUSION

For the reasons above, Petitioner does not show that there is a reasonable likelihood that it would prevail with respect to at least one of the challenged claims in its challenges based on Levy, and we exercise our discretion under § 325(d) for the anticipation challenge based on Christensen.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is denied, and no *inter partes* review is instituted.

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