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WWW.FINNEGAN.COM

J. MICHAEL JAKES
202-408-4045
mike.jakes@finnegan.com

April 7, 2014

Honorable Daniel E. O'Toole, Circuit Executive/Clerk
United States Court of Appeals for the Federal Circuit
717 Madison Place, N.W.
Washington, D.C. 20439

Re: *Interval Licensing LLC v. AOL, Inc.*, Nos. 13-1282, -1283, -1284, -1285

Dear Mr. O'Toole:

Defendants-Appellees submit as supplemental authority under Fed. R. App. P. 28(j) a decision by the Patent Office's Patent Trial and Appeal Board in Appeal 2013-005424, which is an inter partes reexamination of U.S. Patent No. 6,788,314, one of two patents involved in this appeal. In that decision, the Board found that the claim phrase "in an unobtrusive manner that does not distract a user of the display device . . . from a primary interaction with the display device" includes the '314 patent's screensaver embodiment, rejecting both Interval's argument and the examiner's acceptance of that argument that screensavers are excluded.[1] *See* Decision at 8–14.

In this appeal, Interval has argued that that the "unobtrusive" phrase is tied exclusively to the '314 patent's "wallpaper embodiment," and that it excludes even the '314 patent's "screensaver embodiment." *See* Interval Opening Brief at 23–25. Interval relied on the fact that, during reexamination of the '314 patent, the examiner accepted Interval's argument that the phrase excludes the screensaver embodiment, even under the "broadest reasonable construction" standard. *See* Interval Opening Brief at 42–44; Interval Reply Brief at 10–11.

The Board's decision thus refutes Interval's argument that the "unobtrusive" phrase is tied only to the wallpaper embodiment and eliminates any support by the examiner's acceptance of Interval's argument during reexamination.

[1] The Board did not address indefiniteness, which is not available as grounds for rejecting issued claims during reexamination.

Respectfully submitted,

/s/ J. Michael Jakes

J. Michael Jakes
Finnegan, Henderson, Farabow,
Garrett & Dunner, LLP
901 New York Avenue, N.W.
Washington, DC 20001-4413
(202) 408-4000

Counsel for Defendant-Appellant AOL Inc.

Enclosure

cc: Thomas C. Goldstein (counsel for Interval Licensing LLC)
Elizabeth Day (counsel for Apple Inc.)
Warren S. Heit (counsel for Google Inc.)
Deanne Maynard (counsel for Yahoo! Inc.)

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EDELL, SHAPIRO & FINNAN, LLC
9801 Washingtonian Blvd.
Suite 750
Gaithersburg, MD 20878

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HUGHES, DEANDRA M	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE, INC.
Requester and Appellant

v.

INTERVAL LICENSING LLC
Patent Owner and Respondent

Appeal 2013-005424
Reexamination Control 95/001577
Patent 6,788,314 B1[1]
Technology Center 3900

Before HOWARD B. BLANKENSHIP, THU A. DANG, and STANLEY M. WEINBERG, *Administrative Patent Judges*.

WEINBERG, *Administrative Patent Judge*.

DECISION ON APPEAL

[1] The patent involved in this reexamination appeal proceeding (the "'314 Patent") issued to Paul Freiberger et al. on September 7, 2004 and is owned by Interval Licensing LLC ("Owner").

A. STATEMENT OF THE CASE

Introduction

This reexamination proceeding arose from a third-party request for *inter partes* reexamination filed on March 16, 2011 by Apple, Inc. ("Requester"). Requester appeals under 35 U.S.C. §§ 134(c) and 315(b) from the Examiner's refusal to adopt its proposed rejections of claims 1-4 and 7-31.[2] App. Br. 2. Claims 5 and 6 were canceled following the May 19, 2011 Non-Final Office Action ("NFOA"). App. Br. 3; Resp. Br. 1; October 14, 2011 Action Closing Prosecution ("ACP") 2.

An oral hearing was conducted on August 28, 2013. A transcript ("Tr.") was made of record on December 20, 2013.

We have jurisdiction under 35 U.S.C. §§ 134 and 315.

We reverse and enter new grounds of rejection.

Related Proceedings

The parties have informed us that the '314 Patent is the subject of the following judicial proceedings in the U.S. District Court for the Western District of Washington, all of which had been stayed as of the filing dates of the briefs before the Board:

Interval Licensing LLC v. AOL, 2:10-cv-01385.

Interval Licensing LLC v. Apple, Inc., 2:11-cv-00708 MJP.

Interval Licensing LLC v. Google, Inc., 2:11-cv-00711 MJP.

Interval Licensing LLC v. Yahoo! Inc., 2:11-cv-00716 MJP.

[2] Requester relies on its Corrected Brief filed on April 3, 2012 ("App. Br.") and its Rebuttal Brief filed on June 18, 2012 ("Reb. Br."). Owner relies on its Respondent Brief filed on May 3, 2012 ("Resp. Br.").

Requester has further informed us that the District Court has held invalid the "unobtrusive manner limitation" as indefinite for being insolubly ambiguous and that the issue is currently on appeal to the U.S. Court of Appeals for the Federal Circuit. Tr. 4:14-16. We are not aware that the Federal Circuit has issued a decision.

The parties have also informed us that there are no other related appeals, interferences, or judicial proceedings that are related to, directly affect, or may be directly affected by, or have a bearing on this appeal. App. Br. 2; Resp. Br. 1.

The Invention

The invention relates to the engagement of the peripheral attention of a person in the vicinity of a display device such as the display monitor of a computer. Spec. col. 1, ll. 16-18. More specifically, the invention has an attention manager that makes use of unused capacity of the display device and the person's attention, providing information to the person that the person might not otherwise expend adequate energy to obtain. The attention manager also affords an opportunity to content providers to disseminate their information to people that are interested in receiving such information, enabling the content providers to provide better directed information dissemination, as well as providing access to the previously unused attention capacity of those interested users. Abstract.

Computers frequently include screen saving mechanisms ("screen savers") intended to prevent the phosphors of a computer display screen from burning out when the same image remains on the screen for a long

period of time, such as might occur during a long period of inactivity while the computer is operating. Spec. col. 1, ll. 48-54. Further, the use of "wallpaper" (i.e., a pattern generated in the background portion on a computer display screen) in computer display screens has also arisen. Spec. col. 1, ll. 59-62. Screen savers and wallpaper have not heretofore been used as a means to convey information from information providers to computers. Spec. col. 1, l. 66-col. 2, l. 1.

Here, the attention manager makes use of "unused capacity" of the display device. For example, the information can be presented to the person while the apparatus (e.g., computer) is operating, but during inactive periods (i.e., when a user is not engaged in an intensive interaction with the apparatus), Or, the information can be presented to the person during active periods (i.e., when a user is engaged in an intensive interaction with the apparatus), but in an unobtrusive manner that does not distract the user from the primary interaction with the apparatus (e.g., the information is presented in areas of a display screen that are not used by displayed information associated with the primary interaction with the apparatus). Spec. col. 2, ll. 16-28.

According to one aspect of the invention, an attention manager engages the peripheral attention of a person in the vicinity of a display device of an apparatus by displaying on the display device, in an unobtrusive manner that does not distract a user of the apparatus from a primary interaction with the apparatus, images generated from a set of content data. According to a further aspect of the invention, the selective display of the image or images begins automatically after detection of an idle period of

predetermined duration (the "screen saver embodiment"). According to another further aspect of the invention, the selective display of images occurs while the user is engaged in a primary interaction with the apparatus, which primary interaction can result in the display of images in addition to the images generated from the set of content data (the "wallpaper embodiment"). Spec. col. 2, ll. 20-40.

In summary, the Specification describes a wallpaper embodiment in which information is displayed to a user while the user is actively engaged in a primary interaction with the display device; and a screensaver embodiment in which information is displayed while the display device is idle. Resp. Br. 5.

Claim 1 is illustrative of the appealed subject matter and is reproduced below (App. Br. 39-47, Claims App'x):

> 1. A method for engaging the peripheral attention of a person in the vicinity of a display device, comprising the steps of:
>
> providing one or more sets of content data to a content display system associated with the display device and located entirely in the same physical location as the display device;
>
> providing to the content display system a set of instructions for enabling the content display system to selectively display, in an unobtrusive manner that does not distract a user of the display device or an apparatus associated with the display device from a primary interaction with the display device or apparatus, an image or images generated from a set of content data; and
>
> auditing the display of sets of content data by the content display system;
>
> wherein the one or more sets of content data are selected from a plurality of sets of content data, each set being provided by an associated content provider,

> wherein each associated content provider is located in a different physical location than at least one other content provider and each content provider provides its content data to the content display system independently of each other content provider and without the content data being aggregated at a common physical location remote from the content display system prior to being provided to the content display system, and
>
> wherein for each set the respective content provider may provide scheduling instructions tailored to the set of content data to control at least one of the duration, sequencing, and timing of the display of said image or images generated from the set of content data.

The Prior Art

Kjorsvik	US 5,748,190	May 5, 1998
Rakavy	US 5,913,040	June 15, 1999

Salm, *Buying a Real Computer Monitor*, Popular Mechanics, Oct. 1984 ("Salm").

The Examiner-Initiated Rejections And The Non-Adopted Proposed Rejections

Requester contends that the Examiner incorrectly withdrew the rejections that the Examiner initiated in the May 19, 2011 Non-Final Office Action ("NFOA") and incorrectly declined to adopt its proposed rejections under §§ 102 and 103[3]:

Reference(s)	Claims Challenged	Basis
Kjorsvik	1, 3, 7, 9, 10, 12, 13, 15	103[4] Examiner-Initiated

[3] Requester App. Br. 8.

[4] Requester states, and we agree, that it is entitled to appeal the Examiner's withdrawal of the Examiner-Initiated rejections. *See* October 14, 2011

Kjorsvik and Salm	2, 4, 8, 11, 14	103 Examiner-Initiated or Requester-Proposed
Kjorsvik and Owner's Admitted Prior Art	16-31	103
Kjorsvik	1, 3, 7, 9, 10, 12, 13, 15	102
Rakavy	1, 3, 7, 9, 10, 12, 13, 15-31	102
Rakavy and Salm	2, 4, 8, 11, 14	103
Rakavy and Kjorsvik	1, 3, 7, 9, 10, 12, 13, 15-31	103

The Declaration

Requester submitted the Declaration of Mark E. Crovella, Ph.D. along with its August 25, 2011 Comments ("Comments") following Owner's July 26, 2011 Response to the NFOA.

B. ANALYSIS

The Examiner-Initiated And The Proposed Rejection Of Claims 1-4 And 7-15 Based On Kjorsvik

The Examiner-Initiated Rejections Of Claims 1, 3, 5[5], 7, 9, 10, 12, 13, And 15 As Obvious Over Kjorsvik

In the NFOA, the Examiner initiated rejections of claims 1, 3, 5, 7, 9, 10, 12, 13, and 15 as obvious over Kjorsvik and later withdrew them in the ACP. *See* NFOA 3-33; ACP 6-13. When withdrawing the Examiner-Initiated obviousness rejections, the Examiner concluded that the broadest

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Action Closing Prosecution ("ACP") 13; App. Br. 9. *See* 37 C.F.R. § 41.61(a)(2) ("the requester may appeal to the Board with respect to any final decision favorable to the patentability . . . . of any original, proposed amended, or new claim of the patent.")

[5] As indicated above, claim 5 was later canceled following the NFOA.

reasonable interpretation of claim 1 excludes the screensaver embodiment (ACP 6-11), that the Examiner-Initiated rejections "rely on the screensavers of **Kjorsvik** to disclose the claimed 'content data,'" and that Kjorsvik is "limited to a screensaver." ACP 13. The Examiner therefore withdrew the Examiner-Initiated rejections based on the conclusion that Kjorsvik's screensaver content data is outside the scope of the claims. *Id*.

in an unobtrusive manner that does not distract the user of the display device . . . from a primary interaction

Claim 1 recites "enabling the content display system to selectively display, in an unobtrusive manner that does not distract a user of the display device . . . from a primary interaction with the display device." The Examiner concludes that the totality of the evidence in the Specification, claims, and prosecution history supports the argument that "in an unobtrusive manner" excludes the screensaver embodiment and that the screensaver embodiment is therefore outside the scope of the claims. ACP 11.

Requester contends that the Specification does not define "unobtrusive." App. Br. 11. Neither the Examiner nor the Owner find or contend otherwise. We therefore agree with Requester.

Instead, Owner contends, and the Examiner concludes, that the broadest reasonable interpretation of the claims excludes the screensaver embodiment because reading "*in an unobtrusive manner"* in context of the claims and in light of the Specification shows that it is "associated with the 'unobtrusive' (wallpaper) embodiment and is not associated with the 'screensaver embodiment.'" ACP 6. *See* Resp. Br. 5, 11. In contrast, Requester contends that the Specification describes "in an unobtrusive

manner" as including both screensaver and wallpaper embodiments (App. Br. 10) and that, for a number of reasons, the broadest reasonable interpretation of the "unobtrusive" limitation consistent with the Specification includes both screensaver and wallpaper embodiments. App. Br. 15; Reb. Br. 6.

In reexamination, claims are given their broadest reasonable interpretation consistent with the specification. *In re Am. Acad. Of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004). Citing various parts of the Specification (sometimes the same parts of the Specification), the parties and the Examiner contend that the Specification does, or does not, support their respective positions as to whether the "unobtrusive" limitation does, or does not, include the screensaver embodiment.

For example, citing Spec. col. 6, ll. 43-54, Requester contends that "[t]he screensaver is described as being unobtrusive because it activates only when 'the user is not engaged in an intensive interaction with the apparatus,' and the wallpaper is described as being unobtrusive because it displays only in unused areas of the screen." App. Br. 12. Owner, on the other hand, also citing Spec. col. 6, ll. 43-54, contends that the Specification supports its interpretation "because **each time** the term 'in an unobtrusive manner…' is used, it describes the unobtrusive (wallpaper) embodiment in which the information is displayed **while the user is engaged in a primary interaction** with the display device or apparatus." Resp. Br. 6.

Owner's contention is not persuasive.

Even assuming that each time the "unobtrusive" term is used, the Specification describes the wallpaper embodiment, that fact does not

establish that the "unobtrusive" limitation has been defined, expressly or inherently, as limited to the wallpaper embodiment and as not including the screensaver embodiment. Although an inventor is free to define the specific terms used to describe the invention, "this must be done with reasonable clarity, deliberateness, and precision." *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994).

> To act as its own lexicographer, a patentee must "clearly set forth a definition of the disputed claim term" other than its plain and ordinary meaning. It is not enough for a patentee to simply disclose a single embodiment or use a word in the same manner in all embodiments, the patentee must "clearly express an intent" to redefine the term.

Thorner v. Sony Computer Ent. Am. LLC, 669 F.3d 1362, 1365 (Fed. Cir. 2012) (citations omitted).

Moreover, at the hearing, Owner undercut its argument that the Specification refers to "unobtrusive" only in conjunction with the wallpaper embodiment. Specification column 3, lines 20-40 states:

> According to one aspect of the invention, an attention manager engages the peripheral attention of a person in the vicinity of a display device of an apparatus by acquiring one or more sets of content data from a content providing system and selectively displaying on the display device, in an *unobtrusive* manner that does not distract a user of the apparatus from a primary interaction with the apparatus, an image or images generated from the set of content data. *According to a further aspect of the invention*, the selective display of the image or images begins automatically after detection of an idle period of predetermined duration (the "*screen saver embodiment*"). This aspect can be implemented, for example, using the screen saver API

> (application program interface) that is part of many operating systems. *According to another further aspect of the invention*, the selective display of an image or images occurs while the user is engaged in a primary interaction with the apparatus, which primary interaction can result in the display of an image or images in addition to the image or images generated from the set of content data (the "*wallpaper embodiment*"). (emphasis added).

Referring to Specification col. 3, ll. 20-40, Owner stated: "I would say in this summary location within the specification they were a little bit less precise, a little bit sloppy here" and "that it might seem less precise or even possibly contradictory." Tr. 34:14-15, 20-21. "My point is simply that at best it's ambiguous." Tr. 36:15.

Accordingly, we conclude that this part of the Specification suggests that the term "unobtrusive" applies to both the screensaver and wallpaper embodiments.

Requester also points to originally filed, but later canceled, claims 19 and 20 which recited "a system for engaging the peripheral attention of a person" comprising "means for selectively displaying on the display device, in an unobtrusive manner" (claim 19) and "means for detecting an idle period of predetermined duration" (claim 20, dependent from claim 19). App. Br. 14. Requester contends that "originally filed claims 19 and 20 provide further evidence that the 'unobtrusive' limitation encompasses both screensaver and wallpaper embodiments." Reb. Br. 9. The Examiner gave "little weight" to originally filed claims 19 and 20 because they "are non-existent." ACP 10.

Requester argues, and we agree, that originally filed claims are part of the original disclosure. Reb. Br. 9, citing MPEP § 2163.05. *See also* 35

U.S.C. § 112, second paragraph ("the specification shall conclude with one or more claims"); *In re Benno*, 768 F.2d 1340, 1346 (Fed. Cir. 1985) ("claims [are] technically part of the 'specification,' 35 USC 112, 2d par."). Owner points out that claims 19 and 20 did not recite "content display systems." Nevertheless, originally filed claims 19 and 20, while not dispositive standing alone, add to the evidence that the Specification does not exclude the screensaver embodiment from the claimed "unobtrusive" limitation.

Requester further contends that issued (but apparently not originally filed) claims 5 and 6, canceled during reexamination, also support its contention regarding the screensaver embodiment. App. Br. 13-14. Requester also contends that the prosecution history of the '314 Patent's parent application (08/620,641) further supports its proposed claim interpretation in this reexamination. App. Br. 14-15. We do not rely on these arguments because our reviewing court instructs that prosecution history is not applicable during proceedings before the USPTO when claims can be amended. *See In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989) ("meaning of claims of issued patent [is] interpreted in light of specification, prosecution history, prior art, and other claims[]. This is not the mode of claim interpretation that is applicable during prosecution of a pending application before the PTO.") (citation omitted).[6]

[6] We do not believe that the Court's recent decision in *Tempo Lighting, Inc. v. Tivoli, LLC*, No. 2013-1140 (Fed. Cir. Feb. 10, 2014) has modified the Court's holding in *Zletz*. In *Tempo Lighting*, the Court affirmed the Board's reference to a definition of a claim term in the patent's prosecution history.

We are also not persuaded by the Owner's explanations regarding how the screensaver operates. Owner contends that

> the claim language requires display in a manner that would not distract a user from ***some activity*** (the primary interaction) that may be ***occurring while the claimed images are displayed***. This requirement is plainly incompatible with a screensaver, which by its very nature takes over an entire display screen and effectively prevents interaction with the device until the screensaver is terminated. Thus, the claim language itself indicates that screensavers are not encompassed by this limitation.

Resp. Br. 6.

We agree with Requester that "PO's argument is inconsistent with the specification, which explains that the screensaver is not distracting because it displays information using the ***temporally*** 'unused capacity' of the system." Reb. Br. 6, citing Spec. col. 6, ll. 43-60.

The Owner's explanation regarding how the screensaver embodiment purportedly operates does not clarify the admittedly ambiguous nature of the Specification and does not provide a clear definition of the "unobtrusive" claim term.

Absent a clear indication in the disclosure that the claimed "unobtrusive manner" is directed only to the wallpaper embodiment, absent reference to or provision of evidence which indicates that one of ordinary skill in the art would understand the term to be limited to the wallpaper

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We conclude that neither canceled claims 5 and 6 nor the prosecution history of the parent application provides a definition of the claim term at issue here.

embodiment, and the fact that claims 19 and 20 in the original disclosure included the screensaver embodiment, we conclude that the claim term "unobtrusive manner" includes the screensaver embodiment.

The Examiner finds that "the Kjorsvik disclosure is limited to screensavers." ACP 13 (emphasis omitted). Owner agrees that Kjorsvik discloses screensavers. Resp. Br. 11 ("all parties agree that Kjorsvik's system discloses ***only*** screensavers."). The Examiner has withdrawn the Examiner-Initiated rejections of claims 1, 3, 7, 9, 10, 12, 13, and 15 over Kjorsvik solely based on the incorrect conclusion that the claims do not include an unobtrusive screensaver embodiment. ACP 13.

Because we conclude that claim 1 includes an unobtrusive screensaver and that Kjorsvik teaches the "unobtrusive" screensaver limitation, we further conclude that the Examiner erred and we therefore reverse the Examiner's decision to withdraw the Examiner-Initiated rejection of claims 1, 3, 7, 9, 10, 12, 13, and 15 as obvious over Kjorsvik.

Requester's Proposed Rejection Of Claims 1, 3, 7, 9, 10, 12, 13, And 15 As Anticipated By Kjorsvik

The Request provides an explanation of Kjorsvik, explains how it contends that Kjorsvik discloses all the limitations of the above-listed claims, and provides a claim chart showing how it contends Kjorsvik anticipates claim 1. Request 25-41, 56-61.

The Examiner's reasons for not adopting Requester's proposed rejections of the above-listed claims based on Kjorsvik are set forth on pages 6, 7, 34, and 35 of the NFOA. The ACP adopts the NFOA reasons for not rejecting claims 1, 3, 5, 7, 9, 10, 12, 13, and 15. *See* ACP 4.

without the content data being aggregated at a common physical location remote from the content display system prior to be being provided to the content display system

Fig. 1 of Kjorsvik illustrates a plurality of network personal computers 12, 14, and 16 and a network server PC 18. Col. 2, ll. 30-35. Each network PC includes a messenger module (Fig. 2; col. 2, ll. 43-45) that creates a presentation that is displayed on the screens of the network PCs. Fig. 2 also shows an administration module 26 which can be loaded into and executed from any PC in the network. Kjorsvik col. 2, ll. 51-52. Therefore, one of the Kjorsvik PCs may have both a messenger module and an administration module. Requester equates the claimed "content display system" to a network PC having both the administration module and a messenger module and the screen associated with the network PC as the claimed "display device." Request 26-27.

The administration module can communicate with external sources, including other network servers having presentation information, as well as other outside sources of data and images. Col. 2, ll. 58-62. This enables the one administration module for the system to obtain or provide presentations directly from external sources, so as to eliminate the need for composing them within the system." Col. 4, ll. 19-21.

Requester contends that Kjorsvik's external network servers and external administration modules acting as content providers meet the limitation "without the content data being aggregated at a common physical location remote from the content display system prior to being provided to the content display system" (the "aggregation" limitation). Request 31. The Examiner does not, however, directly address Requester's contention that

Kjorsvik's external sources are content providers that are remote at different physical locations and do not themselves aggregate their respective content data.

Instead, the Examiner incorrectly concludes that Kjorsvik does not meet this limitation based on the finding that Kjorsvik discloses content data (presentations) are aggregated at a common physical location (the system database on the network server 18) prior to being provided to the content display system (such as an individual network PC 12, 14, or 16). NFOA 6.

Requester contends that the "aggregation" limitation can be met by a system that does not aggregate content data or by a system that aggregates data locally *after* it is received by the content display system. App. Br. 21. In Kjorsvik, even though the data may be aggregated at network server 18, the data provided by the external sources are not aggregated before they reach network server 18. Claim 1 does not require that the data must *never* be aggregated within the system. Instead, claim 1 requires only that, at some point that is remote from the content display system, the content data is not aggregated. As Requester states, "[t]he negative 'aggregation' limitation does not preclude all forms of aggregation of content data. . . . Thus, the claims do not prevent aggregation (either local or remote) ***after*** the content data is provided to the content display system." *Id*. In addition, Requester contends, "[a]ny storage of the content on the system database 24 in Kjorsvik occurs ***after*** content is acquired by (provided to) the content display system." App. Br. 25. Owner agrees that "[n]othing in the claims (or the specification) . . . forbids local aggregation of data at the content display system." Resp. Br. 10.

We find that this limitation is met because the content data provided by the external sources is not aggregated by, or at, the external sources and that aggregation at the network server 18 does not preclude this limitation from being met by the external sources.

the analyses of "content display system" by Requester that were not considered by the Examiner

On August 25, 2011, Requester responded to the Examiner's refusal to reject claim 1 as anticipated by Kjorsvik by filing Comments ("Comments"). The Examiner concluded that the Comments were not persuasive because they did not comply with 37 C.F.R. § 1.947. ACP 14, 20. More specifically, the Examiner concluded that Requester's initially presented proposed rejections contended that Kjorsvik's administration module anticipated the claimed content display system in claims 1, 3, 10, and 13 and that Kjorsvik's messenger module anticipated the claimed content display system in claim 7; but, according to the Examiner, the Comments argued a materially different anticipation rejection because the Comments contended that the content display system is anticipated by a combination of the administration module, system database, and messenger modules. ACP 14, 20.

Requester contends that the Examiner's refusal to consider these Comments was improper, the Comments should have been considered (App. Br. 19-20), and that even if the Comments were improper, the Examiner did not follow proper PTO procedure regarding them. App. Br. 20.

We do not consider this procedural argument by Requester because it is a petitionable, and not an appealable, matter. We do not find Requester's

line of argument to raise any issue that can be decided on appeal. The actions of the Examiner in such a matter are not within our purview. *In re Watkinson*, 900 F.2d 230, 232-33 (Fed. Cir. 1990) (The Board has no jurisdiction for matters within the discretion of the examiner and not tantamount to a rejection of claims). Procedural matters, such as the propriety of the Examiner not to consider Requester's Comments, should have been raised by way of timely petition. Because we have jurisdiction over an appeal from the final decision favorable to patentability under 35 U.S.C. §§ 134(c) and 315(b), but not over such petitionable matters, the time period for raising such matters having long elapsed, we decline to consider Requester's arguments. As such, we make no findings of fact or judgment with respect these actions of the Examiner.

We therefore do not consider the part of the Appeal Brief that relies upon the arguments found by the Examiner not to have complied with § 1.947 because the arguments rely upon a content display system comprising a combination of the administration module, messenger module, and system database. *See* App. Br. 22-26.

the respective content provider may provide scheduling instructions tailored to the set of content data to control at least one of the duration, sequencing, and timing of the display of said image or images

The Examiner finds in the NFOA that Kjorsvik does not disclose this "scheduling" limitation. NFOA 7, 35. The Examiner concludes that the Requester's follow-up Comments regarding the "scheduling" limitation "stem from the materially different proposed anticipation rejection discussed above" and were therefore not persuasive. ACP 20. For the reasons we

pointed out above, the Examiner's refusal to consider the Comments is not appealable.

Citing *In re Johnston*, 435 F.3d 1381, 1384 (Fed. Cir. 2006), Requester contends that because the entire "scheduling" limitation is written as a permissive limitation, no scheduling instruction needs to be provided by any content provider for any set of content data. App. Br. 27. We agree with Requester because *Johnston* held that optional elements do not narrow the claim because they can always be omitted. Even assuming that the "scheduling" limitation narrows the claims, Requester provides an explanation as to how Kjorsvik anticipates it. App. Br. 27-28.

As Requester points out (Reb. Br. 12 n. 9), Owner's Respondent Brief does not dispute Requester's arguments regarding the "scheduling" limitation. "Any arguments or authorities not included in the brief permitted under this section or §§ 41.68 and 41.71 will be refused consideration by the Board, unless good cause is shown." 37 C.F.R. § 41.67(c)(1)(vii).

Accordingly, we reverse the Examiner's refusal to adopt Requester's proposed rejection of (1) claim 1; (2) claims 3, 7, 10 and 13 having similar limitations; and (3) claims 9, 12, and 15 not argued separately with particularity by Owner.

The Examiner-Initiated Rejection And/Or The Proposed Rejection Of Claims 2, 4, 6[7], 8, 11, And 14 As Obvious Over Kjorsvik In View Of Salm

The Request proposed rejections of dependent claims 2, 4, 6, 8, 11, and 14 as obvious over Kjorsvik and Salm. Request 94-97. In the NFOA, the Examiner initially recognized that Requester had proposed rejections

[7] As indicated above, claim 6 was canceled following the NFOA.

using that combination of references (NFOA 2); but then referred to such rejections as Examiner-Initiated rejections. NFOA 3, 4, 8, 13, 18, 23, 28, 33.

The Examiner refused to adopt the proposed rejections of these dependent claims for the same reasons that the Examiner did not adopt the proposed rejections of claims 1, 3, 5, 7, 9, 10, 12, 13, and 15 as anticipated by Kjorsvik. NFOA 35 ("For at least these reasons, proposed rejections (1)-(2)[8] are not adopted." *See also* ACP 14-21 grouping proposed rejections of claims 2, 4, 6, 8, 11, and 14 (Group (2) listed at ACP 3) with proposed rejections of claims 1, 3, 5, 7, 9, 10, 12, 13, and 15 (Group 1 listed at ACP 3).

The ACP also refers to the obviousness Kjorsvik/Salm rejections of these dependent claims as Examiner-Initiated. ACP 6, 13, the latter page referring to "the Examiner-Initiated rejections of claims 1-4 and 7-15 over Kjorsvik, alone or in combination with Salm**."** (emphasis omitted). The Examiner withdrew the "Examiner-Initiated" rejections of these dependent claims for the same reasons that the Examiner withdrew the Examiner-Initiated rejections of claims 1, 3, 7, 9, 10, 12, 13 and 15. ACP 12.

Regardless of the origin of the proposed rejections of dependent claims 2, 4, 8, 11, and 14, Owner does not argue their patentability separately with particularity. Resp. Br. 13 ("Kjorsvik simply does not disclose all limitations of the independent claims, and Salm . . . fail[s] to supplement these deficiencies."

[8] We assume that the Examiner's reference to "rejections (1)-(2)" were intended to refer to listings (A) and (B) earlier at NFOA 2.

Accordingly, we reverse the Examiner's refusal to reject claims 2, 4, 8, 11, and 14 as obvious over Kjorsvik and Salm.

The Proposed Rejections of claims 16-31 As Obvious Over Kjorsvik In View of Owner's Admitted Prior Art

In response to Owner's adding new claims 16-31, Requester's Comments added proposed rejections of newly added claims 16-31 as obvious over Kjorsvik in view of Owner's Admitted Prior Art ("AAPA"). See Comments 30 and its attached Appendix-Claim Chart; ACP 3 identifying this proposed rejection as Group (6). The Examiner refused to adopt these proposed rejections for the reasons set forth for not adopting Group (1) (proposed anticipation rejection of claims 1, 3, 5, 7, 9, 10, 12, 13, and 15 over Kjorsvik) and Group (2) (proposed rejection of claims 2, 4, 6, 8, 11, and 14 over Kjorsvik and Salm). ACP 3-4.

Owner contends that "none of 3PR's [proposed] rejections provide any explanation or motivation for modifying Kjorsvik to eliminate remote aggregation or to use wallpaper, but instead rely on impermissible hindsight." Resp. Br. 13. Owner's argument regarding the elimination of remote aggregation is not persuasive because Requester does not rely on the AAPA to teach such elimination. Instead, as discussed above, Requester relies on Kjorsvik to teach the aggregation limitation. Owner's argument regarding an explanation or motivation to use wallpaper is also not persuasive because Requester's Comments state that "[a] person of ordinary skill in the art could have substituted the screen saver embodiments of Kjorsvik with the wallpaper embodiment of AAPA" and "the results of the substitution would have been predictable." Comments 30. Requester's Comments also state that "[a] person of ordinary skill in the art would have

been motivated to combine Kjorsvik with the wallpaper embodiment of AAPA to achieve the incentive of obtaining a greater share of the user's attention" and that the "incentive would have prompted a person of ordinary skill in the art to add the wallpaper of the AAPA to the screen saver disclosed in Kjorsvik." *Id*. *Accord* Crovella Decl. ¶ 46. We note that Owner does not provide any expert evidence that contradicts the Crovella Declaration.

We conclude that Requester has provided rational bases for combining Kjorsvik and the AAPA and that Owner's counter-arguments are not persuasive.

Therefore, we reverse the Examiner's refusal to reject claims 16-31 as obvious over Kjorsvik and AAPA.

The Proposed Rejection Of Claims 1-4 and 7-31 Based on Rakavy

The Proposed Rejection Of Claims 1, 3, 7, 9, 10, 12, 13, And 15-31 As Anticipated By Rakavy

Claims 1, 3, 7, 9, 10, 12, 13, and 15

In the NFOA, the Examiner concludes that Rakavy does not disclose, and therefore, does not anticipate, the "aggregation" limitation. NFOA 36-37, referring to Group (3), which we assume is intended to refer to Group (C) listed at NFOA 2. The ACP adopts this refusal. ACP 21 ("The proposed rejections over Rakavy were not adopted for the reasons set for in the non-final action. (pgs. 36-37).") (emphases omitted).

whether Rakavy discloses and therefore anticipates the "aggregation" limitation

Rakavy "relates generally to advertisement computer display systems." Col. 1, ll. 7-8. It has a Local Computer 500 which includes a display device 513. *See* Figs. 1, 2; col. 4, ll. 5-7, 47-49. Fig. 4 illustrates a functional block diagram of Local Computer 500, which includes an Advertisements Display Manager 210, a User Preference and Advertisements Database 230, and an Advertisements Feeder 250. Col. 4, ll. 11-14; col. 7, ll. 30-38. The Advertisements Display Manager 210 is responsible for selecting and displaying Advertisements 50 from the User Preference and Advertisements Database 230 (shown as Interad Database 230 in Fig. 4). The Advertisements Feeder 250 adds new Advertisements 50 to the User Preference and Advertisements Database 230. Col. 7, ll. 44-49; col. 12, ll. 6-8. Advertisements 50 preferably are provided from the Internet through the Internet Feeder 270. However, the Advertisements Feeder 250 is not dependent on the type of advertisement source and may receive Advertisements 50 from other sources such as commercial on-line services, via other feeder mechanisms and other types of polite agents, as shown by references 271 and 272 in Fig. 4. Col. 12, ll. 8-15.

The system preferably includes at least one Advertising System Server 600. Two of the roles of the Advertising System Server 600 are to store Advertisements 50 and transfer the Advertisements 50 to the Local Computer 500. Figs. 1, 4; col. 5, ll. 31-35. Accordingly, Advertising System 600 is not part of Local Computer 500. *See* Resp. Br. 15; Reb. Br. 17-18 and Requester's annotated Rakavy Fig. 4 at Reb. Br. 18.

The Examiner finds that Rakavy discloses the Advertisements Feeder 250 adds new advertisements to the Advertisement Database 230 and that the Advertisements Display Manager 210 selects and displays advertisements 50 from the Advertisements Database 230. Consequently, the Examiner concludes that Rakavy does not anticipate this limitation because it discloses the content data (advertisements) are aggregated at a common physical location (Advertisements Database 230) prior to being provided to the content display system (Local Computer 500). NFOA 36-37.

Claim 1 recites "without the content data being aggregated at a common physical location [that is] *remote* from the content display system *prior to* being provided to the content display system" (emphasis added). But, as Requester points out, Advertisements Database 230 is a component of Local Computer 500 (the content display system). App. Br. 30-31. Owner agrees that "[t]he interad database 230 of Rakavy may be located locally (on local computer 500)." Resp. Br. 15 n. 19. We agree with Requester that Advertisements Database 230 "cannot be said to aggregate data remote from the very same computer it is part of and 'prior to' that same computer receiving the content data" (App. Br. 31). We therefore conclude that the Examiner erroneously concluded that aggregation at Advertisements Database 230 prevents Rakavy from meeting this limitation.

Alternatively, Owner contends that the operation of Advertising System Server 600 precludes Rakavy from disclosing this limitation because Advertising Server 600 stores multiple ads from multiple advertisers so that the ads are aggregated. Resp. Br. 14-15, including n.19. As Requester

points out, however, Owner's position assumes that Local Computer 500 communicates with only one Advertising System Server 600 and therefore Owner assumes that Rakavy is only capable of performing remote aggregation. Reb. Br. 16-17.

Rakavy, however, discloses *multiple* independent content providers. First, Rakavy states its system "preferably includes *at least* one Advertising System Server 600," col. 5, ll. 31-32 (emphasis added); also, "[i]n an alternative embodiment of the present invention, the selected advertisement may be stored on any one of the plurality of advertising system servers," col. 5, ll. 54-56; "the architecture optionally allows for a plurality of advertising system servers," col. 6, ll. 13-15. *See* Reb. Br. 17.

Second, "Advertisements Feeder 250 is not dependent on the type of advertisement source and may receive Advertisements 50 from other sources, such as commercial on-line services, via other feeder mechanisms and other types of polite agents, as shown by references 271 and 272, respectively, in Fig. 4." Col. 12, ll. 10-15. Reb. Br. 17.

We therefore agree with Requester that "[b]ecause local computer 500 can either access content (i.e., Advertisements 50) from 'other sources' or connect to multiple servers 600, the local computer 500 of Rakavy acquires content from multiple independent content providers (e.g., multiple servers 600) without the content being first remotely aggregated. Thus, Rakavy discloses the 'without remote aggregation' limitation." Reb. Br. 17.

Accordingly, we reverse the Examiner's refusal to adopt the proposed rejection of claims 1, 3, 7, 9, 10, 12, 13, and 15 as anticipated by Rakavy.

Claims 16-31

In response to Owner's adding new claims 16-31, Requester's Comments added proposed rejections of them as anticipated by Rakavy. *See* Comments 29 and its attached Appendix-Claim Chart; ACP 3 identifying this proposed rejection as Group (8). The Examiner refused to adopt these proposed rejections for the reasons set forth for not adopting Group (3) (proposed anticipation rejection of claims 1, 3, 5, 7, 9, 10, 12, 13, and 15 as anticipated by Rakavy). ACP 3-4.

Owner relies upon the same arguments regarding this Group (8) proposed rejection as it presented regarding the Group (3) proposed rejection. For the same reasons, therefore, we reverse the Examiner's refusal to adopt Requester's proposed rejection of claims 16-31 as anticipated by Rakavy.

The Examiner's Sua Sponte Determination That Claims 1, 3, 5, 7, 9, 10, 12, 13, and 15 Are Not Obvious Over Rakavy

The Examiner concludes that Rakavy does not make the "aggregation" limitation obvious. NFOA 37. Requester has not proposed an obviousness rejection of these claims based on Rakavy, standing alone.

Although the Examiner agrees that Requester "alleges [the aggregation] limitation is anticipated by Rakavy" and "does not rely on a secondary reference to teach this limitation," (NFOA 37, emphasis omitted), the Examiner nevertheless concludes that it would not have been obvious to modify Rakavy so that the content data is not aggregated at the common physical location designated as database 230. NFOA 37. Owner does not provide any persuasive argument in support of the Examiner's non-

obviousness conclusion. *See* Resp. Br. 14 ("Rakavy fails to disclose the ***without*** remote aggregation limitation, and thus cannot anticipate or render obvious the appealed claims."); Resp. Br. 15 ("Thus Rakavy fails to anticipate or render obvious claims 1-4 and 7-31.").

We do not consider whether the Examiner's *sua sponte* obviousness analysis based on Rakavy is correct because Requester did not propose such a rejection and because, as discussed above, we agree that Rakavy anticipates the aggregation limitation. *In re Gleave*, 560 F.3d 1331, 1338 (Fed. Cir. 2009).

The Proposed Rejection Of Claims 1, 3, 7, 9, 10, 12, 13, And 15-31 As Obvious Over Rakavy and Kjorsvik

The Examiner concluded in the NFOA that the proposed rejection that relies upon a combination of Rakavy and Kjorsvik fails to set forth a prima facie case of obviousness as required by *Graham v. John Deere Co.*, 383 U.S. 1 (1966). NFOA 37-39.

In the ACP, the Examiner incorporates the reasons for not adopting the proposed rejections for the reasons set forth only in pages 36-37 of the NFOA. We therefore conclude that the Examiner has withdrawn the refusal to adopt the proposed combined Rakavy/Kjorsvik rejection based upon a purported failure to comply with *Graham's* requirements. *See* ACP 21. Requester nevertheless explains why it believes the Examiner's *Graham* analysis is wrong. App. Br. 36-38. Owner neither contends that Requester failed to comply with *Graham's* requirements nor contradicts Requester's explanation. Instead, Owner generally contends, without persuasive explanation, that Requester does not "provide any explanation or motivation for modifying Rakavy to eliminate its remote aggregation, but instead rely

on impermissible hindsight" (Resp. Br. 15) and does not "provide[] any explanation or motivation for modifying Rakavy or Kjorsvik to eliminate their remote aggregation, but instead rely on impermissible hindsight." *Id*.

We therefore adopt Requester's explanation regarding why the Examiner's *Graham* analysis is wrong and we reverse the Examiner's refusal to adopt Requester's proposed rejection of the claims based on Kjorsvik in view of Rakavy.

The Proposed Rejections of Claims 2, 4, 8, 11, and 14 As Obvious Over Rakavy and Salm

The Request proposed rejections of dependent claims 2, 4, 8, 11, and 14 as obvious over Rakavy and Salm. Request 122-124. The Examiner refused to adopt the proposed rejections of these dependent claims for the same reasons that the Examiner did not adopt the other rejections based on Rakavy. *See* NFOA 37; ACP 21. Owner does not argue the patentability of these claims based on the proposed Rakavy/Salm combination separately with particularity. *See* Resp. Br. 14-15.

Accordingly, we reverse the Examiner's refusal to reject claims 2, 4, 8, 11, and 14 as obvious over Rakavy and Salm.

The Examiner's New Reasons For Not Adopting Any Of The Proposed Rejections Based On Rakavy

The ACP adds a new reason for not adopting the proposed rejections. The Examiner concludes that, even though Rakavy includes a wallpaper embodiment, Requester and its expert Dr. Crovella present proposed rejections directed only to the screensaver embodiment (and not the wallpaper embodiment), which, the Examiner had previously concluded, was outside the scope of the claims. ACP 21-22. Because the Examiner

concludes that the claims do not encompass the screensaver embodiment, the Examiner concludes that Requester's proposed rejections are not persuasive. *Id*. As we have concluded above, however, the claims do encompass the screensaver embodiment.

Requester additionally contends that its proposed rejections were based on both the wallpaper and screensaver embodiments. App. Br. 29-30. Owner does not persuasively dispute Requester's contention. *See* Resp. Br. 14 ("Regardless of whether the Examiner's statement about wallpaper was correct, Rakavy fails to disclose the without remote aggregation limitation.") (emphasis omitted). *See also* Reb. Br. 16 ("PO did not dispute that Rakavy discloses wallpaper in its Respondent's Brief, nor did PO provide any evidence to support the Examiner's procedural reason for refusing to consider Rakavy.").

We therefore conclude that the Examiner erred in concluding that Requester did not rely on Rakavy's wallpaper embodiment, in concluding that the claims were limited to the wallpaper embodiment to the exclusion of the screensaver embodiment, and consequently in refusing to adopt the proposed rejections based on Rakavy.

Accordingly, we reverse the Examiner's refusal to adopt all of the proposed rejections based on Rakavy for this additional reason.

CONCLUSIONS

The Examiner erred in withdrawing the Examiner-Initiated rejections and erred in refusing to adopt all of Requester's proposed rejections.

DECISION

The Examiner's withdrawal of the Examiner-Initiated rejections and the Examiner's refusal to adopt all of Requester's proposed rejections are reversed and we enter the following new grounds of rejection under 37 C.F.R. 41.77(b):

A. Claims 1, 3, 7, 9, 10, 12, 13, and 15 are rejected as anticipated by Kjorsvik.

B. Claims 1, 3, 7, 9, 19, 12, 13, and 15 are rejected as obvious over Kjorsvik.

C. Claims 2, 4, 8, 11, and 14 are rejected as obvious over Kjorsvik and Salm.

D. Claims 16-31 are rejected as obvious over Kjorsvik and Owner's Admitted Prior Art.

E. Claims 1, 3, 7, 9, 10, 12, 13, and 15-31 are rejected as anticipated by Rakavy.

F. Claims 2, 4, 8, 11, and 14 are rejected as obvious over Rakavy and Salm.

G. Claims 1, 3, 7, 9, 10, 12, 13, and 15-31 are rejected over Rakavy and Kjorsvik.

REVERSED

This decision contains new grounds of rejection pursuant to 37 C.F.R. § 41.77(b) which provides that "[a]ny decision which includes a new ground of rejection pursuant to this paragraph shall not be considered final for judicial review." Correspondingly, no portion of the decision is final for purposes of judicial review. A requester may also request rehearing under

37 C.F.R. § 41.79, if appropriate, however, the Board may elect to defer issuing any decision on such request for rehearing until such time that a final decision on appeal has been issued by the Board.

For further guidance on new grounds of rejection, see 37 C.F.R. § 41.77(b)-(g). The decision may become final after it has returned to the Board. 37 C.F.R. § 41.77(f).

37 C.F.R. § 41.77(b) also provides that the Patent Owner, WITHIN ONE MONTH FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new grounds of rejection to avoid termination of the appeal as to the rejected claims:

(1) *Reopen prosecution.* The owner may file a response requesting reopening of prosecution before the examiner. Such a response must be either an amendment of the claims so rejected or new evidence relating to the claims so rejected, or both.

(2) *Request rehearing*. The owner may request that the proceeding be reheard under § 41.79 by the Board upon the same record.

Any request to reopen prosecution before the examiner under 37 C.F.R. § 41.77(b)(1) shall be limited in scope to the "claims so rejected." Accordingly, a request to reopen prosecution is limited to issues raised by the new ground(s) of rejection entered by the Board. A request to reopen prosecution that includes issues other than those raised by the new ground(s) is unlikely to be granted.

A requester may file comments in reply to a patent owner response. 37 C.F.R. § 41.77(c). Requester comments under 37 C.F.R. § 41.77(c) shall be limited in scope to the issues raised by the Board's opinion reflecting its

decision to reject the claims and the patent owner's response under paragraph 37 C.F.R. § 41.77(b)(1). A newly proposed rejection is not permitted as a matter of right. A newly proposed rejection may be appropriate if it is presented to address an amendment and/or new evidence properly submitted by the patent owner, and is presented with a brief explanation as to why the newly proposed rejection is now necessary and why it could not have been presented earlier.

Compliance with the page limits pursuant to 37 C.F.R. § 1.943(b), for all patent owner responses and requester comments, is required.

The examiner, after the Board's entry of a patent owner response and requester comments, will issue a determination under 37 C.F.R. § 41.77(d) as to whether the Board's rejection is maintained or has been overcome. The proceeding will then be returned to the Board together with any comments and reply submitted by the owner and/or requester under 37 C.F.R. § 41.77(e) for reconsideration and issuance of a new decision by the Board as provided by 37 C.F.R. § 41.77(f).

Requests for extensions of time in this proceeding are governed by 37 C.F.R. §§ 1.956 and 41.79(e).

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PATENT OWNER:

EDELL, SHAPIRO & FINNAN, LLC
1901 RESEARCH BOULEVARD, SUITE 400
ROCKVILLE, MD 20850

THIRD PARTY REQUESTER:

STERNE, KESSLER, GOLDSTEIN & FOX, P.L.L.C.
1100 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-3934

CERTIFICATE OF SERVICE

I certify that I electronically filed the foregoing **Supplemental Authority under Fed. R. App. P. 28(j)** using the Court's CM/ECF filing system. Counsel registered with the CM/ECF system have been served by operation of the Court's CM/ECF SYSTEM on this 7th day of April, 2014.

/s/ Colleen Martin
Colleen Martin, Case Manager