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Paper 14
Date: January 5, 2021

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DOLBY LABORATORIES, INC.,
Petitioner,

v.

INTERTRUST TECHNOLOGIES CORPORATION,
Patent Owner.

IPR2020-01105
Patent 8,191,157 B2

Before MICHAEL R. ZECHER, KIMBERLY McGRAW, and CHRISTOPHER L. OGDEN, *Administrative Patent Judges*.

ZECHER, *Administrative Patent Judge*.

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

I. INTRODUCTION

Petitioner, Dolby Laboratories, Inc. ("Dolby"), filed a Petition requesting an *inter partes* review ("IPR") of claims 69–75, 80, 81, and 84 of U.S. Patent No. 8,191,157 B2 (Ex. 1001, "the '157 patent"). Paper 2 ("Pet."). Patent Owner, Intertrust Technologies Corporation ("Intertrust"), filed a Corrected Preliminary Response. Paper 12 ("Prelim. Resp."). With our authorization, Dolby filed a Reply (Paper 10 ("Pet. Reply")) and Intertrust filed a Sur-reply (Paper 13 ("PO Sur-reply")), each of which were tailored narrowly to address the non-exclusive list of six factors set forth in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) ("*Fintiv I*") that we consider in determining whether to exercise our discretion to institute an *inter partes* review when there is a related district court case involving the same patent.

Based on the authority delegated to us by the Director under 37 C.F.R. § 42.4(a), we may not institute an *inter partes* review unless the information presented in the Petition and any response thereto shows "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) (2018). Taking into account Intertrust's Preliminary Response, we conclude that the information presented in the Petition establishes that there is a reasonable likelihood that Dolby would prevail in challenging at least one of claims 69–75, 80, 81, and 84 of the '157 patent as unpatentable under 35 U.S.C. § 103(a). Pursuant to § 314, we hereby institute an *inter partes* review as to these claims of the '157 patent.

A. Related Matters

The parties indicate that the '157 patent is the subject of the following four district court cases: (1) *Dolby Laboratories, Inc. v. Intertrust Corp.*, No. 3:19-cv-03371 (N.D. Cal.); (2) *Intertrust Technologies Corp. v. AMC Entertainment Holdings, Inc.*, No. 2:19-cv-00265 (E.D. Tex.); (3) *Intertrust Technologies Corp. v. Cinemark Holdings, Inc.*, No. 2:19-cv-00266 (E.D. Tex.); and (4) *Intertrust Technologies Corp. v. Regal Entertainment Group*, No. 2:19-cv-00267 (E.D. Tex.). Pet. 3; Paper 5, 2.[1] We refer to the declaratory judgment of non-infringement filed by Dolby in the U.S. District Court for the Northern District of California as the "California Action," and we refer to the three assertions of infringement filed by Intertrust in the U.S. District Court for the Eastern District of Texas as the "Texas Actions."

In addition to this Petition, Dolby filed the following two petitions challenging different subsets of claims in the '157 patent: (1) *Dolby Laboratories, Inc. v. Intertrust Technologies Corp.*, IPR2020-01104, Paper 2 (PTAB June 17, 2020) (challenging claims 53, 54, 56–60, and 64–66 of the '157 patent); and (2) *Dolby Laboratories, Inc. v. Intertrust Technologies Corp.*, IPR2020-01106, Paper 2 (PTAB June 17, 2020) (challenging claims 86–90, 95, 96, and 99 of the '157 patent). Pet. 3. Dolby also identifies two other petitions it filed challenging the patentability of certain subsets of claims in the following two patents owned by Intertrust, each of which shares common parent applications with the '157 patent and essentially the same specifications as the '157 patent: (1) U.S. Patent No. 8,191,158 B2

[1] Intertrust's Mandatory Notices filed in accordance with 37 C.F.R. § 42.8 does not include page numbers. Paper 5. We consider the Title page as page 1 and then proceed from there in numerical order.

(IPR2020-00661); and (2) U.S. Patent No. 6,640,304 B2 (IPR2020-00662). Pet. 3.

B. The '157 Patent

The '157 patent, titled "Systems and Methods for Secure Transaction Management and Electronic Rights Protection," issued from U.S. Patent Application No. 11/821,862 ("the '862 application"), filed on June 25, 2007. Ex. 1001, codes (54), (21), (22). The '862 application includes an extensive chain of priority that ultimately results in it claiming the benefit of U.S. Patent Application No. 08/388,107 ("the '107 application"), filed on February 13, 1995. *Id.* at code (63), 1:8–17.

The '157 patent generally relates to "computer and/or electronic security" and, in particular, "to computer-based and other electronic appliance-based technologies that help to ensure that information is accessed and/or otherwise used only in authorized ways, and maintains the integrity, availability, and/or confidentiality of such information." Ex. 1001, 1:21–29; *see also id.* at code (57) (disclosing the same). According to the '157 patent, one of the problems for "electronic content providers" is "their ability to control the use of proprietary information" in a manner that "limit[s] use to authorized activities and amounts." *Id.* at 2:41–44. The '157 patent allows electronic content providers to exert control over their protected information by employing "a new kind of 'virtual distribution environment' (called 'VDE' . . .) that secures, administers, and audits electronic information use" by providing "capabilities for managing content that travels 'across' the 'information highway.'" *Id.* at 2:29–34.

The '157 patent states that the VDE "prevents use of protected information except as permitted by 'rules and controls' (control

information)" established for the VDE. Ex. 1001, 55:1–4; *see also id.* at Fig. 2 (illustrating a chain of handling and control for protected information within a VDE). These rules and controls may, for example, "grant specific individuals or classes of content users . . . 'permission' to use certain content. The may specify what kinds of content usage are permitted, and what kinds are not. They may specify how content usage is to be paid for and how much it costs." *Id.* at 55:4–9. In some embodiments, the '157 patent states that the "rules and controls may travel with the content they apply to"; however, the VDE may "allow[] 'rules and controls' to be delivered separately from content." *Id.* at 56:4–7. This allows the content distributor to control the use of their protected information that has already been delivered because "no one can use or access protected content without 'permission' from corresponding 'rules and controls.'" *Id.* at 56:7–10.

The '157 patent discloses that participants in the VDE may each have electronic appliances that include a Secure Processing Unit ("SPU"). Ex. 1001, 61:61–62. Figure 9 of the '157 patent, reproduced below, illustrates one example of a SPU. *Id.* at 49:21–22, 63:45–46.

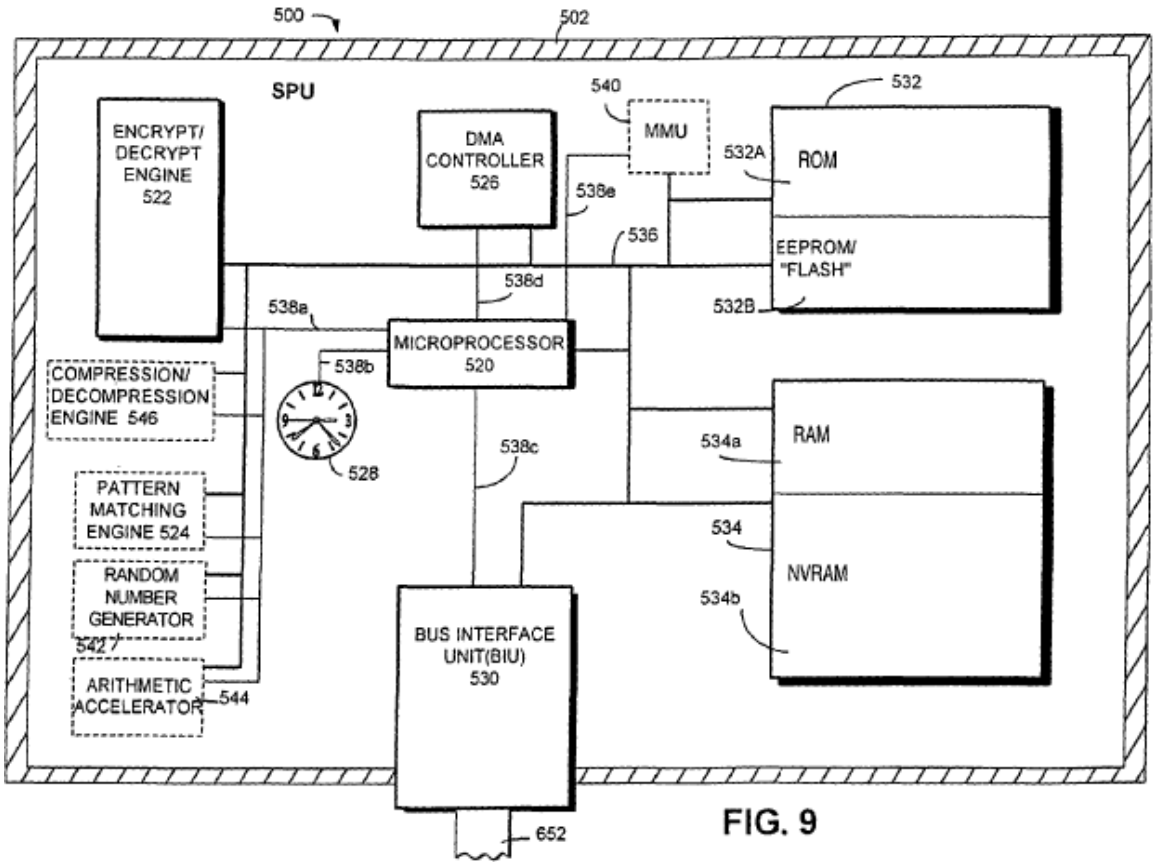

FIG. 9

Figure 9, reproduced above, illustrates SPU 500 surrounded by tamper-resistant security barrier 502 that processes information in secure processing environment 503 (not illustrated above). *Id.* at 58:14–16, 58:18–20, 62:20–21. The '157 patent disclose that SPU 500 may receive and store protected information that is subject to the "rules and controls" identified above. *See id.* at 61:62–62:8.

Figure 37 of the '157 patent, reproduced below, illustrates a process by which a SPU (e.g., SPU 500 shown in Figure 9) accesses an item stored in a secured database. Ex. 1001, 50:25–26, 160:16–18.

FIG. 37

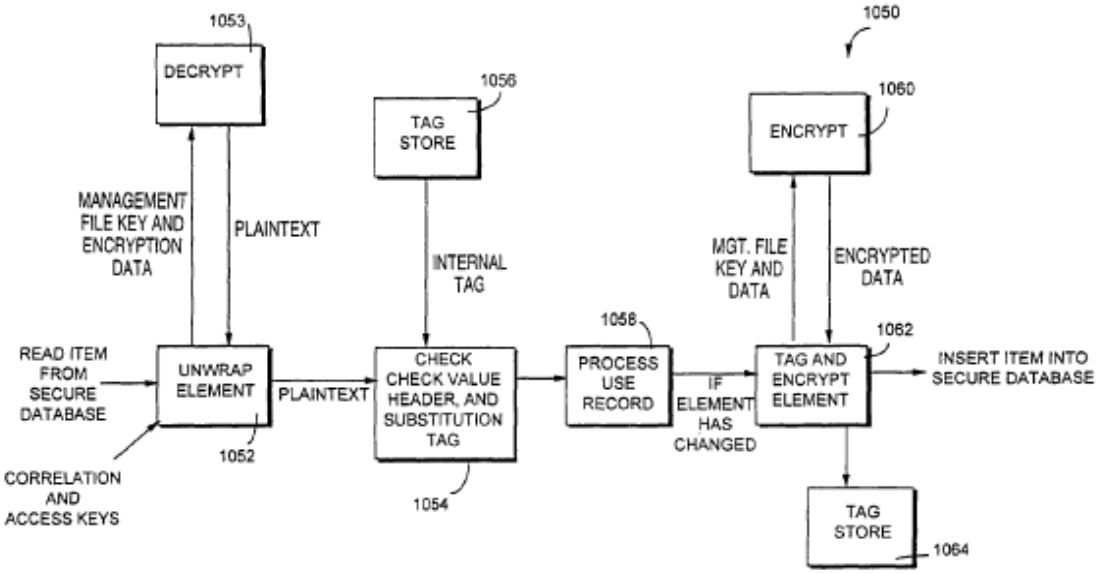

Figure 37, reproduced above, illustrates how an SPE stores access keys in its internal, protected memory that later may be used to decrypt and access encrypted information stored in the secured database. *See id.* at 160:18–56.

C. Challenged Claims

Of the challenged claims, claim 69 is the only independent claim. Independent claim 69 is directed to "[a] method performed by an electronic appliance comprising a processer and a memory encoded with programming instructions that, when executed by the processor, cause the electronic appliance to perform the method." Ex. 1001, 319:23–26. Claims 70–75, 80, 81, and 84 directly or indirectly depend from independent claim 69. *Id.* at 319:50–320:2, 320:11–18, 320:31–38. Independent claim 69 is illustrative of the challenged claims and is reproduced below:

> 69. A method performed by an electronic appliance comprising a processor and a memory encoded with program instructions that, when executed by the processor, cause the electronic appliance to perform the method, the method comprising:

receiving, by the electronic appliance, a first piece of electronic content, the first piece of electronic content being encrypted at least in part;

receiving, by the electronic appliance, separately from the first piece of electronic content, a first key, the first key being associated with the first piece of electronic content, and the first key being encrypted at least in part;

decrypting, by the electronic appliance, the first key using (a) a second key and (b) a secure processing unit running on the electronic appliance, the second key being stored in memory of the secure processing unit;

decrypting, by the electronic appliance, the first piece of electronic content using, at least in part, the first key;

receiving, by the electronic appliance, separately from the first piece of electronic content, and via separate delivery, a first electronic object, the first electronic object specifying one or more permitted or prohibited uses of the first piece of electronic content;

receiving, by the electronic appliance, a request to use the first piece of electronic content; and

selectively granting, by the electronic appliance, the request in accordance with the first electronic object.

Id. at 319:23–49.

D. Asserted Prior Art References

Dolby relies on the prior art references set forth in the table below.

Name[2]	Reference	Dates	Exhibit No.
Narasimhalu	US 5,499,298	issued Mar. 12, 1996; filed Mar. 17, 1994	1004
Katznelson	US 5,010,571	issued Apr. 23, 1991; filed Sept. 10, 1986	1005

[2] For clarity and ease of reference, we only list the first named inventor.

Name[2]	Reference	Dates	Exhibit No.
Chorley	US 4,634,807	issued Jan. 6, 1987; filed Aug. 23, 1985	1006
Halter	US 5,319,705	issued June 7, 1994; filed Oct. 21, 1992	1028
Cooper	US 5,598,470	issued Jan. 28, 1997; filed Apr. 25, 1994	1029

E. Asserted Grounds of Unpatentability

Dolby challenges claims 69–75, 80, 81, and 84 of the '157 patent based on the asserted grounds of unpatentability set forth in the table below. Pet. 9, 18–77.

Claim(s) Challenged	35 U.S.C. §	References
69, 70, 73–75, 80, 81, 84	103(a)[3]	Narasimhalu, Chorley
71, 72	103(a)	Narasimhalu, Chorley, Halter
69–72, 74, 80, 84	103(a)	Katznelson, Chorley
73, 75	103(a)	Katznelson, Chorley, Narasimhalu
81	103(a)	Katznelson, Chorley, Cooper

[3] The Leahy-Smith America Invents Act ("AIA"), Pub. L. No. 112-29, 125 Stat. 284, 287–88 (2011), amended 35 U.S.C. § 103, effective March 16, 2013. Because the '157 patent claims priority to the '862 application, which was filed before this date, the pre-AIA version of § 103 applies. Ex. 1001, codes (21) and (22).

II. DISCRETIONARY DENIAL ARGUMENTS UNDER § 314(a)

A. Related District Court Cases Involving the '157 Patent

Dolby contends that, although there are four district court cases involving the '157 patent, the six factors outlined in *Fintiv I* do not support us exercising our discretion to deny institution under § 314(a). Pet. 7–9; Pet. Reply 1–9. Intertrust contends that we should exercise our discretion to deny institution under § 314(a) based on the advanced stage of the California Action. Prelim. Resp. 26–40; PO Sur-reply 1–10.

It is well-settled that institution of an *inter partes* review is discretionary. *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 IPR proceeding."); 35 U.S.C. § 314(a) (2018) ("The Director *may not* authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 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." (emphasis added)). In *Fintiv I*, the Board discussed potential applications of *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential), as well as a number of other cases dealing with discretionary denial under § 314(a). *Fintiv I* identifies a non-exclusive list of six factors parties may consider addressing, particularly where there is a related district court case involving the same patent and whether such a case provides any basis for discretionary denial. *Fintiv I* at 5–16. Those factors include the following:

> 1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;

> 2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
>
> 3. investment in the parallel proceeding by the court and the parties;
>
> 4. overlap between issues raised in the petition and in the parallel proceeding;
>
> 5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
>
> 6. other circumstances that impact the Board's exercise of discretion, including the merits.

Id. at 5–6.

We now consider these factors to determine whether we should exercise discretion to deny institution under § 314(a). In evaluating the factors, we take a holistic view of whether efficiency and integrity of the patent system are best served by denying or granting institution of an *inter partes* review. *Fintiv I* at 6.

1. Relevant Background

Dolby filed the California Action against Intertrust on June 13, 2019. Ex. 1045 (Complaint for Declaratory Judgment of Non-Infringement). Intertrust served its infringement contentions in the California Action on February 27, 2020, Dolby served its invalidity contentions in the California Action on April 13, 2020, and Dolby filed its Petition on June 17, 2020. Ex. 1052 (Intertrust's Disclosure of Asserted Claims & Infringement Contentions); Ex. 2006 (Dolby's Invalidity Contentions); Paper 6 (according the Petition a filing date of June 17, 2020).

2. Stay in the California Action

On the current record, neither party has produced evidence that a request for a stay has been made or considered in the California Action.

Dolby represents that it intends to seek a stay in the California Action, and further contends the presiding judge in the California Action has consistently stayed litigation of claims under review by the Board, while denying pre-institution motions as premature. Pet. Reply 3–4 (citing Exs. 1053–1058, 1061). In response, Intertrust confirms that Dolby has not sought a stay in the California Action, and further argues that it would be "improper for the Board to speculate as to how the [presiding judge in] the California [Action] *might* react to a future stay request." PO Sur-reply 3.

"A judge determines whether to grant a stay based on the facts of each specific case as presented in the briefs by the parties." *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (PTAB May 13, 2020) (informative) (Decision Denying Institution) ("*Fintiv II*"). We, therefore, decline to speculate how the district court in the California Action would rule on a motion to stay, if Dolby were to file such a motion, based on actions taken in different cases with different facts or extrajudicial interviews. Because a stay has not yet been requested or considered in the California Action, this factor is neutral.

3. The Trial Date in the California Action

Intertrust contends that this factor weighs in favor of discretionary denial because the parties to the California Action recently submitted a joint status report in which "[Dolby] requested that trial commence no later than October 25, 2021," whereas "[Intertrust] requested that trial be set for December 6, 2021." Prelim. Resp. 30 (citing Ex. 2005 (Joint Status Report dated August 20, 2020)). According to Intertrust, the California Action "will . . . likely adjudicate[] the same invalidity arguments presented in the Petition [challenging] the '157 patent one to three months before the Board's

issuance of its final written decision [in this proceeding] in January 2022." *Id.*; *see also* PO Sur-reply 3 (arguing the same). In response, Dolby contends that this factor weighs against discretionary denial because, even taking into account the parties proposed trial dates set forth in their joint status report, the "dates for pretrial and trial are uncertain." Pet. Reply 4–5 (citing Ex. 1060 (identical copy of Joint Status report dated August 20, 2020), 6–7).

The fact that no trial date has been set in the California Action weighs against exercising our discretion to deny institution. *See Google LLC v. Uniloc 2017 LLC*, IPR2020-00441, Paper 13 at 35 (PTAB July 17, 2020) ("The fact that no trial date has been set weighs significantly against exercising our discretion to deny institution of the proceeding."). Although Dolby proposes a trial date no earlier than October 25, 2021, and Intertrust proposes a trial date of December 6, 2021, the district court in the California Action has not provided any indication that it will grant either parties' proposal. Ex. 1060, 7; Ex. 2005, 7. Thus, the lack of evidence that the California Action will proceed to trial before a final written decision is likely to issue in the this proceeding weighs against discretionary denial.

4. Investment by the District Court and the Parties

Intertrust contends that this factor weighs in favor of discretionary denial because investment in the California Action includes the following: service of Intertrust's invalidity contentions on Dolby on April 13, 2020, the close of claim construction discovery on July 13, 2020, completion of claim construction briefing by September 16, 2020, completion of a tutorial hearing addressing the technology of the '157 patent on October 20, 2020, and finally a claim construction hearing to be held on November 3, 2020.

Prelim. Resp. 32–33 (citing Exs. 2004–2006). Intertrust further contends that, because the proposed schedule to the California Action indicates Dolby's desire to have dispositive motions heard and trial completed by October 25, 2021, substantial investment will have been made before we issue a final written decision in this proceeding. *Id.* at 33.

In response, Dolby contends that this factor weighs against discretionary denial because fact discovery in the California Action is far from complete as no fact or expert witnesses have yet been deposed. Pet. Reply 5. Dolby further argues that, in the California Action, the district court has not yet considered the asserted grounds of unpatentability raised in the Petition, the district court may not issue a claim construction order before we issue a decision whether to institute, and, if we were to enter a decision granting institution in this proceeding, the district court would likely stay the California Action, thereby putting a hold on future investment in that case. *Id*.

As an initial matter, we take this opportunity to clarify that the focus of our inquiry under this factor is the actual investment by the district court and the parties in the California Action at the time we decide whether to institute this proceeding—not the anticipated investment to occur at some future time when we are projected to issue a final written decision. *See Fintiv I* at 9 (stating that "the amount and type of work already completed in the parallel litigation by the court and the parties *at the time of the institution decision*" (emphasis added)); *Fintiv II* at 14 ("[A]lthough the parties and the Court have invested effort in the District Court case to date, further effort remains to be expended in this case *before trial*." (emphasis added)). We recognize that both parties have invested effort in the California Action,

most notably service of invalidity contentions. Ex. 2006. Further effort, however, remains to be expended in the California Action. For example, we accept Dolby's representation that fact discovery in the California Action is far from complete as no fact or expert witnesses have yet been deposed. Pet. Reply 5.

As part of our holistic analysis, we also consider the speed by which Dolby acted to file the Petition. *See Apple Inc. v. Seven Networks, LLC*, IPR2020-00156, Paper 10 at 11–12 (PTAB June 15, 2020) (evaluating the time between service of invalidity contentions and the filing of a petition). Given that Intertrust's infringement contention asserted claims across ten patents, Dolby acted diligently in filing this and two other Petitions challenging certain subsets of claims of the '157 patent on June 17, 2020, which is less than four months after Intertrust served its infringement contentions identifying the twenty-eight asserted claims of the '157 patent on February 27, 2020. Ex. 1052, 2. Because Dolby appears to have acted diligently and without much delay, this mitigates against the investment of the parties. *See Seven Networks*, Paper 10 at 11–12. As *Fintiv I* states, "[i]f the evidence shows that the petitioner filed the petition expeditiously, such as promptly after becoming aware of the claims being asserted, this fact has weighed against exercising the authority to deny institution under *NHK*." *Fintiv I* at 11.

Accordingly, although the parties and the court have invested effort in the California Action, further effort remains to be expended in that case before trial. Based on the level of investment and effort already expended in the California Action, the level of effort remaining in that case, and the

promptness with which Dolby filed its Petition after service of Intertrust's infringement contentions, this factor is neutral.

5. Overlap of the Issues

Intertrust contends that this factor weighs in favor of discretionary denial because there is almost "complete" overlap between the issues raised in the Petition and those raised in the California Action. Prelim. Resp. 35–38. In addition, Intertrust argues that "Dolby does not indicate that it is willing to stipulate that it will not pursue, in [the] California [A]ction, invalidity of the '157 patent based on any instituted IPR ground." PO Sur-reply 7.

In response, Dolby contends this factor weighs against discretionary denial because it is premature to compare "arguments, evidence, or issues" in the California Action because "expert reports have not been [served], and Intertrust has not responded to Dolby's invalidity contentions." Pet. Reply 6. Dolby further argues that there are ten patents asserted and many issues other than invalidity to be tried in the California Action, and whether any particular invalidity contention will be presented or considered remains uncertain. *Id.* at 6–7.

It is too hypothetical to assume that the issues raised in this Petition will not be presented at trial in the California Action. Because the claims at issue here are also at issue in the California Action, and the grounds of unpatentability asserted here also are asserted in the California Action, this factor weighs in favor of discretionary denial.

6. Whether Petitioner and the Infringement Defendant Are the Same Party

Both parties agree that Dolby is Petitioner here and the infringement defendant in the California Action. Prelim. Resp. 38–39; Pet. Reply 7. As we explained above, however, the district court in the California Action has yet to set a trial date. Because Dolby is both Petitioner here and the infringement defendant in the California Action, but no trial date has been set in the California Action, this factor is neutral.

7. Other Considerations

Dolby contends that the strengths of the asserted grounds of unpatentability weigh against discretionary denial, that institution of this proceeding would provide an efficient alternative to Dolby having to litigate the same invalidity grounds in the California Action, and that patent quality is served by having the Board consider the patentability of a patent that is being asserted against multiple defendants. Pet. Reply 7.

Intertrust responds that there are no other compelling circumstances that support institution of this proceeding and, in particular, the flaws in Dolby's asserted grounds of unpatentability weigh in favor of discretionary denial. Prelim. Resp. 39–40; PO Sur-reply 8–10. Intertrust also argues that, because Dolby filed the California Action, the equities do not favor allowing Dolby to bring a duplicative challenge of the '157 patent. PO Sur-reply 1; *see also id.* at 8 (arguing the same).

As we explain below in more detail, Dolby has met its burden of demonstrating a reasonable likelihood that it would prevail on its assertion that the challenged claims of the '157 patent are unpatentable. At this preliminary stage and for purposes of institution, Dolby's arguments and

evidence for the asserted grounds of unpatentability based, in part, on Narasimhalu that cover all the challenged claims appear strong. *See Fintiv I,* Paper 11 at 14–15 ("[I]f the merits of a ground raised in the petition seem particularly strong on the preliminary record, this fact has favored institution."); *Sand Revolution II, LLC v. Cont'l Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24 at 13 (PTAB June 16, 2020) (holding that, when the Petition sets forth a strong case, "this factor weighs in favor of not exercising discretion to deny institution under 35 U.S.C. § 314(a)"). We recognize that Intertrust has only submitted preliminary arguments and no testimonial evidence at this stage of the proceeding, and the record will fully develop during trial. Accordingly, this factor weighs against discretionary denial.

Finally, we are not persuaded by Intertrust's argument that the equities weigh against permitting a petitioner who filed a declaratory judgment action of non-infringement against certain claims to also file a petition challenging the patentability of the same claims.

8. Summary

For the reasons identified above, two of the *Fintiv I* factors weigh against discretionary denial, including that no trial date has been set in the California Action and Dolby's preliminary showing of unpatentability. Three of the *Fintiv I* factors are neutral, including that a stay has not yet been requested or considered in the California Action, the minimal level of investment and effort by the district court and parties in the California Action to date, and the fact that Dolby is both Petitioner here and the infringement defendant in the California Action. The only *Fintiv I* factor that weighs in favor of discretionary denial is the complete overlap between

the issues raised in the Petition and those raised in the California Action. Consequently, when considering the *Fintiv I* factors as part of a holistic analysis, we decline to exercise our discretion under § 314(a) to deny *inter partes* review.

B. Parallel Petitions Challenging the '157 Patent

Both the Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019)[4] ("Consolidated TPG") and the Trial Practice Guide Update (July 2019)[5] ("TPG Update") state that "one petition should be sufficient to challenge the claims of a patent in most situations." Consolidated TPG at 59; TPG Update at 26. Both the Consolidated TPG and the TPG Update, however, state that "the Board recognizes that there may be circumstances in which more than one petition may be necessary, including, for example, when the patent owner has asserted a large number of claims." Consolidated TPG at 59; TPG Update at 26.

In its Preliminary Response, Intertrust contends that, even though Dolby filed three parallel petitions challenging the '157 patent (i.e., IPR2020-01104, IPR2020-01105, and IPR2020-01106), "[Dolby] has not provided any explanation for its three separate petitions challenging the '157 patent," and "[t]he Board should deny this institution for this reason as well." Prelim. Resp. 3–4 (emphasis omitted) (citing TPG Update at 26–27); *see also id.* at 28 n.8. Dolby counters that, because Intertrust asserted a total of twenty-eight claims in the California Action, it filed three parallel

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[4] *Available at* https://www.uspto.gov/TrialPracticeGuideConsolidated.

[5] *Available at* https://www.uspto.gov/sites/default/files/documents/trial-practice-guide-update3.pdf

petitions "each covering one independent claim and its numerous dependent claims." Pet. Reply 1. Dolby, therefore, argues that all three petitions are justified because "they address different claims and do not present overlapping grounds." *Id.* at 1–2 (citing Pet. 3, TPG Update at 27 n.4). In response, Intertrust contends that Dolby did not satisfy the requirements set forth in the TPG Update because it could have included an explanation in its Petition why three parallel petitions challenging the '157 patent are justified, but failed to do so. PO Sur-reply 2 (citing TPG Update at 27). Intertrust also argues that "[a]ll three petitions rely on the same primary references" and "[t]his is yet a further reason for the Board to deny institution." *Id.* (emphasis omitted).

Based on the particular circumstances of this case, we determine that it was reasonable for Dolby to file three parallel petitions challenging the claims of the '157 patent. Although each of the three parallel petitions filed by Dolby rely on either Narasimhalu or Katznelson as the primary basis of its asserted grounds of unpatentability, each petition challenges a different subset of claims of the '157 patent that covers one independent claim and numerous dependent claims. *See* Pet. 1 (challenging claims 69–75, 80, 81, and 84 of the '157 patent); IPR2020-01104, Paper 2 (Petition challenging claims 53, 54, 56–60, and 64–66 of the '157 patent); IPR2020-01106, Paper 2 (Petition challenging claims 86–90, 95, 96, and 99 of the '157 patent). All three parallel petitions challenge twenty-eight claims of the '157 patent, in total, which is the same number of claims asserted by Intertrust in the California Action. Ex. 1052, 2.

We also are persuaded that the number of claims being challenged justifies the filing of three petitions. Concurrently with this Decision, we are

denying institution on one of these petitions (IPR2020-01104), which challenged ten of those twenty-eight claims. Given the length of the remaining eighteen claims in the '157 patent, the complexity of the involved subject matter, and the fact the specification of the '157 patent spans across three hundred and twenty-two columns of text, we are persuaded that analyzing the eighteen claims across two parallel petitions falls within the purview of the "large number of claims" contemplated by both the Consolidated TPG and the TPG Update. Lastly, although we acknowledge that instituting trial on two of the three parallel petitions places some additional burden on the finite resources of the Board, we note that some efficiencies may be obtained by issuing a single scheduling order that sets the same due dates for both proceedings, ultimately culminating in a consolidated oral hearing, if requested by either party.

For the reasons identified above, we decline to exercise our discretion under § 314(a) to deny *inter partes* review because Dolby filed three parallel petitions each challenging different subsets of claims of the '157 patent.

III. ANALYSIS

A. Claim Construction

In an *inter partes* review based on a petition filed on or after November 13, 2018, such as here, claim terms are construed using the same claim construction standard as in a civil action under 35 U.S.C. § 282(b). *See* 37 C.F.R. § 42.100(b) (2019). That is, claim terms generally are construed in accordance with their ordinary and customary meaning, as would have been understood by a person of ordinary skill in the art, and the prosecution history pertaining to the patent at issue. *Id.*

In its Petition, Dolby proposes to construe the following two claim terms: (1) "secure processing unit" (independent claim 69) should be construed as "processing circuitry that functions in a self-contained, trusted computing environment"; and (2) "receiving . . . separately . . . and via separate delivery" (independent claim 69) should be construed as "receiving via delivery at a different time, over a different path, or from a different source." Pet. 16–17. To support these two proposed constructions, Dolby directs us to certain passages in the specification of the '157 patent and the supporting testimony of its declarant, John R. Black, Jr., Ph.D. *Id.* (citing Ex. 1001, 17:66–18:8, 28:67–29:2, 41:34, 47:65–48:59, 58:5–55, 61:60–70:55, 77:52–55, 81:65–82:1, 127:24–27, 315:4–7; Ex. 1002 (Declaration of Dr. Black) ¶¶ 60–63).

Beginning with the claim term "secure processing unit," Intertrust does not, in its Preliminary Response, dispute Dolby's proposed construction of this term, but does note that the district court in the Texas Actions construed this term as a "processing unit that makes information and processes resistant to authorized use." Prelim. Resp. 20–21 (citing Ex. 2003 (Claim Construction Order in the Texas Actions), 12–17). Nevertheless, Intertrust argues that "construction of this term is not necessary to resolve the matters raised by [the] Preliminary Response." *Id.* at 21.

Turning to the claim term "receiving . . . separately . . . and via separate delivery," Intertrust proposes an alternative construction of this term as "receiving through a different path." Prelim. Resp. 25–26. Intertrust argues that we should adopt its proposed construction because, contrary to Dolby's proposed construction, it is the same construction adopted by the district court in the Texas Actions and it is consistent with the prosecution

history of the '157 patent. *Id.* at 22–26 (citing Ex. 2001 (Joint Claim Construction and Pre-Hearing Statement in the Texas Actions), 1; Ex. 2003, 12; Ex. 1001, 41:34, 127:23–27; Ex. 1003, 853–854, 1221–1241, 1289–1290, 1348).

For purposes of institution, we agree with Intertrust that the only claim term requiring construction for this Decision is "receiving . . . separately . . . and via separate delivery." *See, e.g.*, *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) ("[W]e need only construe terms 'that are in controversy, and only to the extent necessary to resolve the controversy.'" (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))). Based on the current record, we are not persuaded by Intertrust's arguments that Dolby's proposed construction of term "receiving . . . separately . . . and via separate delivery" is inconsistent with either the construction agreed to by the parties in the in the Texas Actions or with the prosecution history of the '157 patent. Nevertheless, in an effort to maintain consistency with the Texas Actions, we adopt Intertrust's proposed construction of this term.

We begin our analysis with the plain language of independent 69, which recites, in relevant part, "receiving, by the electronic appliance, separately from the first piece of electronic content, and via separate delivery, a first electronic object." Ex. 1001, 319:41–43. Based on the explicit requirements of this "receiving" step, the electronic appliance receives the first electronic object separately from the first piece of electronic content "via separate delivery," which, on its face, appears to be broad enough in scope to encompass a number of delivery options, including receiving at a different time, over a different path, or from a different source.

Our preliminary view of the language "via separate delivery" is consistent with the specification of the '157 patent. The specification states that an item "delivered separately" is delivered "e.g., at a different *time*, over a different *path*, *and/or* by a different *party*." Ex. 1001, 127:23–27 (emphases added). Neither the Joint Claim Construction and Pre-Hearing statement in the Texas Actions (Ex. 2001) nor the Claim Construction Order in the Texas Actions (Ex. 2003) expound upon the parties' proposed claim construction in those proceedings, or otherwise state that they propose (or adopt) a construction that is inconsistent with the meaning of the term "delivered separately" as disclosed in the specification.

Nor do we agree with Intertrust that the Examiner required the addition of the term "via separate delivery" to narrow the scope of then-pending independent claim 159, which later issued as independent claim 69, from *delivery at a different time, over a different path, and or/by a different party* to only "receiving through a different path." *See* Prelim. Resp. 23–25. Contrary to Intertrust's assertion, there is no indication either (1) that the Examiner understood the "receiving . . . separately" claim language of the then-pending independent claim 159 to require that the first electronic object and the first piece of electronic content must be delivered at a different time, over a different path, and/or by a different party, or (2) that the Examiner required the addition of the term "via separate delivery" to narrow the scope of then-pending independent claim 159 to limit delivery at a different time, over a different path, and/or by a different party to only "receiving through a different path." *See* Prelim. Resp. 23–25; *see also Phillips v. AWH Corp.*, 415 F.3d. 1303, 1316 (Fed. Cir. 2005) (en banc) (stating that, during patent

examination, the pending claims must be given their broadest reasonable interpretation consistent with the specification).

Instead, the Examiner stated that then-pending independent claim 159, which recited "receiving, separately from the first piece of electronic content, a first electronic object" (Ex. 1003 (emphasis omitted) (Amendment entered on April 9, 2010), 901) does not require that "the electronic rule and electronic content are *transmitted via two independent (or separate) paths*" (Ex. 1003 (emphasis altered) (Office Action mailed on May 28, 2010), 1223–1224). The Examiner explained that the asserted prior art reference—Stefik—disclosed a device that receives an attachment having both electronic content and *separately attached* digital rights. *Id.* at 1223. The Examiner found that receipt of the attachment, having digital rights that can be independently/separately attached to the content, teaches the limitation at issue in then-pending independent claim 159 (reciting "receiving, separately from the first piece of electronic content, a first electronic object"). *Id*.

At this stage of the proceeding, in an effort to maintain consistency with the Texas Actions, we adopt the construction of the claim term "receiving . . . separately . . . via separate delivery" that was agreed to by the parties in those proceedings and, therefore, we construe this term as meaning "receiving through a different path." We, however, take this opportunity to clarify that we disagree with Intertrust's argument that its proposed construction (i.e., "receiving through a different path") should be construed in a way that precludes receiving "at different *times* but from the *same* source . . . along the *same* path." *See* Prelim. Resp. 42–43 (citing Ex. 1004, 10:19–28). The parties are invited to further address this claim construction issue during the course of trial, if they so choose.

B. Obviousness Over the Combined Teachings of Narasimhalu and Chorley

Dolby contends that claims 69, 70, 73–75, 80, 81, and 84 of the '157 patent are unpatentable under § 103(a) as obvious over the combined teachings of Narasimhalu and Chorley. Pet. 18–46. Dolby contends that the teachings of Narasimhalu and Chorley account for the subject matter of each challenged claim, and provides reasoning as to why one of ordinary skill in the art would have been prompted to combine the teachings of these references. *Id*. Dolby also relies on the Declaration of Dr. Black to support its positions. Ex. 1002.

Based on the current record, we determine that Dolby has shown that there is a reasonable likelihood that it would prevail in challenging at least one of claims 69, 70, 73–75, 80, 81, and 84 of the '157 patent as unpatentable. We begin our analysis with the principles of law that generally apply to an asserted ground based on obviousness, an assessment of the level of skill in the art, followed by brief overviews of Narasimhalu and Chorley, and then we address the parties' contentions with respect to the challenged claims.

1. Principles of Law

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) when in evidence, objective indicia of non-obviousness (i.e., secondary considerations).[6] *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966). We analyze the asserted grounds based on obviousness with the principles identified above in mind.

2. Level of Skill in the Art

At this stage in the proceeding, there is sufficient evidence in the current record that enables us to determine the knowledge level of a person of ordinary skill in the art. Relying on the testimony of its declarant, Dr. Black, Dolby argues the following:

> [a] person of ordinary skill in the art . . . , at the time the '157 patent was filed, would have been a person who has had a minimum of a bachelor of science degree in computer science, computer engineering, or a related field, and approximately two years of professional experience or equivalent study in network and system security. Additional graduate education could substitute for professional experience, or significant experience in the field could substitute for formal education.

Pet. 15 (citing Ex. 1002 ¶¶ 4–8, 25–30).

In response, Intertrust offers essentially the same assessment of the level of skill in the art as Dolby, arguing the following:

> [a] person of ordinary skill in the art . . . relevant to the '157 patent at the time of the invention would have a Bachelor of Science degree in electrical engineering and/or computer science, and three years of work or research experience in the fields of secure transactions and encryption, or a Master's degree in electrical engineering and/or computer science and two years of works or research experience in related fields.

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[6] In its Preliminary Response, Intertrust does not present arguments or evidence of secondary considerations. *See generally* Prelim. Resp.

Prelim. Resp. 18. Intertrust, however, asserts that the positions set forth in its Preliminary Response "would be the same under either parties' proposal." *Id.* at 19.

We do not discern a material difference between the assessments of the level of skill in the art advanced by either party, nor does either party premise its arguments exclusively on its assessment. To the extent necessary, and for purposes of institution, we adopt Dolby's assessment, except that we delete the qualifier "a minimum" to eliminate vagueness as to the appropriate level of education. The qualifier expands the range without an upper bound (i.e., encompassing a Ph.D. degree and beyond), and does not meaningfully indicate the level of skill in the art. This assessment is supported by the testimony of Dr. Black and it is consistent with the '157 patent and the asserted prior art. We note, however, that our analysis would be the same under either parties' assessment.

3. Overview of Narasimhalu

Narasimhalu generally relates to "controlling the dissemination of digital information" using "a tamper-proof controlled information access device." Ex. 1004, code (57). Figure 6 of Narasimhalu, reproduced below, illustrates one example of a tamper-proof controlled information access device. *Id.* at 3:24–27, 8:38–40.

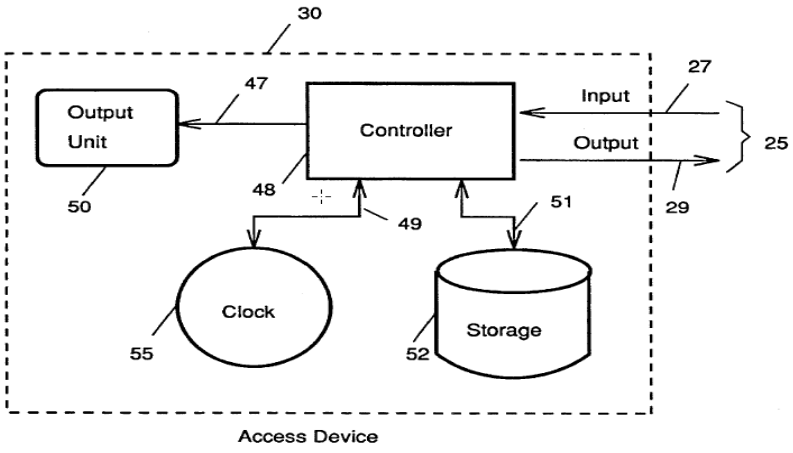

Figure 6

Figure 6, reproduced above, illustrates Information Consumer 30 (i.e., the access device), which includes controller 48, storage 52, clock 55, and output unit 50. *Id.* at 8:38–53. Controller 48 controls the flow of information through input channel 27 and output channel 29. *Id.* at 8:40–42, 8:53–55. "Preferably, the various channels coupled to the Controllers 48 are tamper-proof. This will make it impossible for users to tap into the clear channel 47, to access the Controller 48, to alter the value of the memory storage 52, or to change the value of the clock 55." *Id.* at 8:55–59.

Narasimhalu discloses that the process for disseminating digital information in accordance with one embodiment that includes a user receiving the digital information he/she desires as a "Sealed-COIN" (i.e., encrypted COntrolled INformation). Ex. 1004, 9:7–19. Figure 7A of Narasimhalu, reproduced below, illustrates one possible format of the logical structure of a Sealed-COIN. *Id.* at 3:28–30, 9:15–17.

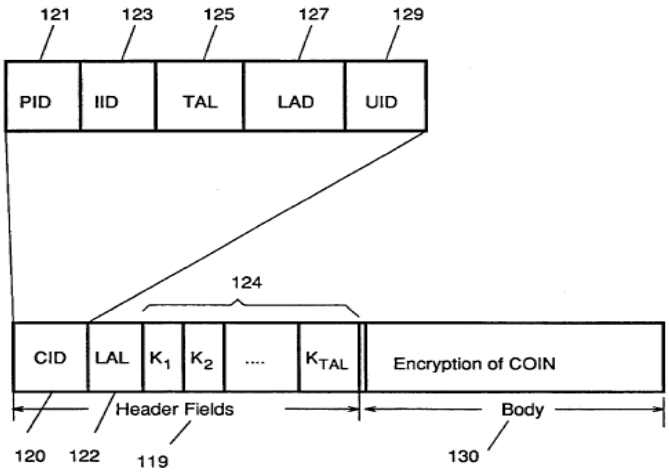

Figure 7A

Figure 7A, reproduced above, illustrates that Sealed-COIN includes header 119 and body 130 of encrypted information. *Id.* at 9:52–53. The header 119 further includes the following three fields: (1) identification of a contract of information dissemination ("CID") 120 that includes, among other things, total number of legal accesses to the COIN ("TAL") and identification of device on which the COIN can be accessed legally ("LAD"); (2) identification of the number of legal accesses left ("LAL") 122; and (3) keys 124 used to decrypt body 130 and further encrypt the COIN to form a new Sealed-COIN. *Id.* at 9:22–26, 9:57–61.

Figure 10 of Narasimhalu, reproduced below, illustrates the logical flow of the overall process of disseminating digital information in accordance with one embodiment. Ex. 1004, 3:43–45, 10:11–13.

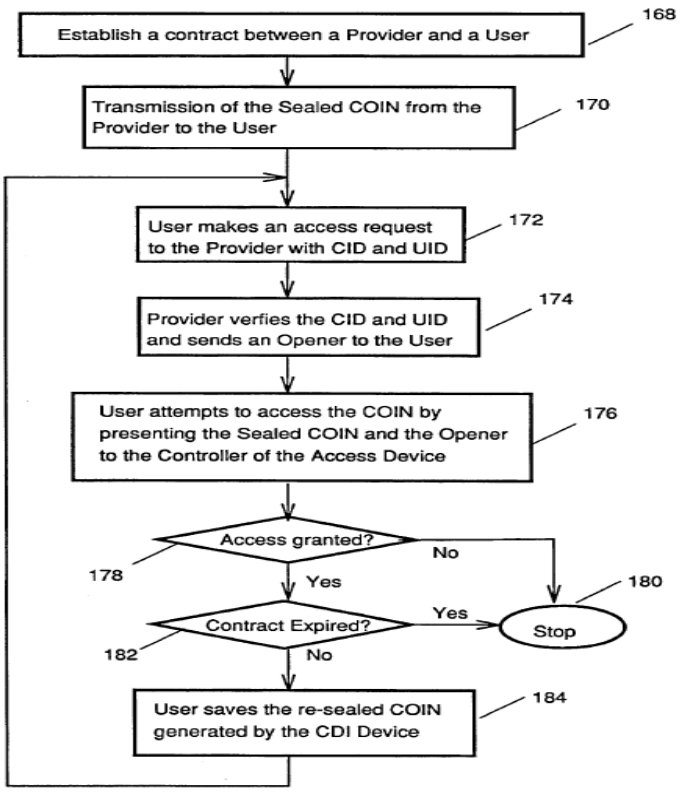

Figure 10

The scheme illustrated in Figure 10, reproduced above, includes the following steps: (1) generation and transmission of a Sealed-COIN from Information Provider 10 (not illustrated above) to Information Consumer 30 (illustrated above in Figure 6) at step 170; (2) Information Provider 10 receiving a request from Information Consumer 30 to access the COIN within the Sealed-COIN at block 172; (3) after verifying the request, the Information Provider 10 generating and transmitting an Opener to the Information Consumer 30 at block 174; (4) Information Consumer 30 attempting to access the COIN by presenting the Sealed-COIN and the Opener to the controller (controller 48 illustrated above in Figure 6) at step 176; and (5) the controller checking if access should be granted at step 178, and, if access is granted, outputting the desired COIN. *Id.* at 10:11–46.

4. Overview of Chorley

Chorley generally relates to "protecting software." Ex. 1006, 1:4–5, code (57). The apparatus according to the invention disclosed in Chorley is referred to as "a software protection device (SPD)." *Id.* at 2:8–11. SPD 10 may be integral with, or independent from, host computer 30. *Id.* at 2:36–40, 2:66–3:1, 5:28–41. SPD 10 includes, among other things, processor 13, random access memory ("RAM") 11, and user RAM 14. *See id.* at 4:5–37, Fig. 1 (illustrating a block diagram of SPD 10).

To use an encrypted module, the module is loaded into host computer 30, transmitted to SPD 10, and stored in the SPD's user RAM 14. Ex. 1006, 5:28–32. An encrypted key is retrieved from user RAM 14, decrypted, placed in RAM 11, and used to decrypt the encrypted module. *Id.* at 5:35–39. "The tamper-resistant housing of SPD 10 . . . may include a plurality of detectors arranged in layers, each detector being designed to sense a particular mechanical, electrical, or electromagnetic attack." *Id.* at 6:12–15. "When tripped, each detector triggers an alarm and a sequence of instructions for erasing sensitive information from RAM 11." *Id.* at 6:15–18.

5. Claim 69

In its Petition, Dolby provides general overviews of Narasimhalu and Chorley, as well as a claim chart comparing all the limitations of independent claim 69 with the teachings of Narasimhalu and those of Chorley. Pet. 18–30, 32–42. The preamble of independent claim 69 recites "[a] method performed by an electronic appliance comprising a processor and a memory encoded with program instructions that, when executed by the processor, cause the electronic appliance to perform the method." Ex. 1001,

319:23–26. To the extent the preamble should be treated as limiting, Dolby contends that Narasimhalu teaches the features recited in the preamble because it discloses using "a general purpose computer as selectively activated or reconfigured by a computer program stored in the computer" or constructing a "specialized apparatus such as a dedicated processor to perform the required method steps." Pet. 32–33 (quoting Ex. 1004, 4:31–42) (citing Ex. 1004, 4:23–25) & n.5. Relying on the testimony of Dr. Black, Dolby asserts that "[a person of ordinary skill in the art] would have recognized that disclosure of 'a computer program stored in the computer' necessarily means that the program is stored in some form of memory." *Id.* at 33 (citing Ex. 1002 ¶¶ 33, 94–96).

The first step of independent claim 69 recites "receiving, by the electronic appliance, a first piece of electronic content, the first piece of electronic content being encrypted at least in part." Ex. 1001, 319:28–30. Dolby contends that Narasimhalu teaches this limitation because it discloses that Information Consumer 30 receives information (e.g., video) from Information Provider 10 in the form of a Sealed-COIN via transmission channel 20 (i.e., a computer network). Pet. 33–34 (citing Ex. 1004, 4:47–57, 5:35–43, 8:38–44, 9:7–11, 9:53–57, 10:19–22; Ex. 1002 ¶¶ 97–99).

The second step of independent claim 69 recites "receiving, by the electronic appliance, separately from the first piece of electronic content, a first key, the first key being associated with the first piece of electronic content, and the first key being encrypted at least in part." Ex. 1001, 319:31–34. Dolby contends that Narasimhalu teaches this limitation because it discloses that Information Consumer 30 also receives an Opener from Information Provider 10, which includes a first key (i.e., K_H) that

amounts to a decryption key for the Sealed-COIN, via transmission channel 20 at a different time from the Sealed-COIN. Pet. 34–35 (citing Ex. 1004, 9:11–15, 9:62–10:3, 10:18–28, 11:7–9, Fig. 9). Dolby further argues that Narasimhalu's first key (i.e., K_H) is encrypted at least in part using DSK and PPK. *Id.* (citing Ex. 1002 ¶¶ 100–102).

The third step of independent claim 69 recites "decrypting, by the electronic appliance, the first key using (a) a second key and (b) a secure processing unit running on the electronic appliance, the second key being stored in the memory of the securing processing unit." Ex. 1001, 319:35–38. Dolby contends that Narasimhalu teaches this limitation because it discloses decrypting the first key (i.e., K_H) using a second key, such as the secret key (i.e., DSK) of controller 48 and the public key (i.e., PPK) of Information Provider 10. Pet. 35 (citing Ex. 1004, 11:13–35). Dolby further argues that Narasimhalu's tamper-proof controlled information access device, which includes controller 48 and memory storage 52, performs the decryption process. *Id.* at 35–36 (Ex. 1004, 2:62–65, 7:3–6, 7:27–29, 8:51–59; Ex. 1002 ¶¶ 103–105). Dolby asserts that "[a person of ordinary skill in the art] would have recognized that the decryption keys, Sealed-COIN, and Opener would have been stored in [Narasimhalu's tamper-proof controlled information access device] for security." *Id.* at 36. To the extent Narasimhalu does not teach storing the decryption keys and other data in its tamper-proof controlled information access device, Dolby asserts that it would have been obvious to a person of ordinary skill in the art to store this information in the access device, particularly in light of Chorley's disclosure of SPD 10 that includes RAM 11, which stores decryption algorithms, a

secret key, and DES keys. *Id.* at 36–37 (citing Ex. 1006, 2:36–51, 4:5–12, 4:25–28, 5:23–32, 6:12–25, 6:41–42; Ex. 1002 ¶¶ 90–93, 106, 107).

The fourth step of independent claim 69 recites "decrypting, by the electronic appliance, the first piece of electronic content using, at least in part, the first key." Ex. 1001, 319:39–40. Dolby contends that Narasimhalu teaches this limitation because it discloses decrypting the Sealed-COIN using, at least in part, the first key (i.e., K_H) to decrypt the header of the COIN, which, in turn, includes the Sealed-COIN's key (i.e., K_T) used to decrypt the body of the COIN. Pet. 37 (citing Ex. 1004, 11:35–49; Ex. 1002 ¶¶ 108, 109).

The fifth step of independent claim 69 recites "receiving, by the electronic appliance, separately from the first piece of electronic content, and via separate delivery, a first electronic object, the first electronic object specifying one or more permitted or prohibited uses of the first piece of electronic content." Ex. 1001, 319:41–45. Dolby contends that Narasimhalu teaches this limitation because it discloses receiving the Opener, which includes electronics objects specifying certain permitted or prohibited uses of the first piece of electronic content, such as access window ("AW") information, CID information, and LAD information. Pet. 37–39 (citing Ex. 1004, 9:11–15, 9:20–43, 9:62–67, 11:7–9). Dolby also compares Narasimhalu's Opener with various passages in the '157 patent describing "rules and control[s]," which can set budgets, grant usage or distribution permissions based on credit worthiness, and specify how usage will be paid for. *Id.* at 38 n.7 (citing Ex. 1001, 53:21–27, 53:57–58, 54:23–26, 55:4–9, 57:38–61). Dolby further argues that Narasimhalu discloses receiving the Opener separately from the Sealed-COIN and via

separate delivery because the Opener and Sealed-COIN are received using two transmissions at different times, specifically the Sealed-COIN is received earlier than the Opener. *Id.* at 39 (citing Ex. 1004, 10:18–28; Ex. 1002 ¶¶ 110–113).

The sixth step of independent claim 69 recites "receiving, by the electronic appliance, a request to use the first piece of electronic content." Ex. 1001, 319:46–47. Dolby contends that Narasimhalu teaches this limitation because it discloses that Information Consumer 30 submits a request to Information Provider 10 to access the COIN and, after Information Provider 10 verifies the request, Information Consumer 30 receives the Opener, which it then uses to access the COIN by presenting the Sealed-COIN received earlier and the Opener together to controller 48. Pet. 39–41 (citing Ex. 1004, 9:13–15, 10:22–31, 11:13–15, Fig. 10 (steps 172–176); Ex. 1002 ¶¶ 114–116).

The seventh step of independent claim 69 recites "selectively granting, by the electronic appliance, the request in accordance with the first electronic object." Ex. 1001, 319:48–49. Dolby contends that Narasimhalu teaches this limitation because it discloses both checking whether the LAD information of the Opener matches the identification of Information Consumer 30 and verifying whether the current time is within the AWs specified in the Opener. Pet. 41 (citing Ex. 1004, 11:13–30). Dolby further argues that, if these checks are successful, selectively granting the request by decrypting the Sealed-COIN using, at least in part, the keys PPK and K_H and then outputting the result. *Id.* at 41–42 (citing Ex. 1004, 11:31–50; Ex. 1002 ¶¶ 117, 118).

Turning to rationale to combine, Dolby contends that a person of ordinary skill in the art would have been motivated to modify Narasimhalu's tamper-proof controlled information access device to store electronic content and encryption/decryption keys in memory storage 52 because, based on the teachings of Chorley, "it is beneficial to store electronic content and decryption key in the memory of the tamper-proof device." Pet. 31 (citing Ex. 1006, 2:41–51, 6:7–11; Ex. 1002 ¶¶ 90, 91). Relying on the testimony of Mr. Black, Dolby argues that applying Chorley's "storing" technique to Narasimhalu, "to the extent [it was] not already necessarily disclosed [in Narasimhalu], would have been at least the application of known techniques (storing information) to a known device ready for improvement (a computer system) to yield predictable results (locally accessible information)." *Id.* at 31–32 (citing Ex. 1002 ¶ 92). Dolby also contends that there would have been a reasonable expectation of success in storing keys and contents in Narasimhalu's memory storage 52 because, as evidenced by the teachings of Chorley, "perform[ing] conventional storage operations would have been well within the skill [level] of a [person of ordinary skill in the art]." *Id.* at 32 (citing Ex. 1002 ¶ 93).

Based on the current record, we discern no deficiency in Dolby's characterizations of Narasimhalu, Chorley, and the knowledge in the art, or in Dolby's reasoning as to why a person of ordinary skill in the art would have been prompted to combine the relevant teachings of these references. In addition, for purposes of institution, we accept Dr. Black's testimony concerning the relevant teachings of Narasimhalu and Chorley. At this stage of the proceeding, Intertrust only disputes that the combined teachings of Narasimhalu and Chorley do not account for "receiving, by the electronic

appliance, separately from the first piece of electronic content, and via separate delivery, a first electronic object," as recited in independent claim 69 (the "'receiving . . . separately . . . and via separate delivery' limitation"). *See* Prelim. Resp. 40–47. We address this limitation below.

a. "Receiving . . . Separately . . . and Via Separate Delivery" Limitation

In the Preliminary Response, Intertrust contends that the proper construction of "receiving . . . separately . . . and via separate delivery" "requires that the claimed first electronic object be received at the electronic appliance through a different path than the claimed first piece of electronic content." Prelim. Resp. 41. Applying its proposed construction, Intertrust argues that "Narasimhalu fails to disclose that an electronic object is received at an electronic appliance separately and via separate delivery from a piece of electronic content because Narasimhalu's [S]ealed-COIN . . . and Opener . . . are both received by the [tamper proof controlled information] access device . . . through the same path." *Id.* at 41–42 (citing Ex. 1004, 10:19–31, Figs. 1, 10 (steps 170–176)). At best, Intertrust argues that "Narasimhalu describes that the [S]ealed-COIN and Opener are received by the Information Consumer 30 at different *times*, but from the *same* source (Information Provider 10) along the *same* path." *Id.* at 42–43 (citing Ex. 1004, 10:19–28). Intertrust asserts that Narasimhalu does not teach, nor does Dolby allege, "that different transmission channels can be used to deliver the sealed-COIN and Opener independently of one another." *Id.* at 42.

Based on the current record, we are not persuaded by Intertrust's argument because it is predicated a claim construction with which we do not agree. As we explained in our claim construction analysis above, we

preliminarily adopt Intertrust's proposed construction of "receiving . . . separately . . . and via separate delivery" as meaning "receiving through a different path," but we clarify that it does not preclude receiving "at different *times* but from the *same* source . . . along the *same* path." *See supra* Section III.A. Stated differently, although Narasimhalu discloses that Information Consumer 30 receives both the Sealed-COIN and the Opener from Information Provider 10 along transmission channel 20, it receives them at different times—independently of one another. Ex. 1004, 10:18–28. In our view, the different delivery times taught by Narasimhalu are consistent with the examples of "delivered separately" contemplated by the specification of the '157 patent. *See* Ex. 1001, 127:23–27.

Intertrust also contends that, even under Dolby's proposed construction of "receiving . . . separately . . . and via separate delivery," Dolby has not shown that Narasimhalu's tamper proof controlled information access device receives the Sealed-COIN and Opener from Information Provider 10 at different times and, therefore, has not shown Narasimhalu teaches this limitation. Prelim. Resp. 43–44 (citing Pet. 39; Ex. 1004, 10:11–28). Intertrust argues that Narasimhalu merely teaches that Information Consumer 30, which is a human being and not an electronic appliance, receives the Sealed-COIN and Opener at different times. *Id.* at 43–47. More specifically, Intertrust argues that Narasimhalu "expressly distinguishes Information Consumer 30 from the [tamper proof controlled information] access device by delineating that once Information Consumer 30 has received both the COIN and the Opener, Information Consumer 30 presents the COIN and Opener *together* to the access device's controller [48]." *Id.* at 45 (citing Ex. 1004, 9:11–13, 10:28–31).

We are not persuaded by Intertrust's argument because it raises disputes that are best resolved upon a complete record. At this stage of the proceeding, Dolby has provided sufficient argument and evidence that would support a finding that Narasimhalu teaches receiving a first piece of electronic content (i.e., the Sealed-COIN) and a first electronic object (i.e., the Opener) at the electronic appliance (i.e., the tamper proof controlled information access device). For example, Dr. Black testifies that Narasimhalu discloses receiving, by the electronic appliance, a first piece of electronic content (i.e., receiving, for example, video, text, graphics, etc. at Information Consumer 30 via transmission channel 20). Ex. 1002 ¶¶ 97, 98. Both Dolby and Dr. Black direct us to Narasimhalu's statement that "[t]he architecture of an access device modeling . . . Information Consumer 30 for an on-line scheme is illustrated in Fig. 6." *See* Pet. 24 (citing Ex. 1004, 8:30–63); Ex. 1002 ¶ 98 (citing Ex. 1004, 8:38–42); *see also* Ex. 1004, 3:24–27 (stating Fig. 6 "illustrates the architecture of an access device for a system for controlled dissemination of digital information"); Ex. 1004, Fig. 6 (illustrating Information Consumer 30 as an access device that includes controller 48, output unit 50, storage 52, and clock 55); Ex. 1002 ¶ 78 (testifying that Narasimhalu's Figure 6 illustrates an access device that takes the Sealed-COIN and the Opener as inputs).

b. Summary

In summary, Dolby has shown a reasonable likelihood that it would prevail on its assertions that the subject matter of independent claim 69 would have been obvious over the combined teachings of Narasimhalu and Chorley.

6. Claims 70, 73–75, 80, 81, and 84

Dolby also contends that dependent claims 70, 73–75, 80, 81, and 84 of the '157 patent are unpatentable under § 103(a) as obvious over the combined teachings of Narasimhalu and Chorley. Pet. 42–46. Dolby explains how the teachings of Narasimhalu and Chorley account for the subject matter of each dependent claim, and provides reasoning as to why one of ordinary skill in the art would have been prompted to combine the teachings of these references. *Id.* at 31–32, 42–46.

As one example, claim 70 depends from independent claim 69 and further recites "the first key is received at a first time and the first piece of electronic content is received at a second time that is different from the first time." Ex. 1001, 319:50–52. Dolby contends that Narasimhalu teaches this limitation because it discloses the Opener, which includes, among other things, the first key (i.e., K_H), is received at a different time than the Sealed-COIN. Pet. 42 (Ex. 1002 ¶¶ 119, 120). As another example, claim 73 depends from independent claim 69 and further recites "the first piece of electronic content consists of non-executable audio, video, and/or textual content." Ex. 1001, 319:61–63. Dolby contends that Narasimhalu teaches this limitation because it discloses that Information Provider 10 supplies "all types of information including . . . text . . ., video, audio, software, or any combination thereof." Pet. 42–43 (emphasis omitted) (quoting Ex. 1004, 4:48–51) (citing Ex. 1002 ¶¶ 121, 122).

Based on the current record, Dolby's explanations and supporting evidence with respect to dependent claims 70, 73–75, 80, 81, and 84 are sufficient for purposes of institution. At this stage of the proceeding, Intertrust does not address separately Dolby's explanations and supporting

evidence as to how the combined teachings of Narasimhalu and Chorley account for the limitations of these dependent claims. *See* Prelim. Resp. 40–47. When considering Dolby's explanations and supporting evidence, Dolby has demonstrated a reasonable likelihood that it will prevail on its assertions that the subject matter of dependent claims 70, 73–75, 80, 81, and 84 would have been obvious over the combined teachings of Narasimhalu and Chorley.

C. Obviousness Over the Combined Teachings of Narasimhalu, Chorley, and Halter

Dolby contends that claims 71 and 72 of the '157 patent are unpatentable under § 103(a) as obvious over the combined teachings of Narasimhalu, Chorley, and Halter. Pet. 46–50. Dolby contends that the teachings of Narasimhalu, Chorley, and Halter account for the subject matter of each challenged claim, and provides reasoning as to why one of ordinary skill in the art would have been prompted to combine the teachings of these references. *Id*. Dolby also relies on the Declaration of Dr. Black to support its positions. Ex. 1002.

Based on the current record, we determine that Dolby has shown that there is a reasonable likelihood that it would prevail in challenging at least one of claims 71 and 72 of the '157 patent as unpatentable. We begin our analysis with a brief overview of Halter, and then we address the parties' contentions with respect to the challenged claims.

1. Overview of Halter

Halter discloses that "[d]elivery of multimedia programs and data files (termed "software") can be done in several ways," including "software can be bundled and sold with the hardware," software "can be sold as a

separately-priced package . . . such as a diskette or tape," software can be distributed "from a central software distribution processor via telephone lines, [television]-cable, satellite or radio broadcast," and software can be distributed on "a Compact Disk Read Only Memory (CD-ROM) or an Optical Ready Only Memory." Ex. 1028, 2:32–44. Figure 3 of Halter, reproduced below, illustrates "multimedia software distribution from a software distribution processor belonging to a software vendor to a user processor belonging to a user." *Id.* at 6:58–61, 7:64–66.

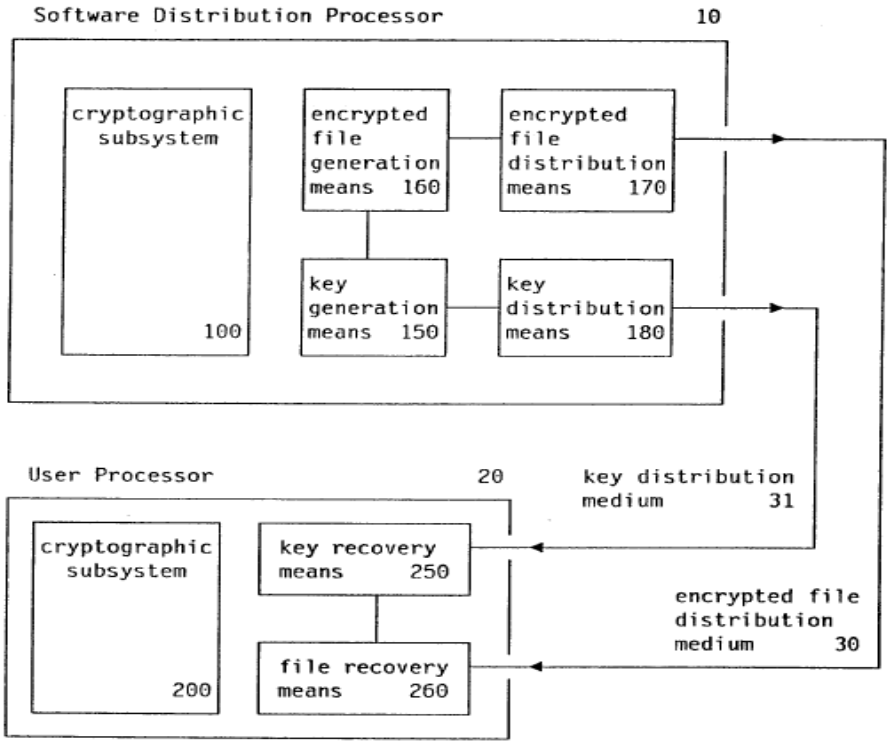

Figure 3, reproduced above, illustrates software distribution processor 10 distributing encrypted files and keys to user processor 20 using encrypted file distribution medium 30 and key distribution medium 31, respectively. *Id.* at 8:20–25.

2. Claims 71 and 72

Claim 71 depends from independent claim 69 and further recites "the first key is received over a first path and the first piece of electronic content is received over a second path that is different from the first path." Ex. 1001, 319:53–56. Claim 72 depends from independent claim 69 and further recites "the first key is received from a first entity and the first piece of content is received from a second entity that is different from the first entity." *Id.* at 319:57–60.

To account for these two limitations, Dolby contends that Narasimhalu teaches that Information Provider 30 receives the first key (i.e., K_H) and the first piece of electronic content (i.e., Sealed-COIN) from Information Provider 10 over transmission channel 20. Pet. 46 (citing Ex. 1004, 4:47–57). Dolby argues that Narasimhalu further discloses that transmission channel 20 "comprises a variety of communication links," such as "a computer network or telephone lines." *Id.* (quoting Ex. 1004, 8:30–37) (citing Ex. 1002 ¶¶ 139, 140). Dolby then argues that, to the extent Narasimhalu generally discloses a variety of transmission channels, but does not disclose explicitly one embodiment using a second path or entity that is different from the first path or entity for transmitting the first piece of electronic content, "Halter . . . discloses the use of different distribution paths and entities for electronic content and keys used to access the electronic content." *Id.* at 46–47 (emphasis omitted) (citing Ex. 1028, 2:32–68; Ex. 1002 ¶ 141). To support this argument, Dolby relies on Figure 3 of Halter, which illustrates a method of distributing electronic content from a distributor to a user. *Id.* at 47–49 (citing Ex. 1028, 7:63–8:25, 8:41–60, 25:27–45, 25:55–26:16 Fig. 3).

Turning to rationale to combine, Dolby contends that a person of ordinary skill in the art would have been motivated to modify Narasimhalu to transmit the first key (i.e., Opener including key K_H) and the first piece of electronic content (i.e., Sealed-COIN) using different paths and entities, as taught by Halter, "so that content can be supplied using cost-effective, size-appropriate media, and [distributed] in an efficient and timely [manner] . . . or at convenient times." Pet. 49 (citing Ex. 1028, 2:32–48, 5:65–6:45, 8:26–9:27, 25:27–45). Relying on the testimony of Dr. Black, Dolby argues that "[a person of ordinary skill in the art] would have been motivated to choose whichever electronic content and key distribution means would have been appropriate for its needs." *Id.* (citing Ex. 1002 ¶ 147). Dolby also contends that there would have been a reasonable expectation of success in applying different distribution means and mediums to Narasimhalu because, as evidenced by the teachings of Halter, "[o]ther distribution means . . . , including voice communication, paper communication, and distributing through merchants and vendors, are well-known consumer channels that a [person of ordinary skill in the art] would have been able to utilize without undue experimentation." *Id.* at 50 (citing Ex. 1002 ¶ 148).

Based on the current record, Dolby's explanations and supporting evidence with respect to dependent claims 71 and 72 are sufficient for purposes of institution. At this stage of the proceeding, Intertrust does not address separately Dolby's explanations and supporting evidence as to how the combined teachings of Narasimhalu, Chorley, and Halter account for the limitations of these dependent claims. *See* Prelim. Resp. 47–48. When considering Dolby's explanations and supporting evidence, Dolby has demonstrated a reasonable likelihood that it will prevail on its assertions that

the subject matter of dependent claims 71 and 72 would have been obvious over the combined teachings of Narasimhalu, Chorley, and Halter.

D. Obviousness Over the Combined Teachings of Katznelson and Chorley

Dolby contends that claims 69–72, 74, 80, and 84 of the '157 patent are unpatentable under § 103(a) as obvious over the combined teachings of Katznelson and Chorley. Pet. 50–73. Dolby contends that the teachings of Katznelson and Chorley account for the subject matter of each challenged claim, and provides reasoning as to why one of ordinary skill in the art would have been prompted to modify or combine the teachings of these references. *Id*. Dolby also relies on the Declaration of Dr. Black to support its positions. Ex. 1002.

Based on the current record, we determine that Dolby has not shown that there is a reasonable likelihood that it would prevail in challenging at least one of claims 69–72, 74, 80, and 84 of the '157 patent. We begin our analysis will a brief overview of Katznelson, and then we address whether Dolby properly relies on Katznelson's credit data signal 14 to teach "the first electronic object specifying one or more permitted or prohibited uses of the first piece of electronic content," as recited in independent claim 69.

1. Overview of Katznelson

Katznelson generally relates to "data retrieval" and, in particular, describes a "system for controlling and accounting for retrieval of data from a memory containing an encrypted data file from which retrieval must be authorized." Ex. 1005, 1:7–10, 1:13–16. The system includes "an encryption key for enabling retrieval of the data and a credit signal for use in limiting the amount of data to be retrieved from the file." *Id.* at 1:16–20.

Figure 2, reproduced below, illustrates a block diagram of a customer data retrieval terminal in accordance with one embodiment. Ex. 1005, 1:38–39, 2:55–57.

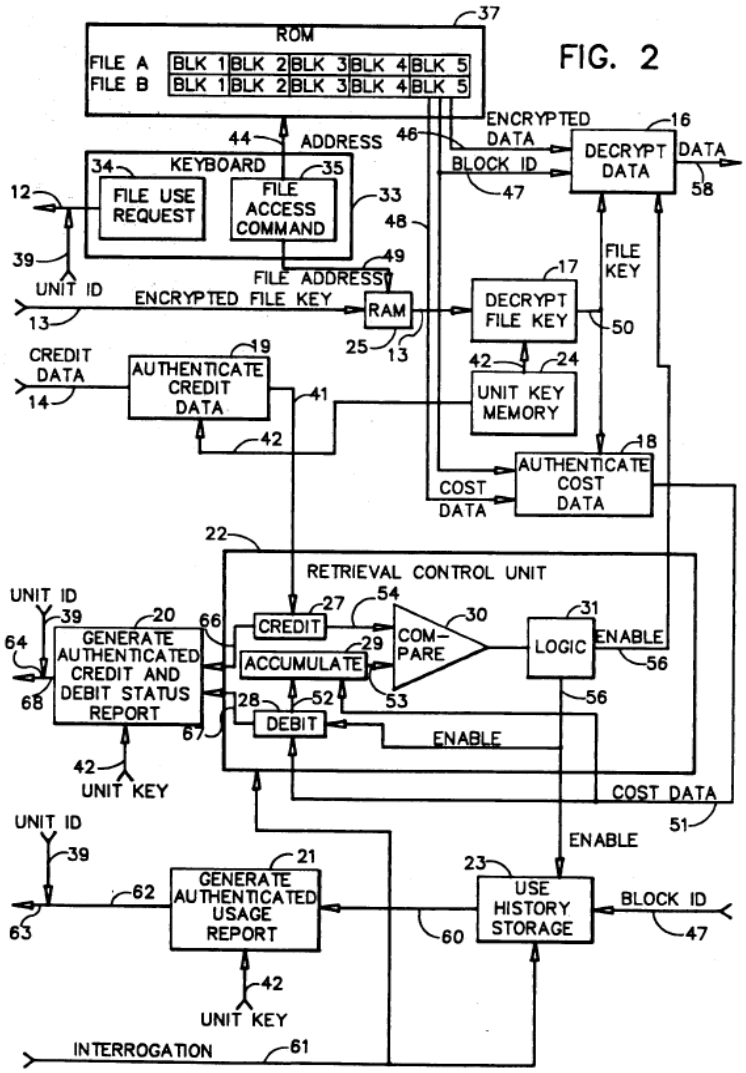

Figure 2, reproduced above, illustrates how customer data retrieval terminal 11 (otherwise known as "customer terminal 11") is loaded with read only memory ("ROM") 37, which stores the encrypted data files (i.e., Files A and B). *Id.* at 3:6–9. Each data file contains several encrypted data blocks, each of which includes "authenticated cost data [that] indicates the cost associated with retrieving the given encrypted block of data." *Id.* at 3:9–20. The

storage medium for the data can also be a CD-ROM. *See id.* at 9:3–9, Fig. 6 (illustrating the use of a customer terminal in a personal computer for retrieving data from a CD-ROM).

Customer terminal 11 contains keyboard 33, through which the user sends file use request signal 12 over a telephone line to a separate authorization and key distribution terminal 10 (not shown above in Figure 2). *See* Ex. 1005, 2:3–15, 3:20–26. Authorization and key distribution terminal 10 responds to file use request signal 12 by sending back to customer terminal 11 encrypted file key 13 and authenticated credit data signal 14. *Id.* at 3:26–35. Each customer terminal has a unique unit key 42, stored in unit key memory 24, which is used to decrypt file key 13 and to authenticate credit data signal 14. *Id.* at 2:48–49, 3:40–45. Once authenticated, credit data signal 14 is stored in credit register 27 of retrieval control unit 22. *Id.* at 3:45–49.

Credit data signal 14 "indicates an amount of credit to be extended to the customer [data retrieval] terminal . . . for retrieval of data from the file identified in the file use request signal 12." Ex. 1005, 2:35–38. In retrieval control unit 22, credit data signal 14 (stored in register 27) is compared with authenticated cost data signals 51 (from each of the data file blocks) "to determine whether the customer terminal . . . has been credited with sufficient credit to authorize retrieval of data from the requested file." *Id.* at 4:30–33. "When the compensation indicates that there is sufficient accumulated credit to authorize such retrieval," retrieval control unit 22 generates enable signal 56, which allows customer terminal 11 to decrypt the file data in decryption unit 16. *Id.* at 4:33–37, 4:44–45.

2. Claim 69

In its Petition, Dolby provides general overviews of Katznelson and Chorley, as well as a claim chart comparing all the limitations of independent claim 69 with the teachings of Katznelson and those of Chorley. Pet. 50–55, 57–69. Of particular importance to this obviousness ground is Dolby's reliance on the teachings of Katznelson to account for "the first electronic object specifying one or more permitted or prohibited uses of the first piece of electronic content." Ex. 1001, 319:43–45 (the "'first electronic object' limitation").

Dolby contends that Katznelson's credit data signal 14 teaches the "first electronic object" limitation by permitting or prohibiting use of the electronic content. Pet. 50–55, 65–67. More specifically, Dolby argues that Katznelson's credit data signal 14 "indicates an amount of credit to be extended to the customer terminal 11 for retrieval of data from the requested file." *Id.* at 52 (citing Ex. 1005, 2:35–38). Dolby further argues that "[d]ata decryption unit 16 is only permitted to decrypt the encrypted data 46 if sufficient credit exists to cover the cost of retrieving data from a requested file." *Id.* (emphasis omitted) (citing Ex. 1005, 4:11–43). Dolby, therefore, asserts that "the customer terminal [11] limits the amount of data retrieved based on the credit data signal 14." *Id.* (citing Ex. 1005, code (57), 1:16–22, 2:35–38); *see also* Ex. 1002 ¶¶ 153, 154 (testifying to the same).

Dolby contends that "Katznelson's "use of the electronic content item is . . . in accordance with permissions/prohibitions specified by the electronic object," as required by independent claim 69, because credit data signal 14 "limits the amount of data that the user can retrieve (or, in other words, permits the retrieval of the amount of data)." Pet. 54. Dolby argues

that, similar to the '157 patent, these permissions or prohibitions can include "budgets that 'specify, for example, how much of the total information content . . . can be used and/or copied.'" *Id.* (quoting Ex. 1001, 57:59–61) (citing Ex. 1001, 56:26–57:4, 57:38–61). Dolby also compares Katznelson's credit data signal 14 with various passages in the '157 patent describing "rules and control[s]," which can set budgets, grant usage or distribution permissions based on credit worthiness, and specify how usage will be paid for. *Id.* at 65 & n.13 (citing Pet. 38 n.7 (citing Ex. 1001, 53:21–27, 53:57–58, 54:23–26, 55:4–9, 57:38–61)).

In its Preliminary Response, Intertrust contends that Dolby "fails to explain why the authenticated credit data signal 14 . . . 'specif[ies] one or more permitted or prohibited uses.'" Prelim. Resp. 49 (alteration in original) (quoting Ex. 1001, 319:44) (citing Pet. 65–66). According to Intertrust, the credit amount included in Katznelson's credit data signal "merely serves to facilitate payment, if needed at all, for encrypted content." *Id.* at 50. Intertrust further argues that Katznelson's "credit data signal . . . does not directly pay for any one particular data file to be decrypted and used," and by itself, "lacks any meaningful connection to the data file and cannot specify its permitted or prohibited uses." *Id.* at 50–51 & n.12.

Based on the current record, we are persuaded by Intertrust's argument that Dolby has not explained sufficiently how Katznelson's credit data signal 14 specifies "permitted or prohibited uses" of the first piece of electronic content, as required by independent claim 69. Although Katznelson's credit data signal 14 is part of the "rules and controls" involved in granting users permission to retrieve encrypted content, Dolby has not

shown that credit data signal 14, by itself,[7] specifies any permitted or prohibited uses of that content.

Generally, we interpret claims in a way that gives meaning to limitations introduced in the dependent claims. *See Phillips*, 415 F.3d at 1315 ("[T]he presence of a dependent claim that adds a particular limitation gives rise to a presumption that the limitation in question is not present in the independent claim." (citing *Liebel–Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 910 (Fed. Cir. 2004)). Applying this canon of claim interpretation, when attempting to understand the scope and meaning of the phrase "specifying one or more permitted or prohibited uses of the first piece of electronic content," as recited in independent claim 69, we can look to the limitations of claims 70–85, which directly or indirectly depend from independent claim 69. *See* Ex. 1001, 319:50–320:48. Notably, claim 80 directly depends from independent claim 69 and further recites "the first electronic object specifies at least one *condition associated with a permitted use* of the first piece of electronic content." *Id.* at 320:11–13 (emphasis added). Dependent claim 80 is further limiting because it introduces a *condition* associated with a *permitted use* specified in independent claim 69.

Dolby identifies Katznelson's credit data signal 14 as teaching *both* the limitation in independent claim 69 of "specifying one or more permitted or prohibited uses of the first piece of electronic content" *and* the limitation in dependent claim 80 of "specif[ying] at least one condition associated with

[7] Dolby has not argued that Katznelson's credit data signal 14 specifies permitted or prohibited uses *in conjunction with* other electronic objects that are also received separately from the first piece of electronic content. Therefore, we do not address that question in this decision.

a permitted use of the first piece of electronic content." *Compare* Pet. 65–67, *with id.* at 70–71. Dolby's reasons for why Katznelson's credit data signal 14 teaches each of the two limitations are essentially the same. *See id.* In other words, Dolby makes no meaningful distinction between the two "specifying" limitations of independent claim 69 and dependent claim 80.

At this stage of the proceeding, we are not persuaded by Dolby's interpretation of independent claim 69, especially when comparing the language of independent claim 69 with the language of dependent claim 80 and the other dependent claims, and considering the related disclosures in the '157 patent. Based on this comparison, the '157 patent distinguishes between a "permitted or prohibited permitted use" of electronic content and a "condition associated with a permitted use" of the electronic content.

A "permitted or prohibited use[] of the first piece of electronic content" may include, for example, the opportunity to "view," "distribute," "print," "copy," and "edit" the first piece of electronic content. Ex. 1001, 320:1–10 (claims 75–79, which directly depend from independent claim 69). The specification of the '157 patent further discloses that "uses" may also include the opportunity to decrypt or display the first piece of electronic content. *Id.* at 45:26–28 (listing decryption, display, and printing as possible uses of the digital content). In general, the'157 patent describes a system that includes rules and controls that "specify what kinds of content usage are permitted, and what kinds are not." *Id.* at 55:7–8.

By contrast, a "condition associated with a permitted use of the first piece of electronic content" may include, for example, "an indication that the permitted use may be made only for a certain time period," "an indication that the permitted use may be exercised only by a certain class of users," and

"a requirement that auditing information be collected regarding the permitted use." Ex. 1001, 320:14–30 (claims 81–83, which directly depend from independent claim 69); *see also id.* at 55:5–7 (stating that rules and controls "may grant specific individuals or classes of content users . . . 'permission' to use certain content").[8] Put simply, the plain language of independent claim 69 and its dependent claims suggests that "specifying one or more permitted or prohibited uses of the first piece of electronic content" is not the same as "specif[ying] at least one condition associated with a permitted use."

Katznelson's system grants a user permission to "use" electronic content by decrypting it. Ex. 1005, 4:44–51, Fig. 2 (data decryption unit 16); *see also* Ex. 1001, 45:28 (identifying decryption as one of the ways electronic content can be "used"). Katznelson also describes various *conditions* associated with permitting decryption of an electronic file. One of these conditions is that credit data signal 14 must contain sufficient credit—as compared to an internal cost counter—before customer terminal 11 is permitted to retrieve and decrypt (use) the digital content. *See* Ex. 1005, 4:11–51. In our view, Katznelson's credit data signal 14 reflects a condition associated with a permitted use of the electronic content. But credit signal 14 is not, by itself, a permitted or prohibited use of the electronic content, nor has Dolby shown that credit data signal 14, by itself, specifies that any use (such as decryption) is permitted or prohibited.

[8] In the '157 patent, the term *rules and controls* appears to include both specifying permitted or prohibited uses and the conditions associated with those specified uses. *See, e.g.*, Ex. 1001, 55:2–50.

Katznelson's system must rely on the internal logic and data found in customer terminal 11—not credit data signal 14 alone—to determine whether decryption is permitted or prohibited. Stated differently, although Katznelson's credit data signal 14 indicates the amount of credit to be extended to customer terminal 11 for data retrieval, this extended credit is not, by itself, sufficient to specify that decryption is one of the permitted or prohibited use of the electronic content actually retrieved.

As applied by Dolby, Chorley does not remedy the deficiencies in Katznelson identified above. *See* Pet. 57–69. Accordingly, for the reasons discussed above, Dolby has not shown a reasonable likelihood that it would prevail on its assertions that the subject matter of independent claim 69 would have been obvious over the combined teachings of Katznelson and Chorley.

3. Claims 70–72, 74, 80, and 84

By virtue of their dependency, claims 70–72, 74, 80, and 84 include the same limitations as independent claim 69. Dolby does not present arguments or evidence with respect to these dependent claims that remedy the deficiencies in Dolby's analysis of Katznelson identified above. *See* Pet. 69–73. Accordingly, for the same reasons discussed above with respect to independent claim 69, Dolby has not demonstrated a reasonable likelihood that it will prevail on its assertions that the subject matter of dependent claims 70–72, 74, 80, and 84 would have been obvious over the combined teachings of Katznelson and Chorley.

E. Remaining Obviousness Grounds Based, in Part, on Katznelson

Dolby also contends that (1) claims 73 and 75 of the '157 patent are unpatentable under § 103(a) as obvious over the combined teachings of Katznelson, Chorley, and Narasimhalu; and (2) claim 81 of the '157 patent is unpatentable under § 103(a) as obvious over the combined teachings of Katznelson, Chorley, and Cooper. Pet. 73–77. By virtue of their dependency, claims 73, 75, and 81 include the same limitations as independent claim 69. Dolby does not present arguments or evidence with respect to these dependent claims that remedy the deficiencies in Dolby's analysis of Katznelson identified above. *See id.* Accordingly, for the same reasons discussed above with respect to independent claim 69, Dolby has not demonstrated a reasonable likelihood that it will prevail on its assertions that (1) the subject matter of dependent claims 73 and 75 would have been obvious over the combined teachings of Katznelson, Chorley, and Narasimhalu; and (2) the subject matter of dependent claim 81 would have been obvious over the combined teachings of Katznelson, Chorley, and Cooper.

IV. CONCLUSION

Taking into account Dolby's Preliminary Response, we conclude that the information presented in the Petition demonstrates that there is a reasonable likelihood that Dolby would prevail in challenging at least one of claims 69–75, 80, 81, and 84 of the '157 patent as unpatentable under § 103(a) as obvious over the teachings of Narasimhalu combined with those of Chorley and/or Halter. Accordingly, we institute an *inter partes* review as to all challenged claims and all the grounds raised in the Petition. *See SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1359–60 (2018) (holding that a

decision granting institution under 35 U.S.C. § 314 may not institute on fewer than all challenged claims in the petition); *PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018) ("We read . . . the *SAS* opinion as interpreting the statute to require a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition."). At this stage of the proceeding, we have not made a final determination with respect to the patentability of these challenged claims or the construction of any claim term.

V. ORDER

Accordingly, it is

ORDERED that, pursuant to 35 U.S.C. § 314 and 37 C.F.R. § 42.4(a), an *inter partes* review is hereby instituted as to all of the challenged claims and all of the grounds raised in the Petition; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4(b), notice is hereby given of the institution of a trial; the trial will commence on the entry date of this decision.

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