

NO. 19-1708, -1709

**IN THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

TWITTER, INC.,
Appellant

v.

VIDSTREAM LLC,
Appellee

APPELLANT'S PETITION FOR PANEL AND EN BANC REHEARING

From the U.S. Patent and Trademark Office, Nos. IPR2017-01131 and IPR2017-01133, Charles J. Boudreau, Jessica Christine Kaiser, and Sally C. Medley, Administrative Patent Judges

HAYNES AND BOONE, LLP

David L. McCombs
Debra J. McComas
2323 Victory Ave., Ste. 700
Dallas, Texas 75219
Phone: (972) 739-8636
Fax: (972) 692-9116

David.McCombs@haynesboone.com
Debbie.McComas@haynesboone.com

Thomas B. King
600 Anton Blvd., Ste. 700
Costa Mesa, CA 92626
Phone: (949) 202-3059
Fax: (949) 202-3159
Thomas.King@haynesboone.com

Raghav Bajaj
600 Congress Ave., Ste. 1300
Austin, Texas 78701
Phone: (512) 867-8520
Fax: (512) 867-8603
Raghav.Bajaj@haynesboone.com

Attorneys for Appellant, Twitter, Inc.

CERTIFICATE OF INTEREST

Case Number 19-1708, -1709
Short Case Caption Twitter, Inc. v. VidStream LLC
Filing Party/Entity Appellant / Twitter, Inc.

Instructions: Complete each section of the form. In answering items 2 and 3, be specific as to which represented entities the answers apply; lack of specificity may result in non-compliance. **Please enter only one item per box; attach additional pages as needed and check the relevant box.** Counsel must immediately file an amended Certificate of Interest if information changes. Fed. Cir. R. 47.4(b).

I certify the following information and any attached sheets are accurate and complete to the best of my knowledge.

Date: October 29, 2020

Signature: /s/ David L. McCombs

Name: David L. McCombs

1. Represented Entities. Fed. Cir. R. 47.4(a)(1).	2. Real Party in Interest. Fed. Cir. R. 47.4(a)(2).	3. Parent Corporations and Stockholders. Fed. Cir. R. 47.4(a)(3).
Provide the full names of all entities represented by undersigned counsel in this case.	Provide the full names of all real parties in interest for the entities. Do not list the real parties if they are the same as the entities.	Provide the full names of all parent corporations for the entities and all publicly held companies that own 10% or more stock in the entities.
<u> </u> None/Not Applicable	<u> X </u> None/Not Applicable	<u> X </u> None/Not Applicable
Twitter, Inc.		

4. Legal Representatives. List all law firms, partners, and associates that (a) appeared for the entities in the originating court or agency or (b) are expected to appear in this court for the entities. Do not include those who have already entered an appearance in this court. Fed. Cir. R. 47.4(a)(4).

None/Not Applicable Additional pages attached

Todd M. Siegel (Klarquist Sparkman, LLP)	Andrew M. Mason (Klarquist Sparkman, LLP)	Robert T. Cruzen (Klarquist Sparkman, LLP)

5. Related Cases. Provide the case titles and numbers of any case known to be pending in this court or any other court or agency that will directly affect or be directly affected by this court’s decision in the pending appeal. Do not include the originating case number(s) for this case. Fed. Cir. R. 47.4(a)(5). See also Fed. Cir. R. 47.5(b).

None/Not Applicable Additional pages attached

<i>Youtoo Techs. LLC v. Twitter Inc.</i> , Case No. 3-16-cv-00764 (N.D. Tex.).		

6. Organizational Victims and Bankruptcy Cases. Provide any information required under Fed. R. App. P. 26.1(b) (organizational victims in criminal cases) and 26.1(c) (bankruptcy case debtors and trustees). Fed. Cir. R. 47.4(a)(6).

None/Not Applicable Additional pages attached

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STATEMENT SUPPORTING EN BANC REHEARING

Based on my professional judgment, I believe that the panel decision is contrary to the following precedents of the United States Supreme Court and of this Court: *KSR Int'l Co. v. Teleflex*, 550 U.S. 398 (2007); *Uber Technologies, Inc. v. X One, Inc.*, 957 F.3d 1334 (Fed. Cir. 2020); and *CRFD Research, Inc. v. Matal*, 876 F.3d 1330, 1347 (Fed. Cir. 2017).

/s/ David L. McCombs

ATTORNEY OF RECORD FOR APPELLANT, TWITTER, INC.

STATEMENT SUPPORTING PANEL REHEARING: POINTS OF LAW OR FACT OVERLOOKED OR MISAPPREHENDED BY THE COURT

The panel decision overlooked or misapprehended the rule that decisions like *Uber Techs.*, 957 F.3d 1334, and *CRFD Research*, 876 F.3d 1330, have drawn from *KSR*: When a skilled artisan would have recognized that a patent's claimed functionality could have been performed in either of two ways that were shown in the prior art, both options are obvious as a matter of law.

INTRODUCTION

In *KSR International Co. v. Teleflex, Inc.*, 550 U.S. 398 (2007), the Supreme court rejected this Court’s then “rigid approach” to obviousness because it did not “take account of the inferences and creative steps that a person of ordinary skill would employ.” *Id.* at 418. The panel’s decision here repeats the error of interpreting the obviousness standard too narrowly. If left in place, the panel’s error may be replicated in countless unreviewable Patent Office decisions.

In this appeal of an IPR decision, the panel recognized that a skilled artisan would have understood that the prior art taught two ways to perform the claimed invention. Still, the panel concluded that the method used in the claims was not obvious because it was more likely that a skilled artisan “would” have chosen to use the alternative approach. Op. 13. In other words, the panel held the burden was on the IPR petitioner to establish that, of the two—and only two—possible approaches disclosed in the prior art, the one claimed was *more* obvious than the other.

This holding was error. As *KSR* explained, when “there is a design need or market pressure to solve a problem and there are a finite number of identified, predictable solutions” within a skilled artisan’s “technical grasp,” those potential solutions are all obvious. 550 U.S. at 421. This Court has accordingly applied *KSR* to hold that when there are only *two* potential solutions to a problem evident

in the prior art, *both* are obvious as a matter of law. *See, e.g., Uber Technologies, Inc. v. X One, Inc.*, 957 F.3d 1334, 1341-1342 (Fed. Cir. 2020).

While the panel’s error is troubling standing alone, it is particularly deserving of en banc review because it may be echoed in future Patent Office decisions. Obviousness is one of the two statutory invalidity grounds that the Patent Office is authorized to review in IPRs and the Patent Office frequently cites unpublished opinions from this Court as support for its legal holdings. A number of those decisions are not appealed; many more—most notably, the denials of a grant of institution—are *unappealable*, meaning that en banc review of the panel’s decision in this case may be this Court’s best opportunity to correct this error before it infects additional agency proceedings.

In short, the panel committed clear legal error, in violation of *KSR* and this Court’s precedent. Absent rehearing, the panel’s error may be replicated many times over in agency proceedings, allowing bad patents that claim “building blocks [of knowledge] long since uncovered,” *KSR*, 550 U.S. at 418-419, to escape review.

STATEMENT OF RELEVANT FACTS

U.S. Patent No. 8,464,304 claims a software interface that allows a user to control the capture of video content on a mobile device and its processing for distribution to different media platforms, such as television stations or internet

sites. Op. at 2-3; Appx4-5, Appx68 (abstract). The interface instructs the mobile device to capture the video in accordance with “predetermined constraints,” such as frame rate (*i.e.*, the number of frames captured per second), bit rate, or image resolution (high definition or standard definition). Op. at 3-4; Appx93 at 4:36-40 (bit rate and image resolution); Appx98 at 13:36-44 (bit rate and frame rate). By capturing the video under these “predetermined constraints,” the claimed interface ensures that the video can be made suitable for television broadcast or internet distribution. Appx93 at 4:36-40, Appx96-97 at 10:59-11:1.

The Court agreed that claim 1 is representative:

1. A method performed by data processing apparatus, the method comprising:

receiving video data from a client computing device at a server system, wherein the video data is captured using a camera connected to the client computing device in accordance with instructions executed on the client computing device, *wherein the instructions are provided to the client computing device by the server system and cause the video data to be captured in accordance with predetermined constraints* and the predetermined constraints include a frame rate defined by the instructions;

automatically transcoding the video data, using a server included in the server system, into at least one different format based on at least one of user credentials associated with a user of the client computing device or attributes associated with the video data, wherein at least one format of the transcoded video data defines a video file in a format appropriate for inclusion in a linear television programming broadcast; and uploading the transcoded video data to a distribution server for distribution.

Op. at 5; Appx105 (disputed limitation italicized).

In affirming the Board’s conclusion of non-obviousness, the panel cited with approval the Board’s finding that, in addition to the mobile device itself, a prior-art software interface such as “Lahti’s UI-Manager *could* control the [claimed] predetermined [video-recording] parameters.” Op. at 13; *see also* Appx14 (Board decision) (“We find that [Lahti’s] MobiCon is such an application that includes code, *e.g.*, instructions for controlling at least some aspects of a user’s mobile phone.”).¹ Nonetheless, the Court concluded “that the Board properly considered this question and applied the proper standard when the Board found that the suggestion that Lahti’s UI Manager *could* control the predetermined parameters does not fairly suggest to a skilled artisan that it *would* control the predetermined parameters.” Op. at 13.

¹ This conclusion is also consistent with VidStream’s position in this Court and before the Board. *See* Appx24 (Board decision) (noting Twitter’s position that “SDKs and APIs that accompany mobile devices’ operating systems could be programmed to specify certain parameters, including frame rate at which video recording should be made,” but concluding that such a showing by itself is “unavailing” to show obviousness); Appx1321, Appx508 (VidStream arguing that “[w]hether . . . [the prior-art] equipment in Lahti was *capable* of capturing video using multiple resolutions or frame rates is irrelevant”); Appx523 (VidStream contending that the “SDKs and APIs [that Lahti employs] can have varied functionality”, and that technical challenges such as “device incompatibilities” would “suggest[] [that Lahti’s] MobiCon would not attempt to control the more-complex aspects of video capture.”).

ARGUMENT

I. *KSR* and this Court’s precedents dictate that when the prior art *could* perform a claimed function in predictable and finite ways, choosing any one of those options is obvious.

When there is a need to solve a problem and “a finite number of identified, predictable solutions, a person of ordinary skill has good reason to pursue the known options within his or her technical grasp.” *KSR*, 550 U.S. at 421; *see also* *Bradium Techs. LLC v. Iancu*, 923 F.3d 1032, 1049 (Fed. Cir. 2019) (the prior art must be considered for what it “fairly suggests” to a skilled artisan). Thus when “a person of ordinary skill would have understood that prior art systems *could* perform” in one of two ways, then choosing *either* alternative is obvious, even if the prior art of record points “only [to] the other solution.” *Uber Technologies, Inc. v. X One, Inc.*, 957 F.3d 1334, 1340 (Fed. Cir. 2020) (emphasis added); *see also* *CRFD Research, Inc. v. Matal*, 876 F.3d 1330, 1347 (Fed. Cir. 2017); *Google LLC v. Koninklijke Philips N.V.*, 795 Fed. Appx. 840, 846 (Fed. Cir. 2020).

Because the Board and this Court found that a person of ordinary skill would have recognized that either a software interface or the mobile device *could* control video-recording parameters such as frame rate—a functionality that VidStream conceded to be and relied on as being known in the prior art—the claimed invention was obvious as a matter of law. The panel’s contrary conclusion

conflicts with binding precedent and rehearing should be granted to correct the error.

II. The panel’s affirmance of a conclusion of non-obviousness, despite finding that the prior art suggests that the claimed function could be performed in either of two ways, contradicts precedent and compels rehearing.

VidStream’s claimed invention includes a software interface that controls parameters, such as frame rate, at which a mobile device records video. The Court accepted the Board’s finding that the prior art suggests that a software interface (as well as the mobile device itself) “*could* control the predetermined parameters,” but concluded that this does not establish that the prior art software interface “*would* control the predetermined parameters.” Op. at 13.

Twitter does not contest this Court or the Board’s factual findings. Rather, it contends that in view of those factual findings, the claimed invention was obvious as a matter of law. The Board’s legal conclusion in this case that the claimed invention was not obvious is irreconcilable with *Uber Techs.* and *CRFD Research*.

The Court’s Opinion is inconsistent with its precedential decisions in *Uber Techs.* and *CRFD Research*. Both of those decisions hold that when it was known to a person of ordinary skill in the art that a function *could* be performed in one of two ways, choosing either option is obvious—regardless of whether the prior art of record necessarily would use the claimed option. There is no requirement in *Uber Techs* or *CRFD Research* that the prior art reference *necessarily* use the claimed

option. To the contrary, all that is required is that the two options both be apparent to a person of ordinary skill in the art.

Uber Techs. involved a system of exchanging individuals' location information across mobile devices. *Uber Techs.*, 957 F.3d at 1335. The prior art disclosed plotting other individuals' locations either at a base-station server or at a user's mobile terminal. *Id.* at 1338. This Court found that because "[t]he record reflects only two possible methods of [plotting]"—server-side and terminal-side—and "[b]oth were undisputedly known in the prior art," *id.* at 1339, choosing either option would amount to "a simple design choice." *Id.* at 1340. It concluded that "§ 103 bars the patentability of such obvious variations," *id.*, because "a person of ordinary skill has 'good reasons to pursue the known options within his or her technical grasp.'" *Id.* (quoting *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 420 (2007)).

CRFD Research involved claims to a system of transmitting browser session history from one device to another after a session concludes. *CRFD*, 876 F.3d at 1333. The Board had found that the claims were non-obvious, crediting the patent owner's argument that the prior art of record did not "*necessarily*" transmit session history after the session concluded. *Id.* at 1347 (emphasis added). This Court reversed, emphasizing that the patent owner had agreed that "a person of ordinary skill would have understood that [the prior-art system] *could* transmit browser

information prior to or after discontinuation of the session.” *Id.* at 1346 (emphasis added). As a result, the prior art presented “two predictable choices” for when session history could be transmitted, “providing a person of ordinary skill with a simple design choice.” *Id.* at 1347 (citing *KSR*, 550 U.S. at 421); *see also Uber Techs.*, 957 F.3d at 1340 (discussing *CRFD Research*).

This Court’s conclusion (and VidStream’s concession) that a skilled artisan reading the prior art would have recognized that control of recording parameters such as frame rate *could* be performed at a software interface (as well as at the mobile device) compels a finding of obviousness. Because parameter control at either place was within an ordinarily skilled artisan’s “technical grasp,” *Uber Techs.*, 957 at 1340, choosing either option was a matter of “simple design choice.” *Id.* The finding that “a person of ordinary skill would have understood that [the prior art] *could* [perform]” the claimed function, *CRFD*, 876 F.3d at 1346 (emphasis added), alone rendered the claimed invention obvious.

This is so even if one fully credits the Board’s finding (and VidStream’s argument) that the Lahti prior art would not necessarily employ the claimed parameter control. Indeed, a rule that such a finding permits the Board to reject a conclusion of obviousness (even though a skilled artisan would recognize that the prior art *could* have performed the claimed function) would require reversal of this Court’s decisions in *Uber Techs.* and *CRFD Research*. In the latter case the Board

had credited the same patent-owner argument—that the claimed functionality was “not necessarily” present in the prior art of record, *CRFD*, 876 F.3d at 1347, which “taught only the other [*i.e.*, unclaimed] solution.” *Uber Techs.*, 957 at 1340 (discussing *CRFD*, 876 F.3d 1344-45). So, too, in *Uber Techs.*, the prior art did *not* provide a motivation to incorporate the claimed server-side plotting. *Id.* at 1338. Yet this Court reversed the Board’s conclusions of non-obviousness in both cases, holding that the findings that the claimed functionality *could* be performed in either of two alternative ways alone compelled a conclusion that either option was an obvious choice. *See Uber Techs.*, 957 at 1340; *CRFD*, 876 F.3d at 1347.

Finally, this was not a case in which VidStream alleged that using a software interface to control video-recording parameters produced some unexpected technical effect. Again, the ’304 patent does not provide *any* technical disclosure as to how to control parameters such as frame rate at a software interface. The patent itself relied on the routine functionality and ordinary skill that it understood to be available in the prior art.

Because this Court accepted that a person of ordinary skill would have understood that “Lahti’s UI-Manager *could* control the predetermined parameters,” Op. at 13, it should have reversed the Board’s ultimate conclusion of non-obviousness. The Board’s additional finding that the specific system described in Lahti would not necessarily employ frame-rate control—even though a skilled

artisan would recognize that it could—does not support the Board’s conclusion. As Twitter explained in its opening brief, the obviousness analysis considers prior art references “‘on the basis of what they reasonably disclose and suggest to one skilled in the art.’” *See In re Aslanian*, 590 F.2d 911, 914 (C.C.P.A. 1979) (quoting *In re Baum*, 374 F.2d 1004, 1009 (C.C.P.A. 1967) (emphasis added)). Thus, here, as in *Uber Techs.*, “the Board’s legal conclusion of non-obviousness cannot stand even if [this Court] credit[s] its findings related to [the prior-art reference].” *Id.* at 1339 n.2. Once the Board found (as VidStream conceded) that a skilled artisan would recognize that the recording parameters *could* be controlled at either the mobile device or a software interface, choosing either option was obvious as a matter of law. This Court should grant rehearing and, as it did in *Uber Techs.* and *CRFD Research*, reverse the Board’s conclusion of non-obviousness.

III. En banc review is necessary to avoid a future, unreviewable fundamental misapplication of law.

Twitter acknowledges this Court’s admonition that a “petition for rehearing en banc is rarely appropriate if the appeal was the subject of a nonprecedential opinion by the panel of judges that heard it.” Practice Notes to Fed. Cir. R. 35. This is one of those rare instances where en banc review of a non-precedential opinion is appropriate.

As various judges on this circuit have recognized, the designation as non-precedential “does not relieve the court of its responsibility to provide correct rulings in the case before it.” *Kimberly-Clark Worldwide, Inc. v. First Quality Baby Prods., LLC*, 660 F.3d 1293, 1300 n.2 (Fed. Cir. 2011) (Newman, C.J., dissenting from denial of the petition for rehearing, and joined by Circuit Judges O’Malley and Reyna). Nor does the non-precedential designation insulate rulings from further review. *See, e.g., Lighting Ballast Control, LLC v. Philips Electronics N. Am. Corp.*, 498 Fed. Appx. 986 (Fed. Cir. Jan. 2, 2013), *modified*, 744 F.3d 1272 (Fed. Cir. 2014) (en banc), *reversed*, 135 S. Ct. 1173 (2015); *A.C. Aukerman Co. v. R.L. Chaides Const., Co.*, 1991 WL 62407 (Fed. Cir. 1991), *vacated*, 960 F.2d 1020 (Fed. Cir. 1992) (en banc); *see also Teleflex, Inc. v. KSR Int’l Co.*, 119 Fed. Appx. 282 (Fed. Cir. 2005), *reversed*, 550 U.S. 398 (2007).

The decision here creates an aberration that brings further conflict and uncertainty to an area of the law that demands clear direction. That the decision is noted as non-precedential has not foreclosed the citation to the decision in noted commentaries. *See, e.g.,* Matthews, Robert A., Jr., 3 Annotated Patent Digest § 18:26. And it does not foreclose Administrative Patent Judges from relying on the decision in deciding to deny institution. *See* Fed. Cir. R. 32.1 (permitting parties and courts to cite nonprecedential decisions dispositions issued after January 1, 2007). Indeed, it is not uncommon for the PTAB to rely on unpublished

decisions in determining whether to institute *inter partes* review. *See, e.g., Pollard Banknote Ltd. v. Nanografix Corp.*, IPR2019-01288, Paper 10 at 14 (Jan. 8, 2020) (citing *Securus Techs., Inc. v. Global Tel*Link Corp.*, 701 Fed. Appx. 971, 977 (Fed. Cir. 2017) for standards governing motivation to combine analysis); *Comtech Mobile Datacom Corp. v. Vehicle IP, LLC*, IPR2018-00531, Paper 9 at 10 (July 20, 2018) (citing *Black & Decker, Inc. v. Positec USA, Inc.*, 646 Fed. Appx. 1019, 1024 (Fed. Cir. 2016) for claim construction standards); *Louisiana Pac. Group v. Huber Engineered Woods LLC*, IPR2020-00600, Paper 14 at 16 (Aug. 20, 2020) (citing *In re Baghat*, 726 Fed. Appx. 772, 775 (Fed. Cir. 2018) regarding reliable sources for dating websites).² Because such institution decisions are not reviewable [see 35 U.S.C. § 314], the PTAB could rely on this non-precedential decision to

² *See also Foundation Medicine, Inc. v. Guardant Health, Inc.*, IPR2019-00653, Paper No. 12 at 11 (Aug. 19, 2019) (citing *Dr. Falk Pharma GmbH v. GeneriCo, LLC*, 2019 WL 245 2362, at *6 (Fed. Cir. June 12, 2019) for claim construction standards); *Midwest Industrial Supply, Inc. v. Soilworks, LLC*, PGR2016-00014, Paper 6 at 9 (Sept. 7, 2016) (citing *Gen. Atomics Diazyme Labs. Div. v. Axis-Shield ASA*, 277 Fed. Appx. 1001, 1008 (Fed. Cir. 2008) for claim construction standards); *Power Integrations, Inc. v. Semiconductor Components Industries, LLC*, IPR2017-01944, Paper 9 at 8 (March 12, 2018) (citing *Black & Decker, Inc. v. Positec USA, Inc.*, 646 Fed. Appx. 1019, 1024 (Fed. Cir. 2016) for claim construction standards); *NEC Display Solutions of Am., Inc. v. Ultravision Techs., LLC*, IPR2019-01117, Paper 7 at 24 (Dec. 2, 2019) (citing *Dominion Energy v. Alstom Grid*, 725 Fed. Appx. 980, 986 (Fed. Cir. 2018) for admissibility of testimony). There are countless more examples where the PTAB relies upon non-precedential Federal Circuit decisions as guidance in PTAB decisions. For purposes of this petition, each of these examples relates specifically to instances where the PTAB relied on unpublished, non-precedential opinions in support of the denial of institution.

support the denial of institution of *inter partes* review in any instance where the prior art did not expressly disclose the invention—effectively returning obviousness to pre-*KSR* standards—without any ability for this Court to review and correct the error. “To reestablish reliable law this issue should be taken en banc, and a consistent position taken on which the district courts and the concerned public can rely.” *Kimberly-Clark*, 660 F.3d at 1294 (Newman, C.J., dissenting from denial of the petition for rehearing, and joined by Circuit Judges O’Malley and Reyna).

CONCLUSION AND PRAYER

The petition for panel or en banc rehearing should be granted, the opinion should be corrected to acknowledge that when only a finite number of options are available each of those options is obvious, and the Board’s conclusion that the claimed invention would not have been obvious should be reversed.

Dated: October 29, 2020

Respectfully Submitted,

HAYNES AND BOONE, LLP

/s/ David L. McCombs

David L. McCombs

Debra J. McComas

2323 Victory Ave., Ste. 700

Dallas, Texas 75219

P: (972) 739-8636 / F: (972) 692-9116

David.McCombs@haynesboone.com

Debbie.McComas@haynesboone.com

Raghav Bajaj

600 Congress Ave., Ste. 1300

Austin, Texas 78701

P: (512) 867-8520 / F: (512) 867-8603

Raghav.Bajaj@haynesboone.com

Thomas B. King

600 Anton Blvd., Ste. 700

Costa Mesa, CA 92626

P: (949) 202-3059 / F: (949) 202-3159

Thomas.King@haynesboone.com

Attorneys for Appellant, Twitter, Inc.

ECF CERTIFICATION

I hereby certify that (i) the required privacy redactions have been made pursuant to Federal Rule of Civil Procedure 5.2; (ii) the electronic submission is an exact copy of the paper document; (iii) the document has been scanned for viruses with the most recent version of a commercial virus scanning program and is free of viruses; and (iv) the paper document will be maintained for three years after the mandate or order closing the case issues.

/s/ Debra J. McComas

Debra J. McComas

CERTIFICATE OF COMPLIANCE

1. This petition complies with the type-volume limitation of Fed. R. App. P. 35(c)(2) and 40(b) because:

■ this petition contains **3,344** words, excluding the parts of the petition exempted by Fed. R. App. P. 40(c).

2. This petition complies with the typeface and type style requirements of Fed. R. App. P. 27(d)(1)(E) because:

■ this petition has been prepared in a proportionally spaced typeface using Microsoft Word 2016 in 14-point Times New Roman font.

/s/ Debra J. McComas

Debra J. McComas

Addendum

NOTE: This disposition is nonprecedential.

**United States Court of Appeals
for the Federal Circuit**

TWITTER, INC.,
Appellant

v.

VIDSTREAM LLC,
Appellee

2019-1708, 2019-1709

Appeals from the United States Patent and Trademark Office, Patent Trial and Appeal Board in Nos. IPR2017-01131, IPR2017-01133.

Decided: September 3, 2020

DAVID L. MCCOMBS, Haynes & Boone, LLP, Dallas, TX, argued for appellant. Also represented by DEBRA JANECE MCCOMAS; RAGHAV BAJAJ, Austin, TX; THOMAS B. KING, Costa Mesa, CA.

STEPHANIE DEBROW, Norton Rose Fulbright US LLP, Austin, TX, argued for appellee. Also represented by EAGLE HOWARD ROBINSON.

Before PROST, *Chief Judge*, REYNA and HUGHES, *Circuit Judges*.

REYNA, *Circuit Judge*.

In two inter partes review proceedings, the Patent Trial and Appeal Board found that two patents owned by VidStream LLC are not unpatentable as obvious. Twitter argues on appeal that the Board's determination is contrary to law because the Board failed to consider what a prior art reference suggested to a person of ordinary skill in the art at the time of the invention and because the Board ignored Twitter's arguments and evidence contained in its reply brief. For the following reasons, we affirm.

BACKGROUND

A. Patents-at-Issue

This appeal arises from two inter partes review ("IPR") proceedings wherein the petitioner, Twitter, Inc., ("Twitter"), challenged two patents owned by VidStream LLC ("VidStream"), U.S. Patent Nos. 8,464,304 (the "'304 patent") and 8,601,506 (the "'506 patent") (collectively "the challenged patents"). The challenged patents are titled "Content Creation and Distribution System" and are directed to computer methods and systems for creating and sharing user-generated video content. '304 patent at 1:1–2. The challenged patents contain the same disputed limitation and share essentially the same written description.¹ Figure 2 of the challenged patents, shown below, illustrates the patented system at a high level.

¹ For purposes of this appeal, we cite to only the '304 patent.

Figure 2

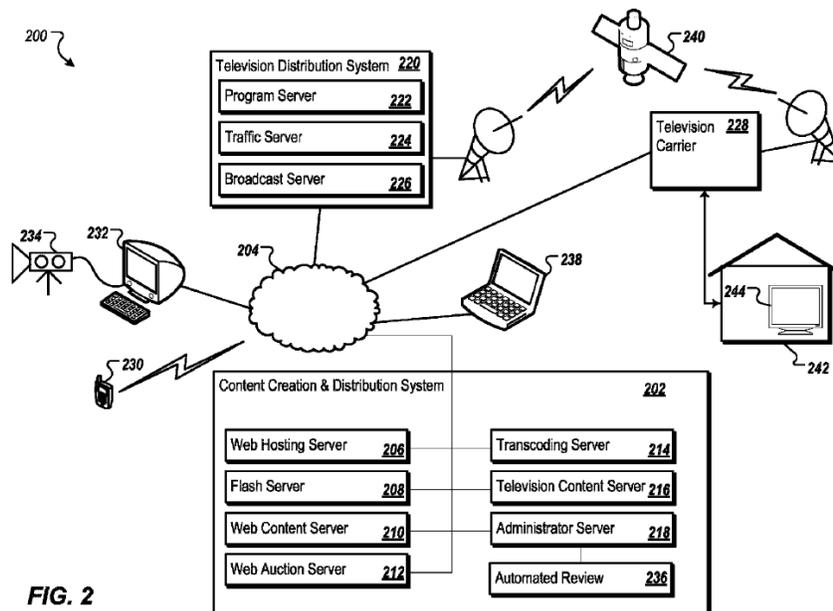


FIG. 2

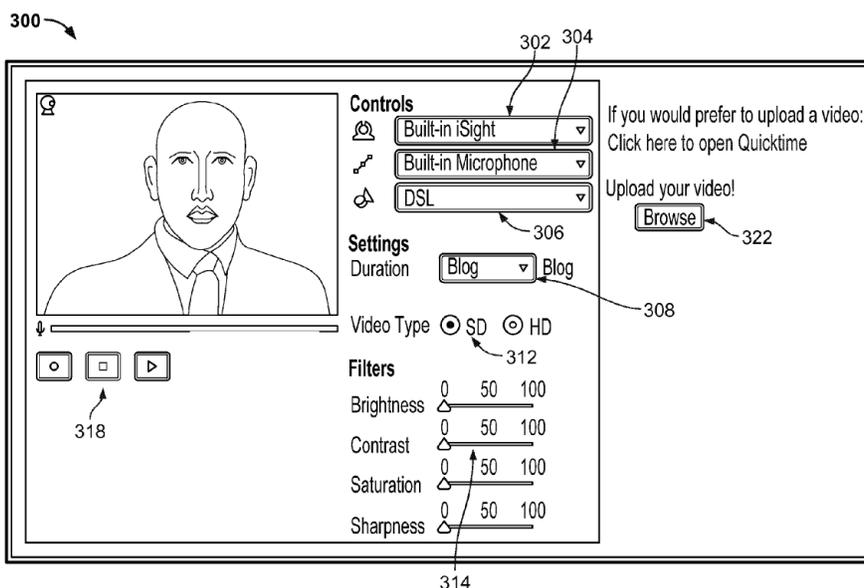
In Figure 2, a mobile device (230) or a computer (232) having a video camera (234) generates video content. *Id.* at 14:30–34. The video content is sent over the internet to a Content Creation & Distribution System (“CCDS”) (202). The CCDS (202) makes the content available for display on the web or as part of a television distribution system (220).

To ensure that user-generated video is suitable for distribution, e.g., having a certain quality level that is appropriate for television programs, the challenged patents disclose recording video according to “predetermined constraints.” Such predetermined constraints can include the format, bit rate, length of submission, frame rate, etc. *Id.* at 13:36–44. Other constraints include parameters such as “a bit rate and an image resolution sufficient to enable transcoding of the video data into the format appropriate for inclusion in the linear television programming transmission.” *Id.* at 4:36–40. The client device (i.e., mobile

device (230) or computer (232)) applies these constraints to the video data it records.

Figure 3 of the challenged patents, shown below, further illustrates the CCDS. The interface (300) can serve as a user-facing front-end of the CCDS, enabling a user to record and upload digital content (e.g., digital video) for distribution. For example, the user can use a mobile device with a built-in camera and a pre-defined application to generate digital video content that is streamed to the CCDS substantially in real time as the content is created.

Figure 3



When the CCDS is implemented as an application installed on a user device, it can enforce predetermined constraints on the captured video such that the video is ready to be rapidly transcoded for insertion into a linear programming time slot. For example, the application can encode the video at a sufficient bit rate and resolution to ensure that the video file can be transcoded to produce video of sufficient quality to be distributed on the internet. *Id.* at 10:56–66.

Claim 1 of the '304 patent, which is representative, illustrates the claimed method:

1. A method performed by data processing apparatus, the method comprising:

receiving video data from a client computing device at a server system, wherein the video data is captured using a camera connected to the client computing device in accordance with instructions executed on the client computing device, *wherein the instructions are provided to the client computing device by the server system and cause the video data to be captured in accordance with predetermined constraints* and the predetermined constraints include a frame rate defined by the instructions;

automatically transcoding the video data, using a server included in the server system, into at least one different format based on at least one of user credentials associated with a user of the client computing device or attributes associated with the video data, wherein at least one format of the transcoded video data defines a video file in a format appropriate for inclusion in a linear television programming broadcast; and uploading the transcoded video data to a distribution server for distribution.

'304 patent at 27:57–28:10 (disputed limitation emphasized). Relevant to this appeal, the challenged patents contain the same disputed limitation: capturing video according to instructions and parameters that are defined by a server system.

B. Lahti

Lahti² is a journal article published approximately five years before the priority date of the challenged patents. Lahti describes a video management system that includes a video server and a mobile camera-phone application called MobiCon. J.A. 1316 (Abstract). MobiCon allows a user to capture videos, annotate them with metadata, specify digital rights management settings, upload videos over a cellular network, and share the videos with others. *Id.* Lahti describes that the MobiCon application is downloaded over the air to a mobile camera-phone. J.A. 1320. MobiCon operates on the Candela system architecture, which was developed as a solution for general video management and includes tools for video creation, analysis, annotation, storage, search, and delivery phases. *Id.* at 1319. Lahti discloses an operating specification for capturing a video clip, stating: “[a] new video clip is captured in Capture Screen using Mobile Media API and it is recorded according to 3GPP specification using AMR coding for audio and H.263 at 176x144 pixels size at 15 frames per second for video.” *Id.* at 1321.

² Janne Lahti et al., “A Mobile Phone-based Context-aware Video Management Application,” *Multimedia on Mobile Devices II, Proc. of SPIE-IS&T Electronic Imaging*, SPIE Vol. 6074, 60740O, 2006 (Ex. 1006, J.A. 1316–27) (“Lahti”).

Lahti Figure 3

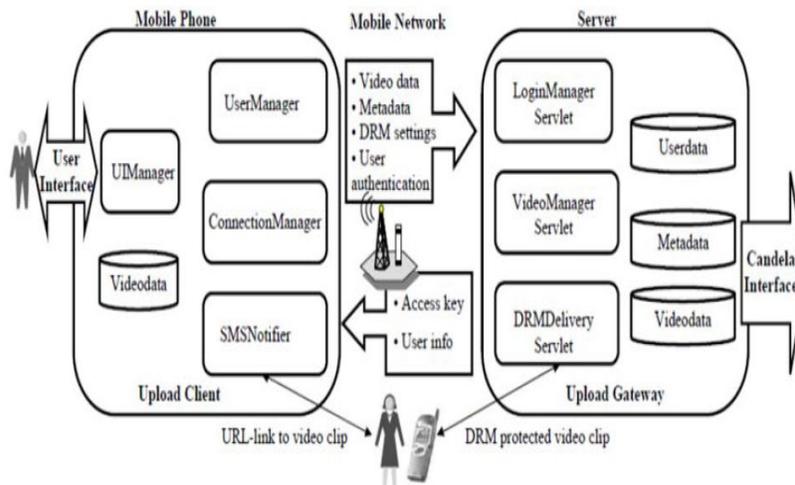


Figure 3: High-level description of MobiCon.

As shown in Lahti Figure 3, the Upload Client, which is a mobile Java application, runs on a mobile phone, and the Upload Gateway, which is implemented as a Java servlet, runs on the server. *Id.* at 1320. The system provides wireless access over a mobile phone network to enable storing video clips on the server. *Id.* Within the Upload Client is the UIManager, which coordinates the capture, saving, and sending of the video data by the mobile camera and the relevant messages. *Id.*

C. Procedural History

Twitter challenged claims 1, 4, 5, 8, 9, 11–17, 19–26, and 28–30 of the '304 patent and claims 1, 4–8, 11, 13–15, 23–26, 29, and 30 of the '506 patent (collectively the “challenged claims”) as obvious over Lahti. The Patent Trial and Appeal Board (“Board”) instituted trial on all asserted grounds of unpatentability and ultimately concluded that the challenged claims are not obvious over Lahti. *Twitter, Inc. v. VidStream LLC*, IPR2017-01131, Paper 71, at 25 (P.T.A.B. Jan. 13, 2019) (J.A. 1–32); *Twitter, Inc. v.*

VidStream LLC, IPR2017-01133, Paper 68, at 26 (P.T.A.B. Jan. 23, 2019) (J.A. 33–62).³

Twitter argued that the challenged claims are invalid in part because Lahti discloses capturing video according to predetermined constraints provided by a server. Twitter argued that a skilled artisan “would understand that a mobile application constitutes software code that controls the operation of a device when executed on that device.” J.A. 176 (citing J.A. 1119–20). Twitter contended that a skilled artisan would understand that MobiCon provides to the mobile device in Lahti the claimed “predetermined constraints” via video capture parameters such as video format (H.263), video resolution (176x144 pixels) and video frame rate (15 frames per second). J.A. 177 (citing J.A. 1119–20, ¶¶ 95–99). Twitter relied on the testimony of its expert, Dr. Houh, who explained that the “MobiCon app disclosed in Lahti . . . describes the parameters provided by the app,” which, in turn, was provided by the server. J.A. 1120, ¶ 97.

VidStream countered that “Lahti does not disclose or suggest that MobiCon has any impact or control over any of the parameters by which a mobile device captures video data, including a frame rate used to capture video data.” J.A. 386–87. According to VidStream, “all digital video data captured by camera phones or digital cameras necessarily inherently has a format (e.g., H.263), a resolution (e.g., 176x144 pixels), and a frame rate (e.g., 15 frames per second).” J.A. 387–88. VidStream argued that “in 2006 it was common for camera phones to natively capture video

³ Because the Final Written Decision for each IPR is substantively identical, we cite to only the Final Written Decision in IPR2017-01131 (J.A. 1–32) unless otherwise stated.

data in accordance with the Third Generation Partnership Project (“3GPP”) specification.” J.A. 388.

VidStream also argued that the recitation of video capture parameters in Lahti “is equally consistent with capturing video using a device’s native capabilities, rather than capturing video according to parameters set by the MobiCon application.” J.A. 388, J.A. 2427–28. VidStream argued that “a POSITA reviewing Lahti would not have viewed Lahti as disclosing that the MobiCon application actually governed video capture parameters.” J.A. 400.

In its reply brief, Twitter argued that VidStream’s theories were “based on a mischaracterization of how a person having ordinary skill in the art would understand the teachings of Lahti.” J.A. 421. Twitter argued that mobile phones, both at the time of Lahti’s publication (2006) and on the date of the invention (2011), were capable of recording at multiple resolutions and frame rates and that the Symbian operating system family used by the Nokia 6630 (the mobile phone used in Lahti) expressly gave application developers the ability to specify which frame rate to use during video recording.

Twitter also argued that if MobiCon did not affect the manner in which a video was recorded, by providing the video capture parameters, there would be no reason for Lahti to disclose the identified frame rate. Twitter argued that a skilled artisan would have understood that, given the multitude of devices “capable of recording at multiple resolutions and frame rates,” software development kits used by developers of video management applications such as MobiCon “could be programmed to specify certain parameters, including the frame rate at which video recording should be made,” supporting Lahti’s teachings of specifying the frame rate parameter. J.A. 427.

The Board permitted VidStream to file a sur-reply brief. *See* J.A. 501. VidStream asserted that Twitter improperly-added new arguments and evidence in its reply

brief. J.A. 505. For example, VidStream argued that Twitter's discussion of a person of ordinary skill in the art's understanding of application programming interfaces and software development kits was a new argument. J.A. 509. VidStream also characterized the discussion of the Symbian operating system as "new argument." J.A. 510.

In its Final Written Decision, the Board found that "Lahti does *not expressly state* that the predetermined constraints, including frame rate, come from the MobiCon application." J.A. 17 (emphasis added). The Board concluded that Twitter "fail[ed] to show by a preponderance of the evidence that Lahti meets the disputed phrases." J.A. 25. The Board noted that all digital video captured by a camera phone or digital camera necessarily captures video under certain operating specifications including format, resolution, and frame rate. *See* J.A. 17. Although the Board recognized that Lahti disclosed use of the 3GPP specification, which utilizes H.263 coding at 176x144 pixels and 15 frames per second, the Board recognized that the mobile phone utilized in Lahti, the Nokia 6630, natively operates under these same specifications. *See* J.A. 17–18. The Board thus determined that the video recording parameters described in Lahti could have come from either MobiCon or from the mobile phone's native recording parameters. J.A. 18.

Although the Board further asserted that it "need not and do[es] not consider the new evidence and new arguments made in [Twitter's] Reply," the Board addressed Twitter's reply brief noting that a person having ordinary skill in the art would understand Lahti to teach changing mobile phone settings using software developer kits and that the UIManager of MobiCon handles all the capturing and recording of videos. J.A. 20–22. The Board found that Twitter "has not provided sufficient evidence for [the Board] to conclude that the described parameters are part of the instructions from the MobiCon application as opposed to the native mobile device." J.A. 25.

DISCUSSION

Twitter contends that the Board's Final Written Decision of no unpatentability is contrary to law on two grounds.⁴ First, Twitter argues that the Board erred by considering only what Lahti *expressly* teaches and failed to consider what Lahti would *suggest* to a person of skill in the art. In addition, Twitter asserts that the Board erred when it failed to consider the arguments and evidence Twitter presented in its reply brief.

We review de novo the Board's conclusions on obviousness. *In re Kotzab*, 217 F.3d 1365, 1369 (Fed. Cir. 2000). Our case law is clear that when conducting an obviousness analysis, the Board must consider a prior art reference "not only for what it expressly teaches, but also for what it fairly suggests." *Bradium Techs. LLC v. Iancu*, 923 F.3d 1032, 1049 (Fed. Cir. 2019) (quoting *In re Baird*, 16 F.3d 380, 383 (Fed. Cir. 1994)). With that instruction, we first review whether the Board considered Lahti for what it fairly suggests to a skilled artisan. We conclude that it did.

Twitter raised several arguments regarding what Lahti teaches or suggests to a skilled artisan, and the Board considered and rejected each of them. *See* J.A. 21–24 (citing J.A. 422–25 (Twitter's reply brief)). For example, the Board considered Twitter's argument that MobiCon's UIManager, "a controller component," suggests to a skilled artisan that MobiCon controls at least "the features with which [the UIManager] interacts." *See* J.A. 21. The Board

⁴ *See* Appellant Br. at 28 ("The Decisions fail to ask the correct legal question This fundamental error in the legal standards used to determine obviousness requires reversal."); Appellant Reply Br. at 22 (explaining that "Twitter did not argue or contend that the Board's Decisions fail to meet the substantial evidence standard. . . . Twitter argued legal error").

rejected this argument and found that Twitter’s expert, Dr. Houh, failed to explain “what Lahti’s MobiCon UIManager includes or how it works.” *Id.* The Board reasoned that Dr. Houh’s conclusion—that “Lahti teaches a POSITA that MobiCon . . . control[s] the video capture process” because the UIManager “handle[s]” and “coordinates the video capture” (J.A. 2399–400, Ex. 1052 ¶ 17)—fails to show whether it is the UIManager or the phone’s native video-capturing capabilities that control video capture. J.A. 21–22. Additionally, the Board addressed Twitter’s argument that Dr. Olivier, VidStream’s expert, “conceded that [Lahti suggests that] MobiCon’s UIManager controlled at least some aspects of the video capture process.” *See* J.A. 21 (internal quotation marks omitted). The Board reviewed those portions of Dr. Olivier’s testimony on which Twitter relied and found that they did not support Twitter’s argument. J.A. 21.

Twitter incorrectly suggests that the Board adopted VidStream’s argument that Lahti “is equally consistent with capturing video using a device’s native capabilities, rather than capturing video according to parameters set by the MobiCon application.”⁵ The Board made no finding that it is *equally possible* that MobiCon either utilizes the mobile phone’s native video-capturing capabilities or that it controls the phone’s video-capturing capabilities. Instead, the Board explained that while either the UIManager or the phone’s native video-capturing capabilities “could” control the predetermined parameters in Lahti, Twitter failed to show that Lahti itself discloses or suggests a UIManager that controls the parameters. *See* J.A. 22–25.

⁵ Appellant Br. at 31–32 (stating that “[t]he Board agreed with [VidStream’s] arguments and found this insufficient to show how Lahti meets the disputed phrase”) (citation and internal quotation marks omitted).

Twitter misapprehends the evidentiary standard for proving unpatentability at the Board. While, as noted above, it is correct that a reference must be considered for what it fairly teaches or suggests to a skilled artisan, *In re Baird*, 16 F.3d at 383, it is the petitioner's burden to establish the scope and content of a prior art reference by a preponderance of the evidence. See 35 U.S.C. § 316(e) ("the petitioner shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence."); see also 37 C.F.R. § 42.1(d) ("The default evidentiary standard is a preponderance of the evidence."). The preponderant evidence standard requires the party carrying the burden of proof to show that the fact to be proven is "more probable than not." *Velandier v. Garner*, 348 F.3d 1359, 1370, 1376 (Fed. Cir. 2003). Here, it was Twitter's burden to establish that it was more probable than not that Lahti fairly teaches or suggests to a skilled artisan the predetermined constraints limitation. We conclude that the Board properly considered this question and applied the proper standard when the Board found that the suggestion that Lahti's UI-Manager *could* control the predetermined parameters does not fairly suggest to a skilled artisan that it *would* control the predetermined parameters.

Twitter also argues that the Board erred by analyzing obviousness as of the date of Lahti's publication (2006) rather than the date of the invention (2011). Twitter argues that the Board improperly disregarded Dr. Houh's testimony regarding technological developments in the mobile phone industry and "the impact those changes would have had on a person of ordinary skill in the art's understanding of Lahti." Appellant Br. at 36–37. Twitter argues that, in light of these purported advancements, a skilled artisan would have understood "that mobile phones in 2011 were capable of recording at resolutions much higher than what was disclosed in Lahti" and, thus, "would not read Lahti as limited to the native frame rate of the device." *Id.* at 37–38. VidStream responds that the Board rejected Twitter's

argument because it fails to address whether a skilled artisan would understand that the MobiCon application, as opposed to the native mobile device, provided the video-capture parameters discussed in Lahti. Appellee Br. at 23. We conclude that the Board did not improperly limit its obviousness analysis as Twitter contends. The Board considered the arguments Twitter raised to the Board and rejected them because, as explained above, it found that Dr. Houh's analysis failed to establish that, in Lahti, MobiCon controlled the phone's video-recording capabilities. J.A. 24–25.

Finally, Twitter argues that the Board erred by declining to consider evidence and arguments first presented by Twitter in its reply brief. Appellant Br. at 42–49. We see no merit in Twitter's argument. The Board made clear that it did not disregard the arguments and evidence presented in Twitter's reply brief by stating that “the Reply arguments and evidence, along with the Petition arguments and evidence as a whole” fail to demonstrate that “Lahti meets the disputed claim phrases.” J.A. 25; *see also* J.A. 20–25 (setting forth the Board's analysis of the arguments and evidence in Twitter's reply brief).

CONCLUSION

We have considered the parties' remaining arguments and find them unpersuasive. For the reasons stated above, we conclude that the Board's Final Written Decisions are not contrary to law.

AFFIRMED