

No. _____

**In the
Supreme Court of the United States**

◆

PERSONAL AUDIO, LLC,
Petitioner,

v.

ELECTRONIC FRONTIER FOUNDATION,
Respondent.

ON PETITION FOR WRIT OF CERTIORARI TO
THE UNITED STATES COURT OF APPEALS FOR
THE FEDERAL CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether the Patent and Trademark Office's decision invalidating Petitioner's patent in *inter partes* review violates the Reexamination Clause of the Seventh Amendment by overturning a jury's findings of facts in the prior district court action, *Personal Audio, LLC v. CBS Corp.*, C.A. No. 2:13-cv-270 (E.D. Tex. Apr. 11, 2013).

2. Whether *inter partes* review—an adversarial process used by the Patent and Trademark Office to analyze the validity of existing patents—violates the Constitution by extinguishing private property rights through a non-Article III forum without a jury?

**PARTIES TO THE PROCEEDINGS
AND RULE 29.6 STATEMENT**

All parties to the proceeding are identified in the caption except the Director of the United States Patent and Trademark Office, who chose not to intervene at the Federal Circuit on appeal.

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OPINIONS AND ORDERS BELOW

The order denying panel rehearing and rehearing *en banc* is unreported (App. at 52a - 53a). The panel opinion disposing of the case is unreported and available at 2017 U.S. App. LEXIS 14485 (Fed. Cir. Aug. 7, 2017) (App. 1a - 20a). The order of the Patent Trial and Appeal Board Refusal of Request for Rehearing is unreported (App. 54a - 59a). The opinion and order of the Patent Trial and Appeal Board (App. 21a - 51a) is unreported and available at 2014 WL 8584938 (PTAB April 10, 2014).

JURISDICTION

The court of appeals entered its order denying rehearing on November 1, 2017, making the petition due on or before January 30, 2018. This Court has jurisdiction under 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The Seventh Amendment of the United States Constitution provides:

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law.

STATEMENT OF THE CASE

This case raises a conflict between *inter partes* review (IPR) proceedings and the Seventh Amendment that warrant the consideration of this Court. In Petitioner's case, the Patent Office's Final Written Decision invalidating Petitioner's patent will

result in directly overturning a previous jury's operative factual validity findings in an earlier district court proceeding. Pursuant to its Seventh Amendment right to a jury trial, Personal Audio had set the matter of validity of its patent before a jury in *Personal Audio, LLC v. CBS Corporation.*, C.A. No. 2:13-cv-270 (E.D. Tex. filed Apr. 11, 2013). A jury verdict was rendered on September 15, 2014, finding Petitioner's patent valid and not anticipated or rendered obvious by a prior art reference entitled CNN/Compton Charles L. Compton, Internet CNN NEWSROOM: The Design of a Digital Video News Magazine, Massachusetts Institute of Technology (Aug. 10, 1995) ("Compton/CNN"). The jury also considered the NRL website created by William Fenner ("Fenner NRL Website"); Surfpunk, BUBBLES: talk radio; A New Age; Clipper Chip. SURFPUNK Technical Journal No. 80 (surfpunk@osc.versant.com) <surfpunk-0080@SURFPUNK.Technical.Journal>. (Apr. 23, 1993) ("Surfpunk"); and The RealAudio Website ("RealAudio") as prior art. The Fenner NRL Website, Surfpunk and RealAudio references are factually indistinguishable from the Patrick/CBC reference. They each disclose a website containing a list of files available to download, said lists being updated manually to add new files.

Petitioner invested significant time and resources into that proceeding. While that proceeding was well underway, and in response to the litigation, a third party, the Electronic Frontier Foundation ("EFF"), filed a petition for an *inter partes* review ("IPR") proceeding against Petitioner's patent relying in part on the same Compton/CNN prior art being considered in the jury trial proceeding on October 16, 2013.

Indeed, although the EFF cited slightly different publications in its IPR petition, the exact same prior art factually was before the jury. Thus, the jury rendered its verdict on September 15, 2014 finding Petitioner's patent valid in light of the same Compton/CNN reference and other art that was being considered by the Patent Office. Petitioner submitted its favorable jury verdict to the Patent Office in the Electronic Frontier Foundation's IPR proceeding. Nevertheless, on April 10, 2015, the Patent Office found that Petitioner's patent was anticipated and rendered obvious by the Compton/CNN reference as well as other reference that were factually indistinguishable from the art considered by the jury, Andrew S. Patrick, *et al*, *CBC Radio on the Internet: An Experiment in Convergence*, 21 CANADIAN J. OF COMM'N 1, 125-140 (1996) ("Patrick/CBC"). Indeed, in response to the Petitioner's request for rehearing en banc at the Federal Circuit, the EFF did not list one relevant distinguishing fact about the prior art that was different between the art considered in the IPR and that considered by the jury, instead pointing to irrelevant characteristics such as the length of the article describing the art and the name of the program that was being manually updated. Petitioner's jury verdict, which was the result of several days of fact witness and expert testimony, the majority of which concerned the prior art, should not be able to be overturned by simply putting the same art with irrelevant distinctions in front of an administrative body.

A real and foreseeable consequence of the IPR procedures as currently implemented is the extinguishing of Petitioner's jury trial right. Another foreseeable result of the Patent Office's factual

determinations rendering Petitioner's patent invalid is that the jury's determination of patent validity between the patent owner and a third party in a separate and prior proceeding concerning the same prior art will be overturned. This result is mandated by the Federal Circuit's decision in *Fresenius USA, Inc. v. Baxter International, Inc.*, 721 F.3d 1330 (Fed. Cir. 2013). In that decision, a divided panel held that the Patent Office's invalidity decision operates to nullify a jury's *prior* determination of a patent's validity and infringement so long as the execution of a damages award has not yet occurred and the decision is still pending in some form. The *Fresenius* court focused on the finality of a judgment and did not address directly the reexamination of the jury verdict on validity since different prior art was at issue. *Id.* By contrast, here the same prior art was considered by both the jury and the Patent Office.

As argued by Electronic Frontier Foundation in its response to Petitioner's appeal brief before the Federal Circuit, the "*Fresenius* case stands for the proposition that it is the verdict in *the district court case* that will need to be vacated if [the Federal Circuit] affirms the Board's decision. EFF Response Brief at 58. Due to the Patent Office's contrary factual determinations, under the Federal Circuit's *Fresenius* decision, Petitioner will foreseeably be deprived of the results of its prior judicial proceeding and the jury's prior factual determinations will be overturned. In Petitioner's case, where the same facts regarding the prior art were considered by both the jury and agency, the Reexamination Clause prohibits the overturning of the jury's factual determinations, except under common law.

Yet, the Federal Circuit did not even address Petitioner's constitutional arguments in its opinion. Despite the foreseeable result directly prohibited by the Reexamination Clause of the Seventh Amendment, the Federal Circuit upheld the Patent Office's Final Written Decision without even discussing the constitutional arguments raised by the parties.

The Seventh Amendment's Reexamination Clause prohibits overturning jury findings of fact. Additionally, the fundamental separation of powers between the executive and judicial branches set forth in Article III as well as Petitioner's right to a jury trial proceeding have been extinguished. Even if deemed constitutional in *Oil States*, IPRs cannot be implemented in such a way that violates the separation of powers, Article III of the Constitution, the right to jury trial and the Reexamination Clause of the Seventh Amendment.

This case also presents the fundamental question of whether IPR proceedings violate the Constitution by extinguishing private property rights in a non-Article III forum without a jury. This Court is currently considering this issue in *Oil States Energy Services, LLC v. Greene's Energy Group, LLC*, No. 16-712 (Fed. Cir. No. 15-1855). Because this is an appeal from an IPR in which the Patent Office held Petitioner's patent invalid, the Court should at a minimum hold this petition pending the outcome in *Oil States*. If the Court ultimately determines in *Oil States* that IPR proceedings are unconstitutional, the Court should grant this petition vacate the Federal Circuit's decision and remand for further proceedings.

REASONS FOR GRANTING THE PETITION

The Federal Circuit's avoidance of Petitioner's constitutional arguments, and its *Fresenius* decision, are in conflict with this Court's precedent and cannot be squared with the Reexamination Clause of the Seventh Amendment which provides that "no fact tried by a jury, shall be otherwise re-examined in any court of the United States than according to common law." In Petitioner's case, the Federal Circuit's incorrect *Fresenius* decision, will foreseeably deprive Petitioner of its right to jury trial proceedings, and will overturn the factual determinations rendered by a jury in the prior jury proceeding.

By allowing an agency's decision to extinguish the Petitioner's right to a jury trial, the results of a prior judicial proceeding, and overturn a jury's fact determinations, the Federal Circuit's *Fresenius* decision will foreseeably result in a violation of the Reexamination Clause, the jury trial right of the Seventh Amendment and improperly undermines the separation of executive and judicial powers set forth in Article III and for these reasons should be reversed.

I. THE PATENT OFFICE'S DECISION FORESEEABLY VIOLATES THE SEVENTH AMENDMENT'S REEXAMINATION CLAUSE

Congress has authorized the adjudication of private disputes over patent validity in federal courts under 28 U.S.C. §§ 1331 and 1338(a). With the enactment of Section 6 of the Leahy-Smith America Invents Act of 2011 ("AIA"), 35 U.S.C. §§ 311–19, Congress has also established a competing Article I forum for adjudicating invalidity actions between private parties. Even if IPRs are deemed constitutional in *Oil States*, the adjudication of

invalidity actions by the agency tribunal cannot be used to overturn a prior jury's findings of fact in a district court proceeding without violating the Reexamination Clause of the Seventh Amendment.

Beginning on January 7, 2013, Petitioner filed suits for infringement of its '504 patent against various parties in the Eastern District of Texas including, *Personal Audio, LLC v. CBS Corporation*. In response to those suits, but well after those lawsuits were underway, the Electronic Frontier Foundation ("EFF"), which describes itself as a non-profit public interest organization filed a revised petition for *inter partes* review of Claims 31-35 of its patent ("the '504 patent") on October 30, 2013. Although the EFF is not a party to the district court proceedings, its filing of a petition for *inter partes* review arose in direct response to, and Personal Audio believes in coordination with, the defendants in the district court proceedings. Personal Audio tried but was unable to ascertain in discovery whether the initial defendants in the district court proceedings had any affiliation with the EFF.¹

EFF alleged that five references anticipated and/or rendered the challenged '504 Patent claims obvious. The Patent Office instituted *inter partes* review with respect to only two of the grounds presented: obviousness of Claims 31-35 in view of Compton/CNN and anticipation of Claims 31-35 in view of

¹ The proliferation of "public interest" organizations that obtain funding from multiple third parties to collectively invalidate patents is a change encouraged by enactment of the AIA. Since nearly any third party may file an IPR, collective efforts to invalidate patents severely tilts the playing field in favor of the party or parties seeking invalidation who can marshal third party entities to attack the patent in the Article I forum.

Patrick/CBC. The Patrick/CBC reference adds nothing, disclosing operative facts nearly identical to Compton/CNN but with far less technical detail thereby leaving out critical claim elements not even addressed in the panel's decision much less addressed by the Patent Office. As a result, the same arguments, evidence and operative facts set before the jury were also set before the Patent Office. EFF did not even address the fact both references disclosed nearly identical operative facts in its opposition briefing but conceded that the two references were similar before the Federal Circuit.

After Petitioner had dedicated significant resources to the district court proceeding, the jury rendered its verdict on September 15, 2014 finding the '504 Patent valid in light of CNN/Compton. Personal Audio submitted this jury verdict to the Patent Office. Nonetheless, the Patent Office issued its Decision on April 10, 2015, finding claims 31-35 to be unpatentable as anticipated and obvious over Compton/CNN and anticipated over Patrick/CBC.

Congress through the AIA did not by statute directly authorize agency reexamination of a jury's findings of fact in a prior district court proceeding. Rather, the Federal Circuit, in *Fresenius USA, Inc v. Baxter Int'l, Inc*, 721 F 3d 1330 (Fed. Cir. 2013), has held in the reexamination context that the USPTO's cancellation of patent claims in a parallel proceeding trumps the District Court's enforcement of those same claims, even after an affirmation by the Federal Circuit on the merits. Since *Fresenius* was decided, a jury's findings of fact such as the jury's findings in Petitioner's prior district court proceeding can be directly overturned by an agency's findings of fact

invalidating patent claims in a concurrent agency IPR proceeding.

This is plainly proscribed by the Seventh Amendment. The second clause of the Seventh Amendment provides: “no fact tried by a jury, shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law.” U.S. Const., amend. VII. Therefore, Petitioner respectfully requests that *Fresenius* be limited or overturned, so that the agency’s decision, if allowed to stand shall not conflict with the Reexamination Clause of the Seventh Amendment.

While the Federal Circuit has recognized that a prior holding of validity is not necessarily inconsistent with a subsequent holding of invalidity, here, the very same reference and arguments were before both the jury and the Board. *EPlus, Inc. v. Lawson Software, Inc.*, 790 F.3d 1307 (Fed. Cir. 2015) (quoting *In re Baxter Int’l, Inc.*, 678 F.3d 1357, 1364 (Fed. Cir. 2012) (internal citations omitted); see also *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293, 1316-17 (2015) (in the context of issue preclusion finding “if federal law provides a single standard, parties cannot escape preclusion simply by litigating anew in tribunals that apply that one standard differently”). Regardless, the scope and limitations of issue preclusion as applied to prospective judicial proceedings do not conflict with the Reexamination Clause as at issue here. Instead, in Petitioner’s case, under *Fresenius*, the Patent Office’s decision would overturn a prior jury’s findings that the patent was neither anticipated nor rendered obvious by Compton/CNN in plain violation of the Reexamination Clause.

In addition to protecting the right to a jury trial, the Reexamination Clause of the Seventh Amendment “controls the allocation of authority to review verdicts.” *Gasperini v. Ctr. for Humanities, Inc.*, 518 U.S. 415, 432 (1996). Jury verdicts can only be reconsidered if the process for reconsideration is one that was available at common law when the Seventh Amendment was ratified. The only options at common law to reexamine facts decided by a jury are: (1) the granting of a new trial; or (2) review *de novo* for legal errors. *See Capital Transaction Co. v. Hof*, 174 U.S. 1, 13 (1899). Once the jury’s verdict has been rendered, the reexamination clause forbids review of the jury verdict by any court of the federal government.

Under *Fresenius*, the Patent Office’s Decision will foreseeably exceed its authority by violating the Reexamination Clause of the Seventh Amendment.² Accordingly, this Court should reconsider *Fresenius*, or reverse the Patent Office’s Decision to the extent it exceeds the Board’s constitutional authority and

² This validity determination was made based on underlying factual determinations. Anticipation and prior art teachings present questions of fact. *In re NTP, Inc.*, 654 F.3d 1279, 1297 (Fed. Cir. 2011). With respect to obviousness, the Supreme Court identified “several basic factual inquiries”: “Under 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved.” *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966). It is to be presumed that factual findings in support of the general verdict are implied. *See Quaker City Gear Works, Inc. v. Skil Corp.*, 747 F.2d 1446, 1453 (Fed. Cir. 1984) (explaining that when a Rule 49(a) verdict form includes a legal question, “since the answer to the legal question necessarily resolves any disputed underlying factual issues, we have undertaken to review the factual findings on which the legal conclusion is based, applying the substantial evidence standard.”) (citation omitted)).

overturns the jury verdict. Because the Patrick/CBC reference adds nothing to Compton/CNN but in fact contains the nearly identical operative facts, there is absolutely no constitutional authority for the Board's overturning of the underlying factual determinations made by the jury, in violation of the Petitioner's Seventh Amendment rights.³

The Federal Circuit's decision in *MCM* relies on its earlier decision in *Patlex Corp. v. Mossinghoff*, 758 F.2d 594 (Fed. Cir. 1985). The case at bar is distinguishable from *Patlex*, however, because here validity challenges on precisely the same prior art (Compton/CNN) were decided by the jury prior to the determination of the Board.

Even assuming, *arguendo*, that Congress could have delegated all patent validity determinations to the PTO for adjudication, it has not. Federal courts and juries still have authority to determine issues of validity under 28 U.S.C. §§ 1331 and 1338(a). There is no authority, however, to support the notion that an agency can overturn those very same factual determinations, because such actions violate the Reexamination Clause. The Patent Office's decision in this particular case exceeds its constitutional authority and should be reversed, or *Fresenius* should be limited or overruled. This case raises an issue of

³ Even if the IPR decision were found to have had only prospective effect, it would violate the Seventh Amendment. But where, as here, the decision can be used to upset a previous determination by a jury, the Seventh Amendment Reexamination Clause clearly prohibits contrary factual findings at least as to the defendant against whom the verdict was directed, as such a collateral attack on the jury's fact finding in that case would clearly be prohibited by the common law.

exceptional importance to this Court concerning the constitutionality of *inter partes* review.

II. IF THE COURT IN *OIL STATES* ULTIMATELY CONCLUDES THAT IPR PROCEEDINGS ARE UNCONSTITUTIONAL, THE COURT SHOULD GRANT THIS PETITION AND REMAND

Finally, in its forthcoming *Oil States* decision, the Court will address whether IPR proceedings, such as the one used to invalidate Petitioner's '504 patent, violate the Seventh Amendment of the U.S. Constitution because such proceedings extinguish private property rights through a non-Article III forum without a jury. Thus, Petitioner respectfully requests that the Court, at a minimum, hold this petition until *Oil States* is decided. If the Court in *Oil States* ultimately concludes that IPR proceedings are unconstitutional, the petition should be granted on that basis alone, with the Federal Circuit's decision vacated accordingly and the case remanded for further proceedings.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be granted.

Dated: January 29, 2019

Respectfully submitted,

/s/ Papool S. Chaudhari

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[ENTERED: AUGUST 7, 2017]

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

**NOTICE OF ENTRY OF JUDGMENT
ACCOMPANIED BY OPINION**

**OPINION FILED AND JUDGMENT ENTERED:
08/07/2017**

The attached opinion announcing the judgment of the court in your case was filed and judgment was entered on the date indicated above. The mandate will be issued in due course.

Information is also provided about petitions for rehearing and suggestions for rehearing en banc. The questions and answers are those frequently asked and answered by the Clerk's Office.

Costs are taxed against the appellant in favor of the appellee under Rule 39. The party entitled to costs is provided a bill of costs form and an instruction sheet with this notice.

The parties are encouraged to stipulate to the costs. A bill of costs will be presumed correct in the absence of a timely filed objection.

Costs are payable to the party awarded costs. If costs are awarded to the government, they should be paid to the Treasurer of the United States. Where costs are awarded against the government, payment should be made to the person(s) designated under the governing statutes, the court's orders, and the parties' written settlement agreements. In cases between private parties, payment should be made to counsel for the party awarded costs or, if the party is not

represented by counsel, to the party pro se. Payment of costs should not be sent to the court. Costs should be paid promptly.

If the court also imposed monetary sanctions, they are payable to the opposing party unless the court's opinion provides otherwise. Sanctions should be paid in the same way as costs.

Regarding exhibits and visual aids: Your attention is directed Fed. R. App. P. 34(g) which states that the clerk may destroy or dispose of the exhibits if counsel does not reclaim them within a reasonable time after the clerk gives notice to remove them. (The clerk deems a reasonable time to be 15 days from the date the final mandate is issued.)

FOR THE COURT

/s/ Peter R. Marksteiner

Peter R. Marksteiner Clerk of Court

cc: James R. Barney
Nicholas A. Brown
Brian Timothy Burgess
Papool Subhash Chaudhari
Kevin J. Culligan
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16-1123 - Personal Audio, LLC v. Electronic Frontier Foundation United States Patent and Trademark Office, Case No. IPR2014-00070

**UNITED STATES COURT OF APPEALS
FOR THE FEDERALCIRCUIT**

PERSONAL AUDIO, LLC,

Appellant

v.

ELECTRONIC FRONTIER FOUNDATION,

Appellee

2016-1123

Appeal from the United States Patent and Trademark Office, Patent Trial and Appeal Board in No. IPR2014-00070.

Decided: August 7, 2017

JEREMY SETH PITCOCK, The Pitcock Law Group, New York, NY, argued for appellant. Also represented by PAPOOL SUBHASH CHAUDHARI, Chaudhari Law, PLLC, Wylie, TX.

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Before NEWMAN, CLEVINGER, and O'MALLEY,
Circuit Judges.

NEWMAN, *Circuit Judge.*

Personal Audio, LLC appeals the decision of the Patent Trial and Appeal Board (PTAB or “Board”) in *inter partes* review (IPR) of United States Patent No. 8,112,504 (“the ’504 Patent”). This IPR was instituted on petition of the Electronic Frontier Foundation (“EFF”), described as a non-profit organization that advocates in the public interest of consumers of digital technology. The PTAB held claims 31–35 of the ’504 Patent unpatentable as anticipated under 35 U.S.C. § 102 and/or obvious under 35 U.S.C. § 103, leading to this appeal.¹ On the merits of the appeal, we affirm the judgment of unpatentability.

BACKGROUND

The ’504 Patent, entitled “System for Disseminating Media Content Representing Episodes in a Serialized Sequence,” is directed to a system and apparatus for storing and distributing episodic media files. Personal Audio describes the ’504 Patent as

¹ *Electronic Frontier Foundation v. Personal Audio, LLC*, No. IPR2014-00070, 2014 WL 8584938 (P.T.A.B. April 10, 2014) (“PTAB Op.”).

directed to podcast technology. A podcast is a digital media file made available through web syndication, in which new installments or “episodes” are automatically received by subscribers.

The '504 Patent claims an apparatus whose components receive and control playback of the episodes. Claim 31 was agreed to be representative:

31. Apparatus for disseminating a series of episodes represented by media files via the Internet as said episodes become available, said apparatus comprising:

one or more data storage servers,

one or more communication interfaces connected to the Internet for receiving requests received from remotely located client devices, and for responding to each given one of said requests by downloading a data file identified by a URL specified by said given one of said requests to the requesting client device,

one or more processors coupled to said one or more data storage servers and to said one or more communications interfaces for:

storing one or more media files representing each episode as said one or more media files become available, each of said one or more media files being stored at a storage location specified by a unique episode URL;

from time to time, as new episodes represented in said series of episodes become available, storing an updated

version of a compilation file in one of said one or more data storage servers at a storage location identified by a predetermined URL, said updated version of said compilation file containing attribute data describing currently available episodes in said series of episodes, said attribute data for each given one of said currently available episodes including displayable text describing said given one of said currently available episodes and one or more episode URLs specifying the storage locations of one or more corresponding media files representing said given one of said episodes; and

employing one of said one or more communication interfaces to:

(a) receive a request from a requesting client device for the updated version of said compilation file located at said predetermined URL;

(b) download said updated version of said compilation file to said requesting client device; and

(c) thereafter receive and respond to a request from said requesting client device for one or more media files identified by one or more corresponding episode URLs included in the attribute data contained in said updated version of said compilation files.

EFF requested *inter partes* review of claims 31–35, on the ground, first, that the claims are anticipated by Andrew S. Patrick et al., *CBC Radio on the Internet: An Experiment in Convergence*, 21 Can. J. of Commc'n 125 (1996), available at <http://www.cjconline.ca/indexphp/journal/article/view/926/832> (“Patrick/CBC”) (pagination *infra* is to online version). Patrick/CBC describes an experimental trial conducted in 1996 to determine if there was demand for regular radio programming distributed as digital audio files over the Internet. In that trial “the Quirks & Quarks science magazine show was recorded each week, broken down into its component parts, and made available on the server.” Patrick/CBC at 3. The components, or “segments,” were described in accompanying text available as part of a menu. *Id.* at 7.

EFF also requested *inter partes* review on the ground that claims 31–35 were invalid for obviousness, in view of a thesis of Charles L. Compton entitled *Internet CNN NEWSROOM: The Design of a Digital Video News Magazine* (May 12, 1995) (B.S. and M.E. Thesis, Massachusetts Institute of Technology) (“Compton/CNN”). The thesis describes a searchable digital video library based on the CNN NEWSROOM program, wherein each fifteen-minute video program is broken into individual news stories or segments, then converted to digital video files presented in a Table of Contents along with a short text summary, and made available at a URL containing the date of the broadcast. *Id.* at 14. Compton/CNN states that the system can be used for “any other program for which users might want to be able to see past episodes (i.e., other news programs, sitcoms, soap operas . . .).” *Id.* at 29. Granting EFF’s Petition, the PTAB instituted

review on the grounds of anticipation in view of Patrick/CBC and obviousness in view of Compton/CNN.

The PTAB construed “episode” as “a program segment, represented by one or more media files, which is part of a series of related segments, e.g., a radio show or a newscast.” PTAB Op. at *5. The PTAB construed “compilation file” as “a file that contains episode information.” *Id.* at *6. Based on the constructions of these terms, the PTAB held that the challenged claims are anticipated by CBC/Patrick and obvious over CNN/Compton.

I

“Standing” of Electronic Frontier Foundation

We asked the parties to brief the question of whether EFF has standing to participate in this appeal, in view of the court’s holding in *Consumer Watchdog v. Wisconsin Alumni Research Foundation*, 753 F.3d 1258 (Fed. Cir. 2014), that a PTAB petitioner that does not meet the Article III case-or-controversy requirement does not have standing to invoke judicial power, and thus does not have standing to appeal to this court from a PTAB decision on *inter partes* reexamination. The court in *Consumer Watchdog* stated that “although Article III standing is not necessarily a requirement to appear before an administrative agency, once a party seeks review in a federal court, ‘the constitutional requirement that it have standing kicks in.’” *Id.* at 1261 (quoting *Sierra Club v. E.P.A.*, 292 F.3d 895, 899 (D.C. Cir. 2002)). Thus the court held that Consumer Watchdog, a non-profit organization described as representing the public interest, did not have standing to appeal to the Federal Circuit from the PTAB decision that sustained the validity of the patent Consumer Watchdog had challenged.

35 U.S.C. § 141(c) provides the right of appeal to the Federal Circuit for “[a] party to an inter partes review or a post-grant review who is dissatisfied with the final written decision of the Patent Trial and Appeal Board.” *Consumer Watchdog* raises no question as to whether EFF has standing to appear in this court to defend the judgment of the PTAB, for EFF is not the appellant. The Court explained in *ASARCO Inc. v. Kadish*, 490 U.S. 605 (1989), in an appeal from the Arizona Supreme Court to the United States Supreme Court, that standing to appeal is measured for the party “seek[ing] entry to the federal courts for the first time in the lawsuit”:

Although respondents would not have had standing to commence suit in federal court based on the allegations in the complaint, they are not the party attempting to invoke the federal judicial power. Instead it is petitioners, the defendants in the case and the losing parties below, who bring the case here and thus seek entry to the federal courts for the first time in the lawsuit. We determine that petitioners have standing to invoke the authority of a federal court and that this dispute now presents a justiciable case or controversy for resolution here.

Id. at 618. The following year, in *U.S. Department of Labor v. Triplett*, 494 U.S. 715, 732 (1990), Justice Marshall explained in concurrence that: “Because respondent has not invoked the authority of any federal court, then, federal standing principles are simply inapplicable to him.”

Here, the party invoking judicial review is Personal Audio; it is apparent that Personal Audio, on

cancellation of its patent claims by the PTAB, has experienced an alteration of “tangible legal rights . . . that is sufficiently ‘distinct and palpable’ to confer standing under Article III.” *Virginia v. Hicks*, 539 U.S. 113, 121 (2003) (internal citations omitted). With Article III satisfied as to the appellant, EFF is not constitutionally excluded from appearing in court to defend the PTAB decision in its favor.

II

Claim Construction

Personal Audio argues that the PTAB misconstrued several claim terms and misapplied the references, erring in law and fact.

Claim construction is a matter of law, and determination of the meaning and scope of claim terms receives plenary review on appeal. If issues of claim construction require subsidiary factual findings based on evidence extrinsic to the patent prosecution record, such findings are reviewed for support by substantial evidence. *Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292, 1297 (Fed. Cir. 2015).

The PTAB is authorized to construe the claims in accordance with their broadest reasonable interpretation, *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2146 (2016), recognizing that the claims cannot be divorced from the specification and the prosecution history, as perceived by persons in the field of the invention. *Microsoft*, 789 F.3d at 1298.

“Episode”

Before the PTAB, Personal Audio argued that “episode” should be construed as “a program, represented by one or more media files, that is part of a series.” PTAB Op. at *4. Personal Audio also argued

that “episodes” are “a complete thing of the same theme,” and that a “series of episodes” would be “related to one another with a common theme.” Record of Oral Hearing at 23. Citing the ’504 Patent specification and the testimony of EFF’s expert Dr. Schmandt, the PTAB construed “episode” as “a program segment, represented by one or more media files, which is part of a series of related segments, *e.g.*, a radio show or a newscast.” PTAB Op. at *5.

Personal Audio now argues that the PTAB’s construction of “episode” improperly excludes the temporal limitation that episodes in the series issue over time, as the claims require. Personal Audio states that the PTAB’s construction, which encompasses subparts of a single program, *i.e.*, “program segments,” reads out other claim limitations referring to new episodes “becom[ing] available.”

EFF responds that the PTAB’s construction is consistent with the specification, pointing out that the specification describes an “episode” as a “program segment” and that the specification uses news stories as examples of “program segments.”

We conclude that the PTAB’s construction of “episode” is in accord with the specification, and is correct. The specification states that “[a] given program segment may represent an episode in a series.” ’504 Patent, col. 19, ll. 36–38. As used in the ’504 Patent, “program segment” refers to a subpart of individually selectable content. For example, the specification teaches that a user can “easily move from program segment to program segment, skip- ping segments in a forward or reverse direction, or to jump to a particular segment.” ’504 Patent, col. 8, l. 65–col. 9, l. 2. The specification describes an embodiment in

which a compilation file of “episodes” is composed of “four news subjects [world news, national news, local news, computer trade news],” each of which is composed of “structured program segments.” ’504 Patent, col. 30, ll. 18–28.

The PTAB also correctly held that the “temporal limitations” that Personal Audio states modify “episodes” do not restrict the application to episodes produced at different times. Claim 31 states that “from time to time, as new episodes represented in said series of episodes become available,” an updated version of the compilation file may be created with “currently available episodes.” The terms “become available” and “currently available” do not restrict or define the timing of the creation of the episodes, past or present; they refer only to the availability of episodes to clients. And these terms do not describe the production of episodes, but instead refer to the conditions under which an updated version of a compilation file is produced.

Personal Audio’s assertion that episodes must issue over time is not a distinction from the cited references. The ’504 specification explains that “episode segments” are “serialized program segments” that can be downloaded “at one time or separately when necessary to conserve space or to handle sequential presentations which evolve in real time.” ’504 Patent, col. 39, ll. 36–40. Sequential presentation is an option, but not a requirement of episodes in a series.

We affirm the PTAB’s construction of “episode” as “a program segment, represented by one or more media files, which is part of a series of related segments, e.g., a radio show or a newscast.” Further, the PTAB’s findings that both Compton/CNN and Patrick/CBC

disclose “episodes” are supported by substantial evidence. Figure 1 of CNN/Compton illustrates news stories or “episodes,” and the science news stories described in Patrick/CNN are correctly described as “episodes.”

“Updated Version of a Compilation File”

Personal Audio also disputes the PTAB’s construction of “an updated version of a compilation file,” in each of the challenged claims. The PTAB construed “compilation file” as “a file that contains episode information,” and held that “updated version” did not require construction. PTAB Op. at *5–6. The PTAB found that the claims do not require an “updated version of a compilation file” to be created only by amending a previously existing compilation file, and applied this construction to hold that Compton/CNN and Patrick/CBC both disclose an “updated version of a compilation file.”

Personal Audio argues that the “updated version of a compilation file must contain attribute data for ‘currently available episodes in said series of episodes.’” Personal Audio Br. 25 (emphasis omitted). Personal Audio states that an updated version of a compilation file must be updated by dynamically distributing previously available and newly available episodes together, and that an “over-written” updated version that contains information about episodes issued on a single day does not meet the claim limitation.

Claim 31 of the ’504 Patent includes the requirement:

from time to time, as new episodes represented in said series of episodes become available, storing an updated version of a compilation file in one of said one or more data storage servers at

a storage location identified by a predetermined URL, said updated version of said compilation file containing attribute data describing currently available episodes in said series of episodes, said attribute data for each given one of said currently available episodes

This provision describes the contents of the updated version of the compilation file as containing information about “currently available episodes.” The ’504 specification does not require the updated version of the compilation file to be created from a previously existing compilation file, and “currently available” does not require or imply a temporal limitation. The claims are directed to the content of the compilation file, not how the compilation file is created.

The PTAB found that Compton/CNN’s disclosure of automatically generating and storing a new version of the “contents.html” file with the day’s news stories is an “updated version of a compilation file.” PTAB Op. at *9–10. The PTAB also found that Patrick/CBC’s disclosure of making episodes of Quirks & Quarks available each week, along with accompanying text, satisfied the claim limitation. *Id.* at *13–14. We discern no error in the PTAB’s determination that these references disclose an “updated version of a compilation file.”

“Back-end Configuration”

The ’504 Patent claims require “one or more processors” coupled to “one or more data storage servers” and “one or more communications interfaces.” The parties refer to these components as the “back-end configuration.” The only depiction of this “back-end configuration” in the ’504 Patent describes the claimed hardware components as part of a single “host

computer” with a single processor. Figure 1 of the ’504 Patent depicts communications inter- faces 125, 127, and 129 within host server 101.

The PTAB found that the “communications interface” in the ’504 Patent is part of the host server computer. ’504 Patent, col. 5, ll. 57–66; col. 6, l. 60–col. 7, l. 9. The PTAB credited the testimony of EFF’s expert Dr. Schmandt that the hardware components related to this configuration would be “trivial to the person of ordinary skill in the art,” and that disclosure of a host server “necessarily would have included processors and a communications interface.” PTAB Op. at *11.

Personal Audio argues that the PTAB erred in holding that CNN/Compton disclosed the ’504 Patent’s “back-end configuration” of processors and servers. Personal Audio states that this claim limitation would only be taught if a reference shows two processors, because data storage servers necessarily include a processor. Personal Audio argues that the disclosure of a web server, without stating how the server is configured, does not teach this limitation.

EFF responds that Personal Audio’s “two processors” argument excludes a preferred embodiment in the ’504 Patent and moreover, that Compton/CNN discloses two processors. The PTAB found that the Compton/CNN reference discloses “one or more processors coupled to said one or more data storage servers and to said one or more communications interfaces,” as recited in claim 31. Compton/CNN discloses the “NMIS Internet server” and the “encoding station,” which is hardware performing a conversion function. Compton/CNN, Fig. 3. Because the encoding station in Compton/CNN is physically separate from

the NMIS Internet server, it reasonably must contain a separate processor. We conclude that substantial evidence supports the PTAB's findings on this issue.

We have considered all of Personal Audio's arguments, and affirm the PTAB's conclusion that the challenged claims are anticipated by the Patrick/CBC reference, and alternatively that the claims are invalid as obvious in view of the Compton/CNN reference.

CONCLUSION

The decision of the PTAB, holding claims 31–35 of the '504 Patent unpatentable, is affirmed.

AFFIRMED

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Questions and Answers

Petitions for Rehearing (Fed. Cir. R. 40) and Petitions for Hearing or Rehearing En Banc (Fed. Cir. R. 35)

Q. When is a petition for rehearing appropriate?

A. Petitions for panel rehearing are rarely successful because they most often fail to articulate sufficient grounds upon which to grant them. For example, a petition for panel rehearing should not be used to reargue issues already briefed and orally argued; if a party failed to persuade the court on an issue in the first instance, a petition for panel rehearing should not be used as an attempt to get a second "bite at the apple." This is especially so when the court has entered a judgment of affirmance without opinion under Fed.

Cir. R. 36. Such dispositions are entered if the court determines the judgment of the trial court is based on findings that are not clearly erroneous, the evidence supporting the jury verdict is sufficient, the record supports the trial court's ruling, the decision of the administrative agency warrants affirmance under the appropriate standard of review, or the judgment or decision is without an error of law.

Q. When is a petition for hearing or rehearing en banc appropriate?

A. En banc decisions are extraordinary occurrences. To properly answer the question, one must first understand the responsibility of a three-judge merits panel of the court. The panel is charged with deciding individual appeals according to the law of the circuit as established in the court's precedential opinions. While each merits panel is empowered to enter precedential opinions, the ultimate duty of the court en banc is to set forth the law of the Federal Circuit, which merit panels are obliged to follow.

Thus, as a usual prerequisite, a merits panel of the court must have entered a precedential opinion in support of its judgment for a suggestion for rehearing en banc to be appropriate. In addition, the party seeking rehearing en banc must show that either the merits panel has failed to follow identifiable decisions of the U.S. Supreme Court or Federal Circuit precedential opinions or that the merits panel has followed circuit precedent, which the party seeks to have overruled by the court en banc.

Q. How frequently are petitions for rehearing granted by merits panels or petitions for rehearing en banc accepted by the court?

A. The data regarding petitions for rehearing since 1982 shows that merits panels granted some relief in only three percent of the more than 1900 petitions filed. The relief granted usually involved only minor corrections of factual misstatements, rarely resulting in a change of outcome in the decision.

En banc petitions were accepted less frequently, in only 16 of more than 1100 requests. Historically, the court itself initiated en banc review in more than half (21 of 37) of the very few appeals decided en banc since 1982. This sua sponte, en banc review is a by-product of the court's practice of circulating every precedential panel decision to all the judges of the Federal Circuit before it is published. No count is kept of sua sponte, en banc polls that fail to carry enough judges, but one of the reasons that virtually all of the more than 1100 petitions made by the parties since 1982 have been declined is that the court itself has already implicitly approved the precedential opinions before they are filed by the merits panel.

Q. Is it necessary to have filed either of these petitions before filing a petition for certiorari in the U.S. Supreme Court?

A. No. All that is needed is a final judgment of the Court of Appeals. As a matter of interest, very few petitions for certiorari from Federal Circuit decisions are granted. Since 1982, the U.S. Supreme Court has granted certiorari in only 31 appeals heard in the Federal Circuit. Almost 1000 petitions for certiorari have been filed in that period.

October 20, 2016

**UNITED STATES COURT OF APPEALS FOR
THE FEDERAL CIRCUIT INFORMATION SHEET**

**FILING A PETITION FOR A WRIT OF
CERTIORARI**

There is no automatic right of appeal to the Supreme Court of the United States from judgments of the Federal Circuit. You must file a petition for a writ of certiorari which the Supreme Court will grant only when there are compelling reasons. (See Rule 10 of the Rules of the Supreme Court of the United States, hereinafter called Rules.)

Time. The petition must be filed in the Supreme Court of the United States within 90 days of the entry of judgment in this Court or within 90 days of the denial of a timely petition for rehearing. The judgment is entered on the day the Federal Circuit issues a final decision in your case. [The time does not run from the issuance of the mandate, which has no effect on the right to petition.] (See Rule 13 of the Rules.)

Fees. Either the \$300 docketing fee or a motion for leave to proceed in forma pauperis with an affidavit in support thereof must accompany the petition. (See Rules 38 and 39.)

Authorized Filer. The petition must be filed by a member of the bar of the Supreme Court of the United States or by the petitioner representing himself or herself.

Format of a Petition. The Rules are very specific about the order of the required information and should be consulted before you start drafting your petition. (See Rule 14.) Rules 33 and 34 should be consulted regarding type size and font, paper size, paper weight, margins, page limits, cover, etc.

Number of Copies. Forty copies of a petition must be filed unless the petitioner is proceeding in forma pauperis, in which case an original and ten copies of the petition for writ of certiorari and of the motion for leave to proceed in forma pauperis. (See Rule 12.)

Where to File. You must file your documents at the Supreme Court.

**Clerk
Supreme Court of the United States
1 First Street, NE
Washington, DC 20543
(202) 479-3000**

No documents are filed at the Federal Circuit and the Federal Circuit provides no information to the Supreme Court unless the Supreme Court asks for the information.

Access to the Rules. The current rules can be found in Title 28 of the United States Code Annotated and other legal publications available in many public libraries.

Revised December 16, 1999

[ENTERED APRIL 10, 2014]

UNITED STATES PATENT AND
TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND
APPEAL BOARD

ELECTRONIC FRONTIER FOUNDATION
Petitioner,

v.

PERSONAL AUDIO, LLC
Patent Owner.

Case IPR2014-00070
Patent 8,112,504 B2

Before SHERIDAN K. SNEDDEN, TRENTON A.
WARD, and GREGG I. ANDERSON, *Administrative
Patent Judges.*

ANDERSON, *Administrative Patent Judge.*

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

INTRODUCTION

On October 30, 2013, Electronic Frontier Foundation ("Petitioner") filed a revised Petition requesting an *inter partes* review of claims 31-35 of U.S. Patent No. 8,112,504 B2 (Ex. 1001, "the '504 patent"). Paper 6 ("Pet. "). On April 18, 2014, we granted the Petition and instituted trial for claims 31-35 of the '504 patent on less than all of the grounds of unpatentability alleged in the Petition. Paper 21 ("Decision on Institution" or "Dec.").

After institution of trial, Personal Audio, LLC ("Patent Owner") filed a Patent Owner Response. Paper 30 ("PO Resp."). Petitioner filed a Reply. Paper 34 ("Pet. Reply").

An oral hearing was held on December 17, 2014. The transcript of the hearing has been entered into the record. Paper 40 ("Tr."). We have jurisdiction under 35 U.S.C. § 6(c). This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a).

A. Related Proceedings

Petitioner indicates the '504 patent is involved in co-pending proceedings, including: (i) *Personal Audio, LLC v. CBS Corp.*, No. 2:13-cv-270 (E.D. Tex. Apr. 11, 2013); (ii) *Personal Audio, LLC v. NBC Universal Media, LLC*, No. 2:13-cv-271 (E.D. Tex. Apr. 11, 2013); (iii) *Personal Audio, LLC v. Ace Broadcasting Network, LLC*, No. 2:13-cv-14 (E.D. Tex. Jan. 7, 2013); (iv) *Personal Audio, LLC v. Howstuffworks.com*, No. 2:13-cv-15 (E.D. Tex. Apr. 10, 2013); (v) *Personal Audio, LLC v. Togi Entertainment, Inc.*, No. 2:13-cv-13 (E.D. Tex. Jan. 7, 2013); (vi) *Fox Networks Group, Inc. v. Personal Audio, LLC*, No. 1:13-cv-11794 (D. Mass. July 26,

2013); and (vii) *Personal Audio, LLC v. Fox Broadcasting Co.*, No. 2:13-cv-577 (E.D. Tex. Aug. 6, 2013). Pet. 1-2, Paper 28.

B. The '504 patent

The '504 patent broadly relates to a player for audio programming, which includes functions that allow the listener to control many aspects of the playback. Ex. 1001, 2:21-56. As relevant to the claims under consideration, the '504 patent relates to how audio program segments are distributed to client subscriber locations. Ex. 1 001, Abstract.

Figure 1 of the '504 patent is reproduced below:

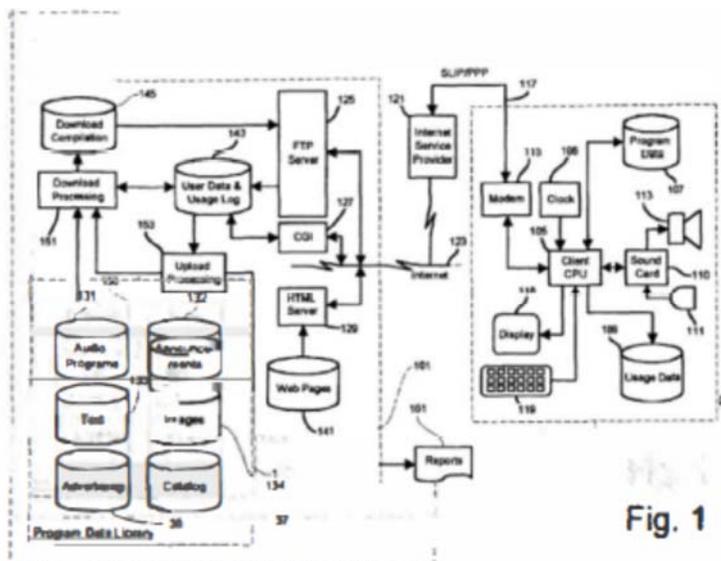


Figure 1 is a block diagram of the invention that illustrates using the Internet to connect host computer 101 to audio player 103. Ex. 1001, 4:39-42. Host server 101 periodically transmits download compilation file 145 upon receiving a request from player 103. *Id.* at 6:60-62. The compilation file

extracts data from library 130 based on the selections of the user as specified in the subscriber data and usage log database 143. *Id.* at 7:3-9. The file is placed in a predetermined FTP download file directory and assigned a filename known to the player. *Id.* at 6:62-64. Using clock 106, at a time determined by the player, a dial up connection is established via service provider 121 and the Internet to FTP server 125, and the download compilation is transferred to program data store 107 in the player. *Id.* at 6:64-71. Once downloaded, the user plays program data 107 using the functionality of the player. *Id.* at 4:44-60.

The invention includes the ability for the user to select a program segment, which may represent an episode in a series. Ex. 1001, 19:35-38. When a serialized sequence is requested, the host may download less than all of the episodes, when all are not yet available. *Id.* at 19:45-49. Episodes that have not issued yet may be selected. *Id.* at 20: 64-21:3.

C. Illustrative Claim

Claim 31 is the only independent claim challenged and is reproduced below:

31. Apparatus for disseminating a series of episodes represented by media files via the Internet as said episodes become available, said apparatus comprising:

one or more data storage servers,

one or more communication interfaces connected to the Internet for receiving requests received from remotely located client devices, and for responding to each given one of said requests by downloading a data file

identified by a URL specified by said given one of said requests to the requesting client device,

one or more processors coupled to said one or more data storage servers and to said one or more communications interfaces for:

storing one or more media files representing each episode as said one or more media files become available, each of said one or more media files being stored at a storage location specified by a unique episode URL;

from time to time, as new episodes represented in said series of episodes become available, storing an updated version of a compilation file in one of said one or more data storage servers at a storage location identified by a predetermined URL, said updated version of said compilation file containing attribute data describing currently available episodes in said series of episodes, said attribute data for each given one of said currently available episodes including displayable text describing said given one of said currently available episodes and one or more episode URLs specifying the storage locations of one or more corresponding media files representing said given one of said episodes; and

employing one of said one or more communication interfaces to:

(a) receive a request from a requesting client device for the updated version of said compilation file located at said predetermined URL;

(b) download said updated version of said compilation file to said requesting client device; and

(c) thereafter receive and respond to a request from said requesting client device for one or more media files identified by one or more corresponding episode URLs included in the attribute data contained in said updated version of said compilation files.

D. Grounds Upon Which Trial Was Instituted

Inter partes review was instituted on two ground: (1) that claims 31-35 of the '504 patent were anticipated under 35 U.S.C. § 102(a) by Patrick/CBC;¹ and (2) claims 31-35 would have been obvious under 35 U.S.C. § 103(a) over Compton/CNN.² Dec. 26.

ANALYSIS

A. Claim Construction

In an *inter partes* review, claim terms in an unexpired patent are interpreted according to their broadest reasonable construction in light of the specification of the patent in which they appear. 37 C.F.R. § 42.100(b); *In re Cuozzo Speed Techs., LLC*, 778 F.3d 1271, 1279-83 (Fed. Cir. 2015). If an inventor acts as his or her own lexicographer, the definition must be set forth in the specification with reasonable clarity, deliberateness, and precision.

¹ Andrew S. Patrick, et al, *CBC Radio on the Internet: An Experiment in Convergence*, 21 CANADIAN J. OF COMM'N 1, 125-140 (1996)("Patrick/CBC," Ex. 1012).

² Charles L. Compton, *Internet CNN NEWSROOM: The Design of a Digital Video News Magazine*, Massachusetts Institute of Technology (Aug. 10, 1995)("Compton/CNN," Ex. 1022).

Renishaw PLC v. Marposs Societa' per Azioni, 158 F.3d 1243, 1249 (Fed. Cir. 1998). The terms also are given their ordinary and customary meaning as would be understood by one of ordinary skill in the art in the context of the disclosure. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007).

1. "episode" (Claims 31-35)

Petitioner proposes "episode" be construed as "a program segment, represented by one or more media files, that is part of a series of related segments, e.g. a radio show or a newscast." Pet. 11-12; Pet. Reply 8. Petitioner notes that the Specification describes an episode as a program segment that is part of a series (i.e., a sequence of related segments). Pet. 11, (citing Ex. 1001, 19:35-42). Petitioner also argues that "program segment[s]" may be combined with other "related program segments" to form a subsection of the overall compilation. Pet. Reply 6-8 (citing Ex. 1001, 29:28-34). Petitioner argues the related program segments disclosed in the '504 patent include, among other things, world, national and local news. *Id.* (citing Ex. 1001, 30:18-25).

Patent Owner proposes that "episode" should be construed as "a program, represented by one or more media files, that is a part of a series." PO Resp. 10 (emphasis omitted). Patent Owner notes that the '504 patent references the episodes in a serialized sequence." *Id.* at n. 3. Patent Owner also cites to the Specification as stating that:

...programming may include serialized sequences of programs. A given program segment may represent an episode in a series which is selected as a group by the subscriber.

Id. (citing Ex. 1001, 19:36-37; *see* Ex. 1001, 19:35-20:11; 20:57-21:3; 39:35-46; 43-45:67; 46:1-52:11). Notwithstanding the preceding, Patent Owner argues our final construction of "episode" is not determinative of the outcome here because "episode," as well as "compilation file," are "further qualified by the plain and ordinary meaning of other claim language," which is dispositive. PO Resp. 11 (emphasis omitted).

To summarize the parties' respective positions, Petitioner proposes that episodes are related program segments. Patent Owner argues that an episode is a program, not a segment thereof: that is part of a series. At the final hearing, Patent Owner argued the difference between episodes and segments is that episodes must be related to each other, while segments are not related. Tr. 22:14-21. However, Patent Owner acknowledges that the Specification states that a given "program segment may represent an episode in a series." PO Resp. 10, n.3.

The Specification lists several forms of programming that a "subscriber may select." *See* Ex. 1001, 19:38-42.³ In that portion of the Specification cited by both parties, the only mention of "episode" states that "[a] given *program segment* may represent an episode in a series which is selected as a group by the subscriber." *Id.* at 19:36-38 (emphasis added).

³ Neither declarant proposes or argues claim construction for any claim term. *See* Declaration of Chris Schmandt ("Schmandt Declaration," Ex. 1002 ¶ 11); Declaration of Peter C. Nelson ("Nelson Declaration," Ex. 2004 ¶¶ 37-39).

In support of its construction, Patent Owner argued at the final hearing episodes are television programs. Tr. 25:14-18; 40:1-7. The Specification is not so limited and lists, among other things, news programming as part of the "overall program compilation." Ex. 1001, 29:8-12; 30:18-25. We are not persuaded by Patent Owner's argument that the Specification is limited to segments and the claims refer to episodes. *See* Tr. 26:16-20.

Neither party argued that the limitation "series of episodes," as it appears in the preamble of challenged claim 31, has any different meaning from "episode" alone. We give "series," and therefore, "series of episodes," its ordinary and customary meaning in the context of our construction of "episode."

Thus, we conclude that related program segments are included in the broadest reasonable interpretation of "episode." We construe "episode" to mean "a program segment, represented by one or more media files, which is part of a series of related segments, e.g., a radio show or a newscast."

2. "compilation file" (Claims 31-35)

Petitioner proposes "compilation file" be construed as "any file that contains information about multiple episodes and satisfies the other claim requirements." Pet. 12-13; Pet. Reply 8. Petitioner argues that the Specification describes the "compilation file" as simply an ordinary file that contains the information required by the claim. *Id.* (citing Ex. 1001, 6:60-64, 7:10-22).

Patent Owner contends that our construction of particular words or phrases is "not material" to

Patent Owner's arguments in its Response. PO Resp. 11. Rather, the words or phrases, particularly "compilation file," are "further qualified by the plain and ordinary meaning of other claim language." *Id.* (emphasis omitted). As a result of the preceding, Patent Owner has no proposed construction for "compilation file."

In our Decision on Institution we preliminarily construed compilation file as "a file that contains episode information." Dec. 8. This construction was supported by, among other things, the Specification, which describes the compilation file as "one or more subscriber and session specific files which contain the identification of separately stored sharable files." *Id.* (citing Ex. 1001, 7:10-13). Episode information in the compilation file of claim 31, which states the "compilation file contain[s]...attribute data describing currently available episodes in said series of episodes."

At the final hearing, Patent Owner objected to our preliminary construction because it included the term "episode," but did not articulate any reason for the objection to the inclusion of episode. Tr. 32: 10-14. Patent Owner argues additionally that the cited references do not include a compilation file at all. Tr. 32:15-22. However, Patent Owner does not make any specific argument regarding how we should construe "compilation file." Instead, Patent Owner's argument relies on arguments relating to its proposed construction of "episode." Tr. 33:3-34:23.

As discussed above, we also have considered the claim language, which Patent Owner argues qualifies the construction of compilation file. PO Resp. 11. Claim 31 recites, in pertinent part, "storing

an *updated version of a compilation file* in one of said one or more data storage servers at a storage location identified by a predetermined URL."⁴ Claim 31 (emphasis added). Patent Owner contends that the "updated compilation file" includes information from previous compilation files. Tr. 46:17-21. As used in claim 31, however, "updated" does modify "compilation file," but rather it modifies "version." The meaning of "updated" does not require express construction.

Thus, we determine the broadest reasonable interpretation of "compilation file" is "a file that contains episode information."

3. *"media file" (Claims 31-35)*

Petitioner proposes that "media file" be construed as "a file with content that can be reproduced as video, audio, and/or text." Pet. 13; Pet. Reply 9. Petitioner points to claims 32 and 33 as reciting that the media file includes "digital compressed audio" and/or "text data." *Id.* (citing Ex. 1001, claims 32-33). Patent Owner does not propose a meaning for the term and does not object to our preliminary construction in the Decision on Institution. *See* PO Resp. 9-11.

The Specification does not define or describe the term "media files" beyond the recitation of the term in the claims. The customary and ordinary meaning of "media" is consistent with Petitioner's proposed construction of "media files."

⁴ Claim 1, which is not challenged here, also references the "current version" of a compilation file.

Thus, we determine the broadest reasonable interpretation of "media files" is "a file with content that can be reproduced as video, audio, and/or text."

B. Obvious over Compton/CNN (Claims 31-35)

Petitioner contends that claims 31-35 of the '504 patent are obvious under 35 U.S.C. § 103 over Compton/CNN (Ex. 1022). Pet. 16, 45-59. To support this position, Petitioner presents the Schmandt Declaration. Ex. 1002 ¶¶ 72-85.

1. Compton/CNN Overview

Compton/CNN describes the design of a digital video newsroom based on the video program CNN NEWSROOM.⁵ Ex. 1022, Abstract. Compton/CNN describes that the CNN NEWSROOM uses MPEG digital video and is distributed via the World Wide Web on the Internet. *Id.*

CNN NEWSROOM is disclosed as being distributed via cable television systems as well as directly to schools via satellite. Ex. 1022, 11.⁶ Compton/CNN describes that an important aspect of the Internet deployment of CNN NEWSROOM is the development of a searchable digital library of CNN NEWSROOM programs and segments. *Id. at 14.* CNN NEWSROOM is disclosed as being archived for six months. *Id. at 15.*

⁵ Exhibit 1022 also uses "CNN Internet NEWSROOM," "Internet CNN NEWSROOM," and "Internet NEWSROOM." We generally will refer to these disclosed video programs as "CNN NEWSROOM."

⁶ Page references are to the actual page numbers of Exhibit 1022 and not to Petitioner's Exhibit pages.

Figure 1 of Compton/CNN is reproduced below.

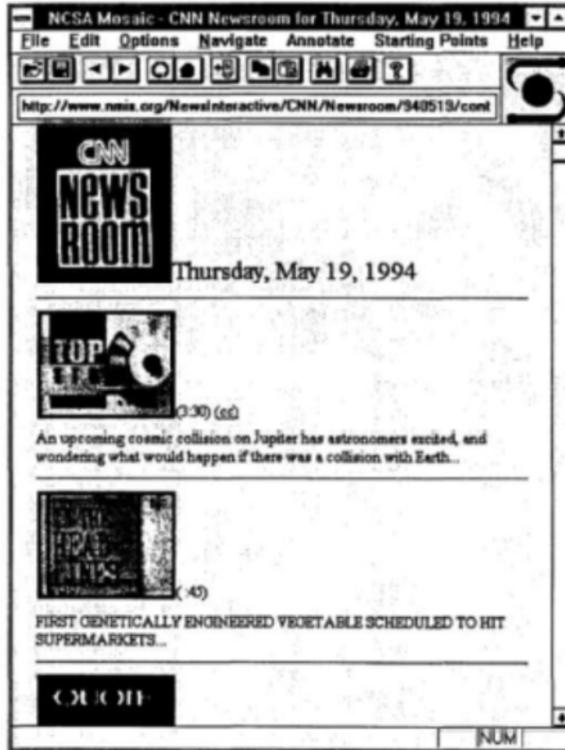


Figure 1: CNN NEWSROOM Video Magazine

Figure 1 shows the Table of Contents for a particular day's programming. Ex. 1022, 14. Figure 1 further shows the Table of Contents as an HTML document that consists of a short summary and an icon or title for each segment of the program, where a segment corresponds to a single news story. *Id.*

Figure 6 of Compton/CNN is reproduced below.

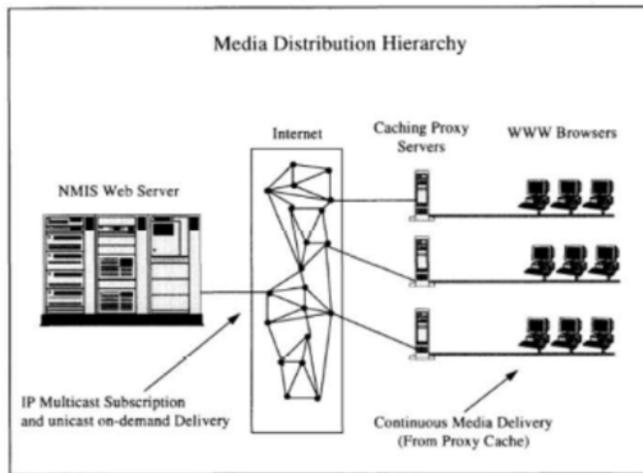


Figure 6: Media Distribution Hierarchy

Figure 6 illustrates a hardware hierarchy for network video distribution. Ex. 1022, 23-24. Caching proxy servers store video content. *Id.* Only one caching server is required for Internet connectivity. *Id.* at 23.

Ultimately, video is delivered over the Internet to the subscribing caching servers for display. Ex. 1022, 25. The programming includes past episodes of other news programs, sitcoms, and soap operas. *Id.* at 29.

2. Claims 31-35 as Obvious over Compton/CNN

We begin our obviousness analysis by determining the level of ordinary skill in the art. *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007)(citing *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966)). At the final hearing Patent Owner relied on the Nelson Declaration to argue the level of ordinary skill is not a "high level." Tr. 29: 1-12. The Nelson Declaration says the level of ordinary skill is an "undergraduate degree in computer science or a few years' experience

in working with web sites and programming." Ex. 2004 ¶ 34. We find credible the Nelson Declaration's testimony that at the time the invention was conceived, 1994-1996, web developers did not necessarily have formal training. *Id.* Petitioner agrees with Patent Owner's position. Tr. 64:21-65:2. Thus, we adopt the level of ordinary skill proposed by Patent Owner.

Petitioner contends the disputed limitations of claim 31 are taught by Compton/CNN specifically including: (1) episodes; (2) an updated compilation file; and (3) a "predetermined URL" for the compilation file. *See* Pet. Reply 1. Patent Owner statement of the issues is very similar, i.e., that neither Compton/CNN nor Patrick/CBC (discussed below) disclose claim limitations related to new episodes, updating the compilation file, and a predetermined URL for the compilation file. PO Resp. 46-47 (citing Ex. 2004 ¶¶ 18, 21, 56, 61, 63).

We first address the limitations both parties find to be in dispute. To the extent not addressed in our analysis, Patent Owner's arguments that other claim 31 limitations or dependent claim limitations are not shown will be addressed separately. *See* PO Resp. 35-37; Ex. 2004 ¶¶ 51-63.

a. Whether Compton/CNN teaches "episodes"

Petitioner argues CNN Newsroom describes a system for distributing a "video magazine" via the Internet. Pet. 53 (citing Ex. 1022, 13). Further, the video broadcast each day by CNN Newsroom is broken out into segments that each "corresponds to a single news story." *Id.* (citing Ex. 1022 at 14). Compton/CNN teaches that the segments were encoded in MPEG-1 media files. *Id.* (citing Ex. 1022

at 7). Petitioner notes that Compton/CNN explains that the same system could be used for "any other program for which users might want to be able to see past episodes (i.e., other news programs, sitcoms, soap operas ... D)]" *Id.* (citing Ex. 1022 at 29).

Petitioner argues that the "displayable text" in the Table of Contents describes the "episode," i.e., segment. Pet. 56, Pet. Reply 6. Petitioner contends the Table of Contents includes URLs specifying media files representing the "episode" which can be downloaded. *Id.* (citing Ex. 1002 ¶¶ 24-33; *see also* Ex. 1022 at 25 (user clicking on a link an entire MPEG file is downloaded to user's hard disk)).

Petitioner argues that testimony by Patent Owner's declarant, Dr. Nelson, at his deposition (Ex. 1031), supports its position that Compton/CNN teaches "episodes." Pet. Reply 6. Specifically, Dr. Nelson, at his deposition, acknowledges that, under our construction of "episode," Compton/CNN Figure 1 discloses "episodes." *Id.* (citing Ex. 1031, 88:14-24).

Patent Owner's opposition to a determination that "episodes" are not disclosed in Figure 1 of Compton/CNN relies on our accepting its construction of "episode." As discussed above, Patent Owner argues "episode" should be construed as "a program, represented by one or more media files, that is a part of a series." PO Resp. 10 (emphasis omitted). Thus, based on its proposed construction that an episode is part of a "series," Patent Owner contends the news stories of Figure 1 of Compton/CNN are "not different episodes but rather part of the single May 19, 1994 episode." *Id.* at 38. Patent Owner also argues the news segments are neither a series nor are they a program. *Id.* at 38-39.

Our construction of "episode," however, leads us to reject Patent Owner's argument that episodes must be either a program or in a given order. *See* Tr. 39:24-40:7. Nor are we persuaded that a theme between episodes is required. Tr. 38:6-11. As we noted in our construction analysis, the Specification specifically lists new programming as being part of a compilation file of "episodes." Ex. 1001, 30:18-25.

Additionally, Patent Owner argues the May 19 news segments disclosed in Compton/CNN are not "updated," as claim 31 requires. *Id.* at 39. This argument relates to the "updated version of a compilation file" limitation, which we discuss next.

Petitioner has shown sufficient evidence to establish, by a preponderance of the evidence, Compton/CNN discloses "episodes" as claimed.

b. Whether Compton/CNN teaches an "updated version of a compilation file"

Claim 31 recites that a "compilation file" is updated from "time to time, as new episodes represented in said series of episodes become available." As already discussed, the Table of Contents of Compton/CNN (*see* Figure 1 above) is relied on by Petitioner to show a "compilation file." Pet. 55 (citing Ex. 1 002 ¶ 78). Petitioner argues that the "displayable text" in the Table of Contents describes the "episode," i.e., segment. *Id.* at 56. Petitioner contends it would have been obvious to update the compilation file as new segments are produced. *Id.* at 50 (citing Ex. 1 002 ¶ 78; 1022, 13-14).

In the first instance, Patent Owner argues the Table of Contents of Compton/CNN is not a compilation file at all because it "described one

episode only." PO Resp. 40. Based on our construction of "episode" and "compilation file," there are two news segments, i.e., "episodes," identified in the Table of Contents of Compton/CNN. Accordingly, we disagree with Patent Owner's premise, that the two news segments, i.e., "episodes," identified in the Table of Contents are only a single episode. Furthermore, we are persuaded that the Table of Contents is a "compilation file" as we have construed the term, i.e., "a file that contains episode information."

Additionally, Patent Owner argues the Table of Contents page is devoted to a single day, May 19, 1994, and, therefore, is "not **updated as new episodes become available.**" PO Resp. 39 (emphasis in original). Patent Owner contends each day a different Table of Contents page at a different URL is created. *Id.*

Petitioner responds that "the fact that a contents.html file is stored at a different URL for each day does not imply that the contents.html file is not 'updated.'" Pet. Reply 3. Petitioner contends the program "contents.c" runs each day and a new version of the contents.html file "describes the news segments that became available *that day.*" *Id.* (citing Ex. 1022, Fig. 3, 18-19, 13-14)(emphasis in original). Petitioner again cites to Dr. Nelson's deposition for testimony that Compton/CNN describes updating the "contents.html" file. *Id.* (citing Ex. 1031, 91:15-18; see 90:10-91:14).

As Petitioner argues, the updated "compilation file" limitation is met if the "compilation file" is overwritten. Pet. Reply 4. Patent Owner argued at the final hearing that updating required some information be retained from the previous

compilation file. Tr. 46:17-21. Patent Owner's basis for this position is that the Table of Contents contains a single "episode," and not a series of episodes or "[a]ll of the episodes required for a compilation." Tr. 47:15-22, 48:18-23. We have determined already that the Table of Contents includes more than one segment, i.e., "episodes." There is no claim language limiting how the updating of the compilation file occurs. Claim 31 states that as "new episodes" become available, an "updated version of the compilation file" is created including the new episodes. Ex.1001, 50:52-53.

We have reviewed the Nelson Declaration, which states that Compton/CNN discloses "HTML that was present at a single point" and does not include "disclosure that the HTML was updated." Ex. 2004 ¶ 52. This is the same contention rejected above, that the Table of Contents, i.e., the "HTML ... at a single point," must be updated with new information on an ongoing basis. Other testimony from the Nelson Declaration relating to updated compilation files does not persuade us differently. *See, e.g.*, Ex. 2004 ¶ 61.

Because the claim language does not include a limitation that would prohibit creating a new file on a daily basis from being an update, we find that Compton/CNN teaches an updated compilation file. The episodes listed in one compilation file for one day which are updated for the next day are related segments concerning the news. *See* Ex. 1022, 10. The new episode is thus listed in the updated compilation file, as required by claim 31.

Even if we accept Patent Owner's argument regarding updating, we agree with Petitioner that it would have been obvious to update the Table of contents by "amendment" as opposed to creating a

new file on a daily basis. Pet. Reply 4. According to the Schmandt Declaration, the "URL is partially visible in Figure 1 - the table of contents was accessed at: [http://www.nmis.org/Newsinteractive/CNN/Newsroom/940519/cont\[ents.html\]](http://www.nmis.org/Newsinteractive/CNN/Newsroom/940519/cont[ents.html])." Ex. 1002 ¶ 78. "[I]t would require only a trivial modification to use the described system to create an updated table of contents HTML file at a single predetermined URL, such as 'todaysnews.html.'" *Id.* ¶ 79. We are persuaded by a preponderance of the evidence that Petitioner's rationale for obviousness is supported by rational underpinnings. *KSR* 550 U.S. at 418. For example, Compton/CNN already archives past programming on the server, making that programming separately accessible to users. *See* Ex. 1022, 15. We agree that making all the programming available at a single URL would have been a "trivial modification" obvious to a person of ordinary skill in the art. *See, e.g.,* Ex. 1002 ¶ 79.

Petitioner has shown sufficient evidence to establish, by a preponderance of the evidence, Compton/CNN discloses an updated "compilation file" as claimed.

c. Whether Compton/CNN includes a "predetermined URL"

Compton/CNN discloses the automatic generation of a WWW user interface for daily content. Ex. 1022, 7. Further, Compton/CNN captures video using the FTP protocol and delivers the files to the server. *Id.* at 22. Compton/CNN discloses links to the listed content in its teaching that "[c]ustom software agents have been developed to automatically generate the WWW user interface for the service based on daily content." *Id.* at 7. Compton/CNN goes on to state

"[t]his means that results can be delivered to any host on the Internet supporting the ftp protocol." *Id.* at 22. Petitioner relies upon these disclosures and the testimony in the Schmandt Declaration to argue links in the Table of Contents would be understood to be unique episode URLs. Pet. 55 (citing Ex. 1002 ¶ 77).

Patent Owner again contends that the Table of Contents of Compton/CNN discloses a single episode only and not a series of episodes. PO Resp. 39. The Nelson Declaration is cited for support that Compton/CNN does not disclose "a single predetermined URL where a user can access multiple episodes of a series of episodes at a single place." *Id.* at 47 (citing Ex. 2004 ¶¶ 58-59). This argument is not persuasive for reasons already discussed. Specifically, the Table of Contents includes information about at least two episodes.

Petitioner has shown sufficient evidence to establish, by a preponderance of the evidence, Compton/CNN discloses a "predetermined URL" as claimed.

d. Additional Claim Limitations

Patent Owner argues other limitations of claim 31 and the dependent claims are not taught by Compton/CNN. PO Resp. 35-37; Ex. 2004 ¶¶ 51-63. Patent Owner provides a claim chart reproducing in bold claim limitations it contends are not disclosed or suggested by Compton/CNN. PO Resp. 35-37; Ex. 2004 ¶¶ 51-63. The claim chart is unpersuasive that any claim limitation is missing.

Patent Owner does not argue the computer components claimed, i.e., servers, communications interfaces, processors, or requesting client device, are not disclosed to a person of ordinary skill. *See* Tr. 29:

13-30:2; 42:7-44:4. The Schmandt Declaration supports the conclusion that the presence of such components would be trivial to the person of ordinary skill in the art. Ex. 1002 ¶ 47 (disclosure of a "server . . . necessarily would have included processors and a communication interface").⁷

Patent Owner additionally cites to the Nelson Declaration for its contention that Compton/CNN lacks disclosure of certain claim limitations. PO Resp. 45-47. Patent Owner's Response states that the Nelson Declaration "[i]n essence" supports the Response. *Id.* at 46. As specifically pertinent to Compton/CNN, Patent Owner restates the argument we rejected above that "at most, Compton/CNN discloses HTML that was present at a single point." *Id.* at 47 (citing Ex. 2004 ¶¶ 52, 58-59).

We have reviewed paragraphs 51 through 63 of the Nelson Declaration. *See* Ex. 2004 ¶¶ 51-63. These paragraphs discuss Compton/CNN, alleging limitations discussed previously here are not present and alleging the Schmandt Declaration is conclusory regarding obviousness. *Id.* The Nelson Declaration presents no new arguments for our consideration regarding claim 31.

e. Dependent Claims 32-35

We also have reviewed the Petitioner's argument and evidence and claim charts in connection with dependent claims 32-35. Pet. 51-53, 57-59. The

⁷ Although this testimony relates specifically to the Geek of the Week references (Exs. 1008-1011, 1019-1020, and 1023-1028), on which we did not institute trial, we credit it for the discussion of basic Internet hardware components.

argument is supported by the Schlundt Declaration. Ex. 1002 ¶¶ 82-85.

Patent Owner goes through the limitations of claims 32-35 in the Examiner's Reasons for Allowance section discussed immediately below. PO Resp. 45. Patent Owner makes no specific argument regarding the dependent claims other than stating that the elements argued as not taught by Compton/CNN in connection with claim 31 are likewise missing from the dependent claims 32-35. *Id.* at 44. This argument is unpersuasive for reasons discussed above in connection with claim 31.

f. Examiner's Reasons for Allowance

Patent Owner contends the grounds under review do not address the Examiner's Reasons for Allowance. PO Resp. 43-45. The Reasons for Allowance states, in part:

The prior art does not provide for nor suggest for updating/downloading current version of a compilation file containing attribute data describing episodes and including one or more episode URLs identifying one or more corresponding media files representing said given one of said episodes.

PO Resp. 44 (*see* Prosecution History of 504 patent, Ex. 2002, 2) (emphasis omitted).

We are not bound by an Examiner's determinations in the prosecution of a patent in an *inter partes* review proceeding. To the extent Patent Owner points out that the Examiner had reasons for allowing the claims, we acknowledge those reasons. The record here does not disclose that the Examiner

was considering the Compton/CNN reference when drafting the Reasons for Allowance.

3. Conclusion Regarding Claims 31-35 as Obvious over Compton/CNN

Petitioner has shown sufficient evidence to establish, by a preponderance of the evidence, that claims 31-35 would have been obvious under 35 U.S.C. § 103(a) over Compton/CNN.

C. Claims 31-35 as Anticipated by Patrick/CBC

Petitioner alleges Patrick/CBC is prior art anticipating claims 31-35 of the '504 patent under 35 U.S.C. § 102(a).⁸ Pet. 16, 35-45. Petitioner relies on the Schmandt Declaration to support its position. Ex. 1002 ¶¶ 58-71. Petitioner's supporting argument for anticipation relies heavily on the Schmandt Declaration and what a person of ordinary skill would understand from what is disclosed in the four corners of the Patrick/CBC reference. *See, e.g.*, Ex. 1002 ¶¶ 66-67; *see* Tr. 17: 17-20.

Patent Owner contends that Petitioner must rely on inherency to find that Patrick/CBC discloses certain claim limitations. PO Resp. 26. Patent Owner's statement is based on Petitioner's reliance on the Schmandt Declaration for what a person of ordinary skill would understand from Patrick/CBC, as well as our analysis in the Decision on Institution. *Id.*

In order for a prior art reference to serve as an anticipatory reference, it must disclose every limitation of the claimed invention, either explicitly or

⁸ The '504 patent was filed prior to the effective date of § 102, as amended by the AIA-March 16, 2013-and is governed by the pre-AIA version of § 102(a). *See* AIA § 3(n)(1).

inherently. *In re Schreiber*, 128 F.3d 1473, 1477 (Fed. Cir. 1997). We must analyze prior art references as a skilled artisan would. *See Scripps Clinic & Res. Found. v. Genentech, Inc.*, 927 F.2d 1565, 1576 (Fed. Cir. 1991), *overruled on other grounds by Abbott Labs. v. Sandoz, Inc.*, 566 F.3d 1282 (Fed. Cir. 2009) (to anticipate, '[t]here must be no difference between the claimed invention and the reference disclosure, as viewed by a person of ordinary skill in the field of the invention'). As the Federal Circuit has held:

This modest flexibility in the rule that "anticipation" requires that every element of the claims appear in a single reference accommodates situations where the common knowledge of technologists is not recorded in the reference; that is, where technological facts are known to those in the field of the invention, albeit not known to judges. It is not, however, a substitute for determination of patentability in terms of § 103.

Cont'l Can Co. USA v. Monsanto Co., 948 F.2d 1264, 1268-69 (Fed. Cir. 1991). A claim limitation is inherent if it is necessarily present in the prior art, not merely probably or possibly present. *Akami Techs., Inc. v. Cable & Wireless*, 344 F.3d 1186, 1192 (Fed. Cir. 2003).

As with Compton/CNN, with respect to Patrick/CBC, the parties focus on claim limitations related to episodes, updating the compilation file and a predetermined URL for the compilation file. Pet. Reply 1: PO Resp. 46-47 (citing Ex. 2004 ¶¶ 18, 21, 56, 61, 63).

1. Patrick/CBC Overview

Patrick/CBC discloses an experimental trial to determine, among other things, if there was any demand for regular radio programming distributed as digital audio files over the Internet. Ex. 1012, Abstract. Patrick/CBC alleges that the trial is "the first time that audio programs produced for traditional radio broadcasts have been made available on the Internet on a regular basis." *Id.* at 2.⁹ CBC Radio programming was stored on a server and the resulting program files were made available using standard Internet server software. *Id.* at 2-3.

a. Whether Patrick/CBC discloses "episodes"

Patrick/CBC discloses radio programming on the Internet, including *Quirks & Quarks*, a science magazine show. Ex. 1012, 5. The show was updated regularly on the server. *Id.* Petitioner cites to the preceding disclosure to meet the "episode" limitation. Pet. 40 (citing Ex. 1 002 ¶ 60). Patent Owner makes no specific challenge that Patrick/CBC discloses episodes, focusing instead on the "compilation file" and "predetermined URL" limitations. PO Resp. 15-16. Petitioner has shown sufficient evidence to establish, by a preponderance of the evidence, that Patrick/CBC discloses "episodes" as claimed.

b. Whether or not Patrick/CBC discloses an "updated version of a compilation file"

Petitioner cites generally to a server which automatically is updated with new programming. Pet. 41-42 (citing Ex. 1012, 3; *see* Ex. 1012, 5). For example, "the *Quirks & Quarks* science magazine

⁹ Page references are to the actual page numbers of Exhibit 1012, and not Petitioner's Exhibit pages.

show was recorded each week, broken down into its component parts, and made available on the server." *Id.* at 42 (citing Ex. 1012, 7). Further, "users could select those portions of the show that interested them and download the appropriate audio file." Pet. Reply 11-12 (citing Ex. 1012, 5). Petitioner cites this disclosure as showing the compilation file. Pet. 42, Pet. Reply 11-12. The Schmandt Declaration cites to Patrick/CBC's disclosure that radio shows are stored on a server in an HTML file at <ftp://www.radio.cbc.ca> or <http://www.radio.cbc.ca/>. Ex. 1002 ¶ 64. Based on these disclosures from Patrick/CBC, the Schmandt Declaration concludes "[a]n ordinary artisan would understand this to mean an HTML file (i.e. a compilation file)." *Id.*

Given our construction of "compilation file" as "a file that contains episode information," we agree that a person of ordinary skill would conclude that Patrick/CBC necessarily discloses a "compilation file." Pet. 42 (citing Ex. 1002 ¶¶ 63-66). Patent Owner's declarant, in the Nelson Declaration, provides no analysis as to why Patrick/CBC does not disclose a "compilation file." *See* Ex. 2004 ¶¶ 49-57. More importantly, none of the testimony questions whether a person of ordinary skill would understand the disclosure of Patrick/CBC to meet the recited limitation necessarily.

Claim 31 specifically recites that the updated "compilation file" includes "attribute data for each given one of said currently available episodes including *displayable text* describing said given one of said currently available episodes." (Emphasis added). Patent Owner contends that Patrick/CBC does not show the "displayable text" limitation. PO Resp. 16. At the final hearing Petitioner argued, however, that

a person of ordinary skill in the art would recognize that a compilation file is present, even though no "picture" of such a compilation file exists. Tr. 17: 1-22.

We have reviewed the Schmandt Declaration and are persuaded that a person of ordinary skill would conclude that Patrick/CBC necessarily includes "displayable text" associated with the "compilation file." We credit the testimony in the Schmandt Declaration that Patrick/CBC discloses that "[e]ach show has a menu attached to it to describe the contents of the various parts." Ex. 1002 ¶ 64 (citing Ex. 1012, 7). Users would then "select" recordings that were of interest to them. *Id.* (citing Ex. 1012, 3). Although Patrick/CBC does not state expressly that the menu includes "displayable text," the menu selection lists the programs the user may select and necessarily is "displayed" so the user may select the programming.

Petitioner has shown sufficient evidence to establish, by a preponderance of the evidence, Patrick/CBC discloses updating the "compilation file" as claimed.

c. Whether Patrick/CBC discloses a "predetermined URL"

The Schmandt Declaration again cites to the disclosure that the server could be accessed at ftp://www.radio.cbc.ca or http://www.radio.cbc.ca/ as disclosing a "predetermined URL." Ex. 1002 ¶ 64 (citing Ex. 1012, 7). The Schmandt Declaration concludes an "ordinary artisan would understand this to mean an HTML file (i.e. a compilation file) with links to the episodes was stored at a predetermined URL." *Id.* As noted above, the Nelson Declaration does not contradict this testimony.

Patent Owner argues that Mr. Schmandt admitted in his deposition that he did not know the specific URL of the "compilation file," but it must exist for users to select audio programming. PO Resp. 19-20 (citing Ex. 2002, 13:19-24). Patent Owner acknowledges one of ordinary skill could "perhaps" infer program segments include URLs. These arguments, however, tend to support the Schmandt Declaration that URLs are present in Patrick/CBC for the selected programming.

Petitioner has shown sufficient evidence to establish, by a preponderance of the evidence, that Patrick/CBC discloses "predetermined URLs" for the selected programming.

d. Enablement

The Nelson Declaration asserts Patrick/CBC is not enabled because code is not disclosed to effect its functionality. Ex. 2004 ¶ 55. Dr. Nelson at his deposition acknowledged that creating and updating an HTML website was within the level of ordinary skill. *See* Pet. Reply 13 (citing Ex. 1031, 77:19-82:10). Thus, we do not agree that code disclosure is required for enablement.

f. Dependent Claims 32-35

We also have reviewed the Petitioner's argument and evidence and claim charts in connection with dependent claims 32-35. Pet. 44-45; 57-59. The argument is supported by the Schmandt Declaration. Ex. 1002 ¶¶ 68-71. Patent Owner makes no specific argument regarding the dependent claims other than stating the elements argued as not disclosed in Patrick/CBC. PO Resp. 17-19.

Petitioner has shown sufficient evidence to establish, by a preponderance of the evidence, Patrick/CBC discloses the limitations of dependent claims 32-35.

3. Conclusion Regarding Claims 31-35 as Anticipated by Patrick/CBC

Petitioner has shown sufficient evidence to establish, by a preponderance of the evidence, that claims 31-35 are anticipated under 35 U.S.C. § 102(a) by Patrick/CBC.

CONCLUSION

Petitioner has shown by a preponderance of the evidence that claims 31-35 would have been obvious over Compton/CNN and anticipated by Patrick/CBC.

ORDER

For the reasons given, it is

ORDERED that Petitioner has shown by a preponderance of the evidence that claims 31-35 of U.S. Patent No. 8,112,504 B2 are unpatentable; and

FURTHER ORDERED that, because this is a final written decision, parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

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[ENTERED NOVEMBER 1, 2017]

NOTE: This order is nonprecedential.

**UNITED STATE COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

PERSONAL AUDIO, LLC,

Appellant,

v.

ELECTRONICFRONTIER FOUNDATION,

Appellee.

2016-11 23

Appeal from the United States Patent and Trademark Office, Patent Trial and Appeal Board in No. IPR2014-00070.

**ON PETITION FOR PANEL REHEARING AND
REHEARING EN BANC**

Before PROST, *Chief Judge*, NEWMAN, LOURIE, CLEVINGER*, DYK, MOORE, O'MALLEY, REYNA, WALLACH, TARANTO, CHEN, HUGHES, and STOLL, *Circuit Judges*.

PER CURIAM.

ORDER

Appellant Personal Audio, LLC filed a combined petition for panel rehearing and rehearing en banc. A response to the petition was invited by the court and filed by appellee Electronic Frontier Foundation. The petition was referred to the panel that heard the appeal, and thereafter the petition for rehearing en banc was referred to the circuit judges who are in regular active service.

Upon consideration thereof,

IT IS ORDERED THAT:

The petition for panel rehearing is denied.

The petition for rehearing en banc is denied.

The mandate of the court will issue on November 8, 2017.

FOR THE COURT

/s/ Peter R. Marksteiner
Peter R. Marksteiner

November 1, 2017

Date

* Circuit Judge Clevenger participated only in the decision on the petition for panel rehearing.

[ENTERED JULY 17, 2015]

UNITED STATES PATENT AND
TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND
APPEAL BOARD

ELECTRONIC FRONTIER FOUNDATION

Petitioner,

v.

PERSONAL AUDIO, LLC

Patent Owner.

Case IPR2014-00070

Patent 8,112,504 B2

Before SHERIDAN K. SNEDDEN, TRENTON A.
WARD, and GREGG I. ANDERSON,
Administrative Patent Judges.

ANDERSON, *Administrative Patent Judge.*

DECISION

Request for Rehearing

37 CFR § 42.71(d)

INTRODUCTION

On October 30, 2013, Electronic Frontier Foundation (“Petitioner”) filed a revised Petition requesting an *inter partes* review of claims 31–35 of U.S. Patent No. 8,112,504 B2 (Ex. 1001, “the ’504 patent”). Paper 6 (“Pet.”). On April 18, 2014, we granted the Petition and instituted trial for claims 31–35 of the ’504 patent on less than all of the grounds of unpatentability alleged in the Petition. Paper 21 (“Decision on Institution” or “Dec.”). After institution of trial, Personal Audio, LLC (“Patent Owner”) filed a Patent Owner Response. Paper 30 (“PO Resp.”). Petitioner filed a Reply. Paper 34 (“Pet. Reply”).

An oral hearing was held on December 17, 2014. The transcript of the hearing has been entered into the record. Paper 40 (“Tr.”). In our Final Written Decision entered April 10, 2015 (Paper 41, “Final Decision” or “Final Dec.”), we determined that Petitioner had shown by a preponderance of the evidence that claims 31–35 of the ’504 patent are unpatentable because: (1) they would have been obvious under 35 U.S.C. § 103 over Compton/CNN (Ex. 1022); and (2) they are anticipated under 35 U.S.C. § 102(a) by Patrick/CBC (Ex. 1012). Final Dec. 28.

Patent Owner requests rehearing of our Final Decision (Paper 43, “Request” or “Req. Reh’g”). Patent Owner’s grounds for rehearing are that the Final Decision: (1) violates its Seventh Amendment right to trial by jury (Req. Reh’g. 2–8); (2) violates the Due Process Clause (Req. Reh’g. 8–9); and (3) permitted impermissibly an argument allegedly first made by Petitioner at the oral hearing relating to an “updated version” of “compilation file” (Req. Reh’g. 10–12).

For at least the reasons that follow, Patent Owner's Request for Rehearing is denied.

ANALYSIS

A. Standard Applied

The applicable standard for a request for rehearing is set forth in 37 C.F.R. § 42.71(d), which provides in relevant part:

A party dissatisfied with a decision may file a request for rehearing, without prior authorization from the Board. The burden of showing a decision should be modified lies with the party challenging the decision. The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, opposition, or a reply.

B. Patent Owner's Arguments

1. Right to Trial by Jury

Patent Owner contends our Final Decision violated its right to trial by jury as protected by the Seventh Amendment. Req. Reh'g. 2–8. This contention is based on a verdict by a jury in the Eastern District of Texas (“District Court”) which found that Compton/CNN did not render obvious or anticipate any of claims 31–35 of the '504 patent. *Id.* at 4. Patent Owner alleges it “submitted the jury’s factual findings to the PTAB” and our Final Decision overturned those factual findings. *Id.* In addition, Patent Owner argues our record “lacked substantial evidence that it would have been obvious to modify the prior art, such as Compton.” *Id.* at 6. Arguing the

facts from the District Court, Patent Owner cites to a transcript of the testimony from the trial. *Id.* at 6–7 (citing Ex. 2005¹).

Patent Owner did not argue in its Response or at oral hearing that we were constrained to follow the jury verdict. Neither did Patent Owner argue that our *inter partes* review of the '504 patent violated Patent Owner's right to trial by jury.

In sum, the right to trial by jury argument was not made during the trial. Patent Owner's cited evidence in support of the Request was never made of record. A request for rehearing is not an opportunity to present new arguments or evidence that could have been presented in the Response. 37 C.F.R. § 42.71(d). For at least these reasons, Patent Owner has failed to show we misapprehended or overlooked any evidence or argument of record relating to its Seventh Amendment argument.

2. *Due Process*

Patent Owner next argues its rights under the Due Process Clause are violated by the *inter partes* review process. Req. Reh'g. 8–9. Patent Owner contends due process is not afforded it because, among other things, the IPR process generally lacks “procedural safeguards,” like those provided by the Federal Rules of Civil Procedure. *Id.* at 4.

Regardless, Patent Owner makes no argument specific to the current case. Rather, its argument is directed generally to the *inter partes* review process. Again, this argument was not presented during the

¹ District Court transcript, Case 2:13-cv-270, Rodney Gilstrap, United States District Judge.

trial of this case. The Request is devoid of any allegation that we misapprehended or overlooked any argument or evidence relating to the due process argument.

3. *Construction of “updated version of a compilation file”*

Patent Owner argues that our construction of “updated version” of a “compilation file” was wrong. Req. Reh’g. 10. First, it disputes our adoption in the Final Decision of our preliminary construction of “compilation file” from the Institution Decision (“Inst. Dec.,” Paper 21, 8). *Id.* Second, it argues we adopted an argument in the Final Decision presented by Petitioner that was asserted for the first time at the oral hearing. *Id.* (citing Tr., 7–9).

The Final Decision construed “compilation file” as “a file that contains episode information.” Final Dec. 10. The construction was the same as was determined in the Institution Decision. Inst. Dec. 8. At the oral hearing, Patent Owner did not propose a definition for “compilation file” objecting only to inclusion of the word “episode” in the construction. Final Dec. 9 (citing Tr., 32:10–14). The phrase in claim 1 “updated version of a compilation file” was also analyzed in the Final Decision. Final Dec. 25–27.

Patent Owner’s argues generally that our construction contradicts the ordinary meaning and “violates the procedural safeguards” set forth in the rules relating to *inter partes* review. Req. Reh’g. 10. That Patent Owner disagrees with our analysis is not a basis for a request for rehearing.

Patent Owner cites to the oral hearing transcript where an argument was made by Petitioner that the

contents.html file of Compton/CNN is the claim limitation for “updated version of a compilation file.” Req. Reh’g. 11 (citing Tr., 7–9). However, Petitioner made the same argument in its Petitioner’s Reply, responding to Patent Owner’s Response at page 39. See Pet. Reply 3–5. The argument made was proper rebuttal and Patent Owner’s contention that the argument was not presented previously is incorrect and does not establish a basis for rehearing.

CONCLUSION

Patent Owner has not carried its burden of demonstrating that our Final Decision determining that claims 31–35 of the ’504 patent are unpatentable under 35 U.S.C. §§ 102 or 103 misapprehended or overlooked any matters or that the Board abused its discretion. 37 C.F.R. § 42.71(d).

For the foregoing reasons, it is

ORDERED that Patent Owner’s Request for Rehearing is *denied*.

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