

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD;
SAMSUNG ELECTRONICS AMERICA, INC.;¹
HTC CORP., and
HTC AMERICA, INC.,
Petitioners,

v.

AFFINITY LABS OF TEXAS, LLC,
Patent Owner.

Case IPR2014-00407²
Patent 8,359,007 B2

Before KEVIN F. TURNER, LYNNE E. PETTIGREW, and
JON B. TORNQUIST, *Administrative Patent Judges*.

TORNQUIST, *Administrative Patent Judge*.

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

¹ Petitioner represents that Samsung Telecommunications America, LLC, an originally-named Petitioner in this case, was merged into Samsung Electronics America, Inc. on January 1, 2015. Paper 33, 1.

² As noted below, IPR2014-00408 was joined and consolidated with IPR2014-00407.

I. BACKGROUND

Samsung Electronics Co., Ltd., Samsung Electronics America, Inc., Samsung Telecommunications America, LLC, LG Electronics, Inc., LG Electronics U.S.A., Inc., LG Electronics Mobilecomm USA, Inc., HTC Corp., and HTC America, Inc.³ (collectively, “Petitioner”) filed Petitions in IPR2014-00407 (Paper 8, “Pet.”) and IPR2014-00408 (Paper 7, “-00408 Pet.”)⁴ requesting *inter partes* review of claims 1, 2, 5–8, and 10 of U.S. Patent No. 8,359,007 B2 (“the ’007 patent”). The owner of the ’007 patent, Affinity Labs of Texas, LLC (“Patent Owner”), filed Preliminary Responses to the Petitions. Paper 12; -00408 Paper 11.

Pursuant to 35 U.S.C. § 314, the Board instituted trial as to claims 1, 2, 5–8, and 10 of the ’007 patent on the following grounds:

1. Whether claims 1, 2, 5–8, and 10 are unpatentable under 35 U.S.C. § 103(a) as having been obvious over Treyz⁵ and Fuller;⁶ and

³ On July 9, 2014, we granted a request for adverse judgment submitted by LG Electronics, Inc., LG Electronics U.S.A., Inc., and LG Electronics Mobilecomm USA, Inc. Paper 14. Accordingly, the LG petitioners are no longer participating in these proceedings.

⁴ Documents filed in IPR2014-00407 are identified by paper number. Unless otherwise noted, documents filed in IPR2014-00408 are identified by the additional prefix “-00408”. Exhibits filed by Petitioner in IPR2014-00407 are identified by the prefix “11XX” and exhibits filed in IPR2014-00408 are identified by the prefix “10XX”.

⁵ Ex. 1004, U.S. Patent No. 6,678,215 B1 (Jan. 13, 2004).

⁶ Ex. 1006, U.S. Patent No. 6,711,622 B1 (Mar. 23, 2004).

2. Whether claims 1, 2, 5–8, and 10 are unpatentable under 35 U.S.C § 103(a) as having been obvious over Hitson⁷ and Fuller.

Paper 15 (“Dec. on Pet.”); -00408 Paper 14 (“-00408 Dec. on Pet.”).

Following institution, we joined and consolidated IPR2014-00407 and IPR2014-00408 and terminated the proceedings in IPR2014-00408.

Paper 27, 3. During trial, Patent Owner filed a consolidated Patent Owner Response (Paper 32, “PO Resp.”), and Petitioner filed a consolidated Reply (Paper 34, “Reply”).

Petitioner filed a Motion to Exclude portions of the Declaration of Dr. Lin Zhong (Ex. 2103), as well as certain exhibits relied upon by Dr. Zhong. Paper 38 (“Pet. Mot. to Exc.”). Patent Owner filed an Opposition to the Motion to Exclude (Paper 42, “PO Opp. to Mot. to Exc.”), and Petitioner filed a Reply (Paper 45, “Reply to PO Opp. to Mot. to Exc.”).

Patent Owner filed a Motion to Exclude all exhibits submitted with Petitioner’s Reply. Paper 35 (“PO Mot. to Exc.”). Petitioner filed an Opposition to the Motion to Exclude (Paper 43, “Pet. Opp. to Mot. to Exc.”), and Patent Owner filed a Reply (Paper 44, “Reply to Pet. Opp. to Mot. to Exc.”).

An oral hearing was held on April 1, 2015 (Paper 47, “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) and 37 C.F.R. § 42.73.

For the reasons that follow, we determine that Petitioner has shown by a preponderance of the evidence that claims 1, 2, 5–8, and 10 of the ’007 patent are *unpatentable*.

⁷ Ex. 1104, U.S. Patent Application 2002/0010759 A1 (Jan. 24, 2002).

A. Related Proceeding

The parties indicate that the '007 patent is being asserted in *Affinity Labs of Texas, LLC v. Samsung Electronics Co.*, No. 1:12-cv-557 (E.D. Tex.). Paper 11; Pet. 5.

B. The '007 Patent

The '007 patent is directed to a system for content delivery in which “a user may interact with the Internet to select information, such as audio information, and wirelessly communicate the selected information to an electronic device.” Ex. 1101, 1:21–23, 2:55–58. Selectable audio information may include “songs, on-line radio stations, on-line broadcasts, streaming audio, or other selectable information.” *Id.* at 2:63–64.

A broad array of electronic devices are contemplated for use in the '007 system, including: “a network radio, a modular device, an audio system, a personal digital assistant (PDA), a cellular phone, or other electronic devices operable to receive information wirelessly.” *Id.* at 4:33–38. In one embodiment, using a display and web browser incorporated in the electronic device, a user may review content available on an Internet website. *Id.* at 7:26–28, 8:17–20, 9:16–21. By selecting displayed links for the available content, a user may cause desired songs or videos to be downloaded to the user’s device. *Id.* at 7:26–35.

In one embodiment of the '007 patent, different portions of the selected content are delivered at different communication rates:

For example, the selected audio information may first be transmitted to the electronic device via high-speed communication until enough information has been wirelessly communicated and buffered into a memory device operably associated with the electronic device. Upon communication of a certain percentage of the selected audio information, slower

communication speeds may then be used to communicate additional selected audio information.

Id. at 6:6–13.

C. Illustrative Claim

Of the challenged claims, claims 1 and 7 are independent. Claim 1 is illustrative of the claims at issue and is reproduced below:

1. A system comprising:

a cellular telephone comprising a display, a non-volatile memory, and a processing device operable to execute instructions stored in the non-volatile memory;

a browser saved locally at the cellular telephone and configured to facilitate accessing of a web page; and

a collection of instructions stored in the non-volatile memory and operable to direct the cellular telephone to request a list of network addresses for a plurality of portions of an available media, to request delivery of a first portion of the available media such that the first portion is delivered at a first communication rate, and to request delivery of a second portion of the available media such that the second portion is delivered at a second communication rate that is different than the first communication rate.

Ex. 1101, 18:21–36.

II. 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*, No. 2014-1301, 2015 WL 4097949, at *5–7 (Fed. Cir. July 8, 2015) (confirming that the broadest reasonable

construction standard was properly adopted by PTO regulation). In determining the broadest reasonable construction, we presume that claim terms carry their ordinary and customary meaning. *See In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007). This presumption may be rebutted when a patentee, acting as a lexicographer, sets forth an alternate definition of a term in the specification with reasonable clarity, deliberateness, and precision. *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994).

In both Decisions to Institute, we construed the term “portions of an available media” as “parts of the content accessible from a source of audio, video, and/or textual information, such as songs or stations in a playlist or parts of an Internet radio broadcast.” Dec. on Pet. 6; -00408 Dec. on Pet. 6. In IPR2014-00408, we also construed the term “cellular phone”⁸ as a “telephone with access to a cellular radio system so it can be used over a wide area, without a physical connection to a network.” -00408 Dec. on Pet. 7. Neither party challenges these constructions or proposes constructions for any remaining claim terms. PO Resp. 9 (“The Board adopted the plain and ordinary meaning of the term ‘cellular phone’ in its Order instituting *inter partes* review.”); Reply 2. Accordingly, based on the complete record now before us, we maintain our previous constructions of the terms “cellular phone” and “portions of an available media,” and will give all other claim terms their broadest reasonable construction in light of the specification. *See* 37 C.F.R. § 42.100(b).

⁸ Throughout the Decision, we use the terms “celluar phone” and “cellular telephone” interchangeably.

*B. Patentability of Claims 1, 2, 5–8, and 10
Over Treyz and Fuller*

Petitioner contends that claims 1, 2, 5–8, and 10 are unpatentable under 35 U.S.C. § 103 as obvious over Treyz and Fuller. We have reviewed the Petition, the Patent Owner Response, and Petitioner’s Reply, as well as the relevant evidence cited by each party, and are persuaded, by a preponderance of the evidence, that claims 1, 2, 5–8, and 10 would have been obvious over Treyz and Fuller.

1. Treyz

Treyz is directed to devices that receive and process audio signals “other than traditional radio broadcasts.” Ex. 1004, 1:25–28, 8:28–40. Treyz primarily describes the invention in terms of a clock radio, but instructs that the invention “may also be applied to audio devices other than clock radios such as stereos, portable digital audio players, automobile personal computers, web appliances, personal computers with audio cards and speakers, etc.” *Id.* at 1:61–64, 8:36–40.

The Treyz device contains a display, non-volatile memory, and a processor. *Id.* at 1:48–51, 12:46–55, Fig. 10a; Ex. 1017 ¶¶ 33, 34, 37. The device also has “built-in telephone functions” permitting the device to place and receive calls using “cellular telephone transmissions.” *Id.* at 1:65–2:2, 2:22–35, 3:13–14, 16:52–60. If an incoming call is not answered, the Treyz device may store “messages like an answering machine.” *Id.* at 3:14–16. The device may also communicate over wired means, such as “universal serial bus” or “IEEE 1394 (FireWire)” cable connections. *Id.* at 1:65–2:2, 2:22–35, 2:41, 7:62–64, 13:36–41, Fig. 10a.

A web browser, incorporated into the alarm clock, may interact with the Internet to review and select available Internet radio stations. *Id.* at

6:14–15, 18:12–16, Fig. 9b. A user selects these Internet radio stations “by clicking on links for stations that the user is interested in or by otherwise selecting the proper Internet addresses for the desired stations.” *Id.* at 5:32–38. The selected radio stations then may be streamed to the user’s device in real time and buffered using local memory to improve audio quality. *Id.* at 1:56–60.

Treyz discloses that it is “relatively easy” to move the wireless device, which “may be located in the home or in any other suitable location.” *Id.* at 7:10–11, 11:11–12. The device may also be “implemented using a mobile platform such as a car radio, automobile personal computer, etc.” that communicates using, *inter alia*, “bidirectional cellular links.” *Id.* at 24:22–29.

2. Fuller

Fuller is directed to a system for providing streaming audio and video data to multiple users. Ex. 1006, 1:15–17. In Fuller, a web browser is used to review and select links for available content on a network, such as an audio jukebox or a collection of available internet radio stations. *Id.* at 4:46–49, 8:30–36, Figs. 1–3. When a desired link is selected, the user is asked to identify the transmission speed of the connection and the desired video frame rate. *Id.* at Figs. 4, 5. Based on the information provided, the server then selects an appropriate rate of transmission for the selected audio or video content. *Id.* at 10:56–11:6.

In Fuller, the server transmits one or more Java applets to the client. *Id.* at 8:37–41. These applets serve both to decode audio data and to monitor the rate at which the client receives and processes information from the server. *Id.* at 8:37–41, 10:11–17. If the audio or video data are not being

received or processed at a sufficient rate, the client may instruct the server to reduce the rate of transmission to “more appropriately match the bandwidth availability of the client.” *Id.* at 10:11–17.

3. *Analysis*

Petitioner identifies where every limitation of claims 1, 2, 5–8, and 10 is disclosed in the combination of Treyz and Fuller. -00408 Pet. 19–32. With respect to the rationale for the proposed combination, Petitioner contends that one of ordinary skill in the art would have incorporated Fuller’s method of switching transmission rates into Treyz in order to prevent the input buffer from running out of data, which would result in “substantial and perceivable” degradation of audio quality. *Id.* at 17–19 (citing Ex. 1017 ¶¶ 41–43).

Patent Owner responds that the challenged claims would not have been obvious over Treyz and Fuller, because the device of Treyz is not a “cellular telephone” and the proposed combination of Treyz and Fuller would have been “impossible.” PO Resp. 7–24. We address these arguments in turn.

a. Whether Treyz Discloses a Cellular Telephone

Patent Owner contends that the device of Treyz is not a cellular telephone because it requires a “land-line” connection to operate as a telephone. PO Resp. 11. Patent Owner’s argument relies on the following passage of Treyz:

The audio device may receive digital audio using any suitable communications technology. As one example, a clock radio device may receive digital audio over telephone lines using modem circuitry. A clock radio of this type may include telephone capabilities if desired.

Ex. 1004, 1:66–2:2; PO Resp. 11.

This passage, however, describes but “one example” of a device that may incorporate telephone capabilities, and does not clearly and unambiguously limit all telephone embodiments in Treyz to the use of a land-line connection. Reply 7–8. Moreover, other portions of Treyz state without limitation that the “audio device may have built-in telephone functions” and may communicate via “cellular telephone transmissions.” Ex. 1004, 2:32, 3:13–14. Indeed, Figure 4 of Treyz discloses clock radio 12 with a telephone handset and access to long-range wireless communications circuitry 76, which may include a “cellular modem” or any other transmitter/receiver for facilitating “communications with a cellular telephone system.” *Id.* at 13:42–50, Fig 4.

Patent Owner also argues the Treyz device is not a “cellular telephone” because “[n]owhere does Treyz suggest that the alarm clock audio device contemplated is capable of placing telephone calls to other devices through cellular transmissions in which the user of the audio device can conduct a conversation with the user of another telephone.” PO. Resp. 11 (citing Ex. 2121 ¶ 56). We are not persuaded by this argument because Treyz discloses a device with a telephone handset that communicates using “cellular telephone transmissions” and saves “voice mail messages” when “the telephone is not answered.” Ex. 1004, 2:32–41, 3:13–22, Figs. 4, 10. One of ordinary skill in the art would understand that such a device could be used to conduct a conversation with another telephone user. See Ex. 1123 ¶ 49 (Dr. Quackenbush testifying that a person of ordinary skill in the art would have understood that a user of the Treyz device could communicate with another telephone user over the cellular telephone network).

Patent Owner also contends that the device of Treyz “does not fall within” the Board’s definition of “cellular phone” because it is not portable, such that it could be “used over a wide area” *while* being “moved around.” PO Resp. 9–10 (citing Ex. 2121 ¶¶ 55–57). In support of this argument, Patent Owner’s declarant, Dr. Zhong, testifies that the device of Treyz would not be considered a cellular telephone because it lacks a rechargeable battery that would allow the device to be used over a “wide range,” for example, “while riding a bike or walking on [the] street.” Ex. 2121 ¶¶ 55–56.

Although the most familiar embodiments of a modern cellular telephone undoubtedly may be used while moving about, for example when walking or riding a bike, the ordinary meaning of “cellular telephone” encompasses a broader range of devices than these common embodiments, and we are directed to no express limitation or words of exclusion in the ’007 patent that would limit the claimed “cellular telephone” to devices that may be used *while* moving over a wide area. Ex. 2121 ¶ 55; *see Teleflex, Inc. v. Ficosa N. Am. Corp.*, 299 F.3d 1313, 1327 (Fed. Cir. 2002) (noting that claim terms carry their ordinary meaning unless the patentee demonstrates an intent to deviate from this meaning through “words or expressions of manifest exclusion or restriction, representing a clear disavowal of claim scope”). We find, therefore, that the clock radio of Treyz, which communicates over a cellular telephone network without a physical connection to the network, and which can be moved about and placed in any “suitable location,” such as various hotel rooms while travelling on vacation, is a cellular telephone, even if the device requires

connection to a power source, as asserted by Patent Owner.⁹ Ex. 1004, 7:10–15, 24:22–30.

b. Whether the Combination of Treyz and Fuller is Impossible

Claim 1 requires that instructions stored in the cellular telephone are operable to request delivery of:

a first portion of the available media such that the first portion is delivered at a first communication rate, and to request delivery of a second portion of the available media such that the second portion is delivered at a second communication rate that is different than the first communication rate.

Ex. 1101, 18:27–36.

At a high level, Fuller discloses the benefit of using two different transmission rates to deliver streaming media. Ex. 1006, 10:11–17; Ex. 1017 ¶¶ 41–42. After analyzing the disclosures of Treyz and Fuller, including Treyz’s use of a buffer to improve audio quality, Dr. Quackenbush concludes that it “would have been routine for a person of ordinary skill in the art to use Fuller’s teaching of streaming multimedia content at two different communication rates” in Treyz and “it would be clear . . . that such a use would work and provide the expected functionality.” Ex. 1017 ¶¶ 28–30, 40–43.

In response, Patent Owner does not argue that the general idea of transmission rate switching disclosed in Fuller would be difficult to

⁹ Even if a “cellular telephone” were limited to devices that can communicate while they are moving over a wide area, Petitioner presents evidence that the disclosed embodiments of Treyz meet this requirement. Ex. 1004, 7:10–15, 8:35–40, 24:22–30 (noting that Treyz discloses that the device may take the form of a car radio that communicates using “cellular modem technology”). Moreover, the device of Treyz could be used in any mobile platform with electrical outlets, such as a mobile home, bus, or train.

implement in Treyz. Patent Owner argues, instead, that because Fuller only describes switching transmission rates using a Java applet, one of ordinary skill in the art would understand the scope of Fuller's disclosure to be limited to this specific switching mechanism, which Patent Owner contends would have been impossible to implement in Treyz. PO Resp. 13–21.

Patent Owner and Dr. Zhong identify no disclosure in Fuller to suggest that transmission rate switching cannot, or should not, be implemented by means other than Java applets. See PO Resp. 14 (citing Ex. 2103 ¶¶ 39–42; Ex. 2121 ¶¶ 39–42). Absent such a restriction, we are not persuaded that Fuller's teaching of the benefits of transmission rate switching would be understood by one of ordinary skill in the art as limited to the use of Java applets. See *In re Mouttet*, 686 F.3d 1322, 1332 (Fed. Cir. 2012) (declining to limit the teachings of a prior art reference to the specific optical implementation disclosed therein); *Syntex LLC v. Apotex, Inc.*, 407 F.3d 1371, 1380 (Fed. Cir. 2005) (“What a reference teaches a person of ordinary skill in the art is not . . . limited to what a reference specifically ‘talks about’ or what is specifically ‘mentioned’ or ‘written’ in the reference.”); *In re Keller*, 642 F.2d 413, 425 (CCPA 1981) (“The test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference,” but “what the combined teachings of the references would have suggested to those having ordinary skill in the art”).¹⁰

¹⁰ As noted by Patent Owner, Petitioner cites in its claim charts to Fuller's implementation of transmission rate switching using Java applets. PO Resp. 13–14. We understand this to be a citation to where the idea of transmission rate switching is disclosed in Fuller, and not a concession by Petitioner that

Patent Owner also argues that Dr. Quackenbush “unequivocally confirmed” that Fuller requires installation of a Java applet to operate. PO Resp. 14–15. Patent Owner concludes, therefore, that “Petitioner’s proposed combination rests solely on whether the Java applet described in Fuller could be executed on . . . the alarm clock audio device disclosed in Treyz.” *Id.* As noted by Petitioner, however, Patent Owner’s deposition questioning of Dr. Quackenbush was directed to only Fuller’s use of Java applets, and not the general idea of transmission rate switching discussed in the Petition. Reply 11 (citing Ex. 2106, 47:2–6 (“if we accept your assumption, the portable device cannot execute Java, then the Java applet would not be able to operate as in Fuller”)); *see also* Ex. 2106, 47:21–48:7 (“Q. If the portable device could not execute the Java applet, then the method disclosed in Fuller would not work, correct?”). Thus, we understand Dr. Quackenbush’s testimony as simply confirming that a device that relies on Java applets to perform transmission rate switching would need Java applet capability to operate, and not as an admission that the combination of Treyz and Fuller set forth in the Petition is limited to the use of Java applets. *See also* Ex. 1123 ¶ 15 (Dr. Quackenbush asserting that his analysis is not limited to the use of Java applets). Moreover, Dr. Quackenbush’s testimony was provided in a different, earlier proceeding involving a different patent, different claims, and a different combination of prior art references (Hitson, Bork, and Fuller), and Patent Owner has not explained why this testimony would necessarily apply to Dr. Quackenbush’s analysis with respect to the combination of Treyz and Fuller set forth in this proceeding. Ex. 2106

transmission rate switching is only to be implemented using Java applets. *See* -00408 Pet. 25.

(relating to IPR2014-00212 and U.S. Patent No. 7,953,390); IPR2014-00212, Paper 1, 8–9.

Finally, Patent Owner argues that, even if Petitioner’s combination were not limited to the use of Java applets, Dr. Quackenbush’s testimony does not support a finding that the proposed combination would have been operable, because it is conclusory in nature and fails to disclose what the method of transmission rate switching would look like, how it would be implemented, or how it would work in Treyz. Tr. 27:6–28:11. In his declaration, however, Dr. Quackenbush analyzed the scope of the claims (Ex. 1017 ¶ 26) and the disclosures of Treyz and Fuller (*id.* ¶¶ 29–30, 40–42), including Treyz’s disclosure that a buffer can be used to improve the quality of streaming audio (*id.* ¶ 42), and concluded that switching of communication rates in Treyz “would work and provide the expected functionality.” *Id.* ¶ 43. This testimony, as a whole, is not so conclusory as to be unreliable or of no probative value.¹¹

Accordingly, we credit Dr. Quackenbush’s testimony that one of ordinary skill in the art would have sought to use, and would have had a reasonable expectation of success in implementing, Fuller’s idea of transmission rate switching in Treyz. Ex. 1017 ¶¶ 41–43; Ex. 1123 ¶¶ 15, 17. We conclude, therefore, that Petitioner has demonstrated, by a

¹¹ We note that Patent Owner would require far more detail from Dr. Quackenbush regarding the method of implementing transmission rate switching than is set forth in the ’007 patent. For example, the ’007 patent does not disclose or describe a particular method of switching transmission rates, leaving it to one of ordinary skill in the art to choose how to successfully implement the claimed process. See Ex. 1101, 6:3–13; *see also* IPR2014-00209, Paper 51, 50:14–51:24 (Patent Owner’s counsel noting during oral argument that there are numerous ways to perform transmission rate switching).

preponderance of evidence, that claims 1, 2, 5–8, and 10 are unpatentable under 35 U.S.C. § 103 as obvious over Treyz and Fuller.

Moreover, even if the proposed combination was in fact limited to the use of Java applets, as suggested by Patent Owner, we are not persuaded that such a combination would have been impossible.

Patent Owner argues it would have been impossible to combine Treyz and Fuller because Java applet support was not available on portable devices, as opposed to desktop computers, “until well after the March 28, 2000 priority date of the ’007 patent.” PO Resp. 16. In support of its argument, Patent Owner relies upon the testimony of Dr. Zhong, who testifies that, to the best of his knowledge, “Java applets have never been supported by a browser on a publically available mobile device.” Ex. 2103 ¶ 46. To support this argument, Dr. Zhong directs our attention to a 2001 paper that discusses the limited availability of Java and Javascript on mobile devices:

Consider for example accessing the Web from a PDA such as the Palm Pilot, using a wireless data service such as Omnisky [20]. Omnisky runs over CDPD and has effective throughput rates that vary from 5-6 kbps up to 12-13 kbps. Combining that with a screen size of 160x160 pixels on a 6x6cm surface, it can be very hard to browse through large pages with rich graphics. Given that these devices have significantly less memory and processing power than desktops, the available browsers only have a small subset of the features of the widely used browsers (*e.g.*, they do not support Java, Javascript, and are not able to display GIF or JPEG images.)

Ex. 2102, 576; Ex. 2103 ¶ 48; PO Resp. 17–18.

In response, Petitioner cites to a 1999 book, titled “Java 2 Platform Unleashed,” that describes the features of several Java application

environments, including Personal Java. Ex. 1129, 1047.¹² In discussing the features of Personal Java, this reference discloses that Personal Java: (1) was designed “for use in consumer electronic devices and mobile computing devices,” including “handled PCs, set-top Internet boxes, Web phones, and game controllers”; (2) can run most Java applet packages; (3) is “upward-compatible with the Java Platform” yet “still capable of executing in memory-constrained devices”; and (4) may be tailored to specific application environments by adding additional APIs. *Id.* at 1048; *see also* Ex. 1133, 1–2 (disclosing in 1999 “the availability of a Personal Java reference implementation for Windows CE” that allowed development of applets “running on multiple consumer device platforms”).

Although Patent Owner’s evidence does suggest that support for Java and Javascript was not widespread, even in 2001, given the availability of the Personal Java application environment in 1999, we are not persuaded by Patent Owner’s argument that it would have been impossible to execute Fuller’s Java applets in the device of Treyz. *See* Ex. 1017 ¶¶ 41–43; Ex. 1123 ¶¶ 15, 24–41; Ex. 1129, 1047–48; *see also In re O’Farrell*, 853 F.2d 894, 903–904 (Fed. Cir. 1988) (noting that for obviousness under § 103, “all that is required is a reasonable expectation of success”); Ex. 1004, 1:47–51 (noting that additional memory, in the form of solid-state memory circuits, hard drives, or any other suitable storage arrangement, may be added to the device of Treyz as needed). We conclude, therefore, that Petitioner has demonstrated by a preponderance of the evidence that claims 1, 2, 5–8, and 10 of the ’007 patent are unpatentable under 35 U.S.C. § 103

¹² Jamie Jaworski, JAVA 2 PLATFORM UNLEASHED 1046–1051 (1999).

as obvious over Treyz and Fuller, even if the combination of Treyz and Fuller requires the use of Java applets as argued by Patent Owner.

C. Claims 1, 2, 5–8, and 10 as Obvious Over Hitson and Fuller

Petitioner contends that claims 1, 2, 5–8, and 10 are unpatentable under 35 U.S.C. § 103 as obvious over Hitson and Fuller.

1. Hitson

Hitson relates to “the composition and distribution of multimedia files.” Ex. 1104 ¶ 2. “In particular, [Hitson] provides a system and method for composing and delivering music and other audio content via the Internet.” *Id.* Hitson also discloses a “modified client/server approach to content delivery,” wherein a client device may request content from a server, or may function as a server “providing content to other clients.” *Id.* ¶¶ 38–39.

A broad range of client devices are contemplated for use in the Hitson system, including portable media players, PCs (including a “cellular” telephone), “or other wireless or wired device[s].” *Id.* ¶¶ 3, 12. Hitson also discloses several commercially available personal media devices, such as the Cassiopeia E-105, manufactured by Casio Computer Co., and the Palm VII Connected Organizer, manufactured by 3Com, Inc. *Id.* ¶ 5. Petitioners present evidence that these devices contain a display, a processor, and non-volatile memory. *See* Pet. 24–26 (citing Ex. 1107A, 15, 42; Ex. 1120 ¶¶ 36–41).

In a preferred embodiment, a client accesses the Internet using a locally stored World Wide Web browser. Ex. 1104 ¶ 40. Using this web browser, a user may, *inter alia*, conduct a video conference, review e-mail, and explore available multimedia content for streaming. *Id.* ¶¶ 75–76. The

Hitson system also may create a playlist for a user based on the user's genre preferences. *Id.* ¶ 90. When the playlist is requested, the media server extracts playlist song ids, translates them into audio file locations, and downloads the playlist to the client device. *Id.* ¶ 90, Fig. 15. A user may then review the playlist and select desired content for delivery. *Id.* ¶ 90.

In Hitson, the client device may communicate through wired or wireless means, “including . . . Universal Serial Bus (‘USB’) cable connections” or a “digital cellular telephone.” *Id.* ¶ 39. A transmission rate “appropriate for a given user session” is determined “through software, hardware, or by asking a user.” *Id.* ¶ 70. For example, a user may indicate whether a “broadband” or “narrowband” connection is available. *Id.* ¶ 70, Fig. 3. Once a desired transmission rate is determined, this information may be saved for later use. *Id.* ¶ 70.

2. Analysis

Petitioner contends that the combination of Hitson and Fuller discloses each limitation of claims 1, 2, 5–8, and 10. Petitioner further contends that one of ordinary skill would have sought to incorporate Fuller's disclosure of varying the transmission rate between first and second portions of an available media in the device of Hitson in order to avoid having the input buffer run out of data, resulting in a “substantial and perceivable quality degradation.” Pet. 21 (citing Ex. 1120 ¶¶ 48, 55–56). In support of this argument, Petitioner relies upon the declaration testimony of Dr. Quackenbush. *Id.* (citing Ex. 1120 ¶¶ 55–56).

In contrast to his supporting testimony for the combination of Treyz and Fuller, Dr. Quackenbush provides no evidence or citation to establish that Hitson actually utilizes an input buffer, nor does Dr. Quackenbush

explain why a person of ordinary skill in the art would have understood that Hitson necessarily contains such a buffer. Ex. 1120 ¶¶ 55–56; Ex. 1123 ¶ 17. The Petition also fails to point to any such input buffer in Hitson. Pet. 17–18, 20–22, 29–30.

Absent evidence of an input buffer in Hitson, it is not evident from the Petition why one of ordinary skill in the art would have sought to modify Hitson to incorporate Fuller’s method of transmission rate switching. Accordingly, we are not persuaded that claims 1, 2, 5–8, and 10 would have been obvious under 35 U.S.C. § 103 over Hitson and Fuller.¹³

III. MOTIONS TO EXCLUDE

A. Patent Owner’s Motion to Exclude

Patent Owner moves to exclude twenty-seven exhibits relied upon in Petitioner’s Reply. PO Mot. to Exc. 1. According to Patent Owner, Petitioner presents in its Reply new evidence that is being used improperly to support its case-in-chief. *Id.* at 2 (citing 37 C.F.R. § 42.104). Patent Owner contends that the belatedly submitted evidence must be excluded because “Patent Owner has been completely deprived of the opportunity to substantively respond to the new evidence and arguments.” *Id.* at 3.

In response, Petitioner asserts Patent Owner “fails to identify even a *single* new argument or piece of evidence that constitutes ‘improper reply evidence.’” Pet. Opp. to Mot. to Exc. 3. Petitioner, nevertheless, asserts that

¹³ Patent Owner also argues that the present *inter partes* review proceeding deprives it of its right to a jury trial under the Seventh Amendment. PO Resp. 24–28. Patent Owner does not ask the Board to decide this issue, as it “does not believe that the Board has the authority to determine whether the *inter partes* process is constitutional,” but raises the issue in an effort to preserve its arguments on appeal. *Id.* at 24. Accordingly, we do not address Patent Owner’s argument in this Decision.

each piece of evidence submitted in its Reply is appropriate to rebut Patent Owner's arguments, as well as the testimony of Dr. Zhong. With respect to Patent Owner's argument that it was deprived of an opportunity to substantively respond to Petitioner's rebuttal evidence, Petitioner notes that Patent Owner in fact had an opportunity to respond to this evidence via a motion for observation on cross-examination, but simply chose not to avail itself of the opportunity. *Id.* at 3, 7.

Patent Owner replies that Petitioner had nearly a year to search and identify evidence, and its decision to spring twenty-seven additional exhibits and a forty-six page rebuttal exhibit from its expert is a "thinly-veiled effort to sandbag" Patent Owner and deprive it of an opportunity to respond to the new arguments and references. Reply to Pet. Opp. to Mot. to Exc. 1, 4.

A motion to exclude "must explain why the evidence is not admissible (e.g., relevance or hearsay) but may not be used to challenge the sufficiency of the evidence to prove a particular fact." Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48767 (Aug. 14, 2012). Here, Patent Owner does not assert that any of the evidence relied upon in the Reply is inadmissible, for example, because it is irrelevant, unauthenticated, or hearsay. Accordingly, we deny the Motion to Exclude.

Nevertheless, a reply may "only respond to arguments raised in the corresponding opposition" and may not add new evidence necessary to make out its case-in-chief of unpatentability of a claim. *Id.* Thus, to the extent that Petitioner's Reply evidence does not respond to specific arguments or evidence presented in the Patent Owner Response, or seeks to establish an element necessary to make out its case-in-chief, it has not been considered.

B. Petitioner's Motion to Exclude

Petitioner contends the Dr. Zhong's opinions lack sufficient basis under Federal Rule of Evidence 702. Specifically, Petitioner contends that Dr. Zhong's opinions regarding Java applets "fail to provide sufficient underlying facts or data upon which such opinions could legitimately be based" and Dr. Zhong's opinions regarding the disclosure of Treyz fail to consider the express disclosures of Treyz. Pet. Mot. to Exc. 7–8, 11–12. Petitioner submits, however, "that it is, as a general matter, better for the Board to have before it a complete record of the evidence submitted by the parties than to exclude particular pieces of it and thereby risk improper exclusion." *Id.* at 4. Petitioner further submits that "the Board, sitting as a non-jury tribunal with administrative expertise, is well-positioned to determine and assign the appropriate weight to be accorded to the evidence . . . without the need for formal exclusion." *Id.* at 3.

We agree that the Board, sitting as a non-jury tribunal, is well-positioned to assign appropriate weight to the evidence without the need for formal exclusion. Moreover, we need not reach the merits of Petitioner's Motion to Exclude because, having considered Dr. Zhong's testimony, we have decided the issue in Petitioner's favor. Petitioner's Motion to Exclude, therefore, is *dismissed as moot*.

IV. ORDER

It is,

ORDERED that claims 1, 2, 5–8, and 10 of the '007 patent are held *unpatentable*;

FURTHER ORDERED that Petitioner's Motion to Exclude is *dismissed as moot*;

FURTHER ORDERED that Patent Owner's Motion to Exclude is *denied*; and

FURTHER ORDERED that this is a Final Written Decision, and, therefore, 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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