IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

MEDIA CHAIN, LLC,	§	
PLAINTIFF,	§	
	§	
v.	§	CIVIL NO. 1:21-CV-00027-LY
	§	
ROKU, INC.,	§	
DEFENDANT.	§	

PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANT ROKU'S MOTION FOR JUDGMENT ON THE PLEADINGS

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I. INTRODUCTION

Plaintiff Media Chain, LLC ("Media Chain"), by and through its undersigned counsel, hereby responds in opposition to Defendant Roku, Inc. ("Roku")'s Motion for Judgment on the Pleadings [D.E. 63] (the "Motion"). Roku has not demonstrated by clear and convincing evidence that judgment on the pleadings is warranted. Media Chain has plead sufficient allegations as to how Roku's infringing systems conduct the "decline" step recited in the asserted patents. Additionally, the asserted patents are not directed to an ineligible, abstract idea. At a minimum, there are significant issues of fact precluding judgment on the pleadings.

II. LEGAL ARGUMENT

A. Judgment Should Not be Granted for Non-Infringement.

1. Pleading Standard for Infringement

A motion brought pursuant to Rule 12(c) "is designed to dispose of cases where the material facts are not in dispute and a judgment on the merits can be rendered by looking to the substance of the pleadings and any judicially noticed facts." *Hebert Abstract Co. v. Touchstone Props., Ltd.*, 914 F.2d 74, 76 (5th Cir. 1990). Courts evaluate a motion under Rule 12(c) for judgment on the pleadings using the same standard as a motion to dismiss under Rule 12(b)(6) for failure to state a claim. *Doe v. MySpace, Inc.*, 528 F.3d 413, 418 (5th Cir. 2008). In deciding a motion under Rule 12(c), the Court must view the complaint in the light most favorable to the plaintiff. *Id*. While the Court must accept the factual allegations in the pleadings as true, the "plaintiff must plead 'enough facts to state a claim to relief that is plausible on its face.'" *Id.* (*quoting Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). A claim is facially plausible when the plaintiff pleads facts that allow the court to "draw the reasonable inference that the defendant is liable for the misconduct alleged." *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). A court must

accept all well-pleaded facts as true and must draw all reasonable inferences in favor of the plaintiff. *Lormand v. U.S. Unwired, Inc.*, 565 F.3d 228, 232 (5th Cir. 2009).

"A plaintiff is not required to plead infringement on an element-by-element basis." *Bot M8 LLC v. Sony Corporation of American*, 4 F.4th 1342, 1352 (Fed. Cir. 2021) (citing *Nalco Co. v. Chem-Mod, LLC*, 883 F.3d 1337, 1350 (Fed. Cir. 2018) ("[T]he Federal Rules of Civil Procedure do not require a plaintiff to plead facts establishing that each element of an asserted claim is met."); (*Disc Disease Sols. Inc. v. VGH Sols., Inc.*, 888 F.3d 1256, 1260 (Fed. Cir. 2018) (finding that a plaintiff need not plead every element, but must only give the alleged infringer fair notice of infringement)). Instead, it is enough "that a complaint place the alleged infringer 'on notice of what activity ... is being accused of infringement.'" *Bot M8 LLC*, 4 F.4th at 1352 (citing *Lifetime Indus., Inc. v. Trim-Lok, Inc.*, 869 F.3d 1372, 1379 (Fed. Cir. 2017); quoting *K-Tech Telecomms., Inc. v. Time Warner Cable, Inc.*, 714 F.3d 1277, 1284 (Fed. Cir. 2013)). "To the extent this district court and others have adopted a blanket element-by-element pleading standard for patent infringement, that approach is unsupported and goes beyond the standard the Supreme Court articulated in *Iqbal* and *Twombly*. *Id.*

2. Media Chain Adequately Pled the "Decline" Claim Limitation.

Roku incorrectly asserts that Media Chain's allegations contradict the elements of the asserted claims requiring user data extraction when the user declines to stream or license media content. Motion, at 3-6. Roku cherry-picks language from the documents supporting Media Chain's allegations to contrive the argument that the possibility of "viewing" media content means that the user is ***only*** "accepting" to stream content. *See id.*, at 4-5. Not only is Roku's position in this regard argumentative on the merits of Media Chain's claims (and thus inappropriate for resolution under Fed. R. Civ. P. 12(c)), but its position is also unsupported by the four-corners of the pleadings before this Court.

Roku, for purposes of the Motion, has accepted all of Plaintiff's claim construction proposals, including Plaintiff's position that the "decline" limitation does not require an affirmative act by a user. Thus, a user's passive ***interaction*** with a device, such as navigating or scrolling past an offer to license or stream media content, constitutes a user's decision to "decline" to license or stream the content. Motion, at 2. Viewing the allegations most favorably for Media Chain, this interaction meets the "decline" limitation. Although not required to put Roku on notice of its alleged infringement, Media Chain's exhibits from Roku detail the accused systems and/or devices extracting data when the user "interacts" with media content:

> "When you visit websites, apps, channels, and connected devices (including Smart TVs) to which Roku provides advertising or measurement and analytics services, we may receive information about your activities, including the content you view, the date and time of your visits, ***how you interact with these websites, apps and devices, and how you interact and respond to ads***."

Complaint, Exhibit C [D.E. 1-3] at 6, 16, 26, 27, 38, 39 54, 55, 71 and 72 (emphasis added).

Furthermore, Media Chain includes specific references in the literature demonstrating that the user's interaction with the system may include a decision to decline streaming content:

> A stream is counted every time a stream is opened (i.e. a user presses play). If a user stops and starts a title multiple times, that will be counted as multiple streams. Multiple streams can be associated with the same title but multiple title cannot be associated with the same stream…. Streams can generally be expected to exceed visits. If visits exceeds streams, ***that would indicate account holders are starting your channel, then exiting <u>without ever streaming any content</u>***.

Id. at 8, 18, 26, 27, 28, 29, 41, 42, 56, 57, 58, 74, and 75 (emphasis added). As recited above, Roku's system can track when a user is offered a license to content on a channel and exits without streaming any content, *i.e.*, declines the licenses to the content offered on that channel.

Roku's reliance on the *Bot M8* decision is misplaced. In *Bot M8*, the Federal Circuit affirmed the district court's dismissal of two of the four asserted patents in that case because the plaintiff's allegations directly contradicted an element of the asserted claims. *Bot M8 LLC*, 4 F.4th

at 1354. Here, Media Chain has not pled anything contradictory, nor has Roku identified contradictory language that would wholly preclude Media Chain from possibly claiming infringement. In contrast, the afore-cited language from Media Chain's complaint demonstrates that a user's interaction with the accused Roku system constitutes a decision to "decline" as recited in the asserted claims and accepting Media Chain's proffered claim construction of "decline." The court in *Bot M8* held that such plausible allegations preclude a dismissal of claims at the pleading stage. *Id.* at 1356 ("We find that Sony—like the district court—demands too much at this stage of the proceedings. Bot M8 need not 'prove its case at the pleading stage.' [citation omitted]. The FAC plausibly alleges that the PS4 completes its execution of the fault inspection program before the game is started and supports those assertions with specific factual allegations. Nothing more is required.").

3. Should the Court Find that Media Chain Inadequately Pled Infringement, Media Chain Should be Permitted to Re-Plead.

"The denial of a motion to amend a pleading under Rule 15(a) is a procedural matter … governed by the law of the regional circuit." *Pressure Products Medical Supplies, Inc. v. Greatbatch Ltd.*, 599 F.3d 1308, 1315 (Fed. Cir. 2010) (citing *Cent. Admixture Pharmacy Servs., Inc. v. Advanced Cardiac Solutions, P.C.,* 482 F.3d 1347, 1357 (Fed. Cir. 2007)). "Because of the liberal pleading presumption underlying Rule 15(a), we have acknowledged that the term 'discretion' in this context 'may be misleading, because [Rule] 15(a) evinces a bias in favor of granting leave to amend.'" *Dueling v. Devon Energy Corp.*, 623 Fed. Appx. 127, 128 (5th Cir. 2015) (citing *Mayeaux v. La. Health Serv. & Indem. Co.,* 376 F.3d 420, 425 (5th Cir. 2004)). "[U]nless there is a substantial reason, such as undue delay, bad faith, dilatory motive, or undue prejudice to the opposing party, the discretion of the district court is not broad enough to permit denial." *Id.* at 128-129 (quoting *Martin's Herend Imports, Inc. v. Diamond & Gem Trading U.S.*

Co., 195 F.3d 765, 770 (5th Cir. 1999) (internal quotation marks omitted)). "In other words, 'district courts must entertain a presumption in favor of granting parties leave to amend.'" *Id.*

Here, in accordance with the foregoing standard, if the Court is inclined to grant Roku's Motion under Fed. R. Civ. P. 12(c) the Court should grant Media Chain leave to re-plead its claims of infringement. If required, Media Chain can further supplement its allegations. For example, Roku's "developer" web pages further support situations where data extraction occurs when a user declines to stream or license media content, including but not limited to the following:

> The bounce rate is not affected by whether video is full screen or windowed. ***We track the fact that a launch event occurred, <u>a play event did or didn't occur</u>, and seconds streamed***. Likely the stream launched at start failed to play, or the channel crashed on launch or exited before video played. (emphasis added).
>
> You can track customers' progress through your channel's signup workflow ***to identify where users may be abandoning the process***. For example, customers may successfully enter their login credentials to create an account, but ***exit the flow when prompted to enter their payment information***. By firing events on each page, the generated feedback can be used to minimize friction in the sign-up workflow and thus reduce abandonment. (emphasis added).

True and correct copies of these additional Roku webpages are attached herewith as Exhibit "A."

Accordingly, the Motion should be denied with respect to non-infringement, or at a minimum Media Chain should be granted leave to amend its Complaint for the first time.

B. Judgment Should Not be Granted Under 35 U.S.C. § 101

1. Patent Eligibility Under 35 U.S.C. §101

35 U.S.C. §101 defines patent-eligible subject matter as "any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof." The Supreme Court established a two-step inquiry in *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 573 U.S. 208 (2014) for examining patent eligibility. At step one, a court must "determine whether the claims at issue are directed to a patent-ineligible concept" such as an abstract idea. *Alice*, 673 U.S. at 218. If so, step two requires a court to "consider the elements of each claim both individually

and 'as an ordered combination' to determine whether the additional elements 'transform the nature of the claim; into a patent-eligible application." *Id* (*quoting Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 78-79 (2012)).

The Federal Circuit has acknowledged that "[d]istinguishing between claims that recite a patent-eligible invention and claims that add too little to a patent-ineligible abstract concept can be difficult, as the line separating the two is not always clear." *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1255 (Fed. Cir. 2014). "All inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas," and so it is not enough to ask whether the claims merely ***involve*** a subject matter that is excepted from patent eligibility. *Zak v. Facebook, Inc.*, 206 F.Supp.3d 1262, 1267 (E.D. Mich. 2016) (*quoting Mayo Collaborative Servs. v. Prometheus Labs, Inc.*, 566 U.S. 66 (2012)).

2. Factual Disputes Preclude the Motion from Being Granted

"Patent eligibility under §101 is a question of law that may contain underlying issues of fact." *CosmoKey Solutions GmbH & Co. KG v. Duo Security LLC*, 15 F.4th 1091, 1095 (Fed. Cir. 2021). "Patent eligibility can be determined on the pleadings under Rule 12(c) when there are no factual allegations that, when taken as true, prevent resolving the eligibility question as a matter of law." *Id*. (*citing Data Engine Techs. LLC v. Google LLC*, 906 F.3d 999, 1007 (Fed. Cir. 2018)). As the party asserting ineligibility, Roku bears the burden of establishing all facts by clear and convincing evidence. *See ESW Holdings, Inc. v. Roku, Inc.*, 2019 WL 10303653, No. 6:19-cv-00044-ADA at *2 (W.D. Tex. May 13, 2019) (collecting caselaw).

Factual issues in the *Alice* analysis often preclude deciding patent eligibility on a 12(b)(6) or 12(c) motion. Several district courts have denied ruling on the pleadings when the court could not determine if functional language in a computer implemented claim was directed to an abstract idea or a technological improvement without a more developed record. *See e.g. VB Assets, LLC v.*

Amazon.com, Inc., C.A. No. 19-1419, 2020 WL 5549088, at *7 (D. Del. Sept. 16, 2020) (denying motion on *Alice* step one, but with leave to re-file as summary judgment); *IDB Ventures, LLC v. Charlotte Russe Holdings, Inc.*, No. 2:17-cv-660-WCB-RSP, 2018 WL 5634231, at *5 (E.D. Tex. Oct. 31, 2018) (denying motion to dismiss but leaving open possibility of renewed motion with a developed record).

Factual issues also often arise with respect to the second *Alice* step because "whether the claim elements or the claimed combinations are 'well-understood, routine, and conventional is a question of fact.'" *Aatrix Software, Inc. v. Green Shades Software, Inc.*, 882 F.3d 1121, 1128 (Fed. Cir. 2018). With respect to the factual disputes arising on the second step, *BlackBerry Ltd. v. Facebook, Inc.*, No. CV 18-1844, 2018 WL 4847053, at *5 (C.D. Cal. Aug. 21, 2018) is instructive because it concerned advertising-related technology. In *BlackBerry*, the court denied a Rule 12(b)(6) motion on patent eligibility because "it would be premature to conclude as a matter of law that the claimed steps taken individually or as an ordered combination were well-understood, routine, and conventional." *BlackBerry*, at *5. Specifically, there was a factual dispute whether the way data was organized was routine and conventional. *Id.*, at *7. The plaintiff's claims "refer to ***organizing advertising information***" in such a way that BlackBerry alleged it was unconventional and satisfied step two of *Alice*. *Id.* (emphasis added). Thus, a factual dispute whether limitations involve more than well-understood, routine, and conventional activities previously known in the industry is grounds to deny a Rule 12(c) motion. *See also Intellectual Ventures II LLC v. FedEx Corp.*, 2018 WL 7823098, at *7 (E.D. Tex. May 10, 2018) (denying motion).

Moreover, should the Court have difficulty finding support for the factual dispute squarely within the pleadings, Media Chain should be permitted to re-plead its allegations. This was the case in *Aatrix Software*, where the patent owner alleged that certain "data files" were not well

understood and routine. *Aatrix Software*, 882 F.3d at 1129. The patent owner conceded "that nothing in the specification describes this importation of data as conventional." *Id*. However, the Federal Circuit reversed and remanded the district court's dismissal since a proposed amended complaint would not have been futile as it could include additional facts. *Id*., at 1129-30.

3. Claim 1 of the '581 Patent is Not Representative Because There are at Least Three Categories of Claims

Roku asserts that claim 1 of the '581 patent "is representative of the six other asserted independent claims of the asserted claims." Motion, at 16. Notwithstanding, Roku provides a chart tabling ***eighteen*** points of difference between claim 1 of the '581 patent and the other independent claims. *Id*., at 17-18. In bullet point fashion, Roku then briefly argues how these differences, as well as added limitations in the asserted dependent claims, allegedly do not affect its §101 analysis. Motion, at 18-20. Nearly all of Roku's arguments to claims other than claim 1 of the '581 patent are a wrote regurgitation of the claim language and adding, without citation or support, that the limitation "does not make the method any less abstract, well understood, routine, or conventional" or "does not change the analysis." *Id*.

"Courts may treat a claim as representative in certain situations, such as if the patentee does not present any meaningful argument for the distinctive significance of any claim limitations not found in the representative claim or if the parties agree to treat a claim as representative." *Berkheimer v. HP Inc.*, 881 F.3d 1360, 1365 (Fed. Cir. 2018). Media Chain disagrees that claim 1 of the '581 patent is representative of all claims, and the parties have certainly not agreed to treat this claim as representative.

For purposes of the 35 U.S.C. §101 analysis, the asserted claims can be more appropriately divided into several, distinct categories. The broadest independent claim is claim 1 of the '191 patent, which Media Chain identifies herein as a "base" category of claims. If claim 1 of the '191

patent is directed to patentable subject matter, all claims are directed to patentable subject matter. A "second" category of claims can be represented by claim 1 of the '581 patent, which adds several limitations related to loading, analyzing, accessing, and reproducing media content. This "second" category similarly includes dependent claims that prevent unauthorized reproduction of the media content. A "third" category of claims can be represented by claim 1 of the '691 patent, which incorporates fingerprint technology to uniquely recognize the media content item. These three categories of claims can be briefly summarized as follows:[1]

	"Base" Category	"Second" category	"Third" category
Brief summary	broadest independent claim with receiving, evaluating, extracting, aggregating, storing, and analyzing steps.	addition of loading, analyzing, accessing, reproducing, and/or declining to reproduce the media content item	addition of fingerprint technology
Representative Claim	Claim 1 of '191 patent	Claim 1 of '581 patent	Claim 1 of '691 patent
If the Representative Claim is patent eligible, other claims that are also patent eligible:	All claims	Claims 2 and 3 of '590 patent; Claims 2 and 3 of '560 patent; Claims 2 and 3 of '191 patent; Claims 2, 3, 10, and 11 of '691 patent; Claims 9 and 10 of '194 patent; and all claims dependent thereto.	Claim 9 of '691 patent; Claim 1 of '154 patent; and all claims dependent thereto

4. The "Base" Category of Claims are Patent Eligible

i. Summary of the Claimed Invention in the "Base" Category

The Asserted Patents claim priority to a provisional patent application filed on November 4, 2011. *See* '581 Patent, at Cover Page. As explained in the specification,[2] in 2011 there was "a

[1] Attached herewith is demonstrative Exhibit "B," which is a comparative claim chart showing the differences between the recited limitations in each of the representative claims.

[2] The Court should consider the patent's specification in the *Alice* framework. *SEMICAPS Pte Ltd. v. Hamamatsu Corp.*, 393 F.Supp.3d 802, 816 (N.D. Cal. 2019).

dramatic shift in the marketplace away from media content distributed on physical media to digital media content that may be distributed via the internet." '581 Patent, at 1:26-28. Prior to the distribution of online media content, the distribution of media content was "incorporated into physical media such as a compact disk (CD), a digital video disk (DVD), a printed publication, and/or any other physical media." *Id.*, at 1:13-19. Physical security solutions are inapplicable to digital platforms. *See id.,* at 1:20-25. Thus, one of the problems facing media content owners was the "significantly less control over the distribution of such digital media content that may be distributed via the internet." *Id.*, at 1:29-32. Although not specifically mentioned in the specification, all can remember emerging digital platforms such as Napster® and Limewire® and the problems facing media content creators in the face of unfettered access to their content through these file sharing systems. This is particularly true where users of these digital platforms could remain anonymous.

With this background, the specification describes numerous embodiments of systems and methods aimed at assisting media content owners transitioning to what was then the burgeoning digital world. Claim 1 of the '191 patent recites an inventive embodiment of a computer implemented method that includes "receiving" first and second requests from first and second users "to reproduce the media content item." Exhibit "A," at '191 1[a]. The system evaluates each request to determine whether the users previously acquired a license and, if they have not, offer each user a license. *Id.*, at '191 1[b]. After the requests are evaluated, the system extracts user-specific data where the first user accepted the offer and the second user declined the offer. *Id.*, at '191 1[c] and 1[d]. The user data is then aggregated into a statistics record and stored in a license database such that the data is accessible to a third party. *Id.*, at '191 1[e] and 1[f]. Finally, the

statistics record is "analyzed" to determine a target demographic and the media content item is marketed to other users corresponding to the target demographic. *Id*., at '191 1[g] and 1[h].

ii. Patent Eligibility Analysis for the "Base" Category of Claims

a. *Alice* Step One

Although computer-related technology is at the center of §101 jurisprudence, the Federal Circuit has expressly stated that not "all improvements in computer-related technology are inherently abstract and, therefore, must be considered at step two." *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016). In *Enfish*, for example, those claims concerned "a data storage and retrieval system for a computer memory." *Enfish*, at 1336. There, the Federal Circuit found that those claims were "directed to a specific improvement in the way computers operate, embodied in the self-referential table" recited in the claim. *Id*. In reversing the district court, the Federal Circuit criticized the district court for "describing the claims at such a high level of abstraction and untethered from the language of the claims." *Enfish*, at 1337.

Here, Roku characterizes all the asserted claims at a high level, untethered from the language of the claims and specification, as uniformly directed to "the abstract idea of tracking which media content items consumers want and do not want to watch." Motion, at 10. More accurately, the claims are "necessarily rooted in computer technology to overcome a problem specifically arising in the realm of computer networks" and, thus, do not merely recite an abstract idea. *DDR Holdings, Inc. v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014). The claims recited are rooted to "stream[ing] to an external multimedia hardware device over a communication network from a cloud based storage system, [where] a digital media streaming service (e.g., Pandora, Last.fm, Spotify, iTunes, iCloud, Netflix, and/or other such services) and embodiments of the invention may analyze the media content item when loaded for reproduction and perform the operations consistent with embodiments of the invention." '581 Patent, at 14:28-

38; *see also* '581 patent, at 3:25-31 (strictly defining "reproduction of a media content item" as reproduction of ***digital*** media files such as digital video and digital audio files). This is not unlike the patent-eligible claims in *SEMICAPS*, which on their surface seemingly recited a broad "method of testing an electronic circuit" but, when viewed with the specification, focused "on a specific means or method that improves the relevant technology." *SEMICAPS Pte Ltd.*, 393 F.Supp.3d at 817. Because the asserted claims are specifically improving the way digital media streaming services operate, the patents are not directed to any abstract idea.

b. *Alice* Step Two

As Roku acknowledges in its own Motion, the limitations related to collecting and aggregating user data in response to a user "declining" to license or stream content is "highly material" because of the prosecution history of the asserted patents. *See* Motion, at 5-6. A person of ordinary skill in the art would appreciate that while a straight-forward system in the prior art might prevent a user from acquiring unauthorized content, collecting data for users that ***could*** have acquired the content is not so straightforward. *See* '581 patent, at 10:65-11:25 (describing an embodiment where a statistics record is generated even if the media content item is not identified or the user refuses to make a purchase). These recited "steps [go] beyond routine and convention to obtain the desired result to a business challenge of" digital content owners tracking and securing their content, particularly on third party platforms. *Zak*, 206 F.Supp.3d at 1271 (denying §101 summary judgment to claims directed to enabling users, without third-party assistance, to post content to a website). While Roku gives this step the preeminent importance in the first half of its Motion, it fails to show by clear and convincing evidence that in 2011 this step would have been routine or conventional in its §101 analysis. *See* Motion, at 20.

Roku's own patents support Media Chain's position.[3] For example, Roku is the owner of U.S. Pat. No. 11,519,859 entitled "Creating and Fulfilling Dynamic Advertisement Replacement Inventory." *See* Exhibit C, at 4-30. This Roku patent issued from a continuation application to parent application No. 15/058,819, which itself issued as U.S. 9,854,326. *Id.*, at 4-5. That parent application was originally rejected under Section 101. *Id.*, at 59-63. However, that parent application was ultimately allowed after responsive arguments were submitted to the USPTO. *Id.*, at 31-35 (notice of allowance) 47-55 (arguing the claims are not an abstract idea, and that the processor instructions are significantly more than an abstract idea). Consequentially, claims were allowed, and issued, that were directed to: "a digital ad exchange" storing "cost-per-mile (CPM) pricing for the avails, [and] data related to a target audience," and reciting processor instruction steps to: "query a database…to generate a target avail during an ad auction;" "determine that the target avail is not within a sell CPM price for the target audience;" "determine a demand for a target avail…;" "determine that the demand…is beyond a predetermined threshold that is sufficient to discount the CPM price…; "determine that the target avail is within the CPM price;" and "discount the sell CPM price for the target avail." *Id.*, at 48-49. Moreover, this is not the only Roku patent directed "target audiences" that passed muster under 35 U.S.C. §101. *See e.g.* U.S. 11,184,682 entitled "Obtaining Viewer Demographics Through Advertisement Selections,"

[3] "Actions and statements against the interest of the owner of a patent or inventor may be considered by a court when construing the scope of a patent and are relevant to the issues of infringement and validity." *Conopco, Inc. v. Warner-Lambert Co.*, No. Civ A. 99-101(KSH), 2000 WL 342872, at *6 (D.N.J. Jan. 26, 2000); *see also Ferring B.V. v. Serenity Pharmaceuticals, LLC*, No. 17-cv-9922 (CM), 2020 WL 1164700, at *5 (S.D.N.Y. Mar. 11, 2020). This extends to statements made within patents to which Roku acquired. *See Taylor-Reed Corp. v. Mennen Food Products, Inc.*, 324 F.2d 108, 112 (7th Cir. 1963) (in patent infringement action, district court erred in refusing to admit into evidence the statements against interest made by prior assignee of patent rights, because plaintiff, as the subsequent assignee of the same rights, stood in privity).

Exhibit C, at 68-89; U.S. 10,834,448 entitled "Recommending Content Based on User Behavior Tracking and Analysis," Exhibit C, at 90-116.

In essence, Roku argues for patent eligibility as it suits its interest. Roku looks to patent related technologies, but when competing patents are asserted against it argues that the adverse patent is directed to ineligible subject matter. At a minimum, Roku's contradictions in building its own patent portfolio creates an issue of fact as to whether Media Chain's asserted patents are directed to an abstract idea or only include well-understood, routine, or conventional limitations. Thus, the issue of patent eligibility cannot be put to rest until after Roku explains its contradiction through a fully developed record.[4]

5. The "Second" Category of Claims are Patent Eligible.

i. Summary of Additional Claim Elements in the "Second" Category of Claims

Notwithstanding the patentability of the "base" category of claims are, the "second" category of claims add several limitations that further tie the invention to digital streaming and licensing technology, making clear the solutions offered by the invention are limited to this technological solution to a technological problem. This category includes "loading a digital media file for reproduction" and "analyzing the digital media file to identify digital media information associated with the media content item." Exhibit A, at '581 1[a] and 1[b]. The system is later "accessing a licensing database to reproduce the media content item based on the digital media platform" and "reproducing the media content item when the user is licensed to reproduce the media content item based on the digital media information." *Id.*, at '581 1[e] and 1[f]. Some dependent claims go a step further by "preventing reproduction of the media content item." *See*

[4] A USPTO search shows Roku owning 227 patents as of today. Exhibit C, at 2-3. Fully scrutinizing statements made throughout the Roku portfolio is well beyond the scope of this Motion and response. But, this further evidences the need for a fully developed record.

e.g. '590 patent, claim 2. Thus, these claims are further directed to "a media content licensing and verification system to license media content for reproduction." ''581 patent, at 2:3-7. The claims recite an invention that "provides a secure method to license unlicensed multi-media and distribute the licensing revenue to content owners, rights-holders, participating third-party hardware and software manufacturers, and/or other additional third parties." '581 Patent, at 12:25-30.

ii. These Additional Limitations Further Support Patent Eligibility.

This second category of claims adds additional limitations that further "limit the use of the idea to a particular technological environment." *McRO, Inc. v. Bandai Namco Games America, Inc.*, 837 F.3d 1299, 1312 (Fed. Cir. 2016) (*quoting Alice*, 134 S.Ct. at 2358). These additional limitations root the invention in the field of media content licensing and streaming, and more particularly the particular technological challenges facing ***digital*** media content licensing and streaming. This is not a situation "where it matters not by what process or machinery the result is accomplished." *McRO, Inc.*, at 1314. Rather, the claims recite a "specific means or method that improves the relevant technology." *Id*. Moreover, the claims do not merely carry out a fundamental economic practice, but instead "[t]he claimed process uses a combined order of specific rules that renders information into a specific format that is then used and applied to create desired results." *Id*., at 1315. The specific results in this situation being a useable format such that digital content owners, which may be unaffiliated with the content providing system in the new digital age of media content distribution, can still secure and track their content.

6. The "Third" Category of Claims are Patent Eligible

i. Summary of Additional Claim Elements in the "Third" Category of Claims

The "third" category of claims further ties the invention to a digital environment by claiming the technical improvement of identification through fingerprinting. For example, Claim

1 of the ’691 patent includes the step of “identifying the media content item by determining a media fingerprint that identifies a unique characteristic inherently present in the media content item captured during recorded creation of the media content item, and excluding information introduced to the media content item extraneous to the record creation.” *See* Exhibit “A,” element ’691 1[b]. The claim further recites the step of “retrieving the first statistics record with the identity of the media content item determined by the media fingerprint.” *Id*., element ’691 1[g].

The specification offers several examples of a “fingerprint.” If the media content item is a book, “the natural media fingerprint may be determined to be a predefined number of words from the beginning of the text file.” ’581 Patent, at 8:23-26. As another example, if the media content item “is a song stored in a digital music file,” then “the system may determine the natural media fingerprint by analyzing the digital music file to identify lyrics included in the song, notes played in the song, and/or a sampled sound wave included in the song.” ’581 Patent, at 8:27-32. The analyzing of the fingerprint may help to determine different versions of the same media content item, such as a live version or a studio version of a song. ‘581 Patent, at 9:6-21. This also solves the problem of identifying the media content item when the identity of the content is not inherently known to the operator of the system, such as when the operator of the system does not provide the media content item or when the file does not include metadata with the identifying information.

ii. These Additional Limitations Further Support Patent Eligibility.

The inclusion of the fingerprint recognition and association claim elements further pushes the direction of the claims away from any possible abstract idea and towards a technological improvement. This is a significant step beyond merely “identifying” a media content item, as recited in the “base” category of claims and the “first” category of claims. This is an identification technique rooted in a technological solution determined by an “identifying characteristic

associated with the media content item inherently present in the media content item such that the media content item is not remastered to include the identifying after the media content item is initially recorded." '581 patent, at 4:15-21.

Moreover, this technological technique is being applied in a digital-only environment. Remastering digital media files has no equivalent in a non-digital world. It is a technology rooted problem that could not "be performed by humans without a computer" as could an abstract idea. *See Mortg. Grader v. First Choice Loan Services*, 811 F.3d 1314, 1324-25 (Fed. Cir. 2016).

These additional recitations are analogous to *ESW Holdings,* 2019 WL 10303653. The claims in *ESW Holdings* were "receiving media content objects (*e.g.* a still image), mathematically calculating a value (***a "fingerprint"***) of a received media object, comparing the value in a database to determine an "action" associated with that value, and then executing that "action" in accordance with stored instructions." *Id.*, at *3 (emphasis added). At step one, the court in *EWS Holdings* found those claims to be "directed to the business practice of creating different templates for different applications-namely, in the context of the [asserted patent], 'interactive television applications.'" *Id.*, at *4. In support, that court cited *Enfish*, and found that the "plain focus on the claim[ ] is on an improvement to computer functionality itself, not on economic or other tasks for which a computer is used in its ordinary capacity." *Id.*, at *4 (*quoting Enfish*, 822 F.3d at 1336).

Furthermore, Roku has several, related technology patents directed to content identification through fingerprinting. *See e.g.* U.S. 11,188,587 entitled "Media fingerprinting and identification system," Exhibit C, at 117-175; U.S. 11,051,055 entitled "Automatic content recognition (ACR) fingerprinting and video encoding," Exhibit C, at 176-188. As argued *supra*, a more fully developed record is needed to determine Roku's position how these patents past muster under 35 U.S.C. §101 but, conveniently, the asserted patents do not.

7. Roku's Cited Decisions are Distinguishable

Roku predominately relies on three decisions in support of its *Alice* analysis: *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709 (Fed. Cir. 2014); *Affinity Labs of Texas, LLC v. DirecTV, LLC*, 838 F.3d 1253 (Fed. Cir. 2016); and *Free Stream Media Corp. v. Alphonso Inc.*, 996 F.3d 1355 (Fed. Cir. 2021). *See generally* Motion at 11-15. Each decision is distinguishable.

In *Ultramercial*, the asserted patent was "directed to a method for distributing copyrighted media products over the Internet where the consumer receives a copyrighted media product at no cost in exchange for viewing an advertisement, and the advertiser pays for the copyrighted content." *Ultramercial*, 772 F.3d at 712. At step one, the court found those claims to be directed to "a method of using advertising as an exchange or currency." *Ultramercial*, at 715. At step two, the court determined that the limitations of the claims did not transform the claim because these were "routine additional steps such as updating an activity log, requiring a request from the consumer to view the ad, restrictions on public access, and use of the Internet." *Id*., at 715-716.

"Unlike the claims in *Ultramercial*, the claims at issue here specify how interactions with the Internet are manipulated to yield a desired result – a result that overrides the routine and conventional sequence of events ordinarily triggered by the click of a hyperlink." *DDR Holdings*, 773 F.3d at 1258. The base category of claims lay out technologically rooted steps to solve technologically rooted problems with respect to securely transmitting digital content and collecting user data regarding the same. The second category of claims add additional limitations further rooting the claims in the digital realm. The third category of claims answers the "how" with respect to the "identifying" step by reciting a fingerprint recognition as a technology-specific solution.

With respect to *Affinity Labs*, Roku reads *Affinity Labs* so broadly that one would believe the Federal Circuit has rejected all computer-implemented methods that, necessarily by their nature, are drafted using functional language. *See* Motion, at 14. That is simply not true. *See e.g.*

VB Assets, LLC v. Amazon, Inc., No. 19-1410, 2020 WL 5549088 (D. Del. Sept. 16, 2020) (denying §101 motion and noting that "[s]ome of the limitations are functional, but the claim is directed to making function better"); *Smartflash LLC v. Apple, Inc.*, No. 6:13-cv-447-JRG-KNM, 2015 WL 11090901, at *8 (E.D. Tex. Jan. 21, 2015) (noting the claims at issue in *DDR Holdings* "recited less-specific limitations and largely functional language").

As for *Free Stream*, Roku relies on this decision for the broad proposition that "[t]he Federal Circuit has already found that claims that recite generating and processing media fingerprints, like these claims, are patent ineligible." Motion, at 18. Not only is this an overstatement of the *Free Stream* holding, but it is inaccurate to say the at-issue claims are analogous to the *Free Stream* claims. The claims in *Free Stream* were directed to a "system" and a "relevancy-matching server" which takes "fingerprint data," and matches it with "content identification data" and execute a "sandboxed application" on a mobile device. *Free Stream*, 996 F.3d at 1358-1359. At step one, the Federal Circuit found that "the alleged technological improvement does nothing more than implement a computer to achieve the abstract idea of providing targeted advertising to the mobile device user." *Id.*, at 1365. At step two, the Federal Circuit rejected the notion that those claims were like the patent-eligible claims in *DDR Holdings* because the patent-eligible claims in *DDR Holdings* "solved the problem of allowing a website visitor to view a hyperlinked advertisement without being forced to leave the first website," and "[b]y contrast, here, sandbox security prevents, in part, internet-connected devices from communicating." *Free Stream*, at 1365-66. Thus, the patent in *Free Stream* "simply seeks to undo that by working around the existing constraints of the conventional functioning of television and mobile devices." *Id.*, at 1366.

Free Stream is distinguishable at both steps. Here, the asserted patents in the third category of claims utilize the fingerprint technology to solve the specific technological problem of identifying content unaffiliated with the system in an enabling way to perform statistical measurements ***even if*** a user declines to stream media content item – to gather and use information about both about what the user watched and what the user chose not to watch. In hindsight, in a world where every mouse movement, click and hover is tracked, this may seem obvious or commonplace. However the use of hindsight is impermissible. *Texas Instruments Inc. v. U.S. Intern. Trade Com'n*, 988 F.2d 1165, 1178 (Fed. Cir. 1993). At the time of the invention, this was "an inventive solution to a problem in implementing the idea." *Free Stream*, at 1366 (*citing Affinity Labs*, 838 F.3d at 1262). Indeed, this would prove to be a useful, and increasingly necessary solution, as media content distribution companies, such as Roku, increasingly sought to track and analyze viewership patterns even for content extraneous to Roku. Unlike in *Free Stream*, this solution is not undoing existing problems inherent in televisions. Rather the solution is offering a novel, technological solution to the novel, technological problem facing media content owners as they transition to the digital age. This is akin to "specific verification methods that depart from earlier approaches and improve computer technology eligible under §101." *CosmoKey Solutions*, 15 F.4th at 1096.

III. CONCLUSION

WHEREFORE, Media Chain respectfully requests that the Motion be denied, or in the alternative Media Chain be granted leave to amend its Complaint.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on December 2, 2021, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to counsel of record using that system.

/s/ A. Robert Weaver
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