

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DISNEY MEDIA & ENTERTAINMENT DISTRIBUTION LLC,
Petitioner,

v.

DIGITAL MEDIA TECHNOLOGY HOLDINGS, LLC,
Patent Owner.

Case No. IPR2024-00736
U.S. Patent No. 7,574,725

**PATENT OWNER'S PRELIMINARY SUR-REPLY URGING
DENIAL OF *INTER PARTES* REVIEW OF U.S. PATENT NO. 7,574,725**

Table of Contents

	Page(s)
I. Patent Owner’s “Implied” Constructions Are Supported.....	1
<u>A. Defining “Correlated Information” by an Inadequacy of the Prior Art Is Unsound.....</u>	1
<u>PO Statement Broadened by Petitioner to Create Unsound Construction.....</u>	2
<u>Quoted Content Does Not Relate to Claim Language.....</u>	3
<u>Argument in Preliminary Response Doesn’t Create Estoppel.....</u>	3
<u>B. “Distribution” As Used in the Prior Art Means “Delivery”.....</u>	3
<u>C. “Exhibition” does not mean “Display”.....</u>	4
II. Complete Absence of New Teaching in New Art Compels Discretionary Denial.....	5
<u>No Examiner Error.....</u>	6
III. <u>Conclusion.....</u>	6

LIST OF EXHIBITS

Exhibit 2004	https://www.westga.edu/academics/university-college/writing/glossary_of_film_terms.php
--------------	---

The Board granted Petitioner's request for leave to file a reply "limited to the issues raised by Petitioner in its August 6, 2024 communication to the Board," which in turn requested leave to address claim construction positions from parallel district court litigation. (Order at 1-2.) First, the characterization of addressing litigation claim construction is strained because Petitioner's arguments for the terms "distribution" (Reply § I(A)) and "exhibition" (Reply § I(B)) make no mention of the parallel litigation whatsoever.. Second, Petitioner's argument on "correlated information" (Reply § I(C)) fails to explain how PO's argument in this proceeding contradicts its argument in the parallel proceeding. As explained below, Petitioner conjures up an "implicit construction" from PO's analysis of the prior art, and then manufactures an alleged distinction from the constructions in the District Court. Respectfully, this is not persuasive and PO requests that the Board disregard the same.

In its Preliminary Reply, Petitioner takes issue with supposed "implicit" claim term constructions, but a) says little to nothing respecting its view of what that construction should be, b) fails to even consider the clear support in the specification for the supposed construction, and c) doesn't dispute evidence of the plain ordinary meaning of the terms of record. Likewise, d) the implications of such contentions as they relate to the present issues is not stated. This is not surprising because the prior art in the Petition is no closer to the claimed invention than the prior art before the Examiner. This also has the effect of militating in favor of discretionary denial.

While Petitioner takes issue with discretionary denial, it a) doesn't contest that it has cobbled together numerous modules from multiple references, and b) advances no specifics contesting the substantially identical nature of those modules to those considered by the Examiner.

I. Patent Owner's "Implied" Constructions Are Supported

A. Defining "Correlated Information" by an Inadequacy of the Prior Art Is Unsound

In the preliminary response, PO noted that flagging in Garfinkle, relied upon by Petitioner, is not specific to correlation, but to other file characteristics. Significantly, Petitioner does not contest this. Thus, Garfinkle simply fails to meet the recitation in Claim 1(d) of “providing samples of said ***correlated information*** from said server system over said communication network to said potential purchasers.” Nothing can change that.

PO Statement Broadened by Petitioner to Create Unsound Construction. Petitioner sidesteps the issue, arguing that in the preliminary response PO detailed the unsoundness of Garfinkle stating that “[w]hile Garfinkle may have the ***capability*** of providing samples of information [as opposed to the claimed “correlated information”]..., the lack of flagging specific to correlation means that the human user is the one determining ‘correlation,’” and that “without such human input, Garfinkle... is incapable of ‘providing samples of said correlated information,’” as claimed. Underlines added. Bracketed material added.

In its preliminary reply, Petitioner argues that the above PO statement, means “PO appears to construe ‘correlated information’ to exclude determining ‘correlation’ using ‘human input’ ” of any kind. Of course, this is outright wrong, because Petitioner has dropped the word “such” from its “quotation” of the PO’s statement. This revision vastly broadens PO’s original phrase “such human input,” which refers only to the undisclosed possibility that a human using Garfinkle’s system might be able to identify correlated information. Next, Petitioner contends, unsoundly, a) that the statement is an “implied” claim term construction, and, pointing to a random human input in the system of the Patent, b) also contends wrongly that the “implied” construction contradicts the specification, because it is not wholly devoid of disclosure of human input.

However, there is not even an arguable contradiction if PO’s statement is left unaltered.

Quoted Content Does Not Relate to Claim Language. Putting aside Petitioner’s building its argument on *Petitioner’s alteration of PO’s statement*, Petitioner’s argument is further defective because the disclosure in the Patent to which Petitioner points is unrelated to the provision of correlated samples “from said server system over said communication network to said potential purchasers,” as recited in Claim 1(d)).

Argument in Preliminary Response Doesn’t Create Estoppel. Moreover, because the issues surrounding the words “such human input” arose only in argument before the Board about whether the prior art meets the claim limitations, there is nothing remotely relevant to claim construction, “implied” or otherwise. Quite simply, PO merely noted one inadequacy of the Garfinkle reference (not contested by Petitioner in its Reply), stating that the human intellect might be able to determine correlation using Garfinkle’s apparatus, but Garfinkle does not disclose correlation. Petitioner’s approach is fundamentally unsound, as it would enable every argued feature which differentiates an asserted prior art patent to be added to a claim after it issued.

Petitioner’s arguments respecting implied construction fail to identify any substantive basis for challenging the conclusion that the prior art asserted by Petitioner fundamentally fails.

B. “Distribution” As Used in the Prior Art Means “Delivery”

The issue raised with respect to the meaning of “distribution” relates to what the prior art shows and has nothing to do with claim construction.

Nevertheless, it is noted that Petitioner criticizes the published definition of “distribution” in the movie business as comprising “the process of marketing the film and supplying copies to exhibition venues.” See University of West Georgia, Glossary of Film Terms, available at https://www.westga.edu/academics/university-college/writing/glossary_of_film_terms.php, accessed June 14, 2024, and cited in PO’s preliminary response. Exhibit 2004. But the argument

seems to go nowhere, as Claim 1 recites a “method of marketing and distributing multimedia.” While there may be some redundancy between the two terms, the clarity of the phrase as a whole is apparent. Not so with the word “distribution” standing alone. See, for example, the argument made by Petitioner that “‘marketing’ and ‘distributing’ are separate concepts”. Brief, p. 1.

The issue arose in view of PO’s arguments that “distribution,” *as used in some of the prior art*, does not meet the “marketing and distributing” limitation of Claim 1. Petitioner’s assertion that “‘marketing’ and ‘distributing’ are separate concepts” appears to concede the point.

More importantly, given that the preamble phrase “marketing and distributing” is alleged by **Petitioner** to be imprinted into eight claim elements (Reply, p. 1), it is clearly limiting and Petitioner’s assertion appears to be a dead-end.

Besides having no import, the assertion that there is an implied construction is incorrect. The words of PO at issue relate not to construction, but to the inadequacy of the prior art.

C. “Exhibition” does not mean “Display”

Similarly, the issue respecting “exhibition” relates to understanding the disclosure of the prior art. Petitioner addresses arguments respecting the incorrectness of referring to private showing of a movie to a video on demand customer as “exhibition.” Once again, the argument is picayune and pointless, as Petitioner concedes that Claim 1 “defines at least two types of ‘exhibitors’: a ‘public theater’ exhibitor and a ‘broadcast exhibitor.’”

Significantly, no position is advanced in the preliminary reply to define “exhibition” as comprising any simple display of a film.

Perhaps more significantly, all that we are left with is the cryptic suggestion that “exhibition” should be construed according to its plain and ordinary meaning in a manner at least

broad enough to encompass the disclosed embodiments.” This is remarkably erroneous, as a claim can be limited to one disclosed embodiment.

II. Complete Absence of New Teaching in New Art Compels Discretionary Denial

Despite the protests of Petitioner, Section 325(d) provides for discretionary denial where the prior art or arguments are "the same or substantially the same" as those before the Examiner.

Turning first to the patent to Allen, Allen, in addition to adding nothing to the art before the Examiner, appears at least four times in the search histories (Ex 1006, pgs. 138, 144, 217, 218). Accordingly, it is clear that some consideration was given to this patent, but the Examiner determined that other art was more relevant to the issue of patentability.

PO noted that the contentions of the Petitioner are based on cobbling together modules from different patents to create the claimed invention. However, as noted in the PO’s preliminary response, the same modules were before the Examiner who applied them to the same claim elements in the same way. Accordingly, both prior art and arguments are the same or substantially the same as those before the Examiner.

Petitioner acknowledges the presence of Allen in the file wrapper. Respecting the other art, Petitioner relies on its assertion that “Garfinkle, Kosten, and Budow were neither evaluated nor applied during prosecution.” But this is a fallacy, because they are, in substance, the same as the art before the Examiner, and, as detailed in PO’s response, they were the subject of the same arguments.

Nor does Petitioner make any argument respecting the issues and the art treated in detail in PO’s response. Certainly, as a whole, the art is substantially the same. But while Petitioner argues that the substance of the art should be ignored in favor of a standard requiring a one-for-one

correspondence between art in the prosecution and the newly cited art, it advances no analysis purporting to meet that standard.

On its face, the argument is specious for two other reasons. The substance of the new art and the art before the Examiner is the modules, and the substance of their identity has been set forth in detail. Moreover, the discussion of that detail in PO's response illustrates the correspondence between the patents in the prosecution and those relied upon by Petitioner. For example, substantively the same are: Garfinkle and Hunter (accessing stored film and advertising with accounting (at ¶0018, ¶0013, ¶0021, ¶0023, ¶0036)), Kosten and Hunter (¶ 62) (satellite transmission), Allen and Hunter (accounting), Budow and Hunter (advertising), Allen and Hunter (optical fiber/Internet delivery), and Garfinkle and Bernard (use of tags).

No Examiner Error. The Petition alleged "the Examiner erred in overlooking Allen, especially because it contradicts his conclusion regarding the use of video for advertising," more particularly the Examiner stated that the prior art he was referring to mentioned "movie posters." Petition, p.12. Petitioner contends that the Examiner made an **error because he was referring to Allen** as the "state of the prior art," and making an inaccurate statement about Allen. However, Allen makes no mention of posters. Thus, it is clear that the Examiner was **not** referring to Allen. So the Examiner was not making an inaccurate statement about Allen. Instead, the Examiner's statement is an accurate characterization of the overall prior art.

III. Conclusion

The contentions of Petitioner respecting claim construction are meritless, being based upon misquotation of argument respecting patentability, irrelevance of the statements to construction, and irrelevance of statements referring to the use of the term "distribution" in alleged prior art. These arguments relate to the extent of teaching in the asserted prior art.

Likewise, the alleged “error” depends upon the clearly incorrect and arbitrary premise that the Examiner was referring to the Allen patent in characterizing the prior art, something contradicted by the very statement’s reference to “posters,” which are not discussed in Allen.

Institution should be denied.

Dated: August 28, 2024

Respectfully submitted,

/s/Anthony H. Handal
Anthony H. Handal
Registration No. 26,275
Mona Roy
Registration No. 40,982
Handal & Morofsky LLC
308 East Avenue
Norwalk, CT 06851
617 880-0811
handal@handalglobal.com

Of Counsel
Jared Doster
Registration No. 72,684
Carey Rodriguez LLP
1395 Brickell Avenue, Suite
700, Miami, FL 33131
305-356-5455
Jdoster@careyrodriquez.com

CERTIFICATE OF SERVICE

A copy of the foregoing Patent Owner's Preliminary Sur-Reply Urging Denial of *Inter Partes* Review Of U.S. Patent No. 7,574,725 and Exhibit 2004 have been served via Electronic Mail on Petitioner's counsel of record as follows:

Xin-Yi Zhou
William M. Fink
Ben Haber
Patric Reinbold

At the following email addresses

vzhou@omm.com
tfink@omm.com
bhaber@omm.com
preinbold@omm.com

A courtesy copy was sent to the below counsel via electronic mail:

Neal C. Belgam
Daniel A. Taylor

At the following email addresses

nbelgam@skjlaw.com
dtaylor@skjlaw.com

Dated: August 29, 2024

/s/Anthony H. Handal