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

DECLARATION OF JOHN DANIELS IN SUPPORT OF RESPONSE TO PETITION FOR *INTER PARTES REVIEW* OF U.S. PATENT NO. 7,574,725

Exhitbit 2121

1. My name is John Daniels and I make this declaration in connection with the opposition of Digital Media Technology Holdings LLC ("Digital Media") to the petition of Disney Media & Entertainment Distribution LLC ("Disney") in the above-captioned *inter partes* review proceeding relating to United States Patent Number 7,574,725 (Ex 1001 the "Patent"), currently pending before the Board.

2. My educational qualifications include a degree in engineering physics, which I earned at the University of Bridgeport in 1986. I also hold a law degree which I received from University of Connecticut in 1989. I worked full-time as a patent attorney, in patent prosecution, between 1990 and 1996, and between 2011 and 2017, as detailed I my attached resume, which is true and correct. Ex-2120. I also have occasionally participated in patent prosecution for my own companies. Accordingly, I am conversant in the law involving questions of patentability, obviousness and the related doctrines which form the subject of this declaration.

3. The rest of my professional career has been spent working in my own companies in the research, development and prototyping/commercialization of a number of different technologies, principally including fishing rod technology, digital video file transport, storage and processing, LED-based light-emitting tapes, drone control systems, wearable medical related electronic devices and breath-based diagnostic devices. In the work which I have performed in my own companies, as

outlined above, I have performed the roles of chief executive officer and chief technology officer.

4. I understand that the technology of the Patent involves digital file transport, to movie theaters, of electronic files of multimedia feature films to be displayed in the ordinary course of the movie theater's business. Also downloaded and stored in accordance with the invention are associated advertising materials, such as movie trailers, posters, television advertisements and so forth. These materials are downloaded and stored locally, for example, on a hard drive of the movie theater computer. This allows the movie theater to exhibit the film using a digital projector. Respecting the stored advertising materials, the same are available to the movie theater allowing use of those materials by the theater to locally market the feature film. The selection of specific advertising material, such as trailers, posters and the like, by the movie theater is recorded by the system and sent to a statistics database. Exhibitors report sales using the system of the Patent. Such information relating to marketing actions collected from individual exhibitors is sent from the statistics database to exhibitors.

5. The Patent was filed as a non-provisional patent application on April 23, 2001, and claims the priority of Provisional application No. 60/201,118, filed on May 2, 2000. Insofar as the disclosures of the provisional and the non-provisional patent application are substantially identical, the relevant date for questions of

patentability and non-obviousness is May 2, 2000 (the "Relevant Date"). I understand that claims 1, 4, 5, 6, 7, 9 and 11 are at issue in this proceeding.

6. I understand that a person of ordinary skill in the art would be a person having a Bachelor of Science degree in electrical engineering, engineering physics, computer engineering, computer science, or a related field plus one year of experience related to marketing and distribution of multimedia material over a computer network, or the equivalent.

7. I have reviewed United States Patent No. 5,530,754 to Garfinkle (Exhibit 1005), United States Patent No. 5,909,638 to Allen (Exhibit 1006), United States Patent No. 5,521,631 to Budow (Exhibit 1008) and an article written by Kosten (Exhibit 1007). Not one of these references show even the most basic aspects of the Patent, namely file transport of advertising and multimedia for local storage at the facility of the exhibitor allowing the exhibitor to use the same freely in local marketing efforts. Nor do they show or suggest the collection and dissemination of information relating to marketing activities.

8. While an attempt has been made to justify various combinations of references, the same constitutes merely a hindsight reconstruction of the invention following the methodology detailed in the Patent. For this reason the combinations of references urged in Grounds 1-4 fail to anticipate or make the invention obvious,

for the reasons detailed herein. Nor, for the reasons detailed herein, is there any motivation to make any of the combinations relied upon.

9. Garfinkle is a simple video-on-demand system, featuring the storage of such things as trailers and lead-ins locally on the user's system. The purpose of the lead-in is to begin playing the lead-in portion of the movie after the user selects it, to mask download time for the movie. At its essence, this is a low bandwidth system, different in genre from satellite systems. Unlike claim 1 which recites an "exhibitor," in Garfinkle the customer is an end-user consumer who performs no marketing of the film to third parties. Accordingly, the features of claim 1, "allowing purchasers to locally market and sell said multimedia material," and "advertising material… being shown to the public at a time or in a place different from the time or place at which said associated multimedia material is displayed," are missing. Moreover, adding that to Garfinkle's system would not be obvious to a person of ordinary skill in the art ("POSITA"). Indeed, such a combination is nonsensical in Garfinkle's video-on-demand system, which does not suffer from any problem that would be addressed by adding storage of advertising material which would enable future marketing. Moreover, Garfinkle's VOD system is not remotely concerned with marketing of the product by Garfinkle's customer, because that customer is an end-user, not an exhibitor.

10. Claim 1 also recites “purchasers storing the downloaded correlated information in a digital format corresponding to said advertising material.” Such storage enables local marketing. While Garfinkle does show an accounting engine it performs no marketing activities, but only functions relating to collection of data necessary to implement the financial transaction associated with a sale.

11. Kosten shows a system for transmission by a satellite of multimedia films to theaters. Kosten also shows the transmission of trailers, which could possibly be used for display on lobby billboards. However, it would appear that billboard advertising is being transmitted and displayed in real time (“live broadcast capability”) and thus does not meet claim 1’s limitation of storage of advertising materials, or for that matter provide any capability to enable claim 1’s “allowing purchasers to locally market and sell said multimedia material”. While Kosten does show cylinders which might be argued to be interpreted as storage, it is unclear whether the same is permanent or volatile, and thus unclear whether the same would enable marketing locally. Volatile storage would not be available for later marketing actions. Importantly, Kosten’s disclosure is somewhat confused. For example, on page 54 of his article, the figure entitled “FROM STUDIO TO SATELLITE TO A THEATER NEAR YOU” the block labeled “Theater” includes A “CyberStar Video Server” which clearly should be in the block labeled “CyberStar”. This would suggest that if it is storage, it is located in the

"CyberStar" block. This would differentiate it from the invention which envisages storage at, for example, the theater of a feature film exhibitor. The location of any such storage for advertising as being at the central server of CyberStar is further reinforced by the fact that there is no disclosure of advertising under control of the moviehouse. Rather than storage of ***advertising*** by the exhibitor, the disclosure is only that "digital ***film*** files" before being sent are "encrypted" allowing "exhibitors [to] then simply project the file, which is received on their network server, stored and routed to individual screens." Exhibit-1007, page 54, column 2.

12. In its Ground 2, the suggestion is made that the patent to Allen remedies the deficiencies of the Garfinkle/Kosten combination. However, claim 11 has significant limitations relating to the collection and dissemination of marketing activity information. The position depends on blurring sales and marketing which are two separate activities. Importantly, Allen's collection of credit card information is a sales activity not a marketing activity and, accordingly, does not anticipate or render claim 11 obvious.

13. Claim 11 specifically recites "automatically collecting sales information from exhibitor recipients of various items of said multimedia material and providing sales and marketing data, specific to said items of multimedia material, to exhibitors based upon information from said exhibitors." In contrast to that Allen discloses remote sales or rentals of videocassettes at a kiosk with manufacturing

capability. This technology is in the field of manufacturing, not advertising and therefore the application of Allen to the combination of Garfinkle and Kosten is nonsensical and not at all obvious, but rather the product of hindsight. The attempted justification of such a combination on the basis that they share many features doesn't make sense because each of these systems is complete in and of itself and suffers from no problem in connection with the purpose for which it is intended.

14. Of course, Allen, like Garfinkle, has nothing to do with exhibition, insofar as one deals with private viewing of the movie and the other deals with a private sale or rental of a movie cassette. Accordingly, collection and dissemination of marketing activity data, as claimed in Claim 11, is not remotely suggested by Garfinkle, Kosten, or Allen. This is in contrast to what effectively amounts to a sales tool provided by the invention in the Patent as described at column 15, lines 6-11, 60-64. See also column 13, lines 15-19, 27-39, 41-47 of the Patent.

15. Moreover, while Allen does collect sales information, it is not provided to exhibitors (of which there are none) but only to the seller/lessor of the product, so that the seller can be paid. Such feedback dissemination of collected information enables perfection of marketing actions.

16. Respecting Ground 3, Petitioner adds the patent to Budow, arguing Claims 1, 4, 6-7, 9, 11 as they relate to the combination of Allen in view of Budow. As noted above, Allen's customer does no marketing. But Budow adds nothing to Allen. Budow only shows a simple trunk and branch VOD system, and is missing numerous elements of those claims.

17. Allen shows only the collection of credit card information at his manufacturing kiosk to enable the client to be charged. This is a sales activity, not marketing of the product. Clearly, the marketing in the Patent is the use of the advertising materials as noted throughout the specification and in Claim 1. The combination of Allen and Budow is illogical and even if made does not meet the storage limitations of Claim 1 or Claim 11. Moreover, neither of these has anything to do with exhibition which, by its nature, is public.

18. I understand that it is being contended that the words "optical fiber," and "satellite links and high-speed wire" described only public networks. This is incorrect as all of these technologies can be used privately.

19. In its Ground 4, Petitioner unsoundly challenges Claim 5 (which limits Claim 1 to the exhibition of multimedia material is the public showing of a motion picture) using Allen, Budow and Kosten. The combination of Allen and Budow is unsound as noted above. Kosten discloses nothing but a straight through satellite link and

does nothing but suggest that public exhibition in theaters exists. This does not affect the motivation to combine, nor does it remedy the deficiencies of Allen and Budow.

20. Once again, there is no motivation to combine these patents. Indeed, each of the four alleged prior art publications noted above is a complete solution without any problem, and there is no motivation to combine any of them. Moreover, the combinations urged, and all of the grounds asserted, do not improve the functioning of the systems disclosed in the alleged art, but are hindsight attempts to reconstruct the claims. More importantly, none of the combinations provide the information collection and dissemination, and marketing functionalities of the invention. They don't even suggest any need for the same.

21. The undersigned further declares that all statements made herein are true, except statements made upon information and belief, which are believed to be true, and that this declaration has been made with the knowledge that false statements and the like are punishable under the penalties for perjury under the laws of the United States of America.



John J. Daniels

Dated: February 25, 2025