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UTILITY PATENT APPLICATION TRANSMITTAL Under Small Entity Status (New Nonprovisional Applications Under 37 CFR § 1.53(b))	Attorney Docket No. 0054-011P1

TO THE ASSISTANT COMMISSIONER FOR PATENTS:

Transmitted herewith is the patent application of ( ) application identifier or (X) first named inventor, Philip M. Donian, entitled Method And Apparatus For The Free Licensing Of Digital Media Content, for a(n):

( ) Original Patent Application.

(X) Continuing Application (prior application not abandoned):
- ( ) Continuation ( ) Divisional (X) Continuation-in-part (CIP)
  of prior applications No: 60/393,193 Filed on: June 27, 2002 and No: 60/392,232 Filed on: June 27, 2002
- (X) A statement claiming priority has been added to the specification.

Enclosed are:
- (X) Specification; 78 Total Pages. (X) Drawing(s); 18 Total Sheets.
- (X) Oath or Declaration:
  - (X) A Newly Executed Combined Declaration and Power of Attorney:
    (X) Signed. ( ) Unsigned. ( ) Partially Signed.
  - ( ) A Copy from a Prior Application for Continuation/Divisional (37 CFR § 1.63(d)).
    - ( ) Incorporation by Reference. The entire disclosure of the prior application, from which a copy of the oath or declaration is supplied, is considered as being part of the disclosure of the accompanying application and is hereby incorporated herein by reference.
    - ( ) Signed Statement Deleting Inventor(s) Named in the Prior Application. (37 CFR § 163(d)(2)).
- ( ) Power of Attorney. (X) Return Receipt Postcard.
- ( ) Associate Power of Attorney. (X) A Check in the amount of $1,291.00 for the Filing Fee.
- ( ) Preliminary Amendment. ( ) Information Disclosure Statement and Form PTO-1449.
- ( ) A Duplicate Copy of this Form for Processing Fee Against Deposit Account.
- ( ) A Certified Copy of Priority Documents (if foreign priority is claimed).
- ( ) Statement(s) of Status as a Small Entity.
- ( ) Statement(s) of Status as a Small Entity Filed in Prior Application, Status Still Proper and Desired.
- (X) Other: Assignment and Recordation Coversheet (05 pages) .

CLAIMS AS FILED				
FOR	NO. FILED	NO. EXTRA	RATE	FEE
Total Claims	108	88	$9.00	$ 792.00
Independent Claims	5	2	$42.00	$ 84.00
Multiple Dependent Claims (if applicable)				$0.00
Assignment Recording Fee				$40.00
Basic Filing Fee				$375.00
			Total Filing Fee	$1,291.00

Charge $_____ to Deposit Account _____ pursuant to 37 CFR § 1.25. At any time during the pendency of this application, please charge any fees required or credit any overpayment to this Deposit Account.

Respectfully submitted,

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METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT

INVENTORS: Philip M. Donian, Michael M. Malione, and Larry E. Henneman, Jr.

RELATED APPLICATIONS

This application claims the right of priority to U.S. Provisional Application Serial No. 60/393,193 filed June 27, 2002, and to U.S. Provisional Application Serial No. 60/392,232 filed June 27, 2002, each having at least one inventor in common herewith, both of which are incorporated herein by reference in their entirety.

BACKGROUND

Field of the Invention

This invention relates generally to the distribution of audio, video, and print media content, copyrighted or otherwise, via digital replication and delivery channels. More particularly, the invention relates to an apparatus and method for the wide digital distribution of media content in a way that allows the free use of media properties, on demand, with direct consumer exchange capabilities, while at the same time offering equitable return to the copyright holder, and providing for a strict level of control over the enforcement of license agreements on the part of the distributor.

Description of Background Art

The problem of widespread consumer-directed copying and redistribution of licensed material has in recent years become a critical concern for the motion picture, television, and recording industries. In light of this issue, publishing and other print media content providers have also had good reason to be apprehensive about digital delivery of their products.

As it stands now, there is much acrimony between the media copyright holders, distributors, and consumers over how to provide the convenience of digital delivery and replication of licensed material, while maintaining adequate control over its use and redistribution. New technologies to restrict consumer copying and unencumbered use of content have met with opposition and a determination on the part of some consumers to defeat them.

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The distributor provides digital audio, video, and/or print media content to consumers, while maintaining the rights of copyright holders under a distribution agreement. Consumers desire to have free selection on demand from a wide range of content, and have grown accustomed to exchanging the media content in their possession in order to defeat the pay-for-use policy of the distributor. Given the nature of modern networked digital devices, the consumers' power to redistribute media files illicitly is formidable.

A number of methods for media distribution and licensing have been put into practice throughout the history of mass media. However, as discussed below the conventional methods and apparatus have inherent drawbacks that make it difficult for them to maintain their limitations to consumer access in the presence of modern digital technology and a consumer culture driven to defeat them in open defiance of the rights of copyright holders.

Broadcast Television, Broadcast Radio

Wide distribution of copyrighted material via broadcast television and radio, provided for free to the consumer population, uses the value of advertising promotion to generate revenue for the content creation and delivery system. Media broadcasting employs the practice of mixing licensed content with advertisements and other paid announcements in a pre-configured time sequence, then transmitting this sequence asymmetrically over the airwaves to a large number of consumer receivers capable of showing the content in real-time as it is comes in. By virtue of the advertising sponsorship, broadcasters need not be concerned about the large number of consumers who view the content for free, and in fact, they seek the widest audience they can obtain, knowing that greater viewership leads to greater advertising revenue. Broadcasters benefit when their content is played with the commercials in tact, and they rely on the real-time nature of this distribution method to uphold this condition.

Cable Television, Cable Radio

Wide distribution of copyrighted material to the consuming population via cable television and cable radio is based on the concept of charging a recurring subscription fee, with select services available for a premium, to generate revenue for the content creation and delivery system. Pre-configured analog or digital media content, with or without commercial advertisement, is conveyed asymmetrically to the consuming population via coaxial cable. Cable

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is run to every home and other cable ready institution, without concern over the large and increasing size of this viewership, provided that all consumer receivers that get their signal from the cable are valid subscription users, and that select services are provided only to those subscribers who have purchased them.

To avert theft of service, cable delivery systems have employed a variety of signal scrambling methods to act as a form of encryption, providing means to decode the signal only to those subscribers who have paid for a particular premium service. Other technologies support the limited use of two-way signals on the coaxial cable, allowing subscriber verification on a receiver by receiver basis.

Satellite TV, Satellite Radio

Wide distribution of copyrighted material to the consuming population via satellite television and satellite radio is based on the same concept as those employed with cable television and radio, replacing the coaxial cable delivery apparatus with a system of orbital satellites and terrestrial receivers. Many of the subscriber verification and service level determination methods from cable have been facilitated in these systems via smart cards and other certification technologies incorporated into the satellite receiving equipment.

Pay-Per-View

Video On Demand (VOD) services based on user at-will consumption of asymmetrical content delivery is in use by cable, satellite, and internet based media delivery systems. Apparatuses to establish two-way communication enable the consuming population to request that content be delivered for a single use or limited time period, at any time upon request, rather than on an infrequent programming schedule of the delivery system. Pay-Per-View VOD allows for the immediate wide area distribution of live or prerecorded individual content without the delays associated with any physical circulation through retail locations.

Transmission Recording Technologies

All of the distribution methods described so far share a common shortcoming, which is that none of them can prevent the consumer from replicating and redistributing copyrighted

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material to others. Instead, they rely on the inherent limitations of consumer equipment to provide this control.

As consumer audio and video recording and editing equipment has become more commonplace, this lack of direct control has become a serious problem. New advances in technology reduce the time and labor associated with reconstituting broadcast material into a form that is otherwise available only for a fee, and the rise of digital technology has brought near perfect levels of fidelity and ease of reproduction to this equipment. When such devices are networked, the consumer gains the power to reproduce and disseminate copyrighted material at will, and there is little the copyright holders can do to stop or hold people responsible for this practice if it is widespread.

Retail Purchase of Licensed Media

Consumer retail purchase of copyrighted media is enabled by the availability of portable media storage receptacles, ever increasing in quality and capacity. Copyright holders have their content transferred to this portable media for sale in retail locations, through mail order, over the internet, and elsewhere. This method of distribution provides for high revenue generation while limiting explicit theft, however, once the media is removed from the retail environment, the consuming population has at its disposal multiple apparatus -- including tape recorders, video cassette recorders, compact disk burners, digital video disk burners, and computer systems capable of reading the media directly, among others -- available for the illicit manipulation, replication, and redistribution of purchased media.

Short Term Rental

Limited use of video cassette and digital video disc portable media is based on the ability of the consuming population to enter into rental agreements with licensed distributors through retail, mail order, internet, and other means. A small rental fee is relinquished in exchange for use of the media for a certain predefined time period. If, on expiration of this time allotment, the rented material is not surrendered to the licensed rental distributor, or is never surrendered, late fees may be accessed in an amount equal to or greater than the actual value of the media, in accordance with the terms of the rental agreement. While less costly than purchase of the media at retail locations, if the consuming population desires to re-use any media title, they must re-rent

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it, incurring additional rental cost and the added inconvenience of another trip to the rental location (or mail order or internet process).

Print Media (Books, Magazines, Newspapers, Other Periodicals)

eBooks and internet based periodicals have extended the physical print medium into the realm of the digital age by enabling the distribution channel to pare down the prerequisite paper volume and inherent bulk of traditional print media, while providing an efficient means of distribution and consumption. Electronic forms of print media require a computer or other digital device to navigate the representation of their print based content.

As it stands today, most newspapers and magazines in digital format bear little resemblance to their physical counterparts. They are commonly conveyed in a live website design which archives old content while sporadically presenting new subject matter. Given the ease with which audio and video media (which generally have much larger data file sizes) may be redistributed once they reach the consumer, publishers have been hesitant to release their content in a more familiar format, through digital means, for fear of widespread redistribution made possible by their diminutive file sizes.

Digital Video Recorder (TiVo, Replay TV, Ultimate TV)

Advances in home entertainment technology have given rise to a new breed of video recording systems based on the commoditization of components usually reserved for computer and other digital media manipulation devices. Digital Video Recorders (DVRs) record broadcast, cable, or satellite transmissions digitally to internal hard drive storage devices. Refinements to the first DVRs include the ability to eliminate commercial advertisements saved during the recording process and to redistribute recorded media from one DVR to another via an open network, such as the internet.

DVRs emulating this peer-to-peer technology provide an efficient means for consumers to redistribute digital media, but without central administration, they lack the necessary controls to prevent widespread redistribution of licensed media content beyond the level of personal use, to DVR users who don't maintain a license to consume the media.

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Media Transfer (Burn CD/DVD, Transfer to Mobile Device)

Portability of media has been a hallmark of the technology revolution since the invention of the record album, and is based on the now usual and customary assignment of rights, allowing a consumer to play back, transfer, copy, and otherwise manipulate licensed media for personal use. Significant improvements in portable storage media over the decades have enabled the near perfect reproduction of media content in larger quantity to smaller storage media and other digital devices.

At present, to facilitate the highest possible reproduction standards, analog or digital content may either be 'burned' to Compact Disc or Digital Video Disc storage media, or transferred to digital devices which store the media on physical hard drives or other non-volatile storage apparatus. Once digital media has been transferred to these storage devices, it can be redistributed at will to others with the same ability to manipulate the media, including those who don't possess a license to do so.

Media Sampling

Pre-sales and pre-broadcast content delivery is based on the marketing principle of using promotion to generate sales and/or viewership. Media sampling turns a small section of a copyrighted content property into a revenue-generating advertisement, and redistribution of the sample adds value for the copyright holder. Sampling takes on many forms depending on the nature of the media, and these forms include listening stations in record stores, movie trailers shown prior to the feature presentation or through broadcast means, and television promos for upcoming shows. Given that media sampling in its current form is little more than promotional advertising, it does little to stem the tide of outlaw distribution.

The Internet (Web Sites, Pop-Up Ads, Redirects, Downloads, Subscription)

The rapid spread of networked computing devices has given rise to the Internet, a system for communication based on its ability to facilitate digital communication of thoughts, ideas, tools, art, and other valuable things, in a new and efficient digital manner. To connect, the consuming population generally enters into service agreements with Internet Service Providers who offer the means to get 'on-line' through computer modem dial-up, always-on cable, and other fixed access lines, as well as other wireless means of connection.

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With the explosion of the World Wide Web and Email over the last several years, internet savvy consumers have become accustomed to receiving information on-line, much of it for free, as the world community wrestles with how to mature the Web into a tool for business and economy, rather than just for information distribution and collaboration. Efforts to defray the costs associated with keeping free content available on the Internet have included the use of banner advertisements on websites, pop-up advertisements, unwanted redirects to partner websites, voyeuristic monitoring of consumer habits for marketing and other data mining purposes, and the creation of stealth networks which invisibly hijack the computing resources of unsuspecting users.

The prevailing free atmosphere surrounding the internet has encouraged many consumers to redistribute licensed intellectual property, including copyrighted print media, picture content, audio media, video media, and software, with open disregard for the use agreements binding upon them. Subscription services have arisen to offer consumers an alternative to the pervasive means by which free websites maintain their support, but they have done little to alter the consumer sentiment that the power to disregard copyright agreements with impunity gives one the right to do so.

Streaming Media (RealPlayer®, QuickTime®, Microsoft Media Player®)

Analogous to the old style nickelodeon movie projectors, streaming media content over open networked systems (i.e. the internet) provides an asymmetrical means by which media content may be delivered to consumers in a manner that strictly controls its use. A user makes a request for media via client software running on a computer or other networked digital device, and distribution occurs through a local software client that receives and presents said streamed media in its intended form only for as long as the streaming session is active. Though it provides significant copyright holder protection benefits, streaming media does not reside locally with the consumer, impeding the usual and customary right of the consumer to personal use applications such as making copies or recording for review at a later date or time.

Peer to Peer Networks (Napster®, Gnutella®, Morpheus®, Kazaa®, LimeWire®, Etc.)

Present peer to peer file distribution systems are based on advances in networking technologies and concepts which allow for the delivery of digital files directly from one member

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of the peer community to another without the need for central administration. Individual peer members make a request by way of entering search criteria into a local peer client software application, which then contacts other peers on the network as it searches for files matching the request criteria. Once located, such files are transferred directly from peer to peer. Peer to peer networks provide an efficient apparatus for the distribution of digital media, but without central administration, they lack the necessary controls to prevent the widespread redistribution of licensed media content to unlicensed members of the peer community. Several such systems appear to have been designed with this purpose specifically in mind.

Digital Rights Management

Digital Rights Management, or DRM, is a concept rooted in the notion that content owners may wish to maintain control over the digital distribution of their media. While DRM systems tend to vary in their technology and implementation, in general, they allow owners the ability to grant access to particular encrypted content, allow for authorized redistribution, and provide for transfer to portable media storage receptacles (amongst other assignable privileges) on an item-by-item, user-by-user, or some other basis. While DRM may provide a secure means for content owners to control distribution of their media with approval or denial of access to potential users, it has yet to be implemented in a manner consistent with offering a general license option for free use and redistribution.

Portable Media Access Management

Current "copy-lock" technologies are employed to control the method by which certain portable media storage receptacles such as CD's and DVD's can be used. Through methods which may include placing invisible directories or indiscriminant information at the beginning of the storage receptacles, copy-lock seeks to grant access to the media through some devices while restricting access on others which the copyright holder feels may be used to violate its rights. These methods generally allow for the playback of media content through traditional home entertainment devices while limiting their use in digital reproduction devices such as desktop computer systems. While copy-lock technologies may prove an effective means to curb the ease with which consumers at present may redistribute media through a digital network or media transfer process as outlined above, in their current embodiment they seriously limit the usual and

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customary rights to personal use and can generally be worked around with the aid of fairly ubiquitous analog technology – commonly referred to as the "analog hole."

To the inventor's knowledge, there is currently no conventional digital media distribution method in practice that incorporates the free consumer-directed access and exchange of content with the distributor-directed control of media sequencing after all such exchanges.

SUMMARY

It is an object of the present invention to provide a revenue generating market for the free consumer redistribution of media content, sponsored through paid advertising that a consumer may be required to experience during the course of media playback, provided by means of a system and/or method that offers the benefits of content restriction and controlled playback, working in conjunction with customized, addressable advertising on an individual consumer basis, with monitoring of content use and ad penetration to track audience viewership.

In accordance with the above objects and those that will be mentioned and will become apparent below, one particular embodiment of the digital media distribution method and apparatus in accordance with this invention comprises an interconnected network of computer systems and other digital devices, for use by a multitude of human consumers who access and use media content by way of these networked devices, a distributor who releases media content to consumers over the network, and a software application that imposes limitations on the consumer's use of media content.

The application software functions primarily as a media presentation "player/viewer", capable of running audio, video, and print media content. There is the provision for compatible versions of the player/viewer software to run on most consumer digital device and computer systems. The player/viewer software applies digital rights management techniques to control consumer use of media in a novel way. The player/viewer allows for a "general license", whereby a consumer can obtain free use of a media property, with strict controls enforced during media playback.

These enforced controls amount to the intermittent insertion of paid commercial advertisements and other promotional material into the time sequence of the media content during its course of presentation, along with the temporary disabling of certain user controls to

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ensure that this material is presented in its entirety. The consumer gains free use of content in exchange for exposure to these paid advertisements.

Some of the forms these advertisements may take are novel in the realm of digital advertising over open networks. Advertisements may occur in the same media style as the content. That is, in addition to any software-controlled advertising methods in ordinary practice on consumer digital devices, audio ads are inserted into audio content as they have traditionally been heard in radio broadcasts, video ads are spliced into video content as they have traditionally been seen in television broadcasts, and print ads are interspersed with print content as they have traditionally appeared in newspapers and magazines. In addition, for book and other print content, there may be, according to the invention, audio ads played at certain intervals, similar to those traditionally heard over the radio.

Rather than strictly granting or denying access to secured content, one particular method of the invention provides for unlimited redistribution and free use under general license, enforced by the player/viewer software. This is a new use of digital rights management practices, and it provides improved security by diminishing incentive on the part of the consumer to breach the system, since the desired content is already available free-of-charge from within it.

The player/viewer software has the means to assemble a new, customized sequence of requested content, interspliced with promotional material every time it runs, selecting appropriate ads on demand from a greater repository. Ads are selected on the basis of requested content and other specific information that the system maintains about consumers and their media/ad play histories, and new ads may be chosen even when reusing the same content.

Where demographic, geographic, or other relevant user and/or system information is available, the player/viewer software can apply targeted marketing in the ad selection process. Targeted marketing takes the form of addressable advertising, which not only identifies a select advertising candidate list, but additionally verifies that individual ads were received and consumed by the intended recipient. This custom-selection of advertisements, addressable to unique users, conducted by software running on the consumer's device, is a novel use of new and existing technologies.

In the course of playing or viewing media content, the application software automatically edits the selected advertisements into the presentation stream. The novel "intersplicer" module providing this functionality enforces the conveyance of required ads in their entirety at least

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once, by disabling certain user playback controls while the ads are running. This module also has the power to adaptively select and re-sequence the ads to be shown in response to the user's navigational actions throughout the content, and keeps a history of all the content and advertising material that is presented.

After monitoring content use and ad penetration in the course of running media, the software provides a usage monitor that compiles this data after a play/view session is finished, possibly reporting it back to the distributor. Where such reporting occurs, this functionality gives the distributor the power to measure audience viewership of media content and advertisement penetration, provide for ad rotation, and generate valuable ad usage statistics. For media, the data records provide a detailed profile indicating the number of repeated times that each part of the content is consumed. This novel improvement allows the distribution system to derive greater value from media that is redistributed to a wide audience, through better knowledge of viewership patterns on an item by item basis.

The player/viewer software may employ a distributor-controlled licensing database, allowing the system to track a variety of service types by which a particular user could license a particular media property. Such a database also gives the distributor complete control over the system, providing the player/viewer the ability to grant or deny service altogether, depending on the property and/or the user. In this way, the present invention endows the distributor with the complete power to limit consumer use as directed by the copyright holder, on a property by property basis, and to adjust the amount of required advertising as needed. Local mirrors of this database on consumer-accessible devices are secured via digital rights management, so that the consumer cannot access them outside the running player/viewer software.

The software may also make use of a distributed media catalog for the purpose of locating particular media content throughout the distributor's system, and a hybrid central server and peer-to-peer media transfer system, by which secured media files are delivered to a consumer system upon request. When a centrally administered database for digital rights management is employed in conjunction with peer-to-peer file exchange of secured media content, in a distribution system that provides multiple service levels and types, including a general license to allow free viewing with ads, carried out by player/viewer application software running on the consumer device, there is a new and improved use of these technologies.

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Through this software apparatus running on individual consumer systems, the present invention functions as a new use of the traditional broadcasting business model, which acts as an improvement by adding value to freely exchanged copies of media, distributed over a digital network. By coupling the long-standing broadcast media practice of commercial advertisement sponsorship with the appeal of select, on-demand, consumer-level redistribution over a digital network, the consumer gets the conveniences of virtually unlimited free media selection, instant access, and unrestricted sharing, while the copyright holder gains a tangible value from the increased viewership that results, through an apparatus that makes it possible to maintain explicit control over media use throughout.

The consumer is free to select and program any desired sequence of content, and the player/viewer software has the ability to present this material with ads inserted, while it monitors and measures all use of media and ad content, including repeated use of the same material. Through its use of paid advertising and sophisticated audience monitoring, the invention improves on current digital media distribution practices by creating an advertising-based market for unlimited free consumer use and exchange of media content over a digital network. The content use restrictions resulting from this distribution method and apparatus are an improvement over currently practiced methods, in that they benefit both consumers and copyright holders.

BRIEF DESCRIPTION OF THE DRAWINGS

Further features and advantages will become apparent from the following and more particular description of particular embodiments of the invention, as illustrated in the accompanying drawings, wherein like referenced characters generally refer to the same or similar parts or elements throughout the views, and in which:

FIG. 1 illustrates a networked computer system for the wide distribution of digital media content, according to one embodiment of the invention;

FIG. 2 illustrates a consumer computer system, according to one embodiment of the invention;

FIG. 3A illustrates the player/viewer software graphical user interface, according to one embodiment of the invention;

FIG. 3B illustrates an economic value comparison of existing digital media distribution practices against one particular method and apparatus of the invention;

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FIG. 4A is a schematic diagram illustrating the sequence of play for common audio/video media use sessions, according to one embodiment of the invention;

FIG. 4B is a schematic diagram illustrating the sequence of viewing for a typical print media use session, according to one embodiment of the invention;

FIG. 5A is a flowchart illustration of software operation in response to a user request to run media content, according to one embodiment of the invention;

FIG. 5B is a block diagram illustrating certain software components that operate together to carry out the method of FIG. 5A, according to one embodiment of the invention;

FIG. 6A is a flowchart illustrating one particular method for performing the ad selection operation of FIG. 5A, according to one embodiment of the invention;

FIG. 6B is a block diagram illustrating in more detail the flow of data between certain software components operating in FIG. 6A, according to one embodiment of the invention;

FIG. 7A is a flowchart illustrating one particular method for performing the intersplicing operation of FIG. 5A, according to one embodiment of the invention;

FIG. 7B is a block diagram illustrating in more detail the flow of data between certain software components operating in FIG. 7A, according to one embodiment of the invention;

FIGS. 8A-8D are flowchart illustrations of software operation in response to user-generated playback control events, according to one embodiment of the invention;

FIGS. 9A-9C are flowchart illustrations of software operation in response to user-generated display control events during playback, according to one embodiment of the invention;

FIG. 10A is a flowchart illustration of software operation in response to user-generated audio-level control events during playback, according to one embodiment of the invention;

FIG. 10B is a flowchart illustration of software operation in response to user-generated print media viewing control events, according to one embodiment of the invention;

FIGS. 11A-11B are schematic illustrations of prior art business models employed for the purpose of media content distribution; and

FIG. 11C is a schematic illustration of one particular business model capable of implementation with various methods and apparatus of the invention.

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DETAILED DESCRIPTION

Referring now to FIG. 1, there is shown a diagram of a networked computer system for the wide distribution of digital media content over at least one public or private telecommunications network 100, such as the Internet. The system supports both client-server and peer-to-peer network communication architecture models, as well as any other networking methodology that can operate according to the invention.

A multitude of consumers 102 use their individual computer systems 104 and 110 or other digital device systems 106, 108, and 114 to play and view a variety of media content. Any consumer-used computer device 110, digital device 114, or storage medium device 112 that is capable of a temporary or ongoing digital transfer connection to any of the networked systems 104, 106, 108, and 110, either directly or indirectly, is also to be considered as part of network 100 if the device ever stores or runs any media that is an original or copy of content distributed by way of the present invention.

For instance, at a time when computer 110 is connected to network 100, consumer 102 may via the method of the invention obtain media that is then stored on the hard drive of computer 110, in order to use it at a later time when the connection is not available. If this media data is copied to or used with device 114 via removable storage medium 112, then device 114 is to be considered as part of network 100 according to the invention.

A distributor 120, shown in the figure as a box, is a person or business entity employing or participating in the method of the invention to release digital media content titles and tracks to consumers 102. A "title" refers to an individual stock keeping unit, as managed by the distributor. A "track" is a self-contained portion of a title that a consumer may specifically order separately.

Titles and tracks are media content, occurring in any combination of video, audio, and print forms, or any other media format now known or later developed. Video refers to any media that consists of moving pictures, with or without sound, in a page-free context, including, without limitation, a film, television show, documentary, short subject, or music video. When audio accompanies video, the content is still classified as video. Audio refers to any media that contains audio only, in a page-free context, including, without limitation, a short musical track, such as a rock or popular song, a long musical piece such as a symphony or rave music track, or an audio program, such as a lecture, speech, radio drama, or book on tape.

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Print media forms include any static or software-driven content that employs text and/or images laid out into pages, including, without limitation, a newspaper, magazine, book, reference material, or user-interactive hypermedia document. Print media may contain audio and/or video material, but if the primary value of the content involves page layout, it is classified as print media. However, when page-based operations take place within a single video area, and are subsidiary in value to accompanying video content, the media is video. For instance, the page-based menus on a DVD count as part of video media content, even though they involve text, menus, and pages.

Any audio, video, or print media content may also include extra application software code and/or document data as a part of it. Such code/data provides the player/viewer with specific logic functionality to accompany the content. The menus and text that accompany DVD format movies are a prime example of this kind of code/data.

Distributor systems 122, 126 are those computers and devices on network 100 that are secured under strict control of the distributor 120. Apart from these distributor systems, there may be a very large number of "consumer systems" – a term to denote any computer or other digital device under unrestricted consumer control and having either direct or indirect access to the network 100. Such a consumer system may be, among other things, a computer system, a digital audio/video recorder, a portable playback device such as a palm-top computer or MP3 player, or a removable storage media device such as a computer with a read/write CD/DVD drive or a standalone CD/DVD player.

Distributor systems 122 act as media distribution centers, using a software firewall or other means to secure them from unauthorized consumer access, and allowing consumer systems to interact with them for the purpose of exchanging media and/or data according to the invention. Distributor systems 122 may be interconnected on an isolated or otherwise secure extended network 124, or possibly through a software-secured layer on open network 100. The media distribution centers 122 coordinate their activities and maintain consistent databases via network 124.

Also on the distributor's network 124 is a file server 126, which handles the transfer of media content 128 to the media distribution centers 122 as needed. Though not shown, different distribution centers 122 may be connected to different open distribution networks, to facilitate distribution over multiple networks. Also, a number of media provider organizations 130 doing

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business with the distributor may facilitate the transfer of media content 134 to either consumer systems 104, 110 or distribution centers 122 via one or more of their file servers 132, which may either act through the open network 100, or be connected to the distributor's network 124.

The distributor is free to employ any database and file server design to suit the needs of the distribution network, provided it operates in compliance with the invention. For instance, the design might involve a secured, distributed database, administered to maintain a catalog of all media titles, the service types offered for each title, user profile and billing information, user demographic information, user/software registration data, user/title licensing data, security keys, a catalog of advertisements, user/ad viewership history, title/audience viewership history, and other statistics. Alternatively, a minimal database might maintain nothing more than a catalog of titles and advertisements, providing distributor 120 with a much lower amount of control over the system.

Acting as a server, each distribution center 122 may operate with any number of consumer-use computer systems 104, 110 or web-enabled devices 106, 108 over the network 100. It is also possible, according to the invention, for consumer systems 104, 110 and devices 106, 108 to exchange media over shared network 100 on a peer-to-peer basis. For instance, when it has network access, consumer system 110 may direct another consumer system 104 to deliver particular media content to it. Media files exchanged in this way are secured from the consumer through digital rights management practices.

In the peer-to-peer context, a consumer system may act as either a client or a server. In the previous example, computer 110 acts as a client when requesting the media from computer 104, which acts as a server to handle the request. If peer-to-peer functionality is indicated, the player/viewer software described below includes peer-to-peer server control logic, which it may run or launch as a background maintenance task or process, or alternatively have the system launch automatically from time to time by modifying the system's startup or operating environment.

In one embodiment, the invention employs a distributed database, operating as a centrally administered digital rights management server on one or more media distribution centers 122, working in conjunction with an open peer-to-peer distribution system of secured media content, in a manner that offers the licensing of possibly multiple service types, while including at least one service type intended to allow widespread free viewing of distributed content on the part of

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the consumer, while still upholding value of use for the media copyright-holder. Under this scenario, the peer-to-peer functionality may be transparent to the consumer. In particular, when computer 110 requests media from distributor systems 122, distributor 120 may instruct computer 104 to act as a server to handle some part, or all of the delivery of the media request in place of distributor systems 122, giving the appearance that the media request is being fulfilled by the distributor. When database management, file exchange, and digital rights management technologies are used together in this novel way, in conjunction with the application software described below, there is a new and improved use of these technologies.

To achieve this improvement, the apparatus and method of the invention employ a new use of a traditional business model on a client-by-client basis over a digital network, through the use of novel media player/viewer software running on individual consumer systems to act as an apparatus for carrying out this model, as embodied in the parts of the software described in detail herein.

Referring now to FIG. 2, there is shown a more detailed diagram view of a representative consumer computer system 104 (FIG. 1), to illustrate some of the hardware components which, when controlled by the method implemented in the novel player/viewer application software, comprise one aspect of the invention. The distribution network and method described in FIG. 1 work in conjunction with the software application described below, which operates on ordinary consumer computer and other digital device systems, such as the one described here.

Computer system 104 has a conventional architecture, which includes a processor 202 and volatile RAM memory 204 coupled to processor 202 through an interconnect 200. Memory block 204 includes an ad-intersplicing player/viewer 560. While player/viewer 560 is shown as a complete functional block within memory 204, it should be understood that player/viewer 560 includes stored code (e.g., on file storage 210), portions of which may be transferred into and out of RAM memory 204 as needed. Interconnect 200 may be a system bus or any other apparatus that is employed to connect components such as these in a consumer-grade computer system.

Also coupled to interconnect 200 are internal peripheral hardware devices, such as file storage 210, which may be a hard drive or other persistent storage peripheral, and removable media internal device 212, which may be a floppy drive, ZIP drive, CD-ROM or DVD drive, CD/DVD read/write drive, or any other removable media drive.

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Internal peripheral devices connected to interconnect 200 also include those for the generation of physical sounds, such as sound card 208 and speakers 224, those for the real-time display of graphics, such as graphics card 206 and computer display 222, and those to communicate over networks, such as network interface adapter 242 and dial-up modem 240.

Interconnect 200 also serves a number of common I/O ports 220, including those for keyboard 228, mouse 230, other connected I/O devices 236, printer 226 for persistent output, and any external I/O ports 220 that are available to connect system 104 to other, external peripheral devices, such as portable playback device 232, external recording device 234, or external network connection device 244. External recording device 234 may be, among other things, a CD player/burner or a DVD player/burner.

Computer display 222 is any type of volatile computer display device including without limitation a cathode ray tube (CRT), a light-emitting diode (LED) display, or a liquid crystal display (LCD). The other connected user I/O devices 236 may include any type of user input or output devices including, without limitation, a numeric keypad, a pointing device such as a trackball, light-pen, touch-sensitive pad, digitizing tablet, thumb wheels, or joystick, or a non-standard display device or printer.

Network interface circuitry 242 couples computer system 104 to open computer network 100 (FIG. 1). Where high-bandwidth network service is absent, modem circuitry 240 allows the system to connect to network 100 by dial-up over ordinary telephone lines. It is also possible to connect to network 100 through alternative means by way of an external network connection device 244, which connects to network 100 directly and transfers network data to system 104 by way of an I/O port 220.

The invention applies to these and any other hardware components that may be employed in a consumer-grade computer system or other digital device to carry out the ends of the media player/viewer software described herein, whether or not they resemble or perform the same specific functions as those components shown in FIG. 2.

THE PLAYER/VIEWER APPLICATION SOFTWARE

Media titles and tracks that the distributor 120 (FIG. 1) releases, either by streaming broadcast delivery or by copy on demand, over digital network 100 (FIG. 1) are to be seen and heard primarily through the use of program software applying the method set forth herein, on

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consumer media device systems supporting the use of such software. Different device/computer hardware platforms and operating systems, including embedded devices, may require custom versions of the software, and each such version is to carry out the method of this invention to the best of all practical ability within the constraints of its operating environment.

This software generally provides the functionality to run audio, video, and print media, as defined above, to the extent that the specific device on which it is running supports each of these media forms. On platforms that support graphical user interfaces and multitasking or multithreading, the software is implemented as a full-fledged "media player/viewer", offering multiple panels and/or windows to switch between any number of user-initiated media presentations.

Referring now to FIG. 3A, there is shown a diagram of the player/viewer software's graphical user interface, as it might appear on computer system 104 (FIG. 1 & 2). It provides the ordinary functionality commonly found in typical media player software applications, and the software design methodology behind its implementation, delivery, and installation may be ordinary or new, as long as they result in software that behaves as specified in this description. For sake of further discussion, the term "user" will be taken to be synonymous with consumer 102, from this point forward.

Installation of the software on computer system 104 (FIG. 2) or any other consumer device system stores the player/viewer program code appropriate to the specific system somewhere on its persistent file storage 210, or possibly in read-only memory (ROM) depending on the device. Installation may also modify the operating system to launch maintenance and server programs as background processes, either at startup or at some other specified time interval. Consumers 102 may carry out the installation process on their own systems, while other systems may ship with the software pre-installed as they are manufactured.

The player/viewer's user interface (FIG. 3A) takes direction from a consumer by appearing on the consumer's display device 222 and giving audio and/or visual feedback to the input actions of its user. The functional style in which this player/viewer appears to the user may follow ordinary practice in the design of such interfaces, or it may involve a different and possibly new look and feel, as shown in the figure.

Such a player/viewer may also offer functionality through panels and/or windows for any of a wide variety of other conventional services, including without limitation internet browsing,

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internet chat, networked video gaming and tournaments, video conferencing, content aggregation, office productivity, email, secure business document distribution, and special interfaces for online auctions, event schedules, and ticket purchasing for movies, concerts, operas, ballets, sporting, and other events. Additionally, the player/viewer may provide integrated control over other ordinary network procedures, such as exchanging media content between users, ordering media and services from the distributor, and viewing system broadcast messages.

As it runs, the player/viewer software conveys video, visual effects to accompany audio, and print-based media content in an operating area of display 222. There also are one or more control areas through which a consumer 102 may take specific actions pertinent to the associated media presentation. The consumer hears audio media content as sound emanating from the system speakers 224, and sees video and print media content on the computer display 222, either in conjunction with audio or not.

According to the invention, to prevent unlicensed consumer use of media content, persistent copies of media titles and tracks are retained as encrypted data on consumer devices. The player/viewer software uses a digital rights management approach to conceal the algorithm or key for removal of this encryption from the consumer. By way of this approach, the information for encryption removal is granted only to media player/viewer software that complies with the present invention in maintaining restriction and control over media use, while enforcing digital rights management on its secured data.

Novelty arises in the player/viewer software's particular ability to control use of media content while providing the means for unlimited free viewing of requested media, through a general licensing process that is transparent to the user. Unlike conventional digital rights management enforcing software, which primarily offer the choices of either granting or refusing access to particular material, the player/viewer software of the present invention can allow for unlimited free viewing of content, while still preserving the value of such use, by implementing the methods of traditional broadcast media business practices as a new use with digital media distribution, carried out by a software apparatus, the player/viewer present on each consumer system.

Along these lines, according to the invention, the player/viewer has logic to allow consumer 102 the free and unlimited use of secured media content, by offering a free general

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license for use of the content with paid commercial advertisements and other promotional material inserted into the content stream at certain intervals. The player/viewer may also have the power to select which ads are best suited for a particular consumer 102 given information the distributor 120 maintains in its central database about each consumer, applied in conjunction with each specific media title or track request.

No matter how it selects the ads, the invention provides a means to sequence these ads into appropriate blocks that are initially chosen and scheduled into the content stream by a novel "advertisement manager" module of the player/viewer software. There is a novel "intersplicer" module in the player viewer software that launches, communicates with, and strictly controls a digital rights management enabled real-time player module, while the player module handles the actual playback and viewing of the media content through the player/viewer software.

In this way, the invention has the ability to strictly enforce the insertion of advertisements into the content stream. Furthermore, whenever the player/viewer is running any ads, it has the power to ensure that the consumer 102 using it will experience the advertisements in their entirety. In this particular embodiment of the invention, the player/viewer accomplishes this end by disabling any user interface command that the consumer could possibly use to skip, back out of, or speed through the promotional material, including the ability to lower the sound volume beneath a pre-determined threshold level. The intersplicer also has the ability to adaptively re-group and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content, by means of playback controls.

By enforcing the insertion and conveyance of promotional material into media titles and tracks that the distributor 120 releases openly and freely, without charging the consumer 102 a fee to run it in this manner, the invention preserves the value of content use to the copyright holder while making it widely available on demand to the consuming public.

Essential to safeguarding the digital rights management measures that the player/viewer employs is the lack of a ready means to save media content to persistent storage in a format ordinary media player software can directly use. However, in certain instances the invention does allow for the use of such media content outside of the player/viewer.

Distributor 120 is free to permit this kind of use on a case by case basis. In this event, the distributor ensures that some mechanism exists to satisfactorily prevent unlimited copying and

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redistribution of the media outside of the player/viewer, unless the content in question is available for free release. Other software applications may also be permitted such use if they strictly adhere to solid digital rights management practices in securing the same data and content as the player/viewer of this invention, and provided the distributor deems acceptable their use of the media content.

Additionally, the player/viewer may provide for outside use of content by supporting its export onto removable media intended for hardware devices that have little capacity to generate reproductions, such as standalone CD and DVD players found in home entertainment systems. Through such a provision, a consumer 102 using the player/viewer has the power to use network distributed content on ordinary audio/video equipment, for instance, by burning a CD or DVD for use with such a device.

However, in this event the player/viewer typically employs some form of "digital copy-lock" technology on the removable media, to prevent any widespread redistribution outside the method of the present invention. This copy-lock technology flags the physical storage medium in such a way that a consumer may use it on a standalone device, but when inserted into a computer or other digital reproduction ready device, it will not function except through a running instance of the player/viewer software of the invention, if at all.

Direct export may also occur by transfer to other digital devices, such as mobile audio MP3 players. Ideally, such devices would employ digital rights management and other measures similar to those just described, to prevent redistribution of content exported in this way.

The player/viewer may also provide for the direct import of content from a number of conventional media formats, if the distributor 120 chooses to accommodate such a service. With direct import, any consumer 102 may transfer raw content already in their possession to player/viewer media for local storage, or may choose to circulate this content through the distribution system. The process begins with the player/viewer requesting information necessary for initial screening from the user. It then adds a player/viewer format encrypted copy to the user's system, prompts the user to keep or delete the original media file (if the option exists to do so), and optionally takes action to identify media titles and tracks through an automated process, making the results available to the user for application to the imported media. Initially, the new local copy is tagged as banned for redistribution, granting access only to the user who imported it. If the content is to be circulated through the system, the player/viewer may send a copy of the

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content to a media distribution center 122 for more detailed scanning and review necessary to prepare it for distribution.

If imported content matches an already-existing title or track, the player/viewer gives the user a choice to replace the import with an official copy, bring it into the system for distribution as a new title or track in the event that it differs from the original in some artistic or other valid way, or use it as is without replacement. If the user elects to use it as is, the copy maintains its status as banned for redistribution. If the user elects to replace it, the local copy is replaced with an official distribution copy of the title or track. In the event that the user chooses to distribute the content as a new title or track, or if the initial processing found it to be new material, the media distribution center finishes processing the content for distribution, possibly requesting more information from the user via the player/viewer over a period of time as it validates the content for general release. Once the title has released, the player/viewer automatically upgrades the user's banned copy to an official copy appropriate for redistribution.

In this way, the distribution system of the invention may allow individual consumers 102 to provide new titles and tracks for distribution. To the extent that this feature serves the role of a public access forum for media distribution, the player/viewer user interface may include logic for any additional functionality that is signaled whenever it detects that it is running this class of media. For instance, it can have a control button that reads "Click here to support this..." appear automatically at some point during the content's use session. When a user presses this button, a dialog or other interface appears, providing a direct way for the user to enter a donation amount and have it charged to a credit card or other type of billing account, perhaps one that is already on file for the particular user in the distributor's central database, all at the click of a button. At the discretion of the distributor, part or all of this donation amount may be credited to the user account of the individual consumer 102 who imported the new title or track for distribution.

When media is imported from a consumer, there is the possibility that invalid content may make it past the initial review process. If user-contributed content is distributed through the system, then later found to be equivalent to a copyright-holder provided title, the distributor can provide for the automatic replacement of such secondary content with the version approved for distribution. This process is known as "media rotation". Similarly, if a copyright-holder identifies invalid content and does not wish to have it further distributed, the content may be

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either banned for redistribution or recalled entirely, having all existing copies removed from the system.

Referring now to FIG. 3B, there is shown a diagram depicting the economic aspects of the distribution method that this player/viewer software enables according to the invention, to better illustrate the nature of its improvement. Three different playback control paradigms are considered along a horizontal axis 350, and a vertical axis 352 measures the relative utility of each paradigm to either an average consumer 102 or an average copyright-holder. Plot 356 is the utility to the consumer for each playback paradigm, and plot 358 is the utility to the copyright-holder for each playback paradigm.

In playback paradigm 362, consumers freely redistribute copyrighted content amongst themselves, and a consumer who obtains such a copy has complete control over the use of it. This situation has high utility level 360B for the consumer, who is getting something of value without paying for it, and it has the lowest indicated utility 360F for the rights-holder, who loses large amounts of revenue and control as the consumers freely redistribute the copyrighted content in droves for unlimited use, with many of them never paying the rights-holder. This scenario has arisen in recent times as a result of the technological developments described in the background.

With an ordinary digital rights management (DRM) or copy-lock system in force, playback paradigm 364 applies. In this case the distribution system strictly denies all consumers who have not licensed a particular media content title from access to it. The paradigm enforces a strict control of use policy on the part of the distributor, without a facility for a free general use allowance, and in the process, maintains a price for use status quo, where digital media content is licensed to consumers for a fee.

With paradigm 364, the utility for the rights-holder has moved up to level 360C, and the utility for the consumer has dropped to level 360D. Following the paradigm, the rights-holder can enforce a strict grant of use policy on all consumers who use media content under such a paradigm. However, relative to paradigm 362, the consumer loses the ability to request media content on demand and use it for free, which is a considerable drop from level 360B. Also lost to paradigm 364 is the right to make unlimited copies for personal use. Given the extent of this drop, some consumers are strongly motivated to use any means at their disposal to obtain free access to content, and there is a large economic force driving these consumers to break such

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DRM-based distribution systems, producing a constant effort on the part of consumers to establish and maintain paradigm 362.

Furthermore, it is believed that media content has a very large potential market and a high price elasticity of demand. That is, the viewership of a particular media property increases dramatically as the price for use drops, even in the presence of advertisements. As a result, the potential for revenue from ad sponsorship is all the higher.

Playback paradigm 366 is facilitated by the method of the present invention, and enforced by the player/viewer software as described above. Media content is distributed to consumers freely and on-demand, however, through its use of a highly controlled playback apparatus, the method of the present invention has the power to require and enforce the presentation of paid advertisements inserted at regular intervals within the requested media content, whenever a consumer uses any media for free under the general license.

In this system, the consumers utility level has now risen to 360B', which is much closer to level 360B than to level 360D, by the reason that a consumer would much rather bear commercials in exchange for free use of media content than not have free use of any sort. Meanwhile, the copyright-holder's utility has also increased greatly to level 360A, because more viewing of paid ads by a much wider audience produces a greater source of revenue than a considerably smaller number of direct sales.

The system is an improvement over conventional digital rights management systems because it offers benefits to both the copyright holders and the consumers. From the consumer's standpoint, the drop from utility levels 360B to 360B' is much smaller than that from levels 360B to 360D, so there is much less incentive on the part of the consumer to engage in piracy and other attempts to circumvent the digital rights security put in place according to the invention.

ADVERTISEMENT SEQUENCING STYLES

Referring now to FIGS. 4A and 4B, there is shown a schematic diagram depicting some representative player/viewer media use sessions as they run over time. FIG. 4A illustrates three primary styles of advertisement sequencing that may occur in combination over a playback sequence of requested audio or video media content, as defined previously above. FIG. 4B

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illustrates the general style of ad sequencing that occurs in the process of viewing and browsing print media content, as defined previously above.

Media content exists in the form of titles and tracks, as defined previously above, and the user can have the player/viewer run any combination of available titles and tracks in any possible order. If a long-playing title has no tracks, or if a single track runs excessively long, the distributor may specify the division of the title or track into a series of contiguous segments. A title or track that contains more than one segment is a segmented title/track, in contrast with an unsegmented title/track consisting of one single segment. The distributor 120 assigns segment divisions on an item-by-item basis, and throughout distribution, these division locations accompany their associated title/track, in a fashion similar to the way the locations of all tracks on a title accompany the title when it is delivered as a single unit.

Segments would not ordinarily be ordered separately from the distributor, but the player/viewer's saved play-lists may contain individual segments. One purpose of segment divisions in a track or title is to indicate appropriate points within the material for the player/viewer to intersplice ads in the course of presenting the content. By this definition, a title may contain segments, or tracks, or possibly segments within tracks, but not tracks within a segment.

In FIG. 4A, the passage of time over the course of playback is represented as a horizontal timeline 400. There are shown three example sequences of audio or video media playback 402, 404, and 406, each of them conveying content interspliced with advertisement blocks. These sequences are shown as video with audio, but the following discussion applies just as well to silent video or audio-only media. Using ordinary methods, the player/viewer can convey either of these styles just as well by leaving the video blank or the audio silent, or it may alternatively employ some other logic to fill in for blank video or silent audio with its own images or sounds.

As described above, the player/viewer has the power to intersplice paid commercial ads into the presentation stream intermittently over time throughout the course of playing an audio or video sequence. The media style of these ads may include some combination of audio, video, and/or print-based components, excluding the trivial case of no presentation at all. However, from these possibilities, there is typically only one such choice that strictly matches the media

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style of the content in play, and at most two in the event that different media component styles occur in the content immediately before and immediately after the interspliced break.

In the case where the media component style remains the same before and after the ad break, there is a unique choice of ad media style to match content media style. For instance, in the midst of audio-only content, it is an audio-only ad. In the midst of video with audio content, it is a video with audio ad, and so on. The player/viewer's advertisement manager has the power to call for this specific style of advertising to suit whatever content style is in progress, and this particular methodology of matching content media style with advertisement style, for the purpose of programmatically interrupting the same media stream conveying the content with ads taking the same form, is novel in the realm of digital media players.

Applied to video and audio, this advertising methodology is a new use of the advertising style familiar to audiences through ordinary television and radio broadcasts. However, in the present invention, these advertisements are sequenced together and inserted into the content stream extemporaneously (i.e. "on the fly") by software running independently on each consumer's device, in response to the consumer's particular media requests and interactions with the specific content session running on each device. In an alternate embodiment of the invention, which may be employed for example in satellite radio or digital cable television receivers, targeted advertisements may be interspliced into an original broadcast presentation in real-time, thereby providing broadcast programming with promotional material tailored to the preferences, demographics, or other relevant criteria of individual users, in addition to and/or in place of those ads specifically associated with the broadcast media.

These ads are not required to appear in the same media form as the user-selected content, though in many cases, they do. According to the invention, it is even possible for an advertisement or media content segment to contain special tags and program logic to signal the player/browser to produce specific software-controlled actions, such as special buttons in the interface, displays, or user interactions. For example, at some point in the playback of a video title, the player/viewer can display a pop-up dialog or flash a control in its user interface that reads "Click here to buy this...", with logic to take appropriate action if the user responds. This same feature provides a mechanism to supply interactive user polling in the midst of the media stream, or in place of ads, by presenting hypertext data input forms and delivering the user responses back to the distributor 120.

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Referring back to the figure, play sequence 402 contains both segmented audio/video content, shown throughout FIG. 4A as wavy lines, and blocks of audio/video commercials, which are shown throughout as saw-toothed lines. Content segments 430, 432, 434, and 436 comprise the media title the user has requested for play, and each of advertisement blocks 408, 410, and 412 is a group of at least one or more ads and/or other promotional material that the player/viewer software has automatically assembled and inserted into the sequence.

In the course of direct play, without any user-directed skipping from one point to another or performing other navigation throughout the content, sequence 402 begins with content segment 430. Segment 430 immediately proceeds into advertisement block 408, which is followed by content segment 432, ad block 410, content segment 434, ad block 412, and content segment 436.

Play sequence 402 is typical for a segmented title/track, by the definition of segmented media given above. With segmented media, the player/viewer holds a sense of particular ad blocks retaining their own sense of place in the sequence, with the ads chosen to go along with a pre-determined portion of the content. If the consumer elects to skip around during the course of playing a segmented title, the same block of ads plays with a particular portion of the content as the user skips back and forth through different parts of the title, over a predetermined period of time and/or number of viewings. If the predetermined limit is exceeded, the player/viewer rotates in new ad blocks automatically.

Segmented titles are sequenced like television programs, in that ad breaks tend to occur at particular scheduled places in the content. The first time through viewing any particular segmented content with ads, each block is shown before or after its associated content, and the player/viewer requires the ads to be run in their entirety. After that, when ad blocks that have been seen already are encountered again through a user-directed repeat of a sequence in a single request session, the player/viewer may allow the user to navigate out of the ad, or possibly omit it altogether.

For example, if the user of sequence 402 jumps right into segment 434 as segment 430 is just starting, the player/viewer will begin segment 434 at its point of entry, followed at its end by ad block 412. Wherever possible, the ad block chosen for play at the end of a segment will be the one most appropriate to the actual part of the content that has played since the latest preceding ad block.

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In some cases, there may be a need to insert an ad block just before resuming play after a user-directed skip. For instance, if the user has watched 80% of segment 432, and then jumps into the middle of segment 434, ad block 410 plays immediately, and when it is finished, content play resumes at the point selected in segment 434.

Generally, the ad blocks presented during segment play occur either at the start of a segment, immediately following the end of a segment, or if necessary, just before resuming play after a user-directed skip. Logic in the player/viewer determines which of these are necessary as a result of the consumer's most recent viewing, and selects the most appropriate of the pre-defined blocks to insert at that point. If the same block is repeated excessively, the player/viewer has the power to rotate new ads into play at some point.

Play sequence 404 results when the user chooses a series of individual tracks for play. Common tracks include short songs and music videos, where each item is an individually-named short work. In this particular case, the consumer has selected to a play list of content tracks, 440 – 462, and the player/viewer automatically inserts advertisement blocks 414 and 416 into the play sequence. These individual tracks were selected haphazardly from among several different titles.

With tracks, the location of advertising blocks is determined by the player/viewer's program logic, which upholds an average content play time, an allowance based on the number of tracks, or possibly some combination of these or other approaches on a case-by-case basis, to determine where it inserts the ad blocks. Whatever method it uses, it places the ad blocks between individual tracks, or runs them just before resuming play upon a user-directed skip into the middle of a track.

During the course of regular play without skipping around or other navigation, sequence 404 begins by playing tracks 440, 442, 444, 446, and 448 in series, followed by ad block 414, and then tracks 450, 452, 454, and 456. After track 456 comes commercial ad block 416, followed by tracks 458, 460, and 462.

Tracked titles are sequenced like radio programming, in that the ad breaks tend to occur after a certain number of songs are played, after a certain amount of playback time has elapsed, or at song breaks nearest to particular times of the hour. In the case of the player/viewer, the user can sequence any combination of tracks together, and the ads chosen may in part reflect the specific tracks used. This has a direct implication when the consumer jumps around haphazardly

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in a requested play-list, or chooses to repeat a small subset of the tracks in the requested sequence.

For example, in sequence 404, consider a case where the program is using a track allowance method for ad placement, with an initial allowance of 5 tracks per ad block. If the user decides to play track 446 and then track 456, the program does not insert ad block 416 immediately after track 456. Instead, play goes directly into track 458, because the allowance is 5 tracks. If the user plays through most of track 458, then jumps to the beginning of track 442 and plays it, there is still allowance for one more track after that, since only four tracks (446, 456, 458, and 442) have played so far. If the user then jumps to track 452, an ad block will play immediately after track 452 completes, or if the user attempts to leave track 452 after hearing most of it but before it completes, because it is the fifth track. This ad block will be assembled extemporaneously to go with the five tracks that were played, and there is no retained sense of recurring blocks falling at specific points when the user skips around between tracks in a play-list. Typically, ad blocks interspliced in this way require full play with each occurrence, and the player/viewer manages its adaptive ad selection to present new ads every time, to a certain extent.

It is also possible for long-playing material to be completely unsegmented, as is the case in sequence 406. With unsegmented content, a large ad block 418 is inserted at the very beginning of the program. The ads play in sequence, and when they are finished, the content 470 plays in an uninterrupted fashion. Even when a title or a lengthy track has segments, the player/viewer may elect to run it in this unsegmented fashion in response to instructions from the distributor 120.

Referring now to FIG. 4B, there is shown a schematic diagram of an ad-sponsored print media session. The consumer views the print media one page at a time by issuing page turn commands. Under a page allowance ad placement mechanism, an ad or block of ads is run after a set number of page turns (5 in this case). When paging through print media in this fashion, moving either forward or backward in the material may be counted against the page allowance, or the mechanism may count only turns to pages that haven't been viewed within a limited time period, such as in the last five minutes, for instance. In addition to page allowance triggered ads, ad blocks may also be inserted at the end of each "chapter" or other appropriate section division

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in the print media. Chapters in print media are equivalent to audio/video segments, and the software handles them both in the same manner.

As noted in FIG. 4A above, these ads are not required to appear in the same media form as the user-selected content, though in many cases they do, and the same possibility for an advertisement or media content segment to contain special tags and program logic to signal the player/browser to produce specific software-controlled actions exists. In general, page allowance triggered ads will be print based ads, such that the user may briefly be exposed to an advertisement, then can quickly page out of the ad or ad block, and return to the print content so as not to loose their train of thought while reading.

The timeline measure for print media is the number of user-activated page turns 480, and ads are sequenced according to a page-turn allowance, as described above. Ads may also occur at the boundaries of chapters, which are the print media equivalent to segments, discussed above. Print based media involves any combination of print 482, which encompasses many forms of page-based text and image layout, audio 484, video 486, and user-software interaction 488, in the fashion of hypertext applications. When the player/viewer inserts an ad block into print media, the ads may also employ any combination of these means (482, 484, 486, and 488) to convey their message, though as noted they tend to be in the same style as print advertising where print ads are interspersed with print content as they have traditionally appeared in newspapers and magazines.

For the print ad containing audio 490, the audio and any associated visual advertising content complete at the same time. When a visual aspect of a print ad is in progress, user-activated page turns are disabled, unless the ad itself includes specific logic to handle them. When all in process visual aspects of the ad have finished, or when none are present to begin with, the user may resume paging. In the case of a print ad 492, with an audio message continuing beyond all of the ad's visual aspects, the user may turn pages while the audio is still in progress. Below, FIG. 10B explains in detail the player/viewer's logic to convey ads with print media.

Referring now to FIG. 5A, there is shown a flowchart to illustrate the logic by which the player/viewer software processes a user request 502 to play or view some media, according to the invention. Request 502 may arise from, among other things, a direct file open operation, a selection from a remote media catalog or local media database, a selection of a user-defined

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play-list, a result of a media search engine or other web-based service, or some other user-driven command in the player/viewer. For example, in order to compile a user defined play-list from which a request 502 can be initiated, a user might acquire media files through any means available, including, but not limited to, browsing for a selection from a media repository, catalog, or library (e.g., as a part of, or in conjunction with, media catalog 566 described below), or via a peer-to-peer transfer.

Generally, the operation will begin with a list of one or more requested content items, the "media request list", which has an entry for each track, title, or in some cases, individual segment of a local track or title, chosen for play in the user-requested order. Segments are generally not released individually, but once a title is local, a play-list may have the option to sequence individual segments into a play session.

Once the media request list is established, the list is then populated in a process loop 504. First, in step 506, the program identifies the item and determines the location of the most conveniently accessible stored copy of it, either locally or over the network, relative to the processor 202 (FIG. 2) running the program. The program accesses the item to verify its location and to extract any relevant internal data tags stored within or alongside it. As this step finishes, the program expands the item's entry in the media request list to include fields for its identification, verified location, and certain data tags containing information or access keys. This has the effect of turning the media request list into a table of data records, which for sake of continuity, retains the name "media request list" in the ongoing description.

In step 508, the program determines the ad requirements called for by the item, by checking if any specially granted or restricted service levels apply on the content's use. If the distribution system does not provide for this determination, the player/browser may apply a "general license" that allows for free use of the item with the enforced intermittent insertion of paid ads into the content stream. Otherwise, the player/browser employs these means to retrieve or compute any specifically applicable service level and access key parameters, which are then added to the item's entry in the media request list. Without loss of generality, this determination may occur through direct use of any tags obtained as described in step 506, possibly in conjunction with a local, distributed, central, or other database.

To enforce security, a database that functions in this capacity employs data encryption and other digital rights management practices, to bar the consumer from any direct access to this

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information. When such a database is used, the running player/viewer is typically the only component of the consumer's system with the power to access it, thereby maintaining it under the distributor's exclusive control on all such systems.

In step 510, the media item is transferred into local storage in accordance with a preset or predetermined localization policy. That is, if the item's verified location is too remote for direct playback, the program transfers the item to a more local destination and updates any pertinent data, such as the verified location, in the item's media request list entry. The media transfer logic has the option to re-register the item during the course of this transfer, which may further affect the item's media request list entry.

This finishes the processing of the item in loop 504. In step 512, the program returns to step 504 to process the next item through the loop. When the program has finished processing all the requested items, the loop exits, passing control to step 514.

In step 514, the program selects appropriate ads to go with the media request list and prepares them for insertion into the content play/view sequence. It selects which ads, if any, are to interrupt the requested content during the course of play, and then it localizes them. It groups the content into play sections, and it groups individual ads into blocks for insertion into the content. It also determines the rules and parameters by which step 518 adaptively selects and groups ads extemporaneously in response to user actions during playback, and provides an ongoing maintenance service to rotate ads into and out of play as needed during the course of the session. Given the nature of its operation, step 514, and the logic it comprises, is referred to herein as the "ad manager".

In step 518, the program plays (or for print content, displays) the requested media with ads, each of which can be forced to run in its entirety, interspliced into the content play sequence. Adhering to the selections of ad manager 514, the program sets up a play sequence of individual content segments interspliced with blocks of ads, and it coordinates the real-time conveyance of the interspliced content/ad play sequence to the user in real-time, by way of the system's video display 206, 222 (FIG. 2) and audio output 208, 224 (FIG. 2) hardware. Given the nature of its operation, step 514, and the logic it comprises, is referred to herein as the "intersplicer".

The program's behavior in step 518 is directly influenced by certain user interface commands that enable the user to make arbitrary navigational choices through the requested content's playback. The main job of the program in step 518 is to adaptively select and re-

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sequence ads extemporaneously in response to these user choices. In this process, the program maintains a history of the playback it has performed, which is a direct record of the user's navigational actions through the content and the program's own ad choice and sequencing decisions. While in step 518, the program occasionally saves a persistent checkpoint of this play history, which it can recover later in the event of, for example, a system failure.

According to this particular embodiment of the invention, the program disallows user actions that alter the course of playback while a required advertisement is running. The logic for this behavior lies in step 518, which keeps settings in memory to indicate the current state of play, including a value to indicate whether or not a required ad or ad block is in progress. Commands to alter play from the user interface are influenced by these settings, and in turn update them to modify playback (FIGS. 8A-8D, 9A-9C, 10A, and 10B). The program remains in step 518 until an appropriate user command or system maintenance action signals it to end.

In step 524, the program compiles and saves the play history retained from step 518 into records on media usage and ad penetration, for each particular title and advertisement that ran during the course of the session. Media title usage records retain a detailed profile of the user's navigation throughout the content. Ad penetration records retain the number of times the ad was run, the track or segment associated with each run, the ad selection criteria behind each run, and other parameters. These records are saved to persistent storage, where they influence future ad management decisions and may eventually be sent back to the distributor to determine viewership ratings and for additional analysis/review.

Program control proceeds from step 524 to step 526. In step 526, processing of the user's request to play/view media ends, and the session is done.

Referring now to FIG. 5B, there is shown a block diagram to illustrate how the logical components of the player/viewer operate together in carrying out the logic described with reference to FIG. 5A. Where numbers coincide between FIG. 5A and FIG. 5B, the numbered component in FIG. 5B carries out the corresponding logical step in FIG. 5A.

The operation begins from operating system 550, running on the consumer's computer 104 or other device. To use the player/viewer application 560, the user interacts with the operating system 550 to either launch player/viewer 560 directly or to open a media file that brings about its launch with an immediate request to play media 502.

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As player/viewer 560 begins, it starts its user interface 500, which either waits for the user to make a request 502 through it, or starts with request 502 initiated by operating system 550 to launch request 502 as soon as it brings up user interface 500. Player/viewer 560 also launches a maintenance handler 570, running concurrently with user interface 500, to handle any internal maintenance that player/viewer 560 ordinarily runs during its course of operation.

The player/viewer 560 uses concurrent software design practices, and this description of the invention generally applies the term thread to indicate each conceptual program step or process operating in parallel by way of a software design practice that implements concurrency, even if the practice does not employ threads specifically. By way of concurrency, player/viewer 560 may have a number of requests 502 to play/view media running simultaneously, though as a rule only one of them has user focus at a time, and typically only one is visible at a time as well.

Maintenance handler 570 serves a variety of maintenance purposes. Aside from performing program maintenance itself, it may directly launch other immediate maintenance 572, direct the operating system to run another program as a background maintenance process 574 that persists after the player/viewer 560 program has exited, or possibly direct the operating system to persistently schedule a regular maintenance job 576, a job which then starts automatically either at system startup or at some regular time, even when there is no running player/viewer. Maintenance handler 570 may also provide coordination services to other operations establishing maintenance tasks of their own, such as ad manager 514.

One service that the player/viewer maintains is local database interface 562. This database serves as the program's store of user information and preferences, which may include without limitation, local media locations and registration data, content and advertisement viewing history, security keys, availability and locations of local ads, and other system maintenance data. Most logical operations in the program access the local database 562 in some way. Specific connections to database 562 are not all shown explicitly, so as not to unnecessarily obscure the drawing. If it is designed to contain sensitive information, this database is maintained under strict distributor control, using digital rights management practices.

Local database 562 may be self-contained in persistent files on the consumer's device, or it may extend over network 100 to a remote central or distributed database 564, which is controlled by the distributor 120 (FIG. 1). Another remote service that the program may use is a central or distributed media catalog 566, by which the player/viewer 560 may acquire

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information about any existing media titles or tracks, including but not limited to location, description, reviews, and available licensing options, among other things. The program may also use a service which employs a central or distributed protocol for media delivery, conceptually acting as a single media server 568. Where present, services 564, 566, and 568 communicate with one another, and each one may consult either of the other services to handle a particular request.

THE NETWORK ADMINISTERED SERVICES EMBODIMENT

According to the invention, there is a particular embodiment with additional features and different advantages, as supported through the apparatus and method of this invention as discussed up to now. The following discussion expands on the earlier discussion of these same steps in reference to FIG. 5A, specifically in the context of this particular embodiment, which is called the "network administered services embodiment".

The network administered services embodiment uses local database 562, working in part as a locally relevant mirror of central/distributed remote database 564, which is administered centrally by one or more of the distributor's media distribution centers 122, and secured under strict control of distributor 102, in all consumer-accessible places, by means of digital rights management methods, according to the invention. Such data is also secured while in transit over network 100, via a software-secured layer or other security mechanism.

The network administered services embodiment also provides a media catalog 566, which may involve one or more media distribution centers 122 (FIG. 1) acting as central servers, a peer to peer network of distributed media catalog servers 596 running on consumer systems, or some other configuration.

To deliver media to consumers, the network administered services embodiment provides both a centrally administered system with media distribution centers 122 (FIG. 1) serving transfer requests from consumer client systems, and a peer-to-peer network of media exchange servers 594 running on consumer systems to provide a means for these systems to negotiate and conduct media transfer directly from one to another. This embodiment employs ordinary and new practices to optimize bandwidth utilization throughout its media delivery system, which is the apparatus providing media service 568 to player/viewer 560.

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Bearing these services in mind, there is shown an indication of the inter-operational communications that take place in the course of the logic discussed in FIG. 5A. The beginning of a request to play media occurs at step 502, and step 504 is a loop over each item in the media request list.

In step 506, the program identifies a media content item on the basis of a unique universal identifier stored in any number of locations, including, but not limited to, local database 562 and/or the media file itself. The program then uses the identifier to locate the item by first going to local database 562, and if not found, to media catalog 566. It verifies that a requested content item is available, either locally or via the distribution network, through a test access in which data tags that may be present in local database 562 and/or the media file are extracted. If the user selected the item as a local file or archive, the program may get some or all of the information it needs directly from the file, as opposed to checking local database 562, to determine the item's location. In any case, it makes sure the content is available at the specified location, and if it finds a problem, it may seek assistance from the user, perform an additional local search, or if possible, go directly to remote sources to locate a copy of the item.

In step 508, service level determination goes first to data held in memory in the media request list, from step 506, and then to local database 562, which consults remote database 564 as needed. The distribution network maintains a full-fledged extranet for the purpose of media licensing, and the step of service level determination 508 becomes one of license verification in this embodiment. Each individual consumer gets a password-protected user account, and zero or more specific installations of the player/viewer software are registered to each user.

This embodiment provides for many user services administered via network 100, including but not limited to those noted here. There may be user profile sharing, by which a user can access on a temporary basis, from a system or device other than their own, media that has previously been licensed to them. There may be multiple ratings systems provided, by which the consumer may choose to evaluate the quality and appropriateness of particular media based on any number of different criteria, including content ratings and critic and user reviews. There may be child accounts and media restriction controls, by which a primary account-holder can set up dependent accounts and limit the content viewable by dependent account-holders. In this instance, media may be restricted or allowed on any number of different criteria, including its level in any of the provided ratings systems, or by specific title or track.

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Through user registration, this embodiment also provides for targeted advertising choices, conducted by the ad manager in the course of selecting ads, on the basis of user demographics, preferences, and other consumer specific criteria, on a session by session basis. This also applies to streaming audio and video, for which the intersplicer mechanism described below can allow for the user-targeted adaptive insertion of specific ads into a digital broadcast media stream at times signaled from the media stream. In this case the player/viewer software will run maintenance to localize appropriate ads for each streaming broadcast. In the absence of localized ads for a broadcast stream, the player/viewer may run a general ad that is broadcast with the stream.

The licensing/registration database is maintained centrally on the media distribution centers 122, with local mirrors on each consumer system providing immediate and constant access to all of a specific user's licensing data. Individual media titles and tracks are licensed on a user-by-user basis, and digital rights management methods are employed to maintain the integrity of this system. When a consumer device is not connected to the network, the local database mirror contains enough information to run any content that the user has expressly licensed.

This license verification system offers and keeps track of a wide variety of service types, which ultimately affect the service level determination result. For instance, on a user-by-user basis, each title may be offered and licensed as free for use with commercial interruptions, free for use without commercial interruptions but with requested user support, included (with or without ads) as part of a specific subscription package, specifically purchased for uninterrupted use on a short-term basis (fixed time period or total number of uses), and/or purchased outright for permanent uninterrupted use. With such a system, the distributor maintains absolute control over what services are offered with each piece of media, and through it, the copyright-holder can choose to offer or withhold any of these service types on a title-by-title basis.

There are several other functions through which this license verification system offers the distributor 120 even more control. For instance, a media file can be tagged as "banned for redistribution," and the system will prohibit any user except the one to whom it is registered from being able to use it. In extreme cases, the system can enforce a "full recall" of any content that a copyright-holder has deemed to be on the system without their proper consent, and the system will automatically remove all copies of it from circulation.

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Once an item's service level is determined, whether it be through full-fledged license verification or any simpler process, the player/viewer attaches the result to the item's entry in the media request list. In the event that the item has a service level that prohibits any use of it whatsoever, which occurs for example in the situation where a particular user has not made a special licensing arrangement and a free general license service type is not available for the item, the player/viewer will warn the user and possibly suggest any other options that may exist to enable its use. If none of these are offered or taken, then the item is removed from the request list.

Aside from either calling for ads or not, the service level may include one or more advertising requirement parameters, such as the relative ratio of content material to promotional material, the frequency of interruptions, or some other metric. It may also specify the removal of particular segments of the content from the play stream through one or more content-filtering parameters. The nature and count of these service level parameters is determined by the distinctions that the distributor chooses to provide. This completes step 508.

In step 510, the media item, if determined as valid from step 508, is localized. Localization of media takes place through the operational logic of media transfer 580. Player/viewer program operations that transfer media content to or from a consumer device's local storage go through this logic. The player/viewer transfers the content from the valid location determined in step 506, by means of media transfer 580, which acts through media server 568 to localize the media, using the most appropriate central server, peer-to-peer, or other network configuration provided by the distribution system.

In step 580, during the course of media transfer, the player/browser 560 may elect to release the media from its secured form and then secure it again according to a new key, as it stores the item to a persistent local destination. This operation involves the secure/release logic component 582, and it has the effect of re-registering the media to its new owner. The media transfer process also updates any tags that are stored with the content to reflect any registration aspects that may be maintained there, and changes to any security keying data are saved in the media request list, for eventual inclusion into local database 562.

Step 512 goes to the next item in the request list until all of them have been processed, and control passes to the ad manager 514.

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Ad manager 514 first consults the information available to it in program memory in the media request list. Then, it goes to local database 562, operating consistently with remote database 564, when available, to apply its data on the specific user's demographic information, advertising preferences, system location, media usage, ad viewership history, and other criteria, in conjunction with general data on the title/track requested and the preferences of sponsors regarding the use of their ads, to determine a list of candidate ads.

Once the ad manager 514 has determined which ads it will select to go with the request, it goes through a locate and localize step for each ad, similar to those in steps 506 and 510. The locate step first uses the media request list in memory and local database 562 in conjunction with other local resources, and then it may go to media catalog 566 to locate specific advertisements on the network. The localize step goes through media transfer 580, to bring the ads onto the device.

Ad manager 514 also establishes a concurrent ad rotator 516. The ad manager may start a new thread for this purpose, or it may communicate with maintenance 570 to assign it a new or already-existing ad rotator thread 516. Either way, the ad rotator thread 516 gets associated with the thread of request 502. As different request threads 502 are hidden or made visible via user interaction, maintenance 570 may re-assign an ad rotator 516 from one media request thread 502 to another, or different ad rotator threads may exist for multiple requests 502.

Ad rotator 516 handles requests for new ads from an intersplicer 518 by selecting and localizing appropriate ads, grouping them into blocks if so requested, and sending the result back to requesting intersplicer 518. The ad rotator 516 is equipped to handle requests to replace individual ads, entire ad blocks, or the entire set of ads and blocks associated with intersplicer 518, without having to interrupt playback. Just like ad manager 514, it may use the logic of the media transfer component 580 for this purpose. Ad rotator 516 may also need to consult media catalog 566 to locate new ads, but this step is typically avoided through the ad manager 514, which pre-locates alternative ads and passes this information along to ad rotator 516. Ad rotator 516 also synchronizes the final media request list with local database 562.

Intersplicer 518 launches a new concurrent real-time player thread 520, charged with the computationally demanding task of real-time play/view performance, and it directs real-time player 520 in the sequence and manner in which to run. Playback starts from an initial section sequence table indicating how content is to be interspliced with ads, and is modified in response

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to intersplicer control commands 522 that the user issues with actions from user interface 500. The intersplicer maintains a history of all the playback it has instructed player 520 to perform, and it selects and re-sequences ads extemporaneously in response to the user's arbitrary navigational choices through the requested content playback.

Where intersplicer 518 sequences playback, real-time player 520 handles the playback of any arbitrary sequence of content sections and ad blocks that intersplicer 518 orders. In the process, step 520 maintains file descriptors, file pointers, and buffers. It secures its buffers, decodes compressed media, and releases for use any media content that has been secured through encryption, through the logic of secure/release 582. All of this happens extemporaneously in the course of real-time playback. Intersplicer 518 communicates often with its associated real-time player 520, to direct playback and follow what's playing. Intersplicer 518 also communicates with ad rotator 516 to request and receive new ads for its own adaptive local ad selection.

Intersplicer 518 finishes when either a user action or a timeout after program completion instructs it to end. In response to this instruction, it signals an end to real-time player 520 and ad rotator 516. Upon this signal, real-time player 520 ends itself and ad rotator 516 either ends or releases itself from intersplicer 518 and continues running to attach later to another media play/view request 502. In the meantime, ad rotator 516 may involve itself with ad localization or some other maintenance activity. Once the real-time player and ad rotator have removed themselves, intersplicer 518 ends.

Since intersplicer 518, real-time player 520, and secure/restore 582 are more time-sensitive than other components, the design of the player/viewer software generally has play request 502 conduct any necessary access of local database 562, which may invoke remote database 564, through other threads, while intersplicer 518, player 520, and secure/restore 582 are running in the request thread 502. This is a design choice, and the invention applies just as well to other software designs that function according to the invention.

The media and ad usage monitor 524 compiles the play history data from intersplicer 518 and incorporates it into local database 562, which ultimately synchronizes back to remote database 564, or otherwise communicates it back to media distribution center 122 (FIG. 1). This data is important, as it provides the basis for a sophisticated viewership ratings system, which the network administered services distributor 120 maintains as a direct or statistically-based compilation of media usage data gathered from every consumer 102 on the system, as well as

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providing ad penetration statistics for tracking the viewership of each ad, and a basis for future ad selection choices, delegated from remote database 564 in step 514, the ad manager.

In addition to the basic media use request operation that begins in step 502, there are several common maintenance tasks that occur regularly in the course of running the player/viewer software 560. Regular management of program resources may be handled by maintenance handler 570, or as a separate immediate maintenance thread 572.

There are also distribution-related maintenance tasks, which may be managed on an ongoing basis, either as an immediate maintenance 572, a maintenance process 574, or a scheduled regular maintenance 576. These may without limitation include ongoing ad localization 578, database synchronization 590 between local database 562 and remote database 564, any special media usage reporting 592 that is not included as part of regular database synchronization 590, the provision of a media exchange server 594 to handle peer-to-peer and other direct consumer-to-consumer media transfer aspects of general media server 568, the provision of a distributed media catalog server 596 to act as a component of media catalog 566, and the enforcement of distributor media recalls, bans, and rotations 598 as described above with license verification in step 508.

DETAILED OPERATION OF THE INVENTION

Referring now to FIGS. 6A and 6B, there is shown in FIG. 6A a more detailed flowchart of the operation of step 514, the ad manager. In FIG. 6B, there is a block diagram that indicates the data stored in memory and exchanged in association with the logic of steps 514 and 516.

Referring now to FIG. 6A, there is shown a flowchart illustrating in more detail the method by which the ad manager, step 514 (FIG. 5A), operates according to this particular embodiment of the invention. The ad manager begins in step 600 with a media request list 650 already stored in memory. In step 602, it enters a loop to process each item in media request list 650, one at a time. This processing proceeds to step 604, where the ad manager determines an optimum amount of advertising time required by the item, based on information saved earlier in the media request list 650. The resulting ad requirement is an arbitrary function that can depend on, without limitation, one or more of the following: the item's running time; the number of segments it contains; and/or its advertising requirement parameters, determined with its service level in step 508.

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In step 606, the ad manager produces a list of candidate ads specifically tailored to the media track/title in question. This candidate ad list may derive directly from data and/or advertisements embedded with the content in a file or archive, or it may be the result of a query to a local or remote distributor's database. Generally speaking, the resulting list will be a function of the specific media title, its parameters from media request list 650, available data on the user's previous advertising and media usage history, recent ad localizer maintenance downloads, user preference settings that may be in effect on the player/viewer, user advertising preferences, and relevant user demographic information.

Except when the result of step 604 is zero by way of a privileged license, the resulting list contains at least one ad, and it will include enough advertising to cover some multiple of the item's optimum ad time determined above, with the multiple ranging from at least one to at most one hundred. Associated with each ad in the list are a number of attached parameters and weighting coefficients that specify each ad's relative appropriateness to the particular content item in question, with separate coefficients to cover multiple selection criteria, possibly including, but not limited to, the specific title/track of the item, the item's genre, demographic information about the user, and/or the geographic location of the system or device running the player/viewer. Other returned parameters may include ad running time, an overall ad preference rating, the type of product being advertised, some preferential ad block positioning, or other relevant usage rules associated with the ad. The ad manager uses these parameters in step 616, described further below.

Block positioning and other rules may be quite specific. For instance, there may be rules instructing a particular ad to be played in the block associated with a specific segment of a title, at a specific position within a block, or tied to another ad, such as two ads linked either at the beginning and end of a block, or in separate blocks that run after successive segments in a title. In step 608, the ad manager weights this candidate ad list by the ad time determined in step 604, to scale its influence on the ultimate choice of ads by the amount of required ad play time it contributes to the entire session. In step 610, this list is merged into the ad manager's internal ad table, which maintains each advertisement's parameters, preference ratings, and time weightings, on an item-by-item basis, as it combines ads that are common to multiple items. In step 612, the result from step 604 is added to a count of total ad time for the entire media request, to serve

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later in choosing the size of the master ad table. The loop then returns in step 614 to process the next item in media request list 650.

After loop 602 is finished, the ad manager goes to step 616, in which it processes the internal ad table into a preliminary master ad table 670. Using the total resulting length of required ad time from step 612, it selects enough ads from the internal table to have a running time greater than or equal to this result, giving preference according to the weighted sum total, determined for each ad in the table, of the metrics determined above. Then, it processes its internal table to yield a set of ad preference tables 676, which have been inverted to map ad selection criteria to a ranked list of candidate ads taken from those in the master ad table. This inversion allows the weighting coefficients and preference ratings, which are indexed by ad in the internal table, to be indexed by title, genre, demographic, or other selection criterion in each of the ad preference tables. The intersplicer uses these tables later to perform adaptive ad selection and sequencing in response to user actions.

After computing the preliminary master ad table 670, step 616 removes all the ads so chosen from its internal table, and maintains the result as an alternate ad table 660, which provides specific ad indications and selection criteria to make substitutions into the master ad table 670 as needed. When this is done, the ad manager proceeds to step 618, which loops through the master ad table, one ad at a time. In the loop, step 620 locates and localizes each ad.

In step 620, the ad manager determines the nearest location of the ad in question and verifies its presence there, potentially through the use of remote media catalog 566 (FIG. 5B). Once it locates the necessary ad, it may elect to transfer the ad to local storage if such an operation will complete in a reasonable amount of time, or it may elect to replace this particular item in master ad table 670 with a more accessible one from alternate ad table 660. Should this happen, it removes the replacement ad from alternate ad table 660 and merges the ad's selection criteria into ad preference tables 674. Once the ad has been either localized or replaced, the loop returns for the next ad in step 622.

Loop 618 terminates when every ad in the final master ad table 670, after any replacements have occurred, is present in a nearby location, either on local storage, or somewhere else where the available speed of access is determined to be fast enough for real-time play. If there is no way to localize enough advertisements to fulfill the requirements of master ad table 670, the player/viewer notifies the user of the situation and suggests connecting to the

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network or other appropriate alternative. If after this attempt, the estimated amount of time required to transfer the ads is prohibitive, the player/viewer notifies the user of the delay with a prompt to await transfer, continue now, or abort playback. If there is still no means available for transfer, or the user has chosen to continue now, and there aren't enough advertisements on the system to support the requested media, the player/viewer will offer to abort the request or play only a limited portion of it.

In step 624, the ad manager checks for media titles that contain segments, and builds a section table 674 of all individual segments and tracks comprising the content of the request, in preparation for the insertion of ad blocks at arbitrary points in the list. In this step, data from the media request list, such as title identification, access keys, file location, endpoint times, and genre of title, may be included with each entry in the section table 674. The main purpose of segments in a media track or title is to indicate appropriate points for commercial interruptions, and the ad manager has the power to decide which segments are run back-to-back, and which ones are to have ad blocks inserted after them. In many cases, every single segment in a track or title gets an ad block. In segmented items, the section groupings and ad insertion points set here are not altered by the intersplicer.

In step 626, the ad manager builds and sequences ad blocks into the requested content, according to the rules it has from various content, database, and ad sources. To do this, it first estimates the desired average ad block running time, possibly through the application of ad requirement parameters from the media request list, and the total running time of the content. From these results, it computes a desired average time between interruptions. It then uses section table 674 in conjunction with any ad requirement parameters from the media request list 650, which may call for the lengthening or shortening of ad block duration or interruption frequency associated with specific content segments, to build a preliminary list of ad blocks and sequence them into appropriate points in the section table, attempting to match the desired parameters as optimally as possible.

Next, it assembles ads from the master ad table into a set of blocks that optimally match the preliminary block times, possibly in consultation with a local or remote database to provide additional usage history and system data to aid in this process. For instance, when the user quits a request session during the play of a required ad, the system keeps track of this through the usage monitor 524 (FIG. 5B), and it may at this point in the logic set up an ad or ad block to run

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at the very beginning of a session. With these complete, the section table 674 and ad block table 672 are finalized.

Step 626 concludes with a determination of ad preference parameters 678 for track media. These parameters are computed from the ad requirement and other parameters described above. They may include a track allowance, for adaptive ad scheduling on the basis of allowed tracks, and a preference weighting, to apply to track allowance scheduling against time allotment scheduling. Other ad preference parameters may include relative weightings for title based, genre based, demographic based, location based, and/or other bases for ad selection that are provided in the ad preference tables.

Next, in step 628, the ad manager either launches a new thread or requests the maintenance handler to issue it an already existing maintenance thread. Either way, a concurrent ad rotator 516 is associated with the main request thread of ad manager 514. In the course of establishing ad rotator 516, ad manager 514 passes its alternate ad table 660 and media request list 650 to ad rotator 516, which retains them to handle requests for new ads. The first action taken by ad rotator 516 is to synchronize local database 562 with any updated information found in media request list 650, which may include file locations and security keys, among other things. After ad rotator 516 has modified local database 562, it waits for new ad requests from the intersplicer 518, handling them accordingly. Ad rotator 516 may also take it upon itself to act as an ongoing ad localizer, transferring new ad content to the local system to keep a steady supply of ads available for use. In this manner, future media play requests 502 can avoid the delays associated with ad transfer. Upon establishing ad rotator 516, ad manager 514 receives an ad rotator reference through which the play/view request 502 thread can continue to communicate with it.

In step 630, the ad manager ends, and the request that called it passes control on to intersplicer 518. The ad manager passes its master ad table 670, ad block table 672, content play section table 674, adaptive preference rules, which include ad preference tables 676 and ad preference parameters 678, and the ad rotator reference 680, to the intersplicer 518 (FIG. 5A), which retains them for its own use.

Referring now to FIGS. 7A and 7B, there is shown in FIG. 7A a more detailed flowchart of the operation of step 518, the intersplicer. In FIG. 7B, there is a block diagram that indicates

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the data stored in memory and exchanged in association with the logic of steps 518, 520, and 516.

Referring now to FIG. 7A, there is shown a flowchart illustrating in detail an example of one particular method of the operation of the intersplicer. The intersplicer begins in step 700, where it receives in memory a master ad table 670, an ad block table 672, a content section table 674, ad preference tables 676, ad preference parameters 678, and ad rotator reference 680.

Master ad table 670 contains location and other data about every ad that has been selected to run with the session. Ad block table 672 contains a series of ad blocks, each of which is a series of references to individual ads in master ad table 670. Section table 674 is a list of content sections with indications for any pre-programmed ad breaks, and information about the location of each media section, along with start and end time offsets. Ad preference tables 676 and parameters 678 are rules by which the intersplicer can perform adaptive ad selection and sequencing extemporaneously, determining and running new ad combinations in response to user navigation actions throughout the session. Ad rotator reference 680 is the point of communication for intersplicer 518 to contact ad rotator 516 to request ad rotation and other services from it.

In step 702, the intersplicer uses the content section table, master ad table, and block list table to build a raw section sequence table 780 of ordered sections. These sections may possibly include indicator flags through which the running real-time player 520 may identify the boundaries between content and required ads, or the program may rely on the intersplicer to check the player settings on a regular basis and determine on its own when required ads are in progress. The section sequence serves as a map from a time point in the overall sequenced session to a time point in a particular content or ad item, along with the identity of that item.

Next, in step 704, the intersplicer 518 initializes a set of player settings 782, which directly control how playback proceeds. It initializes player settings 782 for standard play starting at the beginning of the sequence determined in step 702, and it prepares all data pertaining to the play section sequence 780 and the player settings 782 for shared use with real-time player 520. Without limitation, player settings 782 may include the media mode (audio, video, or print), direction of play, play rate, video frame rate, audio sampling rate, sound volume, current media frame/location, redraw mode (update, no update, or black), and next media switch.

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In step 706, intersplicer 518 launches real-time player 520 as a concurrent thread, maintaining the means to exchange section sequencing 780 and player settings 782 back and forth between itself and real-time player 520. After step 706, the real-time media player 520 runs on its own and communicates back and forth with intersplicer 518, either through a block of common memory, a system of message passing, or any other appropriate means. Real-time player 520 runs whatever media is in its section sequence 780, according to its player settings 782, and all alterations in playback arrive to the player as data exchanged from intersplicer 518. Furthermore, real-time player 520 signals back to intersplicer 518 whenever it starts or finishes playing an advertisement block.

The real-time player is responsible for physically running the media content in context of the player/viewer, and running ads wherever the intersplicer has sequenced them into the material, as well as releasing for use any media content that has been secured through encryption, through the logic of secure/release 582.

The real-time player 520, monitors the section sequence table at regular intervals to adjust the way it buffers media content from local storage to memory, prepares to open and close files, and selects which specific timing and sequence of frames and/or audio samples to extract from storage and display/play. These operations occur in conjunction with a real-time clock or other interrupt signal that is employed to enhance communication with the audio and graphics hardware, to provide the smoothest and most pleasing display appearance and/or audio possible.

In step 708, the intersplicer communicates with the real-time player for the purposes noted above. When the intersplicer detects the start of an ad block, it checks to see if the ad block is required. When an ad block is required, the player/viewer disables playback-altering functionality that the user could apply to circumvent the running of these advertisements in their entirety. That is, any user command to alter the rate of play or skip in the forward direction is disabled, along with muting or reducing the sound volume beneath a certain minimum threshold. Initially, each ad and ad block is required, but once an individual ad and its current ad block have played completely through, the logic of the player/viewer may indicate that enforced regular-speed play is no longer necessary for the particular ad or ad block in question. When an ad or ad block is not required, it may be handled in the same way as part of the content, or skipped entirely.

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The player/viewer maintains a persistent memory of each ad block and ad in the master list. However, track allowance based ad blocks are assembled extemporaneously by the intersplicer in response to the number of tracks or pages that the user has received, possibly operating in conjunction with some sense of timing based on the clock. Typically, these blocks are new every time, and only certain ads within them may be skipped, if skipping in this instance is to be allowed all.

In step 710, the intersplicer takes special actions if it detects that a required ad section is starting or ending. At the start of a required ad section, a copy of the current player settings is saved, and the parameters are set to regular speed play at a volume no less than a particular threshold level. Also, if user-interface functionality is to be disabled directly during required ad play, this takes place here. There is logic provided through intersplicer control commands 522 to handle the enforced viewing of ads according to the invention without resorting to disabling controls at the interface level, but the option exists to do so instead or in addition. If user interface controls are not disabled directly, they can check the current ad state of the intersplicer through a special intersplicer command and use this result in their own operations. If step 710 detects the finish of a required ad block, it will restore the player settings that were saved as the required ad block was entered, subject to any intersplicer control commands 522 that may have altered the saved settings.

In step 712, the intersplicer performs any necessary adaptive ad selection. If an unsegmented title or track is currently in progress, the adaptive logic keeps track of the number of tracks played, and the time passed since the last ad ended. Depending on values in the ad selection parameters, the intersplicer will apply some combination of track count-based and elapsed time-based logic (or any other desirable criteria) to decide when to call for a commercial break. When it decides to insert a break, it uses the data in the ad preference parameters 678 and the ad preference tables 676 to select individual ads from the master ad table 670 to put into the block, and orders them in the way that best fits the preference parameters of all the ads in the block.

In step 714, the intersplicer consults the local data it is keeping in memory on ad usage, in conjunction with any special messages it may have received from the adaptive ad selector about having trouble finding ads. If it finds one or more ads and or blocks that have either shown too many times or been held in the list for too long a period of time, it makes a

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maintenance request for local ad rotation. The intersplicer contacts its ad rotator and sends it a list of ads and ad blocks in any combination, which are to be replaced, or it may request an entire new set of ads to replace all the current ones.

The ad rotator may choose to consult the alternate ad table or run the equivalent of a whole new ad manager session to replace the ads and/or ad blocks requested by the intersplicer. When it has finished it's task, it informs the intersplicer that new ads are ready, and the intersplicer 518 receives the result and swaps the new ads/ad blocks in place of the old ones when it finds an appropriate time, keeping usage data from the old ads to be used later to compute ad penetration.

As the user arbitrarily controls the playback, intersplicer 518 keeps an account of its entire user-directed play history, including which ad blocks have been seen, the number of times each individual ad has run, and the ad selection criteria behind each of these runs. In response to this history, the intersplicer dynamically selects ads from its available pool to group into new blocks and sequences them into the playback at appropriate points. In this way, the ads run are customized to the consumer's actual use of the content.

In step 718, the intersplicer may elect to checkpoint any data it is maintaining about the media and ads that have played in order to compile usage records, and to maintain an in-process snapshot of this information to be recovered in the event of a system failure.

The ability of the player/viewer software to adaptively select, sequence, and re-sequence ads that are shown on the basis of user navigation through a self-selected series of media content is a novel feature for media players, and it is also novel in the field of media distribution, in that software running on a consumer system is presenting same-media style ads that are sequenced on the basis of the user's particular choices of content and playback. Also novel is the on-demand selection of appropriate ads from a greater repository, performed by software running centrally or on a consumer's machine, to custom-select and assemble the ads shown on the basis of the consumer's choice of content, as well as demographic and other consumer information on file.

In step 720, the intersplicer checks to see if any user action or system timeout has requested to close the session, and if not, it loops back to step 708 to continue processing user, player, and ad rotator interactions. In the event a session close has been indicated, control passes to step 722, which signals the playback session to end. This signal causes the real-time player 520 to stop and close itself out, a process in which it closes open files, cleans out its buffers, and

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ends. Once it has closed real-time player 520, the intersplicer releases ad rotator 516 and cleans up after itself, finishing step 722 and moving on to its end, in step 724.

In step 708, the intersplicer communicates with the real-time player to maintain certain playback parameters, which affect the control of playback. The player/viewer maintains a sense of the currently active intersplicer in the course of managing its GUI frames and panels. When a user takes any action on a graphical object in the play control area of the interface, the user interface 500 calls one or more appropriate intersplicer control command methods 522 belonging to the focused intersplicer.

These intersplicer control methods 522 alter certain player settings in memory, causing the real-time player 520 to alter playback upon discovering the change.

User commands that communicate with the intersplicer in this manner include the common playback controls of play, stop, pause/continue, reverse, rewind, fast-forward, slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, and shuttle knob. They also include any sound controls, such as volume and mute, and for print media, the display control operations of forward and backward page turns and chapter advances and returns.

According to the invention, the real-time player 520 deciphers media files as it runs through the logic of secure/release 582, playing or showing content directly to the user through volatile sound and display devices, and managing any needed buffers in the process. Where non-volatile memory or other storage is used for buffering of copyrighted content during the course of playback, provisions available to the computer system to limit access to these areas from outside the program may be employed, and the intersplicer may include in its clean-up tasks the job of explicitly writing over any areas that contain unencrypted content. In addition, the intersplicer may use a rough encryption algorithm on these buffer areas to further hide them from the user.

The intersplicer handles user generated requests to alter the speed of playback or skip around throughout the requested material. It keeps track of all the particular segments of the content and advertisements that have run through its play history, including a count of the number of times for each of them. As any single ad or block of ads is presented multiple times throughout the course of the session, the intersplicer may call for new ads and/or ad blocks as it deems they are needed, and a maintenance process will see to it that the requested ads are

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replaced. When the user or the player/viewer application signals that the requested session is ready to close, the intersplicer closes out playback and passes its raw data on media use and ad penetration along to step 524, the usage monitor.

Other than the controls to navigate through audio/video playback and print viewing, there are also intersplicer methods to handle user interface manipulation on the part of the user. As multiple requests to play/view 502 are running concurrently, there are actions that close a running request, those that hide an individual play/view presentation, and others that restore the view of a hidden presentation.

FIGS. 8A – 8D, 9A - 9C, 10A, and 10B are flowcharts to illustrate the operation of the primary intersplicer control commands 522 (FIGS. 5A, 7A). These operations are the essential elements of the user controls listed above, and one of many important novelties of the invention is its ability to ensure the viewing of promotional ad material when the service level calls for it, whether through these controls or by some other approach. As these commands alter the course of play, they are also responsible for gathering user play history data, effectively keeping track of the user's entire navigation history throughout the material, as shown in the following figures. The commands illustrated in these figures are those that pertain to the operation of the intersplicer. The user actions which invoke these commands may involve additional operations not shown, to manage other appearance and behavior aspects of the user interface.

Referring now to FIG. 8A, there is shown a flowchart depicting an intersplicer control command to stop or pause playback, beginning at step 800. In step 802, it issues an intersplicer player setting to signal the player to halt. In step 804, it makes a decision based upon whether the initiating user action is a "stop" or a "pause". In the event of a "stop", step 806 issues a player setting to put up a black screen, rather than to display the current frame. In the event of a "pause", control skips past step 806, directly to the end 808 of the command.

Referring now to FIB. 8B, there is shown a flowchart illustrating the operation of an intersplicer control method to play forward at regular speed, beginning at step 820. The player setting for "current frame" reflects the print page or video frame (for video content or audio content with corresponding visual feedback) at the point in the media sequence being presented, along with any audio sample corresponding to the start of the frame. The current frame changes in response to playback progression and user navigation through the content.

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In step 822, the method checks on the condition of the screen to see if it is black. If the screen is not black, control proceeds directly to step 828. Otherwise, control proceeds to step 824. In step 824, the intersplicer checks to see if any ads are immediately necessary as a result of user navigation taken while the screen was black, and waits for the intersplicer to run any such ads in their entirety, before passing control to step 826. In step 826, the method redraws the current frame and passes control to step 828.

In step 828, the method checks if there is a current session play history for the content. If there is no existing play history, step 830 starts play history tracking by marking the current playback point as the start point, before passing control to step 832. Otherwise, there is no need to start a new instance of play history, and control proceeds directly to step 832, which signals the intersplicer to resume play at normal speed. The method ends at step 834.

Referring now to FIG. 8C, there is shown a flowchart illustrating the operation of an intersplicer control command method for general navigation throughout the requested content. This includes backing up at a regular, reduced, or accelerated speed, fast-forward play, skipping forward or backward to a fixed point, slow motion or frame advance, and general skipping around by dragging along a time bar.

In step 862, the method checks to see if a required ad is currently in progress. If the answer is yes, step 864 checks to see if the requested operation is a backward skip, and exits the method immediately if it isn't. If it is a backward skip in a commercial segment, control passes to step 868, which halts play, and then to 870, which moves the current frame back to the beginning of the current ad or advertisement block. When a required ad is playing, no skipping prior to this point is permitted. Step 872 redraws the current frame at this point, using the method illustrated in FIG. 8B, and once playback is resumed, the method ends in step 874.

At step 862, if no ad is in progress, or the ad and ad block in progress are already tagged as having been viewed at least once, control proceeds to step 876, which halts playback. Next, step 878 updates the play history currently in progress with the initiated navigation and continues tracking. Step 880 is a decision based on whether the operation that called the method is one to alter the play speed, or to skip around. In the event of a speed alteration, control passes to step 882, signaling the intersplicer to run the player at a new forward or backward speed. In the event of a skip, control passes to step 884, which moves the current play position to a new point and signals the intersplicer to redraw the screen with the frame for the new position. After step 882

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or 884, the method ends in step 886. If playback is to resume after a skip action, the action calls the method shown in FIG. 8D at this point. In either case, if the user is dragging along a time bar, playback doesn't resume until the drag is released.

In FIG. 8D, there is shown a flowchart to illustrate the operation of the intersplicer control command to resume play upon release of an interactive skip operation. The command begins in step 890. In step 891, the program checks to see if a required ad is already in progress. If the answer is yes, then control proceeds to step 893, which resumes playback at regular speed, using the method depicted in FIG. 8B. After resuming playback, the method ends in step 898. If the answer is no, then control passes to step 892, where the intersplicer checks to see if any ads are immediately necessary as a result of the user's jump to the new current position, and waits for the intersplicer to run any such ads in their entirety, before passing control to step 894. In step 894, the program updates the play history with the starting point of the new play location. Next, step 896 signals the intersplicer to resume play at the current speed setting, and the command ends in step 898.

Referring now to FIG. 9A, there is shown a flowchart illustrating the operation of an intersplicer control command to close out the media request session. The command begins in step 900. In step 902, it instructs the intersplicer to halt play if it is in progress. In step 904, it checks to see if play history tracking is in progress. If it is, then the command goes to step 906, which ends the current play history and passes control to step 908. If not, control proceeds directly to step 908. In step 908, the command instructs the intersplicer to close out its session the next time it reaches its decision step 720 (FIG. 7A).

Referring now to FIG. 9B, there is shown a flowchart illustrating the operation of an intersplicer control command to hide the view of a running intersplicer's panel or window. The command begins in step 920. In step 922, it instructs the intersplicer to signal its associated real-time player to turn off the redrawing of running media, allowing the player to free up resources as it sees fit. Step 924 ensures that audio content will continue to play if the media is not halted, and it may involve signaling higher level audio control software to mix this audio with that of other active intersplicer sessions. Step 926 indicates to the intersplicer that the player is "hidden", for sake of tracking media use and ad penetration. That is, play history accounting of content or advertising that plays while the intersplicer is hidden will take into account the fact that any visual aspect of the content or ad was hidden at the time. This accounting applies to

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video and print content or ads, because their visuals are not seen, and to the audio portion of any content or ad in the special case where another session's audio is mixed into the stream while the content or ad is playing. In the case of hiding the panel or window of audio-only content to use some other silent visual media, hidden accounting of content or ad play history may not take effect. Step 928 is the end of the command.

Referring now to FIG. 9C, there is shown a flowchart illustrating the operation of an intersplicer command to restore the view of a hidden intersplicer's panel or window. The command begins in step 940. In step 942, the command prompts the intersplicer to resume display activity through its associated real-time player, giving the player a chance to ready any buffers and other resources it needs to reestablish visible play. Once the player is prepared to proceed, control passes to step 944, which signals the player to resume redraw of visual content. The command ends in step 946.

Referring now to FIG. 10A, there is shown a flowchart illustrating the operation of an intersplicer command to change or mute the playback volume. According to the invention, volume and mute controls behave as they would in an ordinary media player, except during the presentation of required ads. In that circumstance, the player/viewer has a minimum threshold, and the sound volume is required to be at or above this level.

The method begins in step 1000. In step 1002, the method saves the new volume level value as the volume to be applied after completing required ads. In step 1004, it checks to see if a required ad is currently in progress. If the answer is yes, step 1006 checks the new volume level against the minimum threshold volume for required ads. If the new volume level is at or beneath this level during required ad play, step 1008 signals the player to change the volume to the threshold level. If the requested volume is above the threshold, or if required ads aren't in progress, control proceeds to step 1010, which changes the player volume to the new level. In either case, control proceeds after step 1008 or 1010 to step 1012, the end of the method.

Referring now to FIG. 10B, there is shown a flowchart illustrating the operation of an intersplicer command to turn the page. This command is used in the course of viewing print media, where the user is offered buttons to page forward or page backwards. Print media also offers controls to skip to the beginning or end of the current chapter (which may take any of the same form as book chapters, newspaper sections, magazine features, or other editorial divisions), or to any specific point in the content. For these operations, the method of FIG. 8C is employed,

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where each page can be thought of as a "frame" in the viewer, and chapters are equivalent to segments for the purpose of determining ad requirements.

However, most user interaction with print media is on a page-by-page (frame-by-frame) basis, and individual page turns may signal the insertion of one or more required ads. The intersplicer command for turning the page begins with step 1020. In step 1022, the method checks to see if a required ad involving any visual content is already in progress. If the answer is yes, control proceeds to step 1024, which signals the forward or backward page turn logic associated with the current ad, after which the method ends in step 1026, thereby prohibiting the user from paging out of a required visual ad while it is in progress. If the particular ad logic is equipped for user-requested page turns within the ad, it will handle the signal from step 1024 accordingly.

If the answer to step 1022 is no, control proceeds to step 1028, which tests whether the page turn is in the forward or backward direction. If the direction is forward, step 1030 sets the update page to be the page after the current page. If it's backward, step 1032 sets the update page to be the page before the current page. Either way, control after that proceeds to step 1034.

Step 1034 is a test to see if the page turn request crosses a chapter boundary in the print media. If the answer is yes, control proceeds to step 1036, which checks to see if any ads are to be shown at the specific chapter boundary in question. If the answer is yes, control proceeds to step 1038, which resets the page counter before passing control to step 1040. Step 1040 runs or queues the appropriate ad or block of ads, and, as with all ads, the intersplicer maintains the means to determine if such ads are required to run in their entirety, or if the user is allowed to skip through them.

Step 1040 typically starts running the new ads immediately. However, if a previous audio-only ad is still in progress at the time, step 1040 queues the new ad segment for play immediately following the completion of the playing ad. If the new ad segment is not required, step 1040 may elect to forego it for sake of user convenience, rather than putting it in the queue. If it queues up any visual advertising material, step 1040 may display a special purpose, single-page silent ad to accompany the audio-only ad that is still in progress, which may be generic in nature or tied to the current ad in some material way.

Once step 1040 has set into motion or queued the new advertising, step 1042 decides whether the currently playing ad has any visual content. If the answer is yes, the method ends at

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step 1044. Otherwise, control proceeds to step 1048, which updates the displayed page, and then to step 1050, which tests to see if it is valid to increment the page counter. The purpose of this is to allow assorted rules of use to page allowance. One such use would be to increment in all cases, whether the page turn is forward or backward. Alternatively, only forward page turns may increment the counter, or the counter may increment only when turning to a page that hasn't been viewed within the last few minutes. Whichever method is chosen, a test for it is performed in step 1050. If the test passes, control proceeds to step 1052, in which the method increments the counter before ending in step 1054. If it fails, the method goes directly to its end at step 1054.

If the answer to either step 1034 or 1036 is no, control passes to step 1046, which is a decision based on the value of the page counter. If the page count has reached or exceeded the allowance for page turns between ad segments, control goes back to step 1038 and then to 1040, resetting the page counter and calling for ads. Allowance-based ads are typically required when they arise, as opposed to chapter break ads which are generally required just the first time around. It is also generally true that allowance based ads rotate more often than chapter break ads, which maintain some sense of "particular ads at a particular place" in the media time line. In step 1042, the method will decide to end if the currently playing ad is visual in nature. If the ad is audio-only, control proceeds to step 1048, updates the displayed content page, and then to step 1050, which tests to see if the page counter is to be incremented. If the answer is yes, step 1052 increments this count before passing control to step 1054. Otherwise, control passes directly to step 1054, the end of the command.

Whenever a visual ad or block of ads finish, the update page is the page that is viewed next in the paging direction. It is also possible to have blocks of text content and visual ads interspersed on the same "page", much in the same way that content may appear interspersed with advertising on a traditional newspaper page. In this case, the intersplicer treats the assembly of content and advertising as a visual ad, and the ad provides logic to handle all of its associated parts, through the mechanism of step 1024 above, possibly operating in conjunction with user interface event handlers that work directly with the logic of such print ads.

Through the operation described above, the invention behaves as described, providing a novel apparatus that implements the method of a particular business model. That model is the sponsorship of media content, made available to the public for free, through the use of paid

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commercial interruptions. The use of this business model adds value to the distributor and copyright holder by creating a market for advertising time via the distribution system, and it adds value to the consumer, who gains the ability to request any available desired content on demand and use it for free. The wider the consumer audience that uses and redistributes content to be used in this fashion, the greater the benefit to the distributor and copyright holder.

By implementing this business model, the apparatus and method of the present invention are a new use of digital rights management technologies, one that is a clear improvement over their ordinary practice of either granting or denying use of material altogether. The invention pertains to any digital media distribution or rights management system that employs application software, running on a multitude of consumer devices, to enforce the insertion of ads into the media content presentation stream at time of use as described above, where these ads are selected and their sequence determined by the software on the consumer device. In a particular embodiment with additional functionality, ad selection at the consumer device level is supplemented through ad selection from a central database, either as a means to determine candidate ads, or as a distributor-supplied fill-in for broadcast streams, to provide an option to consumer device level ad sequencing when user specific ads aren't available in time to go with the stream.

Referring now to FIG. 11A, there is shown a schematic diagram indicating exchanges between individual consumers 102, the media distributor 120, and one or more copyright-holders 1110, as they commonly occur on digital networks without the method and apparatus of the present invention.

Individual consumers 102 receive media content though direct purchase or ongoing subscription to an online service offered by a distributor 120. Whether this happens by transfer over a digital network 100, or physical conveyance of removable media, the content is transferred directly to a particular consumer in exchange for a one-time charge or regular periodic payment. The distributor 120 has an agreement with the copyright holders 1110 to pay them a certain royalty based on use of their material, and the distributor 120 pays this out of the money received from the consumers 102.

Ordinarily, when individual consumers 102 have the ability to openly copy and redistribute media content over a network 100, this arrangement breaks down. Under this

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circumstance, certain consumers can get content directly from one or more other consumers, thereby bypassing the legitimate distribution chain and using the media without paying for it.

The distributor 120 may employ existing digital rights management methods to curtail this type of exchange, but only to a certain extent. There is generally some way for an unscrupulous consumer to get around the system and redistribute the media property, even if it means having to go through an intermediate analog or other step. Furthermore, there is a strong market force to support such piracy, because of the economic nature of media content as a good. It is believed that the majority of consumers who refrain from purchasing media content do so more out of pricing concerns than out of lack of interest in the product. This implies that there is a huge market for pirated media content, given the vast number of consumers who would use more media if the price were lowered.

Referring now to FIG. 11B, there is shown a traditional broadcast model for media distribution. A broadcaster 1120 pays to license the use of content material from the copyright holder 1110, and sends it out for free over the airwaves, through cable lines, or through some other means to the widest possible audience of consumers 102. The broadcaster 1120 profits from this practice by inserting paid advertisements into the content stream, which the consumers 102 are ordinarily exposed to along with the content because of the real-time nature of their receiving devices. One or more sponsors 1130 pay the broadcaster to run their ads, in exchange for the audience viewership that these ads receive. A sponsor 1130 makes money from an individual consumer 102 when the consumer purchases the sponsor's product as a result of seeing or hearing an ad for it.

Radio and television broadcasting have conventionally employed such a model, and as the system matured, the value of a viewership ratings system 1150 became apparent. Through statistically based estimates on programming viewership, broadcasters and sponsors get a better sense of the value of their ad time.

This system supports the free distribution of media content to the widest possible audience. The more consumers 102 who are exposed to content sequenced with ads, the greater the value sponsor 1130 and broadcaster 1120 derive from it. If a consumer 102 records broadcast material and redistributes it to other consumers digitally over a network, without removing the ads, there is still value to be had, if only the viewer rating system 1150 had a way

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of measuring such use and including it into its statistics. Ordinary methods of viewer ratings measurement are not equipped to handle this type of redistribution.

With conventional broadcasting systems, there is little to be gained even if this redistribution were measured, because of the ease with which consumer technology can edit out the paid advertisements from a recorded broadcast. That is, for a consumer who is going through the effort of redistributing broadcast material, it requires very little extra effort to remove the commercials from the content, thereby circumventing the system entirely.

Referring now to FIG. 11C, there is shown a schematic diagram for media distribution according to the invention. In this case, we have a distributor 120 who distributes media to individual consumers 102 by the same direct transfer methods described with FIG. 11A, one method of which is transfer over a digital network 100.

However, by the apparatus of the invention, in particular the player/viewer software which individual consumers use to playback their content, a method is put in place to insert advertisements targeted by user demographic information, device location, user self-selected preferences, or some other criteria, into every media presentation that is produced for a consumer who chooses to use the content for free under a general license. By way of this novel apparatus, the invention creates a new use for the traditional broadcaster's business model, depicted in FIG. 11B.

By virtue of this business model, the value to distributor 120 and copyright holder 1110 of unrestricted consumer redistribution of material is turned from a liability to an asset, and a clear improvement results. Consumer redistribution becomes in effect a means of broadcasting, and the revenue generation value of the distribution system is bolstered by it.

According to the invention, a distributor 120 makes arrangements for the use of content material from the copyright holder 1110, and sends it out for free over a digital network 100 to the widest possible audience of consumers 102. The distributor 120 profits from this practice by inserting paid advertisements into the media presentation, which the consumers 102 are forced to watch and/or listen to along with the content because of the player/viewer software apparatus of the invention. One or more sponsors 1130 pays the distributor 120 to run their ads, in exchange for the audience viewership that these ads receive. A sponsor 1130 makes money from an individual consumer 102 when the consumer purchases the sponsor's product as a result of seeing or hearing an ad for it.

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To gauge the audience viewership that these media and ads receive, the player/viewer software includes a unique usage monitor which provides for a more sophisticated viewer ratings system than the ordinary and conventional ratings systems in practice with traditional broadcasting. Principally, the usage monitor forwards media and ad penetration data gathered during media presentation, from every consumer (rather than just from a representative sample), to the viewer ratings system 1152. Additionally, when used in conjunction with information gathered by virtue of the digital rights management practices employed for license verification, these data provide a complete media and ad consumption history for each user.

With usage monitoring, it also becomes feasible for the license verification process to provide "special offers" and other extra benefits in exchange for frequent use. For instance, the distributor might choose to bestow a full purchase license to a media title upon a consumer who has "earned" it by way of many repeated presentations of the same title under the general license with ads. Alternatively, the distributor might choose to grant "reward points" to a consumer, "earned" by way of many repeated presentations of various media under the general license with ads, good toward a full purchase license to a media title of the consumers choosing. A third alternative might involve rewarding a consumer with either a full purchase license to a media title or "reward points" good toward a full purchase license to a media title of the consumers choosing, in exchange for that consumer making other consumers on the system aware of new media, either directly or indirectly, which results in additional revenue which can be attributed to the efforts of the original consumer.

This method and apparatus result from the incorporation of well-established mass-media broadcasting practices, along with existing and new computer-controlled digital data management, manipulation, and encryption techniques, into a novel, software based digital media presentation apparatus. By coupling the long-standing broadcast media practice of commercial advertisement sponsorship with the appeal of select-on-demand, consumer-level redistribution, it is a great improvement over current digital media distribution practices. The consumer retains the conveniences of virtually unlimited free media selection, instant access, and unrestricted sharing, while gaining the legitimate right to have them. The copyright owner gains a tangible value from the increased viewership resulting from unlimited consumer-level redistribution of content onto digital devices, and explicit control over media use. The ability of

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media content consumers 102 and copyright owners 1130 to mutually benefit from digital distribution over a network 100 is vastly improved.

Without departing from the spirit and scope of this invention, one of ordinary skill in the art can make various changes and modifications to the invention to adapt it to various usages and conditions. For example, while in the embodiments described herein the invention is implemented primarily in software, it should be understood that the invention may be implemented with hardware, software, firmware, or any combination thereof. As another example, ad selection can be based on other useful criteria including, but not limited to, time of day, the format of the associated media file, and marketing preferences (e.g., user preferences, distributor preferences, advertiser preferences, content provider preferences, etc.). Further, the invention can be embodied in an electronically-readable medium having code embodied therein for causing an electronic device to perform the methods described herein.

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We claim:

1. A method for presenting ads with user selected media files, said method comprising:
receiving at least one ad file;
receiving input indicative of a user's selection of at least one media file;
receiving a copy of said media file; and
presenting said media file content and said ad file content to said user.

2. A method according to Claim 1, further comprising:
receiving another ad file; and
re-presenting said media file content to said user with said another ad file content.

3. A method according to Claim 1, wherein:
said step of receiving at least one ad file includes receiving a plurality of ad files; and
said step of presenting said ad to said user includes selecting said ad file from said plurality of ad files.

4. A method according to Claim 3, wherein said ad file is selected based at least in part on said media file content.

5. A method according to Claim 3, further comprising:
receiving demographic information from said user; and
wherein said ad file is selected at least in part based on said user demographic information.

6. A method according to Claim 3, wherein said ad file is selected based at least in part on a marketing preference.

7. A method according to Claim 3, wherein said ad file is selected based at least in part on a geographic location.

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8. A method according to Claim 3, wherein said ad file is selected based at least in part on a time of day.

9. A method according to Claim 3, wherein said ad file is selected based at least in part on a position of presentation of ad file content with respect to said media file content.

10. A method according to Claim 3, wherein said ad file is selected based at least in part on a position of presentation of said ad file content with respect to other ad file content.

11. A method according to Claim 3, wherein said ad file is selected based at least in part on a number of said media files to be presented.

12. A method according to Claim 3, wherein said ad file is selected based at least in part on other ad files being presented with said media file content.

13. A method according to Claim 3, wherein said ad file is selected based at least in part on a format of said media file content.

14. A method according to Claim 1, wherein said step of presenting said ad file content to said user includes ensuring that said ad file content is presented in its entirety.

15. A method according to Claim 14, wherein ensuring that said ad file content is presented in its entirety includes disabling media player playback controls.

16. A method according to Claim 14, wherein ensuring that said ad file content is presented in its entirety includes maintaining a volume setting above a predetermined threshold level.

17. A method according to Claim 1, further comprising making a record of ad files that have been presented to said user.

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18. A method according to Claim 17, further comprising transmitting said ad file presentation records to a provider of said ad files.

19. A method according to Claim 17, further comprising selecting subsequent ad files based at least in part on said ad file presentation records.

20. A method according to Claim 1, wherein:

said step of receiving at least one ad file includes receiving a plurality of ad files;

said step of receiving input indicative of a user's selection of at least one media file includes receiving a list of media files; and

said step of receiving a copy of said media file includes receiving a copy of each media file in said list of media files.

21. A method according to Claim 20, wherein said step of presenting said media file content with said ad file content includes:

arranging said ad files into ad blocks;

presenting the content of said media files included in said list; and

interrupting the presentation of said media file content with the presentation of the content of said ad blocks at predetermined points.

22. A method according to Claim 21, further comprising:

altering the order of presentation of the content of said media files responsive to input from said user; and

altering said predetermined points for presenting said ad block content based on the altered order of presentation of the content of said media files.

23. A method according to Claim 21, further comprising:

receiving input indicative of said user's desire to re-present the media files included in said list;

generating new ad blocks; and

presenting said media file content with the content of said new ad blocks.

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24. A method according to Claim 21, further comprising:

altering the order of presentation of the content of said media files responsive to input from said user; and

altering said ad block content based on the altered order of presentation of the content of said media files.

25. A method according to Claim 1, wherein said step of presenting said media file content and said ad file content includes:

associating an ad requirement with said media file; and

presenting sufficient ad file content to satisfy said ad requirement.

26. A method according to Claim 25, wherein said ad requirement depends at least in part on the length of said associated media file content.

27. A method according to Claim 25, wherein said ad requirement is predetermined for said associated media file.

28. A method according to Claim 25, wherein a value indicative of said ad requirement is included in said associated media file.

29. A method according to Claim 25, wherein an ad requirement associated with a particular media file is set to indicate that no ad content is required after said particular media file content has been presented with ad file content a predetermined number of times.

30. A method according to Claim 25, wherein said ad requirement depends at least in part on a service level associated with said user.

31. A method according to Claim 1, wherein:

said media file content is presented in a first format; and

said ad file content is presented in a second format different from said first format.

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32. A method according to Claim 31, wherein:

said first format is print; and

said second format is audio.

33. A method according to Claim 32, wherein presenting said media file content and said ad file content includes presenting subsequent pages of said media file content, responsive to user input, while said ad file content is being presented.

34. A method according to Claim 1, wherein said media file content and said ad file content are both presented in the same format.

35. A method according to Claim 34, wherein said media file content and said ad file content are both presented in audio format.

36. A method according to Claim 34, wherein said media file content and said ad file content are both presented in video format.

37. A method according to Claim 34, wherein said media file content and said ad file content are both presented in print format.

38. A method according to Claim 1, wherein said media file comprises a real time broadcast.

39. A method according to Claim 1, wherein said ad file includes user interactive content.

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40. A method according to Claim 1, further comprising:

receiving a media file from said user;

associating an ad requirement with said media file; and

providing said media file to another user;

whereby the content of said media file can be presented to said other user with ad file content.

41. A method according to Claim 1, wherein said media file is received from the provider of said ad file.

42. A method according to Claim 1, wherein at least a portion of said media file is received via a peer-to-peer transfer.

43. A method according to Claim 42, further comprising providing feedback to said user to create the impression that said media file is being received from the provider of said ad file.

44. A method according to Claim 1, further comprising receiving updated ad files for use with subsequent presentation of media files.

45. A method according to Claim 1, further comprising receiving media file identifiers associated with media files that should no longer be presented.

46. A method according to Claim 1, further comprising receiving media file identifiers associated with media files that are not be transferred.

47. A method according to Claim 1, further comprising receiving media file identifiers associated with media files that are to be removed from said user's system.

48. A method according to Claim 1, further comprising receiving a new media file identifier associated with a new media file that should be substituted for an existing media file.

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49. A method according to Claim 1, further comprising associating an identifier with each media file, said identifier being uniquely indicative of a work of authorship contained in said media file.

50. A method according to Claim 1, wherein said step of receiving a copy of said media file includes receiving a copy of said media file in an encrypted format.

51. A method according to Claim 50, wherein said step of presenting said media file content to said user includes:

decrypting said media file; and

providing said decrypted media file to a media player.

52. A method according to Claim 51, further comprising restricting access to said decrypted media file.

53. A method according to Claim 50, wherein said step of receiving said ad file includes receiving a copy of said ad file in an encrypted format.

54. A method according to Claim 1, wherein:

said step of receiving said at least one ad file includes receiving a plurality of ad files; and

said step of presenting said media file content and said ad file content includes dividing said media file into a plurality of segments, and presenting ad file content between said segments.

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55. A method according to Claim 1, further comprising presenting a graphical user interface representing a media player to said user, said interface including:

a first tab indicative of a first media type; and

a second tab indicative of a second media type; and whereby

user selection of said first tab results in the presentation of an active window for the presentation of a media file of said first type, while a media file of said second type is presented in background.

56. A method according to Claim 55, wherein:

said first media type is print; and

said second media type is audio.

57. A method according to Claim 55, wherein said first media type and said second media typre are the same media type.

58. A method according to Claim 1, further comprising making a record of media files that have been presented to said user.

59. A method according to Claim 58, further comprising transmitting said media file presentation records to a provider of said ad files.

60. A method according to Claim 58, further comprising selecting subsequent ad files based at least in part on said media file presentation records.

61. A method according to Claim 1, further comprising:

requiring that said ad file content be presented in order to present said media file content; and

relaxing the requirement for presenting said ad file for the remainder of a single media presentation session after said ad file has been presented.

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62. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 1.

63. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 2.

64. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 3.

65. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 4.

66. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 5.

67. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 14.

68. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 15.

69. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 16.

70. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 17.

71. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 21.

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72. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 22.

73. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 23.

74. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 25.

75. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 31.

76. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 34.

77. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 38.

78. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 50.

79. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 54.

80. An electronically-readable medium having code embodied therein for causing an electronic device to perform the steps of Claim 55.

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81. A system for presenting ads with user selected media files, said system comprising:
a user interface operative to receive input indicative of a user's selection of media files to be presented;
an ad manager operative to receive ad files from an ad file source;
an intersplicer operative to provide control signals indicative of a presentation sequence for said ad files and said media files; and
a media player responsive to said control signals and operative to present the content of said media files and the content of said ad files to said user.

82. A system according to Claim 81, further comprising an ad rotator operative to replace said ad files with new ad files after said ad files have been presented.

83. A system according to Claim 81, wherein said ad manager is operative to select ad files for presentation from a database of ad files.

84. A system according to Claim 83, wherein said ad manager is operative to select said ad files based on said content of said selected media files.

85. A system according to Claim 83, wherein said ad manager is operative to select said ad files based on user provided demographic information.

86. A system according to Claim 81, wherein said intersplicer is operative to ensure that said ad files are presented in their entirety.

87. A system according to Claim 86, wherein said intersplicer is operative to provide control signals to disable playback controls of said media player during the presentation of said ad file content.

88. A system according to Claim 86, wherein said intersplicer is operative to provide control signals to set a minimum volume level of said media player during the presentation of said ad file content.

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89. A system according to Claim 81, wherein said intersplicer is further operative to make records of ad files that have been presented to said user.

90. A system according to Claim 81, wherein said intersplicer is further operative to make records of media files that have been presented to said user.

91. A system according to Claim 81, wherein:

said input indicative of a user's selection of media files to be presented comprises a list of media files;

said ad manager is operative to arrange said ad files into ad blocks; and

said media player responsive to control signals from said intersplicer is operative to present the content of said media files included in said list, and to interrupt the presentation of said media file content with the presentation of the content of said ad blocks at predetermined points.

92. A system according to Claim 91, wherein:

said media player responsive to input from said user is operative to alter the order of presentation of said media file content; and

said intersplicer responsive to the altered order of presentation of said media file content alters said predetermined points for presenting said ad block content.

93. A system according to Claim 91, wherein said ad manager is operative to provide new ad blocks for presentation with repeat presentation of said list of media files.

94. A system according to Claim 91, wherein:

said media player responsive to input from said user is operative to alter the order of presentation of said media file content; and

said ad manager responsive to the altered order of presentation of said media file content alters the content of said ad blocks.

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95. A system according to Claim 81, wherein said ad manager is further operative to associate an ad requirement value with each media file.

96. A system according to Claim 81, wherein said media player responsive to control signals from said intersplicer is operative to present said ad files in a first format and said media files in a second format different from said first format.

97. A system according to Claim 81, wherein said media player responsive to control signals from said intersplicer is operative to present said ad files and said media files in the same format.

98. A system according to Claim 81, wherein said media files comprise a real time broadcast.

99. A system according to Claim 81, wherein:

at least one of said media files is divided into a plurality of segments; and

said media player is operative to present said ad files between said segments of said media file.

100. A system according to Claim 81, wherein said user interface is further operative to present a graphical user interface representing said media player to said user, said graphical user interface including:

a representation of a first tab indicative of a first media type; and

a representation of a second tab indicative of a second media type; and whereby

user selection of said first tab causes said media player to present a media file of said first type in an active display window, and to present a media file of said second type in background.

101. A system according to Claim 81, further comprising a media file decryptor operative to receive and decrypt said user selected media files.

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102. A system for presenting ads with user selected media files, said system comprising:

a user interface operative to receive input indicative of a user's selection of media files to be presented;

means for presenting the content of said media files to said user with commercial advertisements embedded therein.

103. A system according to Claim 102, further comprising means for preventing the presentation of the content of said media files to said user without said commercial advertisements.

104. A method of doing business, said method comprising:

providing media files containing copyrighted works;

providing ad files;

providing a media player operative to combine and present the content of said media files with the content of said ad files; and

providing a free license to consumers to present said media files and said ad files with said media player.

105. A method according to Claim 104, further comprising authorizing said consumers to reproduce and transfer said media files free of charge.

106. A method according to Claim 104, further comprising:

monitoring the presentation of said ad files to said consumers; and

conferring a benefit on particular ones of said consumers based at least in part on the presentation of said ad files to said particular consumers.

107. An electronically-readable medium having stored thereon a data structure comprising:

a first field containing data identifying a media file; and

a second field containing data indicative of an ad requirement associated with said media file.

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108. An electronically-readable medium according to Claim 107, wherein said data structure further comprises a third field containing data representing an ad file to be displayed with said media file.

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ABSTRACT

A system and method for displaying digital media files with compulsory advertisement files is disclosed. In one embodiment, the system includes a user interface, a media file decryptor, an ad manager, an intersplicer, and a media player. The user interface receives input from a user indicating the selection of media files to be presented. The media file decryptor receives and decrypts the selected media files. The ad manager receives and manages ad files from an ad file source. The intersplicer combines the media files with the ad files by providing control signals to the media player, causing the media player to present the ad files with the selected media files. Various embodiments of the invention facilitate the wide distribution of media content in a way that allows the free use of media properties, on demand, with direct consumer exchange capabilities, while at the same time enabling compensation to copyright holders.

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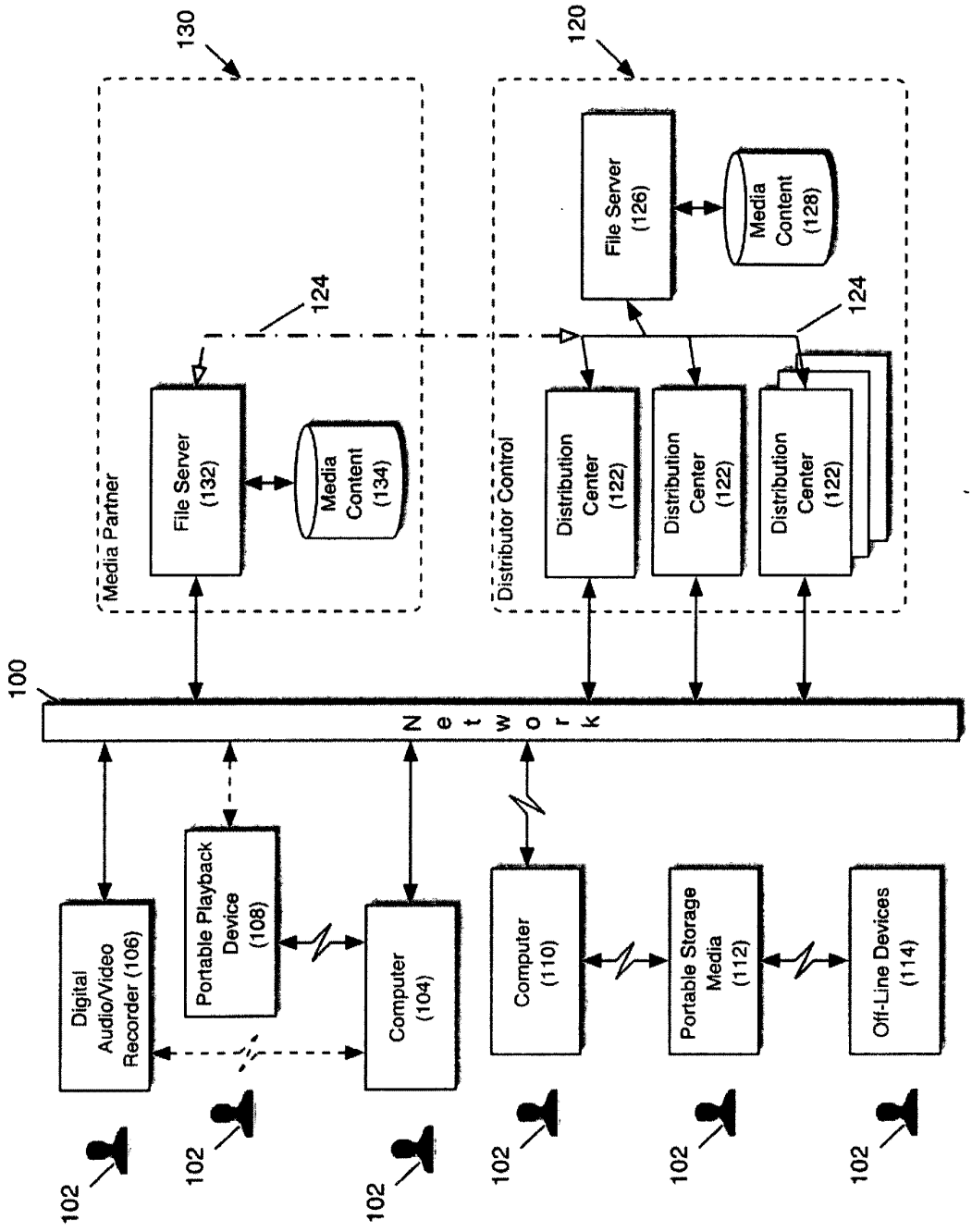

130
120
Media Partner
File Server (132)
Media Content (134)
124
Distributor Control
File Server (126)
Media Content (128)
Distribution Center (122)
Distribution Center (122)
Distribution Center (122)
100
Network
Digital Audio/Video Recorder (106)
Portable Playback Device (108)
Computer (104)
Computer (110)
Portable Storage Media (112)
Off-Line Devices (114)
102

Figure 1

Figure 2

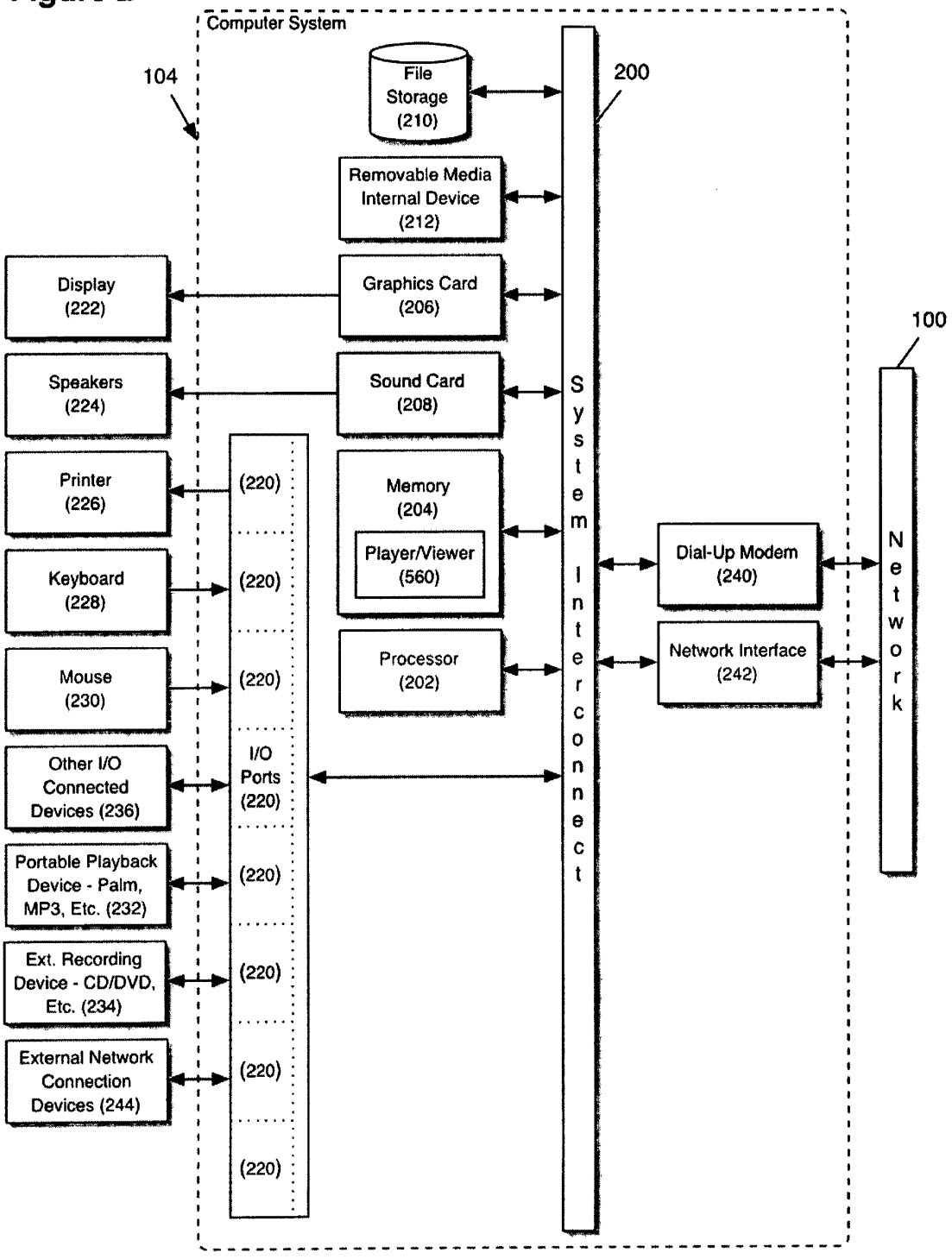
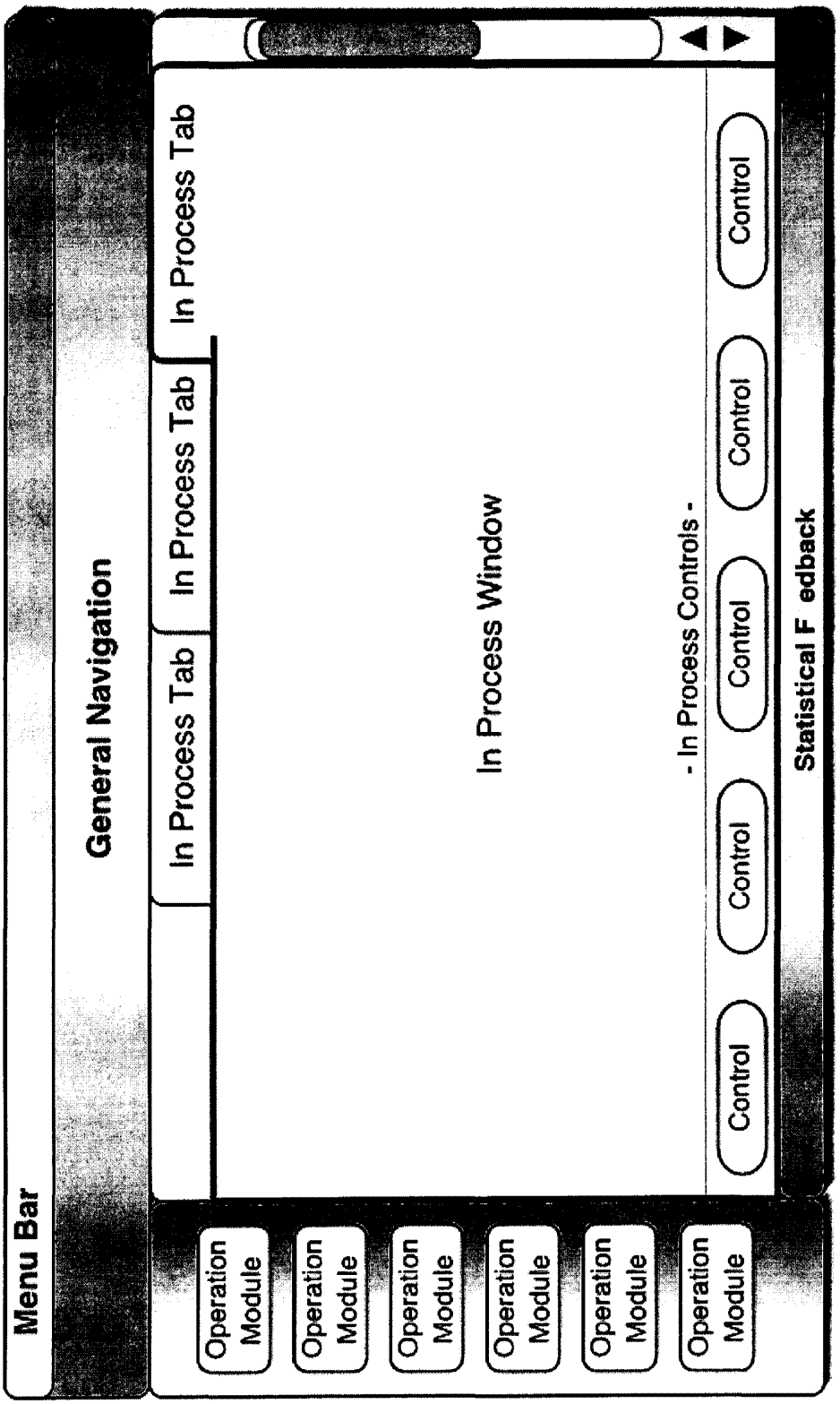

Computer System
104
200
100
File Storage (210)
Removable Media Internal Device (212)
Graphics Card (206)
Sound Card (208)
Memory (204)
Player/Viewer (560)
Processor (202)
Dial-Up Modem (240)
Network Interface (242)
System Interconnect
Network
Display (222)
Speakers (224)
Printer (226)
Keyboard (228)
Mouse (230)
Other I/O Connected Devices (236)
Portable Playback Device - Palm, MP3, Etc. (232)
Ext. Recording Device - CD/DVD, Etc. (234)
External Network Connection Devices (244)
I/O Ports (220)
(220)
(220)
(220)
(220)
(220)
(220)

Figure 3A


Menu Bar
General Navigation
In Process Tab
In Process Tab
In Process Tab
In Process Window
- In Process Controls -
Control
Control
Control
Control
Control
Statistical F edback
Operation Module
Operation Module
Operation Module
Operation Module
Operation Module
Operation Module

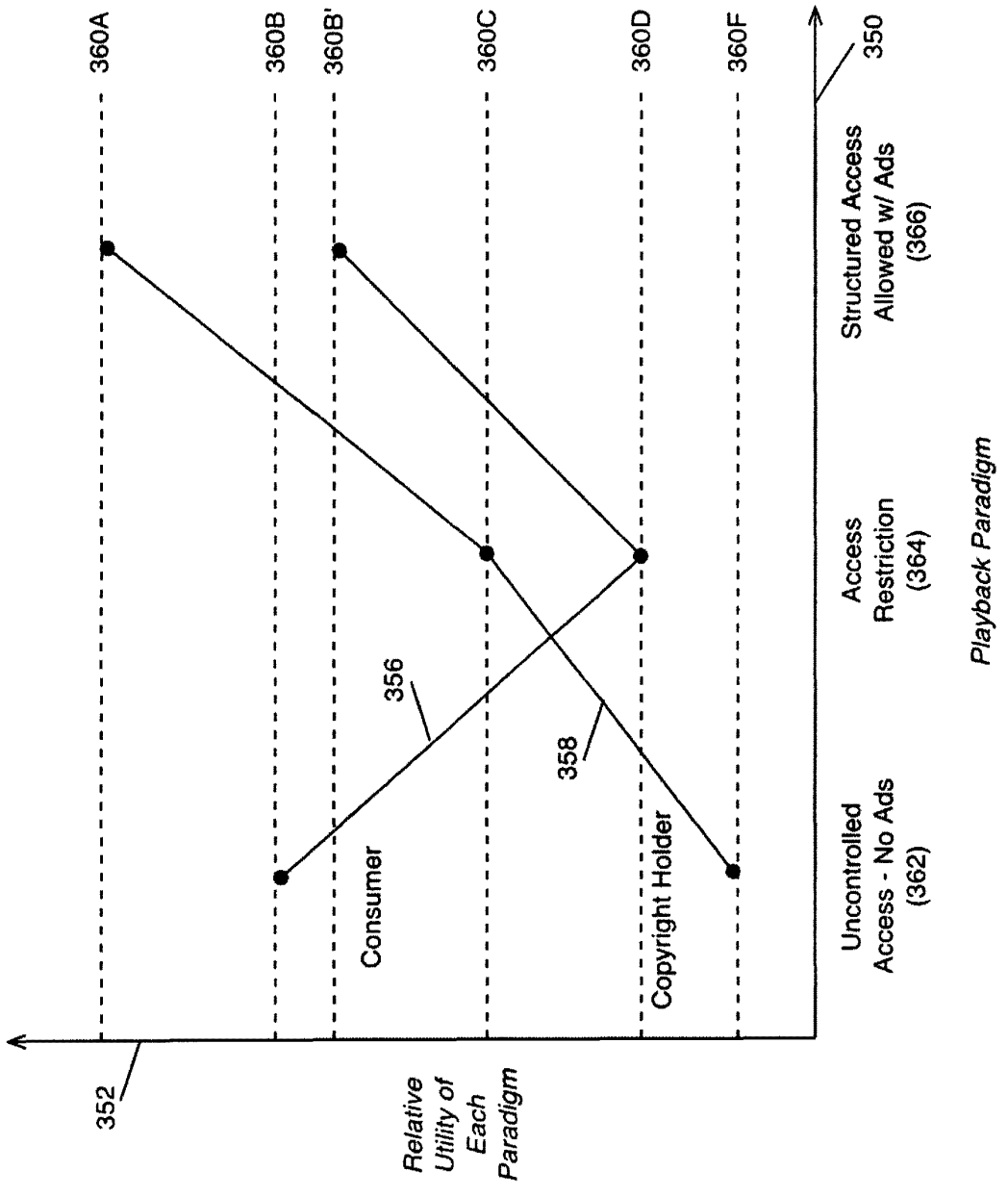
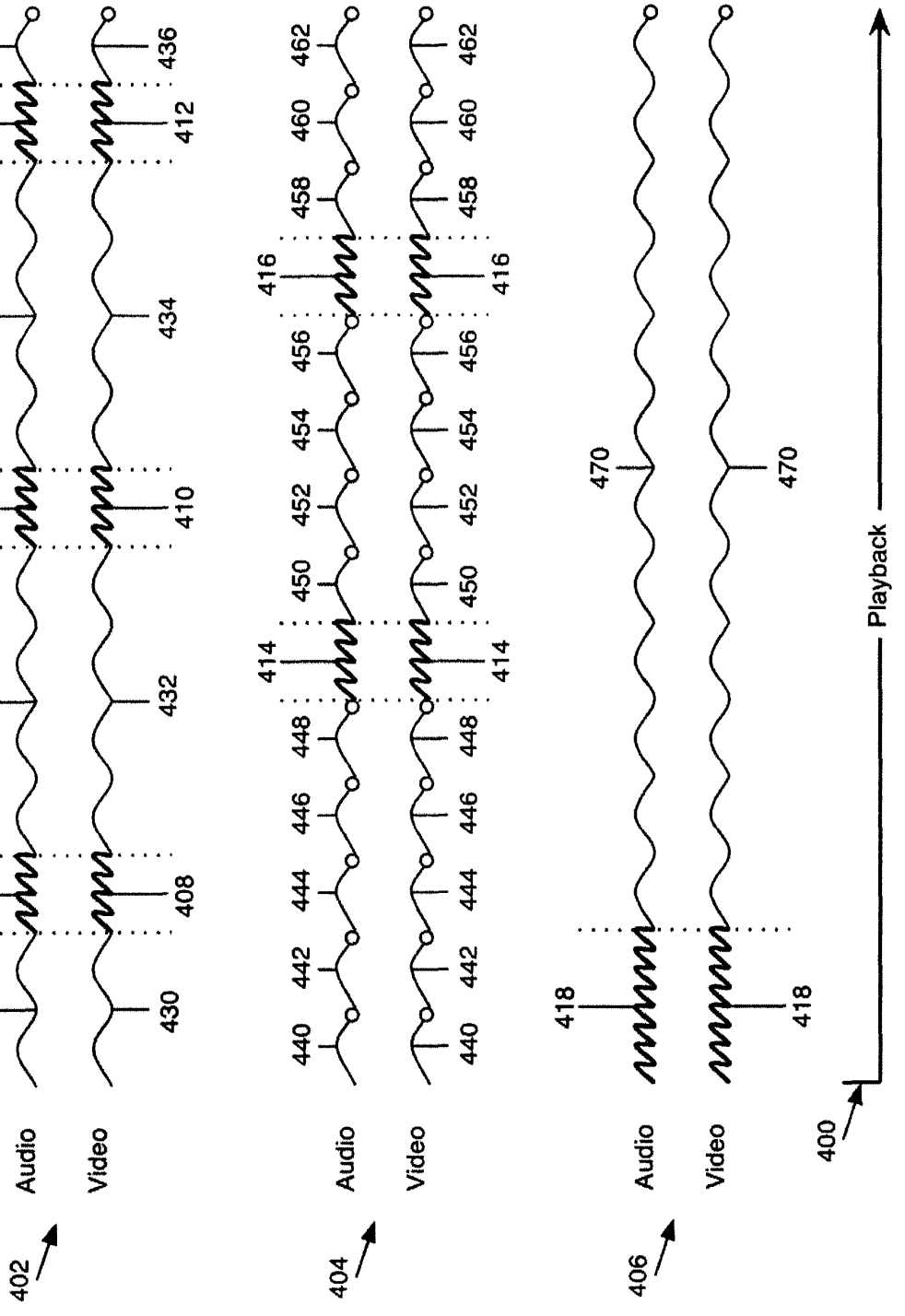

360A
360B
360B'
360C
360D
360F
350
352
Relative Utility of Each Paradigm
Consumer
Copyright Holder
356
358
Uncontrolled Access - No Ads (362)
Access Restriction (364)
Structured Access Allowed w/ Ads (366)
Playback Paradigm

Figure 3B

Figure 4A


402
Audio
Video
404
Audio
Video
406
Audio
Video
400
Playback
430
432
434
436
408
410
412
440
442
444
446
448
450
452
454
456
458
460
462
414
416
418
470

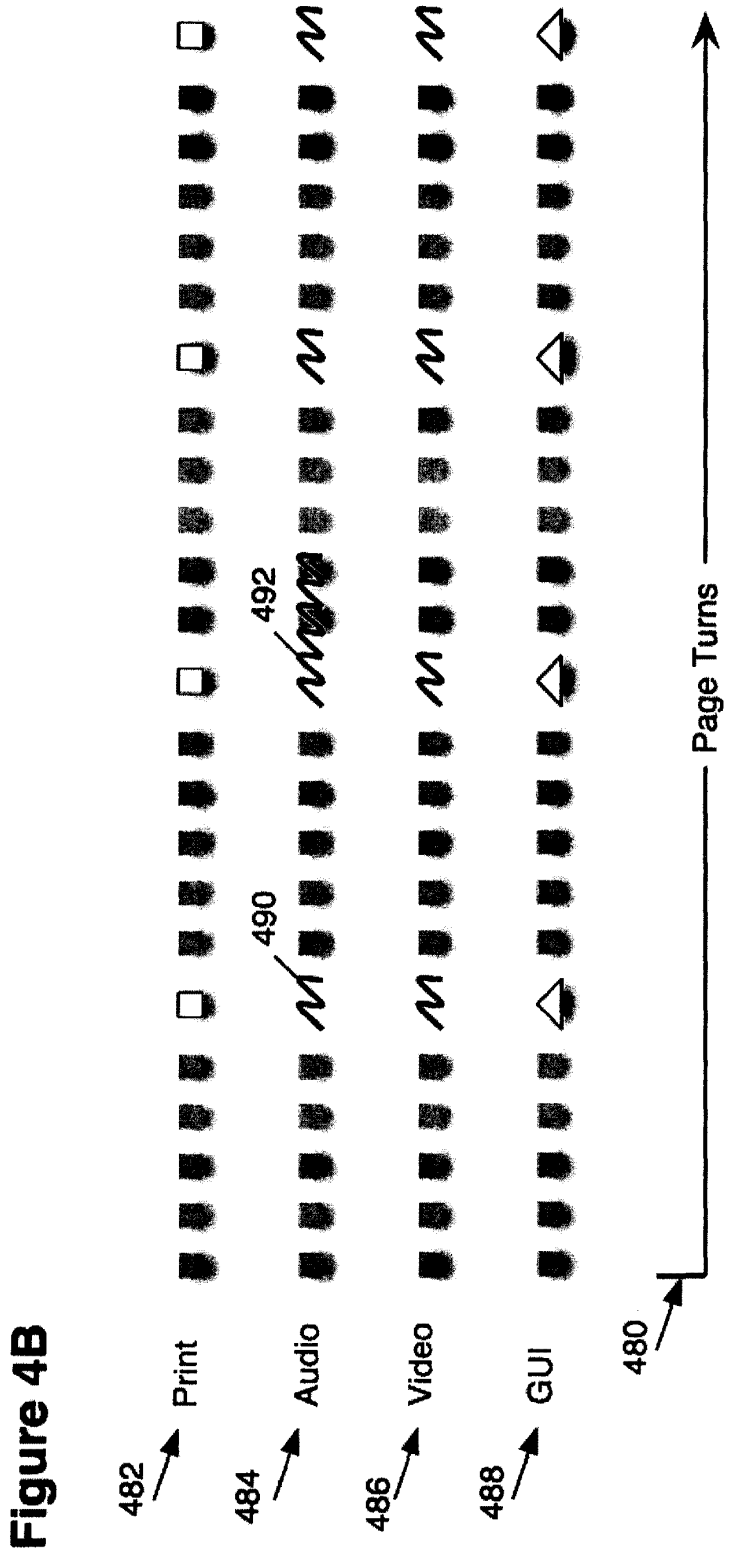
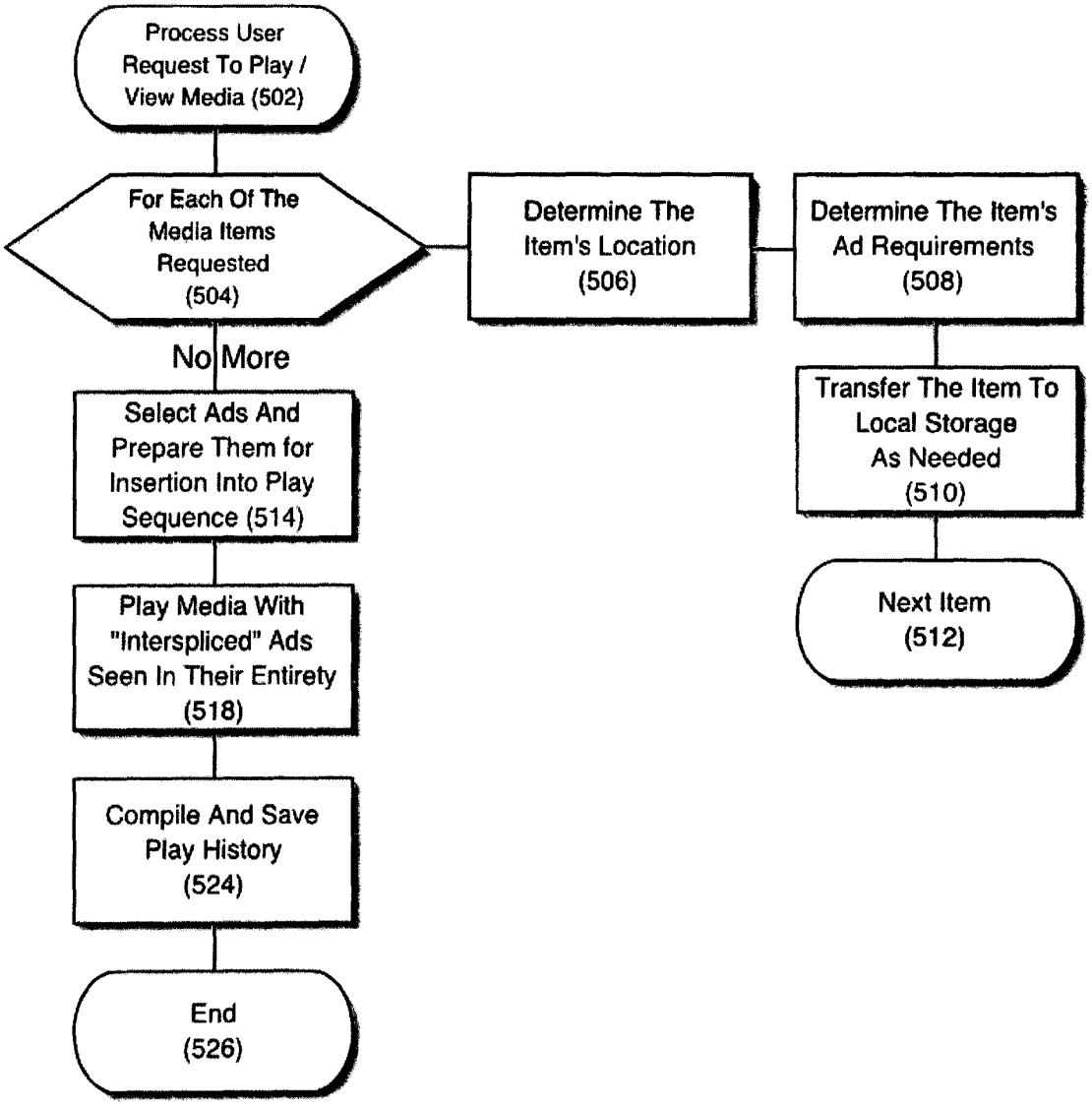


Figure 4B

Figure 5A


Process User Request To Play / View Media (502)
For Each Of The Media Items Requested (504)
Determine The Item's Location (506)
Determine The Item's Ad Requirements (508)
Transfer The Item To Local Storage As Needed (510)
Next Item (512)
No More
Select Ads And Prepare Them for Insertion Into Play Sequence (514)
Play Media With "Interspliced" Ads Seen In Their Entirety (518)
Compile And Save Play History (524)
End (526)

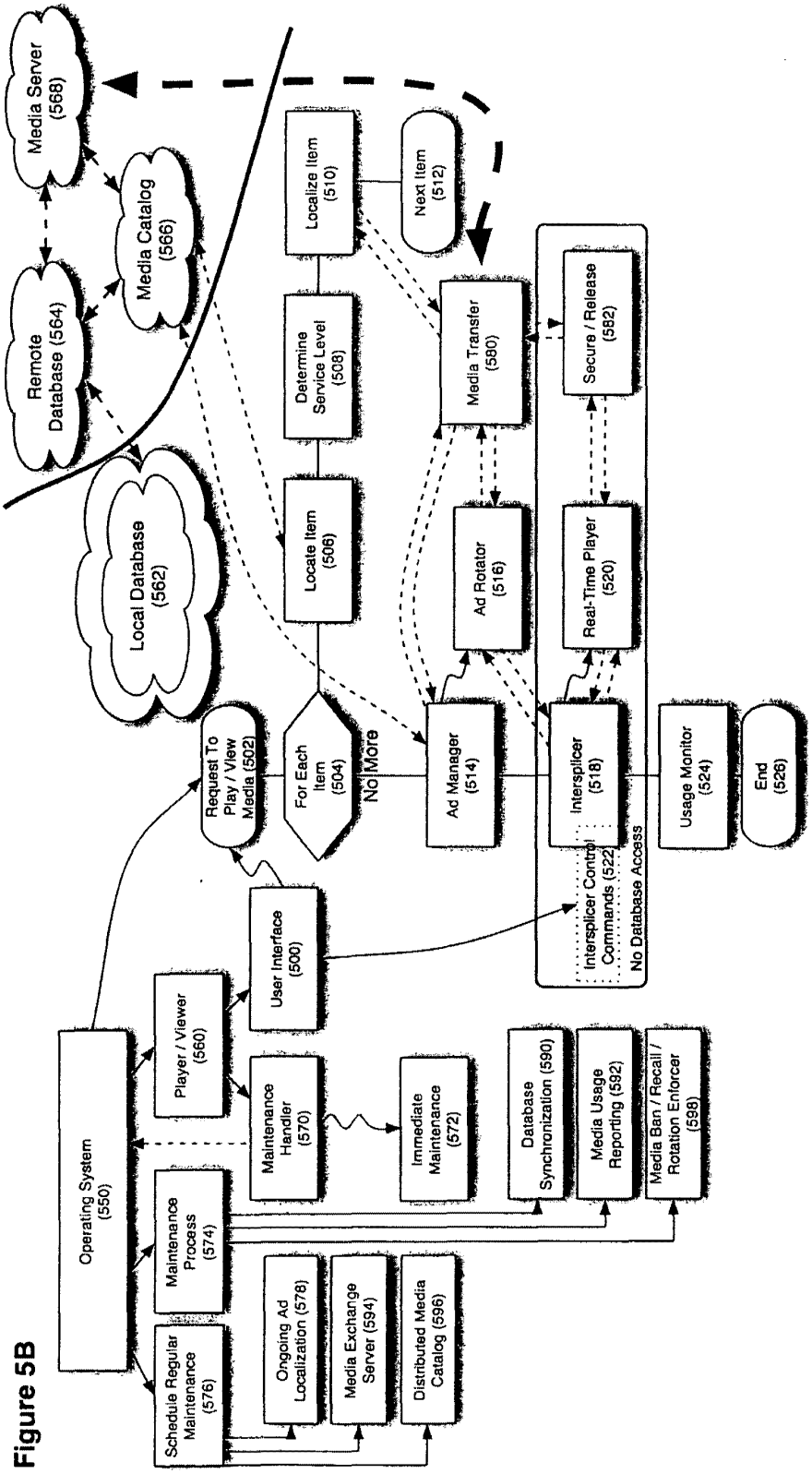

Media Server (568)
Media Catalog (566)
Remote Database (564)
Local Database (562)
Localize Item (510)
Next Item (512)
Determine Service Level (508)
Locate Item (506)
Media Transfer (580)
Secure / Release (582)
Ad Rotator (516)
Real-Time Player (520)
Request To Play / View Media (502)
For Each Item (504)
No More
Ad Manager (514)
Intersplicer (518)
Usage Monitor (524)
End (526)
Intersplicer Control Commands (522)
No Database Access
User Interface (500)
Player / Viewer (560)
Operating System (550)
Maintenance Handler (570)
Immediate Maintenance (572)
Database Synchronization (590)
Media Usage Reporting (592)
Media Ban / Recall / Rotation Enforcer (598)
Maintenance Process (574)
Ongoing Ad Localization (578)
Media Exchange Server (594)
Distributed Media Catalog (596)
Schedule Regular Maintenance (576)

Figure 5B

Figure 6B

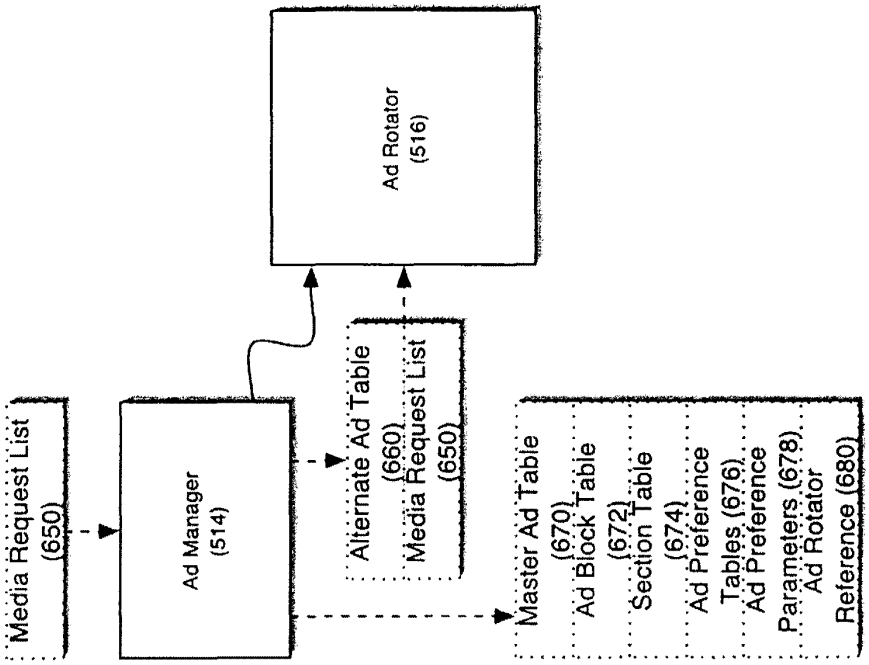


Figure 6A

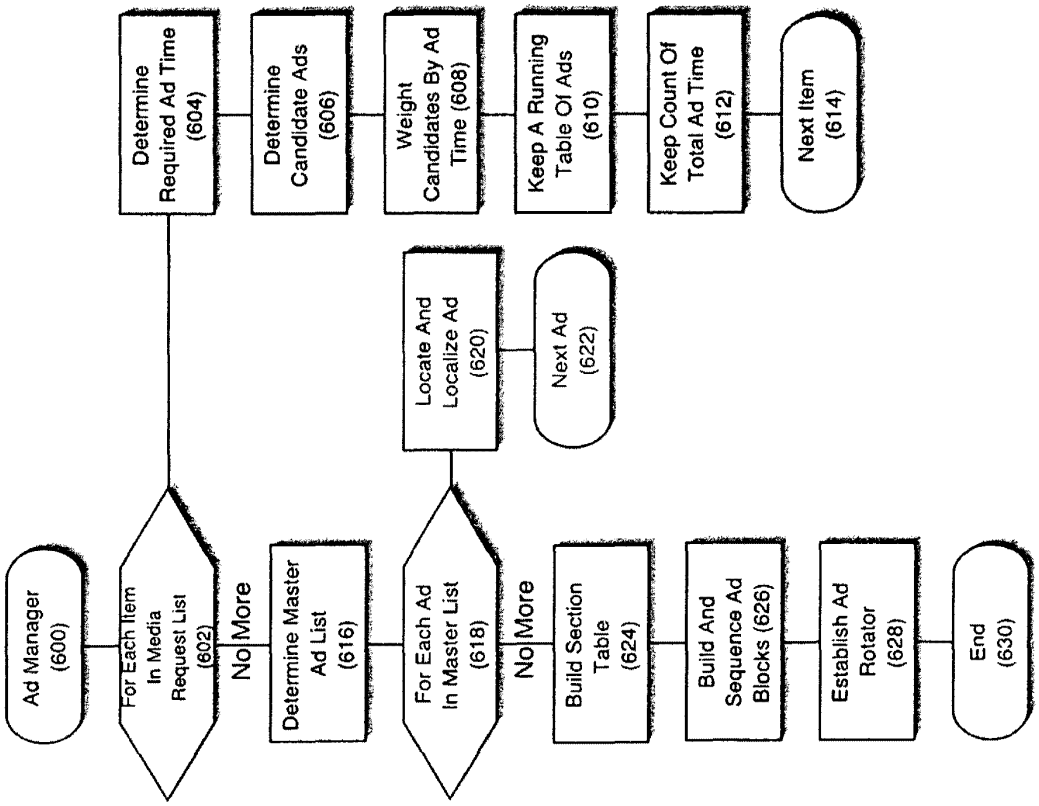


Figure 7A

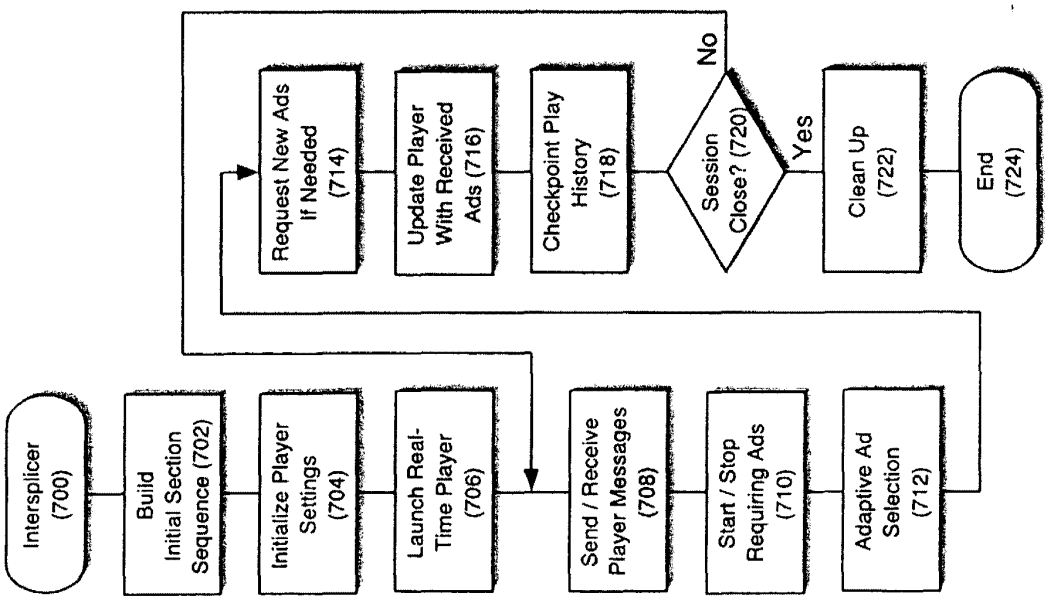
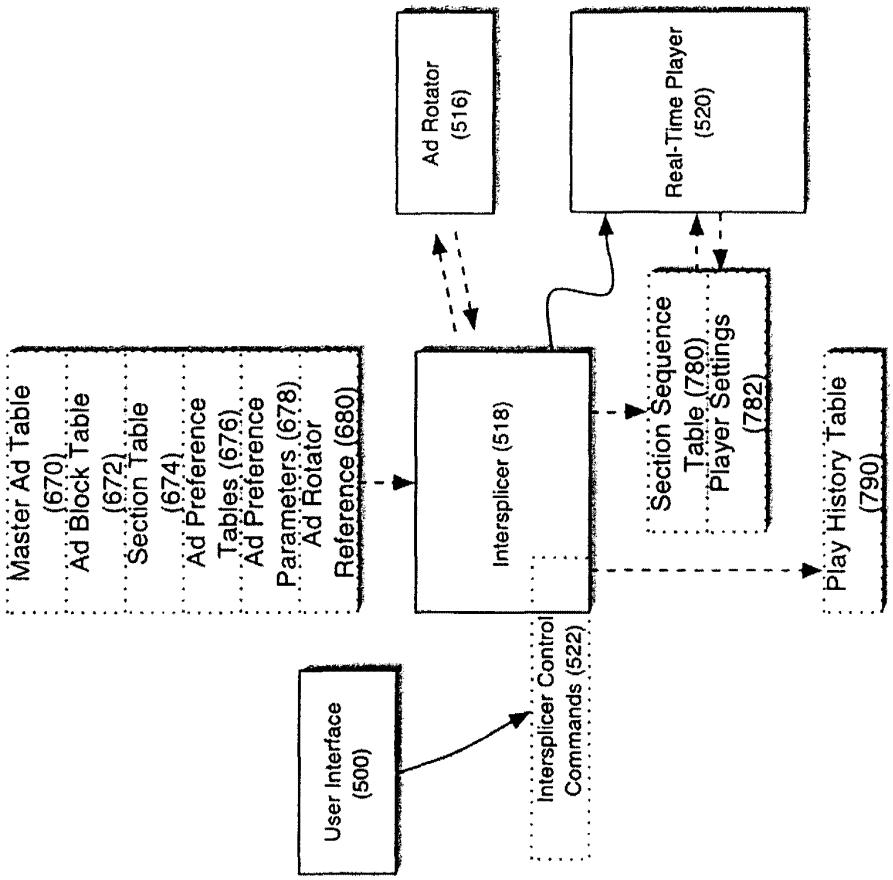


Figure 7B



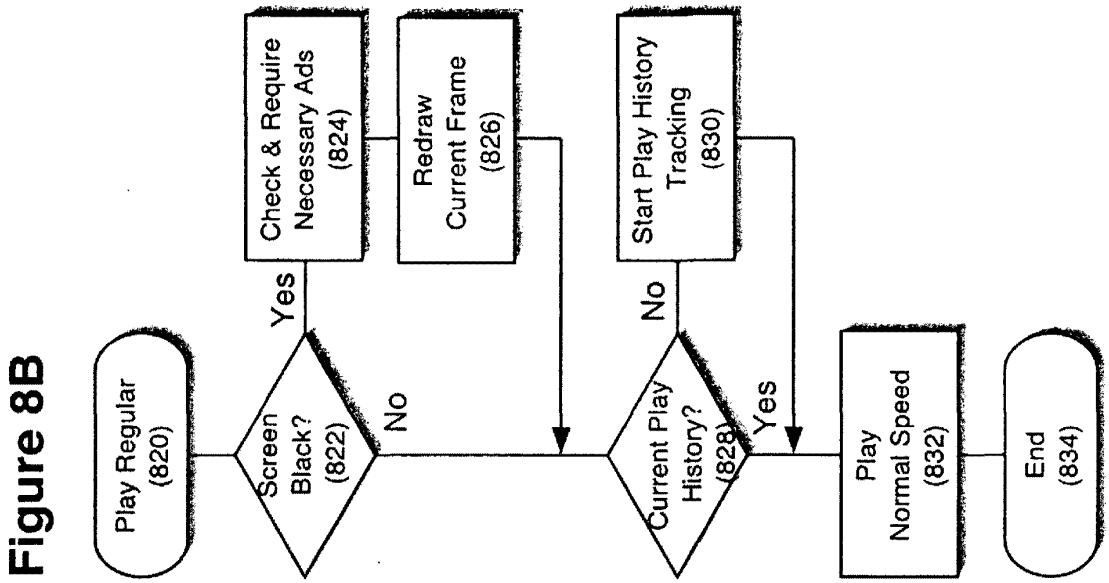


Figure 8B

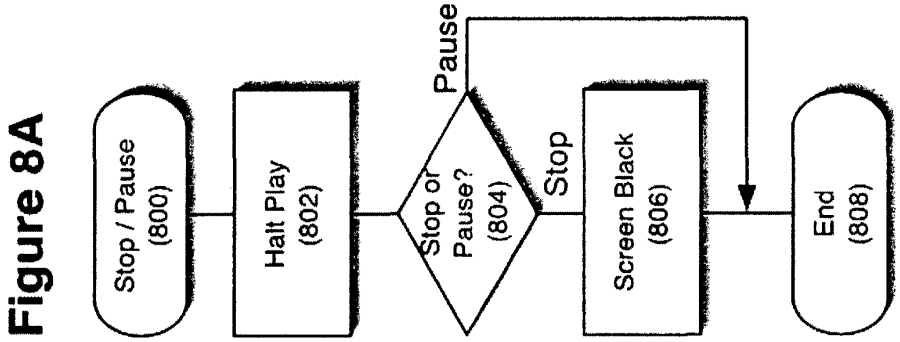


Figure 8A

Figure 8D

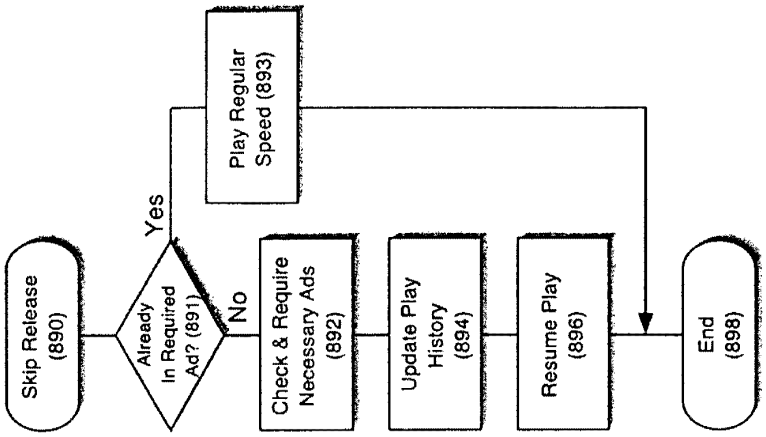


Figure 8C

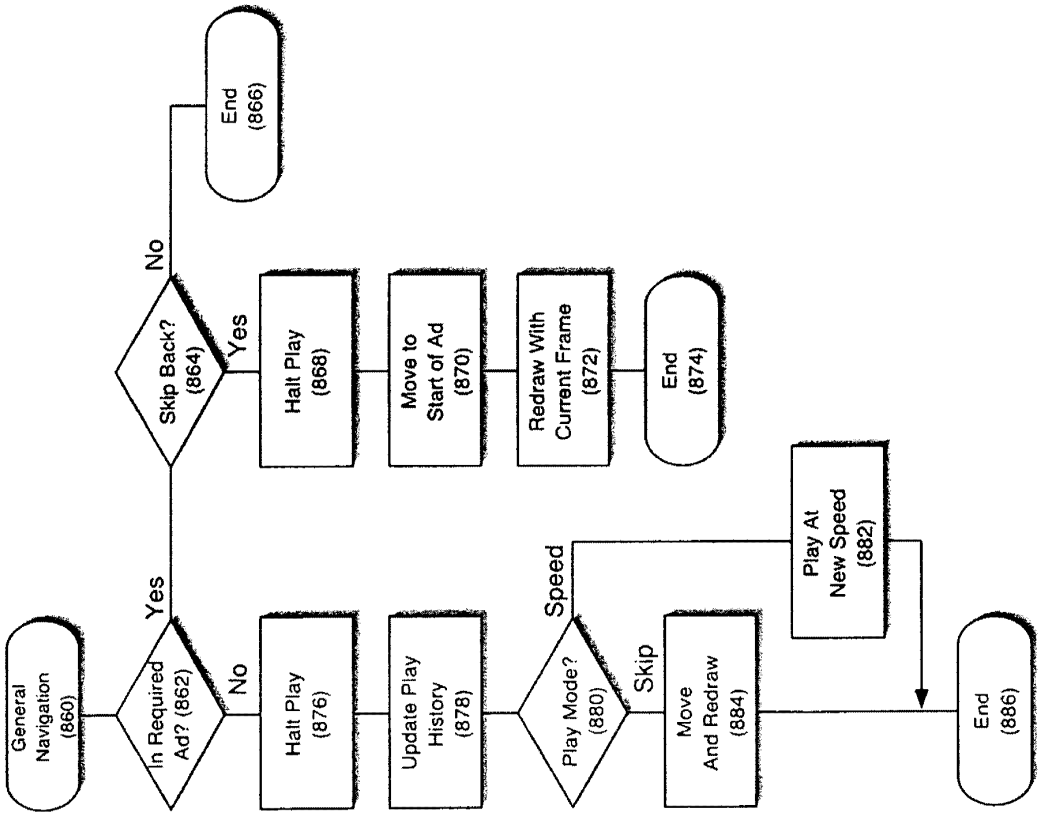


Figure 9C

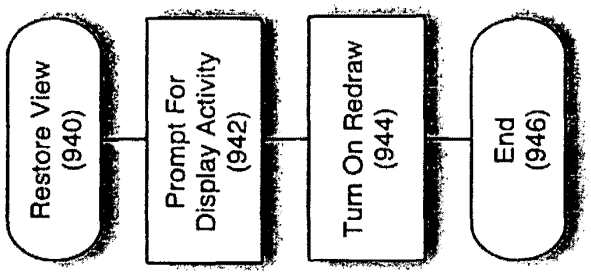


Figure 9B

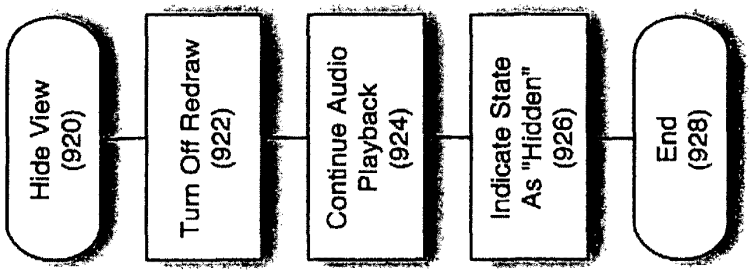


Figure 9A

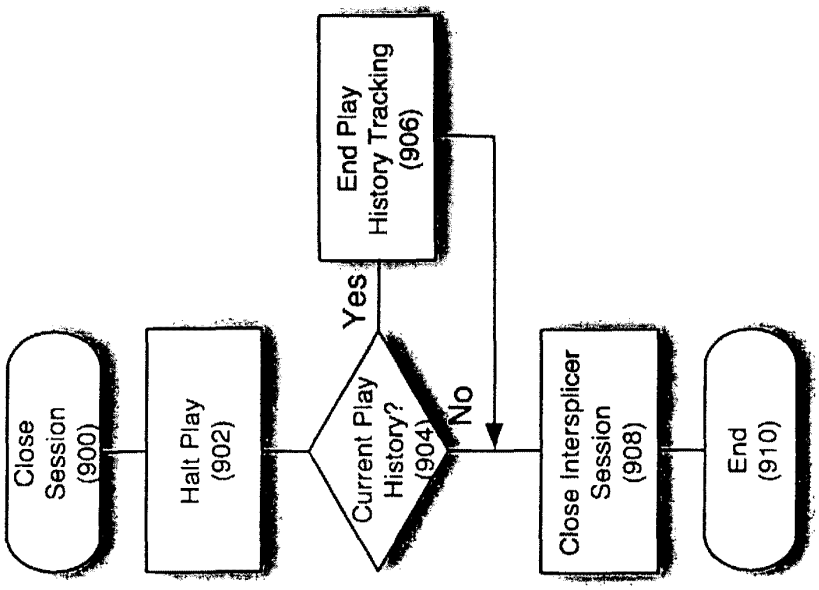


Figure 10A

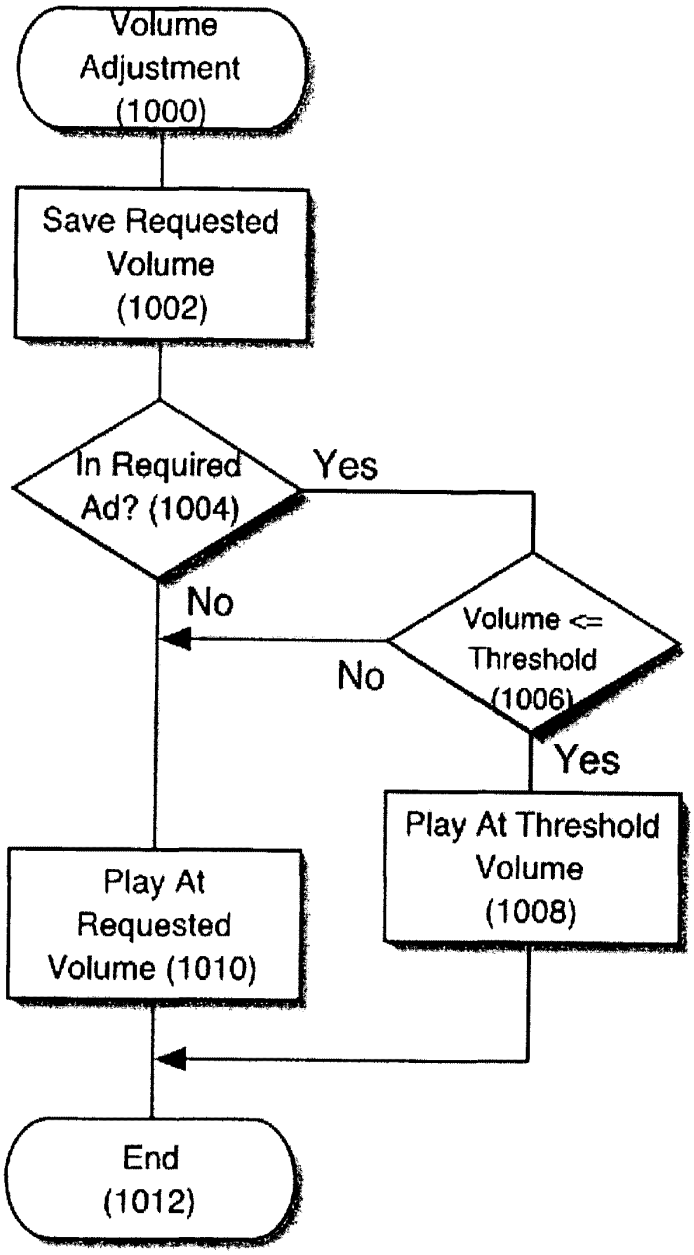
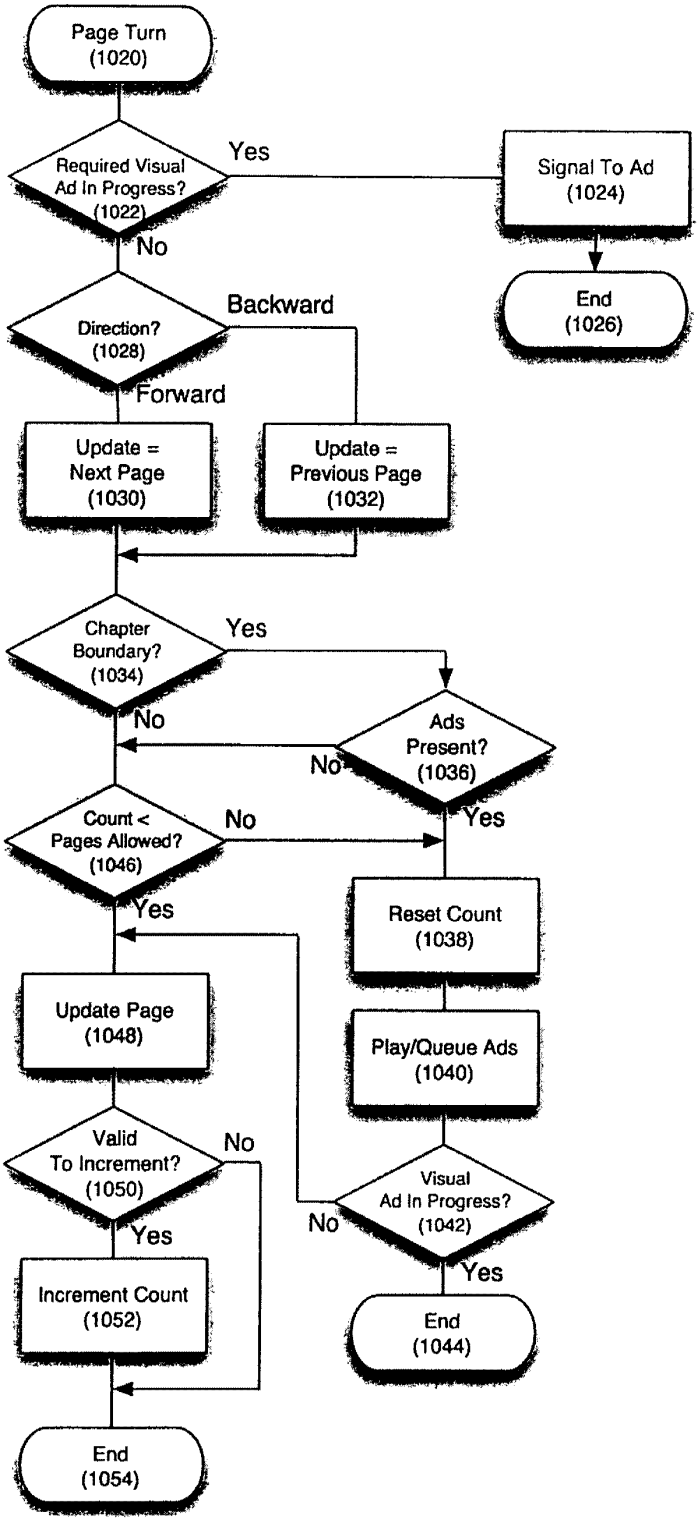

Volume Adjustment (1000)
Save Requested Volume (1002)
In Required Ad? (1004)
Yes
No
Volume <= Threshold (1006)
No
Yes
Play At Threshold Volume (1008)
Play At Requested Volume (1010)
End (1012)

Figure 10B


Page Turn (1020)
Required Visual Ad In Progress? (1022)
Yes
Signal To Ad (1024)
End (1026)
No
Direction? (1028)
Backward
Forward
Update = Next Page (1030)
Update = Previous Page (1032)
Chapter Boundary? (1034)
Yes
No
Ads Present? (1036)
No
Yes
Count < Pages Allowed? (1046)
No
Yes
Reset Count (1038)
Update Page (1048)
Play/Queue Ads (1040)
Valid To Increment? (1050)
No
Visual Ad In Progress? (1042)
No
Yes
Yes
Increment Count (1052)
End (1044)
End (1054)

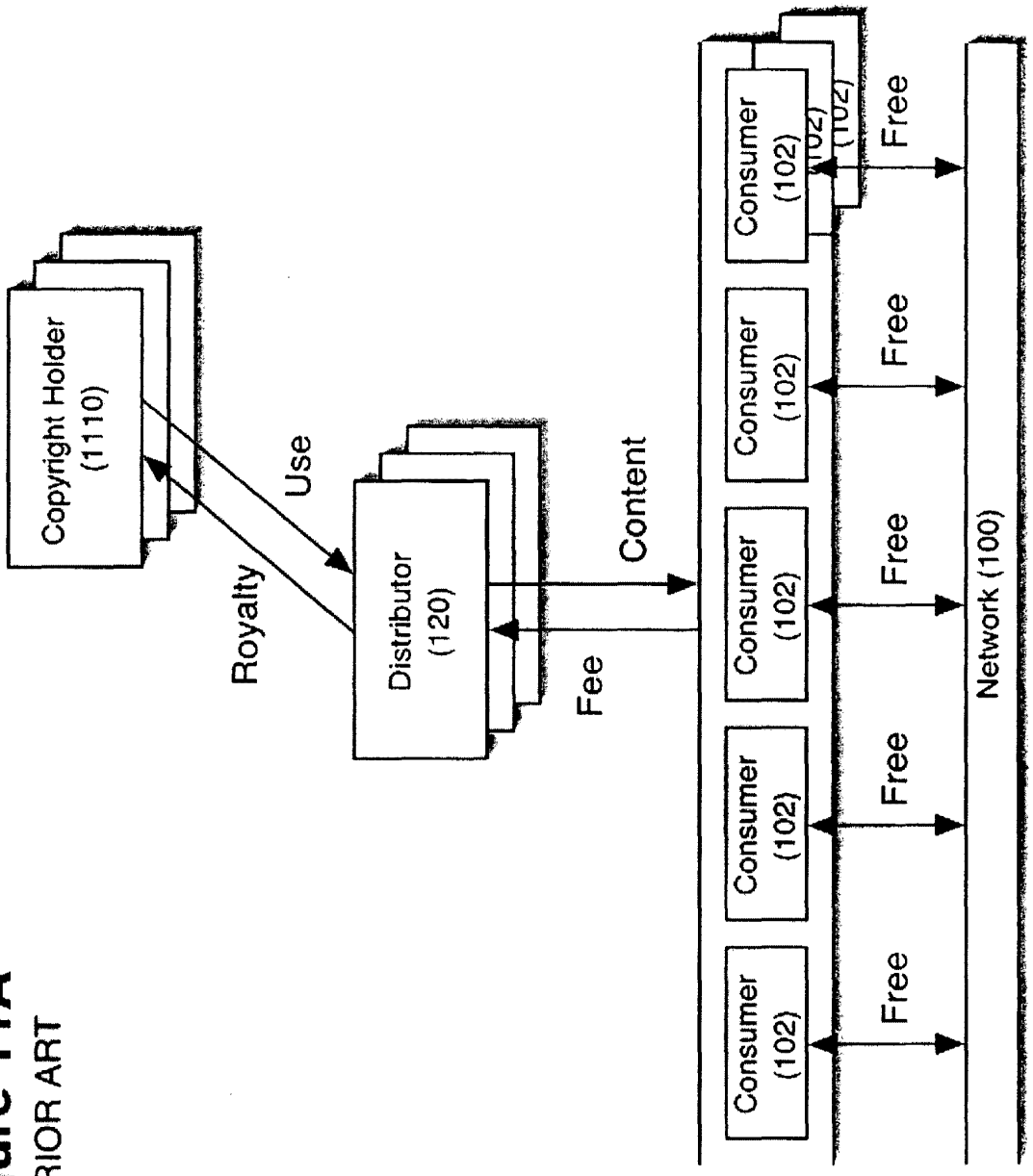


Figure 11A
PRIOR ART

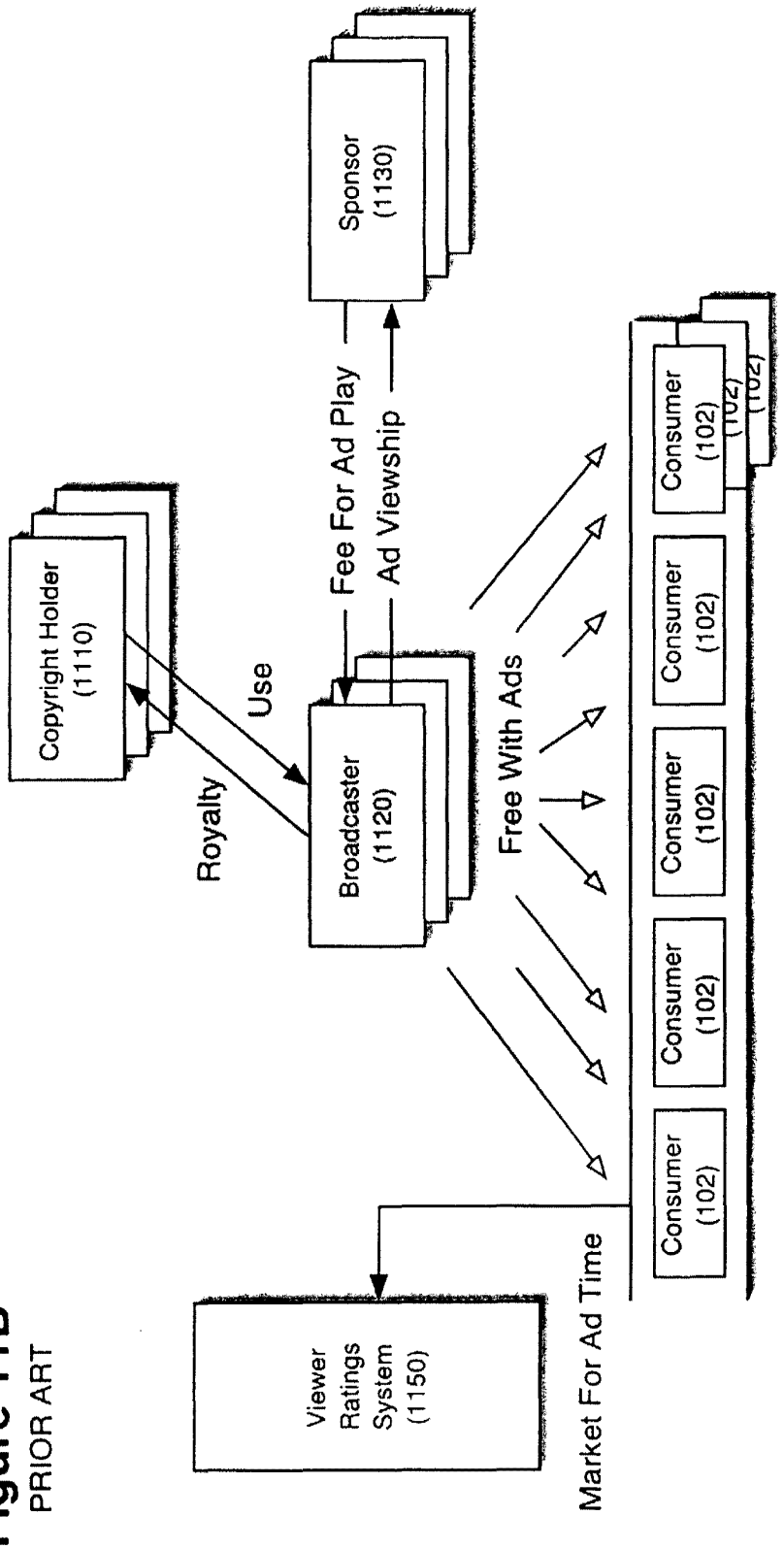


Figure 11B
PRIOR ART

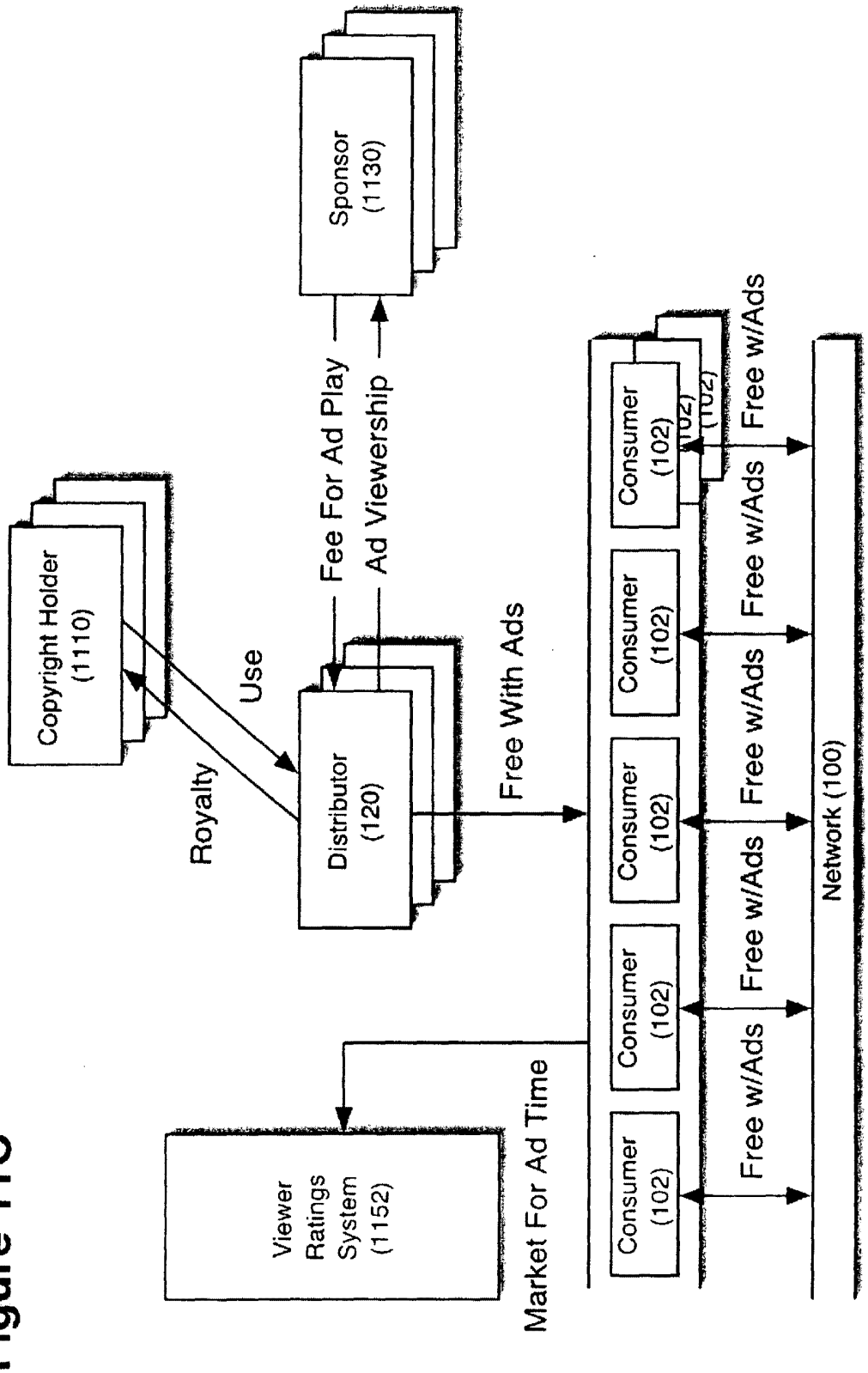

Sponsor (1130)
Fee For Ad Play
Ad Viewership
Copyright Holder (1110)
Use
Royalty
Distributor (120)
Free With Ads
Consumer (102)
Free w/Ads
Network (100)
Viewer Ratings System (1152)
Market For Ad Time

Figure 11C

PATENT APPLICATION

DECLARATION AND POWER OF ATTORNEY FOR PATENT APPLICATION	ATTORNEY DOCKET NO. 0054-011P1

As a below named inventor, I hereby declare that:

My residence/post office address and citizenship are as stated below next to my name;

I believe I am the original, first and sole inventor (if only one name is listed below) or an original, first and joint inventor (if plural names are listed below) of the subject matter which is claimed and for which a patent is sought on the invention entitled:

Method And Apparatus For The Free Licensing of Digital Media Content

the specification of which is attached hereto unless the following box is checked:

☐ was filed on _____ as US Application Serial No. or PCT International Application Number _____ and was amended on _____ (if applicable).

I hereby state that I have reviewed and understood the contents of the above-identified specification, including the claims, as amended by any amendment(s) referred to above. I acknowledge the duty to disclose all information which is material to patentability as defined in 37 CFR 1.56.

Foreign Application(s) and/or Claim of Foreign Priority

I hereby claim foreign priority benefits under Title 35, United States Code Section 119 of any foreign application(s) for patent or inventor(s) certificate listed below and have also identified below any foreign application for patent or inventor(s) certificate having a filing date before that of the application on which priority is claimed:

COUNTRY	APPLICATION NUMBER	DATE FILED	PRIORITY CLAIMED UNDER 35 U.S.C. 119
			YES:___ NO:
			YES:___ NO:

Provisional Application

I hereby claim the benefit under Title 35, United States Code Section 119(e) of any United States provisional application(s) listed below:

APPLICATION SERIAL NUMBER	FILING DATE
60/393,193	6/27/2002
60/392,232	6/27/2002

U.S. Priority Claim

I hereby claim the benefit under Title 35, United States Code, Section 120 of any United States application(s) listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States application in the manner provided by the first paragraph of Title 35, United States Code Section 112, I acknowledge the duty to disclose material information as defined in Title 37, Code of Federal Regulations, Section 1.56(a) which occurred between the filing date of the prior application and the national or PCT international filing date of this application:

APPLICATION SERIAL NUMBER	FILING DATE	STATUS(patented/pending/abandoned)

POWER OF ATTORNEY:

As a named inventor, I hereby appoint the following attorney(s) and/or agent(s) listed below to prosecute this application and transact all business in the Patent and Trademark Office connected therewith.

Larry E. Henneman, Jr., Reg. No. 41,063

Send Correspondence to:	Direct Telephone Calls To:
Larry E. Henneman, Jr. Henneman & Saunders 714 W. Michigan Ave. Three Rivers, MI 49093	Larry E. Henneman, Jr. 269-279-8820

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

Full Name of Inventor: Philip M. Donian **Citizenship:** US

Residence: 2158 27th Avenue, San Francisco, CA 94116

Post Office Address: Same

Philip Donian
Inventor's Signature

June 24 2003
Date

Hulu, LLC - Ex. 1006, Page 000099

DECLARATION AND POWER OF ATTORNEY FOR PATENT APPLICATION (continued)	ATTORNEY DOCKET NO. 0054-011P1

Full Name of Inventor: Larry E. Henneman, Jr.

Citizenship: US

Residence: 56120 Shady Lane, Three Rivers, MI 49093

Post Office Address: Same

Larry E. Henneman, Jr.
Inventor's Signature

6/25/03
Date

Full Name of Inventor: Michael M. Malione

Citizenship: US

Residence: 311 Wayne Avenue, #3, Oakland, CA 94606

Post Office Address: Same

Michael M Malione
Inventor's Signature

June 24, 2003
Date

Full Name of Inventor:

Citizenship:

Residence:

Post Office Address:

Inventor's Signature

Date

Full Name of Inventor:

Citizenship:

Residence:

Post Office Address:

Inventor's Signature

Date

Full Name of Inventor:

Citizenship:

Residence:

Post Office Address:

Inventor's Signature

Date

Full Name of Inventor:

Citizenship:

Residence:

Post Office Address:

Inventor's Signature

Date

Hulu, LLC - Ex. 1006, Page 000100

PATENT APPLICATION SERIAL NO. _____

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE
FEE RECORD SHEET

06/30/2003 FFANAEIA 00000037 10606729

01 FC:2001	375.00 OP
02 FC:2201	84.00 OP
03 FC:2202	792.00 OP

PTO-1556
(5/87)

*U.S. Government Printing Office: 2002 — 489-267/69033

PATENT APPLICATION FEE DETERMINATION RECORD
Effective January 1, 2003

Application or Docket Number: 06/6729

CLAIMS AS FILED - PART I

	(Column 1)	(Column 2)
TOTAL CLAIMS	128	
FOR	NUMBER FILED	NUMBER EXTRA
TOTAL CHARGEABLE CLAIMS	108 minus 20=	* 88
INDEPENDENT CLAIMS	5 minus 3 =	* 2
MULTIPLE DEPENDENT CLAIM PRESENT		☐

* If the difference in column 1 is less than zero, enter "0" in column 2

SMALL ENTITY TYPE ☐		OR	OTHER THAN SMALL ENTITY	
RATE	FEE		RATE	FEE
BASIC FEE	375.00	OR	BASIC FEE	750.00
X$ 9=	792	OR	X$18=	
X42=	84.	OR	X84=	
+140=		OR	+280=	
TOTAL	1251	OR	TOTAL	

CLAIMS AS AMENDED - PART II

AMENDMENT A

	(Column 1) CLAIMS REMAINING AFTER AMENDMENT		(Column 2) HIGHEST NUMBER PREVIOUSLY PAID FOR	(Column 3) PRESENT EXTRA
Total	*	Minus	**	=
Independent	*	Minus	***	=
FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM				☐

SMALL ENTITY		OR	OTHER THAN SMALL ENTITY	
RATE	ADDITIONAL FEE		RATE	ADDITIONAL FEE
X$ 9=		OR	X$18=	
X42=		OR	X84=	
+140=		OR	+280=	
TOTAL ADDIT. FEE		OR	TOTAL ADDIT. FEE	

AMENDMENT B

	(Column 1) CLAIMS REMAINING AFTER AMENDMENT		(Column 2) HIGHEST NUMBER PREVIOUSLY PAID FOR	(Column 3) PRESENT EXTRA
Total	*	Minus	**	=
Independent	*	Minus	***	=
FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM				☐

RATE	ADDITIONAL FEE		RATE	ADDITIONAL FEE
X$ 9=		OR	X$18=	
X42=		OR	X84=	
+140=		OR	+280=	
TOTAL ADDIT. FEE		OR	TOTAL ADDIT. FEE	

AMENDMENT C

	(Column 1) CLAIMS REMAINING AFTER AMENDMENT		(Column 2) HIGHEST NUMBER PREVIOUSLY PAID FOR	(Column 3) PRESENT EXTRA
Total	*	Minus	**	=
Independent	*	Minus	***	=
FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM				☐

RATE	ADDITIONAL FEE		RATE	ADDITIONAL FEE
X$ 9=		OR	X$18=	
X42=		OR	X84=	
+140=		OR	+280=	
TOTAL ADDIT. FEE		OR	TOTAL ADDIT. FEE	

* If the entry in column 1 is less than the entry in column 2, write "0" in column 3.
** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 20, enter "20."
***If the "Highest Number Previously Paid For" IN THIS SPACE is less than 3, enter "3."
The "Highest Number Previously Paid For" (Total or Independent) is the highest number found in the appropriate box in column 1.

Hulu, LLC - Ex. 1006, Page 000102

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE



Applicant(s): **Donian** (et al.)
Serial No.: **10/606,729**
Filed: **6/26/2003**

Attorney Docket: **0054-011P1**
Examiner: Unknown
Group Art Unit: Unknown

Title: **Method And Apparatus For The Free Licensing Of Digital Media Content**

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

TRANSMITTAL FOR INFORMATION DISCLOSURE STATEMENT

Enclosed for filing in the above-referenced application are the following:

1. Information Disclosure Statement (2 pages);
2. Form PTO-1449 (1 page);
3. 11 cited references; and
4. Return receipt postcard;

Respectfully Submitted,

Date: 9/25/03

Larry E. Henneman, Jr.
Larry E. Henneman, Jr., Reg. No. 41,063
Henneman & Saunders
714 West Michigan Avenue
Three Rivers, MI 49093

CERTIFICATE OF MAILING (37 CFR 1.8(A))

I hereby certify that this paper (along with any referred to as being attached or enclosed) is being deposited with the United States Postal Service on the date shown below with sufficient postage as first class mail in an envelope addressed to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA, 22313-1450.

Date: 9/25/03

Larry E. Henneman, Jr.
Larry E. Henneman, Jr.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant(s):	**Donian** (et al.)	Attorney Docket:	**0054-011P1**
Serial No.:	**10/606,729**	Examiner:	Unknown
Filed:	**6/26/2003**	Group Art Unit:	Unknown

Title: **Method And Apparatus For The Free Licensing Of Digital Media Content**

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

INFORMATION DISCLOSURE STATEMENT

Pursuant to 37 C.F.R. §1.56, §1.97, and §1.98, Applicants bring the following documents to the Examiner's attention in the above-referenced application:

1. U.S. Patent No. 5,933,811, issued August 03, 1999 to Angles et al.;
2. U.S. Patent No. 5,996,015, issued November 30, 1999 to Day et al.;
3. U.S. Patent No. 6,006,265, issued December 21, 1999 to Rangan et al.;
4. U.S. Patent No. 6,108,703, issued August 22, 2000 to Leighton et al.;
5. U.S. Patent No. 6,216,112, issued April 10, 2001 to Fuller et al.;
6. U.S. Patent No. 6,256,554, issued July 03, 2001 to DiLorenzo;
7. U.S. Patent No. 6,317,761, issued November 13, 2001 to Landsman et al.;
8. U.S. Patent No. 6,389,467, issued May 14, 2002 to Eyal;
9. U.S. Patent No. 6,411,992, issued June 25, 2002 to Srinivasan et al.;
10. U.S. Patent App. No. US 2003/0023973, published January 30, 2003, by Monson et al.; and
11. U.S. Patent App. No. US 2003/0120541, published June 26, 2003, by Siann et al.

A PTO form 1449 listing these documents is enclosed.

The relevance of the attached references is that this is the closest art of which Applicants are aware.

Hulu, LLC - Ex. 1006, Page 000104

Citation of the above documents shall not be construed as:

1. an admission that the documents are necessarily prior art with respect to the instant invention;
2. a representation that a search has been made, other than as described above; or
3. an admission that the information cited herein is, or is considered to be, material to patentability as defined in 37 C.F.R. §1.56(b).

This information disclosure statement is filed within three months of the filing date of this application. Therefore, no fee is due. 37 CFR §1.97(b)(1).

Respectfully Submitted,

Date: 9/25/03

Larry E. Henneman, Jr.

Larry E. Henneman, Jr., Reg. No. 41,063
Henneman & Saunders
714 West Michigan Avenue
Three Rivers, MI 49093

CERTIFICATE OF MAILING (37 CFR 1.8(A))

I hereby certify that this paper (along with any referred to as being attached or enclosed) is being deposited with the United States Postal Service on the date shown below with sufficient postage as first class mail in an envelope addressed to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA, 22313-1450

Date: 9/25/03

Larry E. Henneman, Jr.

Hulu, LLC - Ex. 1006, Page 000105

FORM PTO-1449	ATTY. DOCKET NO. 0054-011P1	SERIAL NO. 10/606,729
	APPLICANT Donian et al.	
	FILING DATE 6/26/2003	GROUP Unknown

OIPE SEP 29 2003 PATENT & TRADEMARK OFFICE

REFERENCE DESIGNATION U.S. PATENT DOCUMENTS

EXAMINER INITIAL		DOCUMENT NUMBER	DATE	NAME	CLASS	SUB CLASS
	AA	5,933,811	August 03, 1999	Angles et al.	705	14
	AB	5,996,015	November 30, 1999	Day et al.	709	226
	AC	6,006,265	December 21, 1999	Rangan et al.	709	226
	AD	6,108,703	August 22, 2000	Leighton et al.	709	226
	AE	6,216,112	April 10, 2001	Fuller et al.	705	14
	AF	6,256,554	July 03, 2001	DiLorenzo	700	236
	AG	6,317,761	November 13, 2001	Landsman et al.	707	513
	AH	6,389,467	May 14, 2002	Eyal	709	223
	AI	6,411,992	June 25, 2002	Srinivasan et al.	709	218
	AJ	US 2003 / 0023973	January 30, 2003	Monson et al.	725	34
	AK	US 2003 / 0120541	June 26, 2003	Siann et al.	705	14

FOREIGN PATENT DOCUMENTS

		DOCUMENT NUMBER	DATE	NAME	CLASS	SUB CLAS	TRANSLATION	
							YES	NO

OTHER REFERENCES (including Author, Title, Date, Pertinent Pages, etc.)

EXAMINER	DATE CONSIDERED

Rev. 10/94 (Form 3.05)

C\PE JC15
JUL 19 2004
PATENT & TRADEMARK OFFICE

IFW

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant(s):	**Donian** (et al.)	Attorney Docket:	**0054-011P1**
Serial No.:	**10/606,729**	Examiner:	**Unknown**
Filed:	**June 26, 2003**	Group Art Unit:	**2611**

Title: **Method And Apparatus For The Free Licensing Of Digital Media Content**

MS Amendment
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Customer No.: **40972**

TRANSMITTAL FOR INFORMATION DISCLOSURE STATEMENT

Enclosed for filing in the above-referenced application are the following:

1. Information Disclosure Statement;
2. Form PTO-1449;
3. 8 cited references; and
4. Return receipt postcard.

Respectfully Submitted,

Date: 7/16/04

Larry E. Henneman, Jr., Reg. No. 41,063
Henneman & Saunders
714 West Michigan Avenue
Three Rivers, MI 49093

CERTIFICATE OF MAILING (37 CFR 1.8(A))

I hereby certify that this paper (along with any referred to as being attached or enclosed) is being deposited with the United States Postal Service on the date shown below with sufficient postage as first class mail in an envelope addressed to: MS Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA, 22313-1450.

Date: 7/16/04

Larry E. Henneman, Jr.

CIPE JC13
JUL 19 2004
PATENT & TRADEMARK OFFICE

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

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MS Amendment
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Customer No.: **40972**

INFORMATION DISCLOSURE STATEMENT

Pursuant to 37 C.F.R. §1.56, §1.97, and §1.98, Applicants bring the following documents to the Examiner's attention in the above-referenced application:

1. U.S. Patent No. 6,687,737B2, issued February 3, 2004 to Landsman et al.;
2. U.S. Patent No. 6,684,249B1, issued January 27, 2004 to Frerichs et al.;
3. U.S. Patent No. 6,587,127B1, issued July 1, 2003 to Leeke et al.;
4. U.S. Patent No. 6,434,622B1, issued August 13, 2002 to Monteiro et al.;
5. U.S. Patent No. 6,434,621B1, issued August 13, 2002 to Pezzillo et al.;
6. U.S. Patent No. 6,404,441B1, issued June 11, 2002 to Chailleux;
7. U.S. Patent No. 6,381,362B1, issued April 30, 2002 to Deshpande et al.;
8. U.S. Patent No. 6,338,044B1, issued January 8, 2002 to Cook et al..

A PTO form 1449 listing these documents is enclosed.

The relevance of the attached references is that they were cited as relevant in an international search report in a related case.

Hulu, LLC - Ex. 1006, Page 000108

Citation of the above documents shall not be construed as:

1. an admission that the documents are necessarily prior art with respect to the instant invention;
2. a representation that a search has been made, other than as described above; or
3. an admission that the information cited herein is, or is considered to be, material to patentability as defined in 37 C.F.R. §1.56(b).

To Applicant's knowledge, a first office action on the merits has not yet been mailed in this application. Therefore, no fee is due. 37 CFR §1.97(b)(3).

Respectfully Submitted,

Date: 7/16/04

Larry E. Henneman, Jr., Reg. No. 41,063
Henneman & Saunders
714 West Michigan Avenue
Three Rivers, MI 49093

CERTIFICATE OF MAILING (37 CFR 1.8(A))

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Date: 7/16/04

Larry E. Henneman, Jr.

Hulu, LLC - Ex. 1006, Page 000109

FORM PTO-1449	ATTY. DOCKET NO. 0054-011P1	SERIAL NO. 10/606,729
	APPLICANT Donian (et al)	
	FILING DATE June 26, 2003	GROUP 2611

C I P E JC13
JUL 19 2004
PATENT & TRADEMARK OFFICE

REFERENCE DESIGNATION U.S. PATENT DOCUMENTS

EXAMINER INITIAL		DOCUMENT NUMBER	DATE	NAME	CLASS	SUB CLASS
	AA	6,687,737B2	February 3, 2004	Landsman et al.	709	203
	AB	6,684,249B1	January 27, 2004	Frerichs et al.	709	225
	AC	6,587,127B1	July 1, 2003	Leeke et al.	345	765
	AD	6,434,622B1	August 13, 2002	Monteiro et al.	709	231
	AE	6,434,621B1	August 13, 2002	Pezzillo et al.	709	231
	AF	6,404,441B1	June 11, 2002	Chailleux	345	704
	AG	6,381,362B1	April 30, 2002	Deshpande et al.	382	162
	AH	6,338,044B1	January 8, 2002	Cook et al.	705	14

FOREIGN PATENT DOCUMENTS

		DOCUMENT NUMBER	DATE	NAME	CLASS	SUB CLASS	TRANSLATION YES	NO

OTHER REFERENCES (including Author, Title, Date, Pertinent Pages, etc.)

EXAMINER	DATE CONSIDERED

Rev. 10/94 (Form 3.05)

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NUMBER	PATENT NUMBER	GROUP ART UNIT	FILE WRAPPER LOCATION
10/606,729		2611	0500

Change of Address/Power of Attorney

The following fields have been set to Customer Number 40972 on

- Correspondence Address
- Power of Attorney
- Maintenance Fee Address

The address of record for Customer Number 40972 is:
HENNEMAN & SAUNDERS
714 WEST MICHIGAN AVENUE
THREE RIVERS, MI 49093

The Practitioners of record for Customer Number 40972 are:

PTO INSTRUCTIONS:

Please take the following action when the correspondence address has been changed to a customer number:
1) Add 'ADDRESS CHANGE TO CUSTOMER NUMBER' on the next available content line of the File Jacket.
2) Put a line through the old address on the File Jacket and enter the Customer Number as the new address.
3) File this Notice in the File Jacket.

Please take the following action when the correspondence address has NOT been changed:
1) File this Notice in the File Jacket

CLAIMS ONLY

SERIAL NO. 10/601,429

FILING DATE

APPLICANT(S)

CLAIMS

	AS FILED		AFTER 1st AMENDMENT		AFTER 2nd AMENDMENT	
	IND.	DEP.	IND.	DEP.	IND.	DEP.
1	1					
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TOTAL IND.	1					
TOTAL DEP.	1					
TOTAL CLAIMS	2					

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	IND.	DEP.	IND.	DEP.	IND.	DEP.
51		1				
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100		1				
TOTAL IND.						
TOTAL DEP.						
TOTAL CLAIMS						

*MAY BE USED FOR ADDITIONAL CLAIMS OR AMENDMENTS

FORM PTO-2022 (1-96)

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

*U.S. Government Printing Office: 1998 - 433-214/70003

CLAIMS ONLY

SERIAL NO. 10/606729 | FILING DATE

APPLICANT(S)

CLAIMS

	AS FILED		AFTER 1st AMENDMENT		AFTER 2nd AMENDMENT	
	IND.	DEP.	IND.	DEP.	IND.	DEP.
1		1				
2	1					
3		1				
4	1					
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TOTAL IND.	5	⇓		⇓		⇓
TOTAL DEP.	103					
TOTAL CLAIMS	108					

	*		*		*	
	IND.	DEP.	IND.	DEP.	IND.	DEP.
51						
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TOTAL IND.		⇓		⇓		⇓
TOTAL DEP.						
TOTAL CLAIMS						

* MAY BE USED FOR ADDITIONAL CLAIMS OR AMENDMENTS

FORM PTO-3022 (1-95)

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

*U.S. Government Printing Office: 1995 - 433-214/70003

PATENT APPLICATION FEE DETERMINATION RECORD
Effective October 1, 2001

Application or Docket Number: 10/606729

CLAIMS AS FILED - PART I

	(Column 1)	(Column 2)
TOTAL CLAIMS 108		
FOR	NUMBER FILED	NUMBER EXTRA
TOTAL CHARGEABLE CLAIMS	108 minus 20=	* 88
INDEPENDENT CLAIMS	5 minus 3 =	* 2
MULTIPLE DEPENDENT CLAIM PRESENT		☐

* If the difference in column 1 is less than zero, enter "0" in column 2

SMALL ENTITY TYPE ☐		OR	OTHER THAN SMALL ENTITY	
RATE	FEE		RATE	FEE
BASIC FEE	370.00	OR	BASIC FEE	740.00
X$ 9=	792.	OR	X$18=	
X42=	84.	OR	X84=	
+140=		OR	+280=	
TOTAL	1251.	OR	TOTAL	

CLAIMS AS AMENDED - PART II

AMENDMENT A	(Column 1) CLAIMS REMAINING AFTER AMENDMENT		(Column 2) HIGHEST NUMBER PREVIOUSLY PAID FOR	(Column 3) PRESENT EXTRA
Total	*	Minus	**	=
Independent	*	Minus	***	=
FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM ☐				

SMALL ENTITY		OR	OTHER THAN SMALL ENTITY	
RATE	ADDITIONAL FEE		RATE	ADDITIONAL FEE
X$ 9=		OR	X$18=	
X42=		OR	X84=	
+140=		OR	+280=	
TOTAL ADDIT. FEE		OR	TOTAL ADDIT. FEE	

AMENDMENT B	(Column 1) CLAIMS REMAINING AFTER AMENDMENT		(Column 2) HIGHEST NUMBER PREVIOUSLY PAID FOR	(Column 3) PRESENT EXTRA
Total	*	Minus	**	=
Independent	*	Minus	***	=
FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM ☐				

RATE	ADDITIONAL FEE		RATE	ADDITIONAL FEE
X$ 9=		OR	X$18=	
X42=		OR	X84=	
+140=		OR	+280=	
TOTAL ADDIT. FEE		OR	TOTAL ADDIT. FEE	

AMENDMENT C	(Column 1) CLAIMS REMAINING AFTER AMENDMENT		(Column 2) HIGHEST NUMBER PREVIOUSLY PAID FOR	(Column 3) PRESENT EXTRA
Total	*	Minus	**	=
Independent	*	Minus	***	=
FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM ☐				

RATE	ADDITIONAL FEE		RATE	ADDITIONAL FEE
X$ 9=		OR	X$18=	
X42=		OR	X84=	
+140=		OR	+280=	
TOTAL ADDIT. FEE		OR	TOTAL ADDIT. FEE	

* If the entry in column 1 is less than the entry in column 2, write "0" in column 3.
** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 20, enter "20."
***If the "Highest Number Previously Paid For" IN THIS SPACE is less than 3, enter "3."
The "Highest Number Previously Paid For" (Total or Independent) is the highest number found in the appropriate box in column 1.

UNITED STATES PATENT AND TRADEMARK OFFICE

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	0054-011P1	5831

40972 7590 10/03/2008

HENNEMAN & ASSOCIATES, PLC
714 W. MICHIGAN AVENUE
THREE RIVERS, MI 49093

EXAMINER	
RETTA, YEHDEGA	
ART UNIT	PAPER NUMBER
3622	

MAIL DATE	DELIVERY MODE
10/03/2008	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/606,729	DONIAN ET AL.	
	Examiner	Art Unit	
	Yehdega Retta	3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *26 June 2003*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-108* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-108* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date *9/29/03,7/19/04*.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Claim Objections

Claims 62-80 are objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form.

The test for a proper dependent claim is whether the dependent claim includes every limitation of the parent claim. The test is not whether the claims differ in scope. A proper dependent claim shall not conceivably be infringed by anything, which would not also infringe the basic claim. If independent claim recites a method of making a specified product, a claim to the product set forth in the independent claim would not be a proper dependent claim since it is conceivable that the product claim can be infringed without infringing the base method claim if the product can be made by a method other than that recited in the base method claim. Claims 62-80 are not proper independent claims since the claims incorporate all the limitations of an independent claim.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 45-48 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with

which it is most nearly connected, to make and/or use the invention. Claims 45-48 recite "a method according to Claim 1, further comprising ***receiving media file identifiers associated with media files that should no longer be presented***; further comprising ***receiving media file identifiers associated with media files that are not be transferred***; further comprising ***receiving media file identifiers associated with media files that are to be removed from said user's system***; further comprising ***receiving a new media file identifier associated with a new media file that should be substituted for an existing media file***.

The specification teaches that the program identifies a media content item on the basis of a unique universal identifier stored in any number of locations, including, but not limited to, local database 562 and/or the media file itself. The specification further teaches that the program then uses the identifier to locate the item by first going to local database 562, and if not found, to media catalog 566. The specification however does not teach how the identifier is transmitted or transferred and presented. Therefore, the claims are rejected as containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-61 and 104-108 are rejected under 35 U.S.C. 101, because the claimed invention is directed to non-statutory subject matter. 35 U.S.C 101 requires that in order to be patentable the invention must be a "new and useful process, machine, manufacture, or

composition of matter, or any new and useful improvement thereof" (emphasis added). Based on Supreme Court precedent, a method/process claim must (1) be tied to another statutory class of invention (such as a particular apparatus) (see at least Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780, 787-88 (1876)) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing (see at least Gottschalk v. Benson, 409 U.S. 63, 71 (1972)). A method/process claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter. Here the claims fails to meet the above requirements because the steps are neither tied to another statutory class of invention (such as a particular apparatus) nor physically transform underlying subject matter (such as an article or materials) to a different state or thing, and the steps recited in the claims can be performed in the mind of the user or by the use of a pencil and paper.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-8 are rejected under 35 U.S.C. 102(e) as being clearly anticipated by Strietzel (US 6,950,804).

Regarding claims 1, 62, 81, 102, 103, 107 and 108, Strietzel teaches receiving at least one ad file; receiving input indicative of a user's selection of at least one media file; receiving a copy of said media file; and presenting said media file content and said ad file content to said user (see col. 10 lines 33-67).

Regarding claims 2, 3, 63, 82 and 83, Strietzel teaches receiving another ad file; and re-presenting said media file content to said user with said another ad file content; receiving a plurality of ad files; and said step of presenting said ad to said user includes selecting said ad file from said plurality of ad files (col. 4 lines 14-24).

Regarding claims 4-6, 64-66, 84 and 85, Strietzel teaches wherein said ad file is selected based at least in part on said media file content; receiving demographic information from said user; and wherein said ad file is selected at least in part based on said user demographic information; wherein said ad file is selected based at least in part on a marketing preference (see col. 7 line 1-25, col. 10 lines 13-67).

Regarding claim 7, Strietzel teaches wherein said ad file is selected based at least in part on a geographic location (see col. 14 lines 59-67).

Regarding claims 8-17 and 67-70 Strietzel teaches wherein said ad file is selected based at least in part on a time of day; based at least in part on a position of presentation of ad file content with respect to said media file content; based at least in part on a position of presentation of said ad file content with respect to other ad file content; based at least in part on a number of said media files to be presented; based at least in part on other ad files being presented with said media file content; based at least in part on a format of said media file content; further

comprising making a record of ad files that have been presented to said user (see col. 4 lines 14-33, col. 10 lines 1-67, col. 11 lines 1-35).

Regarding claims 18-23 and 71-73, Strietzel teaches transmitting said ad file presentation records to a provider of said ad files; selecting subsequent ad files based at least in part on said ad file presentation records (see col. 15 lines 1-33); receiving a plurality of ad files; said step of receiving input indicative of a user's selection of at least one media file includes receiving a list of media files; and said step of receiving a copy of said media file includes receiving a copy of each media file in said list of media files; wherein said step of resenting said media file content with said ad file content includes: arranging said ad files into ad blocks; presenting the content of said media files included in said list; and interrupting the presentation of said media file content with the presentation of the content of said ad blocks at predetermined points; altering the order of presentation of the content of said media files responsive to input from said user; and altering said predetermined points for presenting said ad block content based on the altered order of presentation of the content of said media files; further comprising: receiving input indicative of said user's desire to re-present the media files included in said list; generating new ad blocks; and presenting said media file content with the content of said new ad blocks (see col. 4 lines 14-33, col. 10 line 1-67, col. 13 line 50 to col. 14 line 33).

Regarding claims 24-39, 74-77 and 91-99, Strietzel teaches altering the order of presentation of the content of said media files responsive to input from said user; and altering said ad block content based on the altered order of presentation of the content of said media files (see col. 6 lines 5-28); wherein said step of presenting said media file content and said ad file content includes associating an ad requirement with said media file; and presenting sufficient ad

file content to satisfy said ad requirement (col. 13 line 50 to col. 14 line 58); wherein said ad requirement depends at least in part on the length of said associated media file content; wherein said ad requirement is predetermined for said associated media file; wherein a value indicative of said ad requirement is included in said associated media file; wherein an ad requirement associated with a particular media file is set to indicate that no ad content is required after said particular media file content has been presented with ad file content a predetermined number of times (see col. 4 lines 1-33, col. 10 lines 47-67); wherein said ad requirement depends at least in part on a service level associated with said user; said media file content is presented in a first format; and said ad file content is presented in a second format different from said first format; said first format is print and the second format is audio (see col. 10 lines 1-48, col. 14 lines 35-58); wherein presenting said media file content and said ad file content includes presenting subsequent pages of said media file content, responsive to user input, while said ad file content is being presented (see col. 10 lines 16-33); wherein said media file content and said ad file content are both presented in the same format; wherein said media file content and said ad file content are both presented in audio format; wherein said media file content and said ad file content are both presented in video format; wherein said media file content and said ad file content are both presented in print format; wherein said media file comprises a real time broadcast; wherein said ad file includes user interactive content (see col. 10 line 1-67, col. 4 lines 14-33).

Regarding claims 40-43 Strietzel teaches receiving a media file from said user; associating an ad requirement with said media file; and providing said media file to another user; whereby the content of said media file can be presented to said other user with ad file content; wherein said media file is received from the provider of said ad file (see col. 9 lines 7-23);

wherein at least a portion of said media file is received via a peer-to-peer transfer; comprising providing feedback to said user to create the impression that said media file is being received from the provider of said ad file (see 16 lines 57 to col. 17 line 7).

Regarding claim 44 Strietzel teaches receiving updated ad files for use with subsequent presentation of media files (see col. 4 lines 1-33, col. 5 lines 40-67).

Regarding claims 45-54, 78-79 and 101, Strietzel teaches receiving media file identifiers associated with media files that should no longer be presented (see col. 5 lines 39-67); further comprising receiving a new media file identifier associated with a new media file that should be substituted for an existing media file; further comprising associating an identifier with each media file, said identifier being uniquely indicative of a work of authorship contained in said media file; wherein said step of receiving a copy of said media file includes receiving a copy of said media file in an encrypted format; decrypting said media file; and providing said decrypted media file to a media player; further comprising restricting access to said decrypted media file; wherein said step of receiving said ad file includes receiving a copy of said ad file in an encrypted format; said step of presenting said media file content and said ad file content includes dividing said media file into a plurality of segments, and presenting ad file content between said segments (see col. 13 lines 50-67).

Regarding claims 55, 80 and 100 Strietzel teaches presenting a graphical user interface representing a media player to said user, said interface including: a first tab indicative of a first media type; and a second tab indicative of a second media type; and whereby user selection of said first tab results in the presentation of an active window for the presentation of a media file of

said first type, while a media file of said second type is presented in background (see col. 14 lines 35-58).

Regarding 56-61, 89 and 90 Strietzel teaches further comprising making a record of media files that have been presented to said user; transmitting said media file presentation records to a provider of said ad files; further comprising selecting subsequent ad files based at least in part on said media file presentation records; requiring that said ad file content be presented in order to present said media file content; and relaxing the requirement for presenting said ad file for the remainder of a single media presentation session after said ad file has been presented (see col. 4 lines 14-33, col. 10 lines 55-67, col. 11 lines 1-35).

Regarding claims 104-106 Strietzel teaches providing media files containing copyrighted works; providing ad files; providing a media player operative to combine and present the content of said media files with the content of said ad files; and providing a free license to consumers to present said media files and said ad files with said media player; further comprising authorizing said consumers to reproduce and transfer said media files free of charge; monitoring the presentation of said ad files to said consumers; and conferring a benefit on particular ones of said consumers based at least in part on the presentation of said ad files to said particular consumers (see col. 16 lines 57-67).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 86-88 are rejected under 35 U.S.C. 103(a) as being unpatentable over Strietzel further in view of Eyer et al. (US 6,588,015).

Regarding claims 86-88, Strietzel does not specifically teach wherein said step of presenting said ad file content to said user includes ensuring that said ad file content is presented in its entirety include disabling media player playback controls, it is taught in Eyer (see col. 6 lines 50-61, col. 16 lines 46-59, col. 18 lines 48-54). It would have been obvious to one of ordinary skill in the art at the time of the invention to add the control in Strietzel as in Eyer for the intended purpose of making sure that the user or viewer listens or views the advertising message paid by the advertiser. It would have been obvious to one of ordinary skill in the art to also control the volume so that the viewer would listen to the message.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Landsman et al. (US 6,687,373 B2) teaches embedding advertising tag into a referring web page.

Janacek et al. (US 6,684,248 B1) teaches preloading advertisements or other contents into a storage device and inserting one of the preloaded advertisements at an insertion point in a content received from a server.

Cook et al. (US 6,338,044 B1) teaches distributing entertainment programming with embedded advertising in which the entertainment programming is customized according to consumer's states preferences and demographics.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yehdega Retta whose telephone number is (571) 272-6723. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

YR

/Yehdega Retta/
Primary Examiner, Art Unit 3622

Notice of References Cited	Application/Control No. 10/606,729	Applicant(s)/Patent Under Reexamination DONIAN ET AL.	
	Examiner Yehdega Retta	Art Unit 3622	Page 1 of 1

U.S. PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Name	Classification
*	A	US-6,338,044 B1	01-2002	Cook et al.	705/14
*	B	US-6,587,127 B1	07-2003	Leeke et al.	715/765
*	C	US-6,588,015 B1	07-2003	Eyer et al.	725/89
*	D	US-6,687,737 B2	02-2004	Landsman et al.	709/203
*	E	US-6,950,804 B2	09-2005	Strietzel, Jonathan	705/26
	F	US-			
	G	US-			
	H	US-			
	I	US-			
	J	US-			
	K	US-			
	L	US-			
	M	US-			

FOREIGN PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Country	Name	Classification
	N					
	O					
	P					
	Q					
	R					
	S					
	T					

NON-PATENT DOCUMENTS

*		Include as applicable: Author, Title Date, Publisher, Edition or Volume, Pertinent Pages)
	U	
	V	
	W	
	X	

*A copy of this reference is not being furnished with this Office action. (See MPEP § 707.05(a).)
Dates in MM-YYYY format are publication dates. Classifications may be US or foreign.

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BIB DATA SHEET

CONFIRMATION NO. 5831

SERIAL NUMBER	FILING or 371(c) DATE	CLASS	GROUP ART UNIT	ATTORNEY DOCKET NO.
10/606,729	06/26/2003 RULE	725	3622	0054-011P1

APPLICANTS

Philip M. Donian, San Francisco, CA;
Larry E. Henneman JR., Three Rivers, MI;
Michael M. Malione, Oakland, CA;

**** CONTINUING DATA ***************************

This appln claims benefit of 60/393,193 06/27/2002
and claims benefit of 60/392,232 06/27/2002

**** FOREIGN APPLICATIONS ***************************

**** IF REQUIRED, FOREIGN FILING LICENSE GRANTED **** ** SMALL ENTITY **
09/17/2003

Foreign Priority claimed	☐ Yes ☑ No	☐ Met after Allowance	STATE OR COUNTRY	SHEETS DRAWINGS	TOTAL CLAIMS	INDEPENDENT CLAIMS
35 USC 119(a-d) conditions met	☐ Yes ☑ No					
Verified and Acknowledged	/YEHDEGA RETTA/ Examiner's Signature	Initials	CA	18	108	5

ADDRESS

HENNEMAN & ASSOCIATES, PLC
714 W. MICHIGAN AVENUE
THREE RIVERS, MI 49093
UNITED STATES

TITLE

Method and apparatus for the free licensing of digital media content

FILING FEE RECEIVED		
1251	FEES: Authority has been given in Paper No._____ to charge/credit DEPOSIT ACCOUNT No._____ for following:	☐ All Fees ☐ 1.16 Fees (Filing) ☐ 1.17 Fees (Processing Ext. of time) ☐ 1.18 Fees (Issue) ☐ Other _____ ☐ Credit

FORM PTO-1449	ATTY. DOCKET NO. 0054-011P1	SERIAL NO. 10/606,729
	APPLICANT Donian et al.	
	FILING DATE 6/26/2003	GROUP Unknown

OIPE SEP 29 2003 PATENT & TRADEMARK OFFICE

REFERENCE DESIGNATION U.S. PATENT DOCUMENTS

EXAMINER INITIAL		DOCUMENT NUMBER	DATE	NAME	CLASS	SUB CLASS
/YR/	AA	5,933,811	August 03, 1999	Angles et al.	705	14
	AB	5,996,015	November 30, 1999	Day et al.	709	226
	AC	6,006,265	December 21, 1999	Rangan et al.	709	226
	AD	6,108,703	August 22, 2000	Leighton et al.	709	226
	AE	6,216,112	April 10, 2001	Fuller et al.	705	14
	AF	6,256,554	July 03, 2001	DiLorenzo	700	236
	AG	6,317,761	November 13, 2001	Landsman et al.	707	513
	AH	6,389,467	May 14, 2002	Eyal	709	223
	AI	6,411,992	June 25, 2002	Srinivasan et al.	709	218
	AJ	US 2003 / 0023973	January 30, 2003	Monson et al.	725	34
	AK	US 2003 / 0120541	June 26, 2003	Siann et al.	705	14

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		DOCUMENT NUMBER	DATE	NAME	CLASS	SUB CLAS	TRANSLATION	
							YES	NO

OTHER REFERENCES (including Author, Title, Date, Pertinent Pages, etc.)

EXAMINER	/Yehdega Retta/	DATE CONSIDERED	09/30/2008

Rev. 10/94 (Form 3.05)

FORM PTO-1449	ATTY. DOCKET NO. 0054-011P1	SERIAL NO. 10/606,729
	APPLICANT Donian (et al)	
	FILING DATE June 26, 2003	GROUP 2611

C I P E JC13
JUL 19 2004
PATENT & TRADEMARK OFFICE

REFERENCE DESIGNATION U.S. PATENT DOCUMENTS

EXAMINER INITIAL		DOCUMENT NUMBER	DATE	NAME	CLASS	SUB CLASS
/YR/	AA	6,687,737B2	February 3, 2004	Landsman et al.	709	203
/YR/	AB	6,684,249B1	January 27, 2004	Frerichs et al.	709	225
/YR/	AC	6,587,127B1	July 1, 2003	Leeke et al.	345	765
/YR/	AD	6,434,622B1	August 13, 2002	Monteiro et al.	709	231
/YR/	AE	6,434,621B1	August 13, 2002	Pezzillo et al.	709	231
/YR/	AF	6,404,441B1	June 11, 2002	Chailleux	345	704
/YR/	AG	6,381,362B1	April 30, 2002	Deshpande et al.	382	162
/YR/	AH	6,338,044B1	January 8, 2002	Cook et al.	705	14

FOREIGN PATENT DOCUMENTS

		DOCUMENT NUMBER	DATE	NAME	CLASS	SUB CLASS	TRANSLATION YES	NO

OTHER REFERENCES (including Author, Title, Date, Pertinent Pages, etc.)

EXAMINER	DATE CONSIDERED
/Yehdega Retta/	09/30/2008

Rev. 10/94 (Form 3.05)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant(s):	**Donian** (et al.)	Attorney Docket:	**0054-011P1**
Serial No.:	**10/606,729**	Examiner:	**Retta, Yehdega**
Filed:	**June 26, 2003**	Group Art Unit:	**3622**

Title: **Method And Apparatus For The Free Licensing Of Digital Media Content**

MS: Amendment
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Customer Number: **40972**

AMENDMENT

In response to the Office Action dated **October 3, 2008**, please amend the above identified application as follows.

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IN THE CLAIMS

Please amend the claims as follows:

1. (currently amended) [[A]] In an electronic device including a media player, a method for presenting ads with user selected media files, said method comprising:

receiving at least one ad file;

storing said at least one ad file in said electronic device;

receiving input indicative of a user's selection of at least one media file;

receiving ~~a copy of~~ said media file separately from said ad file;

storing said media file in said electronic device; and

presenting said stored media file content and said stored ad file content to said user by sequencing said stored media file content and said stored ad file content in said media player.

2. (original) A method according to Claim 1, further comprising:

receiving another ad file; and

re-presenting said media file content to said user with said another ad file content.

3. (original) A method according to Claim 1, wherein:

said step of receiving at least one ad file includes receiving a plurality of ad files; and

said step of presenting said ad to said user includes selecting said ad file from said plurality of ad files.

4. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on said media file content.

5. (original) A method according to Claim 3, further comprising:

receiving demographic information from said user; and

wherein said ad file is selected at least in part based on said user demographic information.

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6. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on a marketing preference.

7. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on a geographic location.

8. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on a time of day.

9. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on a position of presentation of ad file content with respect to said media file content.

10. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on a position of presentation of said ad file content with respect to other ad file content.

11. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on a number of said media files to be presented.

12. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on other ad files being presented with said media file content.

13. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on a format of said media file content.

14. (original) A method according to Claim 1, wherein said step of presenting said ad file content to said user includes ensuring that said ad file content is presented in its entirety.

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15. (original) A method according to Claim 14, wherein ensuring that said ad file content is presented in its entirety includes disabling media player playback controls.

16. (original) A method according to Claim 14, wherein ensuring that said ad file content is presented in its entirety includes maintaining a volume setting above a predetermined threshold level.

17. (original) A method according to Claim 1, further comprising making a record of ad files that have been presented to said user.

18. (original) A method according to Claim 17, further comprising transmitting said ad file presentation records to a provider of said ad files.

19. (original) A method according to Claim 17, further comprising selecting subsequent ad files based at least in part on said ad file presentation records.

20. (original) A method according to Claim 1, wherein:
said step of receiving at least one ad file includes receiving a plurality of ad files;
said step of receiving input indicative of a user's selection of at least one media file includes receiving a list of media files; and
said step of receiving a copy of said media file includes receiving a copy of each media file in said list of media files.

21. (original) A method according to Claim 20, wherein said step of presenting said media file content with said ad file content includes:
arranging said ad files into ad blocks;
presenting the content of said media files included in said list; and
interrupting the presentation of said media file content with the presentation of the content of said ad blocks at predetermined points.

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22. (original) A method according to Claim 21, further comprising:
altering the order of presentation of the content of said media files responsive to input from said user; and
altering said predetermined points for presenting said ad block content based on the altered order of presentation of the content of said media files.

23. (original) A method according to Claim 21, further comprising:
receiving input indicative of said user's desire to re-present the media files included in said list;
generating new ad blocks; and
presenting said media file content with the content of said new ad blocks.

24. (original) A method according to Claim 21, further comprising:
altering the order of presentation of the content of said media files responsive to input from said user; and
altering said ad block content based on the altered order of presentation of the content of said media files.

25. (original) A method according to Claim 1, wherein said step of presenting said media file content and said ad file content includes:
associating an ad requirement with said media file; and
presenting sufficient ad file content to satisfy said ad requirement.

26. (original) A method according to Claim 25, wherein said ad requirement depends at least in part on the length of said associated media file content.

27. (original) A method according to Claim 25, wherein said ad requirement is predetermined for said associated media file.

28. (original) A method according to Claim 25, wherein a value indicative of said ad requirement is included in said associated media file.

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29. (original) A method according to Claim 25, wherein an ad requirement associated with a particular media file is set to indicate that no ad content is required after said particular media file content has been presented with ad file content a predetermined number of times.

30. (original) A method according to Claim 25, wherein said ad requirement depends at least in part on a service level associated with said user.

31. (original) A method according to Claim 1, wherein:
said media file content is presented in a first format; and
said ad file content is presented in a second format different from said first format.

32. (original) A method according to Claim 31, wherein:
said first format is print; and
said second format is audio.

33. (original) A method according to Claim 32, wherein presenting said media file content and said ad file content includes presenting subsequent pages of said media file content, responsive to user input, while said ad file content is being presented.

34. (original) A method according to Claim 1, wherein said media file content and said ad file content are both presented in the same format.

35. (original) A method according to Claim 34, wherein said media file content and said ad file content are both presented in audio format.

36. (original) A method according to Claim 34, wherein said media file content and said ad file content are both presented in video format.

37. (original) A method according to Claim 34, wherein said media file content and said ad file content are both presented in print format.

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38. (original) A method according to Claim 1, wherein said media file comprises a real time broadcast.

39. (original) A method according to Claim 1, wherein said ad file includes user interactive content.

40. (original) A method according to Claim 1, further comprising:
receiving a media file from said user;
associating an ad requirement with said media file; and
providing said media file to another user;
whereby the content of said media file can be presented to said other user with ad file content.

41. (original) A method according to Claim 1, wherein said media file is received from the provider of said ad file.

42. (original) A method according to Claim 1, wherein at least a portion of said media file is received via a peer-to-peer transfer.

43. (currently amended) A method according to Claim 42, ~~further comprising providing feedback to said user to create the impression that said media file is being received from the provider of said ad file~~ wherein said peer-to-peer transfer is transparent to said user.

44. (original) A method according to Claim 1, further comprising receiving updated ad files for use with subsequent presentation of media files.

45. (original) A method according to Claim 1, further comprising receiving media file identifiers associated with media files that should no longer be presented.

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46. (original) A method according to Claim 1, further comprising receiving media file identifiers associated with media files that are not be transferred.

47. (original) A method according to Claim 1, further comprising receiving media file identifiers associated with media files that are to be removed from said user's system.

48. (original) A method according to Claim 1, further comprising receiving a new media file identifier associated with a new media file that should be substituted for an existing media file.

49. (original) A method according to Claim 1, further comprising associating an identifier with each media file, said identifier being uniquely indicative of a work of authorship contained in said media file.

50. (currently amended) A method according to Claim 1, wherein said step of receiving a copy of said media file includes receiving a copy of said media file in ~~an encrypted~~ a controlled access format.

51. (original) A method according to Claim 50, wherein said step of presenting said media file content to said user includes:

decrypting said media file; and

providing said decrypted media file to a media player.

52. (original) A method according to Claim 51, further comprising restricting access to said decrypted media file.

53. (currently amended) A method according to Claim 50, wherein said step of receiving said ad file includes receiving a copy of said ad file in ~~an encrypted~~ a controlled access format.

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54. (original) A method according to Claim 1, wherein:
said step of receiving said at least one ad file includes receiving a plurality of ad files; and
said step of presenting said media file content and said ad file content includes dividing said media file into a plurality of segments, and presenting ad file content between said segments.

55. (original) A method according to Claim 1, further comprising presenting a graphical user interface representing a media player to said user, said interface including:
a first tab indicative of a first media type; and
a second tab indicative of a second media type; and whereby
user selection of said first tab results in the presentation of an active window for the presentation of a media file of said first type, while a media file of said second type is presented in background.

56. (original) A method according to Claim 55, wherein:
said first media type is print; and
said second media type is audio.

57. (currently amended) A method according to Claim 55, wherein said first media type and said second media ~~typre~~ type are the same media type.

58. (original) A method according to Claim 1, further comprising making a record of media files that have been presented to said user.

59. (original) A method according to Claim 58, further comprising transmitting said media file presentation records to a provider of said ad files.

60. (original) A method according to Claim 58, further comprising selecting subsequent ad files based at least in part on said media file presentation records.

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61. (original) A method according to Claim 1, further comprising:
requiring that said ad file content be presented in order to present said media file content; and
relaxing the requirement for presenting said ad file for the remainder of a single media presentation session after said ad file has been presented.

62. (currently amended) An electronically-readable medium having code embodied therein for causing an electronic device ~~to perform the steps of Claim 1~~ to:
receive at least one ad file;
store said at least one ad file in said electronic device;
receive input indicative of a user's selection of at least one media file;
receive said media file separately from said ad file;
store said media file in said electronic device; and
present said stored media file content and said stored ad file content to said user by sequencing said stored media file content and said stored ad file content in said media player.

63. (currently amended) An electronically-readable medium according to Claim 62 and further having code embodied therein for causing [[an]] said electronic device ~~to perform the steps of Claim 2~~ to:
receive another ad file; and
re-present said media file content to said user with said another ad file content.

64. (currently amended) An electronically-readable medium according to Claim 62, wherein: ~~having code embodied therein for causing an electronic device to perform the steps of Claim 3~~
said step of receiving at least one ad file includes receiving a plurality of ad files; and
said step of presenting said ad to said user includes selecting said ad file from said plurality of ad files.

65. (currently amended) An electronically-readable medium according to Claim 64, wherein said ad file is selected based at least in part on said media file content ~~having code embodied therein for causing an electronic device to perform the steps of Claim 4~~.

66. (currently amended) An electronically-readable medium according to Claim 64 and further having code embodied therein for causing [[an]] said electronic device ~~to perform the steps of Claim 5~~ to:

receive demographic information from said user; and

wherein said ad file is selected at least in part based on said user demographic information.

67. (currently amended) An electronically-readable medium according to Claim 62, wherein said step of presenting said ad file content to said user includes ensuring that said ad file content is presented in its entirety ~~having code embodied therein for causing an electronic device to perform the steps of Claim 14~~.

68. (currently amended) An electronically-readable medium according to Claim 67, wherein ensuring that said ad file content is presented in its entirety includes disabling media player playback controls ~~having code embodied therein for causing an electronic device to perform the steps of Claim 15~~.

69. (currently amended) An electronically-readable medium according to Claim 67, wherein ensuring that said ad file content is presented in its entirety includes maintaining a volume setting above a predetermined threshold level ~~having code embodied therein for causing an electronic device to perform the steps of Claim 16~~.

70. (currently amended) An electronically-readable medium according to Claim 62 and further having code embodied therein for causing an electronic device to make a record of ad files that have been presented to said user ~~perform the steps of Claim 17~~.

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71. (currently amended) An electronically-readable medium according to Claim 62, wherein: ~~having code embodied therein for causing an electronic device to perform the steps of Claim 21~~

said step of receiving at least one ad file includes receiving a plurality of ad files;

said step of receiving input indicative of a user's selection of at least one media file includes receiving a list of media files;

said step of receiving said media file includes receiving each media file in said list of media files; and

said step of presenting said media file content with said ad file content includes arranging said ad files into ad blocks, presenting the content of said media files included in said list, and interrupting the presentation of said media file content with the presentation of the content of said ad blocks at predetermined points.

72. (currently amended) An electronically-readable medium according to Claim 71 and further having code embodied therein for causing an electronic device ~~to perform the steps of Claim 22~~ to:

alter the order of presentation of the content of said media files responsive to input from said user; and

alter said predetermined points for presenting said ad block content based on the altered order of presentation of the content of said media files.

73. (currently amended) An electronically-readable medium according to Claim 71 and further having code embodied therein for causing an electronic device ~~to perform the steps of Claim 23~~ to:

receive input indicative of said user's desire to re-present the media files included in said list;

generate new ad blocks; and

present said media file content with the content of said new ad blocks.

74. (currently amended) An electronically-readable medium ~~having code embodied therein for causing an electronic device to perform the steps of Claim 25~~ according to Claim 62, wherein said step of presenting said media file content and said ad file content includes:

associating an ad requirement with said media file; and

presenting sufficient ad file content to satisfy said ad requirement.

75. (currently amended) An electronically-readable medium ~~having code embodied therein for causing an electronic device to perform the steps of Claim 31~~ according to Claim 62, wherein:

said media file content is presented in a first format; and

said ad file content is presented in a second format different from said first format.

76. (currently amended) An electronically-readable medium ~~having code embodied therein for causing an electronic device to perform the steps of Claim 34~~ according to Claim 62, wherein said media file content and said ad file content are both presented in the same format.

77. (currently amended) An electronically-readable medium ~~having code embodied therein for causing an electronic device to perform the steps of Claim 38~~ according to Claim 62, wherein said media file comprises a real time broadcast.

78. (currently amended) An electronically-readable medium ~~having code embodied therein for causing an electronic device to perform the steps of Claim 50~~ according to Claim 62, wherein said step of receiving said media file includes receiving said media file in a controlled access format.

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79. (currently amended) An electronically-readable medium ~~having code embodied therein for causing an electronic device to perform the steps of Claim 54~~ according to Claim 62, wherein:

said step of receiving said at least one ad file includes receiving a plurality of ad files; and

said step of presenting said media file content and said ad file content includes dividing said media file into a plurality of segments, and presenting ad file content between said segments.

80. (currently amended) An electronically-readable medium according to Claim 62 and further having code embodied therein for causing an electronic device to ~~perform the steps of Claim 55~~ present a graphical user interface representing a media player to said user, said interface including:

a first tab indicative of a first media type; and

a second tab indicative of a second media type; and whereby

user selection of said first tab results in the presentation of an active window for the presentation of a media file of said first type, while a media file of said second type is presented in background.

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81. (currently amended) A system for presenting ads with user selected media files, said system comprising:

a communication interface operative to receive media files from one or more remote sources;

a user interface operative to receive input indicative of a user's selection of media files to be presented;

an ad manager operative to receive ad files from ~~an ad file source~~ one or more remote ad file sources;

memory for storing said media files and said ad files;

an intersplicer operative to provide control signals indicative of a presentation sequence for said ad files and said media files; and

a media player responsive to said control signals and operative to present the content of said media files and the content of said ad files to said user, said user interface, said ad manager, and said intersplicer being disposed locally with respect to said media player.

82. (original) A system according to Claim 81, further comprising an ad rotator operative to replace said ad files with new ad files after said ad files have been presented.

83. (original) A system according to Claim 81, wherein said ad manager is operative to select ad files for presentation from a database of ad files.

84. (original) A system according to Claim 83, wherein said ad manager is operative to select said ad files based on said content of said selected media files.

85. (original) A system according to Claim 83, wherein said ad manager is operative to select said ad files based on user provided demographic information.

86. (original) A system according to Claim 81, wherein said intersplicer is operative to ensure that said ad files are presented in their entirety.

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87. (original) A system according to Claim 86, wherein said intersplicer is operative to provide control signals to disable playback controls of said media player during the presentation of said ad file content.

88. (original) A system according to Claim 86, wherein said intersplicer is operative to provide control signals to set a minimum volume level of said media player during the presentation of said ad file content.

89. (original) A system according to Claim 81, wherein said intersplicer is further operative to make records of ad files that have been presented to said user.

90. (original) A system according to Claim 81, wherein said intersplicer is further operative to make records of media files that have been presented to said user.

91. (original) A system according to Claim 81, wherein:

said input indicative of a user's selection of media files to be presented comprises a list of media files;

said ad manager is operative to arrange said ad files into ad blocks; and

said media player responsive to control signals from said intersplicer is operative to present the content of said media files included in said list, and to interrupt the presentation of said media file content with the presentation of the content of said ad blocks at predetermined points.

92. (original) A system according to Claim 91, wherein:

said media player responsive to input from said user is operative to alter the order of presentation of said media file content; and

said intersplicer responsive to the altered order of presentation of said media file content alters said predetermined points for presenting said ad block content.

93. (original) A system according to Claim 91, wherein said ad manager is operative to provide new ad blocks for presentation with repeat presentation of said list of media files.

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94. (original) A system according to Claim 91, wherein:
said media player responsive to input from said user is operative to alter the order of presentation of said media file content; and
said ad manager responsive to the altered order of presentation of said media file content alters the content of said ad blocks.

95. (original) A system according to Claim 81, wherein said ad manager is further operative to associate an ad requirement value with each media file.

96. (original) A system according to Claim 81, wherein said media player responsive to control signals from said intersplicer is operative to present said ad files in a first format and said media files in a second format different from said first format.

97. (original) A system according to Claim 81, wherein said media player responsive to control signals from said intersplicer is operative to present said ad files and said media files in the same format.

98. (original) A system according to Claim 81, wherein said media files comprise a real time broadcast.

99. (original) A system according to Claim 81, wherein:
at least one of said media files is divided into a plurality of segments; and
said media player is operative to present said ad files between said segments of said media file.

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100. (original) A system according to Claim 81, wherein said user interface is further operative to present a graphical user interface representing said media player to said user, said graphical user interface including:

a representation of a first tab indicative of a first media type; and

a representation of a second tab indicative of a second media type; and whereby

user selection of said first tab causes said media player to present a media file of said first type in an active display window, and to present a media file of said second type in background.

101. (currently amended) A system according to Claim 81, further comprising a media file ~~decryptor~~ controlled access routine operative to receive and ~~decrypt~~ access said user selected media files.

102. (currently amended) A system for presenting ads with user selected media files, said system comprising:

a communication interface operative to receive presentation media from at least one remote media source and to separately receive ads from at least one remote ad source;

memory for separately storing said presentation media and said ads;

a user interface operative to receive input indicative of a user's selection of media files to be presented;

a media player operative to present said presentation media and said ads;

means for sequencing said presentation media and said ads for presentation by said media player, said means for sequencing being co-located with said media player ~~presenting the content of said media files to said user with commercial advertisements embedded therein~~.

103. (original) A system according to Claim 102, further comprising means for preventing the presentation of the content of said media files to said user without said commercial advertisements.

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104. (original) A method of doing business, said method comprising:
providing media files containing copyrighted works;
providing ad files;
providing a media player operative to combine and present the content of said media files with the content of said ad files; and
providing a free license to consumers to present said media files and said ad files with said media player.

105. (original) A method according to Claim 104, further comprising authorizing said consumers to reproduce and transfer said media files free of charge.

106. (original) A method according to Claim 104, further comprising:
monitoring the presentation of said ad files to said consumers; and
conferring a benefit on particular ones of said consumers based at least in part on the presentation of said ad files to said particular consumers.

107. (currently amended) An electronically-readable medium having stored thereon a data structure comprising:
a first field containing data identifying a media file; and
a second field containing data indicative of an ad requirement associated with said media file; and
further including code for causing an electronic device to present said media file to a user.

108. (original) An electronically-readable medium according to Claim 107, wherein said data structure further comprises a third field containing data representing an ad file to be displayed with said media file.

109. (new) A method according to Claim 3, wherein said ad file is selected based at least in part on a characteristic of said user.

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110. (new) A system according to Claim 83, wherein said ad manager is operative to select said ad files based at least in part on a characteristic of said user.

111. (new) A system according to Claim 17, further comprising transmitting said ad file presentation records to a provider of said media file.

112. (new) A method according to Claim 1, wherein said media file includes user interactive content.

113. (new) A method according to Claim 1, wherein at least a portion of said ad file is received via a peer-to-peer transfer.

114. (new) A method according to Claim 58, further comprising transmitting said media file presentation records to a provider of said media files.

115. (new) An electronically-readable medium according to Claim 80, wherein said first media type and said second media type are a same media type.

116. (new) A system according to Claim 100, wherein said first media type and said second media type are a same media type.

117. (new) A method according to Claim 53, wherein said step of presenting said ad file content to said user includes:

decrypting said ad file; and

providing said decrypted ad file to a media player.

118. (new) A method according to Claim 117, further comprising restricting access to said decrypted ad file.

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119. (new) A method according to Claim 50, wherein said step of receiving said media file includes:

releasing said media file from a secured form using an access key; and

resecuring said media file using a new access key.

120. (new) A system according to Claim 101, wherein said media file controlled access routine is operative to:

release said selected media file from a secured form using an access key; and

resecure said selected media file using a new access key.

121. (new) A method according to Claim 53, wherein said step of receiving said ad file includes:

releasing said ad file from a secured form using an access key; and

resecuring said ad file using a new access key.

122. (new) A system according to Claim 81, wherein said ad manager is operative to:

release said ad files from a secured form using an access key; and

resecure said ad files using a new access key.

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INTERVIEW SUMMARY

A telephone interview was held on February 3, 2009 to discuss the merits of the present application. Examiner Yehdega Retta and Attorney of Record Larry Henneman participated in the interview.

Initially, Mr. Henneman pointed out that the present invention involved sequencing media file content and ad file content locally with respect to the user. In contrast, U.S. Patent No. 6,950,804 (Strietzel) discloses embedding ad files in media files on a server, then delivering the combined ad/media file as one contiguous file (e.g., conventional media streaming with embedded advertising). Examiner Retta acknowledged this distinction, but argued that original Claim 1 did not clearly recite this distinction. Mr. Henneman and Examiner Retta discussed specific claim language to clarify this distinction. It was agreed that the amendment of Claim 1 set forth herein clearly distinguishes over Strietzel.

Next, the objection to Claims 62-80 was discussed. Mr. Henneman agreed to amend Claim 62 to be in independent form, and to amend Claims 63-80 to depend, either directly or indirectly, from Claim 62. Examiner Retta agreed that this would overcome the objection to Claims 62-80.

Next, the rejection of Claims 1-61 and 104-108 under 35 U.S.C. §101 was discussed. Examiner Retta agreed that the amendment of Claim 1 set forth herein overcomes the rejection of Claim 1 under 35 U.S.C. §101. Claim 104 was not specifically discussed. However, Examiner Retta agreed to contact Mr. Henneman by telephone if any 35 U.S.C. §101 issues remain after the present amendment.

Finally, Applicants and Mr. Henneman thank Examiner Retta for the cooperative nature of the interview and for her constructive assistance in developing the language for the amendment to Claim 1.

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REMARKS

These remarks are in response to the Office Action dated October 3, 2008, which has a shortened statutory period for response set to expire January 3, 2009. A two-month extension, to expire March 3, 2009, is requested in a petition filed herewith.

Claims

Claims 1-108 are pending in the above-identified application. Claims 1-108 are rejected over prior art. Claims 1, 43, 50, 53, 57, 62-81, 101-102 and 107 are amended, and Claims 109-122 are added. Claims 2-42, 44-49, 51-52, 54-56, 58-61, 82-100, and 103-106, and 108 remain as filed. Reconsideration is requested.

Claim Objections

Claims 62-80 are objected to under 37 CFR §1.75(c), as being of improper dependent form for failing to further limit the subject matter of the previous claim. Claim 62 is amended herein to be in independent form, and Claims 63-80 are amended to depend, either directly or indirectly, from Claim 62. Therefore, Claims 62-80 are now in proper dependent form, and Applicants respectfully request the withdrawal of the objection to Claims 62-80.

Rejections Under 35 U.S.C. § 112

Claims 45-48 are rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the enablement requirement. The Examiner writes:

> The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. Claims 45-48 recite "a method according to Claim 1, further comprising ***receiving media file identifiers associated with media files that should no longer be presented***; further comprising ***receiving media file identifiers associated with media files that are not to be transferred***; further comprising ***receiving media file identifiers associated with media files that are to be removed from said user's system***; further comprising ***receiving a new media file identifier associated with a new media file that should be substituted for an existing media file***. (emphasis original)
>
> The specification teaches that the program identifies a media content item on the basis of a unique universal identifier

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> stored in any number of locations, including, but not limited to, local database 562 and/or the media file itself. The specification further teaches that the program then uses the identifier to locate the item by first going to local database 562, and if not found, to media catalog 566. The specification however does not teach how the identifier is transmitted or transferred and presented. Therefore, the claims are rejected as containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

Applicants respectfully traverse.

Initially, Applicants note that Claims 45-48 are original claims that were filed with the original application and, therefore, form a part of the original specification. The Examiner's sole concern appears to be that the specification does not teach "how the identifier is transmitted or transferred and presented."

The Examiner appears to recognize that the identifiers are used to control presentation, transfer, removal, etc. of the media files. In addition, Applicants' specification provides:

> The player/viewer software may employ a **distributor-controlled** licensing database, allowing the system to track a variety of service types by which a particular user could license a particular media property. Such a database also **gives the distributor complete control** over the system, providing the player/viewer the ability to grant or deny service altogether, depending on the property and/or the user. In this way, the present invention **endows the distributor with the complete power** to limit consumer use as directed by the copyright holder, on a property by property basis, and to adjust the amount of required advertising as needed. (Page 11, Lines 14-20, emphasis added)
> …
> If user-contributed content is distributed through the system, then later found to be equivalent to a copyright-holder provided title, **the distributor can provide for the automatic replacement of such secondary content with the version approved for distribution**. This process is known as "media rotation". Similarly, if a copyright-holder identifies invalid content and does not wish to have it further distributed, the content may be either banned for redistribution or recalled entirely, having all existing copies removed from the system. (Page 23, Line 26 – Page 24, Line 2, emphasis added)

These example excerpts of Applicants' original specification make it clear that it is the distributor that controls the presentation, transfer, removal, and/or substitution of media files on a

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user's system. Thus, one skilled in the art will immediately recognize that the instructions for such media control, along with the identifiers (which the Examiner recognizes are used to implement such control) would be transmitted to the user's system by the distributor. The system for communicating the instructions and identifiers is also shown in Fig. 1.

In view of the foregoing excerpts from Applicants' original specification, Applicants respectfully assert that one skilled in the art would not require "undue experimentation" to determine how to transfer an instruction and an identifier from distributor 120 to a user system 104 to control presentation, transfer, removal, and or substitution of a media file.

For the above reasons Applicants respectfully request reconsideration and withdrawal of the rejections under 35 U.S.C. § 112.

Rejection Under 35 U.S.C. §101

Claims 1-61 and 104-108 are rejected under 35 U.S.C. § 101 as being directed to nonstatutory subject matter.

Regarding Claims 1-61, as indicated above in the Interview Summary, the Examiner agrees that the present amendment of Claim 1 overcomes the rejection under 35 U.S.C. §101. Claims 2-61 depend, either directly or indirectly, from Claim 1 and, therefore, also satisfy the requirements of 35 U.S.C. §101.

Applicants respectfully traverse the rejection of Claims 104-106, because original Claim 104 recites statutory subject matter. In particular, Claim 108 recites (in part) "providing media files containing copyrighted works" and "providing a media player operative to … present the content of said media files with the content of said ad files." Copyrighted works are necessarily fixed in a tangible medium. In addition, the media player is a physical object (whether software, hardware, firmware, or some combination thereof) that presents the content of the media files to a user. Moreover, the media player necessarily physically transforms the media files and ad files to a format that can be perceived by a user. For at least these reasons, Claim 104 recites statutory subject matter.

Applicants also respectfully traverse the 35 U.S.C. §101 rejection of Claims 107-108. Claim 107 is a data structure claim that specifically recites "[a]n electronically readable medium." These data structure claims are commonly referred to as Lowry claims, after the Federal Circuit Decision In re Lowry 32 F. 3d 1579, 32 USPQ 2d 1031 (Fed Cir. 1994). MPEP

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§2106.01 provides: "When functional descriptive material is recorded on some computer-readable medium, it becomes structurally and functionally interrelated to the medium and will be statutory in most cases since use of technology permits the function of the descriptive material to be realized." (citing In re Lowry) For at least these reasons, Applicants respectfully request reconsideration and withdrawal of the rejection of Claims 107-108 under 35 U.S.C. §101.

Rejections Under 35 U.S.C. § 102

Claims 1-108 are rejected under 35 U.S.C. § 102 (e) as being anticipated by U.S. Patent No. 6,950,804 (Strietzel).

Claims 1-61

As indicated above in the Examiner interview, agreement was reached that the amendment to Claim 1 distinguishes over Strietzel. For example, Claim 1 recites (in part) "sequencing said stored media file content and said stored ad file content in said media player" In contrast, according to Strietzel, ads are embedded in a media file in a server and then transmitted to a user as one contiguous file. Because the cited reference does not disclose this aspect of Claim 1, it does not anticipate Claim 1. Claims 2-61 depend, either directly or indirectly, from Claim 1 and are, therefore, distinguishable over the cited reference for at lease the same reason.

Claims 62-80

As amended herein, Claim 62 now recites (in part) "sequencing said stored media file content and said stored ad file content in said media player." Therefore, Claim 62 is distinguished over Strietzel for at least the reasons set forth above with respect to Claim 1. In particular, Strietzel does not disclose that the media file content and the ad file content are sequenced in the media player. Claims 63-80 depend, either directly or indirectly, from Claim 62 and are, therefore, distinguished from the cited reference for at least the same reasons as Claim 62.

Applicants respectfully request reconsideration and withdrawal of the rejections of Claims 62-80 in view of the amendment of Claim 62.

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Claims 81-101

As amended herein, Claim 81 now recites (in part) "said user interface, said ad manager, and said intersplicer being disposed locally with respect to said media player." Therefore, Claim 81 is distinguished over Strietzel for at least the reasons set forth above with respect to Claim 1. Claims 82-101 depend, either directly or indirectly, from Claim 81 and are, therefore, distinguishable over Strietzel for at least the same reasons as Claim 81.

Applicants respectfully request reconsideration and withdrawal of the rejections of Claims 81-101 in view of the amendment of Claim 81.

Claims 102-103

As amended herein, Claim 102 recites (in part) "means for sequencing said presentation media and said ads for presentation by said media player, said means for sequencing being co-located with said media player." Therefore, Claim 102 is distinguished over Strietzel for at least the reasons set forth above with respect to Claim 1. Claim 103 depends from Claim 102 and is distinguished over the cited reference for at least the same reasons.

Applicants respectfully request reconsideration and withdrawal of the rejections of Claims 102-103 in view of the amendment of Claim 102.

Claims 104-106

Applicants respectfully traverse the rejection of Claims 104-106 over Strietzel, because Strietzel does not disclose "providing a media player operative to combine and present the content of said media files with the content of said ad files," as recited in original Claim 104. Rather, as indicated above, Strietzel discloses a server that appends advertisements to content items that are then delivered to the user via a communication link. See e.g., Col. 3, Lines 11-18. The combination of the advertisement and the content item occurs at the server, not at the user's media player. For at least these reasons, Strietzel does not anticipate Claim 104. Claims 105 and 106 depend from Claim 104 and are distinguishable over the cited reference for at least the same reasons as Claim 104.

Applicants respectfully request reconsideration and withdrawal of the rejections of Claims 104-106.

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Claims 107-108

Claim 107 is amended herein to combine the claimed data structure with "code for causing an electronic device to present said media file to a user." Strietzel does not anticipate amended Claim 107, because Strietzel does not disclose the claimed data structure in combination with "code for causing an electronic device to present said media file to a user," as recited in Claim 107. Indeed, there would be no reason for doing so in Strietzel, because the ads are appended to the content at the server end of the communication link, not at the media player. Claim 108 depends from Claim 107 and is, therefore, distinguished from the cited reference for at least the same reasons.

Applicants respectfully request reconsideration and withdrawal of the rejections of Claims 107 and 108 in view of the amendment of Claim 107.

For the above reasons Applicants request reconsideration and withdrawal of all rejections under 35 U.S.C. § 102.

Rejections Under 35 U.S.C. § 103

Claims 86-88 are rejected under 35 U.S.C. § 103 as being unpatentable over Strietzel in view of Eyer et al. (U.S. Patent No. 6,588,015).

Applicants respectfully assert that the amendment of Claim 81, from which Claims 86-88 depend, renders the rejections under 35 U.S.C. §103 moot. Therefore, Applicants request withdrawal of the current rejections under 35 U.S.C. §103.

New Claims 109-122

Support for new Claims 109-110 is provided in Applicants' original specification at least at Page 43, Lines 1-20.

Support for new Claim 111 is provided in Applicants' original specification at least at Page 61, Lines 4-8.

Support for new Claim 112 is provided in Applicants' original specification at least at Page 27, Lines 24-31.

Support for new Claim 113 is provided in Applicants' original specification at least at Page 39, Lines 15-21 and Page 40, Lines 7-27.

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Support for new Claim 114 is provided in Applicants' original specification at least at Page 61, Lines 4-8.

Support for new Claims 115-116 is provided in Applicants' original specification at least at original Claim 57.

Support for new Claims 117-118 is provided in Applicants' original specification at least at original Claims 51-52.

Support for new Claims 119-120 is provided in Applicants' original specification at least at Page 39, Lines 22-28.

Support for new Claims 121-122 is provided in Applicants' original specification at least at Page 39, Lines 15-28 and Page 40, Lines 7-27.

Each of new Claims 109-120 depends, either directly or indirectly, from an independent base claim that is allowable over the prior art of record for at least the reasons provided above in response to the respective prior art rejections.

For the foregoing reasons, Applicants believe Claims 1-122 are now in condition for allowance. Should the Examiner undertake any action other than allowance of Claims 1-122, or if the Examiner has any questions or suggestions for expediting the prosecution of this application, the Examiner is requested to contact Applicants' attorney at (269) 279-8820.

Respectfully submitted,

Date: February 27, 2009

/Larry E. Henneman, Jr./

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I hereby certify that this paper (along with any referred to as being attached or enclosed) is being electronically filed or transmitted via facsimile, on the date shown below, to: MS Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, at (571) 273-8300.

Date: February 27, 2009 /Larry E. Henneman, Jr./
Larry E. Henneman, Jr.

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Electronic Patent Application Fee Transmittal

Application Number:	10606729
Filing Date:	26-Jun-2003
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Filer:	Larry E. Henneman
Attorney Docket Number:	0054-011P1

Filed as Small Entity

Utility under 35 USC 111(a) Filing Fees

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Basic Filing:				
Pages:				
Claims:				
Claims in excess of 20	2202	14	26	364
Miscellaneous-Filing:				
Petition:				
Patent-Appeals-and-Interference:				
Post-Allowance-and-Post-Issuance:				
Extension-of-Time:				

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Extension - 2 months with $0 paid	2252	1	245	245
Miscellaneous:				
		Total in USD ($)		**609**

Electronic Acknowledgement Receipt	
EFS ID:	4877493
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	40972
Filer:	Larry E. Henneman
Filer Authorized By:	
Attorney Docket Number:	0054-011P1
Receipt Date:	27-FEB-2009
Filing Date:	26-JUN-2003
Time Stamp:	17:05:11
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	yes
Payment Type	Credit Card
Payment was successfully received in RAM	$609
RAM confirmation Number	3152
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File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)

1	Extension of Time	Transmittal.pdf	81954 073f227d770b59fd3b95e42f343534d7cba833f6	no	1
Warnings:					
Information:					
2	Amendment/Req. Reconsideration-After Non-Final Reject	Amendment.pdf	161792 f4c8d509b99706c1bd2d4ff00b66e1139a0399cf	no	29
Warnings:					
Information:					
3	Fee Worksheet (PTO-06)	fee-info.pdf	31691 ac9fc3f18960d02ce7c805e1e67b59db4db499d9	no	2
Warnings:					
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If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

<u>National Stage of an International Application under 35 U.S.C. 371</u>
If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

<u>New International Application Filed with the USPTO as a Receiving Office</u>
If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

AMENDMENT TRANSMITTAL LETTER **Under Small Entity Status**	Attorney Docket No: 0054-011P1

Application Serial Number: 10/606,729	Filing Date: June 26, 2003	Examiner: Retta, Yehdega	Group Art Unit: 3622

Invention: Method And Apparatus For The Free Licensing Of Digital Media Content

TO THE COMMISSIONER OF PATENTS AND TRADEMARKS:
Transmitted herewith is an amendment (29 pages) in the above-identified application. The fee has been calculated as shown below.

CLAIMS AS AMENDED

	CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	NO. OF EXTRA CLAIMS PRESENT	RATE	ADDITIONAL FEE
TOTAL CLAIMS	122	MINUS	108	14	$26	$ 364.00
INDEP. CLAIMS	5	MINUS	5	0	$110	$ 0.00

X Petition is hereby made under 37 CFR 1.136(a) to extend the time for response to the Office Action of 10/3/2008 to and through 3/5/2009, comprising an extension of the shortened statutory period of:

___ one month ($65) ___ three months ($555)
X two months ($245) ___ four months ($865)

___ A terminal disclaimer and the statutory disclaimer fee of $140.00/$70.00 is included.

TOTAL ADDITIONAL FEE FOR THIS AMENDMENT	$609.00

X Small entity status is proper and requested for this application

___ A fax coversheet accompanies this transmission.

X The above-listed fees are being paid by credit card in conjunction with the electronic filing of this paper.

The Commissioner is authorized to charge any additional required fees to the credit card used to pay the above-listed fees.

___ No additional fee is required.

February 27, 2009
Date

/Larry E. Henneman, Jr./
Larry E. Henneman, Jr.
Reg. No. 41,063

I hereby certify that this correspondence (along with any referred to as being attached or enclosed) is being filed electronically or transmitted via facsimile to: MS Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 at (571) 273-8300 on February 27, 2009.

/Larry E. Henneman, Jr./
Larry E. Henneman, Jr., Reg. No. 41,063

PTO/SB/06 (07-06)
Approved for use through 1/31/2007. OMB 0651-0032
U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE
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PATENT APPLICATION FEE DETERMINATION RECORD

Substitute for Form PTO-875

Application or Docket Number	Filing Date	☐ To be Mailed
10/606,729	06/26/2003	

APPLICATION AS FILED – PART I

	(Column 1)	(Column 2)	SMALL ENTITY ☒		OR	OTHER THAN SMALL ENTITY	
FOR	NUMBER FILED	NUMBER EXTRA	RATE ($)	FEE ($)		RATE ($)	FEE ($)
☐ BASIC FEE (37 CFR 1.16(a), (b), or (c))	N/A	N/A	N/A			N/A	
☐ SEARCH FEE (37 CFR 1.16(k), (i), or (m))	N/A	N/A	N/A			N/A	
☐ EXAMINATION FEE (37 CFR 1.16(o), (p), or (q))	N/A	N/A	N/A			N/A	
TOTAL CLAIMS (37 CFR 1.16(i))	minus 20 =	*	X $ =		OR	X $ =	
INDEPENDENT CLAIMS (37 CFR 1.16(h))	minus 3 =	*	X $ =			X $ =	
☐ APPLICATION SIZE FEE (37 CFR 1.16(s))	If the specification and drawings exceed 100 sheets of paper, the application size fee due is $250 ($125 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).						
☐ MULTIPLE DEPENDENT CLAIM PRESENT (37 CFR 1.16(j))							
* If the difference in column 1 is less than zero, enter "0" in column 2.			TOTAL			TOTAL	

APPLICATION AS AMENDED – PART II

AMENDMENT		(Column 1)		(Column 2)	(Column 3)	SMALL ENTITY		OR	OTHER THAN SMALL ENTITY	
	02/27/2009	CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)		RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	* 122	Minus	** 108	= 14	X $26 =	364	OR	X $ =	
	Independent (37 CFR 1.16(h))	* 5	Minus	***5	= 0	X $110 =	0	OR	X $ =	
	☐ Application Size Fee (37 CFR 1.16(s))									
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))							OR		
						TOTAL ADD'L FEE	364	OR	TOTAL ADD'L FEE	

AMENDMENT		(Column 1)		(Column 2)	(Column 3)					
		CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)		RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	*	Minus	**	=	X $ =		OR	X $ =	
	Independent (37 CFR 1.16(h))	*	Minus	***	=	X $ =		OR	X $ =	
	☐ Application Size Fee (37 CFR 1.16(s))									
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))							OR		
						TOTAL ADD'L FEE		OR	TOTAL ADD'L FEE	

* If the entry in column 1 is less than the entry in column 2, write "0" in column 3.

** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 20, enter "20".

*** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 3, enter "3".

The "Highest Number Previously Paid For" (Total or Independent) is the highest number found in the appropriate box in column 1.

Legal Instrument Examiner:
/JACKIE A. WHITE/

This collection of information is required by 37 CFR 1.16. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	0054-011P1	5831

40972 7590 05/20/2009
HENNEMAN & ASSOCIATES, PLC
714 W. MICHIGAN AVENUE
THREE RIVERS, MI 49093

EXAMINER	
RETTA, YEHDEGA	
ART UNIT	PAPER NUMBER
3622	
MAIL DATE	DELIVERY MODE
05/20/2009	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/606,729	DONIAN ET AL.	
	Examiner	Art Unit	
	Yehdega Retta	3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *27 February 2009*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-122* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-122* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

This office action is in response to amendment filed February 27, 2009. Applicant amended claims 1, 43, 50, 53, 57, 62-81, 101, 102, 107 and added claims 110-122. Claims 1-122 are pending.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 107 and 108 rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claim 107 is not directed to a process, as there is no method step; it is not directed to a system, as there is no system component. The invention seems to be directed toward an article of manufacture, however, signals, data structures or computer programs not embodied in computer-readable media executable by a computer are descriptive material per se and are not statutory because they are not capable of causing functional change in a computer. Data structure or signal not claimed as embodied in computer-readable media is descriptive material per se and is not statutory because they are neither physical nor statutory process. Such claimed signals do not define any structural and functional interrelationships between a computer code and other claimed elements of a computer, which permit the computer's program to be realized (see MPEP section 2106). The amended claim recites a data structure comprising of codes or fields which is just software or program per se.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 3, 20, 50-52, 54, 61, 117 and 118 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 3 recites "said step of receiving at least one ad file includes receiving a plurality of ad files". It is unclear how receiving of one file can include receiving of more than one file.

Claim 20 also recites "said step of receiving at least one ad file includes receiving a plurality of ad files" and "said step of receiving input indicative of user's selection of at least one media file includes receiving a list of media files". It is unclear how receiving of one file can include receiving of more than one file, and step of receiving input indicative of user's selection of one media file can include receiving a list of media files. Claims 54 and 71 are also rejected for the same reason.

It is unclear what applicant intends to claim.

Claim 51 recites a method according to Claim 50, wherein said step of presenting said media file content to said user includes: decrypting said media file. Claim 50 however does not recite the media being encrypted therefore, it is unclear how unencrypted file can be decrypted. Claims 52, 117 and 118 are also rejected for the same reason.

Claim 61 recites "relaxing the requirement for presenting said ad file for the remainder of a single media presentation session after said ad file has been presented". Claim 1 recites receiving at least one ad file, selecting at least one media file, storing said media file, and presenting said stored media file content and said stored ad file content. Therefore, it is unclear

what applicant meant by relaxing the requirement for presenting said one ad file with one media file.

Claim 20 recites the limitation "said step of receiving a copy of media file". There is insufficient antecedent basis for this limitation in the claim. Claim 1 recites "receiving said media file".

Claim 50 is also rejected for the same reason.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-6, 9-14, 17-28, 30-38, 41, 44-67, 70-85, 89-111 and 114-116 are rejected under 35 U.S.C. 102(e) as being clearly anticipated by Knepper et al. (2001/0042249).

Regarding claims 1, 62, 81, 102, 103, 107 and 108, Knepper teaches receiving at least one ad file; *storing said at lease one ad file in electronic device;* receiving input indicative of a user's selection of at least one media file; receiving a media file *separately from the ad file; storing said media file in the electronic device* and presenting said *stored* media file content and said *stored* ad file content to said user *sequencing said stored media file content and stored ad file content in said media player* (see [0008]-[0014], [0029], [0030], [0041]).

Regarding claims 2, 3, 63, 64, 82 and 83, Knepper teaches receiving another ad file; and re-presenting said media file content to said user with said another ad file content; receiving a plurality of ad files; and said step of presenting said ad to said user includes selecting said ad file from said plurality of ad files (see [0029], [0036], [0041], [0065]-[0068], [0081]).

Regarding claims 4-6, 65, 66, 84 and 85, Knepper teaches wherein said ad file is selected based at least in part on said media file content; receiving demographic information from said user; and wherein said ad file is selected at least in part based on said user demographic information; wherein said ad file is selected based at least in part on a marketing preference (see [0063]).

Regarding claims 9-14, 67, 70, 86 Knepper teaches wherein said ad file is selected based at least in part on a position of presentation of ad file content with respect to said media file content; based at least in part on a position of presentation of said ad file content with respect to other ad file content; based at least in part on a number of said media files to be presented; based at least in part on other ad files being presented with said media file content; based at least in part on a format of said media file content; (see [0080]-[0085]).

Regarding claims 17, 18, 70, 89, 90, 111, Knepper teaches further comprising making a record of ad files that have been presented to said user; transmitting said ad file presentation records to a provider of said ad files (see [0037], [0041]-[0077]).

Regarding claims 19-23 and 71-73, 91-93, Knepper teaches selecting subsequent ad files based at least in part on said ad file presentation records; receiving a plurality of ad files; said step of receiving input indicative of a user's selection of at least one media file includes receiving a list of media files; and said step of receiving a copy of said media file includes receiving a copy

of each media file in said list of media files; wherein said step of resenting said media file content with said ad file content includes arranging said ad files into ad blocks; presenting the content of said media files included in said list; and interrupting the presentation of said media file content with the presentation of the content of said ad blocks at predetermined points; altering the order of presentation of the content of said media files responsive to input from said user; and altering said predetermined points for presenting said ad block content based on the altered order of presentation of the content of said media files; further comprising: receiving input indicative of said user's desire to re-present the media files included in said list; generating new ad blocks; and presenting said media file content with the content of said new ad blocks (see [0008]-[0014], [0029], [0030], [0041], [0055], [0080]-[0082]).

Regarding claims 24-28, 30, 74 and 94-96, Knepper teaches altering the order of presentation of the content of said media files responsive to input from said user; and altering said ad block content based on the altered order of presentation of the content of said media files; wherein said step of presenting said media file content and said ad file content includes associating an ad requirement with said media file; and presenting sufficient ad file content to satisfy said ad requirement; wherein said ad requirement depends at least in part on the length of said associated media file content; wherein said ad requirement is predetermined for said associated media file; wherein a value indicative of said ad requirement is included in said associated media file; wherein an ad requirement associated with a particular media file is set to indicate that no ad content is required after said particular media file content has been presented with ad file content a predetermined number of times; wherein said ad requirement depends at

least in part on a service level associated with said user; (see [0008]-[0014], [0034]-[0037], [0041], [0052], [0084]).

Regarding claims 31-38, 75-77, 97, 98, 114, 115 Knepper teaches said media file content is presented in a first format; and said ad file content is presented in a second format different from said first format; broadcast, said first format is print and the second format is audio; wherein presenting said media file content and said ad file content includes presenting subsequent pages of said media file content, responsive to user input, while said ad file content is being presented; wherein said media file content and said ad file content are both presented in the same format; wherein said media file content and said ad file content are both presented in audio format; wherein said media file content and said ad file content are both presented in video format; wherein said media file comprises a real time; wherein said media file content and said ad file content are both presented in print format (see [0025], [0037]-[0040], [0049]-[0059], [0092], claims 1-9).

Regarding claim 41, Knepper teaches wherein said media file is received from the provider of said ad file (see [0026]-[0028]);

Regarding claim 44 Knepper teaches receiving updated ad files for use with subsequent presentation of media files (see [0029]-[0030]).

Regarding claims 45-54, 78, 79, 99, 101, 117, 118 and 101, Knepper teaches receiving media file identifiers associated with media files that should no longer be presented; further comprising receiving a new media file identifier associated with a new media file that should be substituted for an existing media file; further comprising associating an identifier with each media file, said identifier being uniquely indicative of a work of authorship contained in said

media file; wherein said step of receiving a copy of said media file includes receiving a copy of said media file *in a controlled access format*; decrypting said media file; and providing said decrypted media file to a media player; further comprising restricting access to said decrypted media file; wherein said step of receiving said ad file includes receiving a copy of said ad file in a controlled access format; said step of presenting said media file content and said ad file content includes dividing said media file into a plurality of segments, and presenting ad file content between said segments (see [0061]-[0070])

Regarding claims 55-57, 80 and 100 Knepper teaches presenting a graphical user interface representing a media player to said user, said interface including: a first tab indicative of a first media type; and a second tab indicative of a second media type; and whereby user selection of said first tab results in the presentation of an active window for the presentation of a media file of said first type, while a media file of said second type is presented in background (see [0038]-[0040]); wherein the first media file is print and second is audio (see [0025], page 10, claims 1-9)

Regarding 58-61, 89, 90, 114, Knepper teaches further comprising making a record of media files that have been presented to said user; transmitting said media file presentation records to a provider of said ad files; further comprising selecting subsequent ad files based at least in part on said media file presentation records; requiring that said ad file content be presented in order to present said media file content; and relaxing the requirement for presenting said ad file for the remainder of a single media presentation session after said ad file has been presented (see [0037], [0041]-[0077], [0080]-[0084]).

Regarding claims 104-106 Knepper teaches providing media files containing copyrighted works; providing ad files; providing a media player operative to combine and present the content of said media files with the content of said ad files; and providing a free license to consumers to present said media files and said ad files with said media player; further comprising authorizing said consumers to reproduce and transfer said media files free of charge; monitoring the presentation of said ad files to said consumers; and conferring a benefit on particular ones of said consumers based at least in part on the presentation of said ad files to said particular consumers (see [0008]-[0014], [0029], [0030], [0041]).

Regarding claims 107 and 108, Knepper teaches receiving at least one ad file; receiving input indicative of a user's selection of at least one media file; receiving a copy of said media file; and presenting said media file content and said ad file content to said user; including code for causing an electronic device to present said media file to a user (see [0008]-[0014], [0029], [0030], [0041]).

Regarding claims 109, 110, Knepper teaches wherein said ad file is selected based in part on characteristic of the user (see [0012], [0029]-[0030]-[0040]-[0041]).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 7, 8, 29, 39, 40, 42, 43, 112 and 113 are rejected under 35 U.S.C. 103(a) as being unpatentable over Knepper further in view of Strietzel (US 6,950,804).

Regarding claims 7 and 8, Strietzel teaches wherein said ad file is selected based at least in part on a geographic location or time of day (see col. 4 lines 14-33, col. 10 lines 1-67, col. 11 lines 1-35, col. 14 lines 59-67). It would have been obvious to one of ordinary skill in the art at the time of the invention to provide the advertisement of Knepper based on location or time of the day in order to provide targeted adverting, as taught in Strietzel.

Regarding claim 29, Strietzel teaches wherein an ad requirement associated with a particular media file is set to indicate that no ad content is required after said particular media file content has been presented with ad file content a predetermined number of times (see col. 4 lines 1-33, col. 10 lines 47-67). Strietzel teaches advertisement could only be added when a user accesses a particular content item for the first time and possibly a few subsequent times or provide the user with an option to purchase the content item. It would have been obvious to one of ordinary skill in the art at the time of the invention to indicate no ad content to be associated with the media file as in Strietzel in order to provide the user with an option to receive the content with or without advertisement associated with it, as taught in Strietzel.

Regarding claims 39 and 112, Strietzel wherein said ad file includes user interactive content (see col. 4 lines 14-33, col. 10 lines 1-67). It would have been obvious to one of ordinary skill in the art at the time of the invention to include interactive content in order to allow the user to receive additional information about the product or to provide an option for the user to make a purchase.

Regarding claims 40, 42, 43 and 113, Strietzel teaches receiving a media file from said user; associating an ad requirement with said media file; and providing said media file to another user; whereby the content of said media file can be presented to said other user with ad file content; wherein at least a portion of said media file is received via a peer-to-peer transfer (see 16 lines 57 to col. 17 line 7). It would have been obvious to one of ordinary skill in the art at the time of the invention to register the user of Knepper to act as a content provider, as in Strietzel, in order to make the content available to other registered users content created by the user or for which the user owns copyrights, as taught in Strietzel.

Claims 15, 16, 68, 69 and 86-88 are rejected under 35 U.S.C. 103(a) as being unpatentable over Knepper further in view of Eyer et al. (US 6,588,015).

Regarding claims 15, 16, 68, 69, 86-88, Knepper does not specifically teach wherein said step of presenting said ad file content to said user includes ensuring that said ad file content is presented in its entirety include disabling media player playback controls, it is taught in Eyer (see col. 6 lines 50-61, col. 16 lines 46-59, col. 18 lines 48-54). It would have been obvious to one of ordinary skill in the art at the time of the invention to add the control in Knepper as in Eyer for the intended purpose of making sure that the user or viewer listens or views the advertising message paid by the advertiser. It would have been obvious to one of ordinary skill in the art to also control the volume so that the viewer would listen to the message.

Claims 117-122 are rejected under 35 U.S.C. 103(a) as being unpatentable over Knepper further in view of Dunstan et al. (US 7,400,729 B2).

Regarding claims 117-122, Knepper does not specifically teach releasing media file from a secure form using an access key and resecuring said media file using a new access key, it is

taught in Dunstan (see col. 1 lines 6-67, col. 6 lines 19 to col. 7 line 13). It would have been obvious to one of ordinary skill in the art at the time of the invention to encrypt the digital content of Knepper, as in Dunstan, in order to secure delivery of the digital content by providing the content to only authorized customers, as taught in Dunstan.

Response to Arguments

Applicant's arguments with respect to claims 1-22 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Wiser et al. (US 7,263,497 B1) teaches secure online music distribution.

Novak et al. (US 2002/0138593 A1) teaches digital rights management to secure distribution and to disable illegal distribution of paid content through peer-to-peer file exchange.

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event,

however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yehdega Retta whose telephone number is (571) 272-6723. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

YR

/Yehdega Retta/
Primary Examiner, Art Unit 3622

Notice of References Cited	Application/Control No. 10/606,729	Applicant(s)/Patent Under Reexamination DONIAN ET AL.	
	Examiner Yehdega Retta	Art Unit 3622	Page 1 of 1

U.S. PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Name	Classification
*	A	US-2001/0042249 A1	11-2001	Knepper et al.	725/42
*	B	US-2002/0138593 A1	09-2002	Novak et al.	709/219
*	C	US-7,263,497 B1	08-2007	Wiser et al.	705/26
*	D	US-7,400,729 B2	07-2008	Dunstan et al.	380/239
	E	US-			
	F	US-			
	G	US-			
	H	US-			
	I	US-			
	J	US-			
	K	US-			
	L	US-			
	M	US-			

FOREIGN PATENT DOCUMENTS

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	N					
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	S					
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NON-PATENT DOCUMENTS

*		Include as applicable: Author, Title Date, Publisher, Edition or Volume, Pertinent Pages)
	U	
	V	
	W	
	X	

*A copy of this reference is not being furnished with this Office action. (See MPEP § 707.05(a).)
Dates in MM-YYYY format are publication dates. Classifications may be US or foreign.

PTO/SB/30 (01-08)
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Request for Continued Examination (RCE) Transmittal

Address to:
Mail Stop RCE
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Application Number	**10/606,729**
Filing Date	**June 26, 2003**
First Named Inventor	**Donian, Philip M.**
Art Unit	**3622**
Examiner Name	**Retta, Yehdega**
Attorney Docket Number	**0054-011P1**

This is a Request for Continued Examination (RCE) under 37 C.F.R. § 1.114 of the above-identified application.
Request for Continued Examination (RCE) practice under 37 C.F.R. § 1.114 does not apply to any utility or plant application filed prior to June 8, 1995, or to any design application. See Instruction Sheet for RCEs (not to be submitted to the USPTO) on page 2.

1. Submission required under 37 C.F.R. § 1.114 Note: If the RCE is proper, any previously filed unentered amendments and amendments enclosed with the RCE will be entered in the order in which they were filed unless applicant instructs otherwise. If applicant does not wish to have any previously filed unentered amendment(s) entered, applicant must request non-entry of such amendment(s)

   a. ☐ Previously submitted. If a final Office action is outstanding, any amendments filed after the final Office Action may be considered as a submission even if the box is not checked.
      i. ☐ Consider the arguments in the Appeal Brief or Reply Brief previously filed on _____
      ii. ☐ Other _____

   b. ☒ Enclosed
      i. ☒ Amendment/Reply
      ii. ☐ Affidavit(s)/Declaration(s)
      iii. ☐ Information Disclosure Statement (IDS)
      iv. ☒ **Amendment Transmittal / Petition for Extension of Time**

2. Miscellaneous

   a. ☐ Suspension of action on the above-identified application is requested under 37 C.F.R.§ 1.103(c) for a period of _____ months. (Period of suspension shall not exceed 3 months, Fee under 37 C.F.R. § 1.17(i) **required**)

   b. ☐ Other _____

3. Fees The RCE fee under 37 C.F.R. § 1.17(e) is required by 37 C.F.R. 1.114 when the RCE is filed.

   a. ☐ The director is hereby authorized to charge the following fees, any underpayment of fees, or credit any overpayments, to Deposit Account No. _____. I have enclosed a duplicate copy of this sheet.
      ☐ RCE fee required under 37 C.F.R. § 1.17(e)
      ii. ☐ Extension of time fee (37 C.F.R. §§ 1.136 and 1.17)
      iii. ☐ Other _____

   b. ☐ Check in the amount of $ _____ enclosed

   c. ☒ Payment by credit card in the amount of $ **1,350.00** (Paid via On-Line Payment System)

SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT REQUIRED

Signature	**/Larry E. Henneman, Jr./**	Date	**November 14, 2009**
Name (Print/Type)	**Larry E. Henneman, Jr.**	Registration No. (Attorney/Agent)	**41063**

CERTIFICATE OF MAILING

I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to: Mail Stop RCE, Commissioner For Patents, P.O. Box 1450, Alexandria, VA 22313-1450, or facsimile transmitted to the U.S. Patent and Trademark Office on the date shown below:

Signature	**/Larry E. Henneman, Jr./**	Date	**November 14, 2009**
Type or printed name	**Larry E. Henneman, Jr.**		

If you need assistance in completing this form, call 1-800-PTO-9199 and select option 2.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant(s):	**Donian** (et al.)	Attorney Docket:	**0054-011P1**
Serial No.:	**10/606,729**	Examiner:	**Retta, Yehdega**
Filed:	**June 26, 2003**	Group Art Unit:	**3622**

Title: **Method And Apparatus For The Free Licensing Of Digital Media Content**

MS: Amendment
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Customer Number: **40972**

AMENDMENT

In response to the Office Action dated **May 20, 2009**, please amend the above identified application as follows.

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IN THE CLAIMS

Please amend the claims as follows:

1. (currently amended) In an electronic device including a media player, a method for presenting ads with user selected media files, said method comprising:

receiving at least one ad file;

storing said at least one ad file in said electronic device;

receiving input indicative of a user's selection of at least one media file;

receiving said media file separately from said ad file;

storing said media file in said electronic device; and

presenting said stored media file content and said stored ad file content to said user by sequencing said stored media file content and said stored ad file content in said media ~~player~~ player;

altering, in the media player, presentation of said content of said at least one media file responsive to input from said user; and

basing the presentation of said ad file content at least in part on an amount of said media file content actually presented to said user.

2. (original) A method according to Claim 1, further comprising:

receiving another ad file; and

re-presenting said media file content to said user with said another ad file content.

3. (original) A method according to Claim 1, wherein:

said step of receiving at least one ad file includes receiving a plurality of ad files; and

said step of presenting said ad to said user includes selecting said ad file from said plurality of ad files.

4. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on said media file content.

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5. (original) A method according to Claim 3, further comprising:

receiving demographic information from said user; and

wherein said ad file is selected at least in part based on said user demographic information.

6. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on a marketing preference.

7. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on a geographic location.

8. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on a time of day.

9. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on a position of presentation of ad file content with respect to said media file content.

10. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on a position of presentation of said ad file content with respect to other ad file content.

11. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on a number of said media files to be presented.

12. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on other ad files being presented with said media file content.

13. (original) A method according to Claim 3, wherein said ad file is selected based at least in part on a format of said media file content.

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14. (original) A method according to Claim 1, wherein said step of presenting said ad file content to said user includes ensuring that said ad file content is presented in its entirety.

15. (original) A method according to Claim 14, wherein ensuring that said ad file content is presented in its entirety includes disabling media player playback controls.

16. (original) A method according to Claim 14, wherein ensuring that said ad file content is presented in its entirety includes maintaining a volume setting above a predetermined threshold level.

17. (original) A method according to Claim 1, further comprising making a record of ad files that have been presented to said user.

18. (original) A method according to Claim 17, further comprising transmitting said ad file presentation records to a provider of said ad files.

19. (original) A method according to Claim 17, further comprising selecting subsequent ad files based at least in part on said ad file presentation records.

20. (currently amended) A method according to Claim 1, wherein:

said step of receiving at least one ad file includes receiving a plurality of ad files;

said step of receiving input indicative of a user's selection of at least one media file includes receiving a list of media files; and

said step of receiving ~~a copy of~~ said media file includes receiving a copy of each media file in said list of media files.

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21. (original) A method according to Claim 20, wherein said step of presenting said media file content with said ad file content includes:

arranging said ad files into ad blocks;

presenting the content of said media files included in said list; and

interrupting the presentation of said media file content with the presentation of the content of said ad blocks at predetermined points.

22. (original) A method according to Claim 21, further comprising:

altering the order of presentation of the content of said media files responsive to input from said user; and

altering said predetermined points for presenting said ad block content based on the altered order of presentation of the content of said media files.

23. (original) A method according to Claim 21, further comprising:

receiving input indicative of said user's desire to re-present the media files included in said list;

generating new ad blocks; and

presenting said media file content with the content of said new ad blocks.

24. (original) A method according to Claim 21, further comprising:

altering the order of presentation of the content of said media files responsive to input from said user; and

altering said ad block content based on the altered order of presentation of the content of said media files.

25. (original) A method according to Claim 1, wherein said step of presenting said media file content and said ad file content includes:

associating an ad requirement with said media file; and

presenting sufficient ad file content to satisfy said ad requirement.

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26. (original) A method according to Claim 25, wherein said ad requirement depends at least in part on the length of said associated media file content.

27. (original) A method according to Claim 25, wherein said ad requirement is predetermined for said associated media file.

28. (original) A method according to Claim 25, wherein a value indicative of said ad requirement is included in said associated media file.

29. (original) A method according to Claim 25, wherein an ad requirement associated with a particular media file is set to indicate that no ad content is required after said particular media file content has been presented with ad file content a predetermined number of times.

30. (original) A method according to Claim 25, wherein said ad requirement depends at least in part on a service level associated with said user.

31. (original) A method according to Claim 1, wherein:
said media file content is presented in a first format; and
said ad file content is presented in a second format different from said first format.

32. (original) A method according to Claim 31, wherein:
said first format is print; and
said second format is audio.

33. (original) A method according to Claim 32, wherein presenting said media file content and said ad file content includes presenting subsequent pages of said media file content, responsive to user input, while said ad file content is being presented.

34. (original) A method according to Claim 1, wherein said media file content and said ad file content are both presented in the same format.

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35. (original) A method according to Claim 34, wherein said media file content and said ad file content are both presented in audio format.

36. (original) A method according to Claim 34, wherein said media file content and said ad file content are both presented in video format.

37. (original) A method according to Claim 34, wherein said media file content and said ad file content are both presented in print format.

38. (original) A method according to Claim 1, wherein said media file comprises a real time broadcast.

39. (original) A method according to Claim 1, wherein said ad file includes user interactive content.

40. (original) A method according to Claim 1, further comprising:
receiving a media file from said user;
associating an ad requirement with said media file; and
providing said media file to another user;
whereby the content of said media file can be presented to said other user with ad file content.

41. (original) A method according to Claim 1, wherein said media file is received from the provider of said ad file.

42. (original) A method according to Claim 1, wherein at least a portion of said media file is received via a peer-to-peer transfer.

43. (previously presented) A method according to Claim 42, wherein said peer-to-peer transfer is transparent to said user.

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44. (original) A method according to Claim 1, further comprising receiving updated ad files for use with subsequent presentation of media files.

45. (original) A method according to Claim 1, further comprising receiving media file identifiers associated with media files that should no longer be presented.

46. (original) A method according to Claim 1, further comprising receiving media file identifiers associated with media files that are not be transferred.

47. (original) A method according to Claim 1, further comprising receiving media file identifiers associated with media files that are to be removed from said user's system.

48. (original) A method according to Claim 1, further comprising receiving a new media file identifier associated with a new media file that should be substituted for an existing media file.

49. (original) A method according to Claim 1, further comprising associating an identifier with each media file, said identifier being uniquely indicative of a work of authorship contained in said media file.

50. (currently amended) A method according to Claim 1, wherein said step of receiving ~~a copy of~~ said media file includes receiving a copy of said media file in a controlled access format.

51. (currently amended) A method according to Claim 50, wherein ~~said step of presenting said media file content to said user includes~~:

said step of receiving a copy of said media file in a controlled access format includes receiving a copy of said media file in an encrypted format; and

said step of presenting said media file content to said user includes decrypting said media file[[;]] and providing said decrypted media file to a media player.

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52. (original) A method according to Claim 51, further comprising restricting access to said decrypted media file.

53. (previously presented) A method according to Claim 50, wherein said step of receiving said ad file includes receiving a copy of said ad file in a controlled access format.

54. (original) A method according to Claim 1, wherein:
said step of receiving said at least one ad file includes receiving a plurality of ad files; and
said step of presenting said media file content and said ad file content includes dividing said media file into a plurality of segments, and presenting ad file content between said segments.

55. (original) A method according to Claim 1, further comprising presenting a graphical user interface representing a media player to said user, said interface including:
a first tab indicative of a first media type; and
a second tab indicative of a second media type; and whereby
user selection of said first tab results in the presentation of an active window for the presentation of a media file of said first type, while a media file of said second type is presented in background.

56. (original) A method according to Claim 55, wherein:
said first media type is print; and
said second media type is audio.

57. (previously presented) A method according to Claim 55, wherein said first media type and said second media type are the same media type.

58. (original) A method according to Claim 1, further comprising making a record of media files that have been presented to said user.

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59. (original) A method according to Claim 58, further comprising transmitting said media file presentation records to a provider of said ad files.

60. (original) A method according to Claim 58, further comprising selecting subsequent ad files based at least in part on said media file presentation records.

61. (original) A method according to Claim 1, further comprising:
requiring that said ad file content be presented in order to present said media file content; and
relaxing the requirement for presenting said ad file for the remainder of a single media presentation session after said ad file has been presented.

62. (currently amended) An electronically-readable storage medium having code embodied therein for causing an electronic device to:
receive at least one ad file;
store said at least one ad file in said electronic device;
receive input indicative of a user's selection of at least one media file;
receive said media file separately from said ad file;
store said media file in said electronic device; ~~and~~
present said stored media file content and said stored ad file content to said user by sequencing said stored media file content and said stored ad file content in said media ~~player~~ player;
allow, in the media player, said user to alter the presentation of said media file content; and
base the presentation of said ad file content at least in part on an amount of media file content actually presented to said user.

63. (previously presented) An electronically-readable medium according to Claim 62 and further having code embodied therein for causing said electronic device to:
receive another ad file; and
re-present said media file content to said user with said another ad file content.

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64. (previously presented) An electronically-readable medium according to Claim 62, wherein:

said step of receiving at least one ad file includes receiving a plurality of ad files; and

said step of presenting said ad to said user includes selecting said ad file from said plurality of ad files.

65. (previously presented) An electronically-readable medium according to Claim 64, wherein said ad file is selected based at least in part on said media file content.

66. (previously presented) An electronically-readable medium according to Claim 64 and further having code embodied therein for causing said electronic device to:

receive demographic information from said user; and

wherein said ad file is selected at least in part based on said user demographic information.

67. (previously presented) An electronically-readable medium according to Claim 62, wherein said step of presenting said ad file content to said user includes ensuring that said ad file content is presented in its entirety.

68. (previously presented) An electronically-readable medium according to Claim 67, wherein ensuring that said ad file content is presented in its entirety includes disabling media player playback controls.

69. (previously presented) An electronically-readable medium according to Claim 67, wherein ensuring that said ad file content is presented in its entirety includes maintaining a volume setting above a predetermined threshold level.

70. (previously presented) An electronically-readable medium according to Claim 62 and further having code embodied therein for causing an electronic device to make a record of ad files that have been presented to said user.

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71. (previously presented) An electronically-readable medium according to Claim 62, wherein:

said step of receiving at least one ad file includes receiving a plurality of ad files;

said step of receiving input indicative of a user's selection of at least one media file includes receiving a list of media files;

said step of receiving said media file includes receiving each media file in said list of media files; and

said step of presenting said media file content with said ad file content includes arranging said ad files into ad blocks, presenting the content of said media files included in said list, and interrupting the presentation of said media file content with the presentation of the content of said ad blocks at predetermined points.

72. (previously presented) An electronically-readable medium according to Claim 71 and further having code embodied therein for causing an electronic device to:

alter the order of presentation of the content of said media files responsive to input from said user; and

alter said predetermined points for presenting said ad block content based on the altered order of presentation of the content of said media files.

73. (previously presented) An electronically-readable medium according to Claim 71 and further having code embodied therein for causing an electronic device to:

receive input indicative of said user's desire to re-present the media files included in said list;

generate new ad blocks; and

present said media file content with the content of said new ad blocks.

74. (previously presented) An electronically-readable medium according to Claim 62, wherein said step of presenting said media file content and said ad file content includes:

associating an ad requirement with said media file; and

presenting sufficient ad file content to satisfy said ad requirement.

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75. (previously presented) An electronically-readable medium according to Claim 62, wherein:

said media file content is presented in a first format; and

said ad file content is presented in a second format different from said first format.

76. (previously presented) An electronically-readable medium according to Claim 62, wherein said media file content and said ad file content are both presented in the same format.

77. (previously presented) An electronically-readable medium according to Claim 62, wherein said media file comprises a real time broadcast.

78. (previously presented) An electronically-readable medium according to Claim 62, wherein said step of receiving said media file includes receiving said media file in a controlled access format.

79. (previously presented) An electronically-readable medium according to Claim 62, wherein:

said step of receiving said at least one ad file includes receiving a plurality of ad files; and

said step of presenting said media file content and said ad file content includes dividing said media file into a plurality of segments, and presenting ad file content between said segments.

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80. (previously presented) An electronically-readable medium according to Claim 62 and further having code embodied therein for causing an electronic device to present a graphical user interface representing a media player to said user, said interface including:

a first tab indicative of a first media type; and

a second tab indicative of a second media type; and whereby

user selection of said first tab results in the presentation of an active window for the presentation of a media file of said first type, while a media file of said second type is presented in background.

81. (currently amended) A system for presenting ads with user selected media files, said system comprising:

a communication interface operative to receive media files from one or more remote sources;

a user interface operative to receive input indicative of a user's selection of media files to be presented;

an ad manager operative to receive ad files from one or more remote ad file sources;

memory for storing said media files and said ad files;

an intersplicer responsive to a sequence of said media files presented to said user and operative to provide control signals ~~indicative of a presentation sequence for~~ causing presentation of said ad files ~~and said media files~~; and

a media player responsive to said control signals and operative to present the content of said media files and the content of said ad files to said user, said user interface, said ad manager, and said intersplicer being disposed locally with respect to said media player; and wherein

said media player responsive to input from said user is operative to allow the alteration of the presentation of said media files; and

said intersplicer is further operative to provide said control signals to alter the presentation of said content of said ad files based on an amount of said content of said media files actually presented to said user.

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82. (original) A system according to Claim 81, further comprising an ad rotator operative to replace said ad files with new ad files after said ad files have been presented.

83. (original) A system according to Claim 81, wherein said ad manager is operative to select ad files for presentation from a database of ad files.

84. (original) A system according to Claim 83, wherein said ad manager is operative to select said ad files based on said content of said selected media files.

85. (original) A system according to Claim 83, wherein said ad manager is operative to select said ad files based on user provided demographic information.

86. (original) A system according to Claim 81, wherein said intersplicer is operative to ensure that said ad files are presented in their entirety.

87. (original) A system according to Claim 86, wherein said intersplicer is operative to provide control signals to disable playback controls of said media player during the presentation of said ad file content.

88. (original) A system according to Claim 86, wherein said intersplicer is operative to provide control signals to set a minimum volume level of said media player during the presentation of said ad file content.

89. (original) A system according to Claim 81, wherein said intersplicer is further operative to make records of ad files that have been presented to said user.

90. (original) A system according to Claim 81, wherein said intersplicer is further operative to make records of media files that have been presented to said user.

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91. (original) A system according to Claim 81, wherein:
said input indicative of a user's selection of media files to be presented comprises a list of media files;
said ad manager is operative to arrange said ad files into ad blocks; and
said media player responsive to control signals from said intersplicer is operative to present the content of said media files included in said list, and to interrupt the presentation of said media file content with the presentation of the content of said ad blocks at predetermined points.

92. (original) A system according to Claim 91, wherein:
said media player responsive to input from said user is operative to alter the order of presentation of said media file content; and
said intersplicer responsive to the altered order of presentation of said media file content alters said predetermined points for presenting said ad block content.

93. (original) A system according to Claim 91, wherein said ad manager is operative to provide new ad blocks for presentation with repeat presentation of said list of media files.

94. (original) A system according to Claim 91, wherein:
said media player responsive to input from said user is operative to alter the order of presentation of said media file content; and
said ad manager responsive to the altered order of presentation of said media file content alters the content of said ad blocks.

95. (original) A system according to Claim 81, wherein said ad manager is further operative to associate an ad requirement value with each media file.

96. (original) A system according to Claim 81, wherein said media player responsive to control signals from said intersplicer is operative to present said ad files in a first format and said media files in a second format different from said first format.

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97. (original) A system according to Claim 81, wherein said media player responsive to control signals from said intersplicer is operative to present said ad files and said media files in the same format.

98. (original) A system according to Claim 81, wherein said media files comprise a real time broadcast.

99. (original) A system according to Claim 81, wherein:

at least one of said media files is divided into a plurality of segments; and

said media player is operative to present said ad files between said segments of said media file.

100. (original) A system according to Claim 81, wherein said user interface is further operative to present a graphical user interface representing said media player to said user, said graphical user interface including:

a representation of a first tab indicative of a first media type; and

a representation of a second tab indicative of a second media type; and whereby

user selection of said first tab causes said media player to present a media file of said first type in an active display window, and to present a media file of said second type in background.

101. (previously presented) A system according to Claim 81, further comprising a media file controlled access routine operative to receive and access said user selected media files.

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102. (currently amended) A system for presenting ads with user selected media files, said system comprising:

a communication interface operative to receive presentation media from at least one remote media source and to separately receive ads from at least one remote ad source;

memory for separately storing said presentation media and said ads;

a user interface operative to receive input indicative of a user's selection of media files to be presented;

a media player operative to present said presentation media and said ads;

means for sequencing said presentation media and said ads for presentation by said media player, said means for sequencing being co-located with said media ~~player~~ player;

means for allowing said user to resequence said presentation media; and

means for altering the presentation of said ads based at least in part on an amount of said presentation media actually presented.

103. (original) A system according to Claim 102, further comprising means for preventing the presentation of the content of said media files to said user without said commercial advertisements.

104. (currently amended) A method of doing business, said method comprising:

providing media files containing copyrighted works;

providing ad files;

associating an ad requirement with each of said media files, said ad requirement based at least in part on an amount of content of said media file actually presented to said user;

providing a media player operative to combine and present the content of said media files with the content of said ad files, said media player facilitating control of the presentation of said media file content by consumers and presenting said ad files based on said ad file requirements; and

providing a free license to consumers to present said media files and said ad files with said media player.

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105. (original) A method according to Claim 104, further comprising authorizing said consumers to reproduce and transfer said media files free of charge.

106. (original) A method according to Claim 104, further comprising:

monitoring the presentation of said ad files to said consumers; and

conferring a benefit on particular ones of said consumers based at least in part on the presentation of said ad files to said particular consumers.

107. (currently amended) An electronically-readable storage medium having stored ~~thereon~~ therein a data structure comprising:

a first field containing data identifying a media file; and

a second field containing data indicative of an ad requirement associated with said media file, said ad requirement being based at least in part on an amount of content of said media file actually presented; and

further including code for causing an electronic device to present said content of said media file to a user, to allow said user to alter the presentation of said media file content, and to monitor said amount of content of said media file actually presented to determine compliance with said ad requirement.

108. (original) An electronically-readable medium according to Claim 107, wherein said data structure further comprises a third field containing data representing an ad file to be displayed with said media file.

109. (previously presented) A method according to Claim 3, wherein said ad file is selected based at least in part on a characteristic of said user.

110. (previously presented) A system according to Claim 83, wherein said ad manager is operative to select said ad files based at least in part on a characteristic of said user.

111. (previously presented) A system according to Claim 17, further comprising transmitting said ad file presentation records to a provider of said media file.

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112. (previously presented) A method according to Claim 1, wherein said media file includes user interactive content.

113. (previously presented) A method according to Claim 1, wherein at least a portion of said ad file is received via a peer-to-peer transfer.

114. (previously presented) A method according to Claim 58, further comprising transmitting said media file presentation records to a provider of said media files.

115. (previously presented) An electronically-readable medium according to Claim 80, wherein said first media type and said second media type are a same media type.

116. (previously presented) A system according to Claim 100, wherein said first media type and said second media type are a same media type.

117. (currently amended) A method according to Claim 53, wherein ~~said step of presenting said ad file content to said user includes~~:

said step of receiving a copy of said ad file in a controlled access format includes receiving a copy of said ad file in an encrypted format; and

said step of presenting said ad file content to said user includes decrypting said ad file[[;]] and providing said decrypted ad file to a media player.

118. (previously presented) A method according to Claim 117, further comprising restricting access to said decrypted ad file.

119. (previously presented) A method according to Claim 50, wherein said step of receiving said media file includes:

releasing said media file from a secured form using an access key; and

resecuring said media file using a new access key.

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120. (previously presented) A system according to Claim 101, wherein said media file controlled access routine is operative to:

release said selected media file from a secured form using an access key; and resecure said selected media file using a new access key.

121. (previously presented) A method according to Claim 53, wherein said step of receiving said ad file includes:

releasing said ad file from a secured form using an access key; and

resecuring said ad file using a new access key.

122. (previously presented) A system according to Claim 81, wherein said ad manager is operative to:

release said ad files from a secured form using an access key; and

resecure said ad files using a new access key.

123. (new) A method according to Claim 1, wherein said amount of said media file content actually presented is determined at least in part based on an amount of time that said media file content is presented to said user.

124. (new) A method according to Claim 1, wherein said amount of said media file content actually presented is determined at least in part based on a number of media files associated with said media file content presented.

125. (new) A method according to Claim 1, wherein said amount of said media file content actually presented is determined at least in part based on a number of tracks associated with said media file content presented.

126. (new) A method according to Claim 1, wherein said amount of said media file content actually presented is determined at least in part based on a number of segments associated with said media file content presented.

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127. (new) A method according to Claim 1, wherein said amount of said media file content actually presented is determined at least in part based on a type of said media file content presented.

128. (new) An electronically-readable medium according to Claim 62, wherein said amount of said media file content actually presented is determined at least in part based on an amount of time that said media file content is presented to said user.

129. (new) An electronically-readable medium according to Claim 62, wherein said amount of said media file content actually presented is determined at least in part based on a number of media files associated with said media file content presented.

130. (new) An electronically-readable medium according to Claim 62, wherein said amount of said media file content actually presented is determined at least in part based on a number of tracks associated with said media file content presented.

131. (new) An electronically-readable medium according to Claim 62, wherein said amount of said media file content actually presented is determined at least in part based on a number of segments associated with said media file content presented.

132. (new) An electronically-readable medium according to Claim 62, wherein said amount of said media file content actually presented is determined at least in part based on a type of said media file content presented.

133. (new) A system according to Claim 81, wherein said amount of said media file content actually presented is determined at least in part based on an amount of time that said media file content is presented to said user.

134. (new) A system according to Claim 81, wherein said amount of said media file content actually presented is determined at least in part based on a number of media files associated with said media file content presented.

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135. (new) A system according to Claim 81, wherein said amount of said media file content actually presented is determined at least in part based on a number of tracks associated with said media file content presented.

136. (new) A system according to Claim 81, wherein said amount of said media file content actually presented is determined at least in part based on a number of segments associated with said media file content presented.

137. (new) A system according to Claim 81, wherein said amount of said media file content actually presented is determined at least in part based on a type said media file content presented.

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INTERVIEW SUMMARY

A telephone interview was held on November 10, 2009. Examiner Yehdega Retta, Attorney Larry Henneman, and Inventor Philip Donian participated in the interview. Applicants appreciate Examiner Retta extending the interview, particularly after a final rejection.

Mr. Henneman provided a brief overview of Applicants' invention. In particular, Mr. Henneman pointed out that according to at least one embodiment of Applicants' invention, a user could freely alter the presentation of media file content. Ads could be then be presented to the user based on the altered presentation of the media file content.

Next, the Knepper et al. reference was discussed. Mr. Henneman and Mr. Donian pointed out that the system of Knepper et al. did not provide the advantages of Applicants' invention. Rather, in Knepper et al., media file content and ad file content are presented to a user according to a text file delivered from a server. As shown in Fig. 4 of Knepper et al., no user intervention is allowed when the video and ad clips are being presented.

In view of the differences between the invention and the prior art, several examples of claim language were offered by Mr. Henneman. Examiner Retta also offered her opinions and suggested claim language. In particular, Examiner Retta characterized a distinguishing feature of Applicants' invention as presenting the ad files based on an amount of media file content presented to the user.

No agreement was reached with respect to the patentability of any claims. Examiner Retta indicated that she needed additional time to review the prior art of record and to do an updated search. Applicants agreed to file an amendment consistent with the claim language discussion, along with a Request for Continued Examination.

Applicants again thank Examiner Retta for extending the interview and for the cooperative nature of the interview.

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REMARKS

These remarks are in response to the final Office Action dated May 20, 2009, which has a shortened statutory period for response set to expire August 20, 2009. A three-month extension, to expire November 20, 2009, is requested in a petition filed herewith. A request for continued examination (RCE) is also filed herewith.

Claims

Claims 1-122 are pending in the above-identified application. Claims 1-122 are rejected over prior art. Claims 1, 20, 50, 51, 62, 81, 102, 104, 107, and 117 are amended, and Claims 123-137 are added. Claims 2-19, 21-49, 52-61, 63-80, 82-101, 103, 105-106, 108- 116, and 118-122 remain as filed or previously presented. Reconsideration is requested.

Rejections Under 35 U.S.C. § 112

Claims 3, 20, 50-52, 54, 71, 117 and 118 are rejected under 35 U.S.C. § 112, second paragraph.

Claim 3

Regarding Claim 3, the Examiner writes:

> Claim 3 recites "said step of receiving at least one ad file includes receiving a plurality of ad files". It is unclear how receiving of one file can include receiving more than one file.

Applicant respectfully traverses.

Claim 3 depends directly from Claim 1, which recites "receiving at least one ad file." The clear language of Claim 1 covers receiving either one ad file or a plurality of ad files. For example, if four ad files are received, then at least one ad file is received. Claim 3 narrows this limitation ("receiving at least on ad file") by requiring that a plurality of ad files be received.

There is nothing grammatically incorrect or inconsistent in the language of Claim 3. Claim 3 clearly references a limitation of Claim 1 and further restricts that limitation. Therefore, Applicants respectfully request reconsideration and withdrawal of the rejection of Claim 3 under 35 USC §112, second paragraph.

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Claims 20, 54, and 71

The Examiner writes:

> Claim 20 also recites "said step of receiving at least one ad file includes receiving a plurality of ad files" and "said step of receiving input indicative of user's selection of at least one media file includes receiving a list of media files." It is unclear how receiving of one file can include receiving more than one file, and step of receiving input indicative of user's selection of one media file can include receiving a list of media files. Claims 54 and 71 are also rejected for the same reason.

Applicants respectfully traverse, because Claims 20, 54, and 71 are clear and definite.

Initially Applicants point out that independent Claim 1 recites "receiving at least one ad file" and "receiving input indicative of a user's selection of at least one media file." Receiving at least one ad file can include receiving a plurality of ad files as follows. If five ad files are received, then at least one ad file has been received (five being greater than one) and a plurality of ad files have been received (five is a plurality). Similarly, if a user provides a list of five media files, then the user has provided input indicative of at least one media file (five being greater than one).

For at least these reasons, Applicants assert that the language of Claims 20, 54, and 71 is not unclear. Therefore, Applicants respectfully request reconsideration and withdrawal of the rejections of Claims 20, 54, and 71 under 35 USC §112, second paragraph.

Claims 51, 52, 117, and 118

The Examiner writes:

> Claim 51 recites a method according to Claim 50, wherein said step of presenting said media file content to said user includes: decrypting said media file. Claim 50 however does not recite the media being encrypted therefore, it is unclear how unencrypted file can be decrypted. Claims 52, 117 and 118 are also rejected for the same reason.

Claims 51 is amended to explicitly recite "receiving a copy of said media file in an encrypted format," and Claim 117 is amended to explicitly recite "receiving a copy of said ad file in an encrypted format." Applicants assert that these amendments eliminate any perceived lack of clarity and respectfully request reconsideration and withdrawal of the rejections.

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Claim 61

The Examiner writes:

> Claim 61 recites "relaxing the requirements for presenting said ad file for the remainder of a single media presentation session after said ad file has been presented." Claim 1 recites receiving at least one ad file, selecting at least one media file, storing said media file, and presenting said stored media file content and said stored ad file content. Therefore, it is unclear what applicant meant by relaxing the requirement for presenting said one ad file with one media file.

Applicants respectfully traverse.

Applicants have carefully reviewed Claim 61 and base Claim 1. Applicants cannot identify any inconsistency that would result in a lack of clarity in Claim 61. As the Examiner points out, Claim 1 requires "presenting said stored media file content and said stored ad file content." Claim 61 recites "requiring that said ad file content be presented in order to present said media file content; and relaxing the requirement for presenting said ad file for the remainder of a single media presentation session after said ad file has been presented." (emphasis added) Applicants respectfully assert that relaxing the requirement for presenting the ad file after the ad file has been presented is not inconsistent with the requirement of Claim 1 to present the ad file content. For these reasons, Applicants respectfully request reconsideration and withdrawal of the rejection of Claim 61 under 35 USC §112, second paragraph.

Claims 20 and 50

Claims 20 and 50 are amended to correct the antecedent basis problem. In particular, "receiving a copy of said media file" has been changed to "receiving said media file." Withdrawal of the rejections of Claims 20 and 50 is respectfully requested, in view of the amendments.

For the above reasons Applicants request reconsideration and withdrawal of all rejections under 35 U.S.C. § 112.

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Rejection Under 35 U.S.C. §101

Claims 107 and 108 are rejected under 35 U.S.C. § 101 as being directed to nonstatutory subject matter. The Examiner writes:

> Claim 107 is not directed to a process, as there is no method step; it is not directed to system, as there is no system component. The invention seems to be directed toward an article of manufacture, however, signals, data structures or computer programs not embodied in a computer readable media executable by a computer are descriptive material per se and are not statutory because they are not capable of causing functional change in a computer. Data structure or signal not claimed as embodied in computer-readable media is descriptive material per se and is not statutory because they are neither physical nor statutory process. Such claimed signals do not define any structural and functional interrelationships between a computer code and other claimed elements of a computer, which permit the computer's program to be realized (see MPEP section 2106). The amended claim recites a data structure comprising of codes or fields which is just software or program per se.

Applicant respectfully traverses.

MPEP §2106.01 clearly states: "When functional descriptive material is recorded on some computer-readable medium, it becomes structurally and functionally interrelated to the medium and will be statutory in most cases since use of technology permits the function of the descriptive material to be realized."

Contrary to the Examiner's assertion, Claim 107 does not claim a data structure per se. Rather, the data structure and code are claimed as being embodied in an electronically-readable medium. Moreover, the data structure of Claim 107 is clearly functional. The data structure associates a media with an ad requirement, which permits an electronic device to display ad files and media files in a predetermined proportion. In addition to the data structure elements, Claim 107 also includes functional code that causes the electronic device to present the content of the media file to a user.

Because Claim 107 includes functional data structure and code embodied in an electronically-readable medium, Claim 107 is directed to statutory subject matter. In addition, Claim 107 is amended herein for further clarification, and now recites "An electronically-readable storage medium." Claim 108 depends from Claim 107 and claims statutory subject matter for at least the same reasons as Claim 107.

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For at least the foregoing reasons, Applicant respectfully requests reconsideration and withdrawal of the rejections under 35 USC §101.

Rejections Under 35 U.S.C. §§ 102 and 103

Claims 1-6, 9-14, 17-28, 30-38, 41, 44-67, 70-85, 89-11, and 114-116 are rejected under 35 U.S.C. § 102 (e) as being anticipated by US 2001/0042249 (Knepper et al.). Claims 7, 8, 29, 39, 40, 42, 43, 112, and 113 are rejected under 35 USC §103(a) as being upatentable over Knepper in view of U.S. 6,950,804 (Strietzel). Claims 15, 16, 68, 69, and 86-88 are rejected under 35 USC §103(a) as being upatentable over Knepper in view of US 6,588,015 (Eyer, et al.). Claims 117-122 are rejected under 35 USC §103(a) as being upatentable over Knepper in view of US 7,400,729 (Dunstan, et al.).

All of the independent claims are amended to obviate the current rejections. The amendment of the claims is intended to expedite the allowance of the present application and is not an admission with respect to the propriety of the rejections.

Claims 1-61, 109, 111-114, 117-119, and 121

Claim 1 is amended herein to now recite (in part):

> altering, in the media player, presentation of said content of said at least one media file responsive to input from said user; and
> basing the presentation of said ad file content at least in part on an amount of said media file content actually presented to said user.

Knepper et al. does not disclose these limitations of Claim 1. Instead, in Knepper et al., the order of presentation and the location of the ads is determined at the server 207 and communicated to the client system 203 via an instruction set (e.g., a text file). The presentation of ad file content is then based solely on the instruction set. Moreover, the presentation of the media file cannot be altered in the media player. As shown in Fig. 4 of Knepper et al., once the presentation of a particular media file has begun, no user intervention is allowed.

In contrast, according to the invention of Claim 1, the presentation of the media file content can be altered in the media player responsive to input from the user. In addition, the presentation of ad file content is based at least in part on the amount of media file content actually presented to the user. Thus the presentation of the ad file content can be changed in

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response changes in the presentation of the media files by the user. This flexibility is not present in the system of Knepper et al.

Claim 1 is distinguished over Knepper et al. for at least the foregoing reasons. Claims 2-61, 109, 111-114, 117-119, and 121 depend, either directly or indirectly, from Claim 1 and are, therefore, distinguished over the cited reference for at least the same reasons as Claim 1.

Claim 62-80, and 115

Claim 62 is amended herein to now recite (in part):

> allow, in the media player, said user to alter the presentation of said media file content; and
> base the presentation of said ad file content at least in part on an amount of media file content actually presented to said user.

As indicated above, the system of Knepper et al. does not allow the user to alter the presentation of the media file content and does not base the presentation of the ad file content on the amount of media file content actually presented to the user. Therefore, Claim 62 distinguishes over the cited reference. Claims 63-80 and 115 depend, either directly or indirectly, from Claim 62 and are, therefore, distinguished over the cited reference for at least the same reasons.

Claims 81-101, 110, 116, 120, and 122

As amended herein, Claim 81 recites (in part):

> said media player responsive to input from said user is operative to allow the alteration of the presentation of said media files; and
> said intersplicer is further operative to provide said control signals to alter the presentation of said content of said ad files based on an amount of said content of said media files actually presented to said user.

As indicated above, the system of Knepper et al. does not allow the alteration of the presentation of the media files responsive to input from the user and does not base the presentation of the ad file content on the amount of media file content actually presented to the user. Therefore, Claim 81 distinguishes over the cited reference. Claims 82-101, 110, 116, 120, and 122 depend, either directly or indirectly, from Claim 81 and are, therefore, distinguished over Knepper et al. for at least the same reasons.

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Claims 102 and 103

As amended herein, Claim 102 recites (in part):

> means for allowing said user to resequence said presentation media; and
> means for altering the presentation of said ads based at least in part on an amount of said presentation media actually presented.

Knepper et al. does not disclose allowing said user to resequence said presentation media in combination with altering the presentation of the ads based on an amount of the presentation media actually presented. For at least these reasons, amended Claim 102 distinguishes over Knepper. Claim 103 depends from Claim 102 and is, therefore, distinguished over the cited reference for at least the same reasons.

Claims 104-106

As amended herein, Claim 104 now recites (in part):

> associating an ad requirement with each of said media files, said ad requirement based at least in part on an amount of content of said media file actually presented to said user;
> providing a media player operative to combine and present the content of said media files with the content of said ad files, said media player facilitating control of the presentation of said media file content by consumers and presenting said ad files based on said ad file requirements.

Knepper et al. does not disclose an ad requirement based at least in part on an amount of content of the media file actually presented to the user in combination with a media player facilitating control of the presentation of the media file content by consumers. Therefore, Claim 104 distinguishes over Knepper et al. Claims 105 and 106 depend from Claim 104 and are, therefore, distinguished over Claim 104 for at least the same reasons.

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Claims 107-108

As amended herein, Claim 107 now recites (in part):

> a second field containing data indicative of an ad requirement associated with said media file, said ad requirement being based at least in part on an amount of content of said media file actually presented; and
> further including code for causing an electronic device to present said content of said media file to a user, to allow said user to alter the presentation of said media file content, and to monitor said amount of content of said media file actually presented to determine compliance with said ad requirement.

Knepper et al. does not disclose an electronically-readable storage medium having a data structure stored therein that includes data indicative of an ad requirement based at least in part on an amount of media file content actually presented. Even more particularly, Knepper et al. does not disclose the claimed data structure in combination with code that causes an electronic device to allow a user to alter the presentation of the media file content and to monitor the amount of media file content actually presented to determine compliance with the ad requirement. For at least these reasons, amended Claim 107 distinguishes over Knepper et al. Claim 108 depends from Claim 107 and distinguishes over the cited reference for at least the same reasons.

New Claims 123-137

New Claims 123-127 depend from Claim 1 and are, therefore, distinguished over the prior art of record for at least the same reasons as Claim 1. New Claims 128-132 depend from Claim 62 and are, therefore, distinguished over the prior art of record for at least the same reasons as Claim 62. New Claims 133-137 depend from Claim 81 and are, therefore, distinguished over the prior art of record for at least the same reasons as Claim 81.

Support for new Claims 123-137 can be found in Applicants original disclosure at least at Page 12, Lines 10-12; Page 21, Lines 18-21; and Page 27, Lines 12-16.

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For the foregoing reasons, Applicants believe Claims 1-137 are in condition for allowance. Should the Examiner undertake any action other than allowance of Claims 1-137, or if the Examiner has any questions or suggestions for expediting the prosecution of this application, the Examiner is requested to contact Applicants' attorney at (269) 279-8820.

Respectfully submitted,

November 14, 2009

Date:_____

/Larry E. Henneman, Jr./

_____

Larry E. Henneman, Jr., Reg. No. 41,063
Attorney for Applicant(s)
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CERTIFICATE OF FACSIMILE TRANSMISSION (37 CFR 1.8(a))

I hereby certify that this paper (along with any referred to as being attached or enclosed) is being electronically filed vie EFS-Web or transmitted via facsimile, on the date shown below, to: MS Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, at (571) 273-8300.

Date: November 14, 2009

/Larry E. Henneman, Jr./
Larry E. Henneman, Jr.

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Electronic Patent Application Fee Transmittal

Application Number:	10606729
Filing Date:	26-Jun-2003
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Filer:	Larry E. Henneman
Attorney Docket Number:	0054-011P1

Filed as Small Entity

Utility under 35 USC 111(a) Filing Fees

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Basic Filing:				
Pages:				
Claims:				
Claims in excess of 20	2202	15	26	390
Miscellaneous-Filing:				
Petition:				
Patent-Appeals-and-Interference:				
Post-Allowance-and-Post-Issuance:				
Extension-of-Time:				

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Extension - 3 months with $0 paid	2253	1	555	555
Miscellaneous:				
Request for continued examination	2801	1	405	405
		Total in USD ($)		**1350**

Electronic Acknowledgement Receipt

EFS ID:	6455392
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	40972
Filer:	Larry E. Henneman
Filer Authorized By:	
Attorney Docket Number:	0054-011P1
Receipt Date:	14-NOV-2009
Filing Date:	26-JUN-2003
Time Stamp:	13:58:37
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	yes
Payment Type	Credit Card
Payment was successfully received in RAM	$1350
RAM confirmation Number	8810
Deposit Account	
Authorized User	

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)

1	Extension of Time	Transmittal.pdf	66064 4f7fe34c84a2e2aa717c13f8330850b998d00b2c	no	1
Warnings:					
Information:					
2	Request for Continued Examination (RCE)	RCE.pdf	92655 4c1ebce99e1210d9322a9eb45563311a90a55a7b	no	1
Warnings:					
This is not a USPTO supplied RCE SB30 form.					
Information:					
3	Amendment Submitted/Entered with Filing of CPA/RCE	Amendment.pdf	134771 830a2a87bafcdb23529faba80e07d2b0da6bc255	no	33
Warnings:					
Information:					
4	Fee Worksheet (PTO-875)	fee-info.pdf	33309 280f0683b9e009d75267478e649f963d1cce9fe8	no	2
Warnings:					
Information:					
		Total Files Size (in bytes):	326799		

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<u>New Applications Under 35 U.S.C. 111</u>
If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

<u>National Stage of an International Application under 35 U.S.C. 371</u>
If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

<u>New International Application Filed with the USPTO as a Receiving Office</u>
If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

AMENDMENT TRANSMITTAL LETTER **Under Small Entity Status**	Attorney Docket No: 0054-011P1

Application Serial Number: 10/606,729	Filing Date: June 26, 2003	Examiner: Retta, Yehdega	Group Art Unit: 3622

Invention: Method And Apparatus For The Free Licensing Of Digital Media Content

TO THE COMMISSIONER OF PATENTS AND TRADEMARKS:
Transmitted herewith is an amendment (33 pages) in the above-identified application. The fee has been calculated as shown below.

CLAIMS AS AMENDED

	CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	NO. OF EXTRA CLAIMS PRESENT	RATE	ADDITIONAL FEE
TOTAL CLAIMS	137	MINUS	122	15	$26	$ 390.00
INDEP. CLAIMS	5	MINUS	5	0	$110	$ 0.00

_X_ Petition is hereby made under 37 CFR 1.136(a) to extend the time for response to the Office Action of 5/20/2009 to and through 11/20/2009, comprising an extension of the shortened statutory period of:

___ one month ($65)
___ two months ($245)
_X_ three months ($555)
___ four months ($865)

_X_ A Request for Continued Examination is included. ($405.00)

TOTAL ADDITIONAL FEE FOR THIS AMENDMENT	$1,350.00

_X_ Small entity status is proper and requested for this application

___ A fax coversheet accompanies this transmission.

_X_ The above-listed fees are being paid in conjunction with the electronic filing of this paper.

The Commissioner is authorized to charge any additional required fees to the credit card used to pay the above-listed fees.

___ No additional fee is required.

November 14, 2009
Date

/Larry E. Henneman, Jr./
Larry E. Henneman, Jr.
Reg. No. 41,063

I hereby certify that this correspondence (along with any referred to as being attached or enclosed) is being electronically filed or transmitted via facsimile to: MS Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 at (571) 273-8300 on November 14, 2009.

/Larry E. Henneman, Jr./
Larry E. Henneman, Jr., Reg. No. 41,063

PTO/SB/06 (07-06)
Approved for use through 1/31/2007. OMB 0651-0032
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PATENT APPLICATION FEE DETERMINATION RECORD

Substitute for Form PTO-875

Application or Docket Number	Filing Date	☐ To be Mailed
10/606,729	06/26/2003	

APPLICATION AS FILED – PART I

	(Column 1)	(Column 2)	SMALL ENTITY ☒		OR	OTHER THAN SMALL ENTITY	
FOR	NUMBER FILED	NUMBER EXTRA	RATE ($)	FEE ($)		RATE ($)	FEE ($)
☐ BASIC FEE (37 CFR 1.16(a), (b), or (c))	N/A	N/A	N/A			N/A	
☐ SEARCH FEE (37 CFR 1.16(k), (i), or (m))	N/A	N/A	N/A			N/A	
☐ EXAMINATION FEE (37 CFR 1.16(o), (p), or (q))	N/A	N/A	N/A			N/A	
TOTAL CLAIMS (37 CFR 1.16(i))	minus 20 =	*	X $ =		OR	X $ =	
INDEPENDENT CLAIMS (37 CFR 1.16(h))	minus 3 =	*	X $ =			X $ =	
☐ APPLICATION SIZE FEE (37 CFR 1.16(s))	If the specification and drawings exceed 100 sheets of paper, the application size fee due is $250 ($125 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).						
☐ MULTIPLE DEPENDENT CLAIM PRESENT (37 CFR 1.16(j))							
* If the difference in column 1 is less than zero, enter "0" in column 2.			TOTAL			TOTAL	

APPLICATION AS AMENDED – PART II

AMENDMENT		(Column 1)		(Column 2)	(Column 3)	SMALL ENTITY		OR	OTHER THAN SMALL ENTITY	
	11/14/2009	CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)		RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	* 137	Minus	** 122	= 15	X $26 =	390	OR	X $ =	
	Independent (37 CFR 1.16(h))	* 5	Minus	***5	= 0	X $110 =	0	OR	X $ =	
	☐ Application Size Fee (37 CFR 1.16(s))									
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))							OR		
						TOTAL ADD'L FEE	390	OR	TOTAL ADD'L FEE	

AMENDMENT		(Column 1)		(Column 2)	(Column 3)					
		CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)		RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	*	Minus	**	=	X $ =		OR	X $ =	
	Independent (37 CFR 1.16(h))	*	Minus	***	=	X $ =		OR	X $ =	
	☐ Application Size Fee (37 CFR 1.16(s))									
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))							OR		
						TOTAL ADD'L FEE		OR	TOTAL ADD'L FEE	

* If the entry in column 1 is less than the entry in column 2, write "0" in column 3.

** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 20, enter "20".

*** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 3, enter "3".

The "Highest Number Previously Paid For" (Total or Independent) is the highest number found in the appropriate box in column 1.

Legal Instrument Examiner:
/VENICE M. WILLIAMS/

This collection of information is required by 37 CFR 1.16. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	0054-011P1	5831

40972 7590 02/01/2010

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EXAMINER	
RETTA, YEHDEGA	
ART UNIT	PAPER NUMBER
3622	

MAIL DATE	DELIVERY MODE
02/01/2010	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/606,729	DONIAN ET AL.	
	Examiner	Art Unit	
	Yehdega Retta	3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *14 November 2009*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-137* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-137* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

This office action is in response to Request for Continued Examination filed November 14, 2009. Applicant amended claims 1, 20, 51, 62, 81, 102, 104, 107 and 117 and added claims 123-137. Claims 1-137 are pending.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 102 and 103 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claim 102, in the preamble, recites a system claim which can be equated to that of interconnected devices defined by physical structural elements and corresponding functions. However the body of claim recites a communication interface, a user interface, a media player and means for allowing user to re-sequence the presentation and means for altering the presentation, which are interpreted to mean software or modules which do not have a physical structure. The Supreme Court has defined the term "machine" as "a concrete thing, consisting of parts, or of certain devices and combination of devices." *Burr v. Duryee*, 68 U.S. (1 Wall.) 531, 570 (1863). This "includes every mechanical device or combination of mechanical powers and devices to perform some function and produce a certain effect or result." *Corning v. Burden*, 56 U.S. 252, 267 (1854).

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1 and 62 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 now recites altering, in the media player, presentation of the content of said at least one media file responsive to input from said user. The claim recites receiving at least **one** ad file and at least **one** media file and presenting the stored media file content and the ad file content to said user by *sequencing the media file content and the ad file content in said media player*. Does applicant mean that the sequencing of the presentation is altered or the content is altered? Also does it mean that the ad is presented not at the end of the one media file, but in the middle of presenting the one media file?

Claim 62 is also rejected for the same reason stated in claim 1.

Claim 1 recites the limitation "said stored media file content" and "said stored ad file content". There is insufficient antecedent basis for this limitation in the claim. Claim 1 recites "receiving media file" and "receiving ad file".

Claim 62 is also rejected for the same reason stated above.

Claim 51 recites the limitation "said step of receiving a copy of media file". There is insufficient antecedent basis for this limitation in the claim. Claim 50 now recites "receiving said media file".

Claim 81 recites the limitation "to present the content of said media files", "the content of said ad files", "presentation of said content of said ad files" and "said contents of said media

files". There is insufficient antecedent basis for this limitation in the claim. The claim 1 recites receive "media files" and receive "ad files".

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-6, 9-14, 17-28, 30-38, 41, 44-67, 70-85, 89-111 and 114-116 are rejected under 35 U.S.C. 102(e) as being clearly anticipated by Knepper et al. (2001/0042249).

Regarding claims 1, 62, 81, 102, 103, Knepper teaches receiving at least one ad file; *storing said at lease one ad file in electronic device;* receiving input indicative of a user's selection of at least one media file; receiving a media file *separately from the ad file; storing said media file in the electronic device* and presenting said *stored* media file content and said *stored* ad file content to said user *sequencing said stored media file content and stored ad file content in said media player* (see [0008]-[0014], [0029], [0030], [0041]). Knepper teaches *altering presentation of said content and basing the presentation of said ad file content at least in part on an amount of the said media file content actually presented to the said user.* Knepper teaches the client application (at block 805) determines whether the download list contains instruction for including an advertisement in a clip of the episode, if not the client application proceeds to download the first non-advertisement media file for the episode and if an instruction

is present in the download list …a user begins play of the episode … typically, a single clip would have an advertisement at its beginning, at its end, both or not all (see [0087]-[0088]. Knepper also teaches the server sending instructions indicating which advertisement media files from among the pre-cached advertisement media files to insert into the entertainment media file at run time, how many advertisement media files to insert, and where to insert them; the instruction file need not specify exactly which advertisement media files to insert; rather, the instruction file can allow the client application to make its own random or pseudo-random selection, subject to any positive and negative associations, for playing back with the entertainment media file (see [0041]). Knepper also teaches shows that are a series of video clips, the sequence of events relating to the arrangement of the various files prior to playback is particular and is dictated by the instruction set or text file; the text file lists the order of the show clips and contains the instruction sets surrounding each of the show clips; upon request of a show or an episode by the user from the server, the text file arrives in the application first; the software organizes the list and begins calling out for the files that it needs to assemble each clip and, then, to assemble the clips to form an episode of a show (see [0046]).

Regarding claims 2, 3, 63, 64, 82 and 83, Knepper teaches receiving another ad file; and re-presenting said media file content to said user with said another ad file content; receiving a plurality of ad files; and said step of presenting said ad to said user includes selecting said ad file from said plurality of ad files (see [0029], [0036], [0041], [0065]-[0068], [0081]).

Regarding claims 4-6, 65, 66, 84 and 85, Knepper teaches wherein said ad file is selected based at least in part on said media file content; receiving demographic information from said user; and wherein said ad file is selected at least in part based on said user demographic information; wherein said ad file is selected based at least in part on a marketing preference (see [0063]).

Regarding claims 9-14, 67, 70, 86 Knepper teaches wherein said ad file is selected based at least in part on a position of presentation of ad file content with respect to said media file content; based at least in part on a position of presentation of said ad file content with respect to other ad file content; based at least in part on a number of said media files to be presented; based at least in part on other ad files being presented with said media file content; based at least in part on a format of said media file content; (see [0080]-[0085]).

Regarding claims 17, 18, 70, 89, 90, 111, Knepper teaches further comprising making a record of ad files that have been presented to said user; transmitting said ad file presentation records to a provider of said ad files (see [0037], [0041]-[0077]).

Regarding claims 19-23 and 71-73, 91-93, Knepper teaches selecting subsequent ad files based at least in part on said ad file presentation records; receiving a plurality of ad files; said step of receiving input indicative of a user's selection of at least one media file includes receiving a list of media files; and said step of receiving a copy of said media file includes receiving a copy of each media file in said list of media files; wherein said step of resenting said media file content with said ad file content includes arranging said ad files into ad blocks; presenting the content of said media files included in said list; and interrupting the presentation of said media file content with the presentation of the content of said ad blocks at predetermined points;

altering the order of presentation of the content of said media files responsive to input from said user; and altering said predetermined points for presenting said ad block content based on the altered order of presentation of the content of said media files; further comprising: receiving input indicative of said user's desire to re-present the media files included in said list; generating new ad blocks; and presenting said media file content with the content of said new ad blocks (see [0008]-[0014], [0029], [0030], [0041], [0055], [0080]-[0082]).

Regarding claims 24-28, 30, 74 and 94-96, Knepper teaches altering the order of presentation of the content of said media files responsive to input from said user; and altering said ad block content based on the altered order of presentation of the content of said media files; wherein said step of presenting said media file content and said ad file content includes associating an ad requirement with said media file; and presenting sufficient ad file content to satisfy said ad requirement; wherein said ad requirement depends at least in part on the length of said associated media file content; wherein said ad requirement is predetermined for said associated media file; wherein a value indicative of said ad requirement is included in said associated media file; wherein an ad requirement associated with a particular media file is set to indicate that no ad content is required after said particular media file content has been presented with ad file content a predetermined number of times; wherein said ad requirement depends at least in part on a service level associated with said user; (see [0008]-[0014], [0034]-[0037], [0041], [0052], [0084]).

Regarding claims 31-38, 75-77, 97, 98, 114, 115 Knepper teaches said media file content is presented in a first format; and said ad file content is presented in a second format different from said first format; broadcast, said first format is print and the second format is audio;

wherein presenting said media file content and said ad file content includes presenting subsequent pages of said media file content, responsive to user input, while said ad file content is being presented; wherein said media file content and said ad file content are both presented in the same format; wherein said media file content and said ad file content are both presented in audio format; wherein said media file content and said ad file content are both presented in video format; wherein said media file comprises a real time; wherein said media file content and said ad file content are both presented in print format (see [0025], [0037]-[0040], [0049]-[0059], [0092], claims 1-9).

Regarding claim 41, Knepper teaches wherein said media file is received from the provider of said ad file (see [0026]-[0028]);

Regarding claim 44 Knepper teaches receiving updated ad files for use with subsequent presentation of media files (see [0029]-[0030]).

Regarding claims 45-54, 78, 79, 99, 101, 117, 118 and 101, Knepper teaches receiving media file identifiers associated with media files that should no longer be presented; further comprising receiving a new media file identifier associated with a new media file that should be substituted for an existing media file; further comprising associating an identifier with each media file, said identifier being uniquely indicative of a work of authorship contained in said media file; wherein said step of receiving a copy of said media file includes receiving a copy of said media file *in a controlled access format*; decrypting said media file; and providing said decrypted media file to a media player; further comprising restricting access to said decrypted media file; wherein said step of receiving said ad file includes receiving a copy of said ad file in a controlled access format; said step of presenting said media file content and said ad file content

includes dividing said media file into a plurality of segments, and presenting ad file content between said segments (see [0061]-[0070])

Regarding claims 55-57, 80 and 100 Knepper teaches presenting a graphical user interface representing a media player to said user, said interface including: a first tab indicative of a first media type; and a second tab indicative of a second media type; and whereby user selection of said first tab results in the presentation of an active window for the presentation of a media file of said first type, while a media file of said second type is presented in background (see [0038]-[0040]); wherein the first media file is print and second is audio (see [0025], page 10, claims 1-9)

Regarding 58-61, 89, 90, 114, Knepper teaches further comprising making a record of media files that have been presented to said user; transmitting said media file presentation records to a provider of said ad files; further comprising selecting subsequent ad files based at least in part on said media file presentation records; requiring that said ad file content be presented in order to present said media file content; and relaxing the requirement for presenting said ad file for the remainder of a single media presentation session after said ad file has been presented (see [0037], [0041]-[0077], [0080]-[0084]).

Regarding claims 104-106 Knepper teaches providing media files containing copyrighted works; providing ad files; providing a media player operative to combine and present the content of said media files with the content of said ad files; and providing a free license to consumers to present said media files and said ad files with said media player; further comprising authorizing said consumers to reproduce and transfer said media files free of charge; monitoring the presentation of said ad files to said consumers; and conferring a benefit on particular ones of said

consumers based at least in part on the presentation of said ad files to said particular consumers (see [0008]-[0014], [0029], [0030], [0041]).

Regarding claims 107 and 108, Knepper teaches a electronically-readable storage medium having data structure comprising:

a first field containing data identifying a media file (media files downloaded from a server to a client and pre-cached at the client site) (see [0008]).

a second field containing data indicating of an ad requirement associated with said media file (an instruction code downloaded from server to client) see [0009]).

a code for causing an electronic device to present said content of said media file to a user (see [0010]).

No patentable weight is given to the language "said ad requirement being based at least in part on an amount of content of said media file actually presented" and the language "to present said content of said media file to a user, to allow said user to alter the presentation of said media file content, and to monitor said amount of content of said media file actually presented to determine compliance with said ad requirement", which is just an intended use of storing the code in a storage medium. The language further limits the "ad requirement" (associated with a media file), which does not change or further limit the storing of the data structure (i.e., the first filed, second filed and the code).

However Knepper also ad requirement being based at least in part on an amount of content of said media file actually presented; to allowing said user to alter the presentation of said media file content, and monitoring said amount of content of said media file actually presented to determine compliance with said ad requirement (see [0037]-[0040]). Knepper

teaches the client application (at block 805) determines whether the download list contains instruction for including an advertisement in a clip of the episode, if not the client application proceeds to download the first non-advertisement media file for the episode and if an instruction is present in the download list …a user begins play of the episode … typically, a single clip would have an advertisement at its beginning, at its end, both or not all (see [0087]-[0088]. Knepper also teaches the server sending instructions indicating which advertisement media files from among the pre-cached advertisement media files to insert into the entertainment media file at run time, how many advertisement media files to insert, and where to insert them; the instruction file need not specify exactly which advertisement media files to insert; rather, the instruction file can allow the client application to make its own random or pseudo-random selection, subject to any positive and negative associations, for playing back with the entertainment media file (see [0041]).

Regarding claims 109, 110, Knepper teaches wherein said ad file is selected based in part on characteristic of the user (see [0012], [0029]-[0030]-[0040]-[0041]).

Regarding claims 124-127, 129-132 and 134-137, Knepper teaches presenting ad file based on the number of media files presented, number of tracks associated with the media file or number of segments, type of media file (at the beginning or end of every media file, end of every clip or segment as indicated by the instruction set) (see Fig 8b). Knepper also teaches a single clip would have an advertisement at its beginning, at its end, both or not all (see [0087]-[0088].

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 7, 8, 29, 39, 40, 42, 43, 112 and 113 are rejected under 35 U.S.C. 103(a) as being unpatentable over Knepper further in view of Strietzel (US 6,950,804).

Regarding claims 7 and 8, Strietzel teaches wherein said ad file is selected based at least in part on a geographic location or time of day (see col. 4 lines 14-33, col. 10 lines 1-67, col. 11 lines 1-35, col. 14 lines 59-67). It would have been obvious to one of ordinary skill in the art at the time of the invention to provide the advertisement of Knepper based on location or time of the day in order to provide targeted adverting, as taught in Strietzel.

Regarding claim 29, Strietzel teaches wherein an ad requirement associated with a particular media file is set to indicate that no ad content is required after said particular media file content has been presented with ad file content a predetermined number of times (see col. 4 lines 1-33, col. 10 lines 47-67). Strietzel teaches advertisement could only be added when a user accesses a particular content item for the first time and possibly a few subsequent times or provide the user with an option to purchase the content item. It would have been obvious to one of ordinary skill in the art at the time of the invention to indicate no ad content to be associated with the media file as in Strietzel in order to provide the user with an option to receive the content with or without advertisement associated with it, as taught in Strietzel.

Regarding claims 39 and 112, Strietzel wherein said ad file includes user interactive content (see col. 4 lines 14-33, col. 10 lines 1-67). It would have been obvious to one of ordinary skill in the art at the time of the invention to include interactive content in order to allow the user to receive additional information about the product or to provide an option for the user to make a purchase.

Regarding claims 40, 42, 43 and 113, Strietzel teaches receiving a media file from said user; associating an ad requirement with said media file; and providing said media file to another user; whereby the content of said media file can be presented to said other user with ad file content; wherein at least a portion of said media file is received via a peer-to-peer transfer (see 16 lines 57 to col. 17 line 7). It would have been obvious to one of ordinary skill in the art at the time of the invention to register the user of Knepper to act as a content provider, as in Strietzel, in order to make the content available to other registered users content created by the user or for which the user owns copyrights, as taught in Strietzel.

Claims 15, 16, 68, 69 and 86-88 are rejected under 35 U.S.C. 103(a) as being unpatentable over Knepper further in view of Eyer et al. (US 6,588,015).

Regarding claims 15, 16, 68, 69, 86-88, Knepper does not specifically teach wherein said step of presenting said ad file content to said user includes ensuring that said ad file content is presented in its entirety include disabling media player playback controls, it is taught in Eyer (see col. 6 lines 50-61, col. 16 lines 46-59, col. 18 lines 48-54). It would have been obvious to one of ordinary skill in the art at the time of the invention to add the control in Knepper as in Eyer for the intended purpose of making sure that the user or viewer listens or views the advertising

message paid by the advertiser. It would have been obvious to one of ordinary skill in the art to also control the volume so that the viewer would listen to the message.

Claims 117-122 are rejected under 35 U.S.C. 103(a) as being unpatentable over Knepper further in view of Dunstan et al. (US 7,400,729 B2).

Regarding claims 117-122, Knepper does not specifically teach releasing media file from a secure form using an access key and resecuring said media file using a new access key, it is taught in Dunstan (see col. 1 lines 6-67, col. 6 lines 19 to col. 7 line 13). It would have been obvious to one of ordinary skill in the art at the time of the invention to encrypt the digital content of Knepper, as in Dunstan, in order to secure delivery of the digital content by providing the content to only authorized customers, as taught in Dunstan.

Regarding claim 123, 128 and 133, Knepper does not explicitly teach presenting the ad file based on the amount of time the said media file content is presented to a user. However Examiner takes official notice that it is well known in the art of media broadcasting to establish a time limit for when a commercial should be played or presented. For example advertisement is played every 60 minutes of presenting media program. Therefore, it would have been obvious to one of ordinary skill in the art for the instruction of Knepper to specify presentation of the ad after every 60 minutes or so of playing the media file, in order to maximize the presentation of advertisement.

Response to Arguments

Applicant's arguments with respect to claims 1-137 have been considered but are moot in view of the new ground(s) of rejection.

In Regard to the 112 2nd paragraph rejection regarding claim 3, applicant states that the clear language of Claim 1 covers receiving either one ad file or a plurality of ad files and for example if four ad files are received then at least one ad file is received. Examiner agrees with applicant, however examiner point out if one ad file is received (as claimed in claim 1) the step claimed in claim 3 does not happen. Examiner also points out that it has been held that Language that suggest or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation (MPEP §2106 II C). No patentable weight is given to claims depending on claim 3. Clams 20-24 and 54 also include language that is considered optional.

Applicant's amendments to the claims overcome the rejection of the 112 rejection.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yehdega Retta whose telephone number is (571) 272-6723. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

YR

/Yehdega Retta/
Primary Examiner, Art Unit 3622

PTO/SB/81 (01-09)
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POWER OF ATTORNEY OR REVOCATION OF POWER OF ATTORNEY WITH A NEW POWER OF ATTORNEY AND CHANGE OF CORRESPONDENCE ADDRESS

Application Number	10606729
Filing Date	2003-06-26
First Named Inventor	Philip M. Donian
Title	Method and Apparatus for the Free....
Art Unit	3622
Examiner Name	Yehdega, Retta
Attorney Docket Number	PMDP001

I hereby revoke all previous powers of attorney given in the above-identified application.

☐ A Power of Attorney is submitted herewith.

OR

☒ I hereby appoint Practitioner(s) associated with the following Customer Number as my/our attorney(s) or agent(s) to prosecute the application identified above, and to transact all business in the United States Patent and Trademark Office connected therewith: **51111**

OR

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Address					
City		State		Zip	
Country					
Telephone		Email			

I am the:

☐ Applicant/Inventor.

OR

☒ Assignee of record of the entire interest. See 37 CFR 3.71.
Statement under 37 CFR 3.73(b) (Form PTO/SB/96) submitted herewith or filed on _____.

SIGNATURE of Applicant or Assignee of Record

Signature	Philip Donian	Date	April 29, 2010
Name	Philip M. Donian	Telephone	(415) 225-2354
Title and Company	CEO, Piranha Media Distribution, Inc.		

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below*.

☐ *Total of _____ forms are submitted.

This collection of information is required by 37 CFR 1.31, 1.32 and 1.33. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 3 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

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The information provided by you in this form will be subject to the following routine uses:

1. The information on this form will be treated confidentially to the extent allowed under the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C 552a). Records from this system of records may be disclosed to the Department of Justice to determine whether disclosure of these records is required by the Freedom of Information Act.
2. A record from this system of records may be disclosed, as a routine use, in the course of presenting evidence to a court, magistrate, or administrative tribunal, including disclosures to opposing counsel in the course of settlement negotiations.
3. A record in this system of records may be disclosed, as a routine use, to a Member of Congress submitting a request involving an individual, to whom the record pertains, when the individual has requested assistance from the Member with respect to the subject matter of the record.
4. A record in this system of records may be disclosed, as a routine use, to a contractor of the Agency having need for the information in order to perform a contract. Recipients of information shall be required to comply with the requirements of the Privacy Act of 1974, as amended, pursuant to 5 U.S.C. 552a(m).
5. A record related to an International Application filed under the Patent Cooperation Treaty in this system of records may be disclosed, as a routine use, to the International Bureau of the World Intellectual Property Organization, pursuant to the Patent Cooperation Treaty.
6. A record in this system of records may be disclosed, as a routine use, to another federal agency for purposes of National Security review (35 U.S.C. 181) and for review pursuant to the Atomic Energy Act (42 U.S.C. 218(c)).
7. A record from this system of records may be disclosed, as a routine use, to the Administrator, General Services, or his/her designee, during an inspection of records conducted by GSA as part of that agency's responsibility to recommend improvements in records management practices and programs, under authority of 44 U.S.C. 2904 and 2906. Such disclosure shall be made in accordance with the GSA regulations governing inspection of records for this purpose, and any other relevant (i.e., GSA or Commerce) directive. Such disclosure shall not be used to make determinations about individuals.
8. A record from this system of records may be disclosed, as a routine use, to the public after either publication of the application pursuant to 35 U.S.C. 122(b) or issuance of a patent pursuant to 35 U.S.C. 151. Further, a record may be disclosed, subject to the limitations of 37 CFR 1.14, as a routine use, to the public if the record was filed in an application which became abandoned or in which the proceedings were terminated and which application is referenced by either a published application, an application open to public inspection or an issued patent.
9. A record from this system of records may be disclosed, as a routine use, to a Federal, State, or local law enforcement agency, if the USPTO becomes aware of a violation or potential violation of law or regulation.

PTO/SB/96 (07-09)
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STATEMENT UNDER 37 CFR 3.73(b)

Applicant/Patent Owner: Philip M. Donian

Application No./Patent No.: 10606729 Filed/Issue Date: 2003-06-26

Titled: Method and Apparatus for the Free Licensing of Digital Media Content

Piranha Media Distribution, Inc. , a corporation

(Name of Assignee) (Type of Assignee, e.g., corporation, partnership, university, government agency, etc.

states that it is:

1. ☒ the assignee of the entire right, title, and interest in;

2. ☐ an assignee of less than the entire right, title, and interest in (The extent (by percentage) of its ownership interest is _____ %); or

3. ☐ the assignee of an undivided interest in the entirety of (a complete assignment from one of the joint inventors was made)

the patent application/patent identified above, by virtue of either:

A. ☒ An assignment from the inventor(s) of the patent application/patent identified above. The assignment was recorded in the United States Patent and Trademark Office at Reel 014247, Frame 0528, or for which a copy therefore is attached.

OR

B. ☐ A chain of title from the inventor(s), of the patent application/patent identified above, to the current assignee as follows:

1. From: _____ To: _____

The document was recorded in the United States Patent and Trademark Office at

Reel _____, Frame _____, or for which a copy thereof is attached.

2. From: _____ To: _____

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☐ Additional documents in the chain of title are listed on a supplemental sheet(s).

☐ As required by 37 CFR 3.73(b)(1)(i), the documentary evidence of the chain of title from the original owner to the assignee was, or concurrently is being, submitted for recordation pursuant to 37 CFR 3.11.

[NOTE: A separate copy (*i.e.*, a true copy of the original assignment document(s)) must be submitted to Assignment Division in accordance with 37 CFR Part 3, to record the assignment in the records of the USPTO. See MPEP 302.08]

The undersigned (whose title is supplied below) is authorized to act on behalf of the assignee.

/Melvin D. Chan/ May 4, 2010

Signature Date

Melvin D. Chan Attorney

Printed or Typed Name Title

This collection of information is required by 37 CFR 3.73(b). The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

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The information provided by you in this form will be subject to the following routine uses:

1. The information on this form will be treated confidentially to the extent allowed under the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C 552a). Records from this system of records may be disclosed to the Department of Justice to determine whether disclosure of these records is required by the Freedom of Information Act.
2. A record from this system of records may be disclosed, as a routine use, in the course of presenting evidence to a court, magistrate, or administrative tribunal, including disclosures to opposing counsel in the course of settlement negotiations.
3. A record in this system of records may be disclosed, as a routine use, to a Member of Congress submitting a request involving an individual, to whom the record pertains, when the individual has requested assistance from the Member with respect to the subject matter of the record.
4. A record in this system of records may be disclosed, as a routine use, to a contractor of the Agency having need for the information in order to perform a contract. Recipients of information shall be required to comply with the requirements of the Privacy Act of 1974, as amended, pursuant to 5 U.S.C. 552a(m).
5. A record related to an International Application filed under the Patent Cooperation Treaty in this system of records may be disclosed, as a routine use, to the International Bureau of the World Intellectual Property Organization, pursuant to the Patent Cooperation Treaty.
6. A record in this system of records may be disclosed, as a routine use, to another federal agency for purposes of National Security review (35 U.S.C. 181) and for review pursuant to the Atomic Energy Act (42 U.S.C. 218(c)).
7. A record from this system of records may be disclosed, as a routine use, to the Administrator, General Services, or his/her designee, during an inspection of records conducted by GSA as part of that agency's responsibility to recommend improvements in records management practices and programs, under authority of 44 U.S.C. 2904 and 2906. Such disclosure shall be made in accordance with the GSA regulations governing inspection of records for this purpose, and any other relevant (*i.e.*, GSA or Commerce) directive. Such disclosure shall not be used to make determinations about individuals.
8. A record from this system of records may be disclosed, as a routine use, to the public after either publication of the application pursuant to 35 U.S.C. 122(b) or issuance of a patent pursuant to 35 U.S.C. 151. Further, a record may be disclosed, subject to the limitations of 37 CFR 1.14, as a routine use, to the public if the record was filed in an application which became abandoned or in which the proceedings were terminated and which application is referenced by either a published application, an application open to public inspection or an issued patent.
9. A record from this system of records may be disclosed, as a routine use, to a Federal, State, or local law enforcement agency, if the USPTO becomes aware of a violation or potential violation of law or regulation.

Electronic Acknowledgement Receipt

EFS ID:	7550042
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	40972
Filer:	Melvin David Chan/diane elzingre
Filer Authorized By:	Melvin David Chan
Attorney Docket Number:	0054-011P1
Receipt Date:	04-MAY-2010
Filing Date:	26-JUN-2003
Time Stamp:	17:34:03
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Power of Attorney	20100504_001_poa.pdf	150914 414b0643e46b1c8d1f9f52146a46b458d2d922a6	no	2

Warnings:	
Information:	

2	Assignee showing of ownership per 37 CFR 3.73(b).	20100504_001_373b.pdf	423222 46642e6855fd4c82624f89d5ccddc153c91f84fe	no	2

Warnings:	
Information:	
Total Files Size (in bytes):	574136

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If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371
If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office
If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

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APPLICATION NUMBER	FILING OR 371(C) DATE	FIRST NAMED APPLICANT	ATTY. DOCKET NO./TITLE
10/606,729	06/26/2003	Philip M. Donian	PMDP001

CONFIRMATION NO. 5831

51111
AKA CHAN LLP
900 LAFAYETTE STREET
SUITE 710
SANTA CLARA, CA 95050

POA ACCEPTANCE LETTER

OC000000041577420

Date Mailed: 05/13/2010

NOTICE OF ACCEPTANCE OF POWER OF ATTORNEY

This is in response to the Power of Attorney filed 05/04/2010.

The Power of Attorney in this application is accepted. Correspondence in this application will be mailed to the above address as provided by 37 CFR 1.33.

/llam/

Office of Data Management, Application Assistance Unit (571) 272-4000, or (571) 272-4200, or 1-888-786-0101

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APPLICATION NUMBER	FILING OR 371(C) DATE	FIRST NAMED APPLICANT	ATTY. DOCKET NO./TITLE
10/606,729	06/26/2003	Philip M. Donian	0054-011P1

CONFIRMATION NO. 5831

40972
HENNEMAN & ASSOCIATES, PLC
70 N. MAIN ST.
THREE RIVERS, MI 49093

POWER OF ATTORNEY NOTICE

OC000000041577394

Date Mailed: 05/13/2010

NOTICE REGARDING CHANGE OF POWER OF ATTORNEY

This is in response to the Power of Attorney filed 05/04/2010.

- The Power of Attorney to you in this application has been revoked by the assignee who has intervened as provided by 37 CFR 3.71. Future correspondence will be mailed to the new address of record(37 CFR 1.33).

/llam/

Office of Data Management, Application Assistance Unit (571) 272-4000, or (571) 272-4200, or 1-888-786-0101

Hulu, LLC - Ex. 1006, Page 000245

To: PTO-INBOX@AKACHANLAW.COM,,
From: PAIR_eOfficeAction@uspto.gov
Cc: PAIR_eOfficeAction@uspto.gov
Subject: Private PAIR Correspondence Notification for Customer Number 51111

May 13, 2010 05:49:25 AM

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SUITE 710
SANTA CLARA, CA 95050
UNITED STATES

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Application	Document	Mailroom Date	Attorney Docket No.
10606729	N570	05/13/2010	PMDP001
	N570	05/13/2010	PMDP001

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United States Patent and Trademark Office

Application No.: 10/606,729

Confirmation No.: 5831

Customer No.: 51111

Docket No.: PMDP001

Commissioner for Patents
POB 1450
Alexandria, VA 22313-1450

Amendment

Dear Commissioner:

In response to the February 1, 2010 office action, please amend this application as follows.

Amendments to the claims are reflected in the listing of claims that begins on page 2 of this paper.

Remarks begin on page 13 of this paper.

08/04/2010 HVUONG1 00000021 10606729

01 FC:2253 555.00 OP

PAGE 2/17 * RCVD AT 8/2/2010 10:46:49 PM [Eastern Daylight Time] * SVR:USPTO-EFXRF-6/42 * DNIS:2738300 * CSID:14086081599 * DURATION (mm-ss):09-50

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Amendments to the claims:

This following listing of claims will replace all prior versions, and listings, of claims in the application.

Listing of claims:

1–137. (canceled)

138. (new) A method of delivering ads on an electronic device comprising:

providing a plurality of media files available for download by an electronic device;

allowing a user to select a subset of the plurality of media files for download;

receiving the subset of media files at the electronic device;

storing the subset of media files in a memory of the device;

receiving a plurality of ad files at the electronic device for storage in the memory of the device;

at the device, permitting a user to select a first ordering of the media files stored in the memory for playing by a media player program;

for the first ordering, based on ad positioning rules, using a processor of the device, automatically generating a first sequencing of ad files to be played during playing of the media files in the first ordering,

wherein a first ad file is to be played after an end of a first media file and before a beginning of a second media file in the first ordering, and

a second ad file is to be played after an end of a third media file and before an a beginning of a fourth media file in the first ordering;

after generating at the device the first sequencing of ad files, permitting the user to alter the first ordering to create a second ordering of the media files,

wherein the user can alter the first ordering by navigating from within the first media file to another media file; and

PAGE 3/17 * RCVD AT 8/2/2010 10:46:49 PM [Eastern Daylight Time] * SVR:USPTO-EFXRF-6/42 * DNIS:2738300 * CSID:14086081599 * DURATION (mm-ss):09-50

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for the second ordering, based on the ad positioning rules, using a processor of the device, automatically generating a second sequencing of ad files to be played during playing of the media files in the second ordering,

wherein the second sequencing of ad files is different from the first sequencing of ad files.

139. (new) The method of claim 138 wherein each media files stored in the memory does not include an embedded ad.

140. (new) The method of claim 138 wherein the user can alter the first ordering by navigating within the first media file.

141. (new) The method of claim 138 wherein the ad positioning rules are stored at the device.

142. (new) The method of claim 138 comprising:

before the automatically generating the first sequencing of ad files, receiving the ad positioning rules at the device,

wherein the second sequencing of ad files is automatically generated without receiving different ad positioning rules than used when generating the first sequencing of ad files.

143. (new) The method of claim 138 comprising:

at the device, playing the first ad file stored in the memory of the device as specified in the first sequencing of ad files, wherein the first ad file is played without streaming of the first ad file.

144. (new) The method of claim 138 comprising:

at the device, playing the first media file stored in the memory of the device, wherein the first media file is played without streaming.

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145. (new) The method of claim 138 wherein the user can alter the first ordering by jumping out-of-sequence from a first elapsed time in the first media file to a second elapsed time in the first media file.

146. (new) The method of claim 138 wherein in the second sequencing of ad files, the second ad file is not played immediately after the end of a third media file.

147. (new) The method of claim 138 wherein the first sequencing of ad files specifies that no ad file is to be played immediately after the fourth media file, and

after the user alters the first ordering to obtain the second ordering, the second sequencing of ad files specifies that a third ad file is to be played immediately after the fourth media file.

148. (new) The method of claim 138 wherein the receiving the subset of media files at the electronic device is from a first server and comprises:

at the first server, checking whether a fifth media file has an ad requirement;

if the fifth media file has an ad requirement, sending a notification to a second server, different from the first server, to deliver a third ad file associated with the fifth media file to the device;

when the fifth media file has an ad requirement, at the device, receiving the third ad file; and

when the fifth media file does not have an ad requirement, not sending a notification to the second server not to deliver the third ad file to the device.

149. (new) The method of claim 138 wherein the receiving the subset of media files at the electronic device comprises:

checking whether each of the subset of media files has an ad requirement;

when a fifth media file of the subset has an ad requirement, after receiving the fifth media to the device, receiving a third ad file associated with the fifth media file as one of the plurality of ad files received at the device; and

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Hulu, LLC - Ex. 1006, Page 000250

when a sixth media file does not have an ad requirement, after receiving the sixth media at the device, not delivering an ad file associated with the sixth media file to the device.

150. (new) The method of claim 149 wherein the sixth media file does not have an emdedded ad, and the automatically generating a first sequencing of ad files specifies that an ad file is not played immediately after the sixth media file.

151. (new) The method of claim 138 wherein the ad positioning rules specify that one of the ad files will be played between media files, and after a specified amount of elapsed time of media files played by the media player program.

152. (new) The method of claim 138 wherein the ad positioning rules specify an ad file will be played between media files, and after a specified number of he media files have been played by the media player program.

153. (new) The method of claim 138 wherein the automatically generating a second sequencing of ad files is performed without receiving additional ad files than received before the first sequencing of ad files was generated.

154. (new) The method of claim 138 wherein the ad files are stored separately from the media files.

155. (new) The method of claim 138 wherein the permitting the user to alter the first ordering of playing of the media files comprises a set of operations comprising:

the user advancing from playing of the first media file to the third media file before the reaching an end of the first media file,

the user removing the second media file from the first ordering before the second media file is played by the media player, and

the user adding a fifth media file to the first ordering,

wherein when the user performs one of the set of operations, the second sequencing of ad files is automatically generated after that operation.

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156. (new) The method of claim 138 wherein the permitting the user to alter the first ordering of playing of the media files comprises a set of operations comprising:

the user skipping playing the second media file in the first ordering.

157. (new) The method of claim 138 wherein the permitting the user to alter the first ordering of playing of the media files comprises a set of operations comprising:

the user replacing the second media file in the first ordering with a fifth media file.

158. (new) The method of claim 138 wherein the permitting the user to alter the first ordering of playing of the media files comprises a set of operations comprising:

the user requesting a randomized presentation of media files.

159. (new) The method of claim 138 wherein the first sequencing of ad files comprises a sequence for only ad files stored in the memory of the device.

160. (new) The method of claim 138 wherein the memory comprises permanent storage of the device.

161. (new) The method of claim 138 wherein the memory comprises temporary storage of the device.

162. (new) A method of delivering ads on an electronic device comprising:

receiving a plurality of media files at the electronic device;

storing the media files in a memory of the device, wherein each media files stored in the memory of the device does not include an embedded ad;

receiving a plurality of ad files at the electronic device for storage in the memory of the device;

receiving ad positioning rules at the media device;

at the device, permitting a user to select a first ordering of the media files stored in the memory for playing by a media player program;

PAGE 7/17 * RCVD AT 8/2/2010 10:46:49 PM [Eastern Daylight Time] * SVR:USPTO-EFXRF-6/42 * DNIS:2738300 * CSID:14086081599 * DURATION (mm-ss):09-50

Hulu, LLC - Ex. 1006, Page 000252

for the first ordering, based on the ad positioning rules, automatically generating at the device a first sequencing of ad files to be played during playing of the media files in the first ordering;

after generating at the device the first sequencing of ad files, permitting the user to alter the first ordering of playing of the media files to create a second ordering of the media files stored in the memory for playing; and

for the second ordering, based on the ad positioning rules, automatically generating at the device a second sequencing of ad files to be played during playing of the media files in the second ordering, wherein the second sequencing of ad files is different from the first sequencing of ad files,

wherein the permitting the user to alter the first ordering of playing of the media files comprises a set of operations comprises

the user advancing from playing of a first media file to a second media file in the first ordering before the reaching an end of the first media file,

the user removing a third media file from the first ordering before the third media file is played by the media player, and

the user adding a fourth media file to the first ordering,

wherein when the user performs one of the set of operations, the second sequencing of ad files is automatically generated after the operation, and

the second sequencing of ad files specifies that an ad file is played after an end of a media file in the second ordering and before a start of a next media file in the second ordering.

163. (new) The method of claim 162 wherein the set of operations comprises

navigating out-of-sequence from a first elapsed time within the first media file to a second elapsed time within the first media file.

164. (new) The method of claim 162 wherein the receiving the media files at the electronic device is from a first server and comprises:

at the first server, checking whether a fifth media file has an ad requirement;

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when a fifth media file of the subset has an ad requirement, sending a notification to a second server, different from the first server, to deliver a fifth ad file associated with the fifth media file to the device;

when the fifth media file of the subset has an ad requirement, at the device, receiving the fifth ad file; and

when the fifth media file of the subset does not have an ad requirement, not sending a notification to the second server to deliver an ad file associated with the fifth media file to the device.

165. (new) The method of claim 162 wherein the receiving the subset of media files at the electronic device comprises:

checking whether each of the subset of media files has an ad requirement;

when a fifth media file of the subset has an ad requirement, after receiving the fifth media to the device, receiving a third ad file associated with the fifth media file as one of the plurality of ad files received at the device; and

when a sixth media file does not have an ad requirement, after receiving the sixth media at the device, not delivering an ad file associated with the sixth media file to the device.

166. (new) The method of claim 164 wherein the automatically generating at the device a first sequencing of ad files comprises a position of where the fifth ad file will be played by the media player program.

167. (new) A method of delivering ads on an electronic device comprising:

providing a plurality of media files available for download by an electronic device;

allowing a user to select a first media file of the plurality of media files for download;

receiving the first media file at the electronic device;

storing the first media file in a memory of the device;

receiving a plurality of ad files to the electronic device for storage in the memory of the device;

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at the device, based on ad positioning rules, automatically generating at the device a first sequencing of ad files to be played during playing of the first media file using a media player program;

after generating at the device the first sequencing of ad files, permitting the user to navigate playing within the first media file; and

upon the user navigating within the first media file, automatically generating at the device a second sequencing of ad files to be played during a continued playing of the first media file,

wherein the second sequencing of ad files is different from the first sequencing of ad files.

168. (new) The method of claim 167 wherein the first media file does not include any embedded ads.

169. (new) The method of claim 167 the first sequencing of ad files to be played during playing of the first media file specifies

stopping of playing of the first media file at a first elapsed time of the first media file and displaying of a first ad file,

after the displaying of the first ad file, resuming playing of the first media file at the first elapsed time,

stopping of playing of the first media file at a second elapsed time of the first media file, different form the first elapsed time, and displaying of a second ad file, and

after the displaying of the second ad file, resuming playing of the first media file at the second elapsed time.

170. (new) The method of claim 167 comprising:

allowing the user to select a second media file of the plurality of media files for download; and

receiving the second media file at the electronic device,

wherein the automatically generating at the device a first sequencing of ad files comprises specifying that a third ad file be played after an end of the first media file and before a beginning of the second media file.

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171. (new) The method of claim 167 wherein the user navigating the playing of the first media file comprises fast forwarding a playing of the first media file using the media player program.

172. (new) The method of claim 167 wherein the user navigating the playing of the first media file comprises changing to a next chapter in a playing of the first media file using the media player program.

173. (new) The method of claim 167 wherein the first sequencing of ad files comprises a first ad file to be played at a first elapsed time of the playing of the first media file,

the user navigating playing of the first media file comprises skipping to an elapsed time in the first media file after the first elapsed time, and

the second sequencing of ad files comprises the first ad file to be played at a second elapsed time, different from the first elapsed time.

174. (new) The method of claim 173 wherein the second elapsed time is before the first elapsed time.

175. (new) The method of claim 167 wherein the ad positioning rules specify playing an ad file at a fade-to-black point occurring in the first media file.

176. (new) The method of claim 167 wherein the ad positioning rules specify playing an ad file at markers located within the first media file.

177. (new) The method of claim 167 comprising:

before the automatically generating the first sequencing of ad files, receiving the ad positioning rules at the device,

wherein the second sequencing of ad files is automatically generated without receiving different ad positioning rules than used when generating the first sequencing of ad files.

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178. (new) The method of claim 167 wherein the ad positioning rules are stored at the device.

179. (new) The method of claim 167 comprising:

before the automatically generating at the device the first sequencing of ad files, receiving in a memory of the device the ad positioning rules, wherein the first sequencing of ad files comprises only ad files wholly stored in the memory of the device.

180. (new) The method of claim 167 comprising:

at the device, playing a first ad file stored in the memory of the device as specified in the first sequencing of ad files, wherein the first ad file is played without streaming of the first ad file.

181. (new) The method of claim 167 wherein the first media file is entirely received in the memory of the device before beginning playing of the first media file the media player program.

182. (new) The method of claim 167 wherein permitting the user to navigate playing within the first media file comprises paging forward or paging backward within the first media file.

183. (new) The method of claim 167 wherein the ad positioning rules specify an ad after a specified number of page turns.

184. (new) A method of delivering ads on an electronic device comprising:

providing a plurality of media files available for download by an electronic device;

allowing a user to select a subset of the plurality of media files for download;

receiving the subset of media files at the electronic device;

storing the subset of media files in a memory of the device;

receiving a plurality of ad files at the electronic device for storage in the memory of the device;

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at the device, permitting a user to select a first ordering of the media files stored in the memory for playing by a media player program; and

for the first ordering, based on ad positioning rules, using a processor of the device, automatically generating a first sequencing of ad files to be played during playing of the media files in the first ordering.

185. (new) The method of claim 184 comprising:

after generating at the device the first sequencing of ad files, permitting the user to alter the first ordering to create a second ordering of the media files,

wherein the user can alter the first ordering by navigating using the media player from within the first media file to another media file, and

wherein the user can alter the first ordering by navigating within the first media file.

186. (new) The method of claim 184 wherein in the first sequencing of ad files, a first ad file is to be played before a beginning of a first media file, and while the first ad file is being played by the media player, the user is not permitted to navigate using the media player, and

after the first ad file has been player by the media player, and the first media file is being played, the user is permitted to navigate using the media player.

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Remarks

Claims 138–186 are pending in this application. Claims 1–137 have been canceled. New claims 138–186 have been added to more specifically claim the invention. The new and amended claims are fully supported by the specification. No new matter has been added.

Support for the claims is found, for example, at paragraphs [0051]–[0059], [0098], [0116], [0143], [0153], [0162]–[0171], [0180]–[0181], [0189], [0192]–[0196], [0200]–[0207], [0221]–[0223], [0228], [0236], [0239], and [0241] of the specification.

Reconsideration of the rejections in the February 1, 2010 office action and allowance of the claims are respectfully requested.

The new claims are directed to statutory subject matter. The section 101 rejection should be withdrawn.

The new claims particularly point out and distinctly claim the subject matter which applicant regards as the invention. The section 112, second paragraph rejection should be withdrawn.

Section 102 and 103 Rejections

The new claims are not anticipated by U.S. patent publication 2001/0042249 (Knepper). The new claims are not unpatentable in view of Knepper and U.S. patent 6,950,894 (Strietzel). The new claims are not unpatentable in view of Knepper further in view of U.S. patent 6,588,015 (Eyer). The new claims are not unpatentable in view of Knepper and U.S. patent 7,400,729 (Dunstan). Therefore, the new claims are allowable.

Claim 138 recites "for the first ordering, based on ad positioning rules, using a processor of the device, automatically generating a first sequencing of ad files to be played during playing of the media files in the first ordering." Knepper does not show or suggest automatically generating a first sequencing of ad files. In figure 2, Knepper shows a server 207 and algorithm 209 running on that server. Knepper never describes using a processor of a client device to automatically generate a first sequencing of ad files to be played, since there is no need for Knepper to do this.

In the recited invention, sequencings of ad files can change when the user navigates a playlist. So, the user is permitted to flexibly navigate the playlist and media files, and ad files will still be placed. However, Knepper does not allow navigation within a preconfigured

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grouping of one or more media and ad files; see page 307 of figure 4 where "no user intervention" is allowed. For Knepper, since the user cannot navigate within the preconfigured grouping, there is no need to regenerate an ad sequencing.

As can be appreciated, Knepper's "no user intervention" during play of a preconfigured grouping of one or more media and ad files (represented by page 307 in figure 4) has many shortcomings. For example, when playing of a movie, the user can stop play of the movie to perhaps play a TV show instead. When the user returns to the movie, the user will have to start from the beginning and watch every ad again. The user is not permitted to skip within a movie. Knepper enforces the playing of ads at fixed locations within page 307.

In contrast, the present invention permits much greater flexibility in user interaction, while at the same time ensuring ads are played too. The invention allows user intervention—to perform navigation or change media files relative to ad positioning, or both—and once the user has done so, the device automatically generates a second sequencing of ad files. Therefore, with the present invention, the user is permitted much greater flexibility in viewing and playing of media files while ensuring the placement of ads. Knepper does not provide the features or benefits of the invention.

For at least these reasons, claim 138 is allowable. Claims 139–173 should also be allowable because they recite features clearly not shown or suggested by the prior art.

For example, claim 140 recites "wherein the user can alter the first ordering by navigating within the first media file." As discussed above, Knepper does not allow a user to jump out-of-sequence from a first elapsed time in the media file to a second elapsed time in the media file. Knepper does not allow a user to jump from one chapter to another chapter within the media file. Knepper does not allow a user to skip from one media file in page 307 to another media file in the same page 307. For this additional reason, claim 140 is allowable.

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Conclusion

For the above reasons, applicant believes all claims now pending in this application are in condition for allowance. Applicant respectfully requests that a timely Notice of Allowance be issued in this case. If the examiner believes a telephone conference would expedite prosecution of this application, please contact the signee.

Respectfully submitted,

Aka Chan LLP

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408-701-0035 — Telephone Number

1 - Amendment for 10/606,729 (15 pages)
1 - Form PTO-2038 (1 page)

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PATENT APPLICATION FEE DETERMINATION RECORD

Substitute for Form PTO-875

Application or Docket Number	Filing Date	☐ To be Mailed
10/606,729	06/26/2003	

APPLICATION AS FILED – PART I

	(Column 1)	(Column 2)	SMALL ENTITY ☒		OR	OTHER THAN SMALL ENTITY	
FOR	NUMBER FILED	NUMBER EXTRA	RATE ($)	FEE ($)		RATE ($)	FEE ($)
☐ BASIC FEE (37 CFR 1.16(a), (b), or (c))	N/A	N/A	N/A			N/A	
☐ SEARCH FEE (37 CFR 1.16(k), (i), or (m))	N/A	N/A	N/A			N/A	
☐ EXAMINATION FEE (37 CFR 1.16(o), (p), or (q))	N/A	N/A	N/A			N/A	
TOTAL CLAIMS (37 CFR 1.16(i))	minus 20 =	*	X $ =		OR	X $ =	
INDEPENDENT CLAIMS (37 CFR 1.16(h))	minus 3 =	*	X $ =			X $ =	
☐ APPLICATION SIZE FEE (37 CFR 1.16(s))	If the specification and drawings exceed 100 sheets of paper, the application size fee due is $250 ($125 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).						
☐ MULTIPLE DEPENDENT CLAIM PRESENT (37 CFR 1.16(j))							
* If the difference in column 1 is less than zero, enter "0" in column 2.			TOTAL			TOTAL	

APPLICATION AS AMENDED – PART II

AMENDMENT		(Column 1)		(Column 2)	(Column 3)	SMALL ENTITY		OR	OTHER THAN SMALL ENTITY	
	08/02/2010	CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)		RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	* 49	Minus	** 137	= 0	X $26 =	0	OR	X $ =	
	Independent (37 CFR 1.16(h))	* 4	Minus	***5	= 0	X $110 =	0	OR	X $ =	
	☐ Application Size Fee (37 CFR 1.16(s))									
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))							OR		
						TOTAL ADD'L FEE	0	OR	TOTAL ADD'L FEE	

AMENDMENT		(Column 1)		(Column 2)	(Column 3)					
		CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)		RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	*	Minus	**	=	X $ =		OR	X $ =	
	Independent (37 CFR 1.16(h))	*	Minus	***	=	X $ =		OR	X $ =	
	☐ Application Size Fee (37 CFR 1.16(s))									
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))							OR		
						TOTAL ADD'L FEE		OR	TOTAL ADD'L FEE	

* If the entry in column 1 is less than the entry in column 2, write "0" in column 3.

** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 20, enter "20".

*** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 3, enter "3".

The "Highest Number Previously Paid For" (Total or Independent) is the highest number found in the appropriate box in column 1.

Legal Instrument Examiner:
/JULIET MCMILLAN/

This collection of information is required by 37 CFR 1.16. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	PMDP001	5831

51111 7590 10/14/2010

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EXAMINER	
RETTA, YEHDEGA	
ART UNIT	**PAPER NUMBER**
3622	

NOTIFICATION DATE	DELIVERY MODE
10/14/2010	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

PTO-INBOX@AKACHANLAW.COM

Office Action Summary	Application No.	Applicant(s)	
	10/606,729	DONIAN ET AL.	
	Examiner	Art Unit	
	Yehdega Retta	3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *02 August 2010*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *138-186* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *138-186* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

This office action is in response to amendment filed August 2, 2010. Applicant canceled claims 1-137 and added new claims 138-186. Claims 138-186 are currently pending.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 138-150, 153-168, 170-172, 175-185 are rejected under 35 U.S.C. 102(e) as being clearly anticipated by Knepper et al. (2001/0042249).

Regarding claims 138, 146, 153, 162, Knepper teaches providing a plurality of media files available for download by an electronic device; allowing a user to select a subset of the plurality of media files for download; receiving the subset of media files at the electronic device; storing the subset of media files in a memory of the device; receiving a plurality of ad files at the electronic device for storage in the memory of the device (see [0009]-[0014]); at the device, permitting a user to select a first ordering of the media files stored in the memory for playing by a media player program; for the first ordering, based on ad positioning rules, using a processor of the device, automatically generating a first sequencing of ad files to be played during playing of the media files in the first ordering, wherein a first ad file is to be played after an end of a first media file and before a beginning of a second media file in the first ordering, and a second ad file

is to be played after an end of a third media file mad before an a beginning of a fourth media file in the first ordering (see [0026]-[0036]); after generating at the device the first sequencing of ad files, permitting the user to alter the first ordering to create a second ordering of the media files, wherein the user can alter the first ordering by navigating from within the first media file to another media file (see [0037]-[0039]).

Note: The claim recites providing a plurality of media file *available for download* and ***allowing a user to select*** a subset of the plurality of media files for download and storing the subset of media files in a memory of the device. Allowing the user to select does not mean the user takes an action to select. The user may or may not select the available media file. Since there is no step of user taking an action to select, there are no media files stored in the memory of the device. The claim also recites permitting the user to select a first ordering and permitting the user to alter the ordering. The "permitting' feature is there for the user to take action, but does not mean the action is taken by the user. The claim also recites third media file and fourth media file. Even if the user makes a selection of plurality of media files it does not mean there are a third and a fourth media file. The term plurality is interpreted to mean more than one. Therefore, if the user selected only two media files the step of playing a second ad file between the third and fourth media files does not happen.

It has been held that Language that suggest or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation (MPEP §2106 II C).

However, if patentable weight was to be given to the optional steps, Knepper also teaches that when Associated Advertising Model (AAM) advertising model is used, a media file (show)

and its corresponding advertisement media files must be associated with one another. Further Knepper teaches while they exist as separate files … they must be played together by the client-side application … every time an AAM show is played it will have the same advertisement(s) within it for that particular association (see [0066]-[0070]. Therefore, whether a media file is played first or last the same ad file will be played after the media file, which indicates that the sequence of the ad file would also be altered.

Regarding claim 139, Knepper teaches wherein each media files stored in the memory does not include an embedded ad (see [0035]-[0041]).

Regarding claim 140, Knepper teaches wherein the user can alter the first ordering by navigating within the first media file (see fig. 6 and [0042]-[0044]).

Regarding claims 141, 142, 145, Knepper teaches claim 138 wherein the ad positioning rules are stored at the device; before the automatically generating the first sequencing of ad files, receiving the ad positioning rules at the device; wherein the second sequencing of ad files is automatically generated without receiving different ad positioning rules than used when generating the first sequencing of ad files; jumping out-of-sequence (see fig. 6, forward and reverse buttons) (see also [0034]-[0037], [0040-44], [0066]-[0070]).

Regarding claims 143 and 144 Knepper teaches at the device, playing the first ad file stored in the memory of the device as specified in the first sequencing of ad files, wherein the first ad file is played without streaming of the first ad file; at the device, playing the first media file stored in the memory of the device, wherein the first media file is played without streaming (see [0008]-[0014], [0041]-[0042]).

Regarding claims 147-149, Knepper teaches wherein the first sequencing of ad files specifies that no ad file is to be played immediately after the fourth media file, and after the user alters the first ordering to obtain the second ordering, the second sequencing of ad files specifies that a third ad file is to be played immediately after the fourth media file (see [0041], [0046], [0049], [0052]-[0057], [0085], [0086]).

Regarding claims 148-150, 164-166, Knepper teaches instruction set delivered to the client and used by the client is used to determine whether the download list contains instructions for including an advertisement and if not the non-advertisement media file is downloaded …; a single clip would have an advertisement at its beginning, at its end, both or not at all. (see [0083]-[0088]). Knepper also teaches that placement of advertisement media files within the show … a content provider can specify which clips may be preceded or followed by ads (see [0080]. Further Knepper teaches that the number of advertisement media files may be determined by the occurrence or level of a fee paid by the user (see [0084]).

Regarding claim 154, Knepper teaches ad files stored separately from the media files (see [0026]-[0030]).

Regarding claim 155-161, Knepper teaches wherein the permitting the user to alter the first ordering of playing of the media files comprises a set of operations comprising: the user advancing from playing of the first media file to the third media file before the reaching an end of the first media file, the user removing the second media file from the first ordering before the second media file is played by the media player, and the user adding a fifth media file to the first ordering, wherein when the user performs one of the set of operations, the second sequencing of ad files is automatically generated after that operation … (see fig. 6, 7, [0042]-[0048]).

Regarding claim 162, Knepper teaches for the first ordering, based on the ad positioning rules, automatically generating at the device a first sequencing of ad files to be played during playing of the media files in the first ordering; after generating at the device the first sequencing of ad files (see [0009]-[0014]); permitting the user to alter the first ordering of playing of the media files to create a second ordering of the media files stored in the memory for playing; and for the second ordering, based on the ad positioning rules, automatically generating at the device a second sequencing of ad files to be played during playing of the media files in the second ordering, wherein the second sequencing of ad files is different from the first sequencing of ad files, (see [0026]-[0036]); wherein the permitting the user to alter the first ordering of playing of the media files comprises a set of operations comprises the user advancing from playing of a first media file to a second media file in the first ordering before the reaching an end of the first media file, the user removing a third media file from the first ordering before the third media file is played by the media player, and the user adding a fourth media file to the first ordering, wherein when the user performs one of the set of operations, the second sequencing of ad files is automatically generated after the operation, and the second sequencing of ad files specifies that an ad file is played after an end of a media file in the second ordering and before a start of a next media file in the second ordering (see fig. 6, [0026]-[0039]).

Note: The claim recites providing a plurality of media file *available for download* and ***allowing a user to select*** a subset of the plurality of media files for download and storing the subset of media files in a memory of the device. Allowing the user to select does not mean the user takes an action to select. The user may or may not select the available media file. Since there is no step of user taking an action to select, there are no media files stored in the memory of

the device. The claim also recites permitting the user to select a first ordering and permitting the user to alter the ordering. The "permitting' feature is there for the user to take action, but does not mean the action is taken by the user. The claim also recites third media file and fourth media file. Even if the user makes a selection of plurality of media files it does not mean there are a third and a fourth media file. The term plurality is interpreted to mean more than one. Therefore, if the user selected only two media files the step of playing a second ad file between the third and fourth media files does not happen.

It has been held that Language that suggest or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation (MPEP §2106 II C).

However, it patentable weight was to be given to the optional steps, Knepper also teaches that when Associated Advertising Model (AAM) advertising model is used, a media file (show) and its corresponding advertisement media files must be associated with one another. Further Knepper teaches while they exist as separate files … they must be played together by the client-side application … every time an AAM show is played it will have the same advertisement(s) within it for that particular association (see [0066]-[0070]. Therefore, whether a media file is played first or last the same ad file will be played after the media file, which indicates that the sequence of the ad file would also be altered.

Regarding claim 163, Knepper teaches navigating out-of-sequence from a first elapsed time with the first media file to a second elapsed time within the first media file (see fig. 6).

Regarding claim 167, Knepper teaches providing a plurality of media files available for download by an electronic device; allowing a user to select a first media file of the plurality of

media files for download; receiving the first media file at the electronic device; storing the first media file in a memory of the device; receiving a plurality of ad files to the electronic device for storage in the memory of the device (see [0009]-[0014]); at the device, based on ad positioning rules, automatically generating at the device a first sequencing of ad files to be played during playing of the first media file using a media player program; after generating at the device the first sequencing of ad files (see [0026]-[0039]), permitting the user to navigate playing within the first media file; and upon the user navigating within the first media file, automatically generating at the device a second sequencing of ad files to be played during a continued playing of the first media file, wherein the second sequencing of ad files is different from the first sequencing of ad files (see [0084])

Regarding claim 168, Knepper teaches wherein the first media file does not include any embedded ads (see [0035]-[0041]).

Regarding claim 170, Knepper teaches allowing the user to select a second media file of the plurality of media files for download; and receiving the second media file at the electronic device, wherein the automatically generating at the device a first sequencing of ad files comprises specifying that a third ad file be played after an end of the first media file and before a beginning of the second media file. Knepper teaches instruction set delivered to the client and used by the client to determine whether the download list contains instructions for including an advertisement, and if not the non-advertisement media file is downloaded …; a single clip would have an advertisement at its beginning, at its end, both or not at all. (see [0083]-[0088]). Knepper also teaches that placement of advertisement media files within the show … a content provider can specify which clips may be preceded or followed by ads (see [0080]. Further Knepper

teaches that the number of advertisement media files may be determined by the occurrence or level of a fee paid by the user (see [0084]).

Regarding claims 171 and 172, Knepper teaches wherein the user navigating the playing of the first media file comprises fast forwarding a playing of the first media file using the media player program, wherein the user navigating the playing of the first media file comprises changing to a next chapter in a playing of the first media file using the media player program (see fig. 6 and [0042]-[0044].

Regarding claims 175 and 176, Knepper teaches wherein the ad positioning rules specify playing an ad file at a fade-to-black point occurring in the first media file; wherein the ad positioning rules specify playing an ad file at markers located within the first media file Knepper teaches instruction set delivered to the client and used by the client is used to determine whether the download list contains instructions for including an advertisement and if not the non-advertisement media file is downloaded …; a single clip would have an advertisement at its beginning, at its end, both or not at all. (see [0083]-[0088]). Knepper also teaches that placement of advertisement media files within the show … a content provider can specify which clips may be preceded or followed by ads (see [0080]. Further Knepper teaches that the number of advertisement media files may be determined by the occurrence or level of a fee paid by the user (see [0084]).

Regarding claims 177, Knepper teaches before the automatically generating the first sequencing of ad files, receiving the ad positioning rules at the device, wherein the second sequencing of ad files is automatically generated without receiving different ad positioning rules

than used when generating the first sequencing of ad files (see [0034]-[0037], [0040-44], [0066]-[0070]).

Regarding claims 178-183, Knepper teaches wherein the ad positioning rules are stored at the device; before the automatically generating at the device the first sequencing of ad files, receiving in a memory of the device the ad positioning rules, wherein the first sequencing of ad files comprises only ad files wholly stored in the memory of the device; at the device, playing a first ad file stored in the memory of the device as specified in the first sequencing of ad files, wherein the first ad file is played without streaming of the first ad file; wherein the first media file is entirely received in the memory of the device before beginning playing of the first media file the media player program; wherein permitting the user to navigate playing within the first media file comprises paging forward or paging backward within the first media file; wherein the ad positioning rules specify an ad after a specified number of page turns (see fig. 6, forward and reverse buttons) (see also [0034]-[0037], [0040-44], [0066]-[0070]).

Regarding claims 184 and 185, Knepper teaches providing a plurality of media files available for download by an electronic device; allowing a user to select a subset of the plurality of media files for download; receiving the subset of media files at the electronic device; storing the subset of media files in a memory of the device; receiving a plurality of ad files at the electronic device for storage in the memory of the device; at the device, permitting a user to select a first ordering of the media files stored in the memory for playing by a media player program; and for the first ordering, based on ad positioning rules, using a processor of the device, automatically generating a first sequencing of ad files to be played during playing of the media files in the first ordering; after generating at the device the first sequencing of ad files,

permitting the user to alter the first ordering to create a second ordering of the media files, wherein the user can alter the first ordering by navigating using the media player from within the first media file to another media file, and wherein the user can alter the first ordering by navigating within the first media file (see fig. 6, [000]-[0014], [0026]-[0039]).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 151, 152, 169, 173 and 174 are rejected under 35 U.S.C. 103(a) as being unpatentable over Knepper further in view of official notice.

Regarding claims 151 and 152, Knepper teaches an ad positioning rules specifying an ad files playing between media files. Knepper also teaches the instruction set delivered to the client and used by the client is used to determine whether the download list contains instructions for including an advertisement and if not the non-advertisement media file is downloaded …; a single clip would have an advertisement at its beginning, at its end, both or not at all (see [0083]-[0088]). Knepper also teaches that placement of advertisement media files within the show … a content provider can specify which clips may be preceded or followed by ads (see [0080]. Further Knepper teaches that the number of advertisement media files may be determined by the occurrence or level of a fee paid by the user (see [0084]). Knepper does not explicitly teach presenting the ad file based on the amount of time the said media file content is presented to a user. However Examiner takes official notice that it is old and well known in the art of media

broadcasting to establish a time limit when a commercial should be played or presented. For example, advertisements are played every 60 minutes of presenting media programs. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to include in the instruction of Knepper rules specifying presentation of the ad every 60 minutes or so of playing the media file, in order to maximize the presentation of advertisement.

Claims 169, 173 and 174 are rejected as stated above in claim 151.

Claim 186 is rejected under 35 U.S.C. 103(a) as being unpatentable over Knepper further in view of Eyer et al. (US 6,588,015).

Regarding claim 186 Knepper teaches wherein in the first sequencing of ad files, a first ad file is to be played before a beginning of a first media file. However failed to specifically teach while the first ad file is being played by the media player, the user is not permitted to navigate using the media player, and after the first ad file has been player by the media player, and the first media file is being played, the user is permitted to navigate using the media player, it is taught in Eyer (see col. 6 lines 50-61, col. 16 lines 46-59, col. 18 lines 48-54). It would have been obvious to one of ordinary skill in the art at the time of the invention to add the control feature in Knepper as in Eyer for the intended purpose of making sure that the user or viewer listens or views the advertising message paid by the advertiser.

Response to Arguments

Applicant's arguments with respect to claims 138-186 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yehdega Retta whose telephone number is (571) 272-6723. The examiner can normally be reached on 8-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR

system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

YR
/Yehdega Retta/
Primary Examiner, Art Unit 3622

Index of Claims	Application/Control No.	Applicant(s)/Patent Under Reexamination
	Examiner	Art Unit

✓	Rejected	-	Cancelled	N	Non-Elected	A	Appeal
=	Allowed	÷	Restricted	I	Interference	O	Objected

☐ Claims renumbered in the same order as presented by applicant ☐ CPA ☐ T.D. ☐ R.1.47

CLAIM		DATE								
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From: PAIR_eOfficeAction@uspto.gov
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POWER OF ATTORNEY OR REVOCATION OF POWER OF ATTORNEY WITH A NEW POWER OF ATTORNEY AND CHANGE OF CORRESPONDENCE ADDRESS

Application Number	10/606,729
Filing Date	June 26, 2003
First Named Inventor	Philip M. Donian
Title	Method and Apparatus for the Free
Art Unit	3622
Examiner Name	Retta, Yehdega
Attorney Docket Number	42327-501001US

I hereby revoke all previous powers of attorney given in the above-identified application.

☐ A Power of Attorney is submitted herewith.

OR

☒ I hereby appoint Practitioner(s) associated with the following Customer Number as my/our attorney(s) or agent(s) to prosecute the application identified above, and to transact all business in the United States Patent and Trademark Office connected therewith: 64046

OR

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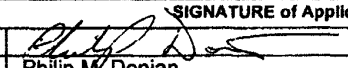
I am the:

☐ Applicant/Inventor.

OR

☒ Assignee of record of the entire interest. See 37 CFR 3.71.
Statement under 37 CFR 3.73(b) (Form PTO/SB/96) submitted herewith or filed on _____

SIGNATURE of Applicant or Assignee of Record

Signature		Date	1/30/11
Name	Philip M. Donian	Telephone	415-225-7354
Title and Company	CEO / Piranha Media Distribution, Inc.		

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below*.

☐ *Total of _____ forms are submitted.

This collection of information is required by 37 CFR 1.31, 1.32 and 1.33. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 3 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

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STATEMENT UNDER 37 CFR 3.73(b)

Applicant/Patent Owner: Philip M. Donian et al.

Application No./Patent No.: 10/606,729 Filed/Issue Date: June 26, 2003

Titled:
Method and Apparatus for the Free Licensing of Digital Media Content

Piranha Media Distribution, Inc. , a Corporation
(Name of Assignee) (Type of Assignee, e.g., corporation, partnership, university, government agency, etc

states that it is:

1. [X] the assignee of the entire right, title, and interest in;

2. [ ] an assignee of less than the entire right, title, and interest in
(The extent (by percentage) of its ownership interest is _____ %); or

3. [ ] the assignee of an undivided interest in the entirety of (a complete assignment from one of the joint inventors was made)

the patent application/patent identified above, by virtue of either:

A. [X] An assignment from the inventor(s) of the patent application/patent identified above. The assignment was recorded in the United States Patent and Trademark Office at Reel 014247, Frame 0528, or for which a copy therefore is attached.

OR

B. [ ] A chain of title from the inventor(s), of the patent application/patent identified above, to the current assignee as follows:

1. From: _____ To: _____

The document was recorded in the United States Patent and Trademark Office at
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[ ] Additional documents in the chain of title are listed on a supplemental sheet(s).

[ ] As required by 37 CFR 3.73(b)(1)(i), the documentary evidence of the chain of title from the original owner to the assignee was, or concurrently is being, submitted for recordation pursuant to 37 CFR 3.11.

[NOTE: A separate copy (*i.e.*, a true copy of the original assignment document(s)) must be submitted to Assignment Division in accordance with 37 CFR Part 3, to record the assignment in the records of the USPTO. See MPEP 302.08]

The undersigned (whose title is supplied below) is authorized to act on behalf of the assignee.

Signature — Date: 1/30/11

Philip M. Donian — Printed or Typed Name

CEO — Title

This collection of information is required by 37 CFR 3.73(b). The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

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Electronic Acknowledgement Receipt

EFS ID:	9340799
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	51111
Filer:	Carl A. Kukkonen/Teri Barnett
Filer Authorized By:	Carl A. Kukkonen
Attorney Docket Number:	PMDP001
Receipt Date:	31-JAN-2011
Filing Date:	26-JUN-2003
Time Stamp:	13:51:47
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1		42327_501001US.pdf	325412 dd13c1f7b2b2bc40a128de1087abb3085f34ca71	yes	2

	Multipart Description/PDF files in .zip description		
	Document Description	**Start**	**End**
	Power of Attorney	1	1
	Assignee showing of ownership per 37 CFR 3.73(b).	2	2
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National Stage of an International Application under 35 U.S.C. 371
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New International Application Filed with the USPTO as a Receiving Office
If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

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APPLICATION NUMBER	FILING OR 371(C) DATE	FIRST NAMED APPLICANT	ATTY. DOCKET NO./TITLE
10/606,729	06/26/2003	Philip M. Donian	42327-501001US

CONFIRMATION NO. 5831

64046
MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C
ONE FINANCIAL CENTER
BOSTON, MA 02111

POA ACCEPTANCE LETTER

OC000000045863193

Date Mailed: 02/09/2011

NOTICE OF ACCEPTANCE OF POWER OF ATTORNEY

This is in response to the Power of Attorney filed 01/31/2011.

The Power of Attorney in this application is accepted. Correspondence in this application will be mailed to the above address as provided by 37 CFR 1.33.

/snguyen/

Office of Data Management, Application Assistance Unit (571) 272-4000, or (571) 272-4200, or 1-888-786-0101

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APPLICATION NUMBER	FILING OR 371(C) DATE	FIRST NAMED APPLICANT	ATTY. DOCKET NO./TITLE
10/606,729	06/26/2003	Philip M. Donian	PMDP001

CONFIRMATION NO. 5831

51111
AKA CHAN LLP
900 LAFAYETTE STREET
SUITE 710
SANTA CLARA, CA 95050

POWER OF ATTORNEY NOTICE

OC000000045863006

Date Mailed: 02/09/2011

NOTICE REGARDING CHANGE OF POWER OF ATTORNEY

This is in response to the Power of Attorney filed 01/31/2011.

- The Power of Attorney to you in this application has been revoked by the assignee who has intervened as provided by 37 CFR 3.71. Future correspondence will be mailed to the new address of record(37 CFR 1.33).

/snguyen/

Office of Data Management, Application Assistance Unit (571) 272-4000, or (571) 272-4200, or 1-888-786-0101

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Doc code: RCEX
Doc description: Request for Continued Examination (RCE)

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REQUEST FOR CONTINUED EXAMINATION(RCE)TRANSMITTAL
(Submitted Only via EFS-Web)

Application Number	10/606,729	Filing Date	2003-06-26	Docket Number (if applicable)	42327-501001US	Art Unit	3622
First Named Inventor	Philip Donian			Examiner Name	Retta, Yehdega		

This is a Request for Continued Examination (RCE) under 37 CFR 1.114 of the above-identified application.
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Note: If the RCE is proper, any previously filed unentered amendments and amendments enclosed with the RCE will be entered in the order in which they were filed unless applicant instructs otherwise. If applicant does not wish to have any previously filed unentered amendment(s) entered, applicant must request non-entry of such amendment(s).

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- ☐ Consider the arguments in the Appeal Brief or Reply Brief previously filed on _____
- ☐ Other _____

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- ☒ Amendment/Reply
- ☐ Information Disclosure Statement (IDS)
- ☐ Affidavit(s)/ Declaration(s)
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☐ Suspension of action on the above-identified application is requested under 37 CFR 1.103(c) for a period of months _____ (Period of suspension shall not exceed 3 months; Fee under 37 CFR 1.17(i) required)

☐ Other _____

FEES

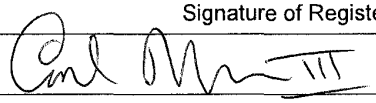
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The Director is hereby authorized to charge any underpayment of fees, or credit any overpayments, to Deposit Account No 500311

SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT REQUIRED

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☐ Applicant Signature

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Name	Carl A. Kukkonen, III	Registration Number	42773

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant	: Philip Donian et al.	Art Unit	: 3622
Serial No.	: 10/606,729	Confirmation No.:	5831
Filed	: June 26, 2003	Examiner	: Retta, Yehdega
Title	: METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT		

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Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

REPLY TO OFFICE ACTION DATED OCTOBER 14, 2010

This reply is responsive to the Final Office Action mailed October 14, 2010. Allowance is requested in view of the following amendments and remarks.

Listing of the Claims begin on page 2 of this paper.

Remarks begin on page 19 of this paper.

CERTIFICATE OF ELECTRONIC TRANSMISSION

I hereby certify that this correspondence is being electronically transmitted to the Patent and Trademark Office on the date indicated below in accordance with 37 CFR 1.8(a)(1)(i)(C).

March 14, 2011
Date of Transmission

/Teri Barnett/
Signature

Teri Barnett
Typed or Printed Name of Person Signing Certificate

Listing of the Claims:

This listing of claims replaces all prior listings of claims:

1–137. (canceled)

138. (Currently Amended) A method of delivering ads on an electronic device comprising:

providing a plurality of media files available for access ~~download~~ by an electronic device;

receiving user-generated input, via a user interface on the electronic device, ~~allowing a user to~~ selecting a subset of the plurality of media files for access by the electronic device~~download~~;

receiving the subset of media files at the electronic device;

storing the subset of media files in a memory of the device;

receiving a plurality of ad files at the electronic device for storage in the memory of the device;

at the device, receiving user-generated input via the user interface ~~permitting a user to~~ selecting a first ordering of the media files stored in the memory for presentation ~~playing~~ by a media player program;

for the first ordering, based on ad positioning rules~~, using a processor of the device~~, automatically generating, at the device, a first sequencing of ad files to be presented~~played~~ during presentation ~~playing~~ of the media files in the first ordering,

wherein a first ad file is to be presented ~~played~~ after an end of a first media file and before a beginning of a second media file in the first ordering, and

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a second ad file is to be presented~~played~~ after an end of a third media file and before a beginning of a fourth media file in the first ordering;

after generating at the device the first sequencing of ad files, receiving user-generated input ~~permitting the user to~~ altering the first ordering to create a second ordering of the media files,

wherein the user ~~can~~ alters the first ordering by navigating from ~~within~~ the first media file to another media file; and

for the second ordering, based on the ad positioning rules, ~~using a processor of the device,~~ automatically generating, at the device, a second sequencing of ad files to be presented ~~played~~ during presentation~~playing~~ of the media files in the second ordering,

wherein the second sequencing of ad files is different from the first sequencing of ad files.

139. (Currently Amended) The method of claim 138 wherein each media files stored in the memory does not include an embedded ad.

140. (Previously Presented) The method of claim 138 wherein the user can alter the first ordering by navigating within the first media file.

141. (Previously Presented) The method of claim 138 wherein the ad positioning rules are stored at the device.

142. (Previously Presented) The method of claim 138 comprising:

before the automatically generating the first sequencing of ad files, receiving the ad positioning rules at the device,

wherein the second sequencing of ad files is automatically generated without receiving different ad positioning rules than used when generating the first sequencing of ad files.

143. (Currently Amended) The method of claim 138 comprising:

at the device, presenting~~playing~~ the first ad file stored in the memory of the device as specified in the first sequencing of ad files, wherein the first ad file is presented~~played~~ without streaming of the first ad file.

144. (Currently Amended) The method of claim 138 comprising:

at the device, presenting~~playing~~ the first media file stored in the memory of the device, wherein the first media file is presented~~played~~ without streaming.

145. (Previously Presented) The method of claim 138 wherein the user can alter the first ordering by jumping out-of-sequence from a first elapsed time in the first media file to a second elapsed time in the first media file.

146. (Currently Amended) The method of claim 138 wherein in the second sequencing of ad files, the second ad file is not presented~~played~~ immediately after the end of a third media file.

147. (Currently Amended) The method of claim 138 wherein the first sequencing of ad

files specifies that no ad file is to be presented~~played~~ immediately after the fourth media file, and

after the user alters the first ordering to obtain the second ordering, the second sequencing of ad files specifies that a third ad file is to be presented~~played~~ immediately after the fourth media file.

148. (Previously Presented) The method of claim 138 wherein the receiving the subset of media files at the electronic device is from a first server and comprises:

at the first server, checking whether a fifth media file has an ad requirement;

if the fifth media file has an ad requirement, sending a notification to a second server, different from the first server, to deliver a third ad file associated with the fifth media file to the device;

when the fifth media file has an ad requirement, at the device, receiving the third ad file; and

when the fifth media file does not have an ad requirement, not sending a notification to the second server not to deliver the third ad file to the device.

149. (Previously Presented) The method of claim 138 wherein the receiving the subset of media files at the electronic device comprises:

checking whether each of the subset of media files has an ad requirement;

when a fifth media file of the subset has an ad requirement, after receiving the fifth media to the device, receiving a third ad file associated with the fifth media file as one of the plurality of ad files received at the device; and

when a sixth media file does not have an ad requirement, after receiving the sixth media

at the device, not delivering an ad file associated with the sixth media file to the device.

150. (Currently Amended) The method of claim 149 wherein the sixth media file does not have an emdedded ad, and the automatically generating a first sequencing of ad files specifies that an ad file is not presented~~played~~ immediately after the sixth media file.

151. (Currently Amended) The method of claim 138 wherein the ad positioning rules specify that one of the ad files will be presented~~played~~ between media files, and after a specified amount of elapsed time of media files presented~~played~~ by the media player program.

152. (Currently Amended) The method of claim 138 wherein the ad positioning rules specify an ad file will be presented~~played~~ between media files, and after a specified number of the media files have been presented~~played~~ by the media player program.

153. (Previously Presented) The method of claim 138 wherein the automatically generating a second sequencing of ad files is performed without receiving additional ad files than received before the first sequencing of ad files was generated.

154. (Previously Presented) The method of claim 138 wherein the ad files are stored separately from the media files.

155. (Currently Amended) The method of claim 138 wherein ~~the permitting the user to~~ altering the first ordering of presentation~~playing~~ of the media files comprises a set of operations

comprising:

the user advancing from presentation~~playing~~ of the first media file to the third media file before the reaching an end of the first media file,

the user removing the second media file from the first ordering before the second media file is presented~~played~~ by the media player, and

the user adding a fifth media file to the first ordering,

wherein when the user performs one of the set of operations, the second sequencing of ad files is automatically generated after that operation.

156. (Currently Amended) The method of claim 138 wherein ~~the permitting the user to~~ altering the first ordering of presentation~~playing~~ of the media files comprises a set of operations comprising:

the user skipping presenting~~playing~~ the second media file in the first ordering.

157. (Currently Amended) The method of claim 138 wherein ~~the permitting the user to~~ altering the first ordering of presentation~~playing~~ of the media files comprises a set of operations comprising:

the user replacing the second media file in the first ordering with a fifth media file.

158. (Currently Amended) The method of claim 138 wherein ~~the permitting the user to~~ altering the first ordering of presentation~~playing~~ of the media files comprises a set of operations comprising:

the user requesting a randomized presentation of media files.

159. (Previously Presented) The method of claim 138 wherein the first sequencing of ad files comprises a sequence for only ad files stored in the memory of the device.

160. (Previously Presented) The method of claim 138 wherein the memory comprises permanent storage of the device.

161. (Previously Presented) The method of claim 138 wherein the memory comprises temporary storage of the device.

162. (Currently Amended) A method of delivering ads on an electronic device comprising:

receiving a plurality of media files at the electronic device;

storing the media files in a memory of the device, wherein each media files stored in the memory of the device does not include an embedded ad;

receiving a plurality of ad files at the electronic device for storage in the memory of the device;

receiving ad positioning rules at the media device;

at the device, receiving user-generated input ~~permitting a user to~~ selecting a first ordering of the media files stored in the memory for presenting~~playing~~ by a media player program;

for the first ordering, based on the ad positioning rules, automatically generating at the device a first sequencing of ad files to be presented~~played~~ during presentation~~playing~~ of the media files in the first ordering;

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after generating at the device the first sequencing of ad files, receiving data characterizing user-generated input ~~permitting the user to~~ altering the first ordering of presentation~~playing~~ of the media files to create a second ordering of the media files stored in the memory for presentation~~playing~~; and

for the second ordering, based on the ad positioning rules, automatically generating at the device a second sequencing of ad files to be presented~~played~~ during presentation~~playing~~ of the media files in the second ordering, wherein the second sequencing of ad files is different from the first sequencing of ad files,

wherein the ~~permitting the user to~~ altering the first ordering of presentation~~playing~~ of the media files comprises a set of operations comprises

the user advancing from presentation~~playing~~ of a first media file to a second media file in the first ordering before the reaching an end of the first media file,

the user removing a third media file from the first ordering before the third media file is presented~~played~~ by the media player, and

the user adding a fourth media file to the first ordering,

wherein when the user performs one of the set of operations, the second sequencing of ad files is automatically generated after the operation, and

the second sequencing of ad files specifies that an ad file is presented~~played~~ after an end of a media file in the second ordering and before a start of a next media file in the second ordering.

163. (Previously Presented) The method of claim 162 wherein the set of operations comprises

navigating out-of-sequence from a first elapsed time within the first media file to a second elapsed time within the first media file.

164. (Previously Presented) The method of claim 162 wherein the receiving the media files at the electronic device is from a first server and comprises:

at the first server, checking whether a fifth media file has an ad requirement;

when a fifth media file of the subset has an ad requirement, sending a notification to a second server, different from the first server, to deliver a fifth ad file associated with the fifth media file to the device;

when the fifth media file of the subset has an ad requirement, at the device, receiving the fifth ad file; and

when the fifth media file of the subset does not have an ad requirement, not sending a notification to the second server to deliver an ad file associated with the fifth media file to the device.

165. (Previously Presented) The method of claim 162 wherein the receiving the subset of media files at the electronic device comprises:

checking whether each of the subset of media files has an ad requirement;

when a fifth media file of the subset has an ad requirement, after receiving the fifth media to the device, receiving a third ad file associated with the fifth media file as one of the plurality of ad files received at the device; and

when a sixth media file does not have an ad requirement, after receiving the sixth media at the device, not delivering an ad file associated with the sixth media file to the device.

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166. (Currently Amended) The method of claim 164 wherein the automatically generating at the device a first sequencing of ad files comprises a position of where the fifth ad file will be presented~~played~~ by the media player program.

167. (Currently Amended) A method of delivering ads on an electronic device comprising:

providing a plurality of media files available for access ~~download~~ by an electronic device;

receiving user-generated input ~~allowing a user to~~ selecting a first media file of the plurality of media files for access ~~download~~;

receiving the first media file at the electronic device;

storing the first media file in a memory of the device;

receiving a plurality of ad files to the electronic device for storage in the memory of the device;

at the device, based on ad positioning rules, automatically generating at the device a first sequencing of ad files to be presented~~played~~ during presentation~~playing~~ of the first media file using a media player program;

after generating at the device the first sequencing of ad files, receiving user-generated input ~~permitting the user~~ to navigate presentation~~playing~~ within the first media file; and

upon the user navigating within the first media file, automatically generating at the device a second sequencing of ad files to be presented~~played~~ during a continued presentation~~playing~~ of the first media file,

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wherein the second sequencing of ad files is different from the first sequencing of ad files.

168. (Previously Presented) The method of claim 167 wherein the first media file does not include any embedded ads.

169. (Currently Amended) The method of claim 167 the first sequencing of ad files to be presented~~played~~ during presentation~~playing~~ of the first media file specifies

stopping of presentation~~playing~~ of the first media file at a first elapsed time of the first media file and displaying of a first ad file,

after the displaying of the first ad file, resuming presentation~~playing~~ of the first media file at the first elapsed time,

stopping of presentation~~playing~~ of the first media file at a second elapsed time of the first media file, different form the first elapsed time, and displaying of a second ad file, and

after the presentation~~displaying~~ of the second ad file, resuming presentation~~playing~~ of the first media file at the second elapsed time.

170. (Currently Amended) The method of claim 167 comprising:

allowing the user to select a second media file of the plurality of media files for access ~~download~~; and

receiving the second media file at the electronic device,

wherein the automatically generating at the device a first sequencing of ad files comprises specifying that a third ad file be presented~~played~~ after an end of the first media file

and before a beginning of the second media file.

171. (Currently Amended) The method of claim 167 wherein the user navigating the presentation~~playing~~ of the first media file comprises fast forwarding a presentation~~playing~~ of the first media file using the media player program.

172. (Currently Amended) The method of claim 167 wherein the user navigating the presentation~~playing~~ of the first media file comprises changing to a next chapter in a presentation~~playing~~ of the first media file using the media player program.

173. (Currently Amended) The method of claim 167 wherein the first sequencing of ad files comprises a first ad file to be presented~~played~~ at a first elapsed time of the presentation~~playing~~ of the first media file,

the user navigating presentation~~playing~~ of the first media file comprises skipping to an elapsed time in the first media file after the first elapsed time, and

the second sequencing of ad files comprises the first ad file to be presented~~played~~ at a second elapsed time, different from the first elapsed time.

174. (Previously Presented) The method of claim 173 wherein the second elapsed time is before the first elapsed time.

175. (Currently Amended) The method of claim 167 wherein the ad positioning rules specify presentation of~~playing~~ an ad file at a fade-to-black point occurring in the first media file.

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176. (Currently Amended) The method of claim 167 wherein the ad positioning rules specify presentation of~~playing~~ an ad file at markers located within the first media file.

177. (Previously Presented) The method of claim 167 comprising:

before the automatically generating the first sequencing of ad files, receiving the ad positioning rules at the device,

wherein the second sequencing of ad files is automatically generated without receiving different ad positioning rules than used when generating the first sequencing of ad files.

178. (Previously Presented) The method of claim 167 wherein the ad positioning rules are stored at the device.

179. (Previously Presented) The method of claim 167 comprising:

before the automatically generating at the device the first sequencing of ad files, receiving in a memory of the device the ad positioning rules, wherein the first sequencing of ad files comprises only ad files wholly stored in the memory of the device.

180. (Currently Amended) The method of claim 167 comprising:

at the device, presenting~~playing~~ a first ad file stored in the memory of the device as specified in the first sequencing of ad files, wherein the first ad file is presented~~played~~ without streaming of the first ad file.

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181. (Currently Amended) The method of claim 167 wherein the first media file is entirely received in the memory of the device before beginning presentation~~playing~~ of the first media file by the media player program.

182. (Currently Amended) The method of claim 167 wherein ~~permitting the user to~~ navigating[[e]] presentation~~playing~~ within the first media file comprises paging forward or paging backward within the first media file.

183. (Previously Presented) The method of claim 167 wherein the ad positioning rules specify an ad after a specified number of page turns.

184-186. (Canceled)

187. (New) The method of claim 167, wherein the media player program:

saves a copy of player settings at the start of the presentation of ad file, the player settings defining a playback speed and a volume setting for the media player program,

plays the ad file at a predetermined ad playback speed,

increases the volume setting of the media player program to a predetermined threshold if the player settings have the volume setting below the predetermined threshold, and

resumes presentation of media files using the saved player settings after the presentation of the ad file has been completed.

188. (New) A method comprising:

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receiving, at a client system from a remote system, at least one media file and at least one advertisement file;

generating, at the client system using advertisement positioning rules, a first sequence of the at least one media file and the at least one advertisement file, the advertisement position rules defining how the at least one advertisement file is presented in relation to the at least one media file;

receiving, via a user interface, user-generated input modifying the first sequence;

generating a second sequence of the at least one media file and the at least one advertisement file based on the user-generated input and the advertisement positioning rules; and

presenting, at the client system, at least a portion of the at least one media file and the at least one advertisement file according to the second sequence.

189. (New) A method as in claim 188, further comprising:

presenting, at the client system, at least a portion of the at least one media file and the at least one advertisement file according to the first sequence.

190. (New) A method as in claim 188, wherein there are two or more media files and the first sequence is modified by changing a position of at least one media file in the first sequence.

191. (New) A method as in claim 188, wherein the first sequence is modified by adding an additional media file to the first sequence.

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192. (New) A method as in claim 188, wherein there are two or more media files and the first sequence is modified by removing a media file from the first sequence.

193. (New) A method as in claim 188, wherein generating the first sequence comprises sub-dividing at least one of the media files into two or more segments, and wherein at least one of the advertising files is presented between two of the segments.

194. (New) A method as in claim 188, wherein at least one advertisement file is presented concurrently with the at least one media file.

195. (New) A method comprising:

generating, at a remote system using advertisement position rules, a first sequence of at least one media file and at least one advertisement file, the advertisement position rules defining how the at least one advertisement file is presented in relation to the at least one media file;

receiving, via a user interface on a client system coupled to the remote system, user-generated input modifying or navigating the first sequence;

generating, at the remote system, a second sequence of the at least one media file and the at least one advertisement file based on the user-generated input and the advertisement positioning rules; and

presenting, at the client system, at least a portion of the at least one media file and the at least one advertisement file according to the second sequence.

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196. (New) A method as in claim 195, wherein there are two or more medial files and at least two of the media files comprise segments of a larger media file and wherein one or more advertisement files in the first sequence are placed between such segments.

197. (New) A method as in claim 195, further comprising: generating the first sequence by sub-dividing a media file into two or more segments, and wherein at least one of the advertising files is presented between two of the segments.

198. (New) A method as in claim 195, wherein at least one advertisement file is presented concurrently with the at least one media file.

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REMARKS

Reconsideration and allowance of the current subject matter is respectfully requested. No new matter has been added.

The undersigned requests that the examiner contact the undersigned at +1.858.314.1535 to discuss this response (whether in the form of a formal interview or otherwise). In addition, the undersigned welcomes any guidance from the examiner to help advance prosecution of this case.

35 USC § 102

Claims 138-150, 153-168, 170-172, 175-185 stand rejected under section 102(e) as allegedly being anticipated by Knepper et al. (US Publication No. 2001/0042249), hereinafter "Knepper". These rejections are respectfully traversed.

To present a valid anticipation rejection under 35 U.S.C. §102, the Office must identify a single prior art reference in which "each and every element as set forth in the claim is found, either expressly or inherently described." MPEP §2131 quoting *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). The rejection over Knepper fails to satisfy this burden with regards to the currently pending claims.

Knepper describes a system and method for transferring entertainment media files and advertisement media files in which a set of advertisement files is pre-cached at the client side. According to Knepper, a show, movie or other form of entertainment object may be requested by a user, and the set of files of which that entertainment object is composed is delivered to the user over the Internet. An instruction set is downloaded from the server to the client; this set directs the client to combine the entertainment object(s) with advertisement media files selected from the pre-cached set of advertisement media files at run time. When the entertainment set is

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arranged and played at the client side, it will appear as a single, continuous clip that includes both entertainment and advertisement content.

All words in a claim must be considered in judging the patentability of that claim against the prior art. *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). It appears that certain features were not given proper weight. For example, each of the independent claims recites aspects in which a user can modify a sequence of media files to be presented on the electronic device / client system. Knepper is silent as to the modification of a sequence of media files (and the associated altering of the placement of ad files based on such modification). Rather, Knepper describes that a set of advertisement files are pre-cached at a client side (see, inter alia, Knepper par. 14). A set of files corresponding to an entertainment object are delivered to a user and the advertisement files are combined with the pre-cached set of media files at run-time.

Although the cited paragraphs 26-36 of Knepper relate to playback of a show / entertainment object on a client, there is no statement of modification of a media file sequence as recited in the claims. Par. 34 of Knepper, in particular, describes an instruction set being delivered from a server to the client and such instruction set including a listing of the order of the entertainment and advertisement media files that will make up the show. Pars. 42-48 of Knepper are directed to advancing through a defined sequence of media files (e.g., skipping through a show). Such advancement through a pre-specified instruction set of media and advertisement files is different than modifying the sequence. Stated differently, Knepper is directed to the seamless display of an assembled clip of media and advertisement files (see, inter alia, par. 38 of Knepper). As a result, there would be no need for a user to modify a sequence of media files as recited in the claims.

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Accordingly, claims 138-150, 153-168, 170-172, 175-185, as well as new claims 187-198 are novel with regard to Knepper.

35 USC § 103

Claims 151, 152, 169, 173 and 174 stand rejected under section 103(a) as allegedly being unpatentable over Knepper and further in view of official notice. Claim 186 stands rejected under section 103(a) as allegedly being unpatentable over Knepper and further in view of Eyer et al. (US Patent No. 6,588,015). These rejections are respectfully traversed.

For a proper rejection under 35 U.S.C. §103(a), the Office "bears the initial burden of factually supporting any *prima facie* conclusion of obviousness" and must therefore present "a clear articulation of the reason(s) why the claimed invention would have been obvious." MPEP §2142. An obviousness rejection "cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." MPEP §2141 quoting *KSR International Co. v. Teleflex Inc.*, 82 USPQ2d 1386, 1385 (2007). This rationale must include a showing that all of the claimed elements were known in the prior art and that one skilled in the art could have combined the elements as claimed by known methods with no change in their respective functions, to produce a combination yielding nothing more than predictable results to one of ordinary skill in the art. *KSR*, 82 USPQ2d at 1395. MPEP §2141.02 further notes that "a prior art reference must be considered in its entirety, i.e., as a whole, including portions that would lead away from the claimed invention. *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). The rejections over Knepper in view of

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official notice and Knepper in view of Eyer fails to satisfy this burden with regard to the currently pending claims.

As stated above, Knepper fails to disclose, at least, the recited elements with regard to the user-generated modification of a sequence of media files. On this basis alone, the skilled artisan would not have been fairly taught each and every element of claims 151, 152, 169, 173 and 174 (whether combined with official notice or otherwise). Moreover, as stated above, the instruction set of Knepper is fixed, and so it does not follow that modification of an instruction set (which is not disclosed or suggested by Knepper) would result in advertisements being presented at fixed intervals. What the office action suggests is a vast change in many aspects to Knepper. "If the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claims prima facie obvious. *In re Ratti*, 270 F.2d 810, 123 USPQ 349 (CCPA 1959)" (MPEP 2143.01VI). The Court in *In re Ratti* reversed the finding of obviousness finding that the "suggested combination of references would require a substantial reconstruction and redesign of the elements shown in [the primary reference] as well as a change in the basic principle under which the [primary reference] construction was designed to operate." As such, it is respectfully submitted that a person of ordinary skill in the art would not have a reason to modify Knepper (with official notice) as suggested.

Eyer describes a digital radio broadcast system that provides various interactive features, including skip forward and skip backward. With Eyer, data is transmitted at a faster than real time rate and accumulated in a buffer at a receiver. The user can play a current track or skip to subsequent or earlier tracks. Eyer also describes two or more programming service streams (i.e., user channels) are communicated such that a user can move directly from a current track to the

beginning of a track of another stream. Tiers of service levels are provided so that paying subscribers can bypass some or all of the commercial messages, while non-paying subscribers can not bypass the commercials. Replacement programming may be transmitted in a portion of the bandwidth of the free service. At a receiver, control data may be used with multimedia data to provide a multimedia clip which identifies features of a track, such as artist, song title or lyrics. Identifying data may be communicated with the tracks to allow a user to skip disliked tracks or recover favorite tracks on another programming service stream.

Moreover, new claim 187 recites: "wherein the media player program: saves a copy of player settings at the start of the presentation of ad file, the player settings defining a playback speed and a volume setting for the media player program, plays the ad file at a predetermined ad playback speed, increases the volume setting of the media player program to a predetermined threshold if the player settings have the volume setting below the predetermined threshold, and resumes presentation of media files using the player settings after the presentation of the ad file has been completed" (for support, see, inter alia, specification p. 49, lines 7-10). Eyer fails to suggest that, upon commencement of an ad file, the media player settings can be saved, modified if needed to a specified playback speed and volume, and then resumed after the ad file has been presented. Knepper also fails to suggest such an arrangement.

Accordingly, claims 151, 152, 169, 173 and 174, and 187 should be separately allowable.

Concluding Comments

It is believed that all of the pending claims have been addressed in this paper. However, failure to address a specific rejection, issue or comment, does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above

are not intended to be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper, and the amendment of any claim does not necessarily signify concession of unpatentability of the claim prior to its amendment. Applicant asks that all claims be allowed.

If there are any questions regarding these amendments and remarks, the Examiner is encouraged to contact the undersigned at the telephone number provided below. A two-month extension of time is hereby petitioned. Authorization for a credit card payment of the twp-month extension fee is submitted herewith. The Commissioner is hereby authorized to charge any additional fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311, Reference No. 42327-501001US.

Respectfully submitted,

Date: March 14, 2011

/ck3/
Carl A. Kukkonen, III
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Phone: 858.314.1535
Fax: 858.314.1501

Electronic Patent Application Fee Transmittal

Application Number:	10606729
Filing Date:	26-Jun-2003
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Filer:	Carl A. Kukkonen/Teri Barnett
Attorney Docket Number:	42327-501001US

Filed as Small Entity

Utility under 35 USC 111(a) Filing Fees

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Basic Filing:				
Pages:				
Claims:				
Miscellaneous-Filing:				
Petition:				
Patent-Appeals-and-Interference:				
Post-Allowance-and-Post-Issuance:				
Extension-of-Time:				
Extension - 2 months with $0 paid	2252	1	245	245

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Miscellaneous:				
Request for continued examination	2801	1	405	405
		Total in USD ($)		**650**

Electronic Acknowledgement Receipt	
EFS ID:	9656917
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Carl A. Kukkonen/Teri Barnett
Filer Authorized By:	Carl A. Kukkonen
Attorney Docket Number:	42327-501001US
Receipt Date:	14-MAR-2011
Filing Date:	26-JUN-2003
Time Stamp:	19:59:04
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	yes
Payment Type	Credit Card
Payment was successfully received in RAM	$650
RAM confirmation Number	6788
Deposit Account	500311
Authorized User	KUKKONEN,CARL
The Director of the USPTO is hereby authorized to charge indicated fees and credit any overpayment as follows: Charge any Additional Fees required under 37 C.F.R. Section 1.21 (Miscellaneous fees and charges)	

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Request for Continued Examination (RCE)	42327_501001US_RCE.pdf	182299 f275231e19926fb529d808d3c74a81376c16b3d0	no	2
Warnings:					
This is not a USPTO supplied RCE SB30 form.					
Information:					
2		42327_501001US_Reply.pdf	170555 4e96092d89e25a8d8ac07aca36417354d931612e	yes	24

Multipart Description/PDF files in .zip description

Document Description	Start	End
Amendment After Final	1	1
Claims	2	18
Applicant Arguments/Remarks Made in an Amendment	19	24

Warnings:					
Information:					
3	Fee Worksheet (PTO-875)	fee-info.pdf	32179 7706a3c7ebf6b6b378db5959d1e4ede2b1f7858b	no	2
Warnings:					
Information:					
		Total Files Size (in bytes):	385033		

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<u>New Applications Under 35 U.S.C. 111</u>
If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

<u>National Stage of an International Application under 35 U.S.C. 371</u>
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<u>New International Application Filed with the USPTO as a Receiving Office</u>
If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

PTO/SB/06 (07-06)
Approved for use through 1/31/2007. OMB 0651-0032
U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE
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PATENT APPLICATION FEE DETERMINATION RECORD

Substitute for Form PTO-875

Application or Docket Number	Filing Date	☐ To be Mailed
10/606,729	06/26/2003	

APPLICATION AS FILED – PART I

	(Column 1)	(Column 2)	SMALL ENTITY ☒		OR	OTHER THAN SMALL ENTITY	
FOR	NUMBER FILED	NUMBER EXTRA	RATE ($)	FEE ($)		RATE ($)	FEE ($)
☐ BASIC FEE (37 CFR 1.16(a), (b), or (c))	N/A	N/A	N/A			N/A	
☐ SEARCH FEE (37 CFR 1.16(k), (i), or (m))	N/A	N/A	N/A			N/A	
☐ EXAMINATION FEE (37 CFR 1.16(o), (p), or (q))	N/A	N/A	N/A			N/A	
TOTAL CLAIMS (37 CFR 1.16(i))	minus 20 =	*	X $ =		OR	X $ =	
INDEPENDENT CLAIMS (37 CFR 1.16(h))	minus 3 =	*	X $ =			X $ =	
☐ APPLICATION SIZE FEE (37 CFR 1.16(s))	If the specification and drawings exceed 100 sheets of paper, the application size fee due is $250 ($125 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).						
☐ MULTIPLE DEPENDENT CLAIM PRESENT (37 CFR 1.16(j))							
* If the difference in column 1 is less than zero, enter "0" in column 2.			TOTAL			TOTAL	

APPLICATION AS AMENDED – PART II

AMENDMENT	03/14/2011	(Column 1) CLAIMS REMAINING AFTER AMENDMENT		(Column 2) HIGHEST NUMBER PREVIOUSLY PAID FOR	(Column 3) PRESENT EXTRA	SMALL ENTITY RATE ($)	ADDITIONAL FEE ($)	OR	OTHER THAN SMALL ENTITY RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	* 58	Minus	** 137	= 0	X $26 =	0	OR	X $ =	
	Independent (37 CFR 1.16(h))	* 5	Minus	***5	= 0	X $110 =	0	OR	X $ =	
	☐ Application Size Fee (37 CFR 1.16(s))									
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))							OR		
						TOTAL ADD'L FEE	0	OR	TOTAL ADD'L FEE	

AMENDMENT		(Column 1) CLAIMS REMAINING AFTER AMENDMENT		(Column 2) HIGHEST NUMBER PREVIOUSLY PAID FOR	(Column 3) PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)	OR	RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	*	Minus	**	=	X $ =		OR	X $ =	
	Independent (37 CFR 1.16(h))	*	Minus	***	=	X $ =		OR	X $ =	
	☐ Application Size Fee (37 CFR 1.16(s))									
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))							OR		
						TOTAL ADD'L FEE		OR	TOTAL ADD'L FEE	

* If the entry in column 1 is less than the entry in column 2, write "0" in column 3.

** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 20, enter "20".

*** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 3, enter "3".

The "Highest Number Previously Paid For" (Total or Independent) is the highest number found in the appropriate box in column 1.

Legal Instrument Examiner:
/DEBORAH PORTER/

This collection of information is required by 37 CFR 1.16. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant	: Philip Donian et al.	Art Unit	: 3622
Serial No.	: 10/606,729	Confirmation No.:	5831
Filed	: June 26, 2003	Examiner	: Retta, Yehdega
Title	: METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT		

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

STATUS INQUIRY

Kindly inform the undersigned attorney of record of the status of the above-referenced patent application. The last communication filed with the United States Patent and Trademark Office was a Response to Final Office Action and RCE on March 14, 2011. To date, Attorney has not received any communication from the United States Patent and Trademark Office and respectfully requests the present status of this patent application.

Respectfully submitted,

Date: January 18, 2012

/ck3/
Carl A. Kukkonen, III
Reg. No. 42,773

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Fax: 858.314.1501
Email: cakukkonen@mintz.com

Electronic Acknowledgement Receipt

EFS ID:	11861701
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Carl A. Kukkonen/Teri Barnett
Filer Authorized By:	Carl A. Kukkonen
Attorney Docket Number:	42327-501001US
Receipt Date:	18-JAN-2012
Filing Date:	26-JUN-2003
Time Stamp:	13:50:56
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Request for status of Application	42327_501001US_Status_Inquiry.pdf	84129 b5048f2eb506dd7b9a6f637cbfe682c5e48cdec5	no	1

Warnings:	
Information:	

Total Files Size (in bytes):	84129

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New Applications Under 35 U.S.C. 111
If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371
If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office
If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

Attorney's Docket No.: 42327-501001US

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant	: Philip Donian et al.	Art Unit	: 3622
Serial No.	: 10/606,729	Confirmation No.:	5831
Filed	: June 26, 2003	Examiner	: Retta, Yehdega
Title	: METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT		

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

STATUS INQUIRY

Kindly inform the undersigned attorney of record of the status of the above-referenced patent application. The last communication filed with the United States Patent and Trademark Office was a Response to Final Office Action and RCE on March 14, 2011. To date, Attorney has not received any communication from the United States Patent and Trademark Office and respectfully requests the present status of this patent application.

Respectfully submitted,

Date: July 17, 2012

/ck3/
Carl A. Kukkonen, III
Reg. No. 42,773

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Fax: 858.314.1501
Email: cakukkonen@mintz.com

Electronic Acknowledgement Receipt

EFS ID:	13269855
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Carl A. Kukkonen/Teri Barnett
Filer Authorized By:	Carl A. Kukkonen
Attorney Docket Number:	42327-501001US
Receipt Date:	17-JUL-2012
Filing Date:	26-JUN-2003
Time Stamp:	13:17:35
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Request for status of Application	42327_501001US_Status_Inquiry.pdf	84124 28489317e2fe2a56d3677f0c6027eaab9bc8aed2	no	1

Warnings:	
Information:	

Total Files Size (in bytes):	84124

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New Applications Under 35 U.S.C. 111
If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371
If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office
If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
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P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 07/23/2012

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C
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BOSTON, MA 02111

EXAMINER	
RETTA, YEHDEGA	
ART UNIT	PAPER NUMBER
3622	
MAIL DATE	DELIVERY MODE
07/23/2012	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

DATE: 07/21/2012

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C
ONE FINANCIAL CENTER
BOSTON, MA 02111

To: Applicant of Serial Number 10606729
Filed on 26-JUN-2003
(Art Unit 3622)

It is estimated that this application will receive an Office action in approximately 3 months. This is an estimate that is based on the current inventory level of applications filed in this art area and the current staffing levels in this Art Unit. The USPTO is dedicated to minimizing first action and total pendency, and we are targeting resources to help address backlogs in art areas with high new application filings. Thank you for your inquiry.

Customer Service Office in Technology Center: 3600

Phone Number: 571-272-3600
Central Fax Number: 571-273-8300

Applicant/Attorney Contact Information:

Phone Number: 571-272-4263
Fax Number:

Hulu, LLC - Ex. 1006, Page 000325

VIA EFS
Date of Deposit: March 19, 2013

Attorney's Docket No.: 42327-501001US
Customer No. 64046

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant	: Philip Donian et al.	Art Unit	: 3622
Serial No.	: 10/606,729	Confirmation No.:	5831
Filed	: June 26, 2003	Examiner	: Retta, Yehdega
Title	: METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT		

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

STATUS INQUIRY

Kindly inform the undersigned attorney of record of the status of the above-referenced patent application. The last communication received from the United States Patent and Trademark Office was an Office Communication dated July 21, 2012 stating an office action would issue in approximately three months. To date, the undersigned has not received any further communication from the United States Patent and Trademark Office and respectfully requests the present status of this patent application.

Respectfully submitted,

Date: March 19, 2013

/ck3/
Carl A. Kukkonen, III
Reg. No. 42,773

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Phone: 858.314.1535
Fax: 858.314.1501
Email: cakukkonen@mintz.com

Hulu, LLC - Ex. 1006, Page 000326

Electronic Acknowledgement Receipt

EFS ID:	15300014
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Carl A. Kukkonen/Teri Barnett
Filer Authorized By:	Carl A. Kukkonen
Attorney Docket Number:	42327-501001US
Receipt Date:	19-MAR-2013
Filing Date:	26-JUN-2003
Time Stamp:	16:12:35
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Request for status of Application	42327_501001US_Status_Inquiry.pdf	88769 59c4b9064714bdbb359285c1a9ad97dfc41bc7da	no	1

Warnings:

Information:

Total Files Size (in bytes):	88769

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Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 03/26/2013

Mintz Levin/San Diego Office
One Financial Center
Boston, MA 02111

EXAMINER	
RETTA, YEHDEGA	
ART UNIT	PAPER NUMBER
3622	

NOTIFICATION DATE	DELIVERY MODE
03/26/2013	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

IPDocketingBOS@mintz.com
IPFileroombos@mintz.com

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

DATE: 03/22/2013

Mintz Levin/San Diego Office
One Financial Center
Boston, MA 02111

To: Applicant of Serial Number 10606729
Filed on 26-JUN-2003
(Art Unit 3622)

It is estimated that this application will receive an Office action in approximately 3 months. This is an estimate that is based on the current inventory level of applications filed in this art area and the current staffing levels in this Art Unit. The USPTO is dedicated to minimizing first action and total pendency, and we are targeting resources to help address backlogs in art areas with high new application filings. Thank you for your inquiry.

Customer Service Office in Technology Center: 3600

Phone Number:	571-272-3600
Central Fax Number:	571-273-8300

Applicant/Attorney Contact Information:

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Hulu, LLC - Ex. 1006, Page 000330

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 03/26/2013

Mintz Levin/San Diego Office
One Financial Center
Boston, MA 02111

EXAMINER	
RETTA, YEHDEGA	
ART UNIT	PAPER NUMBER
3622	

NOTIFICATION DATE	DELIVERY MODE
03/26/2013	ELECTRONIC

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DATE: 03/22/2013

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One Financial Center
Boston, MA 02111

To: Applicant of Serial Number 10606729
Filed on 26-JUN-2003
(Art Unit 3622)

It is estimated that this application will receive an Office action in approximately 3 months. This is an estimate that is based on the current inventory level of applications filed in this art area and the current staffing levels in this Art Unit. The USPTO is dedicated to minimizing first action and total pendency, and we are targeting resources to help address backlogs in art areas with high new application filings. Thank you for your inquiry.

Customer Service Office in Technology Center: 3600

Phone Number:	571-272-3600
Central Fax Number:	571-273-8300

Applicant/Attorney Contact Information:

Phone Number:	571-272-4263
Fax Number:	

Hulu, LLC - Ex. 1006, Page 000332

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Application	Document	Mailroom Date	Attorney Docket No.
10606729	M327	03/26/2013	42327-501001US

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 08/20/2013

Mintz Levin/San Diego Office
One Financial Center
Boston, MA 02111

EXAMINER	
RETTA, YEHDEGA	
ART UNIT	PAPER NUMBER
3622	

NOTIFICATION DATE	DELIVERY MODE
08/20/2013	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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Office Action Summary	Application No. 10/606,729	Applicant(s) DONIAN ET AL.	
	Examiner YEHDEGA RETTA	Art Unit 3622	AIA (First Inventor to File) Status No

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *14 March 2011*.

☐ A declaration(s)/affidavit(s) under **37 CFR 1.130(b)** was/were filed on _____.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ An election was made by the applicant in response to a restriction requirement set forth during the interview on _____; the restriction requirement and election have been incorporated into this action.

4)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

5)☒ Claim(s) *138-183 and 187-198* is/are pending in the application.

5a) Of the above claim(s) _____ is/are withdrawn from consideration.

6)☐ Claim(s) _____ is/are allowed.

7)☒ Claim(s) *138-183 and 187-198* is/are rejected.

8)☐ Claim(s) _____ is/are objected to.

9)☐ Claim(s) _____ are subject to restriction and/or election requirement.

* If any claims have been determined allowable, you may be eligible to benefit from the **Patent Prosecution Highway** program at a participating intellectual property office for the corresponding application. For more information, please see http://www.uspto.gov/patents/init_events/pph/index.jsp or send an inquiry to PPHfeedback@uspto.gov.

Application Papers

10)☐ The specification is objected to by the Examiner.

11)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

Certified copies:

a)☐ All b)☐ Some * c)☐ None of the:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.

3) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .

4) ☐ Other: _____.

DETAILED ACTION

This office action is in response to Request for Continued Amendment filed March 29, 2013. Applicant amended claims 138, 139, 143, 144, 146, 147, 150-152, 155-158, 162, 166, 167, 169-173, 175, 176, 180-182, canceled 184-186 and added claims 187-198. Claims 138-183 and 187-198 are currently pending.

Claim Rejections - 35 USC § 112

The following is a quotation of 35 U.S.C. 112(a):
(a) IN GENERAL.—The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor or joint inventor of carrying out the invention.

The following is a quotation of 35 U.S.C. 112 (pre-AIA), first paragraph:
The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claim 194 and 198 recite wherein at least one advertisement file is presented concurrently with the at least one media file.

The specification however does not teach the advertisement presented concurrently with the media file.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an

> international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 167, 168, 170-172, 175-198 are rejected under 35 U.S.C. 102(e) as being clearly anticipated by Knepper et al. (2001/0042249).

Regarding claim 167, Knepper teaches providing a plurality of media files available for access by an electronic device; receiving user-generated input selecting a first media file of the plurality of media files for access; receiving the first media file at the electronic device; storing the first media file in a memory of the device; receiving a plurality of ad files to the electronic device for storage in the memory of the device (see [0009]-[0014]); at the device, based on ad positioning rules, automatically generating at the device a first sequencing of ad files to be presented during presentation of the first media file using a media player program; after generating at the device the first sequencing of ad files; receiving user-generated input to navigate presentation with the first media file (see [0026]-[0039]); and upon the user navigating within the first media file, automatically generating at the device a second sequencing of ad files to be played during a continued playing of the first media file, wherein the second sequencing of ad files is different from the first sequencing of ad files (see [0084]-[0088]). Knepper also teaches that when Associated Advertising Model (AAM) advertising model is used, a media file (show) and its corresponding advertisement media files must be associated with one another. Further Knepper teaches while they exist as separate files … they must be played together by the client-side application … every time an AAM show is played it will have the same advertisement(s) within it for that particular association (see [0066]-[0070]. Therefore, whether a

media file is played first or last the same ad file will be played after the media file, which indicates that the sequence of the ad file would also be altered.

Regarding claim 168, Knepper teaches wherein the first media file does not include any embedded ads (see [0035]-[0041]).

Regarding claim 170, Knepper teaches allowing the user to select a second media file of the plurality of media files for download; and receiving the second media file at the electronic device, wherein the automatically generating at the device a first sequencing of ad files comprises specifying that a third ad file be played after an end of the first media file and before a beginning of the second media file. Knepper teaches instruction set delivered to the client and used by the client to determine whether the download list contains instructions for including an advertisement, and if not the non-advertisement media file is downloaded …; a single clip would have an advertisement at its beginning, at its end, both or not at all. (see [0083]-[0088]). Knepper also teaches that placement of advertisement media files within the show … a content provider can specify which clips may be preceded or followed by ads (see [0080]). Further Knepper teaches that the number of advertisement media files may be determined by the occurrence or level of a fee paid by the user (see [0084]).

Regarding claims 171 and 172, Knepper teaches wherein the user navigating the playing of the first media file comprises fast forwarding a playing of the first media file using the media player program, wherein the user navigating the playing of the first media file comprises changing to a next chapter in a playing of the first media file using the media player program (see fig. 6 and [0042]-[0044].

Regarding claims 175 and 176, Knepper teaches wherein the ad positioning rules specify playing an ad file at a fade-to-black point occurring in the first media file; wherein the ad positioning rules specify playing an ad file at markers located within the first media file Knepper teaches instruction set delivered to the client and used by the client is used to determine whether the download list contains instructions for including an advertisement and if not the non-advertisement media file is downloaded …; a single clip would have an advertisement at its beginning, at its end, both or not at all. (see [0083]-[0088]). Knepper also teaches that placement of advertisement media files within the show … a content provider can specify which clips may be preceded or followed by ads (see [0080]. Further Knepper teaches that the number of advertisement media files may be determined by the occurrence or level of a fee paid by the user (see [0084]).

Regarding claims 177, Knepper teaches before the automatically generating the first sequencing of ad files, receiving the ad positioning rules at the device, wherein the second sequencing of ad files is automatically generated without receiving different ad positioning rules than used when generating the first sequencing of ad files (see [0034]-[0037], [0040-44], [0066]-[0070]).

Regarding claims 178-183, Knepper teaches wherein the ad positioning rules are stored at the device; before the automatically generating at the device the first sequencing of ad files, receiving in a memory of the device the ad positioning rules, wherein the first sequencing of ad files comprises only ad files wholly stored in the memory of the device; at the device, playing a first ad file stored in the memory of the device as specified in the first sequencing of ad files, wherein the first ad file is played without streaming of the first ad file; wherein the first media

file is entirely received in the memory of the device before beginning playing of the first media file the media player program; wherein permitting the user to navigate playing within the first media file comprises paging forward or paging backward within the first media file; wherein the ad positioning rules specify an ad after a specified number of page turns (see fig. 6, forward and reverse buttons) (see also [0034]-[0037], [0040-44], [0066]-[0070]).

Regarding claims 188-191, Knepper teaches receiving, at a client system from a remote system, at least one media file and at least one advertisement file; generating, at the client system using advertisement positioning rules, a first sequence of the at least one media file and the at least one advertisement file, the advertisement position rules defining how the at least one advertisement file is presented in relation to the at least one media file (see [0009]-[0014]); receiving, via a user interface, user-generated input modifying the first sequence (see [0011], [0034]); generating a second sequence of the at least one media file and the at least one advertisement file based on the user-generated input and the advertisement positioning rules; and presenting, at the client system, at least a portion of the at least one media file and the at least one advertisement file according to the second sequence; presenting, at the client system, at least a portion of the at least one media file and the at least one advertisement file according to the first sequence; wherein there are two or more media files and the first sequence is modified by changing a position of at least one media file in the first sequence; wherein the first sequence is modified by adding an additional media file to the first sequence.

Regarding claim 192, Knepper teaches wherein there are two or more media files and the first sequence is modified by removing a media file from the first sequence (see [0059]-[0063])

Regarding claim 193, Knepper teaches wherein generating the first sequence comprises sub-dividing at least one of the media files into two or more segments, and wherein at least one of the advertising files is presented between two of the segments (see [0059].

Regarding claim 194, Knepper teaches wherein at least one advertisement file is presented concurrently with the at least one media file (see [0038]-[0044]).

Regarding claim 195, Knepper teaches generating, at a remote system using advertisement position rules, a first sequence of at least one media file and at least one advertisement file, the advertisement position rules defining how the at least one advertisement file is presented in relation to the at least one media file (see [0061]-[0064]; receiving, via a user interface on a client system coupled to the remote system, user- generated input modifying or navigating the first sequence; generating, at the remote system, a second sequence of the at least one media file and the at least one advertisement file based on the user-generated input and the advertisement positioning rules (see [0011], [0032]-[0034]); and presenting, at the client system, at least a portion of the at least one media file and the at least one advertisement file according to the second sequence (see [0033]-[0040], [0088]).

Regarding claim 196, Knepper teaches wherein there are two or more medial files and at least two of the media files comprise segments of a larger media file and wherein one or more advertisement files in the first sequence are placed between such segments.

Regarding claim 197, Knepper teaches generating the first sequence by sub-dividing a media file into two or more segments, and wherein at least one of the advertising files is presented between two of the segments (see [0052]-[0058], [0085]-[0092]).

Regarding claim 198, Knepper teaches wherein at least one advertisement file is presented concurrently with the at least one media file (see [0038]-[0044]).

Claim Rejections - 35 USC § 103

The following is a quotation of pre-AIA 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 138-150, 153-168, 170-172, 175, are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper et al. (US 2001/0042249), and further in view of Watson (US 2004/0215741 A1).

Regarding claims 138, 146, 153, 162, Knepper teaches providing a plurality of media files available for download by an electronic *device; receiving user-generated input, via a user interface on the electronic device selecting* a subset of the plurality of media files for access by the electronic device; receiving the subset of media files at the electronic device; storing the subset of media files in a memory of the device; receiving a plurality of ad files at the electronic device for storage in the memory of the device (see [0009]-[0014]); at the device, receiving user-generated input via the user interface selecting a first ordering of the media files stored in the memory for playing by a media player program (see [0011], [0034]); for the first ordering, based

on ad positioning rules, automatically generating at the device a first sequencing of ad files to be presented during presentation of the media files in the first ordering (see [0026]-[0036]); after generating at the device the first sequencing of ad files, receiving user-generated input altering the first ordering to create a second ordering of the media files, wherein the user can alter the first ordering by navigating from within the first media file to another media file (see [0037]-[0039]). Knepper also teaches that when Associated Advertising Model (AAM) advertising model is used, a media file (show) and its corresponding advertisement media files must be associated with one another. Further Knepper teaches while they exist as separate files … they must be played together by the client-side application … every time an AAM show is played it will have the same advertisement(s) within it for that particular association (see [0066]-[0070]. Therefore, whether a media file is played first or last, the same ad file will be played after each media file, which indicates that the sequence of the ad file would also be altered.

Knepper teaches ad positioning rules for presenting ads with media files (see [0041]) but failed to explicitly teach the ad positioning rules includes a first ad file is to be presented after an end of a first media file and before a beginning of a second media file in the first ordering, and a second ad file is to be presented after and of a third media file and before a beginning of a fourth media file. Watson teaches in response to user-generated input creates a playlist and inserting ads into the playlist ...the ads inserted at a reasonable frequency … for example wherein the ad file is presented after every four songs (see [0043],[0053], [0117], [0120]-[0121]). It would have been obvious to one of ordinary skill in the art at the time of the invention to present the ad file of Knepper after the specific media files based on the rule set by a media file provider (radio station) as in Watson in order to meet predetermined revenue.

Regarding claim 139, Knepper teaches wherein each media files stored in the memory does not include an embedded ad (see [0035]-[0041]).

Regarding claim 140, Knepper teaches wherein the user can alter the first ordering by navigating within the first media file (see fig. 6 and [0042]-[0044]).

Regarding claims 141, 142, 145, Knepper teaches claim 138 wherein the ad positioning rules are stored at the device; before the automatically generating the first sequencing of ad files, receiving the ad positioning rules at the device; wherein the second sequencing of ad files is automatically generated without receiving different ad positioning rules than used when generating the first sequencing of ad files; jumping out-of-sequence (see fig. 6, forward and reverse buttons) (see also [0034]-[0037], [0040-44], [0066]-[0070]).

Regarding claims 143 and 144 Knepper teaches at the device, playing the first ad file stored in the memory of the device as specified in the first sequencing of ad files, wherein the first ad file is played without streaming of the first ad file; at the device, playing the first media file stored in the memory of the device, wherein the first media file is played without streaming (see [0008]-[0014], [0041]-[0042]).

Regarding claims 147-150, Knepper teaches wherein the first sequencing of ad files specifies that no ad file is to be played immediately after the fourth media file, and after the user alters the first ordering to obtain the second ordering, the second sequencing of ad files specifies that a third ad file is to be played immediately after the fourth media file (see [0041], [0046], [0049], [0052]-[0057], [0085], [0086]). Condolence

Regarding claim 154, Knepper teaches ad files stored separately from the media files (see [0026]-[0030]).

Regarding claim 155-161, Knepper teaches wherein the permitting the user to alter the first ordering of playing of the media files comprises a set of operations comprising: the user advancing from playing of the first media file to the third media file before the reaching an end of the first media file, the user removing the second media file from the first ordering before the second media file is played by the media player, and the user adding a fifth media file to the first ordering, wherein when the user performs one of the set of operations, the second sequencing of ad files is automatically generated after that operation … (see fig. 6, 7, [0042]-[0048]).

Regarding claim 163, Knepper teaches navigating out-of-sequence from a first elapsed time with the first media file to a second elapsed time within the first media file (see fig. 6).

Regarding claims 164-166, Knepper teaches instruction set delivered to the client and used by the client is used to determine whether the download list contains instructions for including an advertisement and if not the non-advertisement media file is downloaded …; a single clip would have an advertisement at its beginning, at its end, both or not at all. (see [0083]-[0088]). Knepper also teaches that placement of advertisement media files within the show … a content provider can specify which clips may be preceded or followed by ads (see [0080]. Further Knepper teaches that the number of advertisement media files may be determined by the occurrence or level of a fee paid by the user (see [0084]).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 151, 152, 169, 173 and 174 are rejected under 35 U.S.C. 103(a) as being unpatentable over Knepper further in view of official notice.

Regarding claims 151 and 152, Knepper teaches an ad positioning rules specifying an ad files playing between media files. Knepper also teaches the instruction set delivered to the client and used by the client is used to determine whether the download list contains instructions for including an advertisement and if not the non-advertisement media file is downloaded …; a single clip would have an advertisement at its beginning, at its end, both or not at all (see [0083]-[0088]). Knepper also teaches that placement of advertisement media files within the show … a content provider can specify which clips may be preceded or followed by ads (see [0080]. Further Knepper teaches that the number of advertisement media files may be determined by the occurrence or level of a fee paid by the user (see [0084]). Knepper does not explicitly teach presenting the ad file based on the amount of time the said media file content is presented to a user. However Examiner takes official notice that it is old and well known in the art of media broadcasting to establish a time limit when a commercial should be played or presented. For example, advertisements are played every 60 minutes of presenting media programs. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to

include in the instruction of Knepper rules specifying presentation of the ad every 60 minutes or so of playing the media file, in order to maximize the presentation of advertisement.

Claims 169, 173 and 174 are rejected as stated above in claim 151.

Claim 187 is rejected under 35 U.S.C. 103(a) as being unpatentable over Knepper further in view of Sainn et al. (US 2003/0120541 A1).

Regarding claim 187, Knepper does not teach the media program saves a copy of the player setting and playing the ad file at a predetermined ad playback speed…it is taught in Sainn. Sainn teaches the media player 120 can monitor the volume and on/off switch, to ensure the advertising content 130 is being played … if the volume is turned too low or muted or the media player 120 is turned off during the playback of advertising content, the media player 120 may be disabled from playing electronic media content 110 until the user turns the volume up or turns the media player 120 on to play the advertising content 130 (see [0074]). It would have been obvious to one of ordinary skill in the art at the time of the invention to control the volume of Knepper as in Sainn to ensure the advertisement content is played with a volume level that is acceptable.

Response to Arguments

Applicant's arguments with respect to claims 138-183 and 187-198 have been considered but are moot because the arguments do not apply to any of the references being used in the current rejection.

Regarding Applicant argues that Knepper is silent to the modification of a sequence of media file and the associated altering of the placement of ad files based on the modification and that there would be no need for a user to modify sequence of media files as recited in the claim,

Examiner respectively disagrees. Knepper teaches within a multiplicity of pages (magazine) a user can select different pages such as by paging forward … a user may also move through different pages within the magazine by using the forward and reverse buttons (see [0039]-[0042]).

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to YEHDEGA RETTA whose telephone number is (571)272-6723. The examiner can normally be reached on Monday through Thursday from 8 to 6:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

YR
/Yehdega Retta/
Primary Examiner, Art Unit 3622

Notice of References Cited	Application/Control No. 10/606,729	Applicant(s)/Patent Under Reexamination DONIAN ET AL.	
	Examiner YEHDEGA RETTA	Art Unit 3622	Page 1 of 1

U.S. PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Name	Classification
*	A	US-2003/0120541 A1	06-2003	Siann et al.	705/14
*	B	US-2004/0215741 A1	10-2004	Watson, Scott F.	709/217
	C	US-			
	D	US-			
	E	US-			
	F	US-			
	G	US-			
	H	US-			
	I	US-			
	J	US-			
	K	US-			
	L	US-			
	M	US-			

FOREIGN PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Country	Name	Classification
	N					
	O					
	P					
	Q					
	R					
	S					
	T					

NON-PATENT DOCUMENTS

*		Include as applicable: Author, Title Date, Publisher, Edition or Volume, Pertinent Pages)
	U	
	V	
	W	
	X	

*A copy of this reference is not being furnished with this Office action. (See MPEP § 707.05(a).)
Dates in MM-YYYY format are publication dates. Classifications may be US or foreign.

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Subject: Private PAIR Correspondence Notification for Customer Number 64046

Aug 20, 2013 05:27:28 AM

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Application	Document	Mailroom Date	Attorney Docket No.
10606729	CTNF	08/20/2013	42327-501001US
	892	08/20/2013	42327-501001US

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PATENT APPLICATION INFORMATION RETRIEVAL SYSTEM

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 12/30/2013

Mintz Levin/San Diego Office
One Financial Center
Boston, MA 02111

EXAMINER	
RETTA, YEHDEGA	
ART UNIT	PAPER NUMBER
3622	

NOTIFICATION DATE	DELIVERY MODE
12/30/2013	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

IPDocketingBOS@mintz.com
IPFileroombos@mintz.com

Applicant-Initiated Interview Summary	Application No.	Applicant(s)	
	10/606,729	DONIAN ET AL.	
	Examiner	Art Unit	
	YEHDEGA RETTA	3622	

All participants (applicant, applicant's representative, PTO personnel):

(1) *YEHDEGA RETTA*. (3)_____.

(2) *CARL KUKKONEN*. (4)_____.

Date of Interview: *12/23/13*.

Type: ☒ Telephonic ☐ Video Conference
☐ Personal [copy given to: ☐ applicant ☐ applicant's representative]

Exhibit shown or demonstration conducted: ☐ Yes ☒ No.
If Yes, brief description: _____.

Issues Discussed ☐101 ☐112 ☒102 ☐103 ☐Others
(For each of the checked box(es) above, please describe below the issue and detailed description of the discussion)

Claim(s) discussed: *167*.

Identification of prior art discussed: *Knepper et al. (US 2001/0042249)*.

Substance of Interview
(For each issue discussed, provide a detailed description and indicate if agreement was reached. Some topics may include: identification or clarification of a reference or a portion thereof, claim interpretation, proposed amendments, arguments of any applied references etc...)

The claimed invention was discussed. Examiner point out that the prior art teaches the claimed invention. It was discussed if amendment was necessary, but no agreement was reached.

Applicant recordation instructions: The formal written reply to the last Office action must include the substance of the interview. (See MPEP section 713.04). If a reply to the last Office action has already been filed, applicant is given a non-extendable period of the longer of one month or thirty days from this interview date, or the mailing date of this interview summary form, whichever is later, to file a statement of the substance of the interview

Examiner recordation instructions: Examiners must summarize the substance of any interview of record. A complete and proper recordation of the substance of an interview should include the items listed in MPEP 713.04 for complete and proper recordation including the identification of the general thrust of each argument or issue discussed, a general indication of any other pertinent matters discussed regarding patentability and the general results or outcome of the interview, to include an indication as to whether or not agreement was reached on the issues raised.

☐ Attachment

/YEHDEGA RETTA/ Primary Examiner, Art Unit 3622	

Summary of Record of Interview Requirements

Manual of Patent Examining Procedure (MPEP), Section 713.04, Substance of Interview Must be Made of Record
A complete written statement as to the substance of any face-to-face, video conference, or telephone interview with regard to an application must be made of record in the application whether or not an agreement with the examiner was reached at the interview.

Title 37 Code of Federal Regulations (CFR) § 1.133 Interviews
Paragraph (b)

In every instance where reconsideration is requested in view of an interview with an examiner, a complete written statement of the reasons presented at the interview as warranting favorable action must be filed by the applicant. An interview does not remove the necessity for reply to Office action as specified in §§ 1.111, 1.135. (35 U.S.C. 132)

37 CFR §1.2 Business to be transacted in writing.
All business with the Patent or Trademark Office should be transacted in writing. The personal attendance of applicants or their attorneys or agents at the Patent and Trademark Office is unnecessary. The action of the Patent and Trademark Office will be based exclusively on the written record in the Office. No attention will be paid to any alleged oral promise, stipulation, or understanding in relation to which there is disagreement or doubt.

The action of the Patent and Trademark Office cannot be based exclusively on the written record in the Office if that record is itself incomplete through the failure to record the substance of interviews.

It is the responsibility of the applicant or the attorney or agent to make the substance of an interview of record in the application file, unless the examiner indicates he or she will do so. It is the examiner's responsibility to see that such a record is made and to correct material inaccuracies which bear directly on the question of patentability.

Examiners must complete an Interview Summary Form for each interview held where a matter of substance has been discussed during the interview by checking the appropriate boxes and filling in the blanks. Discussions regarding only procedural matters, directed solely to restriction requirements for which interview recordation is otherwise provided for in Section 812.01 of the Manual of Patent Examining Procedure, or pointing out typographical errors or unreadable script in Office actions or the like, are excluded from the interview recordation procedures below. Where the substance of an interview is completely recorded in an Examiners Amendment, no separate Interview Summary Record is required.

The Interview Summary Form shall be given an appropriate Paper No., placed in the right hand portion of the file, and listed on the "Contents" section of the file wrapper. In a personal interview, a duplicate of the Form is given to the applicant (or attorney or agent) at the conclusion of the interview. In the case of a telephone or video-conference interview, the copy is mailed to the applicant's correspondence address either with or prior to the next official communication. If additional correspondence from the examiner is not likely before an allowance or if other circumstances dictate, the Form should be mailed promptly after the interview rather than with the next official communication.

The Form provides for recordation of the following information:
- Application Number (Series Code and Serial Number)
- Name of applicant
- Name of examiner
- Date of interview
- Type of interview (telephonic, video-conference, or personal)
- Name of participant(s) (applicant, attorney or agent, examiner, other PTO personnel, etc.)
- An indication whether or not an exhibit was shown or a demonstration conducted
- An identification of the specific prior art discussed
- An indication whether an agreement was reached and if so, a description of the general nature of the agreement (may be by attachment of a copy of amendments or claims agreed as being allowable). Note: Agreement as to allowability is tentative and does not restrict further action by the examiner to the contrary.
- The signature of the examiner who conducted the interview (if Form is not an attachment to a signed Office action)

It is desirable that the examiner orally remind the applicant of his or her obligation to record the substance of the interview of each case. It should be noted, however, that the Interview Summary Form will not normally be considered a complete and proper recordation of the interview unless it includes, or is supplemented by the applicant or the examiner to include, all of the applicable items required below concerning the substance of the interview.

A complete and proper recordation of the substance of any interview should include at least the following applicable items:
1) A brief description of the nature of any exhibit shown or any demonstration conducted,
2) an identification of the claims discussed,
3) an identification of the specific prior art discussed,
4) an identification of the principal proposed amendments of a substantive nature discussed, unless these are already described on the Interview Summary Form completed by the Examiner,
5) a brief identification of the general thrust of the principal arguments presented to the examiner,
   (The identification of arguments need not be lengthy or elaborate. A verbatim or highly detailed description of the arguments is not required. The identification of the arguments is sufficient if the general nature or thrust of the principal arguments made to the examiner can be understood in the context of the application file. Of course, the applicant may desire to emphasize and fully describe those arguments which he or she feels were or might be persuasive to the examiner.)
6) a general indication of any other pertinent matters discussed, and
7) if appropriate, the general results or outcome of the interview unless already described in the Interview Summary Form completed by the examiner.

Examiners are expected to carefully review the applicant's record of the substance of an interview. If the record is not complete and accurate, the examiner will give the applicant an extendable one month time period to correct the record.

Examiner to Check for Accuracy

If the claims are allowable for other reasons of record, the examiner should send a letter setting forth the examiner's version of the statement attributed to him or her. If the record is complete and accurate, the examiner should place the indication, "Interview Record OK" on the paper recording the substance of the interview along with the date and the examiner's initials.

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Application	Document	Mailroom Date	Attorney Docket No.
10606729	INTV.SUM.APP	12/30/2013	42327-501001US

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PATENT APPLICATION INFORMATION RETRIEVAL SYSTEM

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant	: Philip Donian et al.	Art Unit	: 3622
Serial No.	: 10/606,729	Confirmation No.:	5831
Filed	: June 26, 2003	Examiner	: Retta, Yehdega
Title	: METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT		

Mail Stop Amendment
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

REPLY TO OFFICE ACTION DATED AUGUST 20, 2013

This reply is responsive to the Non-Final Office Action mailed August 20, 2013. Allowance is requested in view of the following amendments and remarks.

Amendments to the Specification begin on page 2 of this paper.

Listing of the Claims begin on page 3 of this paper.

Remarks begin on page 14 of this paper.

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Amendments to the Specification:

Please amend the title as follows:

"~~METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT~~Interactive Digital Media and Advertising Presentation Platform"

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Listing of the Claims:

This listing of claims replaces all prior listings of claims:

1–187. (Canceled).

188. (Currently Amended) A method comprising:

receiving, at a client system from a remote system, a plurality of ~~at least one~~ media files and a plurality of ~~at least one~~ advertisement files;

generating, at the client system using advertisement positioning rules, a first sequence comprising at least a portion of the plurality of ~~at least one~~ media files and at least a portion of the plurality of ~~at least one~~ advertisement files, the advertisement positioning rules defining where ~~how~~ the ~~at least one~~ advertisement files are ~~is~~ presented in relation to the ~~at least one~~ media files;

presenting, at the client system, at least a portion of the first sequence;

receiving, via a user interface and during presentation of the first sequence, user-generated input modifying the first sequence;

adaptively generating, in response to the user-generated input, a second sequence comprising at least a portion of the ~~at least one~~ media files and the ~~at least one~~ advertisement files based on the user-generated input and the advertisement positioning rules, the second sequence differing from the first sequence such that at least one of the advertisement files is presented in a different position relative to the media files; and

presenting, at the client system, at least a portion of the ~~at least one media file and the at least one advertisement file according to the~~ second sequence.

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189. (Canceled).

190. (Canceled).

191. (Previously Presented) A method as in claim 188, wherein the first sequence is modified by adding an additional media file to the first sequence.

192. (Previously Presented) A method as in claim 188, wherein there are two or more media files and the first sequence is modified by removing a media file from the first sequence.

193. (Previously Presented) A method as in claim 188, wherein generating the first sequence comprises sub-dividing at least one of the media files into two or more segments, and wherein at least one of the advertising files is presented between two of the segments.

194. (Cancelled).

195. (Currently Amended) A method comprising:

generating, at a remote system using advertisement position rules, a first sequence of at least one media file and at least one advertisement file, the advertisement position rules defining where ~~how~~ the at least one advertisement file is presented in relation to the at least one media file;

sending, by the remote system, at least a portion of the first sequence to a client system;

receiving, at the remote system ~~via a user interface on the a client system coupled to the~~

~~remote system~~, user-generated input obtained via user interface on the client system modifying ~~or navigating~~ the first sequence;

dynamically generating, at the remote system and in response to the user-generated input, a second sequence of the at least one media file and the at least one advertisement file based on the user-generated input and the advertisement positioning rules, the second sequence differing from the first sequence such that at least one advertisement file is positioned differently in relation to the at least one media file; and

sending, by the remote system to the client system, at least a portion of the second sequence

~~presenting, at the client system, at least a portion of the at least one media file and the at least one advertisement file according to the second sequence~~.

196. (Currently Amended) A method as in claim 195, wherein there are two or more media[[l]] files and at least two of the media files comprise segments of a larger media file and wherein one or more advertisement files ~~in the first sequence~~ are placed between such segments.

197. (Previously Presented) A method as in claim 195, further comprising: generating the first sequence by sub-dividing a media file into two or more segments, and wherein at least one of the advertising files is presented between two of the segments.

198. (Cancelled).

199. (New) A method as in claim 195, further comprising:

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sending, by an ad localizer at the remote system to the client system, at least one subsequent advertisement file during presenting of the at least a portion of the media files and at least a portion of the advertisement files according to the first sequence;

wherein the second sequence comprises the at least one subsequent advertisement file.

200. (New) A method as in claim 195, wherein modifying the first sequence comprises navigating the first sequence.

201. (New) A method as in claim 195, wherein the advertisement position rules position the advertisement files in the second sequence so as to uphold an average content play time.

202. (New) A method as in claim 195, wherein the advertisement position rules position the advertisement files in the second sequence based on a number of media files played during presentation of the first sequence.

203. (New) A method as in claim 188, further comprising:

receiving, at the client system from the remote system, at least one subsequent advertisement file during presenting of the at least a portion of the media files and at least a portion of the advertisement files according to the first sequence;

wherein the second sequence comprises the at least one subsequent advertisement file.

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204. (New) A method as in claim 188, wherein modifying the first sequence comprises navigating the first sequence.

205. (New) A method as in claim 188, wherein the advertisement position rules position the advertisement files in the second sequence so as to uphold an average content play time.

206. (New) A method as in claim 188, wherein the advertisement position rules position the advertisement files in the second sequence based on a number of media files played during presentation of the first sequence.

207. (New) A method comprising:

receiving, at a client system from a remote system, at least one media file and a plurality of advertisement files arranged according to a first sequence;

presenting, at the client system, at least a portion of the first sequence;

receiving, via a user interface and during presentation of the first sequence, user-generated input modifying the first sequence;

dynamically generating, using advertisement positioning rules and based on the user-generated input, a second sequence comprising at least a portion of the at least one media file and at least a portion of the plurality of advertisement files, the second sequence differing from the first sequence, the advertisement positioning rules being used to adaptively alter the first sequence to result in the second sequence in which one or more of the plurality of advertisement files are positioned differently in relation to the at least one media file, wherein the generating

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occurs concurrently with the presentation; and

presenting, at the client system, at least a portion of the second sequence.

208. (New) A method as in claim 207, wherein modifying the first sequence comprises navigating the first sequence.

209. (New) A method as in claim 207, wherein the advertisement position rules position the advertisement files in the second sequence so as to uphold an average content play time.

210. (New) A method as in claim 207, wherein the advertisement position rules position the advertisement files in the second sequence based on a number of media files played during presentation of the first sequence.

211. (New) A method as in claim 207, further comprising: generating the first sequence by sub-dividing a media file into two or more segments, and wherein at least one of the advertising files is presented between two of the segments.

212. (New) A method comprising:

receiving data comprising media content and advertising content which, when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content;

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receiving, on a client system, user-generated input associated with presentation of the content stream; and

adaptively modifying, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream.

213. (New) A method as in claim 212 further comprising:

presenting at least a portion of the content stream on the client system.

214. (New) A method as in claim 213, wherein presenting the content stream on the client system comprises displaying the content stream by way of a graphical user interface.

215. (New) A method as in claim 213, wherein the user-generated input is received and the presentation position is adaptively modified during presentation of at least a portion of the content stream on the client system.

216. (New) A method as in claim 213, wherein the user-generated input is received and the presentation position is adaptively modified prior to presentation of at least a portion of the content stream on the client system.

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217. (New) A method as in claim 213, wherein the user-generated input is received and the presentation position is adaptively modified subsequent to presentation of at least a portion of the content stream on the client system.

218. (New) A method as in claim 212, wherein the one or more initial insertion points are specified using the pre-defined rules.

219. (New) A method as in claim 218, wherein the one or more initial insertion points are specified, at the client system, using the pre-defined rules.

220. (New) A method as in claim 219, wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules.

221. (New) A method as in claim 219, wherein the one or more alternate insertion points are specified, at a remote system, using the pre-defined rules.

222. (New) A method as in claim 218, wherein the one or more initial insertion points are specified, at a remote system, using the pre-defined rules.

223. (New) A method as in claim 222, wherein the one or more alternate insertion points are specified, at the remote system, using the pre-defined rules.

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224. (New) A method as in claim 222, wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules.

225. (New) A method as in claim 212, wherein the media content comprises at least one media file.

226. (New) A method as in claim 212, wherein the advertising content comprises at least one advertisement file.

227. (New) A method as in claim 226, further comprising: generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a portion of at least one of the advertising files is presented between two of the segments.

228. (New) A method as in claim 225, wherein the user-generated input associated with presentation of the content stream results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file.

229. (New) A method as in claim 212, wherein the user-generated input associated with presentation of the content stream results in a navigation command for the content stream.

230. (New) A method as in claim 229, wherein the navigation command is selected from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward, slow-

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motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, and shuttle knob.

231. (New) A method as in claim 212, wherein the data is received by the client system from a remote system.

232. (New) A method as in claim 212, wherein the data is received by accessing a local data source.

233. (New) A method as in claim 212, further comprising:

rotating new advertising content into the content stream in response to the user-generated input.

234. (New) A method as in claim 212, further comprising:

sending, by a remote system to the client system, additional advertising content during presenting of at least a portion of the content stream.

235. (New) A method as in claim 212, wherein the pre-defined rules position the advertising content so as to uphold an average content play time.

236. (New) A method as in claim 212, wherein the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream.

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237. (New) A method as in claim 212, wherein the adaptively modifying uses two or more of the pre-defined rules for determining the corresponding presentation position of at least a portion of the advertising content.

238. (New) A method comprising:

transmitting, by a remote system to a client system, data comprising media content and advertising content which, when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content;

receiving data, by the remote system from the client system, data characterizing user-generated input associated with presentation of the content stream; and

causing, by the remote system, the client system to adaptively modify, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream.

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REMARKS

Reconsideration and allowance of the current subject matter is respectfully requested. No new matter has been added. The undersigned requests that the examiner contact the undersigned at +1.858.314.1535 or cakukkonen@mintz.com to discuss this response (whether in the form of a formal interview or otherwise) in an effort to expedite allowance. In addition, the undersigned welcomes any guidance from the examiner to help advance prosecution of this case.

Interview Summaries

The undersigned participated in telephonic interviews with Examiner Retta on October 2, 2013 and on December 23, 2013. During the interviews, the non-final office action was discussed as well as proposals from the undersigned to advance prosecution. While no immediate agreement was reached regarding allowability, the undersigned gratefully acknowledges the guidance and participation by Examiner Retta.

35 USC § 112

Claims 194 and 198 stand rejected under 35 U.S.C. § 112, (pre-AIA) first paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which the inventor regards as the invention. These rejections are respectfully traversed.

It is submitted that the specification provides support for an advertisement file being concurrently presented with a media file. See, for example, pub. par. 144 and original claims 55 and 100.

Accordingly, this basis for rejection should be withdrawn.

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35 USC § 102

Claims 167, 168, 170-172, 175-198 stand rejected under section 102(e) as allegedly being anticipated by Knepper et al. (US Publication No. 2001/0042249), hereinafter "Knepper". These rejections are respectfully traversed.

To present a valid anticipation rejection under 35 U.S.C. §102, the Office must identify a single prior art reference in which "each and every element as set forth in the claim is found, either expressly or inherently described." MPEP §2131 quoting *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). The rejection over Knepper fails to satisfy this burden with regards to the currently pending claims.

Knepper describes a system and method for transferring entertainment media files and advertisement media files in which a set of advertisement files is pre-cached at the client side. According to Knepper, a show, movie or other form of entertainment object may be requested by a user, and the set of files of which that entertainment object is composed is delivered to the user over the Internet. An instruction set is downloaded from the server to the client; this set directs the client to combine the entertainment object(s) with advertisement media files selected from the pre-cached set of advertisement media files at run time. When the entertainment set is arranged and played at the client side, it will appear as a single, continuous clip that includes both entertainment and advertisement content.

The claims have been amended in an effort to advance prosecution and to further clarify certain differences from the cited references, including Knepper, as discussed during the interview. As discussed during the interview, Knepper is interpreted as disclosing an arrangement in which there is a fixed relationship between media files and advertisements. For example, Knepper describes a digital magazine having ads at fixed positions in relation to the

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content. A user can traverse the magazine, for example by "paging forward", but will always be presented with the advertisements at fixed pre-determined locations. With Knepper, and with particular reference to par. 84, entertainment files can have associated advertisement files (i.e., the same advertisement is always played with such entertainment file) or they can have unassociated advertisement files (i.e., an advertisement file is always played with the entertainment file – but it can be one of several advertisement files). While par. 84 of Knepper states that advertisement files can be played with different entertainment files that can be placed within random locations during playback, there is no suggestion that the relative placement of such advertisement files and the entertainment files can be changed as part of user-generated input such as navigating content. Furthermore, as previously noted, with Knepper, media file content and ad file content are presented to a user according to a text file delivered from a server. As shown in Fig. 4 of Knepper et al., no user intervention is allowed when the video and ad clips are being presented. The subject matter recited in the claims does not have such a prohibition.

Still further, there is no suggestion in Knepper that advertisement position rules act to "position the advertisement files in the second sequence so as to uphold an average content play time and/or based on a number of media files played during presentation of the first sequence" as recited in claims 201, 202, 209, 210, 235, and 236. Still further as previously argued, the cited paragraphs 26-36 of Knepper relate to playback of a show / entertainment object on a client, there is no statement of modification of a media file sequence as recited in the claims. Par. 34 of Knepper, in particular, describes an instruction set being delivered from a server to the client and such instruction set including a listing of the order of the entertainment and advertisement media files that will make up the show. Pars. 42-48 of Knepper are directed to advancing through a defined sequence of media files (e.g., skipping through a show). Such advancement through a

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pre-specified instruction set of media and advertisement files is different than modifying the sequence (or otherwise modifying a relationship among advertising content and media content). Stated differently, Knepper is directed to the seamless display of an assembled clip of media and advertisement files (see, inter alia, par. 38 of Knepper).

In addition, with regard to claims 193 and 197, it is submitted that Knepper is silent as to sub-division of a media file into segments as part of generating a first sequence as recited. The cited paragraph 59 simply states that a user perceives entertainment media files and advertisement files as being a single, continuous clip, not that the entertainment media file is sub-divided in any fashion.

At least for the reasons discussed above, each and every independent claim should be novel and allowable. Furthermore, the dependent claims, at least by virtue of their dependency, are novel and should also be allowable.

35 USC § 103

Claims 138-150, 153-168, 170-172, and 175 stand rejected under pre-AIA section 103(a) as allegedly being unpatentable over Knepper and further in view of Watson (US Publication No. 2004/0215741). Claims 151-152, 169, and 173-174 stand rejected under section 103(a) as allegedly being unpatentable over Knepper and further in view of official notice. Claim 187 stands rejected under section 103(a) as allegedly being unpatentable over Knepper and further in view of Sainn et al. (US Publication No. 2003/0120541). These rejections are respectfully traversed.

For a proper rejection under 35 U.S.C. §103(a), the Office "bears the initial burden of factually supporting any *prima facie* conclusion of obviousness" and must therefore present "a

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clear articulation of the reason(s) why the claimed invention would have been obvious." MPEP §2142. An obviousness rejection "cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." MPEP §2141 quoting *KSR International Co. v. Teleflex Inc.*, 82 USPQ2d 1386, 1385 (2007). This rationale must include a showing that all of the claimed elements were known in the prior art and that one skilled in the art could have combined the elements as claimed by known methods with no change in their respective functions, to produce a combination yielding nothing more than predictable results to one of ordinary skill in the art. *KSR*, 82 USPQ2d at 1395. MPEP §2141.02 further notes that "a prior art reference must be considered in its entirety, i.e., as a whole, including portions that would lead away from the claimed invention. *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). The rejections over Knepper in view of Watson, official notice and/or Siann fail to meet this burden with regard to the currently presented claims.

Watson describes a data retrieval system that provides data to a user of a client computer connected to multiple data stores and multiple other. With Watson, a request for data is received at the client computer. The request is forwarded from the client computer to a server computer. The request is intercepted at a reverse proxy caching connection. An attempt is made to locate the data at a data store at the reverse proxy caching connection. If the data is not found at the reverse proxy caching connection, the request is forwarded to the server computer. In order to provide data to a user, a user interface is provided to enable the user to identify desired data. The desired data is retrieved and provided to the user. The user interface has a number of elements, including enabling users to create music filters, to create custom stations, and to share custom

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stations with other users. Also, the data that is provided is selected in a unique manner. Initially, data elements associated with a grouping of data elements are identified. Then, a subset of the selected data elements are selected based on weights associated with the data elements, without selecting more than a specified number of data elements that are associated with a same sub-category.

Sian describes providing electronic media content and advertising content using a media player and electronic media content from an electronic media content provider. The media player is electronically provided with the electronic media content via a first method of transmission. The media player is also electronically provided with advertising content, from an advertising content provider, via a second method of transmission. If necessary, the electronic media content is decrypted by the media player prior to the electronic media content being provided to the user. The media player electronically determines when advertising is to be played on the media player. Additionally, according to an embodiment, when the media player is disconnected from the first method of transmission, and the media player ceases to receive electronic media content via the first method of transmission, the media player is electronically provided with advertising content via the second method of transmission.

It is respectfully submitted that the skilled artisan would not have resulted in the subject matter recited in claims rejected under 35 USC 103 as alleged using the cited references. Notwithstanding, these claims have been withdrawn making such rejection moot. Further, the skilled artisan would also have not resulted in the subject matter recited in the currently presented claims by combining any of the cited references. Therefore, all claims should be allowable.

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New Claims

New claims 212-238 should also be allowable based on similar reasoning to that presented above. In contrast to Knepper, the subject matter recited in claims 212 and 238 is directed to an arrangement in which positions of advertising content are changed relative to media content in response to user-generated input associated with the content stream (one example of user-generated input is navigating the content stream as recited in claim 229). As opposed to a fixed ad position relative to content (e.g., the digital magazine page of Knepper with fixed advertisement positions), the subject matter in claims 212 and 238 clearly states that the relative point at which advertisement content is to be presented changes. The claims depending from claim 212 provide further backup positions to the subject matter recited in claim 212 which are not suggested or otherwise taught by the prior art, and as such, should be separately allowable.

Accordingly, claims 212-238 should also be allowable.

Concluding Comments

It is believed that all of the pending claims have been addressed in this paper. However, failure to address a specific rejection, issue or comment, does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above are not intended to be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper, and the amendment of any claim does not necessarily signify concession of unpatentability of the claim prior to its amendment. The undersigned asks that all claims be

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allowed.

If there are any questions regarding these amendments and remarks, the Examiner is encouraged to contact the undersigned at the telephone number provided below. Applicant is entitled to micro-entity status. A three-month extension of time is hereby petitioned. Authorization for a credit card payment of the three-month extension fee is submitted herewith. The Commissioner is hereby authorized to charge any additional fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311, Reference No. 42327-501001US.

Respectfully submitted,

Date: February 14, 2014

/ck3/
Carl A. Kukkonen, III
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Electronic Patent Application Fee Transmittal

Application Number:	10606729
Filing Date:	26-Jun-2003
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Filer:	Carl A. Kukkonen/Teri Barnett
Attorney Docket Number:	42327-501001US

Filed as Micro Entity

Utility under 35 USC 111(a) Filing Fees

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Basic Filing:				
Pages:				
Claims:				
Miscellaneous-Filing:				
Petition:				
Patent-Appeals-and-Interference:				
Post-Allowance-and-Post-Issuance:				
Extension-of-Time:				
Extension - 3 months with $0 paid	3253	1	350	350

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Miscellaneous:				
		Total in USD ($)		**350**

Electronic Acknowledgement Receipt	
EFS ID:	18206731
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Carl A. Kukkonen/Teri Barnett
Filer Authorized By:	Carl A. Kukkonen
Attorney Docket Number:	42327-501001US
Receipt Date:	14-FEB-2014
Filing Date:	26-JUN-2003
Time Stamp:	13:58:55
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	yes
Payment Type	Credit Card
Payment was successfully received in RAM	$350
RAM confirmation Number	221
Deposit Account	500311
Authorized User	KUKKONEN, CARL
The Director of the USPTO is hereby authorized to charge indicated fees and credit any overpayment as follows: Charge any Additional Fees required under 37 C.F.R. Section 1.21 (Miscellaneous fees and charges)	

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Certification of Micro Entity (Gross Income Basis)	42327_501001US_Certification_Micro_Entity_Status.pdf	79768 b823c8cb7980f6218734d1180e6fd402b2d2e557	no	1
Warnings:					
Information:					
2		42327_501001US_Reply.pdf	166522 31cdb7506ce66a782271353422ba72c9c81777ce	yes	21

Multipart Description/PDF files in .zip description

Document Description	Start	End
Amendment/Req. Reconsideration-After Non-Final Reject	1	1
Specification	2	2
Claims	3	13
Applicant Arguments/Remarks Made in an Amendment	14	21

Warnings:					
Information:					
3	Fee Worksheet (SB06)	fee-info.pdf	30146 46179c9b83341cfe022ef042d159d98be50a093b	no	2
Warnings:					
Information:					
		Total Files Size (in bytes):	276436		

This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office

If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

Doc Code: MES.GIB
Document Description: Certification of Micro Entity Status (Gross Income Basis)

PTO/SB/15A (03-13)

CERTIFICATION OF MICRO ENTITY STATUS
(GROSS INCOME BASIS)

Application Number or Control Number (if applicable):	Patent Number (if applicable):
10/606,729	
First Named Inventor:	**Title of Invention:**
Philip Donian	Method And Apparatus For The Free Licensing Of Digital Media Content

The applicant hereby certifies the following -

(1) **SMALL ENTITY REQUIREMENT -**The applicant qualifies as a small entity as defined in 37 CFR 1.27.

(2) **APPLICATION FILING LIMIT -** Neither the applicant nor the inventor nor a joint inventor has been named as the inventor or a joint inventor on more than four previously filed U.S. patent applications, excluding provisional applications and international applications under the Patent Cooperation Treaty (PCT) for which the basic national fee under 37 CFR 1.492(a) was not paid, and also excluding patent applications for which the applicant has assigned all ownership rights or is obligated to assign all ownership rights as a result of the applicant's previous employment.

(3) **GROSS INCOME LIMIT ON APPLICANTS AND INVENTORS -** Neither the applicant nor the inventor nor a joint inventor, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986 (26 U.S.C. 61(a)), exceeding the "Maximum Qualifying Gross Income" reported on the USPTO website at http://www.uspto.gov/patents/law/micro_entity.jsp which is equal to three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census.

(4) **GROSS INCOME LIMIT ON PARTIES WITH AN "OWNERSHIP INTEREST" -** Neither the applicant nor the inventor nor a joint inventor has assigned, granted, or conveyed, nor is under an obligation by contract or law to assign, grant, or convey, a license or other ownership interest in the application concerned to an entity that, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986, exceeding the "Maximum Qualifying Gross Income" reported on the USPTO website at http://www.uspto.gov/patents/law/micro_entity.jsp which is equal to three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census.

SIGNATURE by a party set forth in 37 CFR 1.33(b)

Signature	/ck3/				
Name	Carl A. Kukkonen, III				
Date	February 14, 2014	Telephone	(858) 314-1535	Registration No.	42,773

☐ There is more than one inventor and I am one of the inventors who are jointly identified as the applicant. Additional certification form(s) signed by the other joint inventor(s) are included with this form.

PTO/SB/06 (09-11)
Approved for use through 1/31/2014. OMB 0651-0032
U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE
Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number.

PATENT APPLICATION FEE DETERMINATION RECORD Substitute for Form PTO-875	Application or Docket Number 10/606,729	Filing Date 06/26/2003	☐ To be Mailed

ENTITY: ☐ LARGE ☒ SMALL ☐ MICRO

APPLICATION AS FILED – PART I

	(Column 1)	(Column 2)		
FOR	NUMBER FILED	NUMBER EXTRA	RATE ($)	FEE ($)
☐ BASIC FEE (37 CFR 1.16(a), (b), or (c))	N/A	N/A	N/A	
☐ SEARCH FEE (37 CFR 1.16(k), (i), or (m))	N/A	N/A	N/A	
☐ EXAMINATION FEE (37 CFR 1.16(o), (p), or (q))	N/A	N/A	N/A	
TOTAL CLAIMS (37 CFR 1.16(i))	minus 20 =	*	X $ =	
INDEPENDENT CLAIMS (37 CFR 1.16(h))	minus 3 =	*	X $ =	
☐ APPLICATION SIZE FEE (37 CFR 1.16(s))	If the specification and drawings exceed 100 sheets of paper, the application size fee due is $310 ($155 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).			
☐ MULTIPLE DEPENDENT CLAIM PRESENT (37 CFR 1.16(j))				
* If the difference in column 1 is less than zero, enter "0" in column 2.			TOTAL	

APPLICATION AS AMENDED – PART II

AMENDMENT		(Column 1)		(Column 2)	(Column 3)		
	02/14/2014	CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	* 47	Minus	** 137	= 0	X $40 =	0
	Independent (37 CFR 1.16(h))	* 5	Minus	***5	= 0	X $210 =	0
	☐ Application Size Fee (37 CFR 1.16(s))						
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))						
						TOTAL ADD'L FEE	**0**

AMENDMENT		(Column 1)		(Column 2)	(Column 3)		
		CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	*	Minus	**	=	X $ =	
	Independent (37 CFR 1.16(h))	*	Minus	***	=	X $ =	
	☐ Application Size Fee (37 CFR 1.16(s))						
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))						
						TOTAL ADD'L FEE	

* If the entry in column 1 is less than the entry in column 2, write "0" in column 3.
** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 20, enter "20".
*** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 3, enter "3".
The "Highest Number Previously Paid For" (Total or Independent) is the highest number found in the appropriate box in column 1.

LIE
/WANDA MITCHELL/

This collection of information is required by 37 CFR 1.16. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 05/01/2014

Mintz Levin/San Diego Office
One Financial Center
Boston, MA 02111

EXAMINER	
RETTA, YEHDEGA	
ART UNIT	PAPER NUMBER
3622	

NOTIFICATION DATE	DELIVERY MODE
05/01/2014	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

IPDocketingBOS@mintz.com
IPFileroombos@mintz.com

Office Action Summary	Application No. 10/606,729	Applicant(s) DONIAN ET AL.	
	Examiner YEHDEGA RETTA	Art Unit 3622	AIA (First Inventor to File) Status No

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTHS FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *2/14/14*.

☐ A declaration(s)/affidavit(s) under **37 CFR 1.130(b)** was/were filed on _____.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ An election was made by the applicant in response to a restriction requirement set forth during the interview on _____; the restriction requirement and election have been incorporated into this action.

4)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims*

5)☒ Claim(s) *188,191-193,195-197 and 199-238* is/are pending in the application.

5a) Of the above claim(s) _____ is/are withdrawn from consideration.

6)☐ Claim(s) _____ is/are allowed.

7)☐ Claim(s) *188, 191-193, 195-197, 199-238* is/are rejected.

8)☐ Claim(s) _____ is/are objected to.

9)☐ Claim(s) _____ are subject to restriction and/or election requirement.

* If any claims have been determined allowable, you may be eligible to benefit from the **Patent Prosecution Highway** program at a participating intellectual property office for the corresponding application. For more information, please see http://www.uspto.gov/patents/init_events/pph/index.jsp or send an inquiry to PPHfeedback@uspto.gov.

Application Papers

10)☐ The specification is objected to by the Examiner.

11)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

Certified copies:

a)☐ All b)☐ Some** c)☐ None of the:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

** See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Information Disclosure Statement(s) (PTO/SB/08a and/or PTO/SB/08b) Paper No(s)/Mail Date _____.

3) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .

4) ☐ Other: _____.

The present application is being examined under the pre-AIA first to invent provisions.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112(a):

> (a) IN GENERAL.—The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor or joint inventor of carrying out the invention.

The following is a quotation of the first paragraph of pre-AIA 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 188, 191-193, 195-197, 199-238 are rejected under 35 U.S.C. 112(a) or 35 U.S.C. 112 (pre-AIA), first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor or a joint inventor, or for pre-AIA the inventor(s), at the time the application was filed, had possession of the claimed invention.

Claims 188, 195, 207, as amended, recite receiving, *at a client system* from a remote system, a plurality of at least one media files and a plurality of at least one advertisement files;

generating, at the client system using advertisement positioning rules, a first sequence comprising *at least a portion of the plurality of at least one media files and at least a portion of the at least one advertisement files*, the advertisement positioning rules defining where advertisement files are presented in relation to the at least one media files;

presenting, at the client system, *at least a portion of* the first sequence:

adaptively generating a second sequence comprising *at least a portion of* the media files and the advertisement files based on the user-generated input and the advertisement positioning rules, the second sequence differing from the first sequence such that at least one of the advertisement files is presented in a different position relative to the media files.

The specification teaches as follows:

Once the media request list is established, the list is then populated ... the program determines the ad requirements called for the item ... in step 510 the media item is transferred into local storage ... in step 514 the program selects appropriate ads to go with the media request list and prepares them for insertion in to the content play/view sequence (see fig. 5 and associated paragraphs).

The specification however does not teach once a plurality of media files and advertisement files were received at the client system a portion of the media files and a portion of advertisement files are generated at the client system. The specification also does not teach a second sequence comprising at least a portion of the media files and advertisement files are generated after the user-generated input and the portion presented at the client system.

In addition claim 195 also recites ***sending, by the remote system to the client system***, at least a portion of the **second sequence.**

The specification does not teach the remote system sending a second sequence.

Claim 212-238

Claim 212 recites receiving data comprising media content and advertising content which, when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content:

adaptively modifying, using pre-defined rules and in response to the user-generated input, *a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream.*

First the specification does not teach receiving data when presented, form a content stream, the content stream having one or more initial insertion points at which *at least a portion of the advertising content* is to be presented relative to at least a portion of the media content:

Second the specification does not teach *modifying the presentation* position of the a portion of the advertisement content *from one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the received advertising content from one or more initial insertion points …*

Claim 238 is rejected for the same reason stated in claim 212.

The specification also does not teach the one or more *alternate insertion points are specified using the pre-defined rules or are specified at a remote system ...* as claimed in claims 220-224.

Claim 228, recites wherein the user-generated input associated with presentation of the ***content stream results in a change of a sequence*** of two or more media files by ***subtracting an***

existing media file, or by re-arranging the sequence of media files or results in a change of sequence ***by adding a new media file.***

The specification does not teach the change of sequence is by subtracting an existing media file or re-arranging the sequence of media files or by adding a media file.

Claim 236:

The specification does not teach sending, by a remote system to the client system, *additional advertising content during presenting of at least a portion of the content stream.*

Claim 237:

The specification does not teach wherein the adaptively modifying ***uses two or more of the pre-defined rules for determining*** the corresponding presentation position of at least a portion of the advertising content.

Regarding the media content, advertisement and sequencing, the specification teaches:

[0117] In this way, the invention has the ability to strictly enforce the insertion of advertisements into the content stream. Furthermore, whenever the player/viewer is running any ads, it has the power to ensure that the consumer 102 using it will experience the advertisements in their entirety. In this particular embodiment of the invention, the player/viewer accomplishes this end by disabling any user interface command that the consumer could possibly use to skip, back out of, or speed through the promotional material, including the ability to lower the sound volume beneath a pre-determined threshold level. *The intersplicer also has the ability to adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content, by means of playback controls.*

[0145] Referring back to the figure, *play sequence 402 contains both segmented audio/video content, shown throughout FIG. 4A as wavy lines, and blocks of audio/video commercials, which are*

shown throughout as saw-toothed lines. Content segments 430, 432, 434, and 436 comprise the media title the user has requested for play, and each of advertisement blocks 408, 410, and 412 is a group of at least one or more ads and/or other promotional material that the player/viewer software has automatically assembled and inserted into the sequence.

[0147] Play sequence 402 is typical for a segmented title/track, by the definition of segmented media given above. With segmented media, ***the*** *player/viewer* ***holds a sense of particular*** *ad* ***blocks retaining their own sense of place in the sequence, with the ads chosen to go along with a pre-determined portion of the content.*** *If the consumer elects to skip around during the course of playing a segmented title,* ***the same block of ads plays with a particular portion of the content*** *as the user skips back and forth through different parts of the title, over a predetermined period of time and/or number of viewings.* If the predetermined limit is exceeded, the player/viewer rotates in new ad blocks automatically.

[0148] Segmented titles are sequenced like television programs, in that ad breaks tend to occur at particular scheduled places in the content. The first time through viewing any particular segmented content with ads, each block is shown before or after its associated content, and the player/viewer requires the ads to be run in their entirety. After that, when ad blocks that have been seen already are encountered again through a user-directed repeat of a sequence in a single request session, the player/viewer may allow the user to navigate out of the ad, or possibly omit it altogether.

[0149] For example, *if the user of sequence 402 jumps right into segment 434 as segment 430 is just starting, the player/viewer will begin segment 434 at its point of entry, followed at its end by ad block 412. Wherever possible, the ad block chosen for play at the end of a segment will be the one most appropriate to the actual part of the content that has played since the latest preceding ad block.*

[0155] Tracked titles are sequenced like radio programming, in that the ad breaks tend to occur after a certain number of songs are played, after a certain amount of playback time has elapsed, or at song breaks nearest to particular times of the hour. In the case of the player/viewer, the user can sequence any combination of tracks together, and the ads chosen may in

part reflect the specific tracks used. This has a direct implication when the consumer jumps around haphazardly in a requested play-list, or chooses to repeat a small subset of the tracks in the requested sequence.

[0156] For example, *in sequence 404, consider a case where the program is using a track allowance method for ad placement, with an initial allowance of 5 tracks per ad block. If the user decides to play track 446 and then track 456, the program does not insert ad block 416 immediately after track 456. Instead, play goes directly into track 458, because the allowance is 5 tracks. If the user plays through most of track 458, then jumps to the beginning of track 442 and plays it, there is still allowance for one more track after that, since only four tracks (446, 456, 458, and 442) have played so far. If the user then jumps to track 452, an ad block will play immediately after track 452 completes, or if the user attempts to leave track 452 after hearing most of it but before it completes, because it is the fifth track.* This ad block will be assembled extemporaneously to go with the five tracks that were played, and there is no retained sense of recurring blocks falling at specific points when the user skips around between tracks in a play-list. Typically, ad blocks interspliced in this way require full play with each occurrence, and the player/viewer manages its adaptive ad selection to present new ads every time, to a certain extent.

There is no “second sequence" disclosed by Applicant’s disclosure. The second sequencing of the playlist, in light of the specification, is understood to mean that the user navigates within the media files in the playlist (e.g. by skipping a media file in the playlist (in the first sequence) (the media list that was transferred to the client computer) or advances to another media in the playlist (the media list that was transferred to the client computer) .

There is also no generation of a second sequence by the remote system or transferred to the client system.

The second sequencing is interpreted to mean changing the sequence of the first list by skipping or forwarding)

Claim Rejections - 35 USC § 102

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 188, 191-193, 195-197, 199-201, 203-205, 207-209, 211-232, 234-238 are rejected under 35 U.S.C. 102(e) as being clearly anticipated by Knepper et al. (2001/0042249).

Regarding claims 188, 191, 207, 213, 231, 232, Knepper teaches receiving, at a client system from a remote system, a plurality of media files and a plurality of advertisement files (see [0038]-[0041]);

generating, at the client system using advertisement positioning rules, a first sequence comprising a least a portion of the plurality of media files and the at least a portion of the plurality advertisement files, the advertisement positioning rules defining where the at least one advertisement files are presented in relation to the at least one media files (see [0043]- [0046];

presenting, at the client system, at least a portion of the at least one media file and the at least one advertisement file according to the first sequence; (see fig. 8a and 8b, [0009]-[0014], [0051]-[0058], [0061]-[0062]);

receiving, via a user interface user-generated input (forwarding, skipping) and presenting at least a portion of the second sequence (see [0039]-[0042]).

Knepper teaches that an advertisement file is appended to a media file such that the entertainment and advertisement files are played to appear as a single clip ... <ADInsert> is a tag that is recognized by the client application as specific instructions regarding treatment of the advertising media files ... using this tags the server can direct the client to place an ad before, during or after a media file during playback of media files in the magazine page (see [0052] ... the client displays the entertainment media file before it plays the advertisement media file ... when the entertainment media file is finished playing, **the advertisement media file immediately proceeds without the appearance of a page turn** (see [0059]). Knepper teaches (Fig.7) plurality of clips, has its associated instruction set stored on the server 601; the instruction delivered to the client 603; according to the instructions advertisement media file 611 are selected to be shown according to the association (see [0062]). That means even if the user is skipping or forwarding to a different music, an advertisement associated with that media file, based on the <ADInsert> would be playing, i.e., the same block of ad plays with the particular portion of the content according to the instruction.

Regarding claim 192, Knepper teaches wherein there are two or more media files and the first sequence is modified by removing a media file from the first sequence (see [0059]-[0063])

Regarding claim 193, Knepper teaches wherein generating the first sequence comprises sub-dividing at least one of the media files into two or more segments, and wherein at least one of the advertising files is presented between two of the segments (see [0059].

Regarding claim 195, Knepper teaches generating, at a remote system using advertisement position rules, a first sequence of at least one media file and at least one advertisement file, the advertisement position rules defining how the at least one advertisement file is presented in relation to the at least one media file (fig. 3, [0031]-[0036]);

Sending, by the remote, at least a portion of the sequence to a client system (see [0029]-[0036]-[0040], [0057]-[0063]);

receiving, at the remote system user-generated input obtained via user interface on the client system modifying the first sequence; generating, at the remote system, in response to the user-generated input, a second sequence of the at least one media file and the at least one advertisement file based on the user-generated input and the advertisement positioning rules, the second sequence differing from the first sequence such that at least one advertisement file is positioned differently in relation to the at least one media file; and sending, by the remote system to the client system, at least a portion of the second sequence (see [0044]-[0054]). Knepper teaches that an advertisement file is appended to a media file such that the entertainment and advertisement files are played to appear as a single clip ... <ADInsert> is a tag that is recognized by the client application as specific instructions regarding treatment of the advertising media files ... using this tags the server can direct the client to place an ad before, during or after a media file during playback of media files in the magazine page (see [0052] ... the client displays the entertainment media file before it plays the advertisement media file ... when the entertainment media file is finished playing, **the advertisement media file immediately proceeds without the appearance of a page turn** (see [0059]). Knepper teaches (Fig.7) plurality of clips, has its associated instruction set stored on the server 601; the instruction

delivered to the client 603; according to the instructions advertisement media file 611 are selected to be shown according to the association (see [0062]). That means even if the user is skipping or forwarding to a different music, an advertisement associated with that media file, based on the <ADInsert> would be playing, i.e., the same block of ad plays with the particular portion of the content according to the instruction.

Regarding claims 196, Knepper teaches wherein there are two or more medial files and at least two of the media files comprise segments of a larger media file and wherein one or more advertisement files are placed between such segments (see [0050]-[0056]).

Regarding claim 197, Knepper teaches generating the first sequence by sub-dividing a media file into two or more segments, and wherein at least one of the advertising files is presented between two of the segments (see [0046], [0052]-0058],[0085]-[0092]).

Claim 199:

Knepper teaches sending, by an ad localizer at the remote system to the client system, at least one subsequent advertisement file during presenting of the at least a portion of the media files and at least a portion of the advertisement files according to the first sequence; wherein the second sequence comprises the at least one subsequent advertisement file ([0030]-[0038])

Claim 200:

Knepper teaches wherein modifying the first sequence comprises navigating the first sequence (see fig. 6, [0042]-[0046]).

Claim 201:

Knepper teaches wherein the advertisement position rules position the advertisement files in the second sequence so as to uphold an average content play time [0049]-[0056]).

Claim 203:

Knepper further comprising: receiving, at the client system from the remote system, at least one subsequent advertisement file during presenting of the at least a portion of the media files and at least a portion of the advertisement files according to the first sequence; wherein the second sequence comprises the at least one subsequent advertisement file (the system allow the user to request for addition media file the advertisement would be placed based on the insertion rules) (see [0046]-[0059])

Claims 204, 208:

Knepper teaches wherein modifying the first sequence comprises navigating the first sequence (see [0042]).

Claims 205, 209, 235;

Knepper teaches wherein the advertisement position roles position the advertisement files in the second sequence so as to uphold an average content play time [0049]-[0056]).

Claims 211:

Knepper teaches generating the first sequence by sub-dividing a media file into two or more segments, and wherein at least one of the advertising files is presented between two of the segments (see [0050]-[0056]).

Claim 212:

Knepper teaches receiving data comprising media content and advertising content which, when presented, form a content stream, the content stream having one or more initial insertion

points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content (see [0046], [0052]-0058],[0085]-[0092]).

Claim 214:

Knepper teaches wherein presenting the content stream on the client system comprises displaying the content stream by way of a graphical user interface (see fig. 6).

Claims 215, 216, 217:

Knepper teaches wherein the user-generated input is received and the presentation position is adaptively modified during presentation of at least a portion of the content stream on the client system; wherein the user-generated input is received and the presentation position is adaptively modified prior to presentation of at least a portion of the content stream on the client system; wherein the user-generated input is received and the presentation position is adaptively modified subsequent to presentation of at least a portion of the content stream on the client system (see [0042]-[0046]).

Claim 218-225, 237:

Knepper teaches wherein the one or more initial insertion points are specified using the pre-defined rules; wherein the one or more initial insertion points are specified, at the client system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at a remote system, using the pre-defined rules.; wherein the one or more initial insertion points are specified, at a remote system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at the remote system, using the

pre-defined rules; wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules; wherein the media content comprises at least one media file (see [0046]-[0067], [0087], [0088].

Claims 226, 227:

Knepper teaches wherein the advertising content comprises at least one advertisement file; generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a portion of at least one of the advertising files is presented between two of the segments ([0038]-[0046).

Claim 228-230:

Knepper teaches wherein the user-generated input associated with presentation of the content stream results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file; wherein the user-generated input associated with presentation of the content stream results in a navigation command for the content stream; wherein the navigation command is selected from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward, slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, and shuttle knob (see fig. 6, [0042]-[0046]).

Claim 234:

Knepper teaches sending, by a remote system to the client system, additional advertising content during presenting of at least a portion of the content stream (see [0078]-[0084]).

Claim 236:

Knepper teaches wherein the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream (see [0051]-[0056], [0081-0088].

Claim 238:

Knepper teaches transmitting, by a remote system to a client system, data comprising media content and advertising content which, (when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content); receiving data, by the remote system from the client system, data characterizing user- generated input associated with presentation of the content stream; and causing, by the remote system, the client system to adaptively modify, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream. receiving, via a user interface user-generated input (forwarding, skipping) and presenting at least a portion of the second sequence (see [0036]-[0042]).

Knepper does not explicitly teach generating in response to the input a second sequence comprising the second sequence differing from the first sequence such that *at least one of the advertisement files is presented in a different position relative to the media files.*

Knepper teaches that an advertisement file is appended to a media file such that the entertainment and advertisement files are played to appear as a single clip ... <ADInsert> is a tag that is recognized by the client application as specific instructions regarding treatment of the

advertising media files ... using this tags the server can direct the client to place an ad before, during or after a media file during playback of media files in the magazine page (see [0052] ... the client displays the entertainment media file before it plays the advertisement media file ... when the entertainment media file is finished playing, **the advertisement media file immediately proceeds without the appearance of a page turn** (see [0059]). Knepper teaches (Fig.7) plurality of clips, has its associated instruction set stored on the server 601; the instruction delivered to the client 603; according to the instructions advertisement media file 611 are selected to be shown according to the association (see [0062]). That means even if the user is skipping or forwarding to a different music an advertisement, associated with that media file, based on the <ADInsert> would be playing, i.e., the same block of ad plays with the particular portion of the content according to the instruction.

Claim Rejections - 35 USC § 103

The following is a quotation of pre-AIA 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 202, 206, 210 are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper as applied to claim 188 above, and further in view of Strietzel (US 2002/0120564 A1).

Claims 202, 206, 210:

Knepper teaches advertisement inserted according to the advertisement position rules using <ADInsert> tag for placement location (before, during, or after a media file), however

failed to explicitly teach wherein the advertisement position rules position the advertisement files based on a number of media files played during presentation of the first sequence (see [0041]-[0046]).

Strietzel teaches when downloading an entire play list or CD, an advertisement is preferably appended to the front or back of each song … potential for large quantities of advertising to be delivered with each download ... however advertisement may be appended in a large variety of ways depending on the number of songs or content items to be downloaded (see [0047]). It would have been obvious to one of ordinary skill in the art at the time of the invention to include Strietzel's appending of advertisement based on the number of songs, in Knepper's position rules, in order to allow less frequent advertisement with the playlist so that the user is not discouraged use the system.

Claims 233 is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper further in view of Official Notice.

Claim 233:

Knepper does not teach rotating new advertising content into the content stream in response to the user-generated input. However official notice is taken that it is old and well known in the art of marketing to rotate advertisements. It would have been obvious to one of ordinary skill in the art at the time of the invention to rotate the advertisements of Knepper in order to for the viewer not to lose interest on the advertisements.

Response to Arguments

Applicant's arguments with respect to claims 188, 191-193, 195-197, 199-238 have been considered but are moot because the arguments do not apply to any of the references being used in the current rejection.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to YEHDEGA RETTA whose telephone number is (571)272-6723. The examiner can normally be reached on Monday through Thursday from 8 to 6:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

YR
/YEHDEGA RETTA/
Primary Examiner, Art Unit 3622

Notice of References Cited	Application/Control No. 10/606,729	Applicant(s)/Patent Under Reexamination DONIAN ET AL.	
	Examiner YEHDEGA RETTA	Art Unit 3622	Page 1 of 1

U.S. PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Name	Classification
*	A	US-2002/0120564 A1	08-2002	Strietzel, Jonathan	705/40
	B	US-			
	C	US-			
	D	US-			
	E	US-			
	F	US-			
	G	US-			
	H	US-			
	I	US-			
	J	US-			
	K	US-			
	L	US-			
	M	US-			

FOREIGN PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Country	Name	Classification
	N					
	O					
	P					
	Q					
	R					
	S					
	T					

NON-PATENT DOCUMENTS

*		Include as applicable: Author, Title Date, Publisher, Edition or Volume, Pertinent Pages)
	U	
	V	
	W	
	X	

*A copy of this reference is not being furnished with this Office action. (See MPEP § 707.05(a).)
Dates in MM-YYYY format are publication dates. Classifications may be US or foreign.

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Application	Document	Mailroom Date	Attorney Docket No.
10606729	CTFR	05/01/2014	42327-501001US
	892	05/01/2014	42327-501001US

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UNITED STATES PATENT AND TRADEMARK OFFICE

PATENT APPLICATION INFORMATION RETRIEVAL SYSTEM

Docket No.: 42327-501001US

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
Philip Donian et al.

Application No.: 10/606,729 | Confirmation No.: 5831

Filed: June 26, 2003 | Art Unit: 3622

For: Method And Apparatus For The Free Licensing Of Digital Media Content | Examiner: Y. Retta

PRE-APPEAL BRIEF REQUEST FOR REVIEW

Mail Stop Pre-Appeal Brief
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Madam:

This Pre-Appeal Brief Request for Review is with regard to the Final Office Action mailed May 1, 2014. Allowance is respectfully requested in view of the remarks contained herein.

This filing is being submitted in an effort to advance prosecution which has continued for over ten years. Any suggestions from the Examiner and/or the Panel that could result in an allowance are welcome. Moreover, while the following emphasizes certain aspects of the final rejection which the undersigned submits are erroneous and/or incomplete, it should not be construed as an acquiescence regarding the merits of the other rejections which are not specifically referenced herein due to the five page limitation for this filing.

Lack of Specificity. The final office action of May 1, 2014 groups together claims having different features and additionally fails to specifically address the amendments and comments made in the office action reply of February 14, 2014. As such, at least on this basis, the current office action should be withdrawn.

As one example, claims 188, 195, and 207 stand commonly rejected but recite different subject matter. Such claims should be individually considered as they recite different aspects.

As another example, the 35 USC § 102 rejection of claim 212 is cursory in nature and fails to take into account each and every recited element as required by *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).

As a further example, page 18 of the office action states that the previously submitted arguments are moot because the arguments do not apply to any of the references being used in the current rejection. It is respectfully submitted that this statement is erroneous as only one new reference was cited, namely Strietzel, and such reference is only applied to claims 202, 206, and 210, with the balance of claims being rejected in light of Knepper for which the previously submitted arguments are directly related. It is respectfully noted that the office action fails to comply with 35 U.S.C. §132(a) which states, in relevant part that "Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Director shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application."

35 USC § 102 Rejections. Claims 188, 191-193, 195-197, 199-201, 203-205, 207-209, 211-232, 234-238 stand rejected under section 102(e) as allegedly being anticipated by Knepper et al. (US Publication No. 2001/0042249), hereinafter "Knepper". These rejections are traversed.

As previously argued and as discussed during the recent interviews, Knepper is interpreted as disclosing an arrangement in which there is a fixed relationship between media files and advertisements. For example, Knepper describes a digital magazine having ads at fixed positions in relation to the content. A user can traverse the magazine, for example by "paging forward", but will always be presented with the advertisements at fixed pre-determined locations. With Knepper, and with particular reference to par. 84, entertainment files can have associated advertisement files (i.e., the same advertisement is always played with such entertainment file) or they can have unassociated advertisement files (i.e., an advertisement file is always played with the entertainment file – but it can be one of several advertisement files). While par. 84 of Knepper states that advertisement files can be played with different entertainment files during playback, there is no suggestion that the relative placement of such advertisement files and the entertainment files can be changed as part of user-generated input such as navigating content. Stated differently, the positions of the

advertisement and entertainment files are always the same and traversing the entertainment files does not change this relationship. As such, there is no adaptive generating / modifying as recited in the claims (whether found in paragraphs 36-42 of Knepper or otherwise).

In addition, while the cited paragraphs 26-36 of Knepper relate to playback of a show / entertainment object, there is no statement of modification of a media file sequence as recited in the claims. Par. 34 of Knepper, in particular, describes an instruction set being delivered from a server to the client and such instruction set including a listing of the order of the entertainment and advertisement media files that will make up the show. Pars. 42-48 of Knepper are directed to advancing through a defined sequence of media files. Such advancement through a pre-specified instruction set of media and advertisement files is different than modifying the sequence (or otherwise modifying a relationship among advertising content and media content). Stated differently, Knepper is directed to the seamless display of an assembled clip of media and advertisement files (see, inter alia, par. 38 of Knepper).

Furthermore, as previously noted, with Knepper, media file content and ad file content are presented to a user according to a text file delivered from a server. As shown in FIG. 4 of Knepper et al., "NO USER INTERVENTION" is allowed when the video and ad clips are being presented. The subject matter recited in the claims does not have such a prohibition (and in fact provide for user-generated input). Contrary to the examiner's overly broad interpretation, Knepper does not teach forwarding or skipping at the level of media and advertising construction (Knepper page 307), the very level at which the presently disclosed application is operative. Knepper only allows paging forward or backward sequentially between complete page 307's (not skipping), this is like saying, for example, a user can advance from one TV show (comprised of media and advertising) to a different TV show (comprised of media and advertising), but has absolutely no interactive control over the presentation of the TV show itself (pause, FF, RW, skip FW, skip BW), nor is it clear if a user could even exit an in progress TV show once started, for example to change to another TV show. In Knepper there is no second sequence to the ordering of content and advertising as a result of user

interaction, the sequence of content and advertising in a page 307 is always fixed by the instruction set control file sent from the server.

In addition, with regard to claims 193, 196, 197, 211, 226, and 227, it is submitted that Knepper is silent as to sub-division of a media file into segments as part of generating a first sequence as recited. The cited paragraphs including paragraph 59 simply state that a user perceives entertainment media files and advertisement files as being a single, continuous clip, not that the entertainment media file is sub-divided in any fashion as taught by the current claims. Stated differently, Knepper can provide individual segments that together comprise a show, but Knepper does not segment a single file physically, heuristically, or otherwise for purposes of ad insertion based on user interaction with media content.

Still further, there is no suggestion in Knepper that advertisement position rules act to "position the advertisement files in the second sequence so as to uphold an average content play time and/or based on a number of media files played during presentation of the first sequence" as recited in claims 201, 202, 205, 209, 210, 235, and 236. Notwithstanding, these claims, as in the case of the claims as noted in the preceding discussion, stand rejected based on paragraphs in Knepper that are not pertinent to the claimed subject matter, and as such, these rejections are improper. Moreover, similar deficiencies are believed to be present with regard to the rejections of these, previously cited, and other claims 192, 193, 196, 197, 199, 200, 201, 202, 203, 204, 205, 208, 209, 210, 211, 215, 216, 217, 226, 227, 234, 235, 236, and 238.

35 USC § 103 Rejections. Claims 202, 206, 210 stand rejected under pre-AIA section 103(a) as allegedly being unpatentable over Knepper as applied to claim 188 above, and further in view of Strietzel (US Publication 2002/0120564) hereinafter "Strietzel". Claim 233 stands rejected under pre-AIA section 103(a) as allegedly being unpatentable over Knepper further in view of Official Notice. These rejections are traversed.

With regard to claims 202, 206, and 210, Strietzel states that an advertisement can be appended to each song directly or by a random configuration. No mention is made here that the position of

advertisements is based on a number of songs played prior to a navigation of a sequence as recited, Strietzel does not allow for such navigation.

With regard to claim 233, the office action fails to comply with the requirements of an official notice rejection as required by MPEP §2144.03(A) which is another basis for the office action to be withdrawn.

35 USC § 112 Rejections. It is first noted that the rejections under 35 USC 112 were not previously presented in the office action of August 20, 2013; and as such, it is submitted that their first inclusion in the final office action of May 1, 2014 is improper. With regard to claims 212 and 238 submitted in the reply of February 14, 2014, such claims have a similar scope to previously presented claims. Second, the skilled artisan would have been able to implement the subject matter recited in the claims based on the specification as originally filed such as in FIGs. 5A-B, 6A-B and 7A-B and the accompanying detailed description which describes content distribution, ad manager, and intersplicer mechanism as recited in the claims. These descriptions are too detailed to list here but the reader is encouraged to review them in their entirety to understand just how much information is disclosed for use by one skilled in the art. These figures and the accompanying descriptions support a withdrawal of the rejections under 35 USC § 112.

The Examiner and/or the Panel is encouraged to contact the undersigned at the telephone number provided below or cakukkonen@mintz.com to discuss how best to advance prosecution. The Commissioner is hereby authorized to charge any additional fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311, Reference No. 42327-501001US.

Dated: July 2, 2014

Respectfully submitted, /ck3/

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Hulu, LLC - Ex. 1006, Page 000411

PTO/SB/31 (02-14)
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NOTICE OF APPEAL FROM THE EXAMINER TO THE PATENT TRIAL AND APPEAL BOARD	Docket Number (Optional) 42327-501001US

In re Application of	Philip Donian et al.
Application Number	10/606,729
Filed	June 26, 2003
For	Method And Apparatus For The Free Licensing Of Digital Media Content
Art Unit	3622
Examiner	Y. Retta

Applicant hereby **appeals** to the Patent Trial and Appeal Board from the last decision of the examiner.

The fee for this Notice of Appeal is (37 CFR 41.20(b)(1)) $ 200.00

[ ] Applicant claims small entity status. See 37 CFR 1.27. Therefore, the fee shown above is reduced by half, and the resulting fee is: $ _____

[ ] A check in the amount of the fee is enclosed.

[x] Payment by credit card. ~~Form PTO-2038 is attached~~.

[x] The Director is hereby authorized to charge any fees which may be required, or credit any overpayment to Deposit Account No. 50-0311 .

[ ] A petition for an extension of time under 37 CFR 1.136(a) (PTO/SB/22) is enclosed.

WARNING: INFORMATION ON THIS FORM MAY BECOME PUBLIC. CREDIT CARD INFORMATION SHOULD NOT BE INCLUDED ON THIS FORM. PROVIDE CREDIT CARD INFORMATION AND AUTHORIZATION ON PTO-2038.

I am the

[ ] applicant /inventor.

[ ] assignee of record of the entire interest. See 37 CFR 3.71. Statement under 37 CFR 3.73(b) is enclosed. (Form PTO/SB/96)

[x] attorney or agent of record.
Registration number 42,773 .

[ ] attorney or agent acting under 37 CFR 1.34.
Registration number if acting under 37 CFR 1.34. _____

/ck3/
Signature

Carl A. Kukkonen, III
Typed or printed name

(858) 314-1535
Telephone number

July 2, 2014
Date

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below*.

[ ] *Total of 1 forms are submitted.

Electronic Patent Application Fee Transmittal

Application Number:	10606729
Filing Date:	26-Jun-2003
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Filer:	Carl A. Kukkonen/Teri Barnett
Attorney Docket Number:	42327-501001US

Filed as Micro Entity

Utility under 35 USC 111(a) Filing Fees

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Basic Filing:				
Pages:				
Claims:				
Miscellaneous-Filing:				
Petition:				
Patent-Appeals-and-Interference:				
NOTICE OF APPEAL	3401	1	200	200
Post-Allowance-and-Post-Issuance:				
Extension-of-Time:				

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Miscellaneous:				
		Total in USD ($)		**200**

Electronic Acknowledgement Receipt	
EFS ID:	19483504
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Carl A. Kukkonen/Teri Barnett
Filer Authorized By:	Carl A. Kukkonen
Attorney Docket Number:	42327-501001US
Receipt Date:	02-JUL-2014
Filing Date:	26-JUN-2003
Time Stamp:	17:31:29
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	yes
Payment Type	Credit Card
Payment was successfully received in RAM	$200
RAM confirmation Number	4310
Deposit Account	500311
Authorized User	KUKKONEN, CARL
The Director of the USPTO is hereby authorized to charge indicated fees and credit any overpayment as follows: Charge any Additional Fees required under 37 C.F.R. Section 1.21 (Miscellaneous fees and charges)	

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Pre-Brief Conference request	42327_501001US_PreAppeal_Brief.pdf	128012 05ac399acc2d08c8bff06f193c41d23649e2e274	no	5
Warnings:					
Information:					
2	Notice of Appeal Filed	42327_501001US_Notice_Appeal.pdf	80839 107d50443e2ec10293fb7dba14b2e1ef158d6a50	no	1
Warnings:					
Information:					
3	Fee Worksheet (SB06)	fee-info.pdf	30117 095a29538826ae18428202851f5d8e1df0016c1d	no	2
Warnings:					
Information:					
		Total Files Size (in bytes):	238968		

This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

<u>New Applications Under 35 U.S.C. 111</u>
If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

<u>National Stage of an International Application under 35 U.S.C. 371</u>
If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

<u>New International Application Filed with the USPTO as a Receiving Office</u>
If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

UNITED STATES PATENT AND TRADEMARK OFFICE

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 08/14/2014

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Boston, MA 02111

EXAMINER	
RETTA, YEHDEGA	
ART UNIT	PAPER NUMBER
3622	

MAIL DATE	DELIVERY MODE
08/14/2014	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of Panel Decision from Pre-Appeal Brief Review	Application No. 10/606,729	Applicant(s) DONIAN ET AL.
	Examiner Yehdega Retta	Art Unit 3622

This is in response to the Pre-Appeal Brief Request for Review filed 02 July, 2014.

1. ☐ **Improper Request** – The Request is improper and a conference will not be held for the following reason(s):

☐ The Notice of Appeal has not been filed concurrent with the Pre-Appeal Brief Request.
☐ The request does not include reasons why a review is appropriate.
☐ A proposed amendment is included with the Pre-Appeal Brief request.
☐ Other: .

The time period for filing a response continues to run from the receipt date of the Notice of Appeal or from the mail date of the last Office communication, if no Notice of Appeal has been received.

2. ☒ **Proceed to Board of Patent Appeals and Interferences** – A Pre-Appeal Brief conference has been held. The application remains under appeal because there is at least one actual issue for appeal. Applicant is required to submit an appeal brief in accordance with 37 CFR 41.37. The time period for filing an appeal brief will be reset to be one month from mailing this decision, or the balance of the two-month time period running from the receipt of the notice of appeal, whichever is greater. Further, the time period for filing of the appeal brief is extendible under 37 CFR 1.136 based upon the mail date of this decision or the receipt date of the notice of appeal, as applicable.

☒ The panel has determined the status of the claim(s) is as follows:
Claim(s) allowed: _____.
Claim(s) objected to: _____.
Claim(s) rejected: *188, 191-193, 195-197, and 199-238*.
Claim(s) withdrawn from consideration: _____.

3. ☐ **Allowable application** – A conference has been held. The rejection is withdrawn and a Notice of Allowance will be mailed. Prosecution on the merits remains closed. No further action is required by applicant at this time.

4. ☐ **Reopen Prosecution** – A conference has been held. The rejection is withdrawn and a new Office action will be mailed. No further action is required by applicant at this time.

All participants:

(1) */Eric W. Stamber/*.	(3)*/John Van Bramer/*.
(2) */Yehdega Retta/*.	(4)_____.

Docket No.: 42327-501001US
(PATENT)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
Philip M. Donian

Application No.: 10/606,729 | Confirmation No.: 5831

Filed: June 26, 2003 | Art Unit: 3622

For: Method and Apparatus For the Free Licensing of Digital Media Content | Examiner: Retta, Yehdega

APPEAL BRIEF

Patent Trial and Appeal Board
US Patent and Trademark Office
PO Box 1450
Alexandria, Virginia 22313-1450

Dear Madam:

As required under 37 C.F.R. § 41.37, this Appeal Brief is filed within five months of the Notice of Panel Decision From Pre-Appeal Brief Review dated August 14, 2014.

The fees required under 3 7 C.F.R. § 41.20(b)(2) are dealt with in the accompanying TRANSMITTAL OF APPEAL BRIEF.

This brief contains items under the following headings as required by 37 C.F.R. § 41.37 and M.P.E.P. § 1205.2:

I.	Real Party In Interest
II	Related Appeals and Interferences
III.	Status of Claims
IV.	Status of Amendments
V.	Summary of Claimed Subject Matter
VI.	Grounds of Rejection to be Reviewed on Appeal
VII.	Argument
VIII.	Claims
Appendix A	Claims
Appendix B	Evidence
Appendix C	Related Proceedings

I. REAL PARTY IN INTEREST

The real party in interest for this appeal is:

Piranha Media Distribution, Inc.

II. RELATED APPEALS AND INTERFERENCES

There are no other appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in this appeal.

III. STATUS OF CLAIMS

A. Total Number of Claims in Application

There are 27 claims pending in application.

B. Current Status of Claims

1. Claims canceled: 1-211

2. Claims withdrawn from consideration but not canceled: 0

3. Claims pending: 212-238

4. Claims allowed: none

5. Claims rejected: 212-238

C. Claims On Appeal

The claims on appeal are claims 212-238

IV. STATUS OF AMENDMENTS

Appellants filed an Amendment After Final Rejection concurrently herewith.

V. SUMMARY OF CLAIMED SUBJECT MATTER

The following provides a summary of the currently pending independent claims. The interstitial references relate to the application as published.

Claim 212 is a method claim in which data is received that includes media content and advertising content which, when presented, form a content stream (see, for example, pars. 52, 57, 115-117, 137, 141, 143, 145-146, 165, 170, FIGs. 1, 2, 4A, 4B, 11C). The content stream has one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content (see, for example, pars. 55, 57, 165, 169, 204, 220-222, 228, 229, FIGs. 5A, 5B). Subsequently, user-generated input is received on a client system that is associated with presentation of the content stream (see, for example, pars. 57, 62, 108-111, 116, 117, 137, 143, 148-160, 169-171, 204, 228-232, 239-257, FIGs. 3A, 4A, 6A, 6B, 7A, 7B, 8C, 8D). Next, using pre-defined rules and in response to the user-generated input (see, for example, pars. 153, 169, 196, 200, 212-228, 234, 236, 239), a presentation position of at least a portion of the advertising content is adaptively modified from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream (see, for example, pars. 57, 117, 148-160, 169-171, 204, 205, 216, 228, 239, 257, FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D).

Claim 238 is a method claim in which data is transmitted by a remote system to a client system (see, for example, pars. 50, 55, 60, 82, 83, 85, 90-93, 106, 115, 118, 133, 162-169, 181, 184-189, 200-203, 207, 208, 210, 213, 219, 272, FIGs. 1, 2, 5A, 5B, 6A, 6B, 11C). The transmitted data includes media content and advertising content which, when presented, form a content stream (see, for example, pars. 52, 57, 115-117, 137, 141, 143, 145-146, 165, 170, FIGs. 1, 2, 4A, 4B, 11C).

The content stream has one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content (see, for example, pars. 55, 57, 165, 169, 204, 220-222, 228, 229, FIGs. 5A, 5B). Subsequently, data is received by the remote system from the client system that characterizes user-generated input associated with presentation of the content stream (see, for example, pars. 57, 62, 108-111, 116, 117, 148-160, 169-171, 204, 228-232, 239-257, FIGs. 3A, 4A, 5B, 6A, 6B, 7A, 7B, 8C, 8D). Next, the remote system causes the client system to adaptively modify, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream (see, for example, pars. 57, 116, 117, 148-160, 169-171, 196, 200, 204, 205, 212-230, 234, 236, 239, 257, FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D).

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

35 U.S.C. §132(a)

The Examiner failed to provide adequate specificity as to the rejections in order to assess the propriety of continuing prosecution as required by 35 U.S.C. §132(a).

35 USC § 102

The Examiner improperly rejected claims 212-232, 234-238 under section 102(e) as allegedly being anticipated by Knepper et al. (US Publication No. 2001/0042249), hereinafter "Knepper".

35 USC § 103

The Examiner improperly rejected claim 233 under pre-AIA section 103(a) as allegedly being unpatentable over Knepper further in view of Official Notice.

35 USC § 112

The Examiner improperly rejected claims 212-238 under section 112 (a), first paragraph as allegedly failing to comply with the written description requirement.

VII. ARGUMENT

35 U.S.C. §132(a)

The final office action of May 1, 2014 groups together claims having different features (e.g., 215-217 and 218-225+237) and additionally fails to specifically address the amendments and comments made in the office action reply of February 14, 2014 (referred to herein simply as the "office action"). As such, at least on this basis, the most recent office action should be withdrawn.

As one example, the 35 USC § 102 rejection of claim 212 is cursory in nature and fails to take into account each and every recited element as required by *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). In particular, the rejection is a mere four lines long, fails to take into account various aspects such as "adaptively modifying" as discussed below and simply rejects the entire claim *en masse* with references to various paragraphs of Knepper. Such a rejection is not instructive to advance prosecution especially given the protracted prosecution of the current application.

As a further example, page 18 of the office action states that the previously submitted arguments are moot because the arguments do not apply to any of the references being used in the current rejection. It is respectfully submitted that this statement is erroneous as only one new reference was cited, namely Strietzel, and such reference is only applied to claims 202, 206, and 210 (now canceled to simplify this current appeal), with the balance of claims being rejected in light of Knepper for which the previously submitted arguments are directly related. A thorough rebuttal in the office action would have been instructive to advance prosecution. Given the above, it is respectfully noted that the office action fails to comply with 35 U.S.C. §132(a) which states, in

relevant part that "Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Director shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application."

It is respectfully submitted that the office action fails to provide adequate notice needed to traverse the rejections, and as such, the office action is improper and should be withdrawn.

35 USC § 102 Rejections

Claims 188, 191-193, 195-197, 199-201, 203-205, 207-209, 211-232, 234-238 stand rejected under section 102(e) as allegedly being anticipated by Knepper et al. (US Publication No. 2001/0042249), hereinafter "Knepper".

To present a valid anticipation rejection under 35 U.S.C. §102, the Office must identify a single prior art reference in which "each and every element as set forth in the claim is found, either expressly or inherently described." MPEP §2131 quoting *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). The rejections over Knepper fail to satisfy this burden with regard to claims 212-232 and 234-238.

Both of the currently pending independent claims (claims 212 and 238) recite adaptive modification of a relationship between media content and advertising content in response to user-generated input.

Claim 212 recites (emphasis added): "***adaptively modifying***, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion

points located at one or more different positions relative to at least a portion of the media content within the content stream."

Claim 238 recites (emphasis added): "***adaptively modify***, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream."

It is respectfully submitted, and as described in further detail below, that the Knepper reference describes a fixed relationship between content and advertisements and, as such, it fails to disclose, at least, the adaptive modification recited in each independent claim. This position is supported by the statement, inter alia, on page 15 of the Office Action: "Knepper does not explicitly teach generating in response to the input a second sequence comprising the second sequence differing from the first sequence such that at least one of the advertisement files is presented in a different position relative to the media files." While the foregoing is a misquote of the claim language, it clearly indicates that Knepper does not explicitly teach the changing of relative positions among content and advertisements. Therefore, it is the burden of the Examiner to demonstrate an inherent teaching and it is submitted that the office action fails to demonstrate such alleged inherent teaching.

As previously argued and as discussed during various interviews, Knepper describes an arrangement in which there is a **fixed relationship** between media files and advertisements which differs from the adaptive modification of the relation between media files and advertisements. For example, par. of 52 of Knepper describes a digital magazine having ads at fixed positions in relation

to the content. A user can traverse the magazine, for example by "paging forward", but will always be presented with the advertisements at fixed pre-determined locations. With Knepper, and with particular reference to pars. 52, 59, 63, and 84, entertainment files can have associated advertisement files (i.e., the same advertisement is always played with such entertainment file) or they can have unassociated advertisement files (i.e., an advertisement file is always played with the entertainment file – but it can be one of several advertisement files). While pars. 52, 59, 63, and 84 of Knepper state that advertisement files can be played with different entertainment files during playback, there is no suggestion that the relative placement of such advertisement files and the entertainment files can be changed as part of user-generated input such as navigating content. Stated differently, the positions of the advertisement and entertainment files are always the same and traversing the entertainment files does not change this relationship.

In addition, while the cited paragraphs 26-36 of Knepper relate to playback of a show / entertainment object, there is no statement of modification of a media file sequence as recited in the claims. Par. 34 of Knepper, in particular, describes an instruction set being delivered from a server to the client and such instruction set including a listing of the order of the entertainment and advertisement media files that will make up the show. Pars. 42-48 of Knepper are directed to advancing through a defined sequence of media files that do not change (i.e., such sequence cannot be adaptively modified in response to user-generated input as recited in claims 212 and 238). Such advancement through a pre-specified instruction set of media and advertisement files is different than modifying the sequence (or otherwise modifying a relationship among advertising content and media content). Stated differently, Knepper is directed to the seamless display of an assembled clip

of media and advertisement files (see, inter alia, par. 38 of Knepper) having a fixed relational order that does not change (and as such cannot be adaptively modified).

Furthermore, as previously noted, with Knepper, media file content and ad file content are presented to a user according to a text file delivered from a server. As shown in FIG. 4 of Knepper et al., "NO USER INTERVENTION" is allowed when the video and ad clips are being presented. The subject matter recited in the claims does not have such a prohibition (and in fact provide for user-generated input which in turn causes the adaptive modification). Contrary to the examiner's overly broad interpretation, Knepper does not teach forwarding or skipping at the level of media and advertising construction (Knepper page 307). With Knepper there are no changes of the ordering of content and advertising as a result of user interaction, the sequence of content and advertising in page 307 is always fixed by the instruction set control file sent from the server (and as such there can be no adaptive modification as recited in claims 212 and 238).

As such, Knepper clearly fails to disclose the recited "adaptively modifying" and "adaptively modify" explicitly, inherently, or otherwise, thus each of claims 212 and 238 should be allowed.

Claims 188, 191-193, 195-197, 199-201, 203-205, 207-209 and 211 have been canceled thereby making the rejections of such claims moot. These claims were directed to first and second sequences of content and advertising files. Notwithstanding their cancellation, it submitted that, as indicated above, the Knepper reference fails to disclose or otherwise suggest an arrangement in which a second sequence is generated in response to user-generated input.

In addition, with regard to claim 227, it is submitted that Knepper is silent as to sub-division of a media file into segments as part of generating a first sequence as recited. The cited paragraphs

including paragraph 59 simply state that a user perceives entertainment media files and advertisement files as being a single, continuous clip, not that the entertainment media file is sub-divided in any fashion as taught by the current claims. Stated differently, Knepper can provide individual segments that together comprise a show, but Knepper does not segment / divide or otherwise split a single file physically, heuristically, or otherwise for purposes of ad insertion based on user interaction with media content. As such, claim 227 should be separately allowable.

Still further, there is no suggestion in Knepper (whether in cited paragraphs 49 to 56 or otherwise) that advertisement position rules act to position the advertisement files in the second sequence so as to uphold an average content play time and/or based on a number of media files played during presentation of the first sequence as recited in claims 235 and 236. For example, par. 49 relates to downloading of artwork. Par. 50 of Knepper is directed to how media files can be packaged on a client. Par. 51 relates to how media is downloaded and pars. 52-56 relate to how advertisement and entertainment files are sequenced (without any reference to upholding an average content play time or to maintaining a number of played media files as recited). These claims stand rejected based on paragraphs in Knepper that are not pertinent to the claimed subject matter, and as such, these rejections are improper. Therefore, claims 235 and 236 should be separately allowable.

Moreover, similar deficiencies in the prior art citations are believed to be present with regard to the balance of rejections on claims 212-232 and 234-238, and as such, these claims should also be separately allowable.

35 USC § 103 Rejections.

Claims 202, 206, 210 stand rejected under pre-AIA section 103(a) as allegedly being unpatentable over Knepper as applied to claim 188 above, and further in view of Strietzel (US Publication 2002/0120564) hereinafter "Strietzel". Claim 233 stands rejected under pre-AIA section 103(a) as allegedly being unpatentable over Knepper further in view of Official Notice. These rejections have been traversed and should be withdrawn.

With regard to claim 233, the office action fails to comply with the requirements of an official notice rejection as required by MPEP §2144.03(A) which states "Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known." Furthermore, "assertions of technical facts in the areas of esoteric technology or specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art." *In re Ahlert*, 424 F.2d at 1091, 165 USPQ at 420-21 as quoted in MPEP §2144.03(A). The office action, in connection with the rejection of claim 233, simply alleges that it would have been old and well known to rotate ads in response to user-generated input. It is respectfully submitted that it would not have been burdensome for the examiner to identify relevant art (if available) and to prepare an argument that takes into account how advertising content can be rotated into a content stream as part of the recited adaptive modification as a result of user interaction with the media content as described in claim 212.

Therefore, the rejection of claim 233 should be withdrawn.

Claims 202, 206, and 210 have been canceled making the rejection of such claims moot.

35 USC § 112

The Examiner improperly rejected claims 188, 191-193, 195-197, 199-238 under section 112 (a), first paragraph as allegedly failing to comply with the written description requirement.

It is first noted that the rejections under 35 USC § 112 were not previously presented in the office action of August 20, 2013; and as such, it is submitted that their first inclusion in the final office action of May 1, 2014 was improper. With regard to claims 212 and 238 submitted in the reply of February 14, 2014, such claims have a similar scope to previously presented claims.

Further, the skilled artisan would have been able to implement the subject matter recited in the claims based on the specification as originally filed such as in FIGs. 5A-B (pars. 162-210), 6A-B (pars. 211-225), 7A-B (pars. 226-248), 8A-8D (pars. 249-257) and the accompanying detailed description which describes the content distribution, ad manager, and intersplicer mechanisms as recited in the claims. These figures and the accompanying descriptions support a withdrawal of the rejections under 35 USC § 112.

Claims 188, 191-193, 195-197, and 199-211 have been canceled making the rejections of these claims moot.

There is widespread explicit and inherent support for the subject matter of claims 212 to 238. In particular, with claim 212, data is received that includes media content and advertising content which, when presented, form a content stream (see, for example, pars. 52, 57, 115-117, 137, 141, 143, 145-146, 165, 170, FIGs. 1, 2, 4A, 4B, 11C). The content stream has one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content (see, for example, pars. 55, 57, 165, 169, 204, 220-222, 228, 229, FIGs. 5A, 5B). Subsequently, user-generated input is received on a client system that is

associated with presentation of the content stream (see, for example, pars. 57, 62, 108-111, 116, 117, 137, 143, 148-160, 169-171, 204, 228-232, 239-257, FIGs. 3A, 4A, 6A, 6B, 7A, 7B, 8C, 8D). Next, using pre-defined rules and in response to the user-generated input (see, for example, pars. 153, 169, 196, 200, 212-228, 234, 236, 239), a presentation position of at least a portion of the advertising content is adaptively modified from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream (see, for example, pars. 57, 117, 148-160, 169-171, 204, 205, 216, 228, 239, 257, FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D).

Claims 220-224 also find support in the specification and the figures and are directed to the use of pre-defined rules for specifying the recited insertion points (see, for example, par. 90-93, 106, 153, 162-169, 181, 184, 185, 192, 196, 200-203, 207, 208, 210, 212-214, 215, 221, 223, 225, 228, 234, 236, 239).

Claim 228 finds support in the specification and figures and is directed to a method in which user-generated input associated with presentation of the content stream results in a change of a sequence of two or more media files by subtracting an existing media file (see, for example, pars. 55, 57, 62, 138, 145-160, 162-163, 204-205, 241), or by re-arranging the sequence of media files (see, for example, pars. 55, 57, 62, 138, 145-160, 162-163, 204-205, 241) or results in a change of sequence by adding a new media file (see, for example, pars. 55, 57, 62, 138, 145-160, 162-163, 204-205, 241). For example, see, par. 138 of the specification which states [emphasis added]: "…the user can have the player/viewer run ***any combination of available titles and tracks in any possible order***…"

The office action rejected claim 236, however, it is noted that the examiner restated language from claim 234 not 236 (and as such, claim 234 is addressed below). Claim 234 finds support in the specification and figures (see, for example, pars. 201, 203, 224, 228, 237, 241, 247). For example, see par. 203 which states [emphasis added]: "Ad rotator 516 handles requests for new ads from an intersplicer 518 by selecting and localizing appropriate ads, grouping them into blocks if so requested, and sending the result back to requesting intersplicer 518. The ad rotator 516 is equipped to handle requests to replace individual ads, entire ad blocks, or the entire set of ads and blocks associated with intersplicer 518, ***without having to interrupt playback***. Just like ad manager 514, ***it may use the logic of the media transfer component 580 for this purpose***. Ad rotator 516 may also need to ***consult media catalog 566 to locate new ads***…"

Claims 237 finds support in the specification and the figures and is directed to a method in which the adaptively modifying uses two or more of the pre-defined rules for determining the corresponding presentation position of at least a portion of the advertising content (see, for example, par. 153, 169, 196, 212-214, 215, 221, 223, 225, 228, 234, 236, 239).

Claim 238 also finds support in the specification and figures and is directed to a method in which data is transmitted by a remote system to a client system (see, for example, pars. 50, 55, 60, 82, 83, 85, 90-93, 106, 115, 118, 133, 162-169, 181, 184-189, 200-203, 207, 208, 210, 213, 219, 272, FIGs. 1, 2, 5A, 5B, 6A, 6B, 11C). The transmitted data includes media content and advertising content which, when presented, form a content stream (see, for example, pars. 52, 57, 115-117, 137, 141, 143, 145-146, 165, 170, FIGs. 1, 2, 4A, 4B, 11C). The content stream has one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content (see, for example, pars. 55, 57, 165, 169, 204, 220-222, 228,

229, FIGs. 5A, 5B). Subsequently, data is received by the remote system from the client system that characterizes user-generated input associated with presentation of the content stream (see, for example, pars. 57, 62, 108-111, 116, 117, 148-160, 169-171, 204, 228-232, 239-257, FIGs. 3A, 4A, 5B, 6A, 6B, 7A, 7B, 8C, 8D). Next, the remote system causes the client system to adaptively modify, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream (see, for example, pars. 57, 116, 117, 148-160, 169-171, 196, 200, 204, 205, 212-230, 234, 236, 239, 257, FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D).

Therefore, the rejections under 35 USC § 112 of each of claim 212-238 should be withdrawn.

Concluding Comments

It is believed that all of the pending claims have been addressed in this paper. However, failure to address a specific rejection, issue or comment, does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above are not intended to be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper, and the amendment of any claim does not necessarily signify concession of unpatentability of the claim prior to its amendment. The undersigned asks that all claims be allowed.

If there are any questions regarding these amendments and remarks, the Examiner and/or the Appeal Board is encouraged to contact the undersigned at cakukkkonen@mintz.com or the telephone number provided below. The Commissioner is hereby authorized to charge any additional fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311.

VIII. CLAIMS

A copy of the claims involved in the present appeal is attached hereto as Appendix A. As indicated above, the claims in Appendix A include the amendments filed by Appellants concurrently herewith.

Dated:

Respectfully submitted,

Electronic signature: /ck3/
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APPENDIX A

Claims Involved in the Appeal of Application Serial No. 10/606,729

1-211. (Canceled).

212. (Previously Presented) A method comprising:

receiving data comprising media content and advertising content which, when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content;

receiving, on a client system, user-generated input associated with presentation of the content stream; and

adaptively modifying, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream.

213. (Previously Presented) A method as in claim 212 further comprising:

presenting at least a portion of the content stream on the client system.

214. (Previously Presented) A method as in claim 213, wherein presenting the content stream on the client system comprises displaying the content stream by way of a graphical user interface.

215. (Previously Presented) A method as in claim 213, wherein the user-generated input is received and the presentation position is adaptively modified during presentation of at least a portion of the content stream on the client system.

216. (Previously Presented) A method as in claim 213, wherein the user-generated input is received and the presentation position is adaptively modified prior to presentation of at least a portion of the content stream on the client system.

217. (Previously Presented) A method as in claim 213, wherein the user-generated input is received and the presentation position is adaptively modified subsequent to presentation of at least a portion of the content stream on the client system.

218. (Previously Presented) A method as in claim 212, wherein the one or more initial insertion points are specified using the pre-defined rules.

219. (Previously Presented) A method as in claim 218, wherein the one or more initial insertion points are specified, at the client system, using the pre-defined rules.

220. (Previously Presented) A method as in claim 219, wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules.

221. (Previously Presented) A method as in claim 219, wherein the one or more alternate insertion points are specified, at a remote system, using the pre-defined rules.

222. (Previously Presented) A method as in claim 218, wherein the one or more initial insertion points are specified, at a remote system, using the pre-defined rules.

223. (Previously Presented) A method as in claim 222, wherein the one or more alternate insertion points are specified, at the remote system, using the pre-defined rules.

224. (Previously Presented) A method as in claim 222, wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules.

225. (Previously Presented) A method as in claim 212, wherein the media content comprises at least one media file.

226. (Previously Presented) A method as in claim 212, wherein the advertising content comprises at least one advertisement file.

227. (Previously Presented) A method as in claim 226, further comprising: generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a portion of at least one of the advertising files is presented between two of the segments.

228. (Previously Presented) A method as in claim 225, wherein the user-generated input associated with presentation of the content stream results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file.

229. (Previously Presented) A method as in claim 212, wherein the user-generated input associated with presentation of the content stream results in a navigation command for the content stream.

230. (Previously Presented) A method as in claim 229, wherein the navigation command is selected from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward, slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, and shuttle knob.

231. (Previously Presented) A method as in claim 212, wherein the data is received by the client system from a remote system.

232. (Previously Presented) A method as in claim 212, wherein the data is received by accessing a local data source.

233. (Previously Presented) A method as in claim 212, further comprising:

rotating new advertising content into the content stream in response to the user-generated input.

234. (Previously Presented) A method as in claim 212, further comprising:

sending, by a remote system to the client system, additional advertising content during presenting of at least a portion of the content stream.

235. (Previously Presented) A method as in claim 212, wherein the pre-defined rules position the advertising content so as to uphold an average content play time.

236. (Previously Presented) A method as in claim 212, wherein the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream.

237. (Previously Presented) A method as in claim 212, wherein the adaptively modifying uses two or more of the pre-defined rules for determining the corresponding presentation position of at least a portion of the advertising content.

238. (Previously Presented) A method comprising:

transmitting, by a remote system to a client system, data comprising media content and advertising content which, when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content;

receiving data, by the remote system from the client system, data characterizing user-generated input associated with presentation of the content stream; and

causing, by the remote system, the client system to adaptively modify, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream.

APPENDIX B

No evidence pursuant to 37 C.F.R. §§ 1.130, 1.131, or 1.132 or entered by or relied upon by the examiner is being submitted.

APPENDIX C

No related proceedings are referenced in Section II above, hence copies of decisions in related proceedings are not provided.

Docket No.: 42327-501001US
(PATENT)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of: Philip M. Donian	
Application No.: 10/606,729	Confirmation No.: 5831
Filed: June 26, 2003	Art Unit: 3622
For: Method and Apparatus For the Free Licensing of Digital Media Content	Examiner: Retta, Yehdega

AMENDMENT AFTER FINAL OFFICE ACTION

Mail Stop AF
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Madam:

Please enter this amendment which is being filed concurrently with an Appeal Brief.

Amendments to the Claims are reflected in the listing of claims which begins on page 2 of this paper.

Remarks/Arguments begin on page 7 of this paper.

AMENDMENTS TO THE CLAIMS

1–211. (Canceled).

212. (Previously Presented) A method comprising:

receiving data comprising media content and advertising content which, when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content;

receiving, on a client system, user-generated input associated with presentation of the content stream; and

adaptively modifying, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream.

213. (Previously Presented) A method as in claim 212 further comprising:

presenting at least a portion of the content stream on the client system.

214. (Previously Presented) A method as in claim 213, wherein presenting the content stream on the client system comprises displaying the content stream by way of a graphical user interface.

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216. (Previously Presented) A method as in claim 213, wherein the user-generated input is received and the presentation position is adaptively modified prior to presentation of at least a portion of the content stream on the client system.

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219. (Previously Presented) A method as in claim 218, wherein the one or more initial insertion points are specified, at the client system, using the pre-defined rules.

220. (Previously Presented) A method as in claim 219, wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules.

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228. (Previously Presented) A method as in claim 225, wherein the user-generated input associated with presentation of the content stream results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file.

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230. (Previously Presented) A method as in claim 229, wherein the navigation command is selected from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward, slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, and shuttle knob.

231. (Previously Presented) A method as in claim 212, wherein the data is received by the client system from a remote system.

232. (Previously Presented) A method as in claim 212, wherein the data is received by accessing a local data source.

233. (Previously Presented) A method as in claim 212, further comprising:

rotating new advertising content into the content stream in response to the user-generated input.

234. (Previously Presented) A method as in claim 212, further comprising:

sending, by a remote system to the client system, additional advertising content during presenting of at least a portion of the content stream.

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236. (Previously Presented) A method as in claim 212, wherein the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream.

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238. (Previously Presented) A method comprising:

transmitting, by a remote system to a client system, data comprising media content and advertising content which, when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content;

receiving data, by the remote system from the client system, data characterizing user-generated input associated with presentation of the content stream; and

causing, by the remote system, the client system to adaptively modify, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the

advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream.

Remarks

Reconsideration and allowance of the current subject matter is respectfully requested. No new matter has been added. The undersigned requests that the examiner contact the undersigned at +1.858.314.1535 or cakukkonen@mintz.com to discuss this response (whether in the form of a formal interview or otherwise) in an effort to expedite allowance. In addition, the undersigned welcomes any guidance from the examiner to help advance prosecution of this case.

On the basis of the foregoing amendments, the pending claims are in condition for allowance. It is believed that all of the pending claims have been addressed in this paper. However, failure to address a specific rejection, issue or comment, does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above are not intended to be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper.

No additional fees are believed to be due at this time, however, the Commissioner is hereby authorized to charge any fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311, Reference No. 42327-501001US. If there are any questions regarding this reply, the Examiner is encouraged to contact the undersigned at the telephone number provided below.

Dated: February 13, 2015

Respectfully submitted,

Electronic signature: /ck3/
Carl A. Kukkonen, III
Registration No.: 42,773
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Electronic Patent Application Fee Transmittal

Application Number:	10606729
Filing Date:	26-Jun-2003
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Filer:	Carl A. Kukkonen/Teri Barnett
Attorney Docket Number:	42327-501001US

Filed as Micro Entity

Filing Fees for Utility under 35 USC 111(a)

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Basic Filing:				
Pages:				
Claims:				
Miscellaneous-Filing:				
Petition:				
Patent-Appeals-and-Interference:				
Post-Allowance-and-Post-Issuance:				
Extension-of-Time:				

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Extension - 5 months with $0 paid	3255	1	750	750
Miscellaneous:				
		Total in USD ($)		**750**

Electronic Acknowledgement Receipt	
EFS ID:	21498177
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Carl A. Kukkonen/Teri Barnett
Filer Authorized By:	Carl A. Kukkonen
Attorney Docket Number:	42327-501001US
Receipt Date:	13-FEB-2015
Filing Date:	26-JUN-2003
Time Stamp:	15:07:02
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	yes
Payment Type	Credit Card
Payment was successfully received in RAM	$750
RAM confirmation Number	1429
Deposit Account	500311
Authorized User	KUKKONEN, CARL
The Director of the USPTO is hereby authorized to charge indicated fees and credit any overpayment as follows:	

Charge any Additional Fees required under 37 C.F.R. Section 1.21 (Miscellaneous fees and charges)

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Transmittal Letter	42327_501001US_Transmittal_AppealBrief.pdf	75266 eaa3ad6a382eb3998fcfa2e673f92ad7b0d91efa	no	1
Warnings:					
Information:					
2	Appeal Brief Filed	42327_501001US_Appeal_Brief.pdf	206485 1e530d6d793690e5dcc3bb8e9415a0c8cd82c4c9	no	28
Warnings:					
Information:					
3		42327_501001US_Amendment.pdf	106721 99dc9e144b3b8d61b4a49dcb6237deecd84bd2f2	yes	8

Multipart Description/PDF files in .zip description

Document Description	Start	End
Response After Final Action	1	1
Claims	2	6
Applicant Arguments/Remarks Made in an Amendment	7	8

Warnings:					
Information:					
4	Fee Worksheet (SB06)	fee-info.pdf	30503 84d44ad10b3e3918e5e00e9e5d1e797600d4cf9a	no	2
Warnings:					
Information:					
		Total Files Size (in bytes):	418975		

This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office

If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

TRANSMITTAL OF APPEAL BRIEF	Docket No. 42327-501001US

In re Application of: Philip Donian et al.

Application No.	Filing Date	Examiner	Group Art Unit
10/606,729	June 26, 2003	Y. Retta	3622

Invention: Method and Apparatus For the Free Licensing of Digital Media Content

TO THE COMMISSIONER OF PATENTS:

Transmitted herewith is the Appeal Brief in this application, with respect to the Notice of Appeal filed: July 2, 2014 and Notice of Panel Decision dated August 14, 2014 .

The fee for filing this Appeal Brief is _____ .

[ ] Large Entity [x] Small Entity

[x] A petition for extension of time is also enclosed.

The fee for the extension of time is $ 750.00 .

[ ] A check in the amount of _____ is enclosed.

[ ] Charge the amount of the fee to Deposit Account No. 50-0311 .

[x] Payment by credit card. ~~Form PTO-2038 is attached~~.

[x] The Director is hereby authorized to charge any additional fees that may be required or credit any overpayment to Deposit Account No. 50-0311 .
This sheet is submitted in duplicate.

/ck3/ Dated: February 13, 2015

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PTO/SB/06 (09-11)
Approved for use through 1/31/2014. OMB 0651-0032
U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE
Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number.

PATENT APPLICATION FEE DETERMINATION RECORD Substitute for Form PTO-875	Application or Docket Number 10/606,729	Filing Date 06/26/2003	☐ To be Mailed

ENTITY: ☐ LARGE ☐ SMALL ☒ MICRO

APPLICATION AS FILED – PART I

	(Column 1)	(Column 2)		
FOR	NUMBER FILED	NUMBER EXTRA	RATE ($)	FEE ($)
☐ BASIC FEE (37 CFR 1.16(a), (b), or (c))	N/A	N/A	N/A	
☐ SEARCH FEE (37 CFR 1.16(k), (i), or (m))	N/A	N/A	N/A	
☐ EXAMINATION FEE (37 CFR 1.16(o), (p), or (q))	N/A	N/A	N/A	
TOTAL CLAIMS (37 CFR 1.16(i))	minus 20 =	*	X $ =	
INDEPENDENT CLAIMS (37 CFR 1.16(h))	minus 3 =	*	X $ =	
☐ APPLICATION SIZE FEE (37 CFR 1.16(s))	If the specification and drawings exceed 100 sheets of paper, the application size fee due is $310 ($155 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).			
☐ MULTIPLE DEPENDENT CLAIM PRESENT (37 CFR 1.16(j))				
* If the difference in column 1 is less than zero, enter "0" in column 2.			TOTAL	

APPLICATION AS AMENDED – PART II

AMENDMENT	02/13/2015	(Column 1) CLAIMS REMAINING AFTER AMENDMENT		(Column 2) HIGHEST NUMBER PREVIOUSLY PAID FOR	(Column 3) PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	* 27	Minus	** 137	= 0	X $20 =	0
	Independent (37 CFR 1.16(h))	* 2	Minus	***5	= 0	X $105 =	0
	☐ Application Size Fee (37 CFR 1.16(s))						
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))						
						TOTAL ADD'L FEE	0

AMENDMENT		(Column 1) CLAIMS REMAINING AFTER AMENDMENT		(Column 2) HIGHEST NUMBER PREVIOUSLY PAID FOR	(Column 3) PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	*	Minus	**	=	X $ =	
	Independent (37 CFR 1.16(h))	*	Minus	***	=	X $ =	
	☐ Application Size Fee (37 CFR 1.16(s))						
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))						
						TOTAL ADD'L FEE	

* If the entry in column 1 is less than the entry in column 2, write "0" in column 3.
** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 20, enter "20".
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LIE
/REGINALD TYSON/

This collection of information is required by 37 CFR 1.16. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 03/11/2015

Mintz Levin/San Diego Office
One Financial Center
Boston, MA 02111

EXAMINER	
RETTA, YEHDEGA	

ART UNIT	PAPER NUMBER
3622	

NOTIFICATION DATE	DELIVERY MODE
03/11/2015	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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Advisory Action After the Filing of an Appeal Brief	Application No. 10/606,729	Applicant(s) DONIAN ET AL.	
	Examiner YEHDEGA RETTA	Art Unit 3622	AIA (First Inventor to File) Status No

--The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

The reply filed 13 February 2015 is acknowledged.

☐ A declaration(s)/affidavit(s) under **37 CFR 1.130(b)** was/were filed on _____.

1. ☐ The reply filed on or after the date of filing of an appeal brief, but prior to a final decision by the Board of Patent Appeals and Interferences, will not be entered because:

   a. ☐ The amendment is not limited to canceling claims (where the cancellation does not affect the scope of any other pending claims) or rewriting dependent claims into independent form (no limitation of a dependent claim can be excluded in rewriting that claim). See 37 CFR 41.33(b) and (c).

   b. ☐ The affidavit or other evidence is not timely filed before the filing of an appeal brief. See 37 CFR 41.33(d)(2).

2. ☐ The reply is not entered because it was not filed within the two month time period set forth in 37 CFR 41.39(b), 41.50(a)(2), or 41.50(b) (whichever is appropriate). Extensions of time under 37 CFR 1.136(a) are not available.

   Note: This paragraph is for a reply filed in response to one of the following: (a) an examiner's answer that includes a new ground of rejection (37 CFR 41.39(a)(2)); (b) a supplemental examiner's answer written in response to a remand by the Board of Patent Appeals and Interferences for further consideration of rejection (37 CFR 41.50(a)(2)); or (c) a Board of Patent Appeals and Interferences decision that includes a new ground of rejection (37 CFR 41.50(b)).

3. ☒ The reply is entered. An explanation of the status of the claims after entry is below or attached.

4. ☐ Other: *Claims 188, 191-193, 195-197 and 199-211 are canceled. Claims 212-238 are pending.*

/YEHDEGA RETTA/
Primary Examiner, Art Unit 3622

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 04/09/2015

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EXAMINER	
ART UNIT	PAPER NUMBER

DATE MAILED: 04/09/2015

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PTO-90C (Rev. 10/03)

Notification of Non-Compliant Appeal Brief (37 CFR 41.37)	Application No.	Applicant(s)	
	10/606,729	Philip M. Donian	
	Examiner	Art Unit	
	Yehdega Retta	3622	

--The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

The Appeal Brief filed on *February 13, 2015* is defective for failure to comply with one or more provisions of 37 CFR 41.37(c).

To avoid dismissal of the appeal, applicant must file an amended brief or other appropriate correction (see MPEP 1205.03) within **ONE MONTH or THIRTY DAYS** from the mailing date of this Notification, whichever is longer. **EXTENSIONS OF THIS TIME PERIOD MAY BE GRANTED UNDER 37 CFR 1.136.**

1. ☐ The brief does not contain the items required under 37 CFR 41.37(c), or the items are not under the proper heading or in the proper order.

2. ☒ (a) The brief does not contain a concise explanation of the subject matter defined in each of the rejected independent claims, referring to the specification in the Record by page and line number or by paragraph number and to the drawings, if any, by reference characters; and/or (b) the brief fails to identify, for each rejected independent claim and for each dependent claim argued separately that contains a means plus function or step plus function recitation under 35 U.S.C. 112, sixth paragraph, the structure, material, or acts described in the specification as corresponding to each claimed function with reference to the specification in the Record by page and line number or paragraph number, and to the drawings, if any, by reference characters (37 CFR 41.37(c)(1)(iii)).

3. ☐ The brief does not contain a correct copy of the appealed claims as an appendix thereto (37 CFR 41.37(c)(1)(v)).

4. ☒ Other (including any explanation in support of the above items):

The Summary of Claimed Subject Matter is non-compliant, as it does not reference the independent claims to the specification in the Record by page and line number or by paragraph number, and to the drawings, if any, by reference characters. Reference to the patent application publication does not satisfy the requirements of 37 CFR § 41.37c(1)(iii). An entire new Appeal Brief is not necessary only the corrected section.

Carolyn Johnson, Supervisory Paralegal
(571) 272-9797

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Application	Document	Mailroom Date	Attorney Docket No.
10606729	APBD	04/09/2015	42327-501001US

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PATENT APPLICATION INFORMATION RETRIEVAL SYSTEM

Docket No.: 42327-501001US
(PATENT)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
Philip M. Donian

Application No.: 10/606,729 | Confirmation No.: 5831

Filed: June 26, 2003 | Art Unit: 3622

For: Method and Apparatus For the Free Licensing of Digital Media Content | Examiner: Retta, Yehdega

CORRECTED APPEAL BRIEF

Patent Trial and Appeal Board
US Patent and Trademark Office
PO Box 1450
Alexandria, Virginia 22313-1450

Dear Madam:

The following is provided in response to the Notice of Non-Compliant Appeal Brief of April 9, 2015 in connection with the Appeal Brief filed February 13, 2015 which is in support of Appellants' appeal from the Examiner's Final Rejection dated May 1, 2014.

If there are any questions, the Office is encouraged to contact the undersigned at the telephone number provided below. Filing fees of $750 were previously submitted, however, the Commissioner is hereby authorized to charge any additional fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311, Reference No. 42327-501001US.

This brief contains items under the following headings as required by 37 C.F.R. § 41.37 and M.P.E.P. § 1205.2:

I.	Real Party In Interest
II	Related Appeals and Interferences
III.	Status of Claims
IV.	Status of Amendments
V.	Summary of Claimed Subject Matter
VI.	Grounds of Rejection to be Reviewed on Appeal
VII.	Argument
VIII.	Claims
Appendix A	Claims
Appendix B	Evidence
Appendix C	Related Proceedings

I. REAL PARTY IN INTEREST

The real party in interest for this appeal is:

Piranha Media Distribution, Inc.

II. RELATED APPEALS AND INTERFERENCES

There are no other appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in this appeal.

III. STATUS OF CLAIMS

A. Total Number of Claims in Application

There are 27 claims pending in application.

B. Current Status of Claims

1. Claims canceled: 1-211

2. Claims withdrawn from consideration but not canceled: 0

3. Claims pending: 212-238

4. Claims allowed: none

5. Claims rejected: 212-238

C. Claims On Appeal

The claims on appeal are claims 212-238

IV. STATUS OF AMENDMENTS

Appellants filed an Amendment After Final Rejection concurrently herewith.

V. SUMMARY OF CLAIMED SUBJECT MATTER

The following provides a summary of the currently pending independent claims. The interstitial references relate to the application as published.

Claim 212 is a method claim in which data is received that includes media content and advertising content which, when presented, form a content stream (see, for example, specification pg. 9, lines 28-30; pg. 10, lines 1-2, and 29-31; pg. 11, lines 1-4; pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; pg. 28, lines 1-11; pg. 32, lines 21-29; pg. 33, lines 22-28; FIGs. 1, 2, 4A, 4B, 11C). The content stream has one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content (see, for example, specification pg. 10, lines 17-21, and 29-31; pg. 11, lines 1-4; pg. 32, lines 21-29; pg. 33, lines 13 – 21; pg. 40, lines 28-31, pg. 41, lines 1-4; pg. 45, lines 7-31, pg. 46, lines 1-2; pg. 47, lines 7-23; FIGs. 5A, 5B). Subsequently, user-generated input is received on a client system that is associated with presentation of the content stream (see, for example, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 12, lines 10-17; pg. 19, lines 11-31, pg. 20, lines 1-7; pg. 21, lines 6-21; pg. 25, lines 27-30, pg. 26, lines 1-2; pg. 27, lines 11-21; pg. 28, lines 20-31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13-31; pg. 34, lines 1-4; pg. 40, lines 28-31, pg. 41, lines 1-4; pg. 47, lines 7-30, pg. 48, lines 1-19; pg. 50, lines 10-31, pg. 51, lines 1-31; pg. 52, lines 1-30; pg. 53, lines 1-31, pg. 54, lines 1-14; FIGs. 3A, 4A, 6A, 6B, 7A, 7B, 8C, 8D). Next, using pre-defined rules and in response to the user-generated input (see, for example, specification pg. 29, lines 17-22; pg. 33, lines 13-21; pg. 39, lines 9-14; pg. 40, lines 1-6; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-31, pg. 45, lines 1-31,

pg. 46, lines 1-30, pg. 47, lines 1-16; pg. 49, lines 1-6, and 19-27; pg. 50, lines 10-15), a presentation position of at least a portion of the advertising content is adaptively modified from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream (see, for example, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 20 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14; FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D).

Claim 238 is a method claim in which data is transmitted by a remote system to a client system (see, for example, specification pg. 9, lines 14-20; pg. 10, lines 17-21; pg. 11, lines 23-30; pg. 14, lines 1-13, and 19-23; pg. 15, lines 21-31, pg. 16, lines 1-19; pg. 18, lines 29 -31, pg. 19, lines 1-4; pg. 20, lines 30-31, pg. 21, lines 1-6, 22-25; pg. 25, lines 7-12; pg. 31, lines 28-31, pg. 32, lines 1-31, pg. 33, lines 1-21; pg. 35, lines 28-31, pg. 36, lines 1-6, lines 14-30, pg. 37, lines 1-21; pg. 40, lines 1-27, pg. 41, lines 20-31, pg. 42, lines 1-2, lines 7-16; pg. 43, lines 1-8, pg. 44, lines 27-31, pg. 45, lines 1-6; pg. 58, lines 6-17, FIGs. 1, 2, 5A, 5B, 6A, 6B, 11C). The transmitted data includes media content and advertising content which, when presented, form a content stream (see, for example, specification pg. 9, lines 28-30, pg. 10, lines 1-2, lines 29-31, pg. 11, lines 1-4; pg. 20, lines 30-31, pg. 21, lines 1-21; pg. 25, lines 27-30, pg. 26, lines 1-2; pg. 26, lines 26-30, pg. 27, lines 1-2, and lines 11-21; pg. 28, lines 1-11; pg. 32, lines 21-29; pg. 33, lines 22-28, FIGs. 1, 2, 4A, 4B, 11C). The content stream has one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content (see, for example, specification pg. 10, lines 17-21, and 29-31, pg. 11, 1-4; pg. 32, lines 21-29; pg. 33, lines

13-21; pg. 40, lines 28-31, pg. 41, lines 1-4; pg. 45, lines 7-31, pg. 46, lines 1-2; pg. 47, lines 7-23; FIGs. 5A, 5B). Subsequently, data is received by the remote system from the client system that characterizes user-generated input associated with presentation of the content stream (see, for example, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 12, lines 10-17; pg. 19, lines 11-31, pg. 20, lines 1-7; pg. 21, lines 6-21; pg. 28, lines 20-31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13-31, pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 104; pg. 47, lines 7-30, pg. 48, lines 1-19; pg. 50, lines 10-31, pg. 51, lines 1-31, pg. 52, 1-30, pg. 53, lines 1-31, pg. 54, lines 1-14, FIGs. 3A, 4A, 5B, 6A, 6B, 7A, 7B, 8C, 8D). Next, the remote system causes the client system to adaptively modify, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream (see, for example, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 6-21; pg. 28, lines 20-31, pg. 29, lines 1-31, pg. 30, lines 130, pg. 31, 1-19; pg. 33, lines 13-31, pg. 34, lines 1-5; pg. 39, lines 9-14; pg. 40, lines 1-6, lines 28-31, pg. 41, lines 1-12; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-31, pg. 45, lines 1-31, pg. 46, lines 1-30, pg. 47, lines 1-30, pg. 48, lines 1-9; pg. 49, lines 1-6, lines 19-27; pg. 50, lines 10-15; pg. 54, lines 4-14, FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D).

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

35 U.S.C. §132(a)

The Examiner failed to provide adequate specificity as to the rejections in order to assess the propriety of continuing prosecution as required by 35 U.S.C. §132(a).

35 USC § 102

The Examiner improperly rejected claims 212-232, 234-238 under section 102(e) as allegedly being anticipated by Knepper et al. (US Publication No. 2001/0042249), hereinafter "Knepper".

35 USC § 103

The Examiner improperly rejected claim 233 under pre-AIA section 103(a) as allegedly being unpatentable over Knepper further in view of Official Notice.

35 USC § 112

The Examiner improperly rejected claims 212-238 under section 112 (a), first paragraph as allegedly failing to comply with the written description requirement.

VII. ARGUMENT

35 U.S.C. §132(a)

The final office action of May 1, 2014 groups together claims having different features (e.g., 215-217 and 218-225+237) and additionally fails to specifically address the amendments and comments made in the office action reply of February 14, 2014 (referred to herein simply as the "office action"). As such, at least on this basis, the most recent office action should be withdrawn.

As one example, the 35 USC § 102 rejection of claim 212 is cursory in nature and fails to take into account each and every recited element as required by *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). In particular, the rejection is a mere four lines long, fails to take into account various aspects such as "adaptively modifying" as discussed below and simply rejects the entire claim *en masse* with references to various paragraphs of Knepper. Such a rejection is not instructive to advance prosecution especially given the protracted prosecution of the current application.

As a further example, page 18 of the office action states that the previously submitted arguments are moot because the arguments do not apply to any of the references being used in the current rejection. It is respectfully submitted that this statement is erroneous as only one new reference was cited, namely Strietzel, and such reference is only applied to claims 202, 206, and 210 (now canceled to simplify this current appeal), with the balance of claims being rejected in light of Knepper for which the previously submitted arguments are directly related. A thorough rebuttal in the office action would have been instructive to advance prosecution. Given the above, it is respectfully noted that the office action fails to comply with 35 U.S.C. §132(a) which states, in

relevant part that "Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Director shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application."

It is respectfully submitted that the office action fails to provide adequate notice needed to traverse the rejections, and as such, the office action is improper and should be withdrawn.

35 USC § 102 Rejections

Claims 188, 191-193, 195-197, 199-201, 203-205, 207-209, 211-232, 234-238 stand rejected under section 102(e) as allegedly being anticipated by Knepper et al. (US Publication No. 2001/0042249), hereinafter "Knepper".

To present a valid anticipation rejection under 35 U.S.C. §102, the Office must identify a single prior art reference in which "each and every element as set forth in the claim is found, either expressly or inherently described." MPEP §2131 quoting *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). The rejections over Knepper fail to satisfy this burden with regard to claims 212-232 and 234-238.

Both of the currently pending independent claims (claims 212 and 238) recite adaptive modification of a relationship between media content and advertising content in response to user-generated input.

Claim 212 recites (emphasis added): "***adaptively modifying***, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion

points located at one or more different positions relative to at least a portion of the media content within the content stream."

Claim 238 recites (emphasis added): "***adaptively modify***, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream."

It is respectfully submitted, and as described in further detail below, that the Knepper reference describes a fixed relationship between content and advertisements and, as such, it fails to disclose, at least, the adaptive modification recited in each independent claim. This position is supported by the statement, inter alia, on page 15 of the Office Action: "Knepper does not explicitly teach generating in response to the input a second sequence comprising the second sequence differing from the first sequence such that at least one of the advertisement files is presented in a different position relative to the media files." While the foregoing is a misquote of the claim language, it clearly indicates that Knepper does not explicitly teach the changing of relative positions among content and advertisements. Therefore, it is the burden of the Examiner to demonstrate an inherent teaching and it is submitted that the office action fails to demonstrate such alleged inherent teaching.

As previously argued and as discussed during various interviews, Knepper describes an arrangement in which there is a **fixed relationship** between media files and advertisements which differs from the adaptive modification of the relation between media files and advertisements. For example, par. of 52 of Knepper describes a digital magazine having ads at fixed positions in relation

to the content. A user can traverse the magazine, for example by "paging forward", but will always be presented with the advertisements at fixed pre-determined locations. With Knepper, and with particular reference to pars. 52, 59, 63, and 84, entertainment files can have associated advertisement files (i.e., the same advertisement is always played with such entertainment file) or they can have unassociated advertisement files (i.e., an advertisement file is always played with the entertainment file – but it can be one of several advertisement files). While pars. 52, 59, 63, and 84 of Knepper state that advertisement files can be played with different entertainment files during playback, there is no suggestion that the relative placement of such advertisement files and the entertainment files can be changed as part of user-generated input such as navigating content. Stated differently, the positions of the advertisement and entertainment files are always the same and traversing the entertainment files does not change this relationship.

In addition, while the cited paragraphs 26-36 of Knepper relate to playback of a show / entertainment object, there is no statement of modification of a media file sequence as recited in the claims. Par. 34 of Knepper, in particular, describes an instruction set being delivered from a server to the client and such instruction set including a listing of the order of the entertainment and advertisement media files that will make up the show. Pars. 42-48 of Knepper are directed to advancing through a defined sequence of media files that do not change (i.e., such sequence cannot be adaptively modified in response to user-generated input as recited in claims 212 and 238). Such advancement through a pre-specified instruction set of media and advertisement files is different than modifying the sequence (or otherwise modifying a relationship among advertising content and media content). Stated differently, Knepper is directed to the seamless display of an assembled clip

of media and advertisement files (see, inter alia, par. 38 of Knepper) having a fixed relational order that does not change (and as such cannot be adaptively modified).

Furthermore, as previously noted, with Knepper, media file content and ad file content are presented to a user according to a text file delivered from a server. As shown in FIG. 4 of Knepper et al., "NO USER INTERVENTION" is allowed when the video and ad clips are being presented. The subject matter recited in the claims does not have such a prohibition (and in fact provide for user-generated input which in turn causes the adaptive modification). Contrary to the examiner's overly broad interpretation, Knepper does not teach forwarding or skipping at the level of media and advertising construction (Knepper page 307). With Knepper there are no changes of the ordering of content and advertising as a result of user interaction, the sequence of content and advertising in page 307 is always fixed by the instruction set control file sent from the server (and as such there can be no adaptive modification as recited in claims 212 and 238).

As such, Knepper clearly fails to disclose the recited "adaptively modifying" and "adaptively modify" explicitly, inherently, or otherwise, thus each of claims 212 and 238 should be allowed.

Claims 188, 191-193, 195-197, 199-201, 203-205, 207-209 and 211 have been canceled thereby making the rejections of such claims moot. These claims were directed to first and second sequences of content and advertising files. Notwithstanding their cancellation, it submitted that, as indicated above, the Knepper reference fails to disclose or otherwise suggest an arrangement in which a second sequence is generated in response to user-generated input.

In addition, with regard to claim 227, it is submitted that Knepper is silent as to sub-division of a media file into segments as part of generating a first sequence as recited. The cited paragraphs

including paragraph 59 simply state that a user perceives entertainment media files and advertisement files as being a single, continuous clip, not that the entertainment media file is sub-divided in any fashion as taught by the current claims. Stated differently, Knepper can provide individual segments that together comprise a show, but Knepper does not segment / divide or otherwise split a single file physically, heuristically, or otherwise for purposes of ad insertion based on user interaction with media content. As such, claim 227 should be separately allowable.

Still further, there is no suggestion in Knepper (whether in cited paragraphs 49 to 56 or otherwise) that advertisement position rules act to position the advertisement files in the second sequence so as to uphold an average content play time and/or based on a number of media files played during presentation of the first sequence as recited in claims 235 and 236. For example, par. 49 relates to downloading of artwork. Par. 50 of Knepper is directed to how media files can be packaged on a client. Par. 51 relates to how media is downloaded and pars. 52-56 relate to how advertisement and entertainment files are sequenced (without any reference to upholding an average content play time or to maintaining a number of played media files as recited). These claims stand rejected based on paragraphs in Knepper that are not pertinent to the claimed subject matter, and as such, these rejections are improper. Therefore, claims 235 and 236 should be separately allowable.

Moreover, similar deficiencies in the prior art citations are believed to be present with regard to the balance of rejections on claims 212-232 and 234-238, and as such, these claims should also be separately allowable.

35 USC § 103 Rejections.

Claims 202, 206, 210 stand rejected under pre-AIA section 103(a) as allegedly being unpatentable over Knepper as applied to claim 188 above, and further in view of Strietzel (US Publication 2002/0120564) hereinafter "Strietzel". Claim 233 stands rejected under pre-AIA section 103(a) as allegedly being unpatentable over Knepper further in view of Official Notice. These rejections have been traversed and should be withdrawn.

With regard to claim 233, the office action fails to comply with the requirements of an official notice rejection as required by MPEP §2144.03(A) which states "Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known." Furthermore, "assertions of technical facts in the areas of esoteric technology or specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art." *In re Ahlert*, 424 F.2d at 1091, 165 USPQ at 420-21 as quoted in MPEP §2144.03(A). The office action, in connection with the rejection of claim 233, simply alleges that it would have been old and well known to rotate ads in response to user-generated input. If that were indeed true, it is respectfully submitted that it would not have been burdensome for the examiner to identify relevant art (if available) and to prepare an argument that takes into account how advertising content can be rotated into a content stream as part of the recited adaptive modification as a result of user interaction with the media content as described in claim 212.

Therefore, the rejection of claim 233 should be withdrawn.

Claims 202, 206, and 210 have been canceled making the rejection of such claims moot.

35 USC § 112

The Examiner improperly rejected claims 188, 191-193, 195-197, 199-238 under section 112 (a), first paragraph as allegedly failing to comply with the written description requirement.

It is first noted that the rejections under 35 USC § 112 were not previously presented in the office action of August 20, 2013; and as such, it is submitted that their first inclusion in the final office action of May 1, 2014 was improper. With regard to claims 212 and 238 submitted in the reply of February 14, 2014, such claims have a similar scope to previously presented claims.

Further, the skilled artisan would have been able to implement the subject matter recited in the claims based on the specification as originally filed such as in FIGs. 5A-B (specification page 31 starting at line 28 through page 42 ending with line 16), 6A-B (specification page 42 starting at line 19 through page 46 ending with line 28), 7A-B (specification page 46 starting at line 29 through page 52 ending with line 8), 8A-8D (specification page 52 starting at line 9 through page 54 ending with line 14) and the accompanying detailed description which describes the content distribution, ad manager, and intersplicer mechanisms as recited in the claims. These figures and the accompanying descriptions support a withdrawal of the rejections under 35 USC § 112.

Claims 188, 191-193, 195-197, and 199-211 have been canceled making the rejections of these claims moot.

There is widespread explicit and inherent support for the subject matter of claims 212 to 238. In particular, with claim 212, data is received that includes media content and advertising content which, when presented, form a content stream (see, for example, specification pg. 9, lines 28-30; pg. 10, lines 1-2, and 29-31; pg. 11, lines 1-4; pg. 20, lines 30-31; pg. 21, lines 1-21; pg. 25, lines 27-30; pg. 26, lines 1-2, and 26-30; pg. 27, lines 1-2, and 11-21; pg. 28, lines 1-11; pg. 32,

lines 21-29; pg. 33, lines 22-28, FIGs. 1, 2, 4A, 4B, 11C). The content stream has one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content (see, for example, specification pg. 10, lines 17-21, and 29-31; pg. 11, lines 1-4; pg. 32, lines 21-29; pg. 33, lines 13 – 21; pg. 40, lines 28-31, pg. 41, lines 1-4; pg. 45, lines 7-31, pg. 46, lines 1-2; pg. 47, lines 7-23, FIGs. 5A, 5B). Subsequently, user-generated input is received on a client system that is associated with presentation of the content stream (see, for example, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 12, lines 10-17; pg. 19, lines 11-31, pg. 20, lines 1-7; pg. 21, lines 6-21; pg. 25, lines 27-30, pg. 26, lines 1-2; pg. 27, lines 11-21; pg. 28, lines 20-31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13-31; pg. 34, lines 1-4; pg. 40, lines 28-31, pg. 41, lines 1-4; pg. 47, lines 7-30, pg. 48, lines 1-19; pg. 50, lines 10-31, pg. 51, lines 1-31; pg. 52, lines 1-30; pg. 53, lines 1-31, pg. 54, lines 1-14, FIGs. 3A, 4A, 6A, 6B, 7A, 7B, 8C, 8D). Next, using pre-defined rules and in response to the user-generated input (see, for example, specification pg. 29, lines 17-22; pg. 33, lines 13-21; pg. 39, lines 9-14; pg. 40, lines 1-6; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-31, pg. 45, lines 1-31, pg. 46, lines 1-30, pg. 47, lines 1-16; pg. 49, lines 1-6, and 19-27; pg. 50, lines 10-15), a presentation position of at least a portion of the advertising content is adaptively modified from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream (see, for example, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 12-21; pg. 28, lines 20 -31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13 – 31; pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 44, lines 3-14; pg. 47, lines 7-16, pg. 50, lines 10-15; pg. 54, lines 4-14, FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D).

Claims 220-224 also find support in the specification and the figures and are directed to the use of pre-defined rules for specifying the recited insertion points (see, for example, specification pg. 15, lines 21-31, pg. 16, lines 1-19; pg. 18, lines 29-31, pg. 19, lines 1-; pg. 29, lines 17-22; pg. 31, lines 28-31, pg. 32, lines 1-31, pg. 33, lines 1-21; pg. 35, lines 28-31, pg. 36, lines 1-6; pg. 36, lines 14-23; pg. 38, lines 10-16; pg. 39, lines 9-14; pg. 40, lines 1-27; pg. 41, lines 20-31, pg. 42, lines 1-2, lines 7-16, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-2; pg. 45, lines 17-26; pg. 46, lines 3-9, lines 24-28; pg. 47, lines 7-16; pg. 49, lines 1-6, lines 19-27; pg. 50, lines 10-15).

Claim 228 finds support in the specification and figures and is directed to a method in which user-generated input associated with presentation of the content stream results in a change of a sequence of two or more media files by subtracting an existing media file (see, for example, specification pg. 10, lines 17-21, lines 29-31, pg. 11, lines 1-4; pg. 12, lines 10-17; pg. 26, lines 3-11; pg. 28, lines 1-31, pg. pg. 29, 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19, lines 28-31; pg. 32, lines 7-11; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 50, lines 19-27), or by re-arranging the sequence of media files (see, for example, specification pg. 10, lines 17-21, lines 29-31, pg. 11, lines 1-4; pg. 12, lines 10-17; pg. 26, lines 3-11; pg. 28, lines 1-31, pg. pg. 29, 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19, lines 28-31; pg. 32, lines 7-11; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 50, lines 19-27) or results in a change of sequence by adding a new media file (see, for example, specification pg. 10, lines 17-21, lines 29-31, pg. 11, lines 1-4; pg. 12, lines 10-17; pg. 26, lines 3-11; pg. 28, lines 1-31, pg. pg. 29, 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19, lines 28-31; pg. 32, lines 7-11; pg. 40, lines 28-31, pg. 41, lines 1-12; pg. 50, lines 19-27). For example, see, pg. 26, lines 3-11 of the specification which states [emphasis added]: "…the user can have the player/viewer run ***any combination of available titles and tracks in any possible order***…"

The office action rejected claim 236, however, it is noted that the examiner restated language from claim 234 not 236 (and as such, claim 234 is addressed below). Claim 234 finds support in the specification and figures (see, for example, specification pg. 40, lines 7-12; lines 19-27, pg. 46, lines 10-23; pg. 47, lines 7-16, pg. 49, lines 28-31, pg. 50, lines 1-3; lines 19-26, pg. 51, lines 26-31, pg. 52, lines 1-3). For example, see specification pf. 40, lines 19-27 which states [emphasis added]: "Ad rotator 516 handles requests for new ads from an intersplicer 518 by selecting and localizing appropriate ads, grouping them into blocks if so requested, and sending the result back to requesting intersplicer 518. The ad rotator 516 is equipped to handle requests to replace individual ads, entire ad blocks, or the entire set of ads and blocks associated with intersplicer 518, ***without having to interrupt playback***. Just like ad manager 514, ***it may use the logic of the media transfer component 580 for this purpose***. Ad rotator 516 may also need to ***consult media catalog 566 to locate new ads***…"

Claims 237 finds support in the specification and the figures and is directed to a method in which the adaptively modifying uses two or more of the pre-defined rules for determining the corresponding presentation position of at least a portion of the advertising content (see, for example, specification pg. 29, lines 17-22; pg. 33, lines 13-21; pg. 39, lines 9-14; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-2; pg. 45, lines 17-26; pg. 46, lines 3-9, lines 24-28; pg. 47, lines 7-16; pg. 49, lines 1-6, lines 19-27; pg. 50, lines 10-15).

Claim 238 also finds support in the specification and figures and is directed to a method in which data is transmitted by a remote system to a client system (see, for example, specification pg. 9, lines 14-20; pg. 10, lines 17-21; pg. 11, lines 23-30; pg. 14, lines 1-13, and 19-23; pg. 15, lines 21-31, pg. 16, lines 1-19; pg. 18, lines 29 -31, pg. 19, lines 1-4; pg. 20, lines 30-31, pg. 21, lines 1-6,

22-25; pg. 25, lines 7-12; pg. 31, lines 28-31, pg. 32, lines 1-31, pg. 33, lines 1-21; pg. 35, lines 28-31, pg. 36, lines 1-6, lines 14-30, pg. 37, lines 1-21; pg. 40, lines 1-27, pg. 41, lines 20-31, pg. 42, lines 1-2, lines 7-16; pg. 43, lines 1-8, pg. 44, lines 27-31, pg. 45, lines 1-6; pg. 58, lines 6-17, FIGs. 1, 2, 5A, 5B, 6A, 6B, 11C). The transmitted data includes media content and advertising content which, when presented, form a content stream (see, for example, specification pg. 9, lines 28-30, pg. 10, lines 1-2, lines 29-31, pg. 11, lines 1-4; pg. 20, lines 30-31, pg. 21, lines 1-21; pg. 25, lines 27-30, pg. 26, lines 1-2; pg. 26, lines 26-30, pg. 27, lines 1-2, and lines 11-21; pg. 28, lines 1-11; pg. 32, lines 21-29; pg. 33, lines 22-28, FIGs. 1, 2, 4A, 4B, 11C). The content stream has one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content (see, for example, specification pg. 10, lines 17-21, and 29-31, pg. 11, 1-4; pg. 32, lines 21-29; pg. 33, lines 13-21; pg. 40, lines 28-31, pg. 41, lines 1-4; pg. 45, lines 7-31, pg. 46, lines 1-2; pg. 47, lines 7-23; FIGs. 5A, 5B). Subsequently, data is received by the remote system from the client system that characterizes user-generated input associated with presentation of the content stream (see, for example, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 12, lines 10-17; pg. 19, lines 11-31, pg. 20, lines 1-7; pg. 21, lines 6-21; pg. 28, lines 20-31, pg. 29, lines 1-31, pg. 30, lines 1-30, pg. 31, lines 1-19; pg. 33, lines 13-31, pg. 34, lines 1-5; pg. 40, lines 28-31, pg. 41, lines 104; pg. 47, lines 7-30, pg. 48, lines 1-19; pg. 50, lines 10-31, pg. 51, lines 1-31, pg. 52, 1-30, pg. 53, lines 1-31, pg. 54, lines 1-14, FIGs. 3A, 4A, 5B, 6A, 6B, 7A, 7B, 8C, 8D). Next, the remote system causes the client system to adaptively modify, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of

the media content within the content stream (see, for example, specification pg. 10, lines 29-31, pg. 11, lines 1-4; pg. 21, lines 6-21; pg. 28, lines 20-31, pg. 29, lines 1-31, pg. 30, lines 130, pg. 31, 1-19; pg. 33, lines 13-31, pg. 34, lines 1-5; pg. 39, lines 9-14; pg. 40, lines 1-6, lines 28-31, pg. 41, lines 1-12; pg. 42, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-31, pg. 45, lines 1-31, pg. 46, lines 1-30, pg. 47, lines 1-30, pg. 48, lines 1-9; pg. 49, lines 1-6, lines 19-27; pg. 50, lines 10-15; pg. 54, lines 4-14, FIGs. 4A, 6A, 6B, 7A, 7B, 8C, 8D).

Therefore, the rejections under 35 USC § 112 of each of claim 212-238 should be withdrawn.

Concluding Comments

It is believed that all of the pending claims have been addressed in this paper. However, failure to address a specific rejection, issue or comment, does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above are not intended to be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper, and the amendment of any claim does not necessarily signify concession of unpatentability of the claim prior to its amendment. The undersigned asks that all claims be allowed.

If there are any questions regarding these amendments and remarks, the Examiner and/or the Appeal Board is encouraged to contact the undersigned at cakukkkonen@mintz.com or the telephone number provided below. The Commissioner is hereby authorized to charge any additional fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311.

VIII. CLAIMS

A copy of the claims involved in the present appeal is attached hereto as Appendix A. As indicated above, the claims in Appendix A include the amendments filed by Appellants concurrently herewith.

Dated: April 23, 2015

Respectfully submitted,

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APPENDIX A

Claims Involved in the Appeal of Application Serial No. 10/606,729

1-211. (Canceled).

212. (Previously Presented) A method comprising:

receiving data comprising media content and advertising content which, when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content;

receiving, on a client system, user-generated input associated with presentation of the content stream; and

adaptively modifying, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream.

213. (Previously Presented) A method as in claim 212 further comprising:

presenting at least a portion of the content stream on the client system.

214. (Previously Presented) A method as in claim 213, wherein presenting the content stream on the client system comprises displaying the content stream by way of a graphical user interface.

215. (Previously Presented) A method as in claim 213, wherein the user-generated input is received and the presentation position is adaptively modified during presentation of at least a portion of the content stream on the client system.

216. (Previously Presented) A method as in claim 213, wherein the user-generated input is received and the presentation position is adaptively modified prior to presentation of at least a portion of the content stream on the client system.

217. (Previously Presented) A method as in claim 213, wherein the user-generated input is received and the presentation position is adaptively modified subsequent to presentation of at least a portion of the content stream on the client system.

218. (Previously Presented) A method as in claim 212, wherein the one or more initial insertion points are specified using the pre-defined rules.

219. (Previously Presented) A method as in claim 218, wherein the one or more initial insertion points are specified, at the client system, using the pre-defined rules.

220. (Previously Presented) A method as in claim 219, wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules.

221. (Previously Presented) A method as in claim 219, wherein the one or more alternate insertion points are specified, at a remote system, using the pre-defined rules.

222. (Previously Presented) A method as in claim 218, wherein the one or more initial insertion points are specified, at a remote system, using the pre-defined rules.

223. (Previously Presented) A method as in claim 222, wherein the one or more alternate insertion points are specified, at the remote system, using the pre-defined rules.

224. (Previously Presented) A method as in claim 222, wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules.

225. (Previously Presented) A method as in claim 212, wherein the media content comprises at least one media file.

226. (Previously Presented) A method as in claim 212, wherein the advertising content comprises at least one advertisement file.

227. (Previously Presented) A method as in claim 226, further comprising: generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a portion of at least one of the advertising files is presented between two of the segments.

228. (Previously Presented) A method as in claim 225, wherein the user-generated input associated with presentation of the content stream results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file.

229. (Previously Presented) A method as in claim 212, wherein the user-generated input associated with presentation of the content stream results in a navigation command for the content stream.

230. (Previously Presented) A method as in claim 229, wherein the navigation command is selected from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward, slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, and shuttle knob.

231. (Previously Presented) A method as in claim 212, wherein the data is received by the client system from a remote system.

232. (Previously Presented) A method as in claim 212, wherein the data is received by accessing a local data source.

233. (Previously Presented) A method as in claim 212, further comprising:

rotating new advertising content into the content stream in response to the user-generated input.

234. (Previously Presented) A method as in claim 212, further comprising:

sending, by a remote system to the client system, additional advertising content during presenting of at least a portion of the content stream.

235. (Previously Presented) A method as in claim 212, wherein the pre-defined rules position the advertising content so as to uphold an average content play time.

236. (Previously Presented) A method as in claim 212, wherein the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream.

237. (Previously Presented) A method as in claim 212, wherein the adaptively modifying uses two or more of the pre-defined rules for determining the corresponding presentation position of at least a portion of the advertising content.

238. (Previously Presented) A method comprising:

transmitting, by a remote system to a client system, data comprising media content and advertising content which, when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content;

receiving data, by the remote system from the client system, data characterizing user-generated input associated with presentation of the content stream; and

causing, by the remote system, the client system to adaptively modify, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream.

APPENDIX B

No evidence pursuant to 37 C.F.R. §§ 1.130, 1.131, or 1.132 or entered by or relied upon by the examiner is being submitted.

APPENDIX C

No related proceedings are referenced in Section II above, hence copies of decisions in related proceedings are not provided.

Electronic Acknowledgement Receipt

EFS ID:	22146577
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Carl A. Kukkonen/Teri Barnett
Filer Authorized By:	Carl A. Kukkonen
Attorney Docket Number:	42327-501001US
Receipt Date:	23-APR-2015
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Application Type:	Utility under 35 USC 111(a)

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File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Appeal Brief Filed	42327_501001US_Corrected_Appeal_Brief.pdf	206473 3f7a82e64f38ca4525d54aaa265c7600e743c5d8	no	31

Warnings:	
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This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

New Applications Under 35 U.S.C. 111
If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371
If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office
If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 08/28/2015

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EXAMINER
RETTA, YEHDEGA

ART UNIT	PAPER NUMBER
3622	

NOTIFICATION DATE	DELIVERY MODE
08/28/2015	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

Application Number: 10/606,729
Filing Date: June 26, 2003
Appellant(s): DONIAN ET AL.

Carl A. Kukkonen, III
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 4/23/15 appealing from the Office action mailed 5/1/14.

(1) Grounds of Rejection to be Reviewed on Appeal

Every ground of rejection set forth in the Office action dated 5/1/14 from which the appeal is taken is being maintained by the examiner except for the grounds of rejection (if any) listed under the subheading "WITHDRAWN REJECTIONS." New grounds of rejection (if any) are provided under the subheading "NEW GROUNDS OF REJECTION."

The following ground(s) of rejection are applicable to the appealed claims.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112(a):

> (a) IN GENERAL.—The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor or joint inventor of carrying out the invention.

The following is a quotation of the first paragraph of pre-AIA 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 188, 191-193, 195-197, 199-238 are rejected under 35 U.S.C. 112(a) or 35 U.S.C. 112 (pre-AIA), first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor or a joint inventor, or for pre-AIA the inventor(s), at the time the application was filed, had possession of the claimed invention.

Claims 188, 195, 207, as amended, recite receiving, *at a client system* from a remote system, a plurality of at least one media files and a plurality of at least one advertisement files;

generating, at the client system using advertisement positioning rules, a first sequence comprising *at least a portion of the plurality of at least one media files and at least a portion of the at least one advertisement files*, the advertisement positioning rules defining where advertisement files are presented in relation to the at least one media files;

presenting, at the client system, *at least a portion of* the first sequence:

adaptively generating a second sequence comprising *at least a portion of* the media files and the advertisement files based on the user-generated input and the advertisement positioning rules, the second sequence differing from the first sequence such that at least one of the advertisement files is presented in a different position relative to the media files.

The specification teaches as follows:

Once the media request list is established, the list is then populated ... the program determines the ad requirements called for the item ... in step 510 the media item is transferred into local storage ... in step 514 the program selects appropriate ads to go with the media request list and prepares them for insertion in to the content play/view sequence (see fig. 5 and associated paragraphs).

The specification however does not teach once a plurality of media files and advertisement files were received at the client system a portion of the media files and a portion of advertisement files are generated at the client system. The specification also does not teach a second sequence comprising at least a portion of the media files and advertisement files are generated after the user-generated input and the portion presented at the client system.

In addition claim 195 also recites ***sending, by the remote system to the client system***, at least a portion of the **second sequence.**

The specification does not teach the remote system sending a second sequence.

Claim 212-238

Claim 212 recites receiving data comprising media content and advertising content which, when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content:

adaptively modifying, using pre-defined rules and in response to the user-generated input, *a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream.*

First the specification does not teach receiving data when presented, form a content stream, the content stream having one or more initial insertion points at which *at least a portion of the advertising content* is to be presented relative to at least a portion of the media content:

Second the specification does not teach *modifying the presentation* position of the a portion of the advertisement content *from one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the received advertising content from one or more initial insertion points …*

Claim 238 is rejected for the same reason stated in claim 212.

The specification also does not teach the one or more *alternate insertion points are specified using the pre-defined rules or are specified at a remote system ...* as claimed in claims 220-224.

Claim 228, recites wherein the user-generated input associated with presentation of the ***content stream results in a change of a sequence*** of two or more media files by ***subtracting an existing media file***, or by re-arranging the sequence of media files or results in a change of sequence ***by adding a new media file.***

The specification does not teach the change of sequence is by subtracting an existing media file or re-arranging the sequence of media files or by adding a media file.

Claim 236:

The specification does not teach sending, by a remote system to the client system, *additional advertising content during presenting of at least a portion of the content stream.*

Claim 237:

The specification does not teach wherein the adaptively modifying ***uses two or more of the pre-defined rules for determining*** the corresponding presentation position of at least a portion of the advertising content.

Regarding the media content, advertisement and sequencing, the specification teaches:

[0117] In this way, the invention has the ability to strictly enforce the insertion of advertisements into the content stream. Furthermore, whenever the player/viewer is running any ads, it has the power to ensure that the consumer 102 using it will experience the advertisements in their entirety. In this particular embodiment of the invention, the player/viewer accomplishes this end by disabling any user interface command that the consumer could possibly use to skip, back out of, or speed through the promotional material, including the ability to

lower the sound volume beneath a pre-determined threshold level. *The intersplicer also has the ability to adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content, by means of playback controls.*

[0145] Referring back to the figure, *play sequence 402 contains both segmented audio/video content, shown throughout FIG. 4A as wavy lines, and blocks of audio/video commercials, which are shown throughout as saw-toothed lines. Content segments 430, 432, 434, and 436 comprise the media title the user has requested for play, and each of advertisement blocks 408, 410, and 412 is a group of at least one or more ads and/or other promotional material that the player/viewer software has automatically assembled and inserted into the sequence.*

[0147] Play sequence 402 is typical for a segmented title/track, by the definition of segmented media given above. With segmented media, ***the*** *player/viewer* ***holds a sense of particular*** *ad* ***blocks retaining their own sense of place in the sequence, with the ads chosen to go along with a pre-determined portion of the content.*** *If the consumer elects to skip around during the course of playing a segmented title,* ***the same block of ads plays with a particular portion of the content*** *as the user skips back and forth through different parts of the title, over a predetermined period of time and/or number of viewings.* If the predetermined limit is exceeded, the player/viewer rotates in new ad blocks automatically.

[0148] Segmented titles are sequenced like television programs, in that ad breaks tend to occur at particular scheduled places in the content. The first time through viewing any particular segmented content with ads, each block is shown before or after its associated content, and the player/viewer requires the ads to be run in their entirety. After that, when ad blocks that have been seen already are encountered again through a user-directed repeat of a sequence in a single request session, the player/viewer may allow the user to navigate out of the ad, or possibly omit it altogether.

[0149] For example, *if the user of sequence 402 jumps right into segment 434 as segment 430 is just starting, the player/viewer will begin segment 434 at its point of entry, followed at its end by ad block 412. Wherever possible, the ad*

block chosen for play at the end of a segment will be the one most appropriate to the actual part of the content that has played since the latest preceding ad block.

[0155] Tracked titles are sequenced like radio programming, in that the ad breaks tend to occur after a certain number of songs are played, after a certain amount of playback time has elapsed, or at song breaks nearest to particular times of the hour. In the case of the player/viewer, the user can sequence any combination of tracks together, and the ads chosen may in part reflect the specific tracks used. This has a direct implication when the consumer jumps around haphazardly in a requested play-list, or chooses to repeat a small subset of the tracks in the requested sequence.

[0156] For example, *in sequence 404, consider a case where the program is using a track allowance method for ad placement, with an initial allowance of 5 tracks per ad block. If the user decides to play track 446 and then track 456, the program does not insert ad block 416 immediately after track 456. Instead, play goes directly into track 458, because the allowance is 5 tracks. If the user plays through most of track 458, then jumps to the beginning of track 442 and plays it, there is still allowance for one more track after that, since only four tracks (446, 456, 458, and 442) have played so far. If the user then jumps to track 452, an ad block will play immediately after track 452 completes, or if the user attempts to leave track 452 after hearing most of it but before it completes, because it is the fifth track.* This ad block will be assembled extemporaneously to go with the five tracks that were played, and there is no retained sense of recurring blocks falling at specific points when the user skips around between tracks in a play-list. Typically, ad blocks interspliced in this way require full play with each occurrence, and the player/viewer manages its adaptive ad selection to present new ads every time, to a certain extent.

There is no “second sequence" disclosed by Applicant’s disclosure. The second sequencing of the playlist, in light of the specification, is understood to mean that the user navigates within the media files in the playlist (e.g. by skipping a media file in the playlist (in the

first sequence) (the media list that was transferred to the client computer) or advances to another media in the playlist (the media list that was transferred to the client computer) .

There is also no generation of a second sequence by the remote system or transferred to the client system.

The second sequencing is interpreted to mean changing the sequence of the first list by skipping or forwarding)

Claim Rejections - 35 USC § 102

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 188, 191-193, 195-197, 199-201, 203-205, 207-209, 211-232, 234-238 are rejected under 35 U.S.C. 102(e) as being clearly anticipated by Knepper et al. (2001/0042249).

Regarding claims 188, 191, 207, 213, 231, 232, Knepper teaches receiving, at a client system from a remote system, a plurality of media files and a plurality of advertisement files (see [0038]-[0041]);

generating, at the client system using advertisement positioning rules, a first sequence comprising a least a portion of the plurality of media files and the at least a portion of the plurality advertisement files, the advertisement positioning rules defining where the at least one advertisement files are presented in relation to the at least one media files (see [0043]- [0046];

presenting, at the client system, at least a portion of the at least one media file and the at least one advertisement file according to the first sequence; (see fig. 8a and 8b, [0009]-[0014], [0051]-[0058], [0061]-[0062]);

receiving, via a user interface user-generated input (forwarding, skipping) and presenting at least a portion of the second sequence (see [0039]-[0042]).

Knepper teaches that an advertisement file is appended to a media file such that the entertainment and advertisement files are played to appear as a single clip ... <ADInsert> is a tag that is recognized by the client application as specific instructions regarding treatment of the advertising media files ... using this tags the server can direct the client to place an ad before, during or after a media file during playback of media files in the magazine page (see [0052] ... the client displays the entertainment media file before it plays the advertisement media file ... when the entertainment media file is finished playing, **the advertisement media file immediately proceeds without the appearance of a page turn** (see [0059]). Knepper teaches (Fig.7) plurality of clips, has its associated instruction set stored on the server 601; the instruction delivered to the client 603; according to the instructions advertisement media file 611 are selected to be shown according to the association (see [0062]). That means even if the user is skipping or forwarding to a different music, an advertisement associated with that media file, based on the <ADInsert> would be playing, i.e., the same block of ad plays with the particular portion of the content according to the instruction.

Regarding claim 192, Knepper teaches wherein there are two or more media files and the first sequence is modified by removing a media file from the first sequence (see [0059]-[0063])

Regarding claim 193, Knepper teaches wherein generating the first sequence comprises sub-dividing at least one of the media files into two or more segments, and wherein at least one of the advertising files is presented between two of the segments (see [0059].

Regarding claim 195, Knepper teaches generating, at a remote system using advertisement position rules, a first sequence of at least one media file and at least one advertisement file, the advertisement position rules defining how the at least one advertisement file is presented in relation to the at least one media file (fig. 3, [0031]-[0036]);

Sending, by the remote, at least a portion of the sequence to a client system (see [0029]-[0036]-[0040], [0057]-[0063]);

receiving, at the remote system user-generated input obtained via user interface on the client system modifying the first sequence; generating, at the remote system, in response to the user-generated input, a second sequence of the at least one media file and the at least one advertisement file based on the user-generated input and the advertisement positioning rules, the second sequence differing from the first sequence such that at least one advertisement file is positioned differently in relation to the at least one media file; and sending, by the remote system to the client system, at least a portion of the second sequence (see [0044]-[0054)). Knepper teaches that an advertisement file is appended to a media file such that the entertainment and advertisement files are played to appear as a single clip ... <ADInsert> is a tag that is recognized by the client application as specific instructions regarding treatment of the advertising media files ... using this tags the server can direct the client to place an ad before, during or after a media file during playback of media files in the magazine page (see [0052] ... the client displays

the entertainment media file before it plays the advertisement media file ... when the entertainment media file is finished playing, **the advertisement media file immediately proceeds without the appearance of a page turn** (see [0059]). Knepper teaches (Fig.7) plurality of clips, has its associated instruction set stored on the server 601; the instruction delivered to the client 603; according to the instructions advertisement media file 611 are selected to be shown according to the association (see [0062]). That means even if the user is skipping or forwarding to a different music, an advertisement associated with that media file, based on the <ADInsert> would be playing, i.e., the same block of ad plays with the particular portion of the content according to the instruction.

Regarding claims 196, Knepper teaches wherein there are two or more medial files and at least two of the media files comprise segments of a larger media file and wherein one or more advertisement files are placed between such segments (see [0050]-[0056]).

Regarding claim 197, Knepper teaches generating the first sequence by sub-dividing a media file into two or more segments, and wherein at least one of the advertising files is presented between two of the segments (see [0046], [0052]-0058],[0085]-[0092]).

Claim 199:

Knepper teaches sending, by an ad localizer at the remote system to the client system, at least one subsequent advertisement file during presenting of the at least a portion of the media files and at least a portion of the advertisement files according to the first sequence; wherein the second sequence comprises the at least one subsequent advertisement file ([0030]-[0038])

Claim 200:

Knepper teaches wherein modifying the first sequence comprises navigating the first sequence (see fig. 6, [0042]-[0046]).

Claim 201:

Knepper teaches wherein the advertisement position rules position the advertisement files in the second sequence so as to uphold an average content play time [0049]-[0056]).

Claim 203:

Knepper further comprising: receiving, at the client system from the remote system, at least one subsequent advertisement file during presenting of the at least a portion of the media files and at least a portion of the advertisement files according to the first sequence; wherein the second sequence comprises the at least one subsequent advertisement file (the system allow the user to request for addition media file the advertisement would be placed based on the insertion rules) (see [0046]-[0059])

Claims 204, 208:

Knepper teaches wherein modifying the first sequence comprises navigating the first sequence (see [0042]).

Claims 205, 209, 235;

Knepper teaches wherein the advertisement position roles position the advertisement files in the second sequence so as to uphold an average content play time [0049]-[0056]).

Claims 211:

Knepper teaches generating the first sequence by sub-dividing a media file into two or more segments, and wherein at least one of the advertising files is presented between two of the segments (see [0050]-[0056]).

Claim 212:

Knepper teaches receiving data comprising media content and advertising content which, when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content (see [0046], [0052]-0058],[0085]-[0092]).

Claim 214:

Knepper teaches wherein presenting the content stream on the client system comprises displaying the content stream by way of a graphical user interface (see fig. 6).

Claims 215, 216, 217:

Knepper teaches wherein the user-generated input is received and the presentation position is adaptively modified during presentation of at least a portion of the content stream on the client system; wherein the user-generated input is received and the presentation position is adaptively modified prior to presentation of at least a portion of the content stream on the client system; wherein the user-generated input is received and the presentation position is adaptively modified subsequent to presentation of at least a portion of the content stream on the client system (see [0042]-[0046]).

Claim 218-225, 237:

Knepper teaches wherein the one or more initial insertion points are specified using the pre-defined rules; wherein the one or more initial insertion points are specified, at the client system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules; wherein the one or more alternate

insertion points are specified, at a remote system, using the pre-defined rules.; wherein the one or more initial insertion points are specified, at a remote system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at the remote system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules; wherein the media content comprises at least one media file (see [0046]-[0067], [0087], [0088].

Claims 226, 227:

Knepper teaches wherein the advertising content comprises at least one advertisement file; generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a portion of at least one of the advertising files is presented between two of the segments ([0038]-[0046).

Claim 228-230:

Knepper teaches wherein the user-generated input associated with presentation of the content stream results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file; wherein the user-generated input associated with presentation of the content stream results in a navigation command for the content stream; wherein the navigation command is selected from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward, slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, and shuttle knob (see fig. 6, [0042]-[0046]).

Claim 234:

Knepper teaches sending, by a remote system to the client system, additional advertising content during presenting of at least a portion of the content stream (see [0078]-[0084]).

Claim 236:

Knepper teaches wherein the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream (see [0051]-[0056], [0081-0088].

Claim 238:

Knepper teaches transmitting, by a remote system to a client system, data comprising media content and advertising content which, (when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content); receiving data, by the remote system from the client system, data characterizing user- generated input associated with presentation of the content stream; and causing, by the remote system, the client system to adaptively modify, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream. receiving, via a user interface user-generated input (forwarding, skipping) and presenting at least a portion of the second sequence (see [0036]-[0042]).

Knepper does not explicitly teach generating in response to the input a second sequence comprising the second sequence differing from the first sequence such that *at least one of the advertisement files is presented in a different position relative to the media files.*

Knepper teaches that an advertisement file is appended to a media file such that the entertainment and advertisement files are played to appear as a single clip ... <ADInsert> is a tag that is recognized by the client application as specific instructions regarding treatment of the advertising media files ... using this tags the server can direct the client to place an ad before, during or after a media file during playback of media files in the magazine page (see [0052] ... the client displays the entertainment media file before it plays the advertisement media file ... when the entertainment media file is finished playing, **the advertisement media file immediately proceeds without the appearance of a page turn** (see [0059]). Knepper teaches (Fig.7) plurality of clips, has its associated instruction set stored on the server 601; the instruction delivered to the client 603; according to the instructions advertisement media file 611 are selected to be shown according to the association (see [0062]). That means even if the user is skipping or forwarding to a different music an advertisement, associated with that media file, based on the <ADInsert> would be playing, i.e., the same block of ad plays with the particular portion of the content according to the instruction.

Claim Rejections - 35 USC § 103

The following is a quotation of pre-AIA 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the

> invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 202, 206, 210 are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper as applied to claim 188 above, and further in view of Strietzel (US 2002/0120564 A1).

Claims 202, 206, 210:

Knepper teaches advertisement inserted according to the advertisement position rules using <ADInsert> tag for placement location (before, during, or after a media file), however failed to explicitly teach wherein the advertisement position rules position the advertisement files based on a number of media files played during presentation of the first sequence (see [0041]-[0046]).

Strietzel teaches when downloading an entire play list or CD, an advertisement is preferably appended to the front or back of each song … potential for large quantities of advertising to be delivered with each download ... however advertisement may be appended in a large variety of ways depending on the number of songs or content items to be downloaded (see [0047]). It would have been obvious to one of ordinary skill in the art at the time of the invention to include Strietzel's appending of advertisement based on the number of songs, in Knepper's position rules, in order to allow less frequent advertisement with the playlist so that the user is not discouraged use the system.

Claims 233 is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper further in view of Official Notice.

Claim 233:

Knepper does not teach rotating new advertising content into the content stream in response to the user-generated input. However official notice is taken that it is old and well known in the art of marketing to rotate advertisements. It would have been obvious to one of ordinary skill in the art at the time of the invention to rotate the advertisements of Knepper in order to for the viewer not to lose interest on the advertisements.

NEW GROUNDS OF REJECTION

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 212-238 are rejected under 35 U.S.C. 101 because the claimed invention is directed to a judicial exception (i.e., a law of nature, a natural phenomenon, or an abstract idea) without significantly more. The claims are directed to "modifying presentation position of advertising content" in content stream, including the steps of: receiving media content and advertising content .. ; receiving user input ..; adaptively modifying presentation position of advertising content ....presenting content stream ...,. The courts have found that using categories to organize store and transmit information, organizing information through mathematical correlations, mathematical formulas, and a mathematical procedure for converting one form of numerical representation to another are all examples of judicial exceptions. Accordingly since

the claims are directed to the same or analogous features, the claims are directed to judicial exceptions. The claims do not include additional elements that are sufficient to amount to significantly more than the judicial exception because the only claim elements aside from the judicial exceptions include (i) a computer that serves only to implement the judicial exceptions and (2) descriptive information about the data and values that the judicial exceptions operate upon. The generically recited computer elements (client system) do not add a meaningful limitation to the abstract idea because they would be routine in any computer implementation and because the claim unequivocally states that the generic computer elements merely implement the claim. The claim therefore does not disclose any inventive elements in another technical field beyond the judicial exceptions. The descriptive information of the data and values that the claimed mathematical operations are performed upon/with do not comprise significantly more than the abstract idea. While they do provide limitations to the claimed mathematical operations, they do not change the nature of the judicial exceptions. The claims "amount[s] to 'nothing significantly more' than an instruction to apply the abstract idea of "modifying presentation position of advertisement in a media stream" by using a well-known device. SeeAlice, 134 S. Ct. at 2360. Under Alice, that is not sufficient "to transform an abstract idea into a patent-eligible invention" Id.

The courts have found that even very specific (narrowly claimed) formulas are nevertheless judicial exceptions. Accordingly, because the elements of the claims in addition to the judicial exceptions are insignificantly more than the judicial exceptions, the claims are not directed to statutory subject matter.

(2) Response to Argument

Regarding Appellant's statement about previously submitted argument, Examiner would like to point out that the Appellant amended the independent claims 188, 195 and added new independent claims 203, 207, 212 and 238. Further Appellant canceled claims 188-211. Only newly added claims (212-238) are pending in the application. Appellant's amended or added limitation has been addressed under the art rejection.

Appellant argues that the knepper reference describes a fixed reference describes a fixed relationship between content and advertisements and, as such, it fails to disclose, at least, the adaptive modification recited in each independent claim.

Knepper teaches that when a show is requested from a server an instruction set is delivered from the server to the client ... upon receipt of the instruction ... the various entertainment and advertisement media are accessed from the client-side storage (see [0032]-[0035] … after all the necessary media files are resident at the client site … the client application assembles the entertainment and advertisement media files and begins playback of the various media files in the order specified by the instruction set (pre-defined rules) (see [0037]) … in one embodiment, the media files play together sequentially, similar to a television show with commercial inserted at various points (per the instructions) (see [0041]) ... the advertisement media file and the entertainment media file contained in the show are clip are actually separate files ... the files are organized and arranged at client side to play sequentially with the appearance of a single, continuous clip … (see [0057]) … every time an AAM show is played it will have the same advertisement(s) within it for that particular association.

Knepper also teaches that the user may also move through different pages within magazine by using forward and reverse buttons (*if the user uses the forward and reverse buttons the order of the playlist would change and since the files are organized and arranged to play sequentially, the entertainment file and also the advertisement file would be played together in the changed order*).

Knepper also teaches that the instruction set used by the client to insert media files may be modified by the client at playback ... the client would modify the instructions et as it relates to future advertisement media files within the same show ... real-time amendment to the instruction set … ([0083]) … further during various playback of such a show, advertisement media files may be played with different entertainment files … during various playbacks of such a show, advertisement media files may be played with different entertainment media files ... the location of the advertisement media files within a show may be determined by various criteria at the time of playback (see [0084).

Therefore, Knepper teaches adaptively modifying presentation position of advertising content within content stream in response to a user's input (selection, playback or forward or reverse).

In response to Appellant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., forwarding and skipping at the level of media and advertising construction...) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Regarding claim 227, Appellant argues that Knepper is silent as to sub-division of a media file into segments as part of generating a first sequence as recited. Appellant further argues that Knepper can provide individual segments that together comprise a show, but Knepper does not segment /divide or otherwise split a single file physically, heuristically, or otherwise for purposes of ad insertion based on user interaction with media content.

Claim 227 recites a method as in claim 226, further comprising: *generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a portion of at least one of the advertising files is presented between two of the segments.* Knepper also teaches, for example a show with media files (sub-division or segments clip) divided according to the instruction file for insertion of ads (see fig. 3, 7, 8a and 8b).

Appellant argues that there is no suggestion in Knepper ... to uphold an average content play time and/or based on number of media files played during the presentation of the first sequence as claimed in 235 and 236.

Claim 235 recites a method as in claim 212, *wherein the pre-defined rules position the advertising content so as to* ***uphold an average content play time*** ... and claim 236 recites *wherein the pre-defined rules position the advertisement content based* ***on an amount of media content played during presentation of the content stream.***

Since Appellant's specification does not provide definition or rang of what would be considered an average content play time and/or an amount of media content, Knepper insertion of an ad on the specific location based on the instructions is considered to provide an average play time and an amount of media content (see also [0064], [0069], [0078] and [0079] for the example of the instruction set).

Regarding the Official Notice taken by examiner, Appellant's Bald statement such as "it would not have been burdensome for the examiner to identify relevant art (if available) and to prepare an argument ...." are not adequate and do not shift the burden to the examiner to provide evidence in support of the Official Notice. Allowing such statements to challenge Official Notice would effectively destroy any incentive on the part of the examiner to use it in the process of establishing a rejection of notoriously well known facts. Appellant has not provided adequate information or argument so that on its face creates a reasonable doubt regarding the circumstances justifying the Official Notice. To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. See 37CFR1.111 (b). See also Cheveanard, 139 F.2 d at 713,60 USPQ at 241. Therefore, the common knowledge or well-known in the art statement is taken to be admitted prior art because Appellant failed to traverse the examiner's assertion of official notice.

Regarding the rejection under 112, Examiner reviewed the Appellant's specification in its entirety but could not find a support for *a portion of the advertising content is presented relative to a portion of media content* as claimed in claim 212.

The specification discloses advertisement content (file) inserted between media content. However the specification does not teach receiving media content (file) and advertising content (file) and when presented a *portion* of the content (file) inserted between *portion* of media content (file).

The specification teaches:

[0116] No matter how it selects the ads, the invention provides a means to **sequence** these ads into appropriate blocks that are initially chosen and scheduled into the content stream by a novel "advertisement manager" module of the player/viewer software.

[0117] The intersplicer also has the ability to adaptively regroup and re**-sequence** the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content, by means of playback controls.

[0145] Referring back to the figure, play sequence 402 contains both segmented audio/video content, shown throughout FIG. 4A as wavy lines, and blocks of audio/video commercials, which are shown throughout as saw-toothed lines. *Content segments 430, 432, 434, and 436 comprise the media title the user has requested for play, and each of advertisement blocks 408, 410, and 412 is a group of at least one or more ads and/or other promotional material that the player/viewer software has automatically assembled and inserted into the sequence.*

[0146] In the course of direct play, *without any user-directed skipping* from one point to another or performing other navigation throughout the content, sequence 402 begins with content segment 430. *Segment 430 immediately proceeds into advertisement block 408, which is followed by content* segment 432, ad block 410, content segment 434, ad block 412, and content segment 436.

[0147] Play sequence 402 is typical for a segmented title/track, by the definition of segmented media given above. With segmented media, the player/viewer holds a sense of particular ad blocks retaining their own sense of place in the sequence, with the ads chosen to go along with a pre-determined portion of the content. *If the consumer elects to skip around during the course of playing a segmented title, the same block of ads plays with a particular portion of the content as the user skips back and forth through different parts of the title, over a predetermined period of time and/or number of viewings.* If the predetermined limit is exceeded, the player/viewer rotates in new ad blocks automatically.

[0149] For example, *if the user of sequence 402 jumps right into segment 434 as segment 430 is just starting, the player/viewer will begin segment 434 at its point of entry, followed at its end by ad block 412.* Wherever possible, the ad block chosen for play at the end of a segment

will be the one most appropriate to the actual part of the content that has played since the latest preceding ad block.

[0156] For example, *in sequence 404,* consider a case where the program is using a track allowance method for ad placement, *with an initial allowance of 5 tracks per ad block. If the user decides to play track 446 and then track 456, the program does not insert ad block 416 immediately after track 456. Instead, play goes directly into track 458, because the allowance is 5 tracks. If the user plays through most of track 458, then jumps to the beginning of track 442 and plays it, there is still allowance for one more track after that, since only four tracks (446, 456, 458, and 442) have played so far.* If the user then jumps to track 452, an ad block will play immediately after track 452 completes, or if the user attempts to leave track 452 after hearing most of it but before it completes, *because it is the fifth track*. This ad block will be assembled extemporaneously to go with the five tracks that were played, and there is no retained sense of recurring blocks falling at specific points when the user skips around between tracks in a play-list. Typically, ad blocks interspliced in this way require full play with each occurrence, and the player/viewer manages its adaptive ad selection to present new ads every time, to a certain extent.

Regarding claim 228, as indicated above, the specification does not disclose ... results in a change of a sequence of two or more media files *by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file.*

The specification also does not disclose …sending by a remote system …additional content during presentation of at least a portion of the content stream and modifying using two or more of the pre-defined rules for determining the corresponding presentation position …

For the above reasons, it is believed that the rejections should be sustained.

This examiner's answer contains a new ground of rejection set forth in section (1) above. Accordingly, appellant must within TWO MONTHS from the date of this answer exercise one of the following two options to avoid *sua sponte* dismissal of the appeal as to the claims subject to the new ground of rejection:

(1) **Reopen prosecution.** Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) **Maintain appeal.** Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection in an arguments section as set forth in 37 CFR 41.37(c)(1) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

Respectfully submitted,

/YEHDEGA RETTA/
Primary Examiner, Art Unit 3622

A Technology Center Director or designee must personally approve the new ground(s) of rejection set forth in section (1) above by signing below:

/GREG VIDOVICH/

Director, Technology Center 3600

Conferees:

Eric Stamber/E. W. S./
Supervisory Patent Examiner, Art Unit 3622

John Van Bramer
/J. V./
Primary Examiner, Art Unit 3622

Requirement to pay appeal forwarding fee. In order to avoid dismissal of the instant appeal in any application or ex parte reexamination proceeding, 37 CFR 41.45 requires payment of an appeal forwarding fee within the time permitted by 37 CFR 41.45(a), unless appellant had timely paid the fee for filing a brief required by 37 CFR 41.20(b) in effect on March 18, 2013.

To: IPDocketingBOS@mintz.com,IPFileroombos@mintz.com,
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UNITED STATES PATENT AND TRADEMARK OFFICE

PATENT APPLICATION INFORMATION RETRIEVAL SYSTEM

Via EFS
Date of Submission: October 28, 2015

Docket No.: 42327-501001US
(PATENT)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
Philip M. Donian

Application No.: 10/606,729 | Confirmation No.: 5831

Filed: June 26, 2003 | Art Unit: 3622

For: Method and Apparatus For the Free Licensing of Digital Media Content | Examiner: Retta, Yehdega

REPLY UNDER 37 CFR 1.111

Mail Stop AF
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Madam:

This reply is responsive to the Examiner's Answer mailed August 28, 2015 (hereinafter the "Examiner's Answer") and the Final Office Action mailed May 1, 2014 (the "Final Office Action") and constitutes a Request to Reopen Prosecution in compliance with 37 C.F.R. §41.39(b)(1). Please amend the above-identified U.S. patent application and reconsider the currently pending grounds for rejection in light of the amendments and arguments that follow.

A **Listing of Claims** begins on page 2 of this paper.

Remarks begin on page 9 of this paper.

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Via EFS
Date of Submission: October 28, 2015

LISTING OF CLAIMS

Please amend the claims of this application in accordance with this listing of claims.

1–211. (Canceled).

212. (Currently Amended) A method comprising:

receiving, on a client system, data comprising digital media content and digital advertising content ~~which, when presented,~~ combinable to form at least part of a content stream comprising user-perceptible content, the content stream having one or more initial insertion points at which ~~at least a portion of~~ the digital advertising content is to be presented relative to ~~at least a portion of~~ the digital media content;

~~receiving, on a client system, user-generated input associated with presentation of the content stream; and~~

adaptively modifying, using pre-defined rules and in response to [[the]] a user-generated input, a presentation position of ~~at least a portion of~~ the digital advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to ~~at least a portion of~~ the digital media content within the content stream, the user-generated input representing one or more navigational choices associated with presentation of the content stream;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress;

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disallowing a navigation choice of the one or more navigational choices that alter a course of playback of the content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented.

213. (Currently Amended) A method as in claim 212 further comprising: presenting the at least ~~a portion~~ the part of the content stream on the client system.

214. (Currently Amended) A method as in claim 213, wherein presenting the at least the part of the content stream on the client system comprises displaying the content stream by way of a graphical user interface.

215. (Currently Amended) A method as in claim 213, wherein the user-generated input is received and the presentation position is adaptively modified during presentation of the at least ~~a portion~~ the part of the content stream on the client system.

216. (Currently Amended) A method as in claim 213, wherein the user-generated input is received and the presentation position is adaptively modified prior to presentation of the at least ~~a portion~~ the part of the content stream on the client system.

217. (Currently Amended) A method as in claim 213, wherein the user-generated input is received and the presentation position is adaptively modified subsequent to presentation of the at least ~~a portion~~ the part of the content stream on the client system.

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218. (Previously Presented) A method as in claim 212, wherein the one or more initial insertion points are specified using the pre-defined rules.

219. (Currently Amended) A method as in claim ~~218~~ 212, wherein the one or more initial insertion points are specified, at the client system, using the pre-defined rules.

220. (Previously Presented) A method as in claim 219, wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules.

221. (Previously Presented) A method as in claim 219, wherein the one or more alternate insertion points are specified, at a remote system, using the pre-defined rules.

222. (Currently Amended) A method as in claim ~~218~~ 212, wherein the one or more initial insertion points are specified, at a remote system, using the pre-defined rules.

223. (Previously Presented) A method as in claim 222, wherein the one or more alternate insertion points are specified, at the remote system, using the pre-defined rules.

224. (Previously Presented) A method as in claim 222, wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules.

225. (Currently Amended) A method as in claim 212, wherein the digital media content comprises at least one media file.

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226. (Currently Amended) A method as in claim 212, wherein the digital advertising content comprises at least one advertisement file.

227. (Currently Amended) A method as in claim 226, further comprising: generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a ~~portion~~ part of the at least one of the advertising file ~~files~~ is presented between two of the segments.

228. (Previously Presented) A method as in claim 225, wherein the user-generated input associated with presentation of the content stream results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file.

229. (Currently Amended) A method as in claim 212, wherein the user-generated input associated with presentation of the content stream results in ~~a navigation command~~ the one or more navigational choices for the content stream.

230. (Currently Amended) A method as in claim 229, wherein the ~~navigation command~~ one or more navigational choices are selected ~~is selected~~ from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward, slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, ~~and~~ shuttle knob, and one or more sound controls.

231. (Previously Presented) A method as in claim 212, wherein the data is received by the client system from a remote system.

232. (Previously Presented) A method as in claim 212, wherein the data is received by accessing a local data source.

233. (Previously Presented) A method as in claim 212, further comprising:

rotating new advertising content into the content stream in response to the user-generated input.

234. (Currently Amended) A method as in claim 212, further comprising:

sending, by a remote system to the client system, additional advertising content during presenting of at least ~~a portion~~ the part of the content stream.

235. (Previously Presented) A method as in claim 212, wherein the pre-defined rules position the advertising content so as to uphold an average content play time.

236. (Previously Presented) A method as in claim 212, wherein the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream.

237. (Currently Amended) A method as in claim 212, wherein the adaptively modifying uses two or more of the pre-defined rules for determining the corresponding presentation position of at least a ~~portion~~ part of the digital advertising content.

238. (Currently Amended) A method comprising:

transmitting, by a remote system to a client system, data comprising digital media content and digital advertising content ~~which, when presented,~~ combinable to form at least part of a content stream comprising user-perceptible content, the content stream having one or more initial insertion points at which ~~at least a portion of~~ the digital advertising content is to be presented relative to ~~at least a portion of~~ the digital media content;

~~receiving, on a client system, user-generated input associated with presentation of the content stream; and~~

~~causing, by the remote system, the client system to adaptively modify, using pre-defined rules and in response to the user-generated input, a presentation position of at least a portion of the advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to at least a portion of the media content within the content stream~~

adaptively modifying, by the remote system, using pre-defined rules and in response to a user-generated input, a presentation position of the digital advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to the digital media content within the content stream, the user-generated input representing one or more navigational choices associated with presentation of the content stream;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress;

disallowing a navigation choice of the one or more navigational choices that alter a course of playback of the content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented.

239. (New) A method as in claim 212, wherein the first memory and the second memory are part of the client system.

240. (New) A method as in claim 212, wherein the first memory is part of the client system and the second memory is part of a remote system.

241 (New) A method as in claim 212, wherein the first memory is part of a remote system and the second memory is part of the client system.

242 (New) A method as in claim 212, wherein the first memory and the second memory are part of a remote system.

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REMARKS

By this amendment, independent claims 212 and 238 and dependent claims 214-217, 219, 222, 225-227, 229-230, and 234 have been amended to more clearly define the features of those claims and/or to conform the claim language to the other claims. New claims 239-242 have also been added. Support for the amendments and new claims can be found in the original specification, for example at least at page 33, lines 29-31 and page 34, lines 6-20. No new matter has been added by this amendment. Claims 212-240 are pending after entry of this paper.

In the Examiner's Answer, the Office presented new grounds for rejection of claims 212-238 under 35 U.S.C. §101, alleging that these claims are directed to a judicial exception (i.e., a law of nature, a natural phenomenon, or an abstract idea) while failing to recite the necessary "significantly more" to render them patent eligible. Applicants respectfully traverse these rejections, at least in view of the arguments presented below and the claim amendments shown above.

Rejections under 35 U.S.C §101

Claims 212-238 stand rejected under 35 U.S.C. §101, because the Office alleges that the claims are drawn to unpatentable subject matter. This rejection is respectfully traversed.

The new grounds for rejection begins by alleging that claims 212 and 238 are "directed to 'modifying presentation position of advertising content' in content stream, including the steps of receiving media content and advertising content..; receiving user input..; adaptively modifying presentation position of advertising content… presenting content stream …" and continue with assertions that the claims are drawn to abstract ideas amounting to "using categories to organize store and transmit information, organizing information through mathematical correlations, mathematical formulas, and a mathematical procedure for converting one form of numerical representation to another" and perhaps more specifically to the abstract idea of "modifying presentation position of advertisement in a media stream." Examiner's Answer, page 18-19. Applicants disagree based on the amendments presented above as well as the reasons stated below.

In *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014), the Court applied a two-step analytical framework for analyzing subject matter eligibility under 35 U.S.C. §101 that it set

forth in *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. ___, 132 S. Ct. 1289 (2012). *See Alice*, 134 S. Ct. at 2353. The *Alice* Court stated:

> In *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 566 U.S. ___ (2012), we set forth a framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that **claim patent-eligible applications of those concepts**. First, we determine whether the claims at issue are directed to one of those patent-ineligible concepts. *Id.*, at ___ (slip op., at 8). If so, we then ask, "[w]hat else is there in the claims before us?" *Id.,* at ___ (slip op., at 9). To answer that question, we 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.,* at ___ (slip op., at 10, 9). We have described step two of this analysis as a search for an "'inventive concept'"—*i.e.,* **an element or combination of elements** that is "sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself." *Id.*, at ___ (slip op., at 3).

(*emphasis added*).

In response to the Supreme Court *Alice* decision, the United States Patent and Trademark Office issued the 2014 Interim Guidance on Patent Subject Matter Eligibility (the "Interim Guidance") and the July 2015 Update: Subject Matter Eligibility (the "July 2015 Update"). The Interim Guidance provides a subject matter eligibility test for products and processes. *See, e.g.*, Interim Guidance, p. 9. The Interim Guidance includes two steps, with the second step having two parts. Step 1 requires a determination of whether the claim is directed to a process, machine, or composition of matter. In response to step 1 being decided in the affirmative, step 2A (part 1 of the *Mayo* test) requires a determination of whether the claims are directed to a law of nature, a natural phenomenon, or an abstract idea (judicial exceptions). In response to step 2A being decided in the affirmative, step 2B (part 2 of the *Mayo* test) requires a determination of whether the claim recites additional elements that amount to significantly more than the judicial exception. The July 2015 Update provides clarification regarding the Examiner's role in establishing a *prima facie* case of patent eligibility and additional examples illustrating the principles in the Interim Guidance.

As applied to the instant application, the present claims are directed toward new and useful processes, machines, and/or improvements thereof. *See, e.g.*, 35 U.S.C §101. Consequently, the

claims comply with step 1 of the *Mayo* test. The rejection of the claims relates to steps 2A and 2B of the Interim Guidance. The claims here do not recite an abstract idea (step 2A), and, even if the claims do recite an abstract idea (which Applicants do not acknowledge), the claims amount to significantly more than the abstract idea itself (step 2B).

I. INDEPENDENT CLAIMS 212 AND 238 AND THOSE CLAIMS DEPENDING THEREFROM DO NOT RECITE AN ABSTRACT IDEA (STEP 2A).

The Office's allegation that the claims are directed to the abstract idea of "modifying presentation position of advertisement in a media stream," is incorrect.

A. The Claims as Presented herein Are Distinct from the Types of Concepts Found by the Courts to Be Abstract and Are Inextricably Tied to Computer Technology.

The July 2015 Update clarifies the requirements for a *prima facie* case for patent ineligibility and states that "the initial burden is on the examiner to explain why a claim or claims are unpatentable **clearly and specifically**, so that applicant has sufficient notice and is able to effectively respond." *See* July 2015 Update, p. 6 (emphasis added). In rejecting claims 212-238, the Office relies on conclusory statements without providing any explanation, let alone clear and specific statements, as to why the claims are directed to an abstract idea. In fact, the Examiner's Answer merely characterizes the claims as abstract at a very high level without consideration for how one of ordinary skill in the art might apply or implement these allegedly abstract ideas. Furthermore, the new grounds for rejection also lack any articulated rationale or explanation to support the allegation that the claimed subject matter is in any way related to one of the judicially provided examples of abstract ideas (as required by the July 2015 Update). The Examiner's burden of providing a *prima facie* case of ineligibility has therefore not been met either with regard to the claims as previously presented or the claims as amended herein.

The subject matter of claim 212 relates to: (1) a client system receives data comprising digital media content and digital advertising content combinable to form at least part of a content stream comprising user-perceptible content, where the content stream has one or more initial insertion points at which the digital advertising content is to be presented relative to the digital media content; (2) adaptively modifying a presentation position of the digital advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to the digital media content within the content

stream using pre-defined rules and in response to a user-generated input, where the user-generated input represents one or more navigational choices associated with presentation of the content stream; (3) keeping a setting in a memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress; (4) disallowing a navigation choice of the one or more navigational choices that alter a course of playback of the content stream while presentation of the required part of the digital advertising content is in progress; and (5) storing presentation data comprising an indication of the digital advertising content that has been presented in a memory (which can be the same memory as that used for keeping a setting or a different memory optionally on a different computing system than the client system). The claimed subject matter provides many advantages including, for example, being able to provide free digital media content to a user of the client system while also policing a requirement that the user experiences defined digital advertising content during/before/after the experiencing of the free media content.

The subject matter of claim 212 has parallels to the claimed invention in Example 1 of the USPTO's Abstract Ideas Examples. Example 1 includes a claim directed towards physically isolating a received communication on a memory sector and extracting malicious code from that communication to create a sanitized communication in a new data file. The USPTO states that this concept is inextricably tied to computer technology and distinct from the types of concepts found by the courts to be abstract. *See, e.g.*, USPTO Abstract Idea Examples, p. 3. The presently claimed subject matter is inextricably tied to a computer system that facilitates the delivery of the content stream into which digital media content and digital advertising content are combined and which further controls access of a user to the digital media content depending on presentation of the digital advertising content. Such operations cannot be performed mentally and/or with pen or paper, and are not implemented on a generic computing system as a matter of convenience or to simply speed up a previously known approach. Rather, claim 212 includes technological advances that are inextricably tied to a specific computing environment, namely a client system and/or a remote system implementing the operations recited to control presentation of digital media content at the client system in association with required digital advertising content.

Further evidence that claim 212 is not directed to an abstract idea flows from its similarity to Example 23 provided in the July 2015 Update, which generally relates to monitoring two windows displayed on a computer screen for existence of an overlap condition that obscures text

on one of the windows. Specifically, the claim in Example 23 identified as not directed to an abstract idea reads as follows:

> 1. A computer-implemented method for dynamically relocating textual information within an underlying window displayed in a graphical user interface, the method comprising:
>
> displaying a first window containing textual information in a first format within a graphical user interface on a computer screen;
>
> displaying a second window within the graphical user interface;
>
> constantly monitoring the boundaries of the first window and the second window to detect an overlap condition where the second window overlaps the first window such that the textual information in the first window is obscured from a user's view;
>
> automatically relocating the textual information, by a processor, to an unobscured portion of the first window in a second format during an overlap condition so that the textual information is viewable on the computer screen by the user; and
>
> automatically returning the relocated textual information, by the processor, to the first format within the first window when the overlap condition no longer exists.

In response to the overlap condition, text that would have been obscured is moved to a new portion of the window to remain visible. The "constantly monitoring,,,," "automatically relocating…," and "automatically returning…" operations of this claim 1 are analogous to the claim 212 features of (1) adaptively modifying… a presentation position of digital advertising content from (an) initial insertion point(s) to (an) alternate insertion point(s) located at (a) different position(s) relative to the digital media content within the content stream using pre-defined rules and in response to a user-generated input; (2) keeping in memory a setting indicating a current state of play and including a value to indicate whether presentation of a required part of the digital advertising content is in progress; and (3) disallowing a navigation choice of the one or more navigational choices that alter a course of playback of the content stream while presentation of the required part of the digital advertisement content is in progress. In both claim 212 and the example claim 1, the generated output(s) of computing operations of a computing system is/are modified in response to received data or user-generated input. Given this similarity, an assertion that claim 212 is directed to an abstract idea would be improper.

B. The Examiner's Answer Incorrectly Asserts that the Claims Are Directed to Mathematical Formulae or Mathematical Operations.

In the stated grounds for rejection of claim 212, the Examiner's Answer makes repeated reference to claim 212 containing mathematical formulae or mathematical operations, and therefore reciting an abstract idea. For example, the Examiner's Answer states that "[t]he descriptive information of the data and values that the claimed mathematical operations are performed upon/with do not comprise significantly more than the abstract idea" and "[t]he courts have found that even very specific (narrowly claimed) formulas are nevertheless judicial exceptions. Accordingly, because the elements of the claims in addition to the judicial exceptions are insignificantly more than the judicial exceptions, the claims are not directed to statutory subject matter." Examiner's Answer, page 19. A straightforward reading of claim 212 shows that no such mathematical operations or formulae are referenced.

As best as can be determined, it appears that the Office is interpreting operations on a computer as being mathematical operations that are unpatentable subject matter. Example 27 in the July 2015 Update provides an instructive explanation of how this line of reasoning is flawed. Example 27 generally relates to a method for uploading a Basic Input/Output System (BIOS) onto a computer when the computer is first turned on. It is useful to consider the third paragraph in the analysis of Example 27 in its entirety:

> It is important to point out as well that there is no apparent exception recited in the claim, which alone would be sufficient for eligibility. While computers operate on mathematical theory, that underlying operation should not trigger an eligibility analysis – computers and computer operations are not automatically subjected to an eligibility analysis. The cases in which courts find mathematical relationships to represent abstract ideas (thus raising eligibility issues) are those in which the mathematical relationship is recited in the claim as part of the invention, such as a method of performing a mathematical calculation to obtain a result. Courts have found computers and computer implemented processes to be ineligible when generic computer functions are merely used to implement an abstract idea, such as an idea that could be done by human analog (*i.e.*, by hand or by merely thinking).

Here, it is clearly stated that the mere fact that operations are performed on a computer should not trigger an eligibility analysis simply on the basis that computers have an underlying mathematical foundation. Instead, were actual formulae explicitly recited or described in claim 212, such an analysis may have merit. However, claim 212 does not recite a mathematical formula nor describe the evaluation of something that could be reduced to a mathematical formula.

Therefore, by similar reasoning to that described above with regard to Example 27, executing the features of claim 212 with a computer does not place the claim within one of the judicial exceptions to patent eligibility under 35 U.S.C §101.

Claim 212 is therefore not directed to an abstract idea and is patent eligible for at least the reasons discussed above. Withdrawal of the rejections under 35 U.S.C. §101 of claims 212-237 is requested. While claim 238 is directed to subject matter of a different scope than claim 212, it nonetheless includes several analogous features, which likewise contradict a finding that the claim is directed to an abstract idea. As such, the rejection of claim 238 under 35 U.S.C. §101 should also be withdrawn.

II. INDEPENDENT CLAIMS 212 AND 238 AMOUNT TO SIGNIFICANTLY MORE THAN ANY ALLEGED ABSTRACT IDEA

The Examiner's Answer further alleges that the claims do not include "'significantly more' than the [alleged] abstract idea." *See, e.g.*, Examiner's Answer at page 19. This assertion is respectfully rebutted in light of the claim amendments shown above.

A. The Additional Limitations of the Claims Amount to "Significantly More" Than Simply Stating "Implement the Idea on a Computer."

The limitations of claims 212 and 238 amount to more than simply stating "implement the idea on a computer." *See, e.g.*, USPTO Abstract Idea Examples, p. 6. The July 2015 Update requires examiners to "consider all additional elements both individually **and** in combination to determine whether the claim as a whole amounts to significantly more than an exception." *See* July 2015 Update, pp. 1-2 (emphasis in original). Requiring consideration of the **combination** of claim elements is important because "even if an element does not amount to significantly more on its own …, it can still amount to significantly more when considered in combination with the other elements of the claim." *See id.* at p. 2. In *DDR*, the court discussed the claim limitations at issue with respect to Step 2B of the *Mayo* framework. In *DDR* the court found that, among other things, the claims included: (1) storing visually perceptible elements corresponding to numerous host websites with associated links; (2) automatically identified the host website upon activation of the link by a website visitor; and, (3) instructing an Internet server of an out-source provider to construct and serve to the website visitor a presentation of a new website. Based on this combination of features, the court concluded that the claims amounted to significantly more than an abstract idea. *See DDR* 113 USOQ2d 1097 (Fed. Cir. 2014).

As explained above, claims 212 and 238 recite a combination of features including: (1) receiving, on a client system or transmitting from a remote system to a client system, data comprising digital media content and digital advertising content combinable to form at least part of a content stream comprising user-perceptible content, the content stream having one or more initial insertion points at which the digital advertising content is to be presented relative to the digital media content; (2) adaptively modifying, using pre-defined rules and in response to a user-generated input, a presentation position of the digital advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to the digital media content within the content stream, the user-generated input representing one or more navigational choices associated with presentation of the content stream; (3) keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress; (4) disallowing a navigation choice of the one or more navigational choices that alter a course of playback of the content stream while presentation of the required part of the digital advertising content is in progress; and (5) storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented.

The combination of claimed features amounts to "significantly more" than just implementing an idea on a general purpose computer. Rather, the claimed features provide a **specific order** of processes for implementing an approach to controlling access to digital media content such that a user of a client system must experience one or more parts of required digital advertising in exchange for being able to experience, and modify the presentation of, the digital media content. This sequence of processes is similar to claim 4 in Example 23 of the July 2015 Update.

Furthermore, the features of claims 212 and 238 are analogous to the features of claim 4 from Example 23 of the July 2015 Update, which was found to contain significantly more than an abstract idea. Claim 4 from Example 23 recites,

> 4. A computer-implemented method for dynamically relocating textual information within an underlying window displayed in a graphical user interface, the method comprising:
>
> displaying a first window containing textual information in a first format within a graphical user interface on a computer screen;
>
> displaying a second window within the graphical user interface;

> constantly monitoring the boundaries of the first window and the second window to detect an overlap condition where the second window overlaps the first window such that the textual information in the first window is obscured from a user's view;
>
> determining the textual information would not be completely viewable if relocated to an unobstructed portion of the first window;
>
> calculating a first measure of the area of the first window and a second measure of the area of the unobstructed portion of the first window;
>
> calculating a scaling factor which is proportional to the difference between the first measure and the second measure;
>
> scaling the textual information based upon the scaling factor;
>
> automatically relocating the scaled textual information, by a processor, to the unobscured portion of the first window in a second format during an overlap condition so that the entire scaled textual information is viewable on the computer screen by the user; and
>
> automatically returning the relocated scaled textual information, by the processor, to the first format within the first window when the overlap condition no longer exists.

Claim 4 of Example 23 includes two "calculating" steps. These features in the example claim 4 are identified as triggering further analysis under step 2B of the *Mayo* test described in the Interim Guidance. This analysis as applied to claim 4 from Example 23 considers the other limitations in claim 4 as an ordered sequence of operations that result in the claim being "significantly more" than the abstract idea. Similarly, claim 212 includes (1) receiving data comprising digital media content and digital advertising content followed by (2) adaptively modifying, using pre-defined rules and in response to a user-generated input, a presentation position of the digital advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to the digital media content within the content stream, the user-generated input representing one or more navigational choices associated with presentation of the content stream. Next, a setting is (3) kept in a first memory to indicate a current state of play, and a navigation choice (or choices) that alters a course of playback is (4) disallowed while presentation of a required part of the digital advertising content is in progress. Presentation data comprising an indication of the digital advertising content that has been presented are (5) stored in a second memory. Claim 238 includes a slightly different but analogous set of operations. As such, claims 212 and 238 are directed to processes that contain a sequence of events that are ordered in a manner similar to those recited in claim 4 of Example 23 and therefore recite "significantly more" than any alleged abstract idea.

The limitations of claims 212 and 238 also have parallels to Exemplary claim 2 of example 21 of the July 2015 Update, which recites a combination of features generally directed to distributing stock quotes. In explaining that this example claim 2 amounts to "significantly more than the abstract idea" of comparing and organizing data for transmission, the July 2015 Update states that "when looking at the additional limitations as an **ordered combination**, the invention as a whole amounts to significantly more than simply organizing and comparing data. The claimed invention addresses the Internet-centric challenge of alerting a subscriber with time sensitive information when the subscriber's computer is offline." *See id.* at p. 4 (emphasis added).

Claims 212 and 238 also recite an **ordered combination** of features as noted above, and this claimed sequence of operations facilitates control of the viewing experience of digital media content available to be presented in a content stream at a client system. This combination of features amounts to "significantly more" than merely "modifying presentation position of advertisement in a media stream" as asserted in the Examiner's answer.

For at least these reasons, it is respectfully submitted that the claims are eligible and withdrawal of the rejection under 35 U.S.C. §101 is requested.

B. The Claims Do Not Preempt an Abstract Idea.

The claims do not preempt any abstract idea. It is only when there is such preemption that a rejection under 35 U.S.C. §101 is proper. Here, the rejection fails to show this. Even if the Office were correct in its allegation that the claimed subject matter is abstract, the claims clearly do not preempt all modifications of the presentation position of advertisements in a media stream.

In *Alice*, the Court stated:

> "We have long held that [Section 101] contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable." *Association for Molecular Pathology* v. *Myriad Genetics, Inc.*, 569 U. S. ___, ___ (2013) (slip op., at 11) (internal quotation marks and brackets omitted). We have described the concern that drives this exclusionary principle as one of ***pre-emption***. See, *e.g., Bilski*, *supra,* at 611–612 (upholding the patent "would pre-empt use of this approach in all fields, and would effectively grant a monopoly over an abstract idea"). Laws of nature, natural phenomena, and abstract ideas are " '"the basic tools of scientific and technological work."' " *Myriad*, *supra,* at ___ (slip op., at 11). "[M]onopolization of those tools through the grant of a patent

> might tend to impede innovation more than it would tend to promote it," thereby thwarting the primary object of the patent laws. *Mayo*, *supra*, at ___ (slip op., at 2); see U. S. Const., Art. I, §8, cl. 8 (Congress "shall have Power . . . To promote the Progress of Science and useful Arts"). We have "repeatedly emphasized this . . . concern that patent law not inhibit further discovery by improperly tying up the future use of " these building blocks of human ingenuity. *Mayo*, *supra,* at ___ (slip op., at 16) (citing *Morse, supra*, at 113).
>
> At the same time, ***we tread carefully in construing this exclusionary principle lest it swallow all of patent law.*** *Mayo*, 566 U. S., at ___ (slip op., at 2). At some level, "all inventions . . . embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas." *Id.,* at ___ (slip op., at 2). Thus, an invention is not rendered ineligible for patent simply because it involves an abstract concept. See *Diamond* v. *Diehr*, 450 U. S. 175, 187 (1981). "[A]pplication[s]" of such concepts "'to a new and useful end,'" we have said, remain eligible for patent protection. *Gottschalk* v. *Benson*, 409 U. S. 63, 67 (1972). Accordingly, in applying the §101 exception, we must distinguish between patents that claim the "'buildin[g] block[s]'" of human ingenuity and those that integrate the building blocks into something more, *Mayo*, 566 U. S., at ___ (slip op., at 20), thereby "transform[ing]" them into a patent-eligible invention, *id.,* at ___ (slip op., at 3).

Id. at 2351, 2352. The Interim Guidance uses the term "tie up" instead of "pre-empt," ("Such a claim requires closer scrutiny for eligibility because of the risk that it will "tie up" the excepted subject matter and pre-empt others from using the law of nature, natural phenomenon, or abstract idea" (*see,* Interim Guidance, p. 11) and states:

> a claim directed to a complex manufactured industrial product or process ***that recites meaningful limitations along with a judicial exception may sufficiently limit its practical application so that a full eligibility analysis is not needed***. As an example, ***a robotic arm assembly having a control system that operates using certain mathematical relationships is clearly not an attempt to tie up use of the mathematical relationships and would not require a full analysis to determine eligibility***.

Interim Guidance, p. 25 (***emphasis added***). Consequently, if the claims fail to "tie up" or preempt the alleged abstract idea, then no further eligibility analysis is needed. *See, id.*.

In the present application, the statement of rejection provided in the Examiner's Answer fails to establish that there is a preemption of any abstract idea, even by the claims as previously presented. The Court made clear that it is only when the claim would preempt a claimed abstract

idea that it is patent ineligible. An invention is not rendered ineligible for patent simply because it involves an abstract concept.

In contrast to the concerns raised in *Alice*, the claims here do not preempt any "building blocks of human ingenuity." To the contrary, assuming, *arguendo,* that the claims recite merely "modifying presentation position of advertising content" (which is **not** conceded), nothing in the claims preempt all methods for doing so. The specific combination of claim elements recited in claims 212 and 238 relate to particular techniques for controlling access to digital media content in exchange for a user experiencing required digital advertising content and would not preempt, for example, all ways of "modifying presentation position of advertisement in a media stream" as implicitly asserted by the Office. Consequently, the claims do not preempt or "tie up" the alleged abstract idea.

For at least these reasons, withdrawal of the pending rejection under 35 U.S.C. §101 is respectfully requested.

Rejections under 35 U.S.C §112, First Paragraph

In the Final Office Action, claims 188, 191-193, 195-197, and 199-238 were rejected under 35 U.S.C. §112, first paragraph, as allegedly failing to comply with the written description requirement. Claims 188, 191-193, 195-197, 199-211 were previously cancelled, rendering the rejections of those claims moot. The rejections of the remaining claims are respectfully traversed, at least because the Office has not properly applied the criteria for a proper rejection under 35 U.S.C. §112, first paragraph. As stated in MPEP §2163.02: the objective standard for determining compliance with the written description requirement is, "does the description clearly allow persons of ordinary skill in the art to recognize that he or she [the inventor] invented what is claimed." *In re Gosteli*, 872 F.2d 1008, 1012, 10 USPQ2d 1614, 1618 (Fed. Cir. 1989). Under *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64, 19 USPQ2d 1111, 1117 (Fed. Cir. 1991), to satisfy the written description requirement, an applicant must convey with reasonable clarity to those skilled in the art that, as of the filing date sought, he or she was in possession of the invention, and that the invention, in that context, is whatever is now claimed. If a skilled artisan would have understood the inventor to be in possession of the claimed invention at the time of filing, even if every nuance of the claims is not explicitly described in the specification, then the adequate description requirement is met. See, e.g., *Vas-Cath*, 935 F.2d at 1563, 19 USPQ2d at 1116; and *Martin v.*

Johnson, 454 F.2d 746, 751, 172 USPQ 391, 395 (CCPA 1972) (stating "the description need not be *in ipsis verbis* [i.e., "in the same words"] to be sufficient"). Furthermore, as stated in MPEP §2163.07, "mere rephrasing of a passage does not constitute new matter," and "a rewording of a passage where the same meaning remains intact is permissible." *In re Anderson*, 471 F.2d 1237, 176 USPQ 331 (CCPA 1973).

The Office rejected claim 212, alleging that the original specification fails to teach "receiving data comprising media content and advertising content [which,] when presented, form a content stream, the content stream having one or more initial insertion points at which at least a portion of the advertising content is to be presented relative to at least a portion of the media content." Final Office Action and Examiner's Answer, page 4.

Claim 212, now amended, recites, among other things,

> receiving, on a client system, data comprising digital media content and digital advertising content comprising at least a part of a content stream comprising user-perceptible content, the content stream having one or more initial insertion points at which the digital advertising content is to be presented relative to the digital media content.

With this amendment, the language relating to "at least a portion" of the advertising and/or media content has been removed in an effort to further prosecution of this matter. The rejection appears to express the Office's concern with a lack of verbatim discussion of parts or portions of media content and/or advertising content in the specification. However, at least at FIG. 4A, page 20, lines 30-31, and page 21, lines 1-5, the originally filed description and figures do describe providing media content with advertising content inserted into the content stream. One of ordinary skill in the art would readily understand that if some amount of digital media content were received, and if there were insertion points for placing digital advertising content interspliced with the digital media content within a content stream, clearly some portion of the advertising and media content would need to be placed at various presentation positions in the content stream. Page 29, lines 11-16 of the specification further describe automatic insertion of advertisement blocks into the play sequence, and page 40, lines 31-32 states in relevant part that "playback starts from an initial section sequence table indicating how content is to be interspliced with ads…"

Claim 212 has been amended to remove the references to portions, not because of acquiescence to the Office's position, but rather for clarity in claiming. The data received by the client machine in 212 or transmitted to the client machine in claim 238 includes both digital media

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content and digital advertising content. One of ordinary skill in the art would readily understand that received/transmitted media and advertising content can each include one or multiple parts, portions, etc. and that the respective content can be combined to form at least part of the recited content stream according to positions within the content stream where the respective content is to be inserted.

The Office also alleges that the claim 212 "modifying a presentation position of the portion of the advertising content is to be presented relative to at least a portion of the received advertising content from one or more initial insertion points…" is not taught by the specification. Final Office Action, page 4 and Examiner's Answer, page 4. As noted above, whether the specification "teaches" a claim element is not the correct test. Rather, the proper inquiry is whether one of ordinary skill in the art would understand that the inventor was in possession of the claimed subject matter as of the time of filing. On this issue, as with the issue discussed above, this is clearly the case.

Claim 212, now amended, also recites, among other things,

> adaptively modifying, using pre-defined rules and in response to a user-generated input, a presentation position of the digital advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to the digital media content within the content stream, the user-generated input representing one or more navigational choices associated with presentation of the content stream.

Support for these features of claim 212 can be found in at least page 21, lines 12-21. Here, the specification describes adaptively re-grouping and resequencing the insertion of ad blocks in response to the consumer's arbitrary direction of the playback. These features are also shown and described in relation to FIG. 4A and on page 29, lines 1-4 and specifically on page 40, line 31, and page 41, line 1, which describes modifying "in response to intersplicer control commands 522 that the user issues with actions from user interface 500."

In view of the foregoing, all of the features of claim 212 are properly supported by the application as filed. Therefore, the rejection of claim 212 under 35 U.S.C. §112, (pre-AIA) first paragraph, should be withdrawn.

The Office also rejected claim 238 for the same reasons stated with regard to claim 212. Final Office Action, page 4. As claim 212 is fully supported by the specification, so too is claim

238, which contains features similar to those noted above with regard to claim 212. Therefore, the rejection of claim 238 under 35 U.S.C. §112, first paragraph, should be withdrawn.

Claims 220-224 also find support in the specification and the figures and are directed to the use of pre-defined rules for specifying the recited insertion points. See, for example, specification pg. 15, lines 21-31, pg. 16, lines 1-19; pg. 18, lines 29-31, pg. 19, lines 1-; pg. 29, lines 17-22; pg. 31, lines 28-31, pg. 32, lines 1-31, pg. 33, lines 1-21; pg. 35, lines 28-31, pg. 36, lines 1-6; pg. 36, lines 14-23; pg. 38, lines 10-16; pg. 39, lines 9-14; pg. 40, lines 1-27; pg. 41, lines 20-31, pg. 42, lines 1-2, lines 7-16, lines 22-31, pg. 43, lines 1-30, pg. 44, lines 1-2; pg. 45, lines 17-26; pg. 46, lines 3-9, lines 24-28; pg. 47, lines 7-16; pg. 49, lines 1-6, lines 19-27; and pg. 50, lines 10-15.

The Office also rejected claim 228 as allegedly not teaching "the change of sequence is by subtracting an existing media file or re-arranging the sequence of media files or by adding a media file." Final Office Action, page 5. As with the rejections for alleged lack of written description support discussed above, this rejection appears to indicate the application of an improper standard for patentability under 35 U.S.C. §112, first paragraph.

Support for claim 228 can be found at, for example, at page 10, lines 17-18 ("The player/viewer software has the means to assemble a new, ***customized sequence of requested content***, interspliced material every time it runs"); page 12, line 10 ("The consumer is free to ***select and program any desired sequence of content***"); page 26, lines 3-5 ("the user can have the player/viewer run ***any combination of available titles and tracks in any possible order…***"); page 28, lines 27-28 ("For example, if the user of sequence 402 ***jumps right into segment 434 as segment 430 is just starting, the player/viewer will begin segment 434 at its point of entry***"); page 29, lines 29-30 ("In the case of the player/viewer, the user can sequence ***any combination*** of tracks together"); page 30, lines 4-7 ("If the user decides to play track 446 and then track 456, the program does not insert ad block 416 immediately after track 456. ***Instead, play goes directly into track 458, because the allowance is 5 tracks***."); page 31, lines 30-31 ("Request 502 may arise from, among other things, a direct file open operation, a selection from a remote media catalog or local media database, ***a selection of a user-defined…***"); page 32, lines 1-3 ("…***play-list***, a result of a media search engine or other web-based service, or some other user-driven command in the player/viewer. For example, in order to compile a user defined play-list from which a request 502 can be initiated"); and page 50, line 20 ("through a ***self-selected series*** of media content"). Emphases added.

In view of the foregoing, all of the features of claim 228 find support in the specification. Therefore, the rejection of claim 228 under 35 U.S.C. § 112, (pre-AIA) first paragraph, should be withdrawn.

The Office also rejected claim 236 as allegedly not teaching "sending, by a remote system to the client system, additional advertising content during presentation of at least a portion of the content stream." Final Office Action, page 5. While this rejection is directed to claim 236, the objected to language is from claim 234. As such, claim 234 is addressed below. Support for claim 234 can be found at, for example, page 40, lines 19-25 of the specification ("Ad rotator 516 handles requests for new ads from an intersplicer 518 by selecting and localizing appropriate ads, grouping them into blocks if so requested, and sending the result back to requesting intersplicer 518. The ad rotator 516 is equipped to handle requests to replace individual ads, entire ad blocks, or the entire set of ads and blocks associated with intersplicer 518, ***without having to interrupt playback***. Just like ad manager 514, ***it may use the logic of the media transfer component 580 for this purpose***. Ad rotator 516 may also need to ***consult media catalog 566 to locate new ads***…") Emphasis added. Further support can also be found at Page 47, lines 11-14 ("Ad preference tables 676 and parameters 678 are rules by which the intersplicer can perform adaptive ad selection and sequencing extemporaneously, determining and running new ad combinations in response to user navigation actions ***throughout the session***.")

In view of the foregoing, all of the features of claim 234 find support in the specification. Therefore, the rejection of claim 234 under 35 U.S.C. § 112, (pre-AIA) first paragraph, should be withdrawn.

The Office also rejected claim 237 as allegedly not teaching "wherein the adaptively modifying uses two or more of the pre-defined rules for determining the corresponding presentation position of at least a portion of the advertising content." Final Office Action, page 5.

Support for claim 237, specifically support for "two or more of the pre-defined rules" can be found at, for example page 29, lines 17-19 ("***the location of advertising blocks*** is determined by the player/viewer's program logic, ***which upholds an average content play time, an allowance based on the number of tracks, or possibly some combination of these or other approaches***"); page 39, lines 9-11 ("the service level may include one or more advertising requirement parameters, such as the relative ratio of content material to promotional material, the frequency of interruptions, or some other metric."); page 42, lines 28-30 ("The resulting ad requirement is an

arbitrary function that can depend on, without limitation, one or more of the following: the item's running time; the number of segments it contains; and/or its advertising requirement parameters"); page 47, lines 11-14 ("Ad preference tables 676 and parameters 678 are rules by which the intersplicer can perform adaptive ad selection and sequencing extemporaneously, determining and running new ad combinations in response to user navigation actions throughout the session."); page 49, lines 22-25 ("***the intersplicer will apply some combination of track count-based and elapsed time-based logic (or any other desirable criteria) to decide when to call for a commercial break***. When it decides to insert a break, it uses the data in the ad preference parameters 678 and the ad preference tables 676"). Emphasis added.

In view of the foregoing, all of the features of claim 237 find support in the specification. Therefore, the rejection of claim 237 under 35 U.S.C. § 112, (pre-AIA) first paragraph, should be withdrawn.

Rejections under 35 U.S.C §102

In the Final Office Action, the Office rejected claims 188, 191-193, 195-197, 199-201, 203-205, 207-209, 211-232, 234-238 under section 35 U.S.C. § 102(e) as allegedly being anticipated by (US Publication No. 2001/0042249) to Knepper et al. (Knepper). This rejection is respectfully traversed.

Claims 188, 191-193, 195-197, 199-201, 203-205, 207-209 and 211 were previously canceled, rendering the rejections of those claims moot.

A proper rejection under 35 U.S.C. §102 requires that the Office present a single prior art reference in which "each and every element as set forth in the claim is found, either expressly or inherently described."[1] Furthermore, "[e]very element of the claimed invention must be literally present, arranged as in the claim," and "[t]he identical invention must be shown in as complete detail as is contained in the patent claim."[2] While *ipsissimis verbis* disclosure (in other words, identity of terminology) is not required, the elements in an allegedly anticipatory prior art

[1] See MPEP §2131 quoting *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987).
[2] See MPEP §2131 quoting *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989).

reference must be arranged as required by the claim.[3] Additionally, the Court of Appeals for the Federal Circuit has recently held that the PTO's practice of giving a claim the broadest, reasonable construction "does not give the PTO an unfettered license to interpret claims to embrace anything remotely related to the claimed invention. Rather, claims should always be read in light of the specification and teachings in the underlying patent."[4]

As previously argued and as discussed during various interviews with the Examiner, Knepper describes an arrangement in which there is a fixed relationship between media files and advertisements. For example, Knepper [0052] describes a digital magazine having ads at fixed positions in relation to the content. A user can traverse the magazine, for example by "paging forward", but will always be presented with the advertisements at fixed pre-determined locations. With Knepper, and with particular reference to paragraphs [0052], [0059], [0063], and [0084], entertainment files can have associated advertisement files (i.e., the same advertisement is always played with such entertainment file) or they can have unassociated advertisement files (i.e., an advertisement file is always played with the entertainment file – but it can be one of several advertisement files).

Claim 212 recites, among other things,

> **adaptively modifying, using pre-defined rules and in response to a user-generated input**, a **presentation position** of **the digital advertising content** from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to the digital media content within the content stream, **the user-generated input representing one or more navigational choices associated with presentation of the content stream**;

Emphasis added.

As noted above, Knepper differs explicitly from at least this feature of claim 212 in describing a fixed relationship between content and advertisements, which would preclude any kind of adaptive modification of a presentation position of digital adverting content from an initial insertion point to an alternate insertion point. While Knepper states that advertisement files can be played with different entertainment files during playback, there is no suggestion that the relative placement of such advertisement files and the entertainment files can be changed as part of user-

[3] See, for example, MPEP §2131 quoting *In re Bond*, 910 F.2d 831, 15 USPQ2d 1566 (Fed. Cir. 1990).
[4] See, for example, *In re Suitco Surface, Inc.* 603 F.3d 1255 (Fed. Cir. 2010).

generated input such as navigational choices. Knepper [0052], [0059], [0063], and [0084]. Stated differently, the positions of the advertisement and entertainment files are always the same and traversing the entertainment files does not change this relationship.

Furthermore, this interpretation of Knepper is fully consistent with the Office's admission in the Final Office Action at page 15 in regard to claim 238: "Knepper does not explicitly teach generating in response to the input a second sequence comprising the second sequence differing from the first sequence such that at least one of the advertisement files is presented in a different position relative to the media files." Final Office Action, page 15. While the foregoing is not an accurate restatement of the claim language as previously presented, it clearly indicates that the Office agrees that Knepper does not describe the changing of relative positions among content and advertisements. Accordingly, Knepper simply cannot form the basis for a proper rejection under 35 U.S.C. §102.

In addition, while the paragraphs [0026]-[0036] of Knepper relate to playback of a show / entertainment object, there is no description of modification of advertisement locations in a media file sequence as recited in claim 212. Knepper, in particular, describes an instruction set being delivered from a server to the client and such instruction set including a listing of the order of the entertainment and advertisement media files that will make up a show. Knepper [0034]. Knepper is directed to advancing through a defined sequence of media files that do not change (i.e., such sequence cannot be adaptively modified in response to user-generated input as recited in claims 212 and 238). Knepper [0042]-[0048]. Such advancement through a pre-specified instruction set of media and advertisement files is different than modifying the sequence (or otherwise modifying a relationship among advertising content and media content). Stated differently, Knepper is directed to the seamless display of an assembled clip of media and advertisement files (see, inter alia, Knepper [0038]) having a fixed relational order that does not change (and as such cannot be adaptively modified).

Furthermore, as previously noted, with Knepper, media file content and advertisement file content is presented to a user according to a text file delivered from a server. Knepper [0046]. Also, as shown in FIG. 4 of Knepper "NO USER INTERVENTION" is allowed when the video and ad clips are being presented. The subject matter recited in claim 212 does not have such a prohibition (and in fact provides for user-generated input which in turn causes the adaptive modification). Contrary to the Office's overly broad interpretation, Knepper does not teach

forwarding or skipping at the level of media and advertising construction. Knepper [0046]. With Knepper there are no changes of the ordering of content and advertising as a result of user interaction. The sequence of content and advertising is always fixed by the instruction set sent from the server. Knepper [0041]. Specifically, Knepper states "The server also sends a text file containing a set of instructions indicating which advertisement media files from among the pre-cashed advertisement media files to interest into the entertainment media file at run time, how many advertisement media files to insert, **and where to insert them**." Knepper, [0041], emphasis added.

In view of the foregoing, Knepper fails to anticipate the claim 212 "adaptively modifying, using pre-defined rules and in response to a user-generated input, a presentation position of the digital advertising content from at least one of the one or more initial insertion points to one or more alternate insertion points located at one or more different positions relative to the digital media content within the content stream, the user-generated input representing one or more navigational choices associated with presentation of the content stream."

Claim 238 contains the same or similar features noted above with respect to claim 212. For at least the reasons noted above with respect to claim 212, claim 238 is allowable over Knepper. Therefore the rejection under 35 U.S.C. § 102(e) of claim 238 should be withdrawn.

In addition, with regard to claim 227, Knepper is silent as to sub-division of a media file into segments as part of generating a first sequence as recited. The cited paragraphs, including paragraph [0059] of Knepper, simply state that a user perceives entertainment media files and advertisement files as being a single, continuous clip, not that the entertainment media file is sub-divided in any fashion as taught by the current claims. Stated differently, Knepper can provide individual segments that together comprise a show, but Knepper does not segment / divide or otherwise split a single file physically, heuristically, or otherwise for purposes of ad insertion based on user interaction with media content. As such, the rejection under 35 U.S.C. § 102(e) of claim 227 should be withdrawn.

Claim 236 stands rejected based on paragraphs in Knepper that are not pertinent to the claimed subject matter, and as such, these rejections are improper. There is no suggestion in Knepper (whether in cited paragraphs [0051] – [0056] or otherwise) that the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream. For example, Knepper [0051] relates to how media is

downloaded and Knepper [0052]-[0056] relate to how advertisement and entertainment files are sequenced (without any reference to maintaining a number of played media files as recited). As such, the rejection under 35 U.S.C. §102(e) of claim 236 should be withdrawn.

In the Response to Argument section of the Examiner's Answer (see page 21), the Office presented additional rationale in support of the rejections based on Knepper. The following remarks are addressed to this section. Any issues raised in the Response to Argument not addressed below or elsewhere herein are not conceded by the Applicants.

The Office alleges, that "Knepper also teaches that the user may also move through different pages within magazine by using forward and reverse buttons (*if the user uses the forward and reverse buttons the order of the playlist would change and since the files are organized and arranged to play sequentially, the entertainment file and also the advertisement file would be played together in the changed order*)." Examiner's Answer, page 21.

As noted in previous responses, and further described herein, Knepper does not teach changing the fixed relationship of media and advertising as defined by the instruction set. Specifically, Knepper describes that "[w]hen a show is requested (block 262) from the server 207, an instruction set is delivered from the server to the client 203, as shown by block 268 in FIG. 3. The instruction set may be an HTML file or a text file that includes tags or other specific instructions to the client. The file is a listing of the order of the entertainment and advertisement media files that will make up the show that was requested by the user. It is created on the server side, in some instances at the time of the user's request, and may be specific to each user." Knepper, [0034]. Sequentially moving through pages using forward and reverse buttons does not change "the initial insertion points to one or more alternate insertion points located at one or more different positions relative to the digital media content within the content stream" as described in claim 212.

The Office also alleges that "Knepper also teaches that the instruction set used by the client to insert media files may be modified by the client at playback … real-time amendment to the instruction set … ([0083])" Examiner's Answer, page 21. However, as noted above, Knepper describes advertisements placed at fixed advertising insertion locations and can arguably be interpreted to describe moving advertisements to different fixed advertising locations. However, this movement is explicitly not done **in response to user-generated input** and furthermore not in

response to user-generated input **representing one or more navigational choices associated with presentation of the content stream**.

The Office also quotes Knepper "… the location of the advertisement media files within a show may be determined by various criteria at the time of playback (see [0084). Examiner's Answer, page 21. However, this section of Knepper clearly relates to playing advertisement media files with different media files. Specifically, Knepper describes that "[a]lso, a show may contain a combination of associated advertisement media files and unassociated advertisement media files. For example, a show may have a certain advertisement that is always associated with it, and the same show may also accept a number of unassociated advertisement media files. Another possibility is that a show may have a certain number of entertainment media files marked to accept unassociated advertisement media files, and only a portion of those entertainment media files may actually be played with advertisement media files. Further, during various playbacks of such a show, advertisement media files may be played with different entertainment media files. That is, the location of advertisement media files within a show may be determined by various criteria at the time of playback. These criteria may include, but would not be limited to, randomness such that a user would not experience identical advertisement placement during repeated viewing of a single show, or incentive systems whereby, for example, the number of advertisement media files may be determined by the occurrence or level of a fee paid by the user. In any case, while each show appears to the user as a single, continuous show, it is in reality a series of separate clips, comprising individual media files selected, organized and played sequentially on the client-side." Knepper, [0084]. Again, none of the criteria described in Knepper relate to the claim 212 "adaptively modifying, using pre-defined rules and **in response to a user-generated input**, a presentation position of the digital advertising content," let alone "in response to a user-generated input **representing one or more navigational choices associated with presentation of the content stream**." Emphasis added.

The Office also states that "[i]n response to Appellant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e. forwarding and skipping at the level of media and advertising construction…) are not recited in the rejected claim(s)." Examiner's Answer, page 21. The Applicants are not attempting to add limitations to the claims, but rather are demonstrating that the functions described in

Knepper, for example using forward and reverse buttons to move through different pages, are not the same as the claimed features.

As such, claims 212 and claims 213-232 and 234-237, at least by reason of their dependency from claim 212, are allowable over Knepper. Therefore, the rejection under 35 U.S.C. §102(e) of claims 212-232 and 234-237 should be withdrawn.

Rejections under 35 U.S.C §103

Claims 202, 206, 210 stand rejected under 35 U.S.C. §103(a) as allegedly being unpatentably obvious over Knepper as applied to claim 188 above, and further in view of Strietzel (US Publication 2002/0120564) hereinafter "Strietzel". Claim 233 stands rejected under under 35 U.S.C. §103(a) as allegedly being unpatentably obvious over Knepper further in view of Official Notice. This rejection is respectfully traversed.

Claims 202, 206, and 210 have been canceled making the rejection of such claims moot.

With regard to claim 233, the Final Office Action fails to comply with the requirements of an Official Notice rejection as required by MPEP §2144.03(A) which states "Official notice unsupported by documentary evidence should only be taken by the examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known." Furthermore, "assertions of technical facts in the areas of esoteric technology or specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art." *In re Ahlert*, 424 F.2d at 1091, 165 USPQ at 420-21 as quoted in MPEP §2144.03(A). MPEP §2144.03(a) further cautions that "[o]fficial notice without documentary evidence to support an examiner's conclusion is permissible only in some circumstances," and "while 'official notice' may be relied on, these circumstances should be rare when an application is under final rejection or action under 37 CFR 1.113."

The Office, in connection with the rejection of claim 233, simply alleges that it would have been old and well known to rotate ads in response to user-generated input. If that were indeed true, it is respectfully submitted that it would not have been burdensome for the Office to identify relevant art (if available) and to prepare an argument that takes into account how advertising content can be rotated into a content stream as part of the recited adaptive modification as a result of user interaction with the media content as described in claim 212. In the Examiner's Answer,

the Office failed to provide a citation to some reference work recognized as standard in the pertinent art. Of particular concern is the Office's apparent concentration on the "rotating" part of the claim element at issue with no evident weight given to the additional limitation relating to "in response to the user-generated input." It is far from clear how this aspect of the claim is considered to be well known or otherwise part of what would readily be considered to be "common knowledge." As such, the Office is again respectfully requested to either a) provide documentary evidence that the Applicants can properly consider and possibly rebut in the context of a properly presented rejection under 35 U.S.C. §103(a) or b) withdraw the rejection of claim 233.

In view of the foregoing, Knepper in view of properly applied Official Notice does not describe or suggest at least the features of claim 233 relating to "rotating new advertising content into the content stream in response to the user-generated input." Therefore, the rejection under pre-AIA section 103(a) of claim 233 should be withdrawn.

Hulu, LLC - Ex. 1006, Page 000561

CONCLUSION

On the basis of the foregoing amendments, the pending claims are in condition for allowance. It is believed that all of the pending claims have been addressed in this paper. However, failure to address a specific rejection, issue or comment, does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above are not intended to be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper.

No additional fees are believed to be due at this time, however, the Commissioner is hereby authorized to charge any fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311, Reference No. 42327-501001US. If there are any questions regarding this reply, the Examiner is encouraged to contact the undersigned at the telephone number provided below.

Dated: October 28, 2015

Respectfully submitted,

By____/Ben Hudson/_____
Benjamin F. Hudson, Ph.D., Reg. No.: 71,474
Michael D. Van Loy, Ph.D., Reg. No.: 52,315

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Hulu, LLC - Ex. 1006, Page 000562

Electronic Acknowledgement Receipt

EFS ID:	23924123
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Benjamin F. Hudson/Cecilia Tobin
Filer Authorized By:	Benjamin F. Hudson
Attorney Docket Number:	42327-501001US
Receipt Date:	28-OCT-2015
Filing Date:	26-JUN-2003
Time Stamp:	23:35:19
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Request to Withdraw Appeal by Appellant	42327-501001USReply.pdf	290519 dd5ebdd0e8367dc79a67eb0fcc089d352838a05d	no	33

Warnings:	
Information:	

Total Files Size (in bytes):	290519

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National Stage of an International Application under 35 U.S.C. 371
If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office
If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 02/01/2016

Mintz Levin/San Diego Office
One Financial Center
Boston, MA 02111

EXAMINER	
RETTA, YEHDEGA	

ART UNIT	PAPER NUMBER
3622	

NOTIFICATION DATE	DELIVERY MODE
02/01/2016	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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Office Action Summary	Application No. 10/606,729	Applicant(s) DONIAN ET AL.	
	Examiner YEHDEGA RETTA	Art Unit 3622	AIA (First Inventor to File) Status No

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTHS FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☐ Responsive to communication(s) filed on *10/28/15*.

☐ A declaration(s)/affidavit(s) under **37 CFR 1.130(b)** was/were filed on _____.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ An election was made by the applicant in response to a restriction requirement set forth during the interview on _____; the restriction requirement and election have been incorporated into this action.

4)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims*

5)☒ Claim(s) *212-242* is/are pending in the application.

5a) Of the above claim(s) _____ is/are withdrawn from consideration.

6)☐ Claim(s) _____ is/are allowed.

7)☐ Claim(s) *212-242* is/are rejected.

8)☐ Claim(s) _____ is/are objected to.

9)☐ Claim(s) _____ are subject to restriction and/or election requirement.

* If any claims have been determined allowable, you may be eligible to benefit from the **Patent Prosecution Highway** program at a participating intellectual property office for the corresponding application. For more information, please see http://www.uspto.gov/patents/init_events/pph/index.jsp or send an inquiry to PPHfeedback@uspto.gov.

Application Papers

10)☐ The specification is objected to by the Examiner.

11)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

Certified copies:

a)☐ All b)☐ Some** c)☐ None of the:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

** See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Information Disclosure Statement(s) (PTO/SB/08a and/or PTO/SB/08b) Paper No(s)/Mail Date _____.

3) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .

4) ☐ Other: _____.

DETAILED ACTION

Notice of Pre-AIA or AIA Status

The present application is being examined under the pre-AIA first to invent provisions.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 212-242 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter (abstract idea). The rationale for this finding is explained below.

In the instant case, the claims are directed use disallowing user from skipping presentation of an advertising content including the steps of receiving media content and also advertisement content … modifying (changing) presentation position of the advertising, ... keeping track of whether the presentation of a content is in progress ..., storing presentation data ... which are methods of organizing human activity, thus abstract idea. The courts have found that using categories to organize store information for transmission (Cyberfone), or comparing new and stored information and using rules to identify options (SmartGene), organizing information through mathematical correlations, mathematical formulas, and a mathematical procedure for converting one form of numerical representation to another are all examples of judicial exceptions.

The claims recite a client and a remote system (computer) to transmit and receive data ... The claim(s) "amount[s] to 'nothing significantly more' than an instruction to apply the abstract idea of" preventing of commercial skipping by using a well-known device. Under Alice, that is not sufficient "to transform an abstract idea into a patent-eligible invention" Id. See July 2015 Update to the 2014 Interim Guidance on Subject Matter Eligibility; Alice; Ultramercial; buy SAFE, Inc. v. Google, Inc.; Cyberfone Systems, LLC v. CNN Interactive Group, Inc.

Claim Rejections - 35 USC § 103

The following is a quotation of pre-AIA 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 212-232, 234-238 are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper et al. (2001/0042249) in view of Hannah et al. (US 7,761,327 B1) and further in view of Wang (US 20020191950 A1).

Claims 212, 213, 238:

Knepper teaches receiving, at a client system (from a remote system), data comprising digital media content and digital advertising content (combinable to form at least part of a content stream) (see [0034]-[0041], [0049]-[0056]);

receiving, a user-generated input representing one or more navigational choices associated with a presentation of the content stream (*play forwarding, skipping*), modifying,

using a pre-defined rules presentation position of a advertisement from initial position to alternative insertion point (position) (see [0034]-[0042], [0059]).

Knepper teaches that an advertisement file is appended to a media file such that the entertainment and advertisement files are played to appear as a single clip ... <ADInsert> is a tag that is recognized by the client application as specific instructions regarding treatment of the advertising media files ... using this tags the server can direct the client to place an ad before, during or after a media file during playback of media files in the magazine page (see [0052] ... the client displays the entertainment media file before it plays the advertisement media file ... when the entertainment media file is finished playing, **the advertisement media file immediately proceeds without the appearance of a page turn** (see [0059]). Knepper teaches (Fig.7) plurality of clips, has its associated instruction set stored on the server 601; the instruction delivered to the client 603; according to the instructions advertisement media file 611 are selected to be shown according to the association (see [0062]). That means even if the user is skipping or forwarding to a different music, an advertisement associated with that media file, based on the <ADInsert> would be playing, i.e., the same block of ad plays with the particular portion of the content according to the instruction.

Knepper does not explicitly teach keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress and storing presentation data an indication of the digital advertising content that has been presented. Hannah teaches detecting whether material is played in full at the predetermined paly speed and is not muted, masked, fast forwarded or stripped from the content (see col. 2 line 16-28) … determining whether the time for a

commercial has arrived …determining if commercial insertion time has arrived (before the content is actually played)… determining that a commercial has been played appropriately … whether the commercial is play for the desired amount of time and at the desired speed … may report to external sources that the advertisement was actually played as intended (see col. 3 lines 8-53). It would have been obvious to one of ordinary skill in the art at the time of the invention to include Hannah's setting (detector), in Knepper advertisement in video streaming in order to determine whether the advertisement was played in full before allowing the user to play the next media file in the sequence.

Wang teaches disallowing a navigation choice of the one or more navigational choices that alter a course of the playback of the content stream while the presenting of advertising content is in progress. Wang teaches if the skipping control device determines that the content classification signal indicates that the current portion of the video signal has commercial content the device disables all manual and automated skipping functions .. (see [0028]-[0033]) It would have been obvious to one of ordinary skill in the art at the time of the invention to disallow navigation choice (fast-forward skip or bypass the advertisement), as in Wang, in Knepper's playback of media files in order to prevent a user from fast forwarding or skipping the commercials.

Claim 214:

Knepper teaches wherein presenting the at least the part of the content stream on the client system comprises displaying the content stream by way of a graphical user interface (see fig. 6).

Claims 215, 216, 217:

Knepper teaches wherein the user-generated input is received and the presentation position is adaptively modified during presentation of the at least portion of the content stream on the client system; wherein the user-generated input is received and the presentation position is adaptively modified prior to presentation of at least a portion of the content stream on the client system; wherein the user-generated input is received and the presentation position is adaptively modified subsequent to presentation of at least a portion of the content stream on the client system (see [0042]-[0046]).

Claim 218-225, 237:

Knepper teaches wherein the one or more initial insertion points are specified using the pre-defined rules; wherein the one or more initial insertion points are specified, at the client system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at a remote system, using the pre-defined rules.; wherein the one or more initial insertion points are specified, at a remote system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at the remote system, using the pre-defined rules; wherein the one or more alternate insertion points are specified, at the client system, using the pre-defined rules; wherein the media content comprises at least one media file (see [0046]-[0067], [0087], [0088].

Claims 226, 227:

Knepper teaches wherein the advertising content comprises at least one advertisement file; generating a sequence by sub-dividing a media file into two or more segments, and wherein

at least a portion of at least one of the advertising files is presented between two of the segments ([0038]-[0046).

Claim 228-230:

Knepper teaches wherein the user-generated input associated with presentation of the content stream results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file; wherein the user-generated input associated with presentation of the content stream results in a navigation command for the content stream; wherein the navigation command is selected from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward, slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, and shuttle knob (see fig. 6, [0042]-[0046]).

Claim 234:

Knepper teaches sending, by a remote system to the client system, additional advertising content during presenting of at least a part of the content stream (see [0078]-[0084]).

Claim 236:

Knepper teaches wherein the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream (see [0051]-[0056], [0081-0088].

Claims 239-242:

Knepper teaches wherein the first memory and/or the second memory are part of the client system or the remote system (see [0029]-[0037] see also Hannah col. 3 line 35-58).

Claims 233 is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper et al. (2001/0042249) in view of Hannah et al. (US 7,761,327 B1) and further in view of Wand (US 20020191950 A1).

Claim 233:

Knepper does not teach rotating new advertising content into the content stream in response to the user-generated input. However official notice is taken that it is old and well known in the art of marketing to rotate advertisements. It would have been obvious to one of ordinary skill in the art at the time of the invention to rotate the advertisements of Knepper in order to for the viewer not to lose interest on the advertisements.

Response to Arguments

Applicant's arguments with respect to claims 212-242 have been considered but are moot because the arguments do not apply to any of the references being used in the current rejection.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to YEHDEGA RETTA whose telephone number is (571)272-6723. The examiner can normally be reached on Monday through Thursday from 8 to 6:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

YR
/YEHDEGA RETTA/
Primary Examiner, Art Unit 3622

Notice of References Cited	Application/Control No. 10/606,729	Applicant(s)/Patent Under Reexamination DONIAN ET AL.	
	Examiner YEHDEGA RETTA	Art Unit 3622	Page 1 of 1

U.S. PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Name	CPC Classification	US Classification
*	A	US-2002/0191950 A1	12-2002	Wang, Xiaoling	H04N5/783	386/218
*	B	US-7,761,327 B1	07-2010	Hannah; Eric C.	G06Q20/206	382/100
	C	US-				
	D	US-				
	E	US-				
	F	US-				
	G	US-				
	H	US-				
	I	US-				
	J	US-				
	K	US-				
	L	US-				
	M	US-				

FOREIGN PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Country	Name	CPC Classification
	N					
	O					
	P					
	Q					
	R					
	S					
	T					

NON-PATENT DOCUMENTS

*		Include as applicable: Author, Title Date, Publisher, Edition or Volume, Pertinent Pages)
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*A copy of this reference is not being furnished with this Office action. (See MPEP § 707.05(a).)
Dates in MM-YYYY format are publication dates. Classifications may be US or foreign.

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Application	Document	Mailroom Date	Attorney Docket No.
10606729	CTNF	02/01/2016	42327-501001US
	892	02/01/2016	42327-501001US

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VIA EFS
Date of Submission: August 1, 2016

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(PATENT)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:
Philip M. Donian

Application No.: 10/606,729

Confirmation No.: 5831

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Art Unit: 3622

For: METHOD AND APPARATUS FOR THE FREE LICENSING OF DIGITAL MEDIA CONTENT

Examiner: Yehdega Retta

Mail Stop Amendment
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

AMENDMENT IN REPLY TO NON-FINAL OFFICE ACTION OF FEBRUARY 1, 2016

Dear Madam:

This reply is responsive to the Non-Final Office Action mailed on February 1, 2016 in the above-referenced matter (hereinafter "the Office Action"). Reconsideration and allowance of the application is requested in view of the amendments and remarks contained in the following pages:

A **Statement of Substance** regarding the applicant initiated interview begins on page 2 of this paper.

A **Listing of the Claims** begins on page 3 of this paper.

Remarks begin on page 17 of this paper.

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STATEMENT OF SUBSTANCE

The interview granted by Examiner Retta with the undersigned on April 6, 2016 is appreciatively acknowledged. During the interview, the rejections under 35 U.S.C. §101 and 35 U.S.C. §103(a) were discussed. No agreement was reached with regard to the rejections or possibly allowable subject matter.

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LISTING OF CLAIMS

Please amend the claims of this application in accordance with this listing of claims.

1–211. (Canceled).

212. (Currently Amended) A method comprising:

receiving, on a client system, data comprising digital media content and digital advertising content; ~~combinable~~

sequencing the digital media content and the digital advertising content, the sequencing ~~to form at least part of a content stream~~ comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, the user-perceptible content stream comprising ~~having an initial sequence of~~ one or more initially sequenced ~~initial~~ insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

adaptively modifying, using pre-defined rules and in response to a user~~-generated~~ input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more ~~initial~~ initially sequenced insertion points to one or more ~~alternate~~ alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being ~~located at one or more~~ different than the one or more initially sequenced insertion points ~~positions~~ relative to the digital media content within the user-perceptible content stream~~, the user-generated input representing one or more navigational choices associated with presentation of the content stream~~;

causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream;

disallowing a navigation choice ~~of the one or more navigational choices~~ that ~~alter~~ alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the receiving, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

213. (Canceled)

214. (Currently Amended) A method as in claim ~~213~~ 212, wherein the causing ~~presenting the at least the part of~~ presentation of the user-perceptible content stream on the client system comprises causing display of ~~displaying~~ the user-perceptible content stream by way of a graphical user interface.

215. (Currently Amended) A method as in claim ~~213~~ 212, wherein the receiving of the user-~~generated~~ input ~~is received~~ and the adaptively modifying occur ~~presentation position is adaptively modified~~ during the causing of the presentation of the ~~at least the part of the~~ user-perceptible content stream on the client system.

216. (Currently Amended) A method as in claim ~~213~~ 212, wherein the receiving of the user-~~generated~~ input ~~is received~~ and the adaptively modifying occur ~~presentation position is adaptively modified~~ prior to the causing of the presentation of the ~~at least the part of the~~ user-perceptible content stream on the client system.

217. (Currently Amended) A method as in claim ~~213~~ 212, wherein the receiving of the user-~~generated~~ input ~~is received~~ and the adaptively modifying of the presentation position occur ~~is adaptively modified~~ subsequent to the causing of the presentation of the ~~at least the part of the~~ user-perceptible content stream on the client system.

218. (Currently Amended) A method as in claim 212, wherein the sequencing and the adaptively modifying are performed by the client system, ~~one or more initial insertion points are specified using~~ which comprises a programmable processor of the ~~pre-defined rules~~ one or more programmable processors.

219. (Currently Amended) A method as in claim 212, wherein the pre-defined rules specify the one or more initially sequenced ~~initial~~ insertion points ~~are specified, at the client system, using the pre-defined rules~~.

220. (Currently Amended) A method as in claim ~~219~~ 212, wherein the pre-defined rules specify the one or more ~~alternate~~ alternatively sequenced insertion points ~~are specified, at the client system, using the pre-defined rules~~.

221. (Currently Amended) A method as in claim ~~219~~ 212, wherein the sequencing and the adaptively modifying are performed by ~~one or more alternate insertion points are specified, at a~~ at least one remote system~~, using the pre-defined rules~~ differing from the client system, the at least one remote system comprising a processor of the one or more programmable processors.

222. (Currently Amended) A method as in claim 212, wherein the sequencing is performed by the client system, which comprises a first processor of the one or more programmable processors, and the adaptively modifying is performed by at least one ~~or more initial insertion points are specified, at a~~ remote system, ~~using the pre-defined rules~~ which comprises a second processor of the one or more programmable processors.

223. (Currently Amended) A method as in claim ~~222~~ 212, wherein the adaptively modifying is performed by the client system, which comprises a first processor of the one or more programmable processors, and the sequencing is performed by at least one ~~or more alternate insertion points are specified, at the~~ remote system, ~~using the pre-defined rules~~ which comprises a second processor of the one or more programmable processors.

224. (Canceled)

225. (Previously Presented) A method as in claim 212, wherein the digital media content comprises at least one media file.

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226. (Previously Presented) A method as in claim 212, wherein the digital advertising content comprises at least one advertisement file.

227. (Previously Presented) A method as in claim 226, further comprising: generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a part of the at least one of the advertising file is presented between two of the segments.

228. (Currently Amended) A method as in claim 225, wherein the user~~-generated~~ input ~~associated with presentation of the content stream~~ results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file.

229. (Currently Amended) A method as in claim 212, wherein the user~~-generated~~ input comprises ~~associated with presentation of the content stream results in the~~ one or more navigational choices for the content stream.

230. (Previously Presented) A method as in claim 229, wherein the one or more navigational choices are selected from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward, slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, shuttle knob, and one or more sound controls.

231. (Currently Amended) A method as in claim 212, wherein the data is received by the client system from [[a]] at least one remote system.

232. (Currently Amended) A method as in claim 212, wherein the receiving of the data comprises ~~is received by~~ accessing a local data source.

233. (Currently Amended) A method as in claim 212, further comprising: rotating new advertising content into the user-perceptible content stream in response to the user~~-generated~~ input.

234. (Currently Amended) A method as in claim 212, further comprising: sending, by a remote system to the client system, additional advertising content during ~~presenting~~ presentation of at least the part of the user-perceptible content stream.

235. (Previously Presented) A method as in claim 212, wherein the pre-defined rules position the advertising content so as to uphold an average content play time.

236. (Previously Presented) A method as in claim 212, wherein the sequencing comprises positioning, according to the pre-defined rules, ~~position~~ the ~~advertisement~~ digital advertising content based on an amount of media content played during presentation of the content stream.

237. (Previously Presented) A method as in claim 212, wherein the adaptively modifying uses two or more of the pre-defined rules for determining the corresponding presentation position of at least a part of the digital advertising content.

238. (Currently Amended) A method comprising:

transmitting, by [[a]] at least one remote system to a client system, data comprising digital media content and digital advertising content; ~~combinable~~

sequencing the digital media content and the digital advertising content, the sequencing ~~to form at least part of a content stream~~ comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, the user-perceptible content stream comprising ~~having~~ one or more initially sequenced ~~initial~~ insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

adaptively modifying~~, by the remote system,~~ using pre-defined rules and in response to a user-~~generated~~ input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more ~~initial~~ initially sequenced insertion points to one or more ~~alternate~~ alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being ~~located at one or more~~ different than the one or more initially

sequenced insertion points ~~positions~~ relative to the digital media content within the user-perceptible content stream~~, the user-generated input representing one or more navigational choices associated with presentation of the content stream~~;

causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream;

disallowing a navigation choice ~~of the one or more navigational choices~~ that alters ~~alter~~ a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the transmitting, the sequencing, the adaptively modifying, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

239. (Previously Presented) A method as in claim 212, wherein the first memory and the second memory are part of the client system.

240. (Currently Amended) A method as in claim 212, wherein the first memory is part of the client system and the second memory is part of at least one [[a]] remote system.

241. (Currently Amended) A method as in claim 212, wherein the first memory is part of [[a]] at least one remote system and the second memory is part of the client system.

242. (Currently Amended) A method as in claim 212, wherein the first memory and the second memory are part of [[a]] at least one remote system.

243. (New) A method comprising:

receiving, on a client system, data comprising digital media content and digital advertising content;

sequencing the digital media content, the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be presented, the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;

adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine, the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing, the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;

causing presentation of the modified user-perceptible content stream at the client system;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream;

disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the receiving, the sequencing, the adaptively re-sequencing, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

244. (New) A method as in claim 243, further comprising detecting the user input at the client system.

245. (New) A method as in claim 244, wherein the detecting comprises a user interacting with playback controls of player and/or viewer software.

246. (New) A method as in claim 243, wherein the user input comprises an arbitrary direction of playback within the user-perceptible content stream.

247. (New) A method as in claim 246, wherein the arbitrary direction of playback comprises skipping the media section and/or one or more other media sections that comprise at least some of the digital media content.

248. (New) A method as in claim 243, wherein the user input comprises a reordering of the media section and/or one or more other media sections that comprise at least some of the digital media content within the user-perceptible content stream.

249. (New) A method as in claim 243, wherein the user input comprises the repositioning of the media section relative to one or more media sections within the user-perceptible content stream.

250. (New) A method as in claim 243, wherein the one or more pre-defined placement rules comprise track-count based and/or elapsed time-based logic, and wherein the adaptively re-sequencing comprises determining when to re-schedule the advertising block into the modified user-perceptible content stream, the determining comprising applying the track-count based and/or elapsed time-based logic.

251. (New) A method as in claim 243, wherein the first memory and the second memory are part of the client system.

252. (New) A method as in claim 243, wherein the first memory is part of the client system and the second memory is part of at least one remote system.

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253. (New) A method as in claim 243, wherein the first memory is part of at least one remote system and the second memory is part of the client system.

254. (New) A method as in claim 243, wherein the first memory and the second memory are part of at least one remote system.

255. (New) A method as in claim 243, wherein the adaptively re-sequencing comprises use of a plurality of the one or more pre-defined placement rules for determining the alternate insertion position for the advertising block.

256. (New) A method as in claim 243, further comprising: rotating new advertising content into the user-perceptible content stream in response to the user input.

257. (New) A method as in claim 243, wherein the causing presentation of the modified user-perceptible content stream on the client system comprises causing display of the modified user-perceptible content stream by way of a graphical user interface.

258. (New) A method as in claim 243, further comprising: causing a first presentation of the user-perceptible content stream on the client system, and wherein the receiving of the user input and the adaptively re-sequencing occur during the first presentation of the user-perceptible content stream on the client system.

259. (New) A method as in claim 243, further comprising: causing a first presentation of the user-perceptible content stream on the client system, and wherein the receiving of the user input and the adaptively re-sequencing occur prior to the first presentation of the user-perceptible content stream on the client system.

260. (New) A method as in claim 243 further comprising: causing a first presentation of the user-perceptible content stream on the client system, and wherein the receiving of the user input and the adaptively re-sequencing occur subsequent to the first presentation of the user-perceptible content stream on the client system.

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261. (New) A method as in claim 243, wherein the pre-defined placement rules specify the initially defined insertion position.

262. (New) A method as in claim 243, wherein the pre-defined placement rules specify the alternate insertion position.

263. (New) A method as in claim 243, wherein the sequencing and the adaptively re-sequencing are performed by the client system, which comprises a programmable processor of the one or more programmable processors.

264. (New) A method as in claim 243, wherein the sequencing and the adaptively modifying are performed by at least one remote system differing from the client system, the at least one remote system comprising a first processor of the one or more programmable processors.

265. (New) A method as in claim 243, wherein the sequencing is performed by the client system, which comprises a first processor of the one or more programmable processors, and the adaptively re-sequencing is performed by at least one remote system, which comprises a second processor of the one or more programmable processors.

266. (New) A method as in claim 243, wherein the adaptively re-sequencing is performed by the client system, which comprises a first processor of the one or more programmable processors, and the sequencing is performed by at least one remote system, which comprises a second processor of the one or more programmable processors.

267. (New) A method comprising:

transmitting, by at least one remote system to a client system, data comprising digital media content and digital advertising content;

sequencing the digital media content, the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is scheduled to be

presented, the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;

adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine, the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing, the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;

causing presentation of the modified user-perceptible content stream at the client system;

keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream;

disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented;

wherein the transmitting, the sequencing, the adaptively re-sequencing, the causing, the keeping, the disallowing, and the storing are performed by one or more programmable processors.

268. A system comprising:

means for causing data comprising digital media content and digital advertising content to be available on a client system;

means for sequencing the digital media content, the sequencing comprising ordering the digital media content into a user-perceptible content stream comprising a media section that comprises at least some of the digital media content, the user perceptible content stream further comprising an advertising block within which at least some of the digital advertising content is

scheduled to be presented, the advertising block being arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;

means for adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine, the modified user-perceptible content stream comprising an alternate insertion position of the advertising block relative to the media section, the alternate insertion position differing from the initially defined insertion position and not having digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing, the adaptively re-sequencing comprising determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;

means for causing presentation of the modified user-perceptible content stream at the client system;

means for keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream;

means for disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

means for storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented.

269. (New) A system as in claim 268, wherein the means for causing the data comprising the digital media content and the digital advertising content to be available on the client system comprise means for receiving the data on the client system.

270. (New) A system as in claim 268, wherein the means for causing the data comprising the digital media content and the digital advertising content to be available on the client system comprise means for transmitting the data to the client system from at least one remote system.

271. (New) A system comprising:

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means for causing data comprising digital media content and digital advertising content to be available on a client system;

means for sequencing the digital media content and the digital advertising content, the sequencing comprising ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream, the user-perceptible content stream comprising one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;

means for adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream;

means for causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;

means for keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream;

means for disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and

means for storing, in a second memory, presentation data comprising an indication of the digital advertising content that has been presented.

272. (New) A system as in claim 271, wherein the means for causing the data comprising the digital media content and the digital advertising content to be available on the client system comprise means for receiving the data on the client system.

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273. (New) A system as in claim 271, wherein the means for causing the data comprising the digital media content and the digital advertising content to be available on the client system comprise means for transmitting the data to the client system from at least one remote system.

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REMARKS

After entering the above amendments, claims 212, 214-223, and 225-273 will be pending. Reconsideration and allowance of the current application are requested in light of the above-marked amendments and the foregoing remarks.

Summary of Rejections. The Office has rejected claims 212-242 under 35 U.S.C. §101 as allegedly being drawn to non-statutory subject matter; and claims 212-238 under 35 U.S.C. §103(a) as allegedly being unpatentably obvious over Knepper et al., Patent Application Publication No. 2001/0042249 ("Knepper") in view of Hannah et al., U.S. Patent No. 7,761,327 ("Hannah") and further in view of Wang, Patent Application Publication No. 2002/0191950 ("Wang").

Summary of Amendments. With this amendment, independent claims 212 and 238 are amended in addition to dependent claims 214-223, 228-229, 231-234, 236, and 240-242. New claims 243-273, including new independent claims 243, 267, 268 and 271 are added. Claims 213 and 224 are canceled. The amendments and new claims are fully supported by the original specification. No new matter has been added with this amendment.

Request for Interview. The amendments and arguments presented herein are believed to be sufficient to overcome the pending rejections. However, if the contents of this paper are not deemed sufficient to further prosecution in this matter, or if any issues arise that can be most efficiently handled by telephone, the Examiner is respectfully requested to contact the undersigned by either phone or e-mail to schedule an interview at a mutually convenient time.

Rejections under 35 U.S.C §101

Claims 212-242 stand rejected under 35 U.S.C. §101, because the Office alleges that the claims are drawn to subject matter that is not eligible for patenting. These rejections are respectfully traversed.

As first established by the Supreme Court in *Mayo Collaborative Services v. Prometheus Laboratories* ("*Mayo*"), fully adopted as applicable for all analyses of subject matter eligibility for patenting in the Supreme Court's subsequent decision in *Alice v. CLS Bank* ("*Alice*"), clarified in several decisions by the Court of Appeals for the Federal Circuit ("the Federal Circuit"), and

further explained in a series of "Updates" to examiners and most recently in the USPTO May 2016 Updated Guidance on Subject Matter Eligibility ("the May 2016 Update"), the proper inquiry (referred to herein as the "*Mayo/Alice* inquiry") into subject matter eligibility requires that the examiner first determine at Step 1 whether a claim is directed to one of the statutory classes of eligible subject matter (e.g. a process, machine, a composition of matter, a manufacture, etc.). Assuming this test is met, the *Mayo/Alice* inquiry proceeds with a determination of whether the claim is directed to a judicial exception (e.g. a law of nature, a natural phenomenon, or an abstract idea) at Step 2A. Claims identified as being directed to an judicial exception are nonetheless patent eligible if the claim is determined to include "significantly more" than the judicial exception at Step 2B of the *Mayo/Alice* inquiry.

Step 2A of the *Mayo/Alice* Inquiry

In Step 2A of the required analysis, the Office Action alleges that the claimed invention in each of claims 212-242 as previously presented is directed to non-statutory subject matter, specifically to an abstract idea, and further alleges that none of the claims include the necessary "significantly more" to render them patent eligible despite being directed to the alleged abstract idea. However, the statement of rejection fails to establish a proper *prima facie* basis for the ineligibility of the claims as previously presented for at least the reasons noted below. Furthermore, the claims have been amended as shown above in an effort to further prosecution. New claims 243-273 have also been added as noted and shown above. While the new claims do not have the same scope as the amended existing claims, they are directed to similar ideas and inventive concepts as claims 212 and 238 and the claims depending therefrom.

The examiner is respectfully requested to consider the above-shown amendments and new claims as well as the following arguments carefully and judiciously in light of the very lengthy prosecution history of this matter and also in view of the recent decisions by the Federal Circuit regarding patent eligibility (e.g. *Enfish v. Microsoft Corp.* and *Bascom v. AT&T Mobility LLC*) as well as the May 2016 Update.

The May 2016 Update is quite clear that a well formulated rejection under 35 U.S.C. §101 for alleged lack of subject matter eligibility should, in Step 2A of the *Mayo/Alice* inquiry, cite to "an appropriate court decision that supports the identification of the subject matter identified in the

claim as an abstract idea" and that "Examiners should not go beyond those concepts that are similar to what the courts have identified as abstract ideas." (see, e.g., the bottom of page 2 to the top of page 3 of the May 2016 Update.

In the Office Action, the rejections under §101 are asserted as follows: "the claims are directed [sic] use disallowing [sic] user from skipping presentation of an advertising content including the steps of receiving media content and also advertisement content…modifying (changing) presentation position of the advertising, … keeping track of whether the presentation of a content is in progress …, storing presentation data … which are methods of organizing human activity, thus abstract idea."

In attempting to comply with Step 2A of the *Mayo/Alice* inquiry, the statement of rejection appearing on claim 2 of the Office Action makes the following assertions, which are respectfully submitted to be insufficient to establish similarities between the claimed subject matter and that which has previously be found to be abstract: "[t]he courts have found that using categories to organize store information for transmission (*Cyberfone*) or comparing new and stored information and using rules to identify options (*Smartgene*), organizing information through mathematical correlations, mathematical formulas, and a mathematical procedure for converting one form of numerical expression to another are all examples of judicial exceptions." While this statement correctly presents a high level synopsis of the Federal Circuit decisions in *Cyberfone Systems, LLC v. CNN Interactive Group, Inc.* (*Cyberfone*) and *SmartGene, Inc. v. Advanced Biological Laboratories, SA* (*Smartgene*), the assertion that the subject matter of either of independent claims 212 or 238 as previously presented is directed to an abstract idea based on a purported similarity to the claims in these cases reflects an insufficient level of analysis.

As an aside, it is interesting that the Office Action does not assert any similarity between the claimed subject matter and that of the claims at issue in *Ultramercial v. Hulu*, but instead alleges that the claims recite an abstract idea similar to those presented in *Cyberfone* or *Smartgene*. Unlike the cited cases, which (as discussed in more detail below) respectively relate to distribution of data received over a telephone line and selecting a treatment regimen for a patient with a known disease, the patent at issue in *Ultramercial* involved the concept of offering a media product in association with a sponsor message that a consumer of the media product would need to view in order to experience the media product. While the topic of the patent in *Ultramercial* is related to

the technical problem addressed by the subject matter of the current claims, the finding of unpatentable subject matter in *Ultramercial* should not be found to apply to the instantly claimed subject matter at least because the current claims are not truly "directed to an abstract idea" as alleged in the Office Action.

In *Ultramercial*, a Federal Circuit panel ruling affirmed (after the Supreme Court's ruling in *Alice*) a District Court decision that the claims of U.S. Patent No. 7,346,545 ("the '545 Patent") were not directed to patent eligible subject matter. Claim 1 of the '545 Patent was deemed to be representative. It reads as follows:

> 1. A method for distribution of products over the Internet via a facilitator, said method comprising the steps of:
>
> a first step of receiving, from a content provider, media products that are covered by intellectual property rights protection and are available for purchase, wherein each said media product being comprised of at least one of text data, music data, and video data;
>
> a second step of selecting a sponsor message to be associated with the media product, said sponsor message being selected from a plurality of sponsor messages, said second step including accessing an activity log to verify that the total number of times which the sponsor message has been previously presented is less than the number of transaction cycles contracted by the sponsor of the sponsor message;
>
> a third step of providing the media product for sale at an Internet website;
>
> a fourth step of restricting general public access to said media product;
>
> a fifth step of offering to a consumer access to the media product without charge to the consumer on the precondition that the consumer views the sponsor message;
>
> a sixth step of receiving from the consumer a request to view the sponsor message, wherein the consumer submits said request in response to being offered access to the media product;
>
> a seventh step of, in response to receiving the request from the consumer, facilitating the display of a sponsor message to the consumer;
>
> an eighth step of, if the sponsor message is not an interactive message, allowing said consumer access to said media product after said step of facilitating the display of said sponsor message;
>
> a ninth step of, if the sponsor message is an interactive message, presenting at least one query to the consumer and allowing

> said consumer access to said media product after receiving a response to said at least one query;
>
> a tenth step of recording the transaction event to the activity log, said tenth step including updating the total number of times the sponsor message has been presented; and
>
> an eleventh step of receiving payment from the sponsor of the sponsor message displayed.

In the Federal Circuit decision that held this claim to be patent ineligible, the abstract idea in the '545 Patent claims was identified at Step 2A of the *Mayo/Alice* inquiry as "showing an advertisement before delivering free content" or "a method of using advertising as an exchange or currency." At Step 2B, the Federal Circuit identified nothing in the "eleven individual steps" of the claim sufficient to transform the abstract idea into patent eligible subject matter, noting that the "majority of those steps comprise the abstract concept of offering media content in exchange for viewing an advertisement" and that "[a]dding 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 does not transform an otherwise abstract idea into patent-eligible subject matter."

Even a cursory review of the claims in the current application should indicate that they are significantly more technically oriented that those of the '545 Patent in *Ultramercial*, and that use of a computer in the operations claimed is not merely "tacked on" or otherwise ancillary to any abstract idea. Specifically, while the *Ultramercial* claim reproduced above includes a sequence of steps: receiving a media product, associating the media product with a selected sponsor message, offering the media product for sale at a website, restricting general public access to the media, offering access to the media to a consumer without charge on condition that the consumer views the sponsor message, receiving a request from a consumer to view the sponsor message, facilitating display of the sponsor message, performing some check based on whether the consumer has interacted sufficiently with the sponsor message, recording the transaction event (presumably associated with the consumer viewing or otherwise interacting with the sponsor message), and receiving payment from the sponsor, none of the steps are recited with any kind of implementation details regarding how the steps are performed, nor do any of these steps include limitations that require the involvement of one or more computers performing any non-conventional or non-routine or well-known operations.

Per the Federal Circuit decisions in *Enfish* and more recently in *Rapid Litigation Management v. CellzDirect* ("*CellzDirect*"), and as explicitly stated in the two further Guidance documents issued after these decisions (issued respectively on May 19, 2016 and July 14, 2016), the Office is respectfully reminded that "claims directed to software, as opposed to hardware, also are not inherently abstract" and "the 'directed to' analysis of a process claim requires more than 'merely identify[ing] a patent-ineligible concept underlying the claim' and instead requires an analysis of whether 'the end result of the process, the essence of the whole, was a patent eligible concept.'" The analysis underlying the assertion that the current subject matter is directed to an abstract idea appears to reflect a failure to properly consider Step 2A of the *Mayo/Alice* inquiry with an appropriate level of rigor.

To the extent that the current claims are construed as being directed to "an idea," that idea should more properly relate to *enabling of user-directed re-sequencing or other modifying of a user-perceptible content stream that includes digital media content and digital advertising content at pre-defined positions, where the re-sequencing or other modifying occurs while enforcing pre-defined rules associated with the digital media content and specifying positions for placement of digital advertising content relative to the digital media content* rather than to the various expressions of the alleged abstract idea stated on page 2 of the Office Action. This "idea" to which the claims are directed is not an abstract idea consistent with other ideas that the courts have previously found to be abstract under step 2A of the *Mayo/Alice* inquiry.

The operations recited in, for example, claim 212 as presented above involve, *inter alia*, sequencing (e.g. ordering) digital media content and digital advertising content into a user-perceptible content stream that includes one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content, and then, in response to a user input, adaptively modifying a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, where at least one of the one or more alternatively sequenced insertion points is different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream. In concert with this provided ability to allow a user to rearrange playback of the digital media content while still controlling placement of digital advertising content without requiring that the digital

advertising content be directly tied to some part of the digital media content, the instantly claimed approach also includes a set of control functions involving retaining a setting in memory to indicate a current state of play and disallowing a navigation choice if the state of play indicates that playback of digital advertising content is in progress.

Such an idea is not sufficiently similar to those that the courts have found to be "abstract" to support an *a priori* finding at Step 2A of the *Mayo/Alice* inquiry that the instant claims are "directed to an abstract idea." For example, unlike the claims in *Ultramercial*, the instantly claimed subject matter clearly involves a necessary and integral use of computing equipment in a manner that allows control of digital content playback interspersed with digital advertising content to be handled at a client machine and that provides "a specific implementation of a solution to a problem in the software arts" similar to the claims at issue in *Enfish*. Also similar to the claims in *Enfish*, the current claims do not add "general-purpose computer components … post-hoc to a fundamental economic practice or mathematical equation." While the *Ultramercial* claim merely "recites an abstraction—an idea, having no particular concrete or tangible form," claims 212, 238, 243, 267, 268, and 271 all clearly invoke specific operations that occur as part of the claimed solution to the problem of maintaining control of digital advertising placement within digital media content while allowing a user the ability to control how the playback occurs (e.g. an order in which the digital media content is arranged, a direction of playback, etc.) and while providing flexibility such that specific locations of digital advertising content are not rigidly tied to specific digital medial content items. This problem is one that arises only in an interactive computing environment in which a user can reorder or navigate through a sequence of media content items (e.g. segments, clips, songs, etc.) and in which that user may be dissatisfied if the rearranging or navigating results in a fixed relationship between advertising and specific media items (for example because certain rearrangements or navigations may result in overly frequent presentation of advertising relative to the amount of media content consumed by the user.

Returning to the statement of the rejections presented in the Office Action, it is respectfully submitted that the Office has not sufficiently supported the allegation that the claims are directed to an abstract idea. None of the features pointed to by the statement of rejection (e.g. disallowing a user from skipping presentation of an advertising content, receiving media content and also advertisement content, modifying or changing presentation position of the advertising, keeping

track of whether the presentation of a content is in progress, storing presentation data, etc.) have been characterized by the courts as "methods of organizing human activity." It is respectfully submitted that the Office Action fails to set out an appropriate rationale for how or why the alleged abstract idea is similar to those ideas identified by the courts as abstract. Furthermore, the assertions that the claimed subject matter is somehow similar to the abstract ideas identified in *Cyberfone* and *Smartgene* are clearly flawed.

For example, a representative claim from U.S. Patent No. 8,019,060 ("the '060 Patent"), at issue in *Cyberfone* reads as follows:

> 1. A method, comprising:
> obtaining data transaction information entered on a telephone from a single transmission from said telephone;
> forming a plurality of different exploded data transactions for the single transmission, said plurality of different exploded data transactions indicative of a single data transaction, each of said exploded data transactions having different data that is intended for a different destination that is included as part of the exploded data transactions, and each of said exploded data transactions formed based on said data transaction information from said single transmission, so that different data from the single data transmission is separated and sent to different destinations; and
> sending said different exploded data transactions over a channel to said different destinations, all based on said data transaction information entered in said single transmission.

The Office Action is correct in noting that this claim was ruled ineligible. Specifically, the District Court's decision on a motion for summary judgment that this claim was invalid under 35 U.S.C. §101 as being directed to patent ineligible subject matter was affirmed in a non-precedential decision by a Federal Circuit panel. Applying step 2A of the *Mayo/Alice* inquiry, the Federal Circuit panel in *Cyberfone* identified the abstract idea to which the claims of the '060 Patent are directed to as that of "collecting information in classified form, then separating and transmitting that information according to its classification." The Federal Circuit panel in *Cyberfone* further noted that "using categories to organize, store, and transmit information is well-established" and the "concept of categorical data storage" is well-known.

Similar to *Cyberfone*, *Smartgene* is also a non-precedential decision of a Federal Circuit panel affirming a District Court decision of patent invalidity. Claim 1 of U.S. Patent No. 6,081,786 ("the '786 patent"), which was ruled invalid by the District Court for lack of subject matter eligibility, reads as follows:

> 1. A method for guiding the selection of a therapeutic treatment regimen for a patient with a known disease or medical condition, said method comprising:
>
> (a) providing patient information to a computing device comprising:
>
> a first knowledge base comprising a plurality of different therapeutic treatment regimens for said disease or medical condition;
>
> a second knowledge base comprising a plurality of expert rules for evaluating and selecting a therapeutic treatment regimen for said disease or medical condition;
>
> a third knowledge base comprising advisory information useful for the treatment of a patient with different constituents of said different therapeutic treatment regimens;
>
> and
>
> (b) generating in said computing device a ranked listing of available therapeutic treatment regimens for said patient; and
>
> (c) generating in said computing device advisory information for one or more therapeutic treatment regimens in said ranked listing based on said patient information and said expert rules.

The Federal Circuit panel affirming the District Court decision on invalidity of this and other claims in the patent at suit in *Smartgene* characterized the steps of claim 1 of the '786 patent individually by noting that the steps of the claim amounted to nothing more than "abstract ideas that are commonly performed by medical professionals in evaluating, considering and constructing treatment options for a patient presenting a specific medical condition." For example, the Federal Circuit panel found that part a) of claim 1 involved nothing more than "the process a doctor goes through in real time when a doctor evaluates a patient by taking a medical history and obtaining information pertinent to the patient's condition and documenting the same in a medical chart" and considering "therapeutic treatment regimens for said disease or medical condition," consulting "expert rules for evaluating and selecting a therapeutic treatment regimen for said disease or medical condition," and reviewing "advisory information useful for the treatment of a patient with different constituents of said different therapeutic treatment regimens." The Federal Circuit panel

further found that part b) of claim 1 merely describes "what goes on in the mind of a doctor in evaluating and ranking possible treatment options for a patient based upon the benefits and counter-indicators of each option" while part c) of claim merely "correspond[s] to a doctor generating a treatment plan for a patient."

It is respectfully submitted that neither claims 212 and 238 nor amended claims 212 and 238 nor new independent claims 243, 267, 268, and 271 can be properly analogized to the claims at issue in either of *Cyberfone* or *Smartgene*, and the rationale stated in the Office Action for the alleged equivalence of the abstract ideas found by the Federal Circuit in these cases to the current claims is wholly inadequate to establish a *prima facie* showing that the instant claims are directed to an abstract idea. A reasoned consideration of the pending claims as currently amended should further establish that these claims cannot be properly characterized as directed to any abstract idea.

The instantly claimed software-based approach is not an abstract idea despite its ability to be used beneficially in conjunction with a scheme for enforcing an intellectual property right (e.g. copyright, etc.) of an owner of the digital media content. Rather, the subject matter of independent claims 212 and 238 relates to similar improvements in computer functioning as the claims at issue in *Enfish*. For example, the instant claims describe a new and specific approach that addresses problems and difficulties relating to control of "consumer-directed copying and redistribution of licensed material" which were present in those approaches available at the time of the invention of the claimed subject matter (e.g. in mid-2002).

As noted by the Federal Circuit panel in *Enfish*, "software patents are not inherently abstract, but can, in their own right, be directed toward improvements to computer functionality." The Office's post-*Enfish* guidance issued on May 19, 2016 also strongly cautioned against "describing a claim in a high level of abstraction untethered from the language of the claim" and noted that "an invention's ability to run on a general purpose computer does not automatically doom the claim." (see, e.g., the Memorandum on Recent Subject Matter Eligibility Decisions issued on May 19, 2016).

For at least the above-stated reasons, the instant claims cannot reasonably be construed as being directed to an abstract concept.

Accordingly, at least for the reasons noted above, the rejections under 35 U.S.C. §101 should be withdrawn because the Office has failed to make a showing that the claims are actually directed to an abstract idea. The Office is respectfully requested to confirm that the inquiry with regards to the current claims can end at Step 2A with a finding that the software-based improvements in computer-related technology recited in the instant claims are **not** directed to an abstract idea.

Step 2B of the *Mayo/Alice* Inquiry

Even assuming *arguendo,* that the claims are directed to an abstract idea, and that the abstract idea is reasonably represented by the summary of the alleged abstract idea appearing on pages 2 to 3 of the Office Action, any reasonable analysis of the limitations of the claims should reveal that their limitations amount to "significantly more" than the alleged abstract idea and are therefore sufficiently limited in scope so as to not preclude other applications of that alleged abstract idea beyond those claimed.

As explained in the May 2016 Guidance, the Office also has a clear burden with regards to step 2B of the *Mayo/Alice* analysis. Specifically, "[a]fter identifying the judicial exception," the examiner is required to "identify any additional elements (features/limitations/steps) recited in the claim beyond the judicial exception and explain why they do not add significantly more to the exception." The May 2016 Guidance further cautions that "[t]he explanation should address the additional elements both individually and as a combination when determining whether the claim as a whole recites eligible subject matter." In marked contrast to this requirement, the statement of the rejections of claims 212-242 in the instant application amounts to nothing more than a conclusory statement that "[t]he claim(s) amount[s] to 'nothing significantly more" than an instruction to apply the abstract idea of preventing of commercial skipping by using a well-known device" and are therefore "not sufficient to 'transform an abstract idea into a patent eligible invention."

As a first point the statement of the rejections does not even allege that the analysis performed included the required "taking the elements both individually and as a combination," and the statement of rejections furthermore fails to present any analysis of how such a consideration was performed. As the discussion of the claims' alleged failure to recite significantly more than

the alleged abstract idea does not even make mention of the adaptively modifying element appearing in the claims as previously presented, the implicit assertion that the proper level of effort and care was expended in considering whether the claims do in fact recite significantly more is highly suspect. Furthermore, various of the dependent claims recite additional features, which are not mentioned at all in the statement of rejection and which therefore appear to not have been considered either individually or in combination with the elements of the claims from which they depend.

For at least these reasons, even if the statement of rejection can be considered proper with regard to step 2A of the required *Mayo/Alice* analysis, the Office Action fails to make a *prima facie* showing that the claims fail to recite "significantly more" than the alleged abstract idea.

While the rejections under 35 U.S.C. §101 should be withdrawn simply due to this deficiency, the following additional arguments are presented in hopes of furthering prosecution in this matter. For example, claims 212 and 238 include ordered combinations of elements (implemented by operation of one or more processors) that include

- receiving data that includes digital media content and digital advertising content on a client system (claim 212) or transmitting such data to a client system from at least one remote system (claim 238);
- sequencing the digital media content and the digital advertising content, which includes ordering at least some of the digital media content and at least some of the digital advertising content into a user-perceptible content stream that includes one or more initially sequenced insertion points at which the digital advertising content is scheduled to be presented relative to the digital media content;
- adaptively modifying a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points using pre-defined rules and in response to a user input detected by the client system, such that at least one of the one or more alternatively sequenced insertion points is different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream;

- causing presentation of the user-perceptible content stream at the client system after the adaptively modifying;
- keeping a setting (which includes a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the user-perceptible content stream) in a first memory to indicate a current state of play;
- disallowing a navigation choice that alters a course of playback of the user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and
- storing presentation data comprising an indication of the digital advertising content that has been presented in a second memory.

Claim 271 includes similar limitations in a system (means-plus-function) claim.

While directed to subject matter of differing scope, new claims 243, 267, and 268 include an ordered combination of elements (implemented by operation of one or more processors) that include

- receiving data that includes digital media content and digital advertising content on a client system (claim 243) or transmitting such data to a client system from at least one remote system (claim 267);
- sequencing the digital media content, which includes ordering the digital media content into a user-perceptible content stream that includes a) a media section that includes at least some of the digital media content and b) an advertising block within which at least some of the digital advertising content is scheduled to be presented and which is arranged within the user-perceptible content stream at an initially defined insertion position relative to the media section;
- adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine, such that the modified user-perceptible content stream includes an alternate insertion position (which differs from the initially defined insertion position and does not have digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing), and

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where the adaptively re-sequencing includes determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content;

- causing presentation of the modified user-perceptible content stream at the client system;
- keeping a setting (which includes a value to indicate whether presentation of a required part of the digital advertising content is in progress during presentation of the modified user-perceptible content stream) in a first memory to indicate a current state of play;
- disallowing a navigation choice that alters a course of playback of the modified user-perceptible content stream while presentation of the required part of the digital advertising content is in progress; and
- storing presentation data comprising an indication of the digital advertising content that has been presented in a second memory.

Claim 268 includes similar limitations in a system (means-plus-function) claim.

The above stated ordered combinations of elements cannot be reasonably construed as well-known, conventional, or routine. These features, whether taken alone or in combination, do not resemble claim limitations that the courts have previously found to be well-understood, routine, or conventional. Furthermore, the statement of rejection makes no such assertion. In fact, and on the contrary, the noted claim limitations more closely resemble the combination of elements present in the claims at issue in *DDR Holdings* or in *Bascom v. AT&T*. For example, no court has found that implementing sequencing and adaptively modifying (claims 212, 238, and 271) or sequencing and re-sequencing (claims 243, 267, and 268) of digital media content using software-implemented features that act in response to a user input to cause presentation of a modified user-perceptible content stream with digital advertising positioned differently relative to digital media content compared to an initial position or set of positions relative to the digital media content, or anything similar to it, should be considered to be routine, well known, or conventional.

Furthermore, in *Bascom*, the Federal Circuit has explicitly acknowledged that the mere ability of a claimed invention to be used in enhancing the execution of a commercial transaction is not dispositive of it being directed to a patent ineligible concept: "the invention in DDR's patent was engineered in the context of retaining potential customers, the invention was not claiming a business method per se, but was instead claiming a technical way to satisfy an existing problem for

website hosts and viewers" (emphasis added). Such a distinction is directly relevant to the instantly claimed subject matter, which involves a technical way to solve the existing (at the time of the current invention) problem of providing internet-supplied media content with advertising in a manner that allows for arbitrary user-controlled navigation/re-ordering of the content.

The "significantly more" test (e.g. Step 2B of the *Mayo/Alice* inquiry) as applied to the currently pending claims can be further informed by a quick review of claim 1 of U.S. Patent No. 5,987,606 ("the '606 Patent) at issue in *Bascom*:

> 1. A content filtering system for filtering content retrieved from an Internet computer network by individual controlled access network accounts, said filtering system comprising:
>
> a local client computer generating network access requests for said individual controlled access network accounts; at least one filtering scheme;
>
> a plurality of sets of logical filtering elements; and
>
> a remote ISP server coupled to said client computer and said Internet computer network, said ISP server associating each said network account to at least one filtering scheme and at least one set of filtering elements, said ISP server further receiving said network access requests from said client computer and executing said associated filtering scheme utilizing said associated set of logical filtering elements.

It is notable that this claim does not actually include any elements that are "new" when considered independently. The inventive concept as identified by the Federal Circuit was "a special ISP server that receives requests for Internet content, which the ISP server then associates with a particular user and a particular filtering scheme and elements." The inventive concept of the currently claimed subject matter could reasonably be characterized as enabling the modification of a user-perceptible content stream that includes assigned positions for digital advertising content via user input in a manner that maintains control of positioning for the digital advertising content without requiring that the digital advertising content stays in fixed positions relative to the digital media content. This inventive concept is similar to that of the '606 Patent as characterized by the Federal Circuit.

The Federal Circuit in *Bascom* further noted that "although the invention in the '606 patent is engineered in the context of filtering content, the invention is not claiming the idea of filtering content simply applied to the Internet." Instead the claims relate to "a technology-based solution

(not an abstract-idea-based solution implemented with generic technical components in a conventional way) to filter content on the Internet that overcomes existing problems with other Internet filtering systems." Similarly, while the claims of the current application can be considered as having been engineered in the context of delivery of digital media content with associated digital advertising content over computer networks, they do not claim merely that idea but instead involve a technology-based solution to allow user control of an ordering (or other navigation or related playback functions) of digital media content while also controlling presentation of digital advertising content in association with the digital media content. Such an approach overcomes numerous existing problems with other media delivery technologies that were available as of the time of the current invention.

Additionally, as discussed below, the claimed combination of elements in claim 212 and 238 are not obvious in light of any prior art. And as the Office Action does not even allege that the claimed subject matter lacks novelty, the claims taken as a whole were neither known nor obvious to one of ordinary skill in the art at the time of the current invention, let alone well-known, conventional, or routine.

For at least these reasons, withdrawal of the pending rejections under 35 U.S.C. §101 is respectfully requested

Rejections under 35 U.S.C. §103

Claims 212-238 stand rejected under 35 U.S.C. §103(a) as allegedly being unpatentably obvious over Knepper in view of Hannah and further in view of Wang. Withdrawal of these rejections is respectfully requested in light of the amendments shown above and the remarks below.

Establishment of a proper *prima facie* basis upon which to reject claimed subject matter as unpatentably obvious requires the Office to consider the *Graham* factual inquiries, which include a) determining the scope and content of the prior art, b) ascertaining the differences between the claimed invention and the prior art, and c) resolving the level of ordinary skill in the pertinent art.[1] The analysis cannot stop there, however. Rather, "this analysis should be made explicit," and

[1] *Graham v. John Deere Co.*, 383 U.S. 1 (1966).

"[r]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness").[2] The Office must therefore present a clear and explicit rationale supporting the assertion that all of the claimed elements were known in the prior art and that one skilled in the art could have combined the elements as claimed by known methods with no change in their respective functions, to produce a combination yielding nothing more than predictable results to one of ordinary skill in the art.[3] Additionally, "a prior art reference must be considered in its entirety, i.e., as a whole, including portions that would lead away from the claimed invention.[4]

The approaches described in Knepper generally relate to improvements that address challenges inherent in delivery and playback of video and/or audio media files on a client-side computer (see, e.g. ¶[0007] of Knepper). Using the approach of Knepper, media files (which can include both entertainment media files and advertisement media files) are downloaded from a server to a client, and pre-cached at the client side. An instruction set (which includes tags that act as specific instructions to the client) is also downloaded from the server to the client. The tags of the instruction set direct the client as to how to arrange the pre-cached entertainment and advertisement media files such that the media files are thus assembled to form a clip immediately preceding playback, or in real-time. The formed clip has the appearance of being a single media file.

Claim 212 is amended with this paper to include additional details regarding how the adaptively modifying occurs. Specifically, and in direct contrast to the descriptions in Knepper, the "adaptively modifying" of "a presentation position of the digital advertising content" element of claim 212 involves using pre-defined rules and occurs in response to a user input detected by the client system. The presentation position of the digital advertising content is adaptively modified "from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points" and "at least one of the one or more alternatively

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[2] *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 at 419, quoting with approval *In re Kahn,* 441 F.3d 977, 988 (C.A. Fed. 2006): "

[3] See *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 at 416.

[4] MPEP §2141.02 quoting *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984).

sequenced insertion points [is] different than the one or more initially sequenced insertion points relative to the digital media content within the user-perceptible content stream." In other words, after creating a user-perceptible content stream a user input causes a modification to the user-perceptible content stream such that digital advertising content in the user-perceptible content stream after the adaptively modifying is arranged at different/alternate insertion positions relative to the digital media content. Claim 238 is directed to subject matter of different scope than claim 212, but includes similar limitations to those discussed above. Claims 243, 267, 268, and 271 likewise differ in overall scope. However, these claims include the feature of "adaptively re-sequencing the user-perceptible content stream into a modified user-perceptible content stream to reflect a user input detected at the client machine" where the modified user-perceptible content stream includes an alternate insertion position of the advertising block relative to the media section, and where the alternate insertion position differs from the initially defined insertion position and does not have digital advertising content scheduled to be presented in it in the user-perceptible content stream prior to the adaptively re-sequencing. The adaptively re-sequencing further includes determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content.

In contrast, Knepper makes clear that the insertion positions for advertising are defined by pages. For example, Knepper at [0052] describes a digital magazine having ads at fixed positions in relation to the content. A user can traverse the magazine, for example by "paging forward", but will always be presented with advertisements at fixed pre-determined locations relative to the specific content assigned to a given page.

The Office Action refers to Knepper at [0042]-[0046], which describes the concept of "paging forward 317" in reference to the "magazine" concept discussed in reference to FIG. 4 (reproduced below for reference). As described by Knepper, the magazine includes a series of pages 307, each of which includes a graphic panel 309 that displays a static image and a clip panel 311 that displays a moving picture. The clip panels 311 can be "show video clips" or "ad video clips," and playback of the clip panels 311 on the single page 307 is handled such that they appear together to be "a single, continuous clip" (see, e.g. ¶[0038] of Knepper). A user can page forward to another page (e.g. to page 2 319 or page 3 321) in the magazine, and the "single, continuous

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clip" defined by the instruction for the page to which the user has paged forward can then be played.

With Knepper, and with particular reference to paragraphs [0052], [0059], [0063], and [0084], entertainment files can have associated advertisement files (i.e., the same advertisement is always played with the same entertainment file) or they can have unassociated advertisement files (i.e., an advertisement file is always played with the entertainment file – but it can be one of several advertisement files). What is not changeable in Knepper, however, are the actual insertion locations at which advertising is presented relative to the content on any given page. Thus, a user of the approach described in Knepper may choose to navigate between pages 307 as discussed above. However, as shown in Knepper's FIG. 4 (reproduced below for reference) on any given page 307, there is a fixed "show video clip" 311 and an "ad video clip" 311. While Knepper describes that the advertising presented in the "ad video clip" positions can optionally be rotated, any given ad video clip spot on a page is always associated with the show video clip 311 assigned to that page. Thus, if a user moves to another page, the placement of advertising (e.g. the insertion point for an advertising block) is always fixed relative to the specific show video clip 311 on that page.

As discussed in ¶[0041] of Knepper and not contravened or otherwise described differently elsewhere in Knepper, "[t]he entertainment media files include indications within the files, or possibly in an external file, pointing to where, if at all, the entertainment media files may have advertisement media files inserted therein." In other words, the approach of Knepper requires defining of fixed, specific locations into which ad video clips are inserted into or before or after specific show video clips. This requirement is made explicit in ¶[0041]: "[t]he server also sends a text file containing a set of instructions indicating which advertisement media files from among the pre-cached advertisement media files to insert into the entertainment media file at run time, how many advertisement media files to insert, and where to insert them." (Emphasis added). While the specific advertisement media files to be played at one of the defined insertion points need not be specified exactly (e.g., "the instruction file can allow the client application to make its own random or pseudo-random selection, subject to any positive and negative associations, for playing back with the entertainment media file" as discussed in ¶[0041]), the location of insertion points

("where to insert them") are explicitly and rigidly defined relative to specific show video clips. See, e.g., Knepper at ¶[0046] and/or at ¶[0055]:

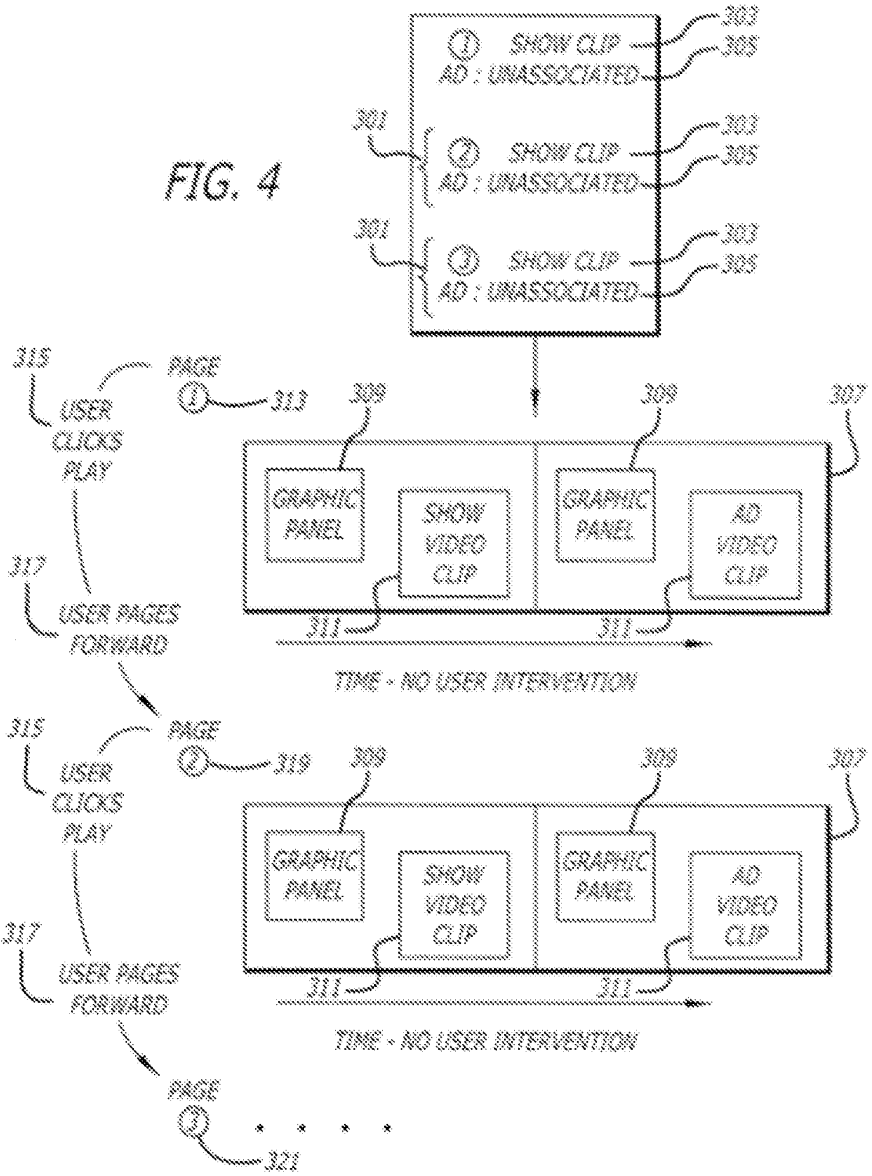
> The sequence of events relating to the arrangement of the various files prior to playback is particular and is dictated by the instruction set or text file. The text file lists the order of the show clips and contains the instruction sets surrounding each of the show clips. Knepper, ¶[0046]
>
> ***
>
> All of the information between the <ClipTag> tags defines a single page within a magazine. The information between <ADInsert> tags defines an advertisement. The placement of the <ADInsert> tags within the ClipTag section dictates the sequence of advertisement and entertainment media files. Knepper, ¶[0055]

In other words, a user of the Knepper-described approach may navigate (e.g. sequentially forward or backward in the same structured sequence, but not altering the construction of content and advertising sequence) between pages in the magazine such that the media player will play a different show video clip (i.e. the show video clip on the new page) than one being currently viewed (i.e. the show video clip on the current page). One or more advertisement video clips are played as defined for the page that is being viewed. Because the instruction set strictly defines the page to which a show video clip is assigned and when during playback the one or more advertisement video clips are played in relation to the show video clip (which specific associated relationships or locations are defined by the instruction set), and while different advertisement video clips can be played in a rotation within these specific associated relationships or locations, the specific associated relationships or locations are not changeable in response to user navigation commands. (Emphasis added).

In contrast, the subject matter of the instant claims causes an alternate insertion position/one or more alternatively sequenced insertion points for digital advertising content in the adaptively re-sequenced/adaptively modified user-perceptible content stream to be different than those in the user-perceptible content stream before the adaptively re-sequencing/adaptively modifying such that an insertion position for digital advertising content relative to a media section of the digital media content change from the user-perceptible content stream to the modified user-

perceptible content stream/the user-perceptible content stream post adaptively modifying. This changing of the insertion position/insertion points of digital advertising content occurs explicitly as a result of user interaction, which is directly and unequivocally contrary to the approach described in Knepper (see, e.g., Knepper Fig 4, which repeatedly states "no user intervention" with the combination of content and advertising).

FIG. 4



As such, the current subject matter does not merely differ from Knepper in a manner that can be remedied by addition of a secondary reference. Instead, modifying Knepper as asserted in the Office Action would require an impermissible change in the manner in which Knepper's approach is described to operate, for example by adding an entire re-sequencing mechanism which does not exist in Knepper and would contravene the explicit barring of changing of the locations of advertising placements relative to "show clips," which is specifically ruled out by Fig 4 above. There is simply no way that one of ordinary skill in the art would consider the proffered combination of Knepper, Wang, and Hannah to be possible without requiring a clear change in the functioning of Knepper's approach. This combination therefore cannot properly support a *prima facie* case of obviousness of either of claims 212 or 238 (or any claims depending therefrom).

Furthermore, as noted in MPEP §2143.01, if a proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claims prima facie obvious. *In re Ratti*, 270 F.2d 810, 123 USPQ 349 (CCPA 1959). The Office must therefore present a clear rationale supporting the assertion that all of the claimed elements were known in the prior art and that one skilled in the art could have combined the elements as claimed by known methods with no change in their respective functions, to produce a combination yielding nothing more than predictable results to one of ordinary skill in the art. *KSR*, 82 USPQ2d at 1395. MPEP §2141.02 further notes that "a prior art reference must be considered in its entirety, i.e., as a whole, including portions that would lead away from the claimed invention. *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). In the instant claims as they relate to Knepper, Knepper's clear and explicit exclusion of the ability of a user to interact and thereby change the relationship of advertising placement relative to a show on a page is a deficiency that cannot be remedied by examiner argument or even by addition of another reference. Rather, it should be grounds for disqualifying Knepper as relevant prior art usable in any combination capable of supporting a finding of *prima facie* obviousness. This issue alone should be sufficient to require withdrawal of the currently pending rejections.

However, even if the Office were to assert that Knepper can properly be taken in combination with other references, none of the prior art of record in this matter describes or suggests the current approach whether taken individually or in combination. For example, Wang

and Hannah are cited merely as allegedly rendering unpatentably obvious the features relating to prevention of skipping of advertising. Neither reference addresses the clear deficiency in Knepper with regard to the currently pending claims.

For at least these reasons, withdrawal of the pending rejections of claims 212 and 238 under 35 U.S.C. §103(a) is respectfully requested. New independent claims 243, 267, 268, and 271 are believed to also be allowable as are all claims depending from any independent claim in the current paper at least because of dependency from an allowable base claim. Further with regard to certain dependent claims, the Office continues to ignore specific features which are not present in Knepper, which applicant has previously pointed out, and which the grounds for rejection stated in the Office Action still do not adequately address in a manner sufficient to produce a *prima facie* basis for the alleged obviousness of these claims.

For example, with regard to claim 227, Knepper is silent as to sub-division of a media file into segments as part of generating a first sequence as recited. The cited paragraphs, including paragraph [0038]-[0040] do not state that an entertainment media file is sub- divided in any fashion as taught by the current claims. Stated differently, Knepper can provide individual segments that together comprise a show, but Knepper does not segment / divide or otherwise split a single file physically, heuristically, or otherwise for purposes of ad insertion based on user interaction with media content. None of the other references are alleged to cure this deficiency. As such, the rejection under 35 U.S.C. § 103 of claim 227 should be withdrawn even if the rejection of claim 212 is maintained.

Claim 236 stands rejected based on paragraphs in Knepper that are not pertinent to the claimed subject matter, and as such, these rejections are improper. There is no suggestion in Knepper (whether in cited paragraphs [0051] – [0056], [0081] – [0088] or otherwise) that the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream. For example, Knepper [0051] relates to how media is downloaded and Knepper [0052]-[0056] relate to how advertisement and entertainment files are sequenced (without any reference to maintaining a number of played media files as recited). As such, the rejection under 35 U.S.C. § 103 of claim 236 should be withdrawn even if the rejection of claim 212 is maintained.

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CONCLUSION

On the basis of the foregoing amendments, the pending claims are in condition for allowance. It is believed that all of the pending claims have been addressed in this paper. However, failure to address a specific rejection, issue or comment, does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above are not intended to be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper.

This paper is filed concurrently with a petition for a three-month extension of time and the associated fees. While new claims are added in this paper, the original filing of this application included five independent claims and 108 total claims. Payment for at least 88 total claims in excess of 20 and two independent claims in excess of three has been previously submitted in this matter. As such, no additional claim fees are believed due at this time. However, the Commissioner is hereby authorized to charge any additional claim fees and any additional fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311, Reference No. 42327-501001US. If there are any questions regarding this reply, the Examiner is encouraged to contact the undersigned at the telephone number provided below.

Dated: August 1, 2016

Respectfully submitted,

By /mdvl/
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Attorney for Applicant

Hulu, LLC - Ex. 1006, Page 000616

Doc Code: MES.GIB
Document Description: Certification of Micro Entity Status (Gross Income Basis)

PTO/SB/15A (07-14)

CERTIFICATION OF MICRO ENTITY STATUS
(GROSS INCOME BASIS)

Application Number or Control Number (if applicable):	Patent Number (if applicable):
10/606,729	
First Named Inventor:	**Title of Invention:**
Philip Donian	Method and apparatus for the Free Licensing of Digital Media Content

The applicant hereby certifies the following—

(1) **SMALL ENTITY REQUIREMENT –** The applicant qualifies as a small entity as defined in 37 CFR 1.27.

(2) **APPLICATION FILING LIMIT –** Neither the applicant nor the inventor nor a joint inventor has been named as the inventor or a joint inventor on more than four previously filed U.S. patent applications, excluding provisional applications and international applications under the Patent Cooperation Treaty (PCT) for which the basic national fee under 37 CFR 1.492(a) was not paid, and also excluding patent applications for which the applicant has assigned all ownership rights, or is obligated to assign all ownership rights, as a result of the applicant's previous employment.

(3) **GROSS INCOME LIMIT ON APPLICANTS AND INVENTORS –** Neither the applicant nor the inventor nor a joint inventor, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986 (26 U.S.C. 61(a)), exceeding the "Maximum Qualifying Gross Income" reported on the USPTO Web site at http://www.uspto.gov/patents/law/micro_entity.jsp which is equal to three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census.

(4) **GROSS INCOME LIMIT ON PARTIES WITH AN "OWNERSHIP INTEREST" –** Neither the applicant nor the inventor nor a joint inventor has assigned, granted, or conveyed, nor is under an obligation by contract or law to assign, grant, or convey, a license or other ownership interest in the application concerned to an entity that, in the calendar year preceding the calendar year in which the applicable fee is being paid, had a gross income, as defined in section 61(a) of the Internal Revenue Code of 1986, exceeding the "Maximum Qualifying Gross Income" reported on the USPTO Web site at http://www.uspto.gov/patents/law/micro_entity.jsp which is equal to three times the median household income for that preceding calendar year, as most recently reported by the Bureau of the Census.

SIGNATURE by an authorized party set forth in 37 CFR 1.33(b)

Signature	/mdvl/				
Name	Michael D. Van Loy				
Date	August 1, 2016	Telephone	(858) 314-1559	Registration No.	52,315

☐ There is more than one inventor and I am one of the inventors who are jointly identified as the applicant. The required additional certification form(s) signed by the other joint inventor(s) are included with this form.

Electronic Patent Application Fee Transmittal

Application Number:	10606729
Filing Date:	26-Jun-2003
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Filer:	Michael David VanLoy/Karen LePari
Attorney Docket Number:	42327-501001US

Filed as Micro Entity

Filing Fees for Utility under 35 USC 111(a)

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Basic Filing:				
Pages:				
Claims:				
Independent Claims in Excess of 3	3201	1	105	105
Miscellaneous-Filing:				
Petition:				
Patent-Appeals-and-Interference:				
Post-Allowance-and-Post-Issuance:				

Description	Fee Code	Quantity	Amount	Sub-Total in USD($)
Extension-of-Time:				
Extension - 3 months with $0 paid	3253	1	350	350
Miscellaneous:				
		Total in USD ($)		**455**

Electronic Acknowledgement Receipt	
EFS ID:	26514887
Application Number:	10606729
International Application Number:	
Confirmation Number:	5831
Title of Invention:	Method and apparatus for the free licensing of digital media content
First Named Inventor/Applicant Name:	Philip M. Donian
Customer Number:	64046
Filer:	Michael David VanLoy/Karen LePari
Filer Authorized By:	Michael David VanLoy
Attorney Docket Number:	42327-501001US
Receipt Date:	01-AUG-2016
Filing Date:	26-JUN-2003
Time Stamp:	20:22:17
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	yes
Payment Type	Deposit Account
Payment was successfully received in RAM	$455
RAM confirmation Number	6145
Deposit Account	500311
Authorized User	VAN LOY, MICHAEL
The Director of the USPTO is hereby authorized to charge indicated fees and credit any overpayment as follows: Charge any Additional Fees required under 37 CFR 1.16 (National application filing, search, and examination fees) Charge any Additional Fees required under 37 CFR 1.17 (Patent application and reexamination processing fees)	

Charge any Additional Fees required under 37 CFR 1.19 (Document supply fees)

Charge any Additional Fees required under 37 CFR 1.20 (Post Issuance fees)

Charge any Additional Fees required under 37 CFR 1.21 (Miscellaneous fees and charges)

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1		42327-501001US_RspToNFOA_01AUG2016.pdf	388844 9d408d9a99db61cdea7fe9080d76c00cec0f17f4	yes	40
	Multipart Description/PDF files in .zip description				
	Document Description		**Start**	**End**	
	Amendment/Req. Reconsideration-After Non-Final Reject		1	1	
	Applicant summary of interview with examiner		2	2	
	Claims		3	16	
	Applicant Arguments/Remarks Made in an Amendment		17	40	
Warnings:					
Information:					
2	Certification of Micro Entity (Gross Income Basis)	42327-501001US_CertificationOfMicroEntityStatus_01AUG2016.pdf	59279 c88921021a8baf905e08a3fdae5bf1f6e414f3cd	no	1
Warnings:					
Information:					
3	Fee Worksheet (SB06)	fee-info.pdf	31889 478404e8c9804891e51ef1e816106b4beb3adfcf	no	2
Warnings:					
Information:					
		Total Files Size (in bytes):	480012		

This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office

If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

PTO/SB/06 (09-11)
Approved for use through 1/31/2014. OMB 0651-0032
U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE
Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number.

PATENT APPLICATION FEE DETERMINATION RECORD Substitute for Form PTO-875	Application or Docket Number 10/606,729	Filing Date 06/26/2003	☐ To be Mailed

ENTITY: ☐ LARGE ☐ SMALL ☒ MICRO

APPLICATION AS FILED – PART I

	(Column 1)	(Column 2)		
FOR	NUMBER FILED	NUMBER EXTRA	RATE ($)	FEE ($)
☐ BASIC FEE (37 CFR 1.16(a), (b), or (c))	N/A	N/A	N/A	
☐ SEARCH FEE (37 CFR 1.16(k), (i), or (m))	N/A	N/A	N/A	
☐ EXAMINATION FEE (37 CFR 1.16(o), (p), or (q))	N/A	N/A	N/A	
TOTAL CLAIMS (37 CFR 1.16(i))	minus 20 =	*	X $ =	
INDEPENDENT CLAIMS (37 CFR 1.16(h))	minus 3 =	*	X $ =	
☐ APPLICATION SIZE FEE (37 CFR 1.16(s))	If the specification and drawings exceed 100 sheets of paper, the application size fee due is $310 ($155 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).			
☐ MULTIPLE DEPENDENT CLAIM PRESENT (37 CFR 1.16(j))				
* If the difference in column 1 is less than zero, enter "0" in column 2.			TOTAL	

APPLICATION AS AMENDED – PART II

AMENDMENT		(Column 1)		(Column 2)	(Column 3)		
	08/01/2016	CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	* 60	Minus	** 137	= 0	X $20 =	0
	Independent (37 CFR 1.16(h))	* 6	Minus	***5	= 1	X $105 =	105
	☐ Application Size Fee (37 CFR 1.16(s))						
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))						
						TOTAL ADD'L FEE	**105**

AMENDMENT		(Column 1)		(Column 2)	(Column 3)		
		CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	*	Minus	**	=	X $ =	
	Independent (37 CFR 1.16(h))	*	Minus	***	=	X $ =	
	☐ Application Size Fee (37 CFR 1.16(s))						
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))						
						TOTAL ADD'L FEE	

* If the entry in column 1 is less than the entry in column 2, write "0" in column 3.
** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 20, enter "20".
*** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 3, enter "3".
The "Highest Number Previously Paid For" (Total or Independent) is the highest number found in the appropriate box in column 1.

LIE
HENRIETT K. DENDY

This collection of information is required by 37 CFR 1.16. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.

PTO/SB/06 (09-11)
Approved for use through 1/31/2014. OMB 0651-0032
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PATENT APPLICATION FEE DETERMINATION RECORD Substitute for Form PTO-875	Application or Docket Number 10/606,729	Filing Date 06/26/2003	☐ To be Mailed

ENTITY: ☐ LARGE ☐ SMALL ☒ MICRO

APPLICATION AS FILED – PART I

	(Column 1)	(Column 2)		
FOR	NUMBER FILED	NUMBER EXTRA	RATE ($)	FEE ($)
☐ BASIC FEE (37 CFR 1.16(a), (b), or (c))	N/A	N/A	N/A	
☐ SEARCH FEE (37 CFR 1.16(k), (i), or (m))	N/A	N/A	N/A	
☐ EXAMINATION FEE (37 CFR 1.16(o), (p), or (q))	N/A	N/A	N/A	
TOTAL CLAIMS (37 CFR 1.16(i))	minus 20 =	*	X $ =	
INDEPENDENT CLAIMS (37 CFR 1.16(h))	minus 3 =	*	X $ =	
☐ APPLICATION SIZE FEE (37 CFR 1.16(s))	If the specification and drawings exceed 100 sheets of paper, the application size fee due is $310 ($155 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).			
☐ MULTIPLE DEPENDENT CLAIM PRESENT (37 CFR 1.16(j))				
* If the difference in column 1 is less than zero, enter "0" in column 2.			TOTAL	

APPLICATION AS AMENDED – PART II

AMENDMENT		(Column 1)		(Column 2)	(Column 3)		
	08/01/2016	CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	* 59	Minus	** 137	= 0	X $20 =	0
	Independent (37 CFR 1.16(h))	* 5	Minus	***5	= 0	X $105 =	0
	☐ Application Size Fee (37 CFR 1.16(s))						
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))						
						TOTAL ADD'L FEE	**0**

AMENDMENT		(Column 1)		(Column 2)	(Column 3)		
		CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NUMBER PREVIOUSLY PAID FOR	PRESENT EXTRA	RATE ($)	ADDITIONAL FEE ($)
	Total (37 CFR 1.16(i))	*	Minus	**	=	X $ =	
	Independent (37 CFR 1.16(h))	*	Minus	***	=	X $ =	
	☐ Application Size Fee (37 CFR 1.16(s))						
	☐ FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM (37 CFR 1.16(j))						
						TOTAL ADD'L FEE	

* If the entry in column 1 is less than the entry in column 2, write "0" in column 3.

** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 20, enter "20".

*** If the "Highest Number Previously Paid For" IN THIS SPACE is less than 3, enter "3".

The "Highest Number Previously Paid For" (Total or Independent) is the highest number found in the appropriate box in column 1.

LIE
/MOLIKI MAY/

This collection of information is required by 37 CFR 1.16. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.

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UNITED STATES DEPARTMENT OF COMMERCE
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www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/606,729	06/26/2003	Philip M. Donian	42327-501001US	5831

64046 7590 10/12/2016

Mintz Levin/San Diego Office
One Financial Center
Boston, MA 02111

EXAMINER	
RETTA, YEHDEGA	

ART UNIT	PAPER NUMBER
3622	

NOTIFICATION DATE	DELIVERY MODE
10/12/2016	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

IPDocketingBOS@mintz.com
IPFileroombos@mintz.com

Office Action Summary	Application No. 10/606,729	Applicant(s) DONIAN ET AL.	
	Examiner YEHDEGA RETTA	Art Unit 3622	AIA (First Inventor to File) Status No

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTHS FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *8/1/16*.

☐ A declaration(s)/affidavit(s) under **37 CFR 1.130(b)** was/were filed on _____.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ An election was made by the applicant in response to a restriction requirement set forth during the interview on _____; the restriction requirement and election have been incorporated into this action.

4)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims*

5)☒ Claim(s) *212,214-223 and 225-273* is/are pending in the application.

5a) Of the above claim(s) _____ is/are withdrawn from consideration.

6)☐ Claim(s) _____ is/are allowed.

7)☒ Claim(s) *212,214-223 and 225-273* is/are rejected.

8)☐ Claim(s) _____ is/are objected to.

9)☐ Claim(s) _____ are subject to restriction and/or election requirement.

* If any claims have been determined allowable, you may be eligible to benefit from the **Patent Prosecution Highway** program at a participating intellectual property office for the corresponding application. For more information, please see http://www.uspto.gov/patents/init_events/pph/index.jsp or send an inquiry to PPHfeedback@uspto.gov.

Application Papers

10)☐ The specification is objected to by the Examiner.

11)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

Certified copies:

a)☐ All b)☐ Some** c)☐ None of the:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

** See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Information Disclosure Statement(s) (PTO/SB/08a and/or PTO/SB/08b) Paper No(s)/Mail Date _____.

3) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .

4) ☐ Other: _____.

DETAILED ACTION

Notice of Pre-AIA or AIA Status

The present application is being examined under the pre-AIA first to invent provisions.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 212, 214-223 and 225-273 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter (abstract idea). The rationale for this finding is explained below.

In the instant case, the claims are directed to re-sequencing or modifying (changing) the presentational position of advertisement in response to a user input. Receiving contents, transmitting contents, sequencing contents, modifying or re-sequencing (changing) presentational position of content, causing presentation, keeping a setting, storing presentation data are steps that can be performed mentally, thus an abstract idea. The courts have found that using categories to organize store information for transmission (Cyberfone), or comparing new and stored information and using rules to identify options (SmartGene), organizing information through mathematical correlations, mathematical formulas, and a mathematical procedure for converting one form of numerical representation to another are all examples of judicial exceptions.

The claims recite a client and a remote system (computer) to transmit and receive data ... The claim(s) "amount[s] to 'nothing significantly more' than an instruction to apply the abstract idea of" preventing of commercial skipping by using a well-known device. Under Alice, that is not sufficient "to transform an abstract idea into a patent-eligible invention" Id.

Taking the claim elements individually, the functions performed by the computer at each step of the process are purely conventional. Providing a generic software tool (i.e., a media player in a client system and a remote server for transmitting media), receiving generic data by the user (i.e., digital media content), processing generic data (e.g., sequencing and re-sequencing the contents), presenting generic data (e.g. content stream) and keeping a setting (storing data) and also disallowing a navigational choice (e.g. disabling or enabling of skipping or forwarding functions). Examiner acknowledges the technical limitations of a client computer with a media player software and a remote computer. However, Courts have recognized that receiving, processing, and storing data, as well as, receiving or transmitting data over a network are well-understood, routine, and conventional functions when they are claimed in a merely generic manner. Here, the computer functions are claimed in a generic manner that amounts to nothing more than using them to implement the abstract idea. The additional limitation of using a media player for presenting media stream with disabling and enabling function is not being used in a novel and unique way. It is merely performing the routine function of a media player typically found in a computer. See July 2015 Update to the 2014 Interim Guidance on Subject Matter Eligibility; Alice; Ultramercial; buy SAFE, Inc. v. Google, Inc.; Cyberfone Systems, LLC v. CNN Interactive Group, Inc.

Even when considered as an ordered combination, the computer components add nothing that is not already present when the steps are considered separately. Viewed as a whole, the claims simply convey the abstract idea itself applied on some generic computer system. The claims at issue amount to nothing significantly more than an instruction to apply the abstract idea using some unspecified, generic computer.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112(a):

> (a) IN GENERAL.—The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor or joint inventor of carrying out the invention.

The following is a quotation of the first paragraph of pre-AIA 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 212, 214-223 and 225-273 are rejected under 35 U.S.C. 112(a) or 35 U.S.C. 112 (pre-AIA), first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor or a joint inventor, or for pre-AIA the inventor(s), at the time the application was filed, had possession of the claimed invention.

Claim 212 recites … adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, *at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content* within the user-perceptible content stream.

The specification discloses that the intersplicer has the ability to adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content, by means of playback controls (see [0117]). Further the specification discloses that the method has the power to require and enforce the presentation of paid advertisements inserted at regular intervals within the requested media content ... [0133])… , the advertisement sequencing that may occur in combination over a playback sequence of requested audio or video media content.

Examiner could not find a support for the following claimed language.

"adaptively modifying, using pre-defined rules and in response to a user input detected by the client system, a presentation position of the digital advertising content from at least one of the one or more initially sequenced insertion points to one or more alternatively sequenced insertion points, *at least one of the one or more alternatively sequenced insertion points being different than the one or more initially sequenced insertion points relative to the digital media content* within the user-perceptible content stream".

Claims 238, 243, 267, 268 and 271 recite similar language and are also rejected for the same reason stated above.

Claims 222, 223, 264 and 265, recite the *adaptively modifying or re-sequencing is performed by at least one remote system.*

Examiner could not find support for what is highlighted above in regards to claims 222, 223, 264 and 265.

Claim 250 also, recite and wherein the adaptively resequencing comprises determining when to re-schedule the advertising block into the modified user-perceptible content stream, the determining comprising applying the track-count based and/or elapsed time-based logic.

Applicant's specification discloses:

[0236] In step 712, the intersplicer performs any necessary adaptive ad selection. If an unsegmented title or track is currently in progress, the adaptive logic keeps track of the number of tracks played, and the time passed since the last ad ended. *Depending on values in the ad selection parameters, the intersplicer will apply some combination of track count-based and elapsed time-based logic (or any other desirable criteria) to decide when to call for a commercial break.* When it decides to insert a break, it uses the data in the ad preference parameters 678 and the ad preference tables 676 to select individual ads from the master ad table 670 to put into the block, and orders them in the way that best fits the preference parameters of all the ads in the block.

The specification, however does not disclose wherein the one or more pre-defined placement rules comprise track-count based and/or elapsed time-based logic, and *wherein the adaptively resequencing comprises determining when to re-schedule the advertising block into the modified user-perceptible content stream, the determining comprising applying the track-count based and/or elapsed time-based logic.*

Claim Rejections - 35 USC § 103

The following is a quotation of pre-AIA 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 212, 214-223, 225-232, 234-249, 251-255 and 257-273 are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper et al. (2001/0042249) in view of Hannah et al. (US 7,761,327 B1) and further in view of Wang (US 20020191950 A1).

Claims 212, 213, 225, 231, 232, 238, 243-245, 267-273 :

Knepper teaches receiving, at a client system (transmitted by at least remote system), data comprising digital media content and digital advertising content; sequencing the digital media content and the digital advertising content... ordering the digital content and the digital advertising content into a user-perceptible content (see fig, 7, 8, [0034]-[0041], [0049]-[0056]);

receiving, a user input representing one or more navigational choices associated with a presentation of the content stream (*play forwarding, skipping*), modifying (re-sequencing), using a pre-defined rules presentation position of an advertisement from initial sequenced position to alternative sequenced insertion point (position); causing the presentation of the content stream at the client system after modifying (see [0034]-[0042], [0059]).

Knepper teaches that an advertisement file is appended to a media file such that the entertainment and advertisement files are played to appear as a single clip ... <ADInsert> is a tag that is recognized by the client application as specific instructions regarding treatment of the

advertising media files ... using this tags the server can direct the client to place an ad before, during or after a media file during playback of media files in the magazine page (see [0052] ... the client displays the entertainment media file before it plays the advertisement media file ... when the entertainment media file is finished playing, **the advertisement media file immediately proceeds without the appearance of a page turn** (see [0059]).

Knepper teaches (Fig.7) plurality of clips, has its associated instruction set stored on the server 601; the instruction delivered to the client 603; according to the instructions advertisement media file 611 are selected to be shown according to the association (see [0062]). *Same as applicant's disclosure, the advertisement and the media of Knepper which were sequenced to be played in a predefined order, when the user skips or forwards to a different music (e.g. to a third media in the sequence after playing the first media in the sequence), the ad appended to the media (third media) would also be played as a second in the sequence (the media and ad combination) instead of the ad appended to the second media in the sequence (playlist) (see applicant's specification [0144]-[0149]).*

Knepper does not explicitly teach keeping a setting in a first memory to indicate a current state of play, the setting including a value to indicate whether presentation of a required part of the digital advertising content is in progress and storing presentation data an indication of the digital advertising content that has been presented during the presentation of the content stream. Hannah teaches detecting whether material is played in full at the predetermined play speed and is not muted, masked, fast forwarded or stripped from the content (see col. 2 line 16-28) … determining whether the time for a commercial has arrived …determining if commercial insertion time has arrived (before the content is actually played)… determining that a

commercial has been played appropriately … whether the commercial is played for the desired amount of time and at the desired speed … may report to external sources that the advertisement was actually played as intended (see col. 3 lines 8-53). It would have been obvious to one of ordinary skill in the art at the time of the invention to include Hannah's setting (detector), in Knepper advertisement in video streaming in order to determine whether the advertisement was played in full before allowing the user to play the next media file in the sequence.

Wang teaches disallowing a navigation choice of the one or more navigational choices that alter a course of the playback of the content stream while the presenting of advertising content is in progress. Wang teaches if the skipping control device determines that the content classification signal indicates that the current portion of the video signal has commercial content the device disables all manual and automated skipping functions...(see [0028]-[0033]) It would have been obvious to one of ordinary skill in the art at the time of the invention to disallow navigation choice (fast-forward skip or bypass the advertisement), as in Wang, in Knepper's playback of media files in order to prevent a user from fast forwarding or skipping the commercials.

Claim 214:

Knepper teaches wherein the causing of presentation of the content stream on the client system comprises causing display of the presentation of the content stream by way of a graphical user interface (see fig. 6).

Claims 215, 216, 217:

Knepper teaches wherein the receiving of the user input and the adaptively modifying occur during the causing of the presentation of the content stream on the client system; wherein

the receiving of the user input and the adaptively modifying occur prior the causing of the presentation of the content stream on the client system; wherein the receiving of the user input and the adaptively modifying occur subsequent to the causing of the presentation of the content stream on the client system (see [0042]-[0046]).

Claim 218-223:

Knepper teaches wherein the sequencing and the adaptive modifying are performed by the client system; wherein the pre-defined rules specify the one or more initially sequenced insertion points; wherein the pre-defined rules specify the one or more alternately sequenced insertion; sequencing and the adaptively modifying are performed by a client or remote system … (see [0046]-[0067], [0087], [0088]).

Claims 226, 227:

Knepper teaches wherein the advertising content comprises at least one advertisement file; generating a sequence by sub-dividing a media file into two or more segments, and wherein at least a portion of at least one of the advertising files is presented between two of the segments ([0038]-[0046).

Claim 228-230:

Knepper teaches wherein the user input results in a change of a sequence of two or more media files by subtracting an existing media file, or by re-arranging the sequence of media files or results in a change of sequence by adding a new media file; wherein the user input comprises the one or more navigational choices for the content stream wherein the navigation command is selected from a group consisting of: play, stop, pause/continue, reverse, rewind, fast-forward,

slow-motion, track advance, frame-by-frame advance, go direct to point or page in sequence, advance chapter, page turn, change track, change media selection, and shuttle knob (see fig. 6, [0042]-[0046]).

Claim 234:

Knepper teaches sending, by a remote system to the client system, additional advertising content during presenting of at least a part of the content stream (see [0078]-[0084]).

Claim 236:

Knepper teaches wherein the pre-defined rules position the advertisement content based on an amount of media content played during presentation of the content stream (see [0051]-[0056], [0081-0088]).

Claim 237:

Knepper teaches wherein the adaptively modifying uses two or more of the pre-defined rules for determining the corresponding presentation position of the at least a part of the digital advertising content. … (see [0046]-[0067], [0087], [0088]).

Claims 239-242:

Knepper teaches wherein the first memory and/or the second memory are part of the client system or the remote system (see [0029]-[0037] see also Hannah col. 3 line 35-58).

Claim 246, 247:

Knepper teaches wherein the arbitrary direction of playback within the user-perceptible content, wherein the arbitrary direction of playback comprises skipping the media section and/or

one or more other media sections that comprise at least some of the digital media content (see fig. 6, [0042]-[0046]).

Claim 248:

Knepper teaches wherein the user input comprises a reordering of the media section and/or one or more other media sections that comprise at least some of the digital media content within the user-perceptible content stream (see fig. 6, [0042]-[0046]).

Claim 249.

Knepper teaches wherein the user input comprises the repositioning of the media section relative to one or more media sections within the user-perceptible content stream (see fig. 6, [0042]-[0046]).

Claims 251-254:

Knepper teaches wherein the first memory and/or the second memory are part of the client system or the remote system (see [0029]-[0037] see also Hannah col. 3 line 35-58).

Claim 255:

Knepper teaches wherein the adaptively re-sequencing comprises use of two or more of the pre-defined rules for determining the corresponding presentation position of the at least a part of the digital advertising content. … (see [0046]-[0067], [0087], [0088]).

Claim 257:

Knepper teaches wherein the causing of presentation of the content stream on the client system comprises causing display of the presentation of the content stream by way of a graphical user interface (see fig. 6).

Claims 258-260:

Knepper teaches wherein the receiving of the user input and the adaptively modifying occur during the causing of the presentation of the content stream on the client system; wherein the receiving of the user input and the adaptively modifying occur prior the causing of the presentation of the content stream on the client system; wherein the receiving of the user input and the adaptively modifying occur subsequent to the causing of the presentation of the content stream on the client system (see [0042]-[0046]).

Claim 261-266:

Knepper teaches wherein the sequencing and the adaptive modifying are performed by the client system; wherein the pre-defined rules specify the one or more initially sequenced insertion points; wherein the pre-defined rules specify the one or more alternately sequenced insertion; sequencing and the adaptively modifying are performed by a client or remote system … (see [0046]-[0067], [0087], [0088]).

Claims 233 and 256 are rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper et al. (2001/0042249) in view of Hannah et al. (US 7,761,327 B1) and further in view of Wand (US 20020191950 A1).

Claims 233, 256:

Knepper does not teach rotating new advertising content into the content stream in response to the user-generated input. However official notice is taken that it is old and well known in the art of marketing to rotate advertisements. It would have been obvious to one of

ordinary skill in the art at the time of the invention to rotate the advertisements of Knepper in order to for the viewer not to lose interest on the advertisements.

Claim 250 is rejected under pre-AIA 35 U.S.C. 103(a) as being unpatentable over Knepper et al. (2001/0042249) in view of Hannah et al. (US 7,761,327 B1) and further in view of Wang (US 20020191950 A1) and further in view of Oh (US 2002/0161739 A1).

Claim 250:

Knepper teaches advertisements can be appended to a media files such that the advertisements are played to appear as a single clip (see [0052]) … inserting advertisement into media according to rules and placement of advertisement can be indicated by the content provider by specifying which clips may be preceded or followed by ads or ads can be randomly placed … Knepper recognizes that when the user skips or forwards to a different media in the sequence (out of sequence) the ad appended to the media playing would also be played (as the media and advertisement to appear as a single clip) [0144]-[0149]). Oh teaches wherein the one or more pre-defined placement rules comprise track-count based and/or elapsed time-based logic, (see fig. 2b, [0037]-[0041]). Oh teaches the break point may be a predetermined time from the start of playing a multimedia content or a number of specific frame of multimedia content and the server stops retrieving the multimedia content at the time or the frame designated by the break pointer (see [0040]). It would have been obvious to one of ordinary skill in the art at the time of the invention to include Oh's track-count based (number of frames) or elapsed time-

based (a predetermined time) in Knepper's playlist in order to insert the advertisement of Knepper after a predetermined frame or after a predetermined time, as in Oh.

Response to Arguments

Applicant's arguments filed 8/1/16 have been fully considered but they are not persuasive.

Regarding the rejection under 101, Applicant argues that the instantly claimed subject matter clearly involves a necessary and integral use of computing equipment in a manner that allows control of digital content playback interspersed with digital advertising content to be handled at a client machine and that provides "a specific implementation of a solution to a problem in the software arts" similar to the claims at issue in Enfish…

However, unlike Enfish or DDR Holding, Applicant or Applicant's specification does not identify any problem particular to computer networks and/or the Internet or "solution to a problem in the software arts" that the claim allegedly overcomes. The invention as claimed uses a conventional, general purpose computer to perform generic computer functions, i.e., transmitting, receiving and storing data, outputting and playing back data.

Regarding the rejection under 103, Applicant argues that in Knepper the media files are downloaded from a server to a client and pre-cached at the client side …., in other words, after creating a user-perceptible content stream a user input causes a modification to the user-perceptible content stream such that digital advertising content in the user-perceptible content stream after the adaptively modifying is arranged at different/alternate insertion positions

relative to the digital media content …the adaptively re-sequencing further includes determining the alternate insertion position using one or more pre-defined placement rules associated with the digital media content.

The claims do not recite how the insertion positions are identified for the advertisement content to be placed in insertion position. However, applicant's specification discloses [see 0229] in step 702, the intersplicer uses the content section table , master ad table, and block list table to build a raw section sequence table 780 of ordered sections ... theses sections may possibly include indicator flags through which the running real-time player may identify the boundaries between content and required ads ... Further the specification discloses that the intersplicer has the ability to adaptively regroup and re-sequence the insertion of ad blocks extemporaneously (i.e. "on the fly"), in response to the consumer's arbitrary direction of the playback within the requested content, by means of playback controls (see [0117]).

[0146] In the course of direct play, without any user-directed skipping from one point to another or performing other navigation throughout the content ....

[0147] ... if the elects to skip around the course of playing a segmental title, the same block of ads plays with particular portion of the content as the user skips back and forth through different parts of the title, over a predetermined period of time and/or number of viewing. If the predetermined limit is exceeded, the player/viewer rotates in new ad blocks automatically.

As indicated above, similar to Applicant's disclosure, Knepper teaches the ads plays with the content as the user skips back and forth …

Applicant further asserts that the subject matter of the instant claims causes an alternate insertion position/one or more alternatively sequined insertion points for the digital advertising

content … this changing of the insertion position/insertion points of digital advertising content occurs explicitly as a result of user interaction, which is directly and unequivocally contrary to the approach describe in Knepper. As indicated above applicant's specification does not provide support for such claim language.

In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.,* 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to YEHDEGA RETTA whose telephone number is (571)272-6723. The examiner can normally be reached on Monday through Thursday from 8 to 6:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

YR
/YEHDEGA RETTA/
Primary Examiner, Art Unit 3622

Notice of References Cited	Application/Control No. 10/606,729	Applicant(s)/Patent Under Reexamination DONIAN ET AL.	
	Examiner YEHDEGA RETTA	Art Unit 3622	Page 1 of 1

U.S. PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Name	CPC Classification	US Classification
*	A	US-2002/0161739 A1	10-2002	Oh, Byeong-Seok	G06Q30/02	1/1
	B	US-				
	C	US-				
	D	US-				
	E	US-				
	F	US-				
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FOREIGN PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Country	Name	CPC Classification
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NON-PATENT DOCUMENTS

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