

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.
Petitioner

v.

ZIKLAG IP LLC
Patent Owner

Case IPR2025-00700
Patent No. 6,182,128

PATENT OWNER'S PRELIMINARY RESPONSE

Patent Owner Ziklag IP LLC submits the following Patent Owner Preliminary Response pursuant to 37 C.F.R. § 42.107 (a).

I. INTRODUCTION

Petitioner Apple Inc. (“Apple”) asks this Board to institute an *inter partes* review of U.S. Patent No. 6,182,128 (“the ‘128 patent”). The Board should dismiss the Petition and decline to institute a trial in this case. Apple has not met its burden to show a reasonable likelihood that one or more challenged claims of the ‘555 patent will be found unpatentable as required by 35 U.S.C. § 314(a) and 37 C.F.R. § 42.108(c).

Apple has asserted a single ground for invalidating claims 1-4, 6, 9-14 and 17, namely, that these claims of the ‘128 patent are obvious based on Yurt in view of Logan. Apple, however, has failed to present any new evidence or arguments that are substantively different than those already presented to the Office during prosecution of the ‘128 patent. The Board should therefore deny institution based on 35 U.S.C. § 325(d).

Apple relies on the Yurt patent that discloses nothing more than the Verbiest patent that was considered and rejected by the examiner during prosecution. Verbiest also discloses a plurality of distribution centers, and distributing video content to users in “less than real time.” Applicant overcame these exact same objections during prosecution of the ‘128 patent, and should

not be required to again defend the novelty of the ‘128 patent in a subsequent proceeding.

For these reasons, the Petition should be denied.

Patent Owner has not attempted to argue every deficiency of the Petition and or to submit supporting evidence in support of this Preliminary Response, and reserves the right to make additional arguments and provide evidentiary support if required later. Based only on the Petition’s deficiencies as set forth below, however, Patent Owner respectfully submits that the Petition should be denied in its entirety.

II. PROSECUTION HISTORY OF THE ‘128 PATENT

A. 35 U.S.C. § 102(b) rejection based on Verbiest

The ‘128 patent issued from U.S. Patent Application No. 09/035,194 (“the ‘194 application”), filed on March 5, 1998. During prosecution of the ‘194 application, the examiner rejected independent claim 1 (and most others) under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 5,550,577 issued to Verbiest on August 27, 1996 (“Verbiest”) (EX2001). (April 5, 1999 Office Action, EX1002 at 55-57.) The examiner found that Verbiest disclosed a video on demand network with a plurality of distribution centers, along with other elements claimed in the application:

Regarding claim 1, Verbiest shows a video on demand network in figure 1, where the claimed plurality of distribution centers is

shown as CS, AUX, DS1 and DS2 are connected to the backbone switch BBN, and the claimed network interface, library, library interface and a processor are shown as an access networks AN1 and AN2 are coupled to switching networks BBS5 and BBS3, video library constituted by two warehouses CWH and DWH for storing Digital Audio Tapes DAT and CD-ROMs, BBS 1 for access switching (See Fig. 3), as for a processor the DSC activates the program control PCMI/PCMN, corresponding to the program unit PUI/PUN in which the selected video signal is stored, to produce an instance of the requested video signal together with routing control information indicative of the user station US 13 and the routing control information is used by BBS5 and AN1 to switch the video signal to the correct user station (See column 8, lines 8-14).

Regarding the central controller connected to the library interface is shown as the backbone network BBN is itself constituted by broadband packet switching networks B13S 1 to BBS5 which are interconnected as shown in figure 1.

EX1002 at 55-56.

B. “Independent” Network Amendment

In response, applicant amended the pending independent claim to clarify that the plurality of distribution centers were “independent” networks. (June 9, 1999 Response to Office Action, EX1002 at 68.) Applicant also distinguished the claimed invention from Verbiest because Verbiest “describes a backbone broadband network, on which all **distributed servers are interconnected among themselves** (col. 5, li. 30) or **cross-connected** (col. 5, li. 42).” (*Id.* at 70 (emphasis in original).)

The present invention, as claimed in claim 1 and shown in Fig. I and specification, has only one control center 26 **directly**

connected via line 16 with all independent regional networks 14. Each independent network 14 has its own distribution center 18 with a data file library. In the present invention each network 14 is an **independent** network, and these networks are **not interconnected** among themselves; each network is only connected with the control center 26. The control center 26 does **not store any data files**, thus no warehouse is required; it only forwards data files from one independent network to another. Moreover, the control center 26 **neither communicates nor supplies the user stations directly**. This is clearly stated in claim 1, which teaches that **each network interface** connects to **a single one of the networks**, a processor transmitting the data file to **the single one** of the networks and a **central controller** (control center 26) is directly connected to the network interface of each distribution center for **routing information between the distribution centers**.

(Id. at 70-71.)

C. 35 U.S.C. § 103 rejection based on Verbiest in view of McCalley

In response to the amendment and argument, the examiner rejected independent claim 1 (and most other claims) under 35 U.S.C. § 103 as being unpatentable over Verbiest in view of U.S. Patent No. 5,113,496 issued to McCalley on May 12, 1992 (“McCalley”) (EX2002). (August 26, 1999 Office Action, EX1002 at 75-83.) In addition to the previously cited disclosures of Verbiest, the Examiner found that McCalley disclosed local operating centers that served a particular geographic area and that “it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the video on demand network as taught by Verbiest into a regional operating center as taught by McCalley” (EX1002 at 78).

D. Additional amendments and second independent claim

After an interview with the examiner on December 22, 1999 where an agreement was not reached (id. at 85-87), applicant amended the pending independent claim (now claim 2) to add additional details about the central controller, and added a new independent claim 17 (now claim 1) that included the limitation of “sequentially transmitting said requested digital audio files in substantially real time to said user through one of the satellite or cable TV networks via said output of said network interface.” (December 30, 1999 Response to Office Action, EX1002 at 94-97.) Applicant argued:

In particular, McCalley has a hierarchy of LOCs, all feeding from an ROC. In none of the higher LOCs or ROCs is it possible to identify a "central controller" that searches the libraries of lower LOCs upon request of another LOG and initiates a file transfer to the requesting distribution center and thence to the user. Verbiest also teaches a system that is distinguished from, the present system, first in that the topology of the overall system has a complex switching network connecting the users and the plurality of distribution centers rather than a plurality of independent networks as in the instant invention, and second in that the central controller provides files to the distributed servers, also without a step of searching the local libraries.

(Id. at 97.) Applicant also noted that, with respect to new claim 17 (now claim 1), neither Verbiest nor McCalley distributed files in substantially real time. (Id.)

E. Rejections based on Williams and Martin

In response, the examiner rejected independent claim 1 (now claim 2) under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 5,867,155 issued to Williams on February 2, 1996 (“Williams”) (EX2003). (May 10, 2000 Office Action, EX1002 at 108-09.) The examiner also rejected independent claim 17 (now claim 1) under 35 U.S.C. § 103 as being unpatentable over Williams in view of U.S. Patent No. 5,781,889 issued to Martin on July 14, 1998 (“Martin”) (EX2004). (EX1002 at 113-15.)

F. Allowance of the ‘128 patent

Following a telephone interview on September 8, 2000, applicant submitted a final response to office action on September 20, 2000 wherein applicant distinguished the newly cited Williams and Martin references from the claimed invention. (Id. at 119-21.) On September 29, 2000, the examiner issued a Notice of Allowability allowing claims 1-17 of the ‘194 application. (Id. at 124.) The ‘128 patent issued on January 30, 2001.

III. THE BOARD SHOULD DENY INSTITUTION BASED ON 35 U.S.C. § 325(d)

As an initial matter, the Director should decline to institute this proceeding because “the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d). The Yurt patent, which is the primary reference relied on by Apple for this proceeding, is substantially the same as the Verbiest reference relied on and rejected by the examiner in the original

prosecution of the ‘128 patent. Moreover, Apple relies on the same arguments made by the examiner when citing Verbiest, but which were ultimately rejected by the Patent Office.

A. Applicable Law

The institution of an inter partes review is discretionary. Harmonic Inc. v. Avid Tech., Inc., 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“First of all, the PTO is permitted, but never compelled, to institute an IPR proceeding.”). 35 U.S.C. § 325(d) states:

In determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31, the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.

35 U.S.C § 325(d). Thus, 35 U.S.C. § 325(d) identifies two issues when exercising discretion to deny institution of review:

- [1] whether the petition presents to the Office the same or substantially the same art previously presented to the office, or
- [2] whether the petition presents to the Office the same or substantially the same arguments previously presented to the Office.

Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GMBH, IPR2019-01469, Paper 6 (February 13, 2020) (precedential) (EX2005).

To determine whether prior art or the Petitioner's arguments are "the same or substantially the same," the Board should reference the following non-exclusive factors:

- (a) the similarities and material differences between the asserted art and the prior art involved during examination;
- (b) the cumulative nature of the asserted art and the prior art evaluated during examination;
- (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;
- (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art;
- (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and
- (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson & Co. v. B. Braun Melsungen AG, IPR2017-01586, Paper 8

(Dec. 15, 2017) (precedential as to § III.C.5, first paragraph) (EX2006). "The factors set forth in Becton, Dickinson should be read broadly, however, to apply to any situation in which a petition relies on the same or substantially the same art or

C. Apple Relies on the Same Arguments that Were Rejected by the Examiner in the Original Prosecution

1. Apple seeks to relitigate whether distributed servers are interconnected among themselves.

In its Petition, Apple makes the same arguments based on Yurt that the applicant overcame during prosecution with respect to Verbiest. For example, Apple argues that Yurt discloses “a plurality of private distribution centers” by noting the multiple transmission systems 100, 100’, 100’’ and 100’’’ disclosed in Figure 1c of the Yurt patent. Similarly, the examiner initially rejected the ‘128 patent application because Verbiest disclosed a plurality of distribution centers CS, AUX, DS1 and DS2. EX1002 at 55. Applicant overcame this rejection by adding the claim limitation that its distribution networks were “independent,” and arguing that Verbiest “describes a backbone broadband network, on which all **distributed servers are interconnected among themselves** (col. 5, li. 30) or **cross-connected** (col. 5, li. 42).” (EX1002 at 70 (emphasis in original).) The examiner apparently accepted this argument, and next rejected the application on other grounds.

Apple seeks to relitigate this point with the Yurt patent by citing to the multiple transmission systems 100, 100’, 100’’ and 100’’’ shown in Fig. 1c of the Yurt patent. See Petition at 27-29. These transmissions systems, however, may communicate between themselves, just like the distribution centers in the Verbiest patent could communicate between themselves. As noted in the Yurt patent:

The source material library **111**, according to a preferred embodiment of the present invention, may preferably include a single source material library or a plurality of source material libraries. If there are a plurality of source material libraries, they may be geographically located close together or may be located far apart. The plurality of source material libraries may communicate using methods and channels similar to the methods and channel types which libraries may employ for communication with the receiving system **200** of the user, or the source material libraries may communicate via any available method.

(EX1005 at 6:23-34.) Thus Apple merely seeks to relitigate whether a video distribution system with multiple distribution networks that communicate with one another are the same as the independent/private distribution networks claimed in the '128 patent.

2. Apple seeks to relitigate whether downloading in “real time” is the same as downloading data “faster than real time” that can later be consumed in real time.

Similarly, Apple seeks to relitigate whether downloading in “real time” is the same as downloading faster than real time, which the user can later watch or listen to in “real time.”

As discussed above, after effectively conceding that Verbiest did not anticipate the claimed invention with the “independent” networks limitation, the examiner relied on a combination of Verbiest and McCalley for an obviousness rejection. Applicant overcame this rejection with a new independent claim that included the limitation of “sequentially transmitting said requested digital audio files in substantially real time to said user through one of the satellite or cable TV

networks via said output of said network interface.” (EX1002 at 94-97.) The applicant also noted that neither Verbiest nor McCalley distribute files in substantially real time:

New Claim 17 is the same as the other of the two amended claims discussed at the interview. New Claim 17 should also be allowed since neither Verbiest, et al. nor McCalley, et al. distributes files in substantially real time. There is no sequential transmission of the requested files in substantially real time to the user. This is not shown or suggested in Verbiest, et al. nor McCalley, et al., nor is it obvious to so modify either reference to reach applicant’s claimed system. Thus, Claim 17 should also be allowed.

(EX1002 at 97). New Claim 17 became Claim 1 of the issued ‘128 Patent. In response, the examiner dropped all reference to either Verbiest or McCalley. Thus, applicant addressed and resolved the disclosure of Verbiest with respect to the patentability of the ‘128 claims by including the limitation that content was delivered to the user “in substantially real time.” Apple’s petition merely seeks to review that conclusion of the Patent Office with prior art that discloses nothing more than was disclosed and considered when the ‘128 patent was issued.

Like the video on demand network of Verbiest, the system disclosed in the Yurt patent provides video files to users “in a fraction of real time.” (EX1005, 2:1-4). Yurt discloses:

With respect to the transmission and receiving systems
65 set forth in FIGS. 1a-1g, the requested material may be
fully compressed and encoded, partly decompressed at
some stage in transmission system 100, or fully decom-
pressed prior to transmission. The reception systems

200 may either buffer the requested material for later viewing, or decompress in real time the requested material as it is distributed by transmission system 100. Alternatively, the reception systems 200 of the present invention may perform a combination of buffering and non-buffering by buffering some of the requested material and decompressing the remainder of the requested material for immediate viewing as it is distributed by transmission system 100. 5

(EX1005; 4:64-5:9.) As shown in the Yurt patent, the claimed Yurt invention could certainly not deliver computer encoded video content in real time, and instead relied on compressed file formats, that would then have to be buffered and decompressed.

Nevertheless, Apple argues that Yurt's disclosure of the delivery of data in compressed format, at "less than real time," is the same as the delivery of data in real time. See Petition at 43 ("As discussed in [1.0], Yurt's use of high-bandwidth cable networks for fast transmission of audio files mirrors the disclosure in the '128 patent and similarly enables real-time consumption of audio by the end user."). Apple's argument is absurd.

As anyone who lived through the 90's knows, delivery of video and audio content in "real time" at that time was fundamentally different than receiving video or audio in "less than real time." In the 1990's, if someone wanted to watch a movie video, they could go to Blockbuster, and rent the movie for a few dollars, and watch it at home. The movie could then be watched "in real time." Also, in

hotel rooms, patrons could order movies on their hotel TV's, which would then be delivered in "real time."

Watching movies, and the technology for delivering the movies in "real time," was well understood at the time, and was obviously well understood by the examiner when he allowed the '128 patent.

When the examiner received applicant's December 30, 1999 amendment incorporating the "real time" amendment he immediately dropped his references to the Verbiest and McCalley prior art because neither disclosed distributing files in substantially real time. Apple should not be allowed to relitigate this issue.

IV. CONCLUSION

Apple should not be allowed to relitigate issues decided by the examiner during the prosecution of the patent, especially after so many years, when everyone's understanding and appreciation of the technology claimed may have diminished the invention claimed in the patent.

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Respectfully submitted,

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CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. § 42.24(d), Patent Owner hereby certifies that number of words in Patent Owner's Preliminary Response are 2,926, this word count excludes the table of contents, table of authorities, mandatory notices under § 42.8, certificate of service, certificate of word count, appendix of exhibits, and any claim listing.

CERTIFICATE OF SERVICE

I hereby certify that on July 16, 2025, I caused a true and correct copy of the foregoing materials to be served via the Patent Office electronic filing system, and electronic service via email to the following attorneys of record pursuant to Petitioner's consent:

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