

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

TRUESIGHT COMMUNICATIONS LLC,

Plaintiff,

v.

TRANSCEND INFORMATION INC.,

Defendant.

Case No. 2:24-cv-00186-JRG

JURY TRIAL DEMANDED

DEFENDANT TRANSCEND INFORMATION INC.'S
PRELIMINARY INVALIDITY CONTENTIONS

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I. Introduction

Defendant Transcend Information Inc. (“Defendant” or “Transend”) hereby provides its Preliminary Invalidity Contentions to Plaintiff Truesight Communications LLC (“Plaintiff” or “Truesight”).

A. Reservation of Rights

Defendant’s Invalidity Contentions reflect Defendant’s current knowledge, thinking, and contentions in the present action, based upon the knowledge, information and/or belief presently available to Defendant. Discovery in this case is ongoing, and Defendant has not had the opportunity to conduct third party discovery relating to various third-party product prior art and expressly reserves the right to amend these contentions subject to ongoing discovery.

Nothing in these Preliminary Invalidity Contentions should be treated as or considered an admission that any of Defendant’s accused technology meets any limitations of the Asserted Claims. Moreover, nothing in these Preliminary Invalidity Contentions should be treated as an admission regarding the interpretation of any claim.

Further, nothing stated herein should be treated as or considered an admission or suggestion that Defendant agrees with Plaintiff regarding the scope, validity and/or enforceability of any of the Asserted Claims or the claim constructions advanced directly or implicitly by Plaintiff in its Infringement Contentions. Plaintiff’s Infringement Contentions contradict the teachings of the Asserted Patent, contradict the understanding of the claim terms by a person of ordinary skill, and are vague and conclusory concerning how the claim limitations supposedly read on the accused products.

Nonetheless, Defendant has based its Preliminary Invalidity Contentions, at least in part, on Defendant’s understanding and interpretation of Plaintiff’s Infringement Contentions. Thus, Defendant reserves the right to supplement or amend its contentions, if Plaintiff amends or alters

its infringement contentions in any way. Further, claim constructions by the Court may significantly affect the scope of the Asserted Claims. Additionally, any ruling by this Court in this or any related proceeding, another District Court, and/or the Federal Circuit involving the Asserted Patent or related patents will likely affect Defendant's Preliminary Invalidity Contentions as well. Further, claim construction positions taken by Plaintiff may also affect these contentions and necessitate amendments, supplements or changes to them.

In conclusion, Defendant reserves the right to supplement, amend or change, without prejudice, its Preliminary Invalidity Contentions, including, for example, based on any actual or potential claim construction, any newly identified, amended, supplemented, or in any way altered infringement theory, and any additional evidence, including prior art, that is identified or able to be reviewed, once discovery commences and/or once sufficient time allows in accordance with the Federal Rules of Civil Procedure, the Local Rules, the Court's orders and other applicable rules and statutes.

B. Asserted Patent and Asserted Claims

In its Preliminary Infringement Contentions, Plaintiff asserted the following "Asserted Patent" and "Asserted Claims": U.S. Patent No. 8,977,783, Claims 1-18.

Accordingly, Defendant has limited its Invalidity Contentions to Plaintiff's Asserted Claims from the Asserted Patent. If the Court allows Plaintiff to identify other patents as allegedly infringed, Defendant will supplement and amend its Invalidity Contentions to address any such new patents.

II. Invalidity Under 35 U.S.C. §102 and §103

Below, Defendant provides its preliminary list of Identified Prior Art and their Invalidity Charts, demonstrating where, in the identified prior art, each element of the Asserted Claims is met.

Defendant's prior art investigation is just beginning, as discovery has only just begun. Thus, as stated above, Defendant reserves the right to amend these Preliminary Invalidity Contentions, including as prior art known to Plaintiff, but not to Defendant, is identified and produced by Plaintiff, in this case.

A. Defendant's "Identified Prior Art"

Below, Defendant identifies each item of prior art that Defendant contends anticipates each Asserted Claim or renders each Asserted Claim obvious, alone or in combination with one or more other prior art references. The below sections constitute Defendant's "Identified Prior Art."

1. Prior Art U.S. Patents and Patent Applications

Begbates	Endbates	U.S. Patent or Application No.	Publication Date
PRIORART_0000001	PRIORART_0000051	US20090113116A1 ("Thompson")	April 30, 2009
PRIORART_0000052	PRIORART_0000066	US20100205023A1 ("Wagner")	Aug. 12, 2010
PRIORART_0000067	PRIORART_0000094	US20070116268A1 ("Kasahara '268")	May 24, 2007
PRIORART_0000095	PRIORART_0000112	US20080098481A1 ("Lee")	April 24, 2008
PRIORART_0000113	PRIORART_0000119	US7878399B2 (the "399 Patent")	Feb. 1, 2011
PRIORART_0000120	PRIORART_0000141	US7685636B2 (the "636 Patent")	Mar. 23, 2010
PRIORART_0000142	PRIORART_0000155	US7984296B2 (the "296 Patent")	July 19, 2011
PRIORART_0000156	PRIORART_0000231	US7779058B2 (the "058 Patent")	Aug. 17, 2010
PRIORART_0000232	PRIORART_0000240	EP2113880A2 (the "EP'880 Patent")	Nov. 11, 2009
PRIORART_0000241	PRIORART_0000253	US20070064936A1 ("Kasahara '936")	Mar. 22, 2007
PRIORART_0000254	PRIORART_0000266	US20080298580A1 ("Suu")	Dec. 4, 2008
PRIORART_0000267	PRIORART_0000280	US20080065552A1 ("Elazar")	Mar. 13, 2008

Begbates	Endbates	U.S. Patent or Application No.	Publication Date
PRIORART_0000281	PRIORART_0000299	US11107089B2 (the “089 Patent”)	Aug. 31, 2021
PRIORART_0000300	PRIORART_0000328	JP2009169868A (“Fujimoto”)	July 30, 2009
PRIORART_0000329	PRIORART_0000343	US20070228162A1 (“Philips”)	Oct. 4, 2007

Any physical embodiments of the references described in the above Identified Prior Art, which physical embodiments were publicly available (*e.g.*, used, offered for sale, or sold) before the claimed or actual priority dates of the Asserted Patent, also constitute prior art. Defendant is not limited to the patent or application identified above, but also relies on material that expressly identifies any physical embodiment of such patent or application as applicable prior art.

2. Prior Art Publications, Public Uses, Public Offers for Sale/Sales:

Begbates	Endbates	Title	Publication Date
PRIORART_0000344	PRIORART_0000345	Enabling secure distribution of digital media to SD-cards (“Ponceleon”)	Oct. 23-27, 2006
PRIORART_0000346	PRIORART_0000353	Alternate distribution strategies for digital music (“Premkumar”)	Sept. 2003
PRIORART_0000354	PRIORART_0000361	Secure MultiMediaCard for content protection and E-commerce (“Ishihara”)	Dec. 15, 2001
PRIORART_0000362	PRIORART_0000370	Flashpoint (“Daily”)	Apr. 2003

Any physical embodiments of the references described in the above Identified Prior Art, which physical embodiments were publicly available (*e.g.*, used, offered for sale, or sold) before the claimed or actual priority dates of the Asserted Patent, also constitute prior art. Defendant is not limited to the publications identified above, but also rely on material that expressly identifies any physical embodiment of such publication as prior art.

Any citation to one or more of these prior art references/documents, should be construed to constitute not only a citation to the prior art reference/document itself (as a printed publication), but also a reference to the system itself. When a reference is a prior public use, offer for sale, or sale, the identified document(s) is being relied upon as exemplary evidence of the prior public use, sale, and/or offer for sale. For the prior art systems (*e.g.*, prior public uses, offers for sale and/or sales), Defendant anticipates relying on additional documents to demonstrate the system, testimony relating to the systems, and other information.

Further, Defendant's investigation has just begun. In the course of discovery, Defendant anticipates identifying additional prior art documents describing these prior art public uses, offers for sale, and sales and other prior public uses, offers for sale, or sales, not presently known or identified as prior art. Defendant will amend its contentions as such discovery becomes available.

3. Applicant Admitted Prior Art and Prior Art From the Prosecution Histories

Defendant also identifies all prior art references cited or included in the prosecution history of the Asserted Patent, related patents and applications, and any foreign counterparts. Defendant further incorporates and identifies all prior art references identified on the face of any of the Asserted Patent and any patent related to the Asserted Patent.

Defendant further identifies all statements made by patent owner, Plaintiff, inventor, etc. relating to applicant admitted prior art.

B. Defendant's Preliminary Charts

Pursuant to the Court's Standing Order, Exhibits A-F set forth exemplary citations to where in the above identified prior art references each element of the asserted claims can be found.¹

Defendant's Invalidity Charts identify the exemplary disclosures within the prior art reference(s) that teach the relevant claim limitations. While Defendant has identified citations in the references for the claim limitations, each and every disclosure of the same limitation in the same reference is not necessarily identified. Instead, in an effort to focus the issues, Defendant cites only portions of the references, even when a reference may contain additional support for or disclosure of a particular claim element—whether explicitly or inherently. For example, where the Invalidity Charts cite a particular figure in a prior art reference, the citation should be understood to encompass any and all text referring or relating to that figure, in addition to the figure itself. Similarly, where a cited portion of text refers to a figure, the citation should be understood to include the figure referred to as well. Thus, Defendant may also rely on uncited portions of the prior art references, any cited documents within any prior art reference, other publications, and the testimony of experts to establish that the limitations of the Asserted Claims are anticipated or rendered obvious and/or that a person of ordinary skill in the art would have been motivated to modify or combine certain of the cited references so as to render the claims obvious.

¹ Defendant has not provided claim charts for each of the references identified because: (i) they have substantially similar disclosures to other prior art for which charts have been provided; (ii) because they are used as supporting references in an obviousness combination; and/or (iii) because this case has just begun, and Defendant has been unable to locate or to sufficiently review the many references identified on the face of the patent or related patents. Defendant reserves the right to revise these disclosures and to more particularly identify and/or rely on any of this art or contentions.

Additional support showing where each claim limitation is met is also specifically identified to include any further references incorporated within or identified within the charted prior art references. Where a prior art reference incorporates an additional disclosure, that additional disclosure is considered part of the primary reference under 35 U.S.C. §102, as a single prior art reference. Even if it is not found to be a single reference under 35 U.S.C. §102, then the incorporated references are specifically identified as relevant prior art and as prior art that, in combination with the primary reference, would render the Asserted Claims invalid under 35 U.S.C. §103. The references incorporated or identified within the primary reference would be combined with the primary reference at least because the primary reference specifically identifies the incorporated/identified other reference as relevant to the teachings and disclosures of the primary reference.

Further, persons of ordinary skill in the art read a prior art reference as a whole, and in the context of other publications and literature. Accordingly, Defendant will rely on uncited portions of the prior art references and on other publications and expert testimony to provide context, and as aids to understanding and interpreting the portions of references that are cited.

C. Combinations of References and Motivations to Combine

Defendant provides the following preliminary statement regarding the proposed combinations rendering the Asserted Claims invalid under 35 U.S.C. §103 and a preliminary, identification of motivation(s) to combine the prior art references.

Further, Defendant contends that, and specifically provides notice that, to the extent the references listed above do not anticipate the Asserted Claims, including through inherency, the references render each Asserted Claim obvious under 35 U.S.C. §103 alone (*e.g.*, based on the disclosure of the identified primary reference, the State of the Art, and/or knowledge of a POSITA), and/or in combination with one or more other references including those (1) listed

above; (2) one or more references identified in the prosecution histories of the Asserted Patent or related patents, including those identified on the face of the Asserted Patent or related patents; and/or (3) based on the State of Art as explained by any expert testimony and/or report(s) in this case.

As to a motivation to combine the Identified Prior Art, according to the Supreme Court, no showing of a specific motivation to combine prior art is required to render a claim invalid under 35 U.S.C. §103. *See KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398, 414-418 (2007). However, express motivations do exist here for combining the Identified Prior Art to render the Asserted Claims obvious under 35 U.S.C. §103. For example, the combinations of art would have no unexpected results, and at most would simply represent a known alternative to one of skill in the art. *See KSR Int'l.*, 550 U.S. at 414-418. Indeed, the Supreme Court has held that a person of ordinary skill in the art is “a person of ordinary creativity, not an automaton” and “in many cases a person of ordinary skill in the art will be able to fit the teachings of multiple patents together like pieces of a puzzle.” *Id.* at 420-421. Thus, to a person of ordinary skill in the art, the asserted claims represent solutions that would have been obvious to try with predictable results.

Further, motivation would have been provided in the nature of the problem allegedly solved by the Asserted Patent, the teachings of the cited prior art itself, and/or the knowledge of a person of ordinary skill in the art. For example, one or more combinations of the Identified Prior Art would have been obvious, because these references would have been combined using: known methods to yield predictable results; common sense; routine innovation; known techniques in the same way; a simple substitution of one known, equivalent element for another to obtain predictable results; and/or a teaching, suggestion, or motivation in the prior art

generally. In addition, it would have been obvious to try combining the Identified Prior Art because there were only a finite number of predictable solutions and/or because known work in one field of endeavor prompted variations based on predictable design incentives and/or market forces either in the same field or a different one. Further, combinations of the Identified Prior Art would have been obvious because the combination represents known potential options with a reasonable expectation of success.

Additional evidence that there would have been a motivation to combine the prior art references identified above includes the interrelated teachings of the Identified Prior Art; the effects of demands known to the design community or present in the marketplace; the existence of a known problem for which there was an obvious solution encompassed by the Asserted Claims; the existence of a known need or problem in the field of the endeavor at the time of the invention(s); and the background knowledge that would have been possessed by a person having ordinary skill in the art. The Identified Prior Art also addresses the same technical issues and suggests very similar solutions to those issues discussed in the Asserted Patent and/or those issues generally known at the time of the alleged inventions.

Defendant may rely on the cited and uncited portions of the Identified Prior Art, other publications/references, testimony of fact witnesses (such as the alleged inventor of the Asserted Patent, Plaintiff, and Defendant's own witnesses), and/or the testimony of experts, to establish that a person of ordinary skill in the art would have been motivated to modify or combine the references so as to render the Asserted Claims obvious. Defendant further incorporates the testimony and reports of their expert(s) in this matter, the testimony of Plaintiff, Plaintiff's experts, or the inventor, and the expert testimony from other Defendants in any related lawsuits or related IPRs.

The following table provides several exemplary combinations with respect to the Asserted Claims:

Exemplary Combinations
Thompson combined with the knowledge of a POSITA.
Thompson combined with Wagner.
Thompson combined with Ponceleon.
Thompson combined with Wagner and Ponceleon.
Thompson combined with Kasahara '268.
Thompson combined with Kasahara '268 and Ponceleon.
Kasahara '268 combined with the knowledge of a POSITA.
Kasahara '268 combined with Wagner.
Kasahara '268 combined with Wagner and Ponceleon.
Wagner combined with the knowledge of a POSITA.
Wagner combined with Ponceleon.
Wagner combined with Ishihara
Wagner combined with Daily.

This chart of obvious combinations is exemplary only. Defendant reserves the right to add one or more of the Identified Prior Art references to any of the combinations above, and to add additional combinations as the case develops.

As one example, a POSITA would have been motivated to combine Thompson with Wagner. Thompson discloses a digital content kiosk. Wagner explicitly discloses that its method of distributing media content can be carried out through a kiosk. *See* Wagner [0038]-[0039] “In one embodiment of the preferred invention, customers interface with the content delivery portion **5** of the system using a kiosk or kiosks. . . As will be described in more detail below, a customer interfaces with the content delivery system **5** at a kiosk **60** through the use of secure flash card **65**.”

As for the other exemplary combinations, a POSITA would have been motivated to combine the cited references at least because they involve the same subject matter, distributing digital media content and saving it to a memory device, and because they were developed during the same time period.

III. Identification of Limitations the Defendant Contend Are Indefinite or Lack Written Description Support Under Section 112

As set forth in more detail below, the Asserted Claims of the Asserted Patent are invalid as indefinite and for lack of written description support under 35 U.S.C. §112.

A more detailed basis for Defendant's 35 U.S.C. §112 invalidity defenses with regard to the Asserted Patent will be set forth in Defendant's claim construction brief, summary judgment motions and/or expert report(s) on invalidity, to be served in accordance with the Court's Scheduling Order. Defendant reserves the right to amend and/or supplement these disclosures as discovery commences, including based on any disclosures made to Plaintiff (but which have not been produced in this case).

A. Invalidity Under §112, ¶2 or (b): Indefiniteness

All of the Asserted Claims of the Asserted Patent are invalid as indefinite under 35 U.S.C. §112. United States patent law requires that a patent contain one or more claims "particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention." 35 U.S.C. §112, ¶ 2 or (b). Accordingly, a claim must "give notice to the public of the extent of the legal protection afforded by the patent, so that interested members of the public, e.g., competitors of the patent owner, can determine whether or not they infringe." *Default Proof Credit Card Sys. Inc. v. Home Depot U.S.A., Inc.*, 412 F.3d 1291, 1302-03 (Fed. Cir. 2005) (internal quotes and citation omitted). According to the Supreme Court, a patent is invalid as

indefinite where its claims “fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention.” *Nautilus, Inc. v. Biosig Instruments, Inc.*, 572 U.S. 898, 901 (2014).

Further, for terms of degree, which are inherently subjective terms, “it is not enough...to identify ‘some standard for measuring the scope of the phrase.’” *Interval Licensing LLC v. AOL, Inc.*, 766 F.3d 1364, 1370–71 (Fed. Cir. 2014). Rather, “[t]he claims, when read in light of the specification and the prosecution history, must provide objective boundaries for those of skill in the art.” *Id.*

Relatedly, where claim terms require a reference to understand the terms, and “there is no reference provided in the specification to teach a person of ordinary skill what constitutes” one claim terms versus another or how the two claim terms “are related,” then the claims are invalid as indefinite. *Icon Health & Fitness, Inc. v. Polar Electro Oy*, 656 F. App’x 1008, 1014 (Fed. Cir. 2016) (finding claim invalid as indefinite where “there is no reference provided in the specification to teach a person of ordinary skill what constitutes an in-band communication versus an out-of-band communication (other than the fact that they are different) or how the two are related”); *see also Abdou v. Alphatec Spine, Inc.*, No. 12-CV-1804 BEN RBB, 2014 WL 6611422, at *9 (S.D. Cal. Nov. 19, 2014) (finding relationship terms invalid as indefinite and noting that: “There is no question that the relationship terms lack any quantitative parameters.... Likewise, neither ‘in proximity’ nor any other language in the specification otherwise defines what the proximity would be in any specific way and ‘first surface’ is not further described in any way that would define what or where the surface should be...”).

Defendant identifies at least the following exemplary limitations (and the variations thereof) from the Asserted Claims of the Asserted Patent which Defendant contends are indefinite:

- “pre-allocated”;
- “pre-allocate space”;
- “pre-allocating space”;
- “pre-configured”;
- “optionally written at once”; and
- “substantially two minutes”.

Based on the specification, prosecution history, and the claim language as a whole, the above terms “fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention.” Therefore, the Asserted Claims that contain the above limitations (or variations thereof) are invalid as indefinite (including any claims that depend from an indefinite claim).

Nothing in Defendant’s Invalidity Contentions should be construed as an admission that any of the Asserted Claims are somehow definite. As noted above, Defendant contends that the claims reciting the exemplary terms above are indefinite. To the extent that the Court later finds these terms sufficiently definite, the prior art meets these limitations for all the reasons set forth in these Invalidity Contentions, including as shown in the Invalidity Charts.

B. Invalidity Under §112, ¶1 or (a): Lack of Written Description and Lack of an Enabling Disclosure

The specification of the Asserted Patent lacks written description support for the alleged claimed inventions in each of the Asserted Claims, as required by 35 U.S.C. §112, ¶1 or (a). To satisfy the written description requirement of 35 U.S.C. §112, ¶ 1 or (a), the specification of a patent must “clearly allow persons of ordinary skill in the art to recognize that the inventor invented what is claimed” and “had possession of the claimed subject matter as of the filing date.” *Ariad Pharm., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (*en banc*). In particular, an adequate written description must “demonstrate that the patentee possessed the full

scope of the invention recited in [the] claim.” *LizardTech, Inc. v. Earth Res. Mapping, Inc.*, 424 F.3d 1336, 1345 (Fed. Cir. 2005).

Defendant further provides the following contention regarding the Asserted Claims’ compliance with the enablement statute. Specifically, Defendant contends the specification of the Asserted Patent also lacks an enabling disclosure as required by 35 U.S.C. §112, ¶1 or (a). To satisfy the enablement requirement, “the specification of a patent must teach those skilled in the art how to make and use the full scope of the claimed invention without undue experimentation.” *Genentech, Inc. v. Novo Nordisk A/S*, 108 F.3d 1361, 1365 (Fed. Cir. 1997) (quotations omitted); *see also Sitrick v. Dreamworks, LLC*, 516 F.3d 993, 1000 (Fed. Cir. 2008) (holding that the inventors must set forth sufficient information in the specification to enable one of ordinary skill in the art to make and use the invention without undue experimentation).

Defendant contends that at least the following claim terms lack written description support and/or are not enabled by the specification:

- “an SD card writer for writing data to an unsecure user area of the SD card and a protected secure area of the SD card.” (claim 1);
- “wherein space is pre-allocated on the SD card for writing an encrypted playable content portion of each media file to an unsecure are of the SD card” (claim 1);
- “wherein, except for a user key, data to be written to the unsecure area of the SD card is queued for writing in advance of data to be written to a secure area of the SD card.” (claim 1);
- “wherein the playable media files are encrypted by a content key that is encrypted by the user key” (claim 1);
- “pre-allocating space on the SD card for a playable content portion of the media file” (claim 7);
- “wherein the playable content portion of the media file is encrypted by a content key that is encrypted by a user key.” (claim 7);
- “writing all directly blocks of the playable content portion of the media file together and, thereafter in time, writing all data blocks sequentially” (claim 7);

- “wherein the SD card is pre-configured with the user key stored in the secure area of the SD card” (claim 9);
- “where the directory blocks are optionally written at once” (claim 11);
- “identify a media file for download to an SD card” (claim 12);
- “pre-allocate space on the SD card for a playable content portion of the media file” (claim 12);
- “wherein the playable content portion of the media file is encrypted by a content key that is encrypted by a user key” (claim 12);
- “write all directory blocks together of the playable content portion of the media file” (claim 12);
- “write all data blocks sequentially of the playable content portion of the media file” (claim 12);
- “wherein the SD card is pre-configured with the user key stored in the secure area of the SD card” (claim 14);
- “where the directory blocks are optionally written at once.” (claim 16);
- “wherein the instructions cause the media file to be downloaded to the SD card in substantially 2 minutes.” (claim 17); and
- “wherein the media file is downloaded to the SD card in substantially 2 minutes” (claim 18).

All claims reciting the above terms are neither supported by the specification nor enabled to their full scope. Accordingly, they are invalid under section 112, ¶1 and (a).

IV. Identification of Claims the Defendant Contends Are Directed to Ineligible Subject Matter Under Section 101

The Asserted Claims of the Asserted Patent are directed to patent ineligible subject matter. The Asserted Patent generally relates to the abstract idea of transferring media files to a removable storage device. For example, claim 1 recites generic computer components like “a customer interface module,” “a media file request module,” and “a server interaction module” that merely implement the abstract idea of selecting, processing, and transferring media files.

Claim 7 similarly recites the basic steps of “identifying a media file,” and “writing” data to different areas of an SD card. Claim 12 mirrors these same abstract concepts in the form of computer-readable instructions. And the claimed invention is performed on conventional computing and networking equipment and does not specify the use of any specific, let alone novel, hardware. *See, e.g.*, 6:24-27 (“The machine ay be a server computer, a client computer, ***or any machine capable of executing instructions 224*** (sequential or otherwise) that specify actions to be taken by that machine.”) (emphasis added).

Section 101 “defines the subject matter that may be patented under the Patent Act.” *Bilski v. Kappos*, 561 U.S. 593, 601 (2010). Under § 101, the scope of patentable subject matter encompasses “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” *Id.* (quoting 35 U.S.C. § 101). These categories are not limitless, § 101 contains an important exception—abstract ideas are not patentable. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014). The determination of whether a claim recites patent-eligible subject matter under § 101 is guided by the two-step analytical framework set forth in *Alice, id.* at 217. The first step requires determining whether the claims are directed to an abstract idea. *Id.* If so, the second step requires determining whether the claim elements, considered individually and as an ordered combination, “amount to significantly more” than the patent-ineligible concept. *Id.*

The first step in the *Alice/Mayo* test is to examine the fundamental concept, or the “focus” of the claim and determine whether the claim as a whole is directed to an abstract idea. *See Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1346 (Fed. Cir. 2015) (“Under step one of Mayo/Alice, the claims are considered in their entirety to ascertain whether their character as a whole is directed to excluded subject matter.”). While courts should be careful not

to oversimplify the claims at this stage of the analysis, the analysis should not focus on excess verbiage or implementation details, but instead focus on the “concept embodied by the majority of the limitations.” *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014); *see also Affinity Labs of Texas, LLC v. DirecTV, LLC*, 838 F.3d 1253, 1256 (Fed. Cir. 2016) (examining claim after being “stripped of excess verbiage”).

The Federal Circuit has clarified that a relevant inquiry at *Mayo/Alice* step one is to “ask whether the claims are directed to a specific improvement in the capabilities of computing devices, or, instead, ‘a process that qualifies as an ‘abstract idea’ for which computers are invoked merely as a tool.’” *Core Wireless Licensing S.A.R.L. v. LG Elecs., Inc.*, 880 F.3d 1356, 1361–62 (Fed. Cir. 2018) (quoting *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016)). In *Core Wireless Licensing*, the Federal Circuit noted that “unlike claims that merely ‘add[] conventional computer components to well-known business practices,’ the claimed self-referential table was ‘a specific type of data structure designed to improve the way a computer stores and retrieves data in memory.’” *Id.* (quoting *Enfish*, 822 F.3d at 1338–39). The Federal Circuit further emphasized that claims directed to the improvement in the functioning of a computer must teach a specific and new method that enables a computer “to do things it could not do before.” *Id.* For example, “claims directed to a behavior-based virus scanning method [are considered] patent eligible subject matter because they ‘employ[] a new kind of file that enables a computer security system to do things it could not do before, ...’” *Id.* (citing *Finjan, Inc. v. Blue Coat Sys., Inc.*, 879 F.3d 1299 (Fed. Cir. 2018)).

Under the second step of the *Alice/Mayo* test, transformation into a patent-eligible claim requires “more than simply stating the abstract idea while adding the words ‘apply it.’” *Id.* (quoting *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1294 (2012)).

Also, a claim is not meaningfully limited if it includes only token or insignificant pre- or post-solution activity— such as merely identifying a technological environment. *Mayo*, 132 S. Ct. at 1297–98, 1300–01. Finally, “simply appending conventional steps, specified at a high level of generality,” to abstract ideas cannot make those ideas patentable. *Mayo*, 132 S. Ct. at 1300; *see also Fort Props., Inc. v. Am. Master Lease LLC*, 671 F.3d 1317, 1323 (Fed. Cir. 2012) (“Such a broad and general limitation does not impose meaningful limits on the claim’s scope.”).

Patents, like the Asserted Patent, directed to storing, formatting, transmitting, and retrieving data, have been found by Courts to be directed to patent ineligible subject matter under § 101. *See Orcinus Holdings, LLC v. Synchronoss Techs., Inc.*, 379 F. Supp. 3d 857, 873 (N.D. Cal. 2019), *aff’d sub nom. Dropbox, Inc. v. Synchronoss Techs., Inc.*, 815 F. App’x 529 (Fed. Cir. 2020). Further, the elements of each Asserted Claim, both individually and as an ordered combination, do not transform the nature of the claim into a patent-eligible application by adding an “inventive concept.” *See USC IP P’ship, L.P. v. Facebook, Inc.*, 576 F. Supp. 3d 446, 450 (W.D. Tex. 2021) (“In *Alice* step two, the court considers whether the claims contain an “inventive concept” sufficient to transform the nature of the claim into a patent-eligible application.”) (internal quotations omitted). The inventive concept must involve more than the performance of well-understood, routine, and conventional activities previously known to the industry. *See Health Discovery Corp. v. Intel Corp.*, 577 F. Supp. 3d 570, 585–86 (W.D. Tex. 2021) (“The second step is satisfied when the claim limitations involve more than performance of well-understood, routine, [and] conventional activities previously known to the industry.”) (internal quotations omitted).

Claiming that the data transfer is facilitated through a kiosk does not save the Asserted Claims, as this amounts to nothing more than “identifying a technological environment.” *Mayo*,

132 S. Ct. at 1297–98, 1300–01. The claims merely recite conventional computing operations - for example, claim 1’s “SD card writer for writing data to an unsecure user area of the SD card and a protected secure area of the SD card” represents nothing more than standard SD card functionality. Even the purportedly technical elements like encryption, as claimed in the limitation “wherein the playable media files are encrypted by a content key that is encrypted by the user key” (claim 1) and similar limitations in the other Asserted Claims, were well-understood and routine in digital rights management systems. Further, the use of a kiosk and the use of downloading media files on SD cards in encrypted form for DRM purposes was well-understood, routine, and conventional in the art, as was the use of SD cards themselves, as demonstrated through the Identified Prior Art listed above. For these reasons, the Asserted Claims are directed to ineligible subject matter under § 101. The Asserted Patent is therefore invalid and unenforceable.

As discovery is just commencing, Defendant reserves the right to amend or supplement its patent ineligibility allegations against the Asserted Patent at a later date.

V. Document Production Accompanying Invalidity Contentions (P.R. 3-4)

Concurrently with these Preliminary Invalidity Contentions, Defendant is producing at Bates Nos. TRANSCEND_TECH00000001-TRANSCEND_TECH00000353 technical documentation sufficient to show the operation of any aspects or elements of an Accused Instrumentality identified by Plaintiff in its P. R. 3-1(c) chart, to the extent that Defendant can understand those contentions, which are deficient as discussed above. Defendant is also producing herewith at Bates Nos. PRIORART_00000001-PRIORART00000370 a copy of each item of prior art identified herein that does not appear in the file history of the Asserted Patent.

Dated: October 24, 2024

Respectfully submitted,

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