UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE, INC.,

Petitioner,

v.

Patent of SIGHTSOUND TECHNOLOGIES, LLC,

Patent Owner.

CBM2013-00019, U.S. Patent No. 5,191,573

#### PATENT OWNER SIGHTSOUND TECHNOLOGIES, LLC'S PRELIMINARY RESPONSE

Mail Stop PATENT BOARD Patent Trial and Appeal Board U.S. Patent & Trademark Office P.O. Box 1450 Alexandria, VA 22313-1450

DOCKET

A L A R M Find authenticated court documents without watermarks at <u>docketalarm.com</u>.

## **TABLE OF CONTENTS**

				Page
I.	STATEMENT OF PRECISE RELIEF REQUESTED			1
II.	PRELIMINARY STATEMENT			1
	A.	The I	nvention of the '573 Patent	1
	B.	Sight	Sound and the Advent of Digital Media Distribution	4
	C.	-	Sound Technologies' Acquisition of the Patents and itiation of Litigation	6
III.	THE CLAIMS			9
IV.	THE	THE PROSECUTION HISTORY		11
	A.		oner's Characterization of the '573 Patent's Claims rosecution History is Not Consistent with Either	11
	B.	Prose	ecution Overview	13
		1.	Third-Party-Initiated Ex Parte Reexamination	13
		2.	Appeal to the Board	17
		3.	Original Prosecution	20
V.	APPLE LACKS STANDING BECAUSE THE SIGHTSOUND PATENTS ARE NOT COVERED BUSINESS METHOD PATENTS			
				23
	A. The SightSound Patents Have No Relation To A "Financial Product or Service"		25	
	B.	B. SightSound's Patents Claim A Technological Invention		33
		1.	SightSound's Patents Claim The Technical Feature Of Transmitting And Storing Digital Audio And Video Signals	35

		SightSound Provided A Technical Solution To The Technical Problems Associated with Prior Art	
		Distribution of Media	37
VI.	CONCLUSI	ON	40

### **TABLE OF AUTHORITIES**

#### **Federal Cases**

Bilski v. Kappos, 130 S. Ct. 3218 (2010)	23, 24
Chrysler Corp. v. Brown, 441 U.S. 281 (1979)	25
Diamond v. Diehr, 450 U.S. 175 (1981)	34
KSR Int'l Co. v. Teleflex Inc.,550, U.S. 398 (2007)	20, 34
Mayo Collaborative Servs. v. Prometheus Labs., Inc., 132 S. Ct. 1289 (2012)	34
Merck & Co. v. Kessler, 80 F.3d 1543 (Fed. Cir. 1996)	25
<i>SightSound.com, Inc. v. N2K, Inc.</i> , 185 F. Supp. 2d 445 (W.D. Pa. 2002)	7
<i>SightSound.com, Inc. v. N2K, Inc.</i> , 391 F. Supp. 2d 321 (W.D. Pa. 2005)	7
State St. Bank & Tr. Co. v. Signature Fin. Grp., 149 F.3d 1368 (Fed. Cir. 1998)	22.24
(red. Cli. 1998)	23, 24
Decisions of the Patent Trial and Appeal Board	23, 24
	32
<b>Decisions of the Patent Trial and Appeal Board</b> <i>Bloomberg, Inc. v. Markets-Alert PTY LTD</i> , No. CBM2013-00005,	,
Decisions of the Patent Trial and Appeal Board Bloomberg, Inc. v. Markets-Alert PTY LTD, No. CBM2013-00005, Paper No. 18 (P.T.A.B. Mar. 29, 2013) CRS Advanced Techs., Inc v. Frontline Techs., Inc., No.	32
<ul> <li>Decisions of the Patent Trial and Appeal Board</li> <li>Bloomberg, Inc. v. Markets-Alert PTY LTD, No. CBM2013-00005, Paper No. 18 (P.T.A.B. Mar. 29, 2013)</li> <li>CRS Advanced Techs., Inc v. Frontline Techs., Inc., No. CBM2012-00005, Paper No. 17 (P.T.A.B. Jan. 23, 2013)</li> <li>Interthinx, Inc. v. Corelogic Solutions, Inc., No. CBM2012-00007, Paper No. 16 (P.T.A.B. Jan. 31, 2013)</li> <li>Liberty Mut. Ins. Co. v. Progressive Cas. Ins. Co., No. CBM2012-</li> </ul>	32 31
<ul> <li>Decisions of the Patent Trial and Appeal Board</li> <li>Bloomberg, Inc. v. Markets-Alert PTY LTD, No. CBM2013-00005, Paper No. 18 (P.T.A.B. Mar. 29, 2013)</li> <li>CRS Advanced Techs., Inc v. Frontline Techs., Inc., No. CBM2012-00005, Paper No. 17 (P.T.A.B. Jan. 23, 2013)</li> <li>Interthinx, Inc. v. Corelogic Solutions, Inc., No. CBM2012-00007, Paper No. 16 (P.T.A.B. Jan. 31, 2013)</li> <li>Liberty Mut. Ins. Co. v. Progressive Cas. Ins. Co., No. CBM2012-</li> </ul>	32 31 31
<ul> <li>Decisions of the Patent Trial and Appeal Board</li> <li>Bloomberg, Inc. v. Markets-Alert PTY LTD, No. CBM2013-00005, Paper No. 18 (P.T.A.B. Mar. 29, 2013)</li> <li>CRS Advanced Techs., Inc v. Frontline Techs., Inc., No. CBM2012-00005, Paper No. 17 (P.T.A.B. Jan. 23, 2013)</li> <li>Interthinx, Inc. v. Corelogic Solutions, Inc., No. CBM2012-00007, Paper No. 16 (P.T.A.B. Jan. 31, 2013)</li> <li>Liberty Mut. Ins. Co. v. Progressive Cas. Ins. Co., No. CBM2012- 00002, Paper No. 10 (P.T.A.B. Jan. 25, 2013)</li> <li>Liberty Mut. Ins. Co. v. Progressive Cas. Ins. Co., No. CBM2012-</li> </ul>	32 31 31 , 35, 36, 37

MeridianLink, Inc. v. DH Holdings, LLC, No. CBM2013-000 Paper No. 20 (P.T.A.B. June 24, 2013)	008, 32
SAP Am., Inc. v. Versata Dev. Grp., Inc., No. CBM2012-000 Paper No. 36 (P.T.A.B. Jan. 9, 2013)	01, 23, 27, 31, 32, 35
SAP Am., Inc. v. Versata Dev. Grp., Inc., No. CBM2012-000 Paper No. 70 (P.T.A.B. June 11, 2013)	01, 36

#### **Federal Statutes**

35 U.S.C. § 102 § 103(a) § 112 § 120	17 17 17 17
America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) § 18 § 18(a)(1)(B) § 18(d)(1)	$ \begin{array}{r}1\\23\\23,25,33\end{array} $

## **Federal Regulations**

37 C.F.R. § 1.510 § 41.37 § 42.207(a) § 42.301(b) § 42.304(a)	8 18 1 33, 35, 37, 39 23, 24, 25
77 Fed. Reg. 48,734, 48,735 (Aug. 14, 2012) 48,734, 48,736 (Aug. 14, 2012) 48,734, 48,737 (Aug. 14, 2012) 48,734, 48,738–39 (Aug. 14, 2012) 48,734, 48,744 (Aug. 14, 2012) 48,756, 48,763–64 (Aug. 14, 2012)	26, 37 27, 32, 35, 39 34 26 27 27

\_ iv \_

DOCKET ALARM Find authenticated court documents without watermarks at <u>docketalarm.com</u>.

## DOCKET A L A R M



# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## **Real-Time Litigation Alerts**



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## **Advanced Docket Research**



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## **Analytics At Your Fingertips**



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

#### LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

#### FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

#### E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.