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Application/Contr I No.

90/007,402

Examiner

Roland G. Foster

Applicant(s)/Patent under Reexamination

5191573

Art Unit

3992

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Class	Subclass	Date	Examiner

**SEARCH NOTES  
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# Litigation Search Report CRU 3999

Reexam Control No. 90/007,482

**TO: James Menefee**  
**Location: CRU**  
**Art Unit: 3992**  
**Date: 04/23/07**  
**Case Serial Number: 90/007,482**

**From: Patricia Volpe**  
**Location: CRU 3999**  
**MDW 7C69**  
**Phone: (571) 272-6825**  
**Patricia.volpe@uspto.gov**

## Search Notes

**Litigation was not found involving U.S. Patent Number 6,486,982**

### Sources:

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Date of Printing: APR 23,2007

### KEYCITE

**CUS PAT 6486982 SYSTEM FOR MAKING A HOLOGRAM OF AN IMAGE BY MANIPULATING OBJECT BEAM CHARACTERISTICS TO REFLECT IMAGE DATA, Assignee: Illinois Tool Works Inc. (Nov 26, 2002)**

#### History

- => 1 **SYSTEM FOR MAKING A HOLOGRAM OF AN IMAGE BY MANIPULATING OBJECT BEAM CHARACTERISTICS TO REFLECT IMAGE DATA, US PAT 6486982, 2002 WL 31660457 (U.S. PTO Utility Nov 26, 2002) (NO. 09/168585)**

#### Patent Family

- 2 MFG. HOLOGRAM, E.G. FOR IDENTITY CARD OR CREDIT CARD - MODULATING AND ANGLING OBJECT BEAMS DERIVED FROM AND INTERSECTING WITH REFERENCE LASER BEAM AT SCANNED SURFACE ACCORDING TO PIXEL DATA, DWPL 1995-179003

#### Assignments

- 3 ACTION: ASSIGNMENT OF ASSIGNORS INTEREST (SEE DOCUMENT FOR DETAILS). NUMBER OF PAGES: 002, DATE RECORDED: May 06, 2003  
 4 ACTION: ASSIGNMENT OF ASSIGNORS INTEREST (SEE DOCUMENT FOR DETAILS). NUMBER OF PAGES: 003, DATE RECORDED: Jun 18, 2002  
 5 ACTION: ASSIGNMENT OF ASSIGNORS INTEREST (SEE DOCUMENT FOR DETAILS). NUMBER OF PAGES: 004, DATE RECORDED: Oct 08, 1998

#### Patent Status Files

- . Request for Re-Examination, (OG date: May 17, 2005)

#### Prior Art


- C** 7 US PAT 4878717 APPARATUS AND METHOD FOR RAPIDLY CONSTRUCTING HOLOGRAMS, Assignee: Brown University Research Foundation, (U.S. PTO Utility 1989)  
**C** 8 US PAT 4778262 COMPUTER AIDED HOLOGRAPHY AND HOLOGRAPHIC COMPUTER GRAPHICS, Assignee: American Bank Note Holographics, Inc., (U.S. PTO Utility 1988)  
**C** 9 US PAT 5138471 HOLOCOMPOSER, (U.S. PTO Utility 1992)  
**C** 10 US PAT 4498740 HOLOGRAM WRITER AND METHOD, Assignee: Aerodyne, Research, Inc., (U.S. PTO Utility 1985)  
**C** 11 US PAT 5262879 HOLOGRAPHIC IMAGE CONVERSION METHOD FOR MAKING A CONTROLLED HOLOGRAPHIC GRATING, Assignee: Dimensional Arts. Inc., (U.S. PTO Utility 1993)  
**C** 12 US PAT 3560071 HOLOGRAPHIC RECORDING AND VISUAL DISPLAY SYSTEMS, Assignee: Everett A Johnson;; Silverman Daniel, (U.S. PTO Utility 1971)  
**C** 13 US PAT 4212536 HOLOGRAPHIC SUBTRACTION WITH PHASE MODULATION TO DISTINGUISH PHASE AND AMPLITUDE DIFFERENCES, Assignee: Magyar Tudományos Akademia Központi, (U.S. PTO Utility 1980)  
**C** 14 US PAT 4498729 METHOD AND APPARATUS FOR MAKING ACHROMATIC HOLOGRAMS, Assignee: Polaroid Corporation, (U.S. PTO Utility 1985)

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- C 15 US PAT 5119214 METHOD FOR FORMING A COMPUTER GENERATED HOLOGRAM, Assignee: Matsushita Electric Industrial Co., Ltd., (U.S. PTO Utility 1992)
- C 16 US PAT 5058992 METHOD FOR PRODUCING A DISPLAY WITH A DIFFRACTION GRATING PATTERN AND A DISPLAY PRODUCED BY THE METHOD, Assignee: Toppan Printing Co., Ltd., (U.S. PTO Utility 1991)
- C 17 US PAT 3615123 MULTIPLE EXPOSURE HOLOGRAPHIC SYSTEM, Assignee: Trw Inc., (U.S. PTO Utility 1971)
- C 18 US PAT 4655542 OPTICAL SIGNAL PROCESSING ARRANGEMENTS, Assignee: International Business Machines, (U.S. PTO Utility 1987)
- C 19 US PAT 4111519 RECORDING AND READING SYNTHETIC HOLOGRAMS, Assignee: Harris Corporation, (U.S. PTO Utility 1978)
- C 20 US PAT 3746783 SHUTTERLESS PLAYBACK DEVICE FOR HOLOGRAPHIC MOTION PICTURE RECORD PRESSINGS, Assignee: Rca Corporation, (U.S. PTO Utility 1973)
- C 21 US PAT 4017158 SPATIAL FREQUENCY CARRIER AND PROCESS OF PREPARING SAME, Assignee: E. I. Du Pont de Nemours and Company, (U.S. PTO Utility 1977)
- C 22 US PAT 3832027 SYNTHETIC HOLOGRAM GENERATION FROM A PLURALITY OF TWO-DIMENSIONAL VIEWS, Assignee: At&t Corp., (U.S. PTO Utility 1974)
- C 23 US PAT 5822092 SYSTEM FOR MAKING A HOLOGRAM OF AN IMAGE BY MANIPULATING OBJECT BEAM CHARACTERISTICS TO REFLECT IMAGE DATA, (U.S. PTO Utility 1998)

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168585 (09) 6486982 November 26, 2002

UNITED STATES PATENT AND TRADEMARK OFFICE GRANTED PATENT

6486982

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November 26, 2002

System for making a hologram of an image by manipulating object beam characteristics to reflect image data

**REEXAM-LITIGATE:** March 28, 2005 - Reexamination requested March 28, 2005 by Martin P. Hoffman, Hoffman, Wasson & Gitler, PC, Arlington, VA, Reexamination No. 90/007,482 (O.G. May 17, 2005) Ex. Gp.: 2872

**APPL-NO:** 168585 (09)

**FILED-DATE:** October 8, 1998


**GRANTED-DATE:** November 26, 2002

**ASSIGNEE-PRE-ISSUE:** October 8, 1998 - ASSIGNMENT OF ASSIGNORS INTEREST (SEE DOCUMENT FOR DETAILS)., DIMENSIONAL ARTS, INC. 15730 WEST HARDY ROADHOUSTON, TEXAS, 77060, Reel and Frame Number: 009511/0418  
June 18, 2002 - ASSIGNMENT OF ASSIGNORS INTEREST (SEE DOCUMENT FOR DETAILS)., ILLINOIS TOOL WORKS INC 3600 WEST LAKE AVENUEGLENVIEW, ILLINOIS, 60025, Reel and Frame Number: 013011/0028

**ASSIGNEE-AT-ISSUE:** Illinois Tool Works Inc., Glenview, Illinois, United States (US), United States company or corporation (02)

**ASSIGNEE-AFTER-ISSUE:** May 6, 2003 - ASSIGNMENT OF ASSIGNORS INTEREST (SEE DOCUMENT FOR DETAILS)., ILLINOIS TOOL WORKS INC. 3600 WEST LAKE AVENUEGLENVIEW, ILLINOIS, 60025, Reel and Frame Number: 013630/0863

**CORE TERMS:** beam, pixel, hologram, grating, laser, splitter, holographic, lens, photosensitive, diffraction ...

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- 1. [Holography News](#), February 1, 2007, Pg. 8(1), 160716368, 347 words, Key claims of Davis dot matrix patent rejected; INDUSTRY NEWS ... US patent number **6,486,982** System for Making ...
- 2. [Omaha World-Herald \(Nebraska\)](#), October 20, 2004, Wednesday, IOWA;MIDLANDS EDITION, Pg. 06B,, 122 words, Probation issue sends Omaha woman to jail, Todd Cooper

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56548 U.S. PTO



05/17/07

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)
	)
ARTHUR R. HAIR	)
	)
Reexamination Control No. 90/007,402	)
	)
Reexamination Filed: January 31, 2005	) METHOD FOR TRANSMITTING
	) A DESIRED DIGITAL VIDEO OR
Patent Number: 5,191,573	) AUDIO SIGNAL
	)
Examiner: Roland Foster	

Mail Stop *Ex Parte* Reexamination  
 Commissioner for Patents  
 P.O. Box 1450  
 Alexandria, VA 22313-1450

Sir:

RESPONSE

In response to the Office Action for the above-identified reexamination dated  
 March 17, 2007, please enter the following remarks.

**Remarks** begin on page 2 of this paper.

## REMARKS

Claims 1 through 6, which originally issued in the patent under reexamination, and new Claims 44 through 49, are currently pending in the reexamination.

### **I. SUMMARY**

The Office essentially has reiterated its previous position regarding the entitlement of the claims as issued in U.S. Patent No. 5,191,573 (the “573 Patent”) to the proper priority date of June 13, 1988. Patentee again wishes to point out that the Office has exceeded its jurisdiction in extending the instant reexamination to consider issues of written support and enablement, which clearly are outside the mandate given to the Office in the reexamination statutes. The Office repeatedly cites the Manual of Patent Examination Proceed (“MPEP”) as granting authority to consider in reexamination issues related to priority. In fact, a number of the sections of the MPEP cited by the Office as granting authority to address intervening references in reexamination are not themselves concerned with reexamination, but rather initial examination. Further, Patentee respectfully points out that, even with respect to MPEP sections that are relevant to reexamination, these sections merely set forth PTO procedures. The MPEP is not a rule or statement of law, and thus the MPEP cannot by itself grant any authority not previously granted by statute.

Nonetheless, even if it were within Office’s mandate to consider issues of priority, the Office clearly is not empowered to address any issues where they do not themselves present new issues related to patentability. As pointed out in detail by Patentee in the Response to the Office Action of September 29, 2006, all of the issues of alleged new matter now specifically raised in the instant reexamination were addressed previously by

the original examiner, Examiner Nguyen, during the initial examination of the '573 Patent. Patentee herein incorporates all arguments made in the Response to the previous Office Action concerning this issue as if repeated in their entirety.

Additionally, Patentee in the Response to the previous Office Action pointed out where each element in the claims currently in reexamination is supported in the specification as originally filed. Further, Patentee specifically pointed out in detail that the invention was in fact enabled as of June 13, 1988. As specifically addressed in Patentee's Response to the previous Office Action, the Office is applying an improper standard for 35 U.S.C. § 112, first paragraph, written support and enablement. Patentee also incorporates herein all arguments concerning this issue made in the Response to the previous Office Action as if repeated in their entirety.

Many of the new rejections of Claims 1 through 6 and 44 through 49 under Section 112, first paragraph, regarding written support and enablement similarly are improper because they address issues already decided during the initial examination of the '573 Patent. With respect to any issues under Section 112, first paragraph, now raised by the Office that may not have previously been decided, Patentee demonstrates herein that Claims 1 through 6 and 44 through 49 are fully supported and enabled by the specification originally filed on June 13, 1988.

As a result, Patentee reiterates its position that U.S. Patent No. 4,949,187 to Cohen (*Cohen*) cited by the Office does not qualify as prior art and is not available for the purposes of rejections under 35 U.S.C. §§ 102 and 103. Patentee similarly incorporates herein all arguments made in the Response to the previous Office Action concerning this issue as if repeated in their entirety.

To the extent the Office repeats rejections asserted in the previous Office Action based on references that are available as prior art, Patentee reiterates its position that those rejections are improper and should be withdrawn. With respect to new rejections under 35 U.S.C. §§ 102 and 103 that are based upon appropriate prior art, Patentee similarly demonstrates herein that those rejections are improper and should be withdrawn.

**II. THE OFFICE IS NOT EMPOWERED TO REASSIGN PRIORITY DATES DURING REEXAMINATION**

The '573 Patent issued from U.S. Patent Application Serial No. 07/586,391 (the "391 Application"), which was filed as a continuation of U.S. Patent Application Serial No. 07/206,497 (the "497 Application"). The Office admits the '573 Patent is not a continuation-in-part, but then asserts that the '573 Patent "shares the characteristics of a continuation-in-part." Based on this novel characterization of the '573 Patent, the Office proceeds to revisit the entitlement of the claims in the '573 Patent to the June 13, 1988 priority date previously awarded by Examiner Nguyen.

**A. THE OFFICE IS ATTEMPTING TO REASSIGN THE PRIORITY DATE OF THE '573 PATENT**

The Office asserts that "no priority dates have been 'reassigned' by the examiner." However, this is exactly what the Office has done.

**1. Examiner Nguyen Assigned A Priority Date Of June 13, 1988 To The Claims In The '573 Patent**

MPEP § 602.05(a) states unequivocally that, "[i]f the examiner determines that the continuation or divisional application contains new matter relative to the prior application, the examiner should so notify the applicant in the next Office action. The examiner should also (A) require a new oath or declaration along with the surcharge set



forth in 37 CFR 1.16 (f); and (B) indicate that the application should be redesignated as a continuation-in-part.”

During initial examination of the ‘573 Patent, the ‘391 Application was filed as a “continuation” of the ‘497 Application and thus, as a preliminary matter, was entitled to the filing date of the original application, June 13, 1988. Examiner Nguyen reviewed all amendments made to the specification and claims of the ‘497 Application, and did not require a new oath or declaration or require that the application be refiled as a continuation-in-part. Based on the MPEP sections cited by the Office and the Patentee, implicit in this is the fact that Examiner Nguyen thereby assigned the priority date of June 13, 1988 to the ‘391 Application.

Further, during prosecution of the ‘391 Application, Examiner Nguyen did make certain specific new matter rejections based on amendments to the specification and claims. Those rejections were traversed and responded to by the applicant, including the submission of a Declaration under 37 CFR § 1.132, which was determined to be persuasive by Examiner Nguyen.<sup>1</sup> The new matter rejections subsequently were withdrawn and the application proceeded to issue as the ‘573 Patent. Therefore, Examiner Nguyen expressly concluded that the alleged new matter was in fact supported by the originally filed specification; i.e. was disclosed in the manner provided by the first paragraph of Section 112. As a result, by definition, Examiner Nguyen determined that the claims in the ‘573 Patent were entitled to claim priority to the original June 13, 1988 filing date.

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<sup>1</sup> As an ancillary matter, the Office now seems to question the persuasiveness of the Section 1.132 Declaration submitted by applicant during examination of the ‘391 Application. Patentee respectfully points out this is not an issue that can be addressed on reexamination. The original Examiner must be assumed to have done his job properly in the initial examination.

**2. The Office Is Attempting To Reassign A Priority Date Of September 18, 1990 To The Claims Of The '573 Patent**

The Office now asserts, contrary to Examiner Nguyen, that the '573 Patent was only entitled to a priority date of September 18, 1990. Essentially, the Office has made an *ex post* determination that Examiner Nguyen *should have* either required that the amendatory text be deleted, or *should have* required that the application be refiled as a continuation-in-part with a new oath or declaration. In short, it is the Office's position that Examiner Nguyen *should have*, at some point, assigned a priority date of September 18, 1990 to the '391 Application during prosecution. After extensively reviewing the amendments to the specification and claims during prosecution of the '391 Application, Examiner Nguyen assigned the priority date of June 13, 1988. Dissatisfied with Examiner Nguyen's conclusion, the Office now has taken it upon itself to revisit the issue and reassign the priority date of September 18, 1990 for the '573 Patent.

**3. The Office is Attempting To Create A New Designation Of "De Facto CIP"**

The Office admits the '573 Patent is not a continuation-in-part application, but then asserts the '573 Patent "shares the characteristics of a continuation-in-part," and cites this as a basis for assigning a later priority date to the claims of the '573 Patent. The Office points to text added to the specification of the '573 Patent that was not found in the originally filed specification as grounds for this new designation. The Office further cites MPEP § 201.11 to support its conclusion. However, the presence of additional or different text in the specification of a continuation application does not by itself render the continuation application a continuation-in-part. The prohibition of MPEP § 201.11 concerns addition of text that would constitute new matter. Indeed, MPEP § 602.05

explicitly contemplates that changes and additions to the text of specifications in continuation and divisional applications can occur and are acceptable so long as no new matter is introduced:

“A copy of the oath or declaration from a prior non-provisional application may be filed in a continuation or divisional application *even if the specification for the continuation or divisional application is different from that of the prior application*, in that revisions have been made to clarify the text to incorporate amendments made in the prior application, or to make other changes provided the changes do not constitute new matter relative to the prior application. See 37 CFR 1.52(c)(3).” MPEP § 602.05 (emphasis added).

Further, the Office has cited no authority that empowers it, in the context of reexamination, to treat a continuation application as a continuation-in-part because the examiner in reexamination believes the continuation “shares characteristics of a continuation-in-part.” Patentee submits that an application or patent is either a continuation-in-part, or it is not. There simply is no designation in the statutes or regulations for patents that are continuations, but “share the characteristics of continuations-in-part”, as asserted by the Office. Patentee therefore respectfully submits that the Office has manufactured the designation of “*de facto* CIP” to allow the Office to cite references that otherwise would be unavailable as prior art.

The Office’s reliance on *In re Ruschetta*, 255 F.2d 687 (CCPA 1958) and *In re van Langenhoven*, 458 F.2d 132 (CCPA 1972) as authority for creating a *de facto* CIP is misplaced. Both *Ruschetta* and *van Langenhoven* deal explicitly with patents that issued from continuation-in-part applications. Further, both cases pre-date the reexamination statute, and thus say nothing about the proper conduct of reexamination proceedings. The Office has cited no further authority to support its interpretation of *Ruschetta* or *van Langenhoven*. Moreover, the Office cannot expand the holdings of these cases simply by

inserting references to them in MPEP sections dealing with the scope of reexamination.

“The MPEP sets forth PTO procedures; it is not a statement of law.” *Regents of the*

*University of New Mexico v. Knight*, 321 F.3d 1111, 1121 (Fed. Cir. 2003).

**B. THE PRIORITY DATE OF THE CLAIMS OF THE ‘573 PATENT IS NOT A NEW ISSUE RELATED TO PATENTABILITY AND CANNOT BE REVISITED BY THE OFFICE IN REEXAMINATION**

The Office asserts the determination of the priority date of the claims in the ‘573 Patent is a new issue related to patentability. The Office then back tracks on this statement by saying that, even if were not a new issue, nothing bars the Office from revisiting the issue in reexamination.

**1. The Entitlement Of The Claims In The ‘573 Patent To The Priority Date Of June 13, 1988 Was Addressed By Examiner Nguyen During The Original Prosecution Of The ‘573 Patent**

The Office admits that Examiner Nguyen did in fact address the issue of the alleged new matter shown in Table I of the instant Office Action. The Office further admits that Patentee has effectively demonstrated as much through the table submitted with Patentee’s Response to the Office Action of September 29, 2006. However, the Office then asserts that Examiner Nguyen did not have an opportunity to compare all of the amendments to the claims and specification made during prosecution to the originally filed specification. The Office refers to Table II in the instant Office Action for examples of “gradually added new matter” which the Office asserts was not addressed by Examiner Nguyen. However, on reviewing Table II, it is apparent that it contains the same alleged new matter as Table I, which the Office already has admitted was reviewed and passed on by Examiner Nguyen. In fact, the text referred to by the Office in the instant Office

Action appears to be the same text presented in the previous Office Action with the exception that it has now been relabeled Table II.

**2. The Absence Of Rejections Based On Intervening References During The Initial Examination Of The '573 Patent Does Not Demonstrate Examiner Nguyen Failed To Address The Issue Of Priority**

The Office asserts that Examiner Nguyen never had reason to consider the propriety of the claim of priority made in the '391 Application, because no intervening references were ever cited by the Examiner. This line of argument by the Office effectively puts the rabbit in the hat, by concluding that the absence of any intervening references in the record is conclusive evidence the issue of priority was never addressed by Examiner Nguyen. Patentee respectfully submits it is more plausible to conclude that no intervening references were cited because Examiner Nguyen properly concluded the '391 Application was entitled to the priority date of June 13, 1988. Not only is Patentee's position more plausible on its face, it is fully supported by the written record as detailed in Section II(A)(1) above.

**3. MPEP § 2258.IV.E Does Not Empower The Office To Revisit The Issue Of The Entitlement Of Claims In An Issued Patent To A Priority Date**

The Office cites MPEP § 2258.IV.E as an example of revisiting priority issues in reexamination. However, most of this section addresses only the procedural issues in reexamination for perfecting a claim for priority made previously during initial examination.

The cited section also deals with claiming priority under 35 U.S.C. § 120 to an earlier filed copending application during reexamination, where there was an earlier *failure* to make such a claim. Where a patentee seeks to correct an earlier *failure* to claim

priority, that would be a new issue, since the priority claim was never before the Office in the first place. However, in the instant case, a claim of priority was made by the applicant and Examiner Nguyen determined the '573 Patent in fact was entitled to the priority date of June 13, 1988. Since a claim of priority is, by definition, before the Examiner when it is made, it can never be a new issue in reexamination; i.e. one that the original Examiner had no reason to consider. Indeed, MPEP § 201.11, cited favorably by the Office, *requires* an Examiner to address the issue during initial examination.

Further, MPEP § 2258.IV.E does not address revisiting and removing an earlier claim of priority made in an application, and does not address the entitlement of an issued patent to an earlier claimed right of priority.

Finally, MPEP § 2258.IV.E addresses reexaminations initiated by the Patentee, and does not empower the Office to address the issue of entitlement to a claimed priority date where the issue is not first raised by the Patentee.

The Office also cites MPEP § 1402, which concerns reissue proceedings, as an example of addressing priority issues. However, again, the cited section deals with adding or changing claims of priority, where an earlier claim contained an error or was not made at all. Patentee further respectfully points out that, while MPEP § 1405 does address deletion of a priority claim in reissue, that section does not empower the Office on its own to determine the propriety of the priority claim. Finally, 37 CFR § 1.552(c) is explicit about the scope of reexamination:

*“Issues other than those indicated in paragraphs (a) and (b) of this section will not be resolved in a reexamination proceeding. If such issues are raised by the patent owner or third party requester during a reexamination proceeding, the existence of such issues will be noted by the examiner in the next Office action, in which case the patent owner may consider the advisability of filing a reissue application to have such issues considered and resolved.”* 37 CFR 1.552(c) (emphasis added).

Therefore, notwithstanding MPEP § 1405, the propriety of a previously made priority claim cannot be revisited by the Office during reexamination.

**C. SINCE THE ISSUE OF ENTITLEMENT OF THE CLAIMS OF THE '573 PATENT TO THE JUNE 13, 1988 FILING DATE OF THE PARENT APPLICATION IS NOT A NEW ISSUE, PATLEX BARS RECONSIDERATION OF THE ISSUE DURING REEXAMINATION**

The Office agrees that the holding of *Patlex v. Quigg*, 680 F.Supp 33 (D.D.C. 1988) bars reconsideration of the entitlement to a claim for priority where the issue of the sufficiency of the disclosure of the application to which the claim is made has already been determined by the PTO or a court. As demonstrated by Patentee and admitted by the Office, Examiner Nguyen decided the issue of the sufficiency of the disclosure of the '497 Application during the initial examination of the '573 Patent. In short, Examiner Nguyen decided the claims in the '573 Patent are entitled to the filing date accorded the '497 Application, June 13, 1988. Recasting as arising under 35 U.S.C. § 120, as opposed to 35 U.S.C. § 132, the same Section 112, first paragraph, issues previously dealt with by Examiner Nguyen does not make them new. Therefore, by the Office's own admission, it is barred from revisiting the issue of priority in reexamination.

**III. THE INSTANT REJECTIONS OF THE CLAIMS CURRENTLY IN REEXAMINATION ARE IMPROPER**

The Office has rejected Claims 1 through 6 and 44 through 49 under Section 112, first paragraph, based on lack of adequate written description and lack of enablement. A number of these Section 112, first paragraph, rejections improperly address issues that previously were determined during the initial examination of the '573 Patent. The Office has also rejected Claims 1 through 6 and 44 through 49 under 35 U.S.C. §§ 102(e) and

103(a) over various references. At least one of these references, *Cohen*, is not available as prior art since it post dates the proper June 13, 1988 priority date for the '573 Patent.

**A. REJECTION OF CLAIMS 44 THROUGH 49 UNDER 35 U.S.C. § 112, FIRST PARAGRAPH**

Claims 44 through 49 have been rejected under Section 112, first paragraph, as introducing matter not described in the original specification. Claims 47 through 49 additionally have been rejected as not being enabled by the original specification.

Patentee traverses this rejection.

As a preliminary matter, 37 CFR § 1.552(a) states that an analysis under Section 112 will be performed with respect to *matter* added or deleted, not *claims* added or deleted. The restatement of matter already presented in Claims 1 through 6 in the form of Claims 44 through 49 does not add *matter* to the claims. MPEP § 2163.I states that issues under Section 112 “*most typically... arise in the context of...new or amended claims.*” (emphasis added). This statement does not empower the Office to assert Section 112, first paragraph, rejections every time previously claimed matter is presented in the form of a different claim.

The only element present in Claims 44 through 49 that was not previously present in Claims 1 through 6 is the recitation of a hard disk. Therefore, the Office may only examine the recitation of “hard disk” for compliance with Section 112, first paragraph. A review of the originally filed specification demonstrates this recitation is fully supported and enabled by the originally filed specification. See Original Specification, p. 3, ln. 30.

Nonetheless, even if it were proper for the Office to examine Claims 44 through 49 in their entirety for compliance with Section 112, first paragraph, under 37 CFR § 1.552(a), those issues already were addressed by Examiner Nguyen during the initial



examination of Claims 1 through 6, as recognized by the Office in the instant Office Action.

Further, as demonstrated by the Patentee in the Response to the Office Action of September 29, 2006, each element of Claims 1 through 6 is fully supported and enabled by the specification of the '497 Application as originally filed. Therefore Patentee respectfully submits that each element of Claims 44 through 49 is also fully supported. Reconsideration is respectfully requested.

**B. REJECTION OF CLAIMS 1 THROUGH 6 UNDER 35 U.S.C. § 112, FIRST PARAGRAPH**

Claims 1 through 6 have been rejected under Section 112, first paragraph, as introducing matter not described in the original specification. Claims 4 through 6 additionally have been rejected as not being enabled by the original specification. Patentee traverses this rejection.

The Office asserts that the negative limitation of “a non-volatile storage portion of the second memory, wherein the non-volatile storage is not a tape or a CD”, introduces a new concept to the claims that does not have a basis in the originally filed specification. The Office cites two cases from the Board of Patent Appeals and Interferences (BPAI), one case from the Court of Customs and Patent Appeals (CCPA), and one case from the Court of Appeals for the Federal Circuit (CAFC) to support this rejection.

As a preliminary matter, Patentee notes that the CAFC case cited by the Office, *Lizardtech v. Earth Resources Mapping*, 433 F.3d 1373 (Fed. Cir. 2006), is merely an opinion denying a petition for rehearing *en banc*, which does not address anything related to the current rejection, and therefore contains no holding that supports the Office’s position.

The two cases from the BPAI, *Ex Parte Wong*, 2004 WL 4981845 (Bd. Pat. App. & Interf.) and *Ex Parte Grasselli*, 231 USPQ 393 (Bd. Pat. App. & Interf. 1983), address situations where a negative limitation added to a claim was not described in the specification of the application.

The case from the CCPA, *Application of Johnson*, 558 F.2d 1008 (CCPA 1977), concerns a situation where the applicant sought to claim priority to an originally filed application for claims in a subsequent continuation-in-part application. The disclosure and claims in the CIP application recited a negative limitation excluding certain species from a polymer composition, where the negative limitation was not disclosed in the original parent application. According to the court, this new negative limitation created a new sub-genus not disclosed in the original parent application. As a result, the claims in the CIP application were not entitled to claim priority to the original parent application.

The holdings of *Wong* and *Grasselli* do not support the rejection of Claims 1 through 6 under Section 112, first paragraph, in the instant case. In both *Wong* and *Grasselli*, the issue and ultimate ground for rejection was that a negative limitation added to the claims introduced a new concept not disclosed in the respective specifications in those cases. That simply is not the situation here. Both Claims 1 and 4 recite a non-volatile storage portion of a memory that is not a tape or CD. The originally filed specification of the '497 Application explicitly states that the disclosed invention eliminates the need to handle tapes and CDs. See p. 2, Ins. 23 to 26. Thus, the concept of storing digital audio or digital video signals on a memory that is not a tape or CD is explicitly disclosed by the original specification.

The holding of *Johnson* similarly is not helpful to the Office here. In *Johnson*, an original parent application disclosed and claimed a genus of polymer compositions comprising various monomer units. In a later filed continuation-in-part application, the broad genus claims in the parent application were narrowed by expressly excluding certain species from the polymer compositions. The parent application only contained a description of the broader genus. The court found that claims to the narrower sub-genus created by the express exclusion of certain species in the continuation-in-part were not supported by the description of the broader genus in the parent specification. Again, the situation with the present reexamination differs significantly from the cited case law. Claims 1 and 4 recite a non-volatile storage portion of a memory that is not a tape or CD. This is exactly what is described at page 2, lines 23 to 26 of the originally filed specification. In short, the negative limitation recited in Claims 1 and 4 is expressly disclosed in the specification of the parent application. Thus, in the instant case, the scope of the disclosure in the specification was never narrowed with respect to this element, contrary to the situation in *Johnson*. Patentee therefore respectfully submits that the recitation of a non-volatile storage portion of a memory that is not a tape or CD is fully supported by the originally filed specification, as well as the specification of the '573 Patent as issued.

With respect to the other elements recited in Claims 1 through 6, the issue of written support for the claimed matter previously was addressed by Examiner Nguyen during the initial examination of Claims 1 through 6, as recognized by the Office in the instant Office Action. Moreover, Patentee thoroughly demonstrated in the Response to the Office Action of September 29, 2006 that each element in Claims 1 through 6 is fully

supported and enabled by the original specification as filed, as well as the specification for '573 Patent as issued. Reconsideration is respectfully requested.

**C. ALL FEATURES OF CLAIMS 1 THROUGH 6 AND 44 THROUGH 49 IN THE '573 PATENT FIND WRITTEN SUPPORT IN THE ORIGINALLY FILED SPECIFICATION OF THE '497 APPLICATION**

In the Response to the previous Office Action, Patentee specifically pointed out in table format where each feature of Claims 1 through 6 is supported by the originally filed specification of the '497 Application. Patentee incorporates those arguments here as if repeated in their entirety. Patentee further submits for the same reason Claims 44 through 49 are also supported by the originally filed specification of the '497 Application.

To further support Patentee's position with respect to particular claim elements, Patent hereby submits a Declaration under 37 CFR § 1.132 of Dr. J. Douglas Tygar. As set forth in the Declaration of Dr. Tygar, the claim language; "transferring money electronically via a telecommunication line to a first party at a location remote from the second memory," "charging a fee," "providing a credit card number," and "charging an account," all would have been interpreted by one of ordinary skill in the art in the context of the described electronic sales and distribution of digital audio signals or digital video signals. In this context, one of ordinary skill in the art would have recognized that electronic sales encompassed transactions where a fee is charged, and thus money is transferred from one party to another electronically via a telecommunication line. It further would have been understood by one of ordinary skill in the art that electronic sales could be accomplished by providing a credit card number. As a result, one of ordinary skill in the art in 1988 would have recognized

that the description of electronic sales in the specification of the '479 Application necessarily comprehends "transferring money to a first party from a second party electronically via telecommunication lines," "charging a fee," "charging an account," and "providing a credit card number."

As further set forth in the Declaration of Dr. Tygar, one of ordinary skill in the art in 1988 would have been aware of the available means for connecting computer systems to telecommunication lines for the purpose of transferring electronic signals; for example modems. Such means could be used at the originating (transmitting) computer and at the destination (receiving) computer. The control unit or control integrated circuit of the copyright holder and user would have been recognized by one of ordinary skill in the art as being some type of computer system or part of a computer system. Therefore, the terms in the claims, "transmitter" and "receiver", describe what would have been understood by one of ordinary skill in the art as being necessarily comprehended by the description provided in the specification and figures filed with the '497 Application.

Finally, as also set forth in the Declaration of Dr. Tygar, it easily would have been recognized by one of ordinary skill in the art in 1988 that the specification's teaching requires establishing some type of connectivity as a pre-requisite to making a purchase/sale of digital signals, as well as for transferring the digital signals. Since the specification of the '497 Application explicitly discloses selling and transferring digital audio signals (or digital video signals) over telephone lines, it is clear that the step of requesting and establishing connectivity (telephoning) is necessarily comprehended in

the description provided in the '497 Application, since the step would have been recognized as a prerequisite for performing the function of the disclosed system.

**D. ALL FEATURES OF CLAIMS 1 THROUGH 6 AND 44 THROUGH 49 IN THE '573 PATENT ARE ENABLED BY THE ORIGINALLY FILED SPECIFICATION OF THE '497 APPLICATION**

In the Response to the previous Office Action, Patentee specifically explained how claims drawn to the video feature are enabled by the originally filed specification of the '497 Application. Patentee incorporates those arguments here as if repeated in their entirety. In response to those arguments, the Office Action stated:

Thus, it would not have been clear to one of ordinary skill how the digital video would have been coded and decoded during transmission over a telephone line. Such a question does not relate to mass production, but where a single video downloading system as claimed could be made or used without undue experimentation by one of ordinary skill in the art in 1988 facing a lack of industry standards for transmitting digital video data via a telephone line and also facing a limited disclosure of any video features whatsoever.

It is respectfully submitted that those of ordinary skill in the art would have been able to code and decode video data transmitted over a telephone line without undue experimentation. This is because there were existing video teleconferencing systems known and available to them prior to applicant's earliest priority date. Patentee hereby submits the reference "The Design of Picturephone® Meeting Service (PMS) Conference Centers For Video Teleconferencing", Bernard A. Wright, *IEEE Communications Magazine*, © 1983 (hereinafter *Wright*). In the paragraph crossing the left and right columns of page 30 of *Wright*, the article describes that five years before applicant's earliest priority date a digital video signal could have been (and was) sent via a telephone network and decoded with a picture processor in real-time. In fact, on page 36, *Wright* states:

The Bell System has developed a complete capability for full motion video teleconferencing, and as of July 2, 1982 is providing such a service. This high quality PMS service provides the user with an excellent full-motion, two-way fully interactive conferencing capability.

Similarly, in the section of page 35 entitled "Picture Processor," *Wright* discloses that not only was a TV processor for video processing available from Nippon Electric Corporation for use in the described video processing system, but a network interface specification was available for making systems that were compatible with the Bell System. (See reference [3].) It further states that "In the receive direction, a decoder accepts the two DS-1 signals as inputs, corrects errors, and recovers audio, video, and control information by performing the inverse of the encoding operations." (Emphasis added.) As such, contrary to the position of the Office Action, it is clear that at the time of filing the earliest priority application, one of ordinary skill in the art would have been able to transmit, download and decode video signals as claimed by using, for example, the digital video format of the PicturePhone system described in *Wright*, without undue experimentation. Applicant therefore respectfully requests that the Patent Office withdraw this ground for rejection.

**E. REJECTION OF CLAIMS 1 THROUGH 6 AND 44 THROUGH 49 UNDER 35 U.S.C. § 103(a) OVER *BUSH* IN VIEW OF *COHEN***

Claims 1 through 6 and 44 through 49 have been rejected under 35 U.S.C. § 103(a) as obvious over the combination of U.S. Patent 4,789,863 to Bush (*Bush*) in view of U.S. Patent No. 4,949,187 to Cohen (*Cohen*). Patentee respectfully traverses this rejection.



As previously pointed out by Patentee, *Cohen* does not qualify as prior art based on the proper June 13, 1988 priority date of the '573 Patent. Therefore, a *prima facie* case of obviousness of Claims 1 through 6 and 44 through 49 has not been established by the foregoing combination of references.

**F. REJECTION OF CLAIMS 1 THROUGH 6 AND 44 THROUGH 49 UNDER 35 U.S.C. § 103(a) OVER *BUSH* IN VIEW OF *FREENY I***

Claims 1 through 6 and 44 through 49 have been rejected under 35 U.S.C. § 103(a) as obvious over the combination of *Bush* in view of U.S. Patent No. 4,837,797 to Freeny (*Freeny I*). Patentee respectfully traverses this rejection.

As recognized by the Office, *Bush* does not disclose storing digital audio signals or digital video signals in a non-volatile storage portion of a second memory that is not a tape or a CD as recited in Claims 1 and 4. As further recognized by the Office, *Bush* does not disclose storing digital audio signals or digital video signals in a second party hard disk as recited in Claims 44 and 49.

*Freeny I* discloses a message controller for receiving voice messages and machine readable messages over telephone lines. The apparatus of *Freeny I* is capable of differentiating between voice messages and machine readable messages received over standard telephone equipment, i.e. a telephone. When the apparatus of *Freeny I* determines that a received call is a voice message, it causes the user's telephone to ring, thereby alerting the user. When the apparatus of *Freeny I* determines that a received call is a machine readable message, it converts the message to human readable form using a standard printer or display unit. One embodiment of the apparatus of *Freeny I* indicates it is capable of receiving machine readable messages and storing them on a storage medium that may be a memory chip or hard disk.

However, *Freeny I* does not discuss transmission of digital audio or digital video signals from a first memory to a second memory, let alone the sale of such digital video or digital audio signals. Thus, *Freeny I* bears no relation to the disclosure of *Bush* or the invention recited in Claims 1 through 6 and 44 through 49. The Office apparently has recognized this deficiency in *Freeny I*, because the Office must cite to *Cohen* to show motivation to combine *Bush* and *Freeny I*. However, as set forth above, *Cohen* is not available as prior art based on the priority date of June 13, 1988 for the '573 Patent.

The Supreme Court's recent holding in *KSR v. Teleflex*, 2007 WL 1237837 (U.S.), does not relieve the Office of the obligation to show motivation to combine two separate references in making out a *prima facie* case of obviousness. Quite to the contrary, the Supreme Court stated; "[t]o determine whether there was an apparent reason to combine the known elements in the way a patent claims, it will often be necessary to look to interrelated teachings of multiple patents; to the effects of demands known to the design community or present in the marketplace; and to the background knowledge possessed by a person having ordinary skill in the art. *To facilitate review, this analysis should be made explicit.*" *KSR v. Teleflex*, 2007 WL 1237837 (U.S.) at \*3 (emphasis added).

Since the Office has not shown any motivation to combine *Bush* and *Freeny I*, a *prima facie* case of obviousness has not been established.

**G. REJECTION OF CLAIMS 1, 2, 4, 5, 44, 45, 47 AND 48 UNDER 35 U.S.C. § 102(e) AS ANTICIPATED BY COHEN**

Claims 1, 2, 4, 5, 44, 45, 47 and 48 have been rejected under 35 U.S.C. § 102(e) as anticipated by *Cohen*. Patentee respectfully traverses this rejection.

As set forth above, *Cohen* is not available as prior art based on the appropriate priority date of June 13, 1988 for the '573 Patent. Therefore the instant rejection is improper.

**F. REJECTION OF CLAIMS 3, 6, 46 AND 49 UNDER 35 U.S.C. § 103(a) OVER *BUSH* IN VIEW OF *COHEN***

Claims 3, 6, 46 and 49 have been rejected under 35 U.S.C. § 103(a) over *Bush* in view of *Cohen*. Patentee respectfully traverses this rejection.

As set forth above *Cohen* is not available as prior art based on the appropriate priority date of June 13, 1988 for the '573 Patent. Therefore a *prima facie* case of obviousness has not been established by this combination of references.

**G. REJECTION OF CLAIMS 1 THROUGH 6 AND 44 THROUGH 49 UNDER 35 U.S.C. § 103(a) OVER *AKASHI* IN VIEW OF *FREENY II***

Claims 1 through 6 and 44 through 49 have been rejected over Japanese Patent Application No. 62-284496 (*Akashi*) in view of U.S. Patent No. 4,528,643 to Freeny (*Freeny II*). Patentee respectfully traverses this rejection.

The Office asserts that *Akashi* shows a system for transmitting recorded music from a host computer that stores recorded music data to a personal computer. The Office then asserts that *Akashi* "does not expressly detail...whether the data is stored on a non-volatile portion of a second memory that is not a tape or CD." Patentee respectfully submits this is incorrect. In fact, *Akashi* explicitly discloses a record reproducing device that is a compact disk deck or a digital audio tape recorder. See, *Akashi* Translation p. 2 (Embodiment). Therefore, *Akashi* is not ambiguous at all on this point. Thus, not only does *Akashi* fail to disclose transmitting digital audio signals or digital video signals from a first memory to a second memory and storing the digital audio signals or digital video

signals in a non-volatile portion of the second memory that is not a tape or CD, *Akashi* expressly teaches away by specifically disclosing and requiring a tape recorder or CD deck.

The Office asserts the deficiencies of *Akashi* are cured by *Freeny II*. Specifically, the Office asserts that *Freeny II* discloses transmitting digital audio signals or digital video signals from a first memory in control and possession of a first party to a second memory in control and possession of a second party, and storing the digital audio signals or digital video signals in a non-volatile storage that is not a tape or CD. The Office further asserts it would have been obvious to implement the non-volatile storage of *Freeny II* in the system of *Akashi* because “[t]he use of a hard disk would have allowed the user to more efficiently access audio and video files.” The Office bases its position on the conclusion that “a hard-disk, would have also increased the security and reliability of the stored data.”

Patentee respectfully submits it would not have been obvious to combine the teachings of *Akashi* and *Freeny II* to arrive at the invention recited in Claims 1 through 6 and 44 through 49 for several reasons. First, *Freeny II* discloses a kiosk type system for producing “material objects” at a point of sale location where it is the “material object” that is sold to consumers. *Freeny II*, Abstract. Thus, like *Akashi*, *Freeny II* expressly teaches away from storing digital audio signals or digital video signals on non-volatile storage portion of a second memory that is not a tape or CD in possession and control of a second party. Further, in *Freeny II*, the second memory (information manufacturing machine) for storing the information that is transformed into material objects is in possession and control of the first party. The first party controls access to the information

on the second memory by requiring a fee to be paid for the consumer (second party) to access the information stored on the second memory. After the fee is paid, the second party has limited access to the specific information requested for the purpose of making a copy in the form of a material object. In the case of audio or video information, the material object would be in the form of a tape or CD. Therefore, again, both *Akashi* and *Freeny II* contemplate and require supplying audio information to the consumer in the form of a tape or CD. Thus, like *Akashi*, *Freeny II* expressly teaches away from storing digital audio signals or digital video signals on non-volatile storage portion of a second memory that is not a tape or CD in possession and control of a second party.

Additionally, in *Freeny II*, the necessary material object containing the digital audio or digital video signals is produced by accessing information stored on the second memory. The first memory (information control machine) simply supplies reproduction authorization codes in response to a request for reproduction from the information manufacturing machine. The second party never has access to the first memory, as recited in Claims 2, 5, 45 and 48.

Both *Akashi* and *Freeny II* solve the same problem: providing audio information, and video information in the case of *Freeny II*, to a consumer in the form of a material object, such as a tape or CD. *Akashi* and *Freeny II* solve this common problem in different and unrelated ways. Nonetheless, neither of the references teaches or discloses the benefits of transmitting digital audio signals or digital video signals from a first memory to a second memory and storing those digital audio signals or digital video signals in a non-volatile portion of the second memory that is not a tape or CD, which is in possession and control of a consumer, i.e. a second, financially distinct, party.

Therefore, the combination of *Akashi* and *Freeny II* does not teach or suggest every limitation of Claims 1 through 6 or 44 through 49. In fact, because both of *Akashi* and *Freeny II* expressly require storing digital audio signals or digital video signals on a tape or CD, they teach away from the invention recited in Claims 1 through 6 and 44 through 49. As a result, these references cannot be combined to render Claims 1 through 6 obvious. “[W]hen the prior art teaches away from combining certain known elements, discovery of a successful means of combining them is more likely to be nonobvious.” *KSR v. Teleflex*, 2007 WL 1237837 (U.S.) at \*12.

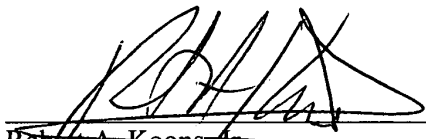
Even if the combination of *Akashi* and *Freeny II* did teach each and every element of Claims 1 through 6 or 44 through 49 – which they do not -- the motivations cited by the Office for combining and/or modifying *Akashi* and *Freeny II* are not found in those references. Moreover, the Office has not cited to any other references or knowledge available to one of ordinary skill in the art in 1988 that would have motivated a skilled artisan to combine and/or modify *Akashi* and *Freeny II* as suggested by the Office. Rather, the Office simply has made vague statements that the security and reliability of hard-disks would have been well known at the time. Such general allegations are insufficient to show motivation to combine these references, particularly since neither one of them even hints at such a modified combination. Again, as the Supreme Court has just admonished: “[a] patent composed of several elements is not proved obvious merely by demonstrating that each element was, independently, known in the prior art.” *Id.* at \*3

Based on all of the foregoing, Patentee respectfully submits that a *prima facie* case of obviousness of Claims 1 through 6 and 44 through 49 over the combination of *Akashi* and *Freeny II* has not been established.

\* \* \* \* \*

For all of the reasons set forth above, Patentee respectfully requests that all rejections of Claims 1 through 6 and 44 through 49 be withdrawn, and those claims be allowed to issue out of the pending reexamination proceeding.

Respectfully submitted,  
DRINKER BIDDLE & REATH LLP




A handwritten signature in black ink, appearing to read 'R. A. Koons, Jr.', is written over a horizontal line.

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: 56548 U.S. PTO )  
ARTHUR R. HAIR  )  
05/17/07 )  
Reexamination Control No. 90/007,402 )  
Reexamination Filed: January 31, 2005 ) A SYSTEM FOR TRANSMITTING  
Patent Number: 5,191,573 ) DESIRED DIGITAL VIDEO OR  
Examiner: Roland G. Foster ) AUDIO SIGNALS  
)

May , 2007

Mail Stop *Ex Parte* Reexamination  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

DECLARATION UNDER 37 C.F.R. §1.132

I, Justin Douglas Tygar, hereby declare that:

1. I am a tenured, full Professor at the University of California, Berkeley, with a joint appointment in the Department of Electrical Engineering and Computer Science (Computer Science Division) and the School of Information. Before joining the faculty at Berkeley, I was faculty member at Carnegie Mellon University. I have continuously been Professor of electrical engineering and computer science since 1986.

2. I serve, and have served, in a number of capacities on government, academic, and industrial committees that give advice or set standards in security and electronic commerce. I have attached a copy of a recent curriculum vita to this declaration as Exhibit A.



3. I have reviewed the specification and claims of United States Patent No. 5,191,573 (“573 Patent”), United States Patent No. 5,675,734 (“734 Patent”), United States Patent No. 5,966,440 (“440 Patent”) and the specification and claims of United States patent application Serial Number 07/206,497, as originally filed on June 13, 1988 (“497 Application”).

4. I have been asked by counsel for the patent owner to analyze the claims in the ‘573 Patent, ‘734 Patent and ‘440 Patent, which currently are being reexamined, to determine if the language in the claims and the accompanying specifications have written support in the specification of the ‘497 Application, as originally filed on June 13, 1988. I understand that, for a claim to be supported by the specification of a patent, the specification must make clear to one of ordinary skill in the art that the inventor had possession of the invention recited in the claims at the time the application for the patent was filed. I also understand that the claims of a patent need not describe the invention using exactly the same terminology found in the specification of the patent, so long as one of skill in the art would recognize that what is recited in the claims is “necessarily comprehended” by what is described in the specification.

5. My understanding of the meaning of “necessarily comprehend” is that, although the specification of a patent may not exactly describe, in so many words, a limitation found in a claim, one skilled in the art on reading the specification and the claim would recognize that what is described in the specification necessarily encompasses what is recited in the claim.

6. In performing my analysis, I have reviewed the claims and specifications of the '573 Patent, '734 Patent and '440 Patent, and the specification and drawings of the '497 Application as originally filed on June 13, 1988, from the perspective of one having ordinary skill in the art of computers at that time. For the purposes of my analysis, a person having ordinary skill in the art in 1988 would have had a bachelor's degree in computer science or electrical engineering with a background in computers, or an equivalent level of knowledge and ability from working in industry for an appropriate number of years. I am well familiar with what the level of ordinary skill was in 1988 because at that time I was a Professor of computer science and each semester taught courses to students in both computer science and electrical engineering. One of ordinary skill in the art would have been familiar with then existing means for storage of digital information and transmission of digital information across telecommunications lines.

7. Based on the foregoing information and understanding, I have concluded that one of ordinary skill in the art in 1988 would have recognized the inventions claimed in the '573 Patent, '734 Patent and '440 Patent were necessarily comprehended by the description in the specification and drawings of the '497 Application. I make the following specific observations with respect to particular claim elements at issue:

A. “Transferring Money from a Second Party to a First Party,” “Charging a Fee,” “Providing a Credit Card Number,” and “Charging an Account”

8. First, I note that, throughout the specification, the '497 Application discusses electronic sales and distribution of digital audio signals (or digital video signals), e.g.

selling and distributing music over telephone lines, which are telecommunication lines. The claim language at issue; “transferring money electronically via a telecommunication line to a first party at a location remote from the second memory,” “charging a fee,” “providing a credit card number,” and “charging an account,” all would have been interpreted by one of ordinary skill in the art in the context of the described electronic sales and distribution. Thus, one of ordinary skill in the art in 1988 would have been familiar with various electronic means of making purchases over telecommunication lines. Indeed, by 1988 the definition of “money” had expanded well beyond traditional coin and paper currency to include stores of value in purely electronic form. At that time, “money” could be transferred from one account to another, or simply credited to an account purely electronically. Further, in 1988, it also was known to authorize payment, such as by credit card, electronically over telecommunications lines. This authorization would have involved providing an identification of credit card account information in the form of a credit card number. Further, since this ultimately would have resulted in a credit being made to an electronic account of a seller, it would have been understood to be an electronic transfer of money.

9. One of ordinary skill in the art in 1988 would have been aware of all of the above and would have considered them forms of electronic sales. The term “sale” involves a payment from one party to another party, which necessarily encompasses “charging a fee” to the purchasing party. Therefore, one of ordinary skill in the art would have recognized that, in the context of the electronic sale and distribution of digital audio signals (or digital video signals) over telephone lines, an electronic sale encompassed transactions where a fee is charged and thus money is transferred from one party to another electronically via a telecommunication line. It

further would have been understood by one of ordinary skill in the art that electronic sales could be accomplished by providing a credit card number. As a result, one of ordinary skill in the art in 1988 would have recognized that the description of electronic sales in the specification of the '479 Application necessarily comprehends "transferring money to a first party from a second party electronically via telecommunication lines," "charging a fee," "charging an account," and "providing a credit card number."

B. Transmitter/Receiver

10. I note that, throughout the specification, the '497 Application discusses electronic sales and distribution of digital audio signals (or digital video signals), e.g. electronically selling and distributing music over telephone lines, which are telecommunication lines. The specification of the '497 Application also explicitly discloses the electronic transfer of digital audio signals over telephone lines (telecommunication lines). Finally, the specification of the '497 Application further explicitly discloses control integrated circuits associated with the control units of both the copyright holder and user (purchaser).

11. One of ordinary skill in the art in 1988 would have been aware of the available means for connecting computer systems to telecommunication lines for the purpose of transferring electronic signals; for example modems. Such means could be used at the originating (transmitting) computer and at the destination (receiving) computer. The control unit or control integrated circuit of the copyright holder and user would have been recognized by one of ordinary skill in the art as being some type of computer system or part of a computer system.

12. Since the specification and figures as originally filed with the '497 Application explicitly show the control units being connected to telephone lines (telecommunications lines), one of ordinary skill in the art would have recognized this involved means, such as a modem, for connecting the two systems to the telephone lines. Although the specification of the '497 Application does not include an explicit description of a transmitter or receiver, one of ordinary skill in the art would have had no difficulty determining the nature of the transmitter or receiver necessary to perform the required function. Therefore, the terms in the claims, "transmitter" and "receiver", describe in so many words what would have been understood by one of ordinary skill in the art as being necessarily comprehended by the description provided in the specification and figures filed with the '497 Application.

C. Telephoning

13. As set forth above, the specification of the '497 Application explicitly teaches the sale and transfer of digital audio signals (or digital video signals) over telephone lines. Although not explicitly set forth in the specification of the '497 Application, it nonetheless would have been easily recognized by one of ordinary skill in the art in 1988 that the specification's teaching requires establishing some type of connectivity over telephone lines as a pre-requisite to making an electronic purchase/sale of digital signals over telephone lines, as well as for transferring the digital signals over telephone lines.

14. A successful telephone call, whether a human or machine originated function, always encompasses a step of initiating some type of connectivity. For example, the connectivity could be person to person, as over a voice line. As an alternative example, the

connectivity could be machine to machine, using either traditional telephone lines, optical fibers or cable. Other alternatives include person to machine connectivity and machine to person connectivity.

15. Since the specification of the '497 Application explicitly discloses electronically selling and distributing digital audio signals (or digital video signals) over telephone lines, it is clear that the step of requesting and establishing connectivity (telephoning) is necessarily comprehended in the description provided in the '497 Application, since the step would have been recognized as a prerequisite for performing the function of the disclosed system.

I further 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 are 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 issuing thereon.

11 May 2007



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Date

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Bell Labs University Relations Student (1981)

Ph.D., 1986      **Harvard University**, *Computer Science*  
Thesis: *An Integrated Toolkit for Operating System Security*  
Advisor: Michael Rabin  
NSF Graduate Fellow (1982 – 1985), IBM Graduate Fellow (1985 – 1986)

### Academic Appointments:

**University of California, Berkeley**  
**Department of Electrical Engineering and Computer Science**  
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1998 – Present      *Professor* (tenured, joint appointment)

**Carnegie Mellon University**  
**Computer Science Department**  
2000 – Present      *Adjunct Professor*  
1992 – 2000      *Associate Professor* (tenured 1995, on leave 1998 – 2000)  
1986 – 1992      *Assistant Professor*

### Major Awards:

NSF Presidential Young Investigator, 1988  
Outstanding Professor Award, *Carnegie Magazine*, 1989  
Chair, Defense Information Science and Technology Study Group on Security with Privacy  
Member, National Research Council Committee on Information Trustworthiness  
Member, INFOSEC Science and Technology Study Group  
Okawa Foundation Fellow, 2003-4  
Wide consulting for both industry and government

**Major speeches:**

*Keynote addresses:*

PODC (1995), ASIAN-96 (1996), NGITS (1997), VLDB (1998), CRYPTEC (1999),  
CAV (2000), Human Authentication (2001), PDSN (2002), ISM (2005), ISC (2005), ASIACCS (2006),  
Croucher ASI (2004, 2006)

*Invited addresses:*

Harvard Graduate School of Arts and Science 100th Anniversary,  
CMU Computer Science Department 25th Anniversary  
More than 240 talks & 20 professional seminars since 1985

**External review activities:**

Electronic Commerce Program, City University of Hong Kong  
Information Systems Management Program, Singapore Management University  
Information Technology Program, United Arab Emirates University  
Computer Science Program, University of California, Davis



## **Publications**

(Note: copies of most of these publications are available at [www.tygar.net/publications.htm](http://www.tygar.net/publications.htm).)

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81. "Miro: A visual language for specifying security." [Abstract] M. Maimone, A. Moorman, J. D. Tygar, J. Wing. In **Proceedings of the (First) USENIX UNIX Security Workshop**, August 1988, p. 49.
82. "StrongBox: support for self-securing programs." [Abstract] J. D. Tygar, B. Yee, and A. Spector. In **Proceedings of the (First) USENIX UNIX Security Workshop**, August 1988, p. 50.

**Standards Documents (does not include items listed above)**

83. **TESLA: Multicast Source Authentication Transform Introduction.** A. Perrig, D. Song, R. Canetti, J. D. Tygar, B. Briscoe. IETF RFC 4082. June 2005. (Early drafts of this RFC were published in October 2002, and in May, August, and December 2004.)
84. **Performance Criteria for Information-Based Indicia and Security Architecture for Closed IBI Postage Metering Systems (PCIBI-C) (Draft).** United States Postal Service. January 1999. (Note: I was a major contributor to this document.)
85. **Performance Criteria for Information-Based Indicia and Security Architecture for Open IBI Postage Evidence Systems (PCIBI-O) (Draft).** United States Postal Service. February 2000. (Note: I was a major contributor to this document.)
86. **Production, Distribution, and Use of Postal Security Devices and Information Based Indicia.** United States Postal Service. *Federal Register* 65:191, October 2, 2000, pp. 58682-58698. (Note: I was a major contributor to this document.)

**Technical Reports (does not include items listed above)**

87. **Usability of Security: A Case Study.** A. Whitten and J. D. Tygar. Carnegie Mellon University Computer Science technical report CMU-CS-98-155, December 1998. (Note: this report partly overlaps item 6, but also includes substantial additional material.)
88. **Security for Network Attached Storage Devices.** H. Gobioff, G. Gibson and J. D. Tygar. Carnegie Mellon University Computer Science technical report CMU-CS-97-185, October 1997.
89. **Cryptography: It's Not Just for Electronic Mail Anymore.** J. D. Tygar and B. Yee. Carnegie Mellon University Computer Science technical report CMU-CS-93-107, March 1993. (See also item 13 above.)



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91. **When are Best Fit and First Fit Optimal?** C. McGeoch and J. D. Tygar. Carnegie Mellon University Computer Science technical report CMU-CS-87-168, October 1987.
92. **Display Manager User's Guide.** J. D. Tygar. Valid Logic Systems engineering memorandum, VED-050682-1-JDT, May 1982.
93. **Performance analysis of the DANTE Network.** Bell Telephone Laboratories technical memorandum, August 1981.

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94. **Anonymous certified delivery.** L. J. Camp, J. D. Tygar, and M. Harkavy. US Patent 6,076,078, June 13, 2000.
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96. **Security with Privacy.** Briefing from the Information Science and Technology Study Group on Security and Privacy (chair: J. D. Tygar). December 2002.
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***Miscellaneous Non-Technical (does not include items listed above)***

98. "Welcome Multiculturalism (Letter to the Editor)." J. D. Tygar. *Taipei Times*, November 12, 2004, p. 8.

Attorney Docket No. 219099/573

In re Application of: ARTHUR R. HAIR  
Reexamination Control No. 90/007,402  
Reexamination Filed: January 31, 2005  
Patent Number: 5,191,573  
Title: METHOD FOR TRANSMITTING A DESIRED DIGITAL  
VIDEO OR AUDIO SIGNAL  
CERTIFICATE UNDER 37 C.F.R. 1.10

**EXPRESS MAIL Label No.: EV 390816036US**

Date of Deposit: May 17, 2007

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Karen M. Spina

(Typed or printed name of person mailing paper)

  
Signature of person mailing paper or fee)

Drinker Biddle & Reath LLP  
One Logan Square  
18<sup>th</sup> and Cherry Streets  
Philadelphia, PA 19103  
Customer No. 23973

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: 56548 U.S. PTO )  
ARTHUR R. HAIR  )  
05/17/07 )  
Reexamination Control No. 90/007,402 )  
Reexamination Filed: January 31, 2005 ) METHOD FOR TRANSMITTING  
Patent Number: 5,191,573 ) A DESIRED DIGITAL VIDEO OR  
Examiner: Roland Foster ) AUDIO SIGNAL  
)

MAIL STOP *Ex Parte* Reexamination  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450


**TRANSMITTAL**

In response to the Office Action mailed on March 17, 2007 in the above-captioned reexamination, to which a response is due May 17, 2007, enclosed herewith are the following:

Response;  
Copy of cited publication;  
Declaration Under 37 CFR § 1.132; and  
Certificate of Service.

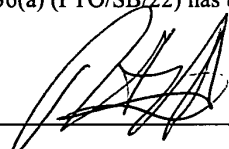
No fee is believed due to support this submission. However, should any fee be due, authorization is hereby given to charge **Deposit Account No. 50-0573**.

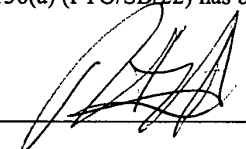
Respectfully submitted,  
DRINKER BIDDLE & REATH LLP

  
Robert A. Koons, Jr.  
Registration No. 32,474

DRINKER BIDDLE & REATH LLP  
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PHIP5433661

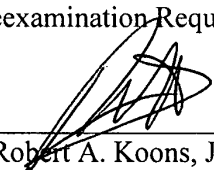
<b>NOTICE OF APPEAL FROM THE EXAMINER TO THE BOARD OF PATENT APPEALS AND INTERFERENCES</b>	Docket Number (Optional) NAPS001
I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postages as first class mail in an envelope addressed to "Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450" [37 CFR 1.8(a)] on _____  Signature _____ Typed or printed name: _____	In re Application of: Arthur R. Hair  Control Number: 90/007,402 Filed: January 31, 2005  For: METHOD FOR TRANSMITTING A DESIRED DIGITAL VIDEO OR AUDIO SIGNAL Art Unit: 3992      Examiner: Roland G. Foster
Patentee (s) hereby <b>appeal(s)</b> to the Board of Patent Appeals and Interferences from the last decision of the examiner rejecting claims 1 through 6 and 44 through 49 in reexamination.	
The fee for this Notice of Appeal is (37 CFR 41.20(b)(1)) <span style="float: right;">\$500.00</span>	
<input type="checkbox"/> Patentee claims small entity status. See 37 CFR 1.27. Therefore, the fee shown above is reduced by half, and the resulting fee is: <span style="float: right;">\$_____.</span>	
<input checked="" type="checkbox"/> A check in the amount of the fee is enclosed.	
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<input checked="" type="checkbox"/> The Director is hereby authorized to charge any fees which may be required, or credit any overpayment to Deposit Account No. <u>50-0573</u> . I have enclosed a duplicate copy of this sheet.	
<input type="checkbox"/> A petition for an additional ___ month extension of time under 37 CFR 1.136(a) (PTO/SB/22) has been submitted.	
I am the	Signature: 
<input type="checkbox"/> applicant/inventor	Typed or printed name: Robert A. Koons, Jr., Esq.
<input type="checkbox"/> 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)	Telephone Number: <u>215-988-3392</u>
<input checked="" type="checkbox"/> attorney or agent of record. Registration Number: 32,474	Date: <u>31 May 2007</u>
<input type="checkbox"/> attorney or agent acting under 37 CFR 1.34. Registration number if acting under 37 CFR 1.34: _____	
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.*	
<input checked="" type="checkbox"/> Total of <u>1</u> forms are submitted.	

<b>NOTICE OF APPEAL FROM THE EXAMINER TO THE BOARD OF PATENT APPEALS AND INTERFERENCES</b>	Docket Number (Optional) NAPS001
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Signature _____ Typed or printed name: _____	Control Number: 90/007,402 Filed: January 31, 2005
Patentee (s) hereby <b>appeal(s)</b> to the Board of Patent Appeals and Interferences from the last decision of the examiner rejecting claims 1 through 6 and 44 through 49 in reexamination.	For: METHOD FOR TRANSMITTING A DESIRED DIGITAL VIDEO OR AUDIO SIGNAL Art Unit: 3992      Examiner: Roland G. Foster
<p>The fee for this Notice of Appeal is (37 CFR 41.20(b)(1)) <span style="float: right;">\$<u>500.00</u></span></p> <p><input type="checkbox"/> Patentee claims small entity status. See 37 CFR 1.27. Therefore, the fee shown above is reduced by half, and the resulting fee is: <span style="float: right;">\$ _____.</span></p> <p><input checked="" type="checkbox"/> A check in the amount of the fee is enclosed.</p> <p><input type="checkbox"/> Payment by credit card. Form PTO-2038 is attached.</p> <p><input type="checkbox"/> The Director has already been authorized to charge fees in this application to a Deposit Account. I have enclosed a duplicate copy of this sheet.</p> <p><input checked="" type="checkbox"/> The Director is hereby authorized to charge any fees which may be required, or credit any overpayment to Deposit Account No. <u>50-0573</u>. I have enclosed a duplicate copy of this sheet.</p> <p><input type="checkbox"/> A petition for an additional ___ month extension of time under 37 CFR 1.136(a) (PTO/SB/22) has been submitted.</p> <p>I am the</p> <p><input type="checkbox"/> applicant/inventor</p> <p><input type="checkbox"/> 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)</p> <p><input checked="" type="checkbox"/> attorney or agent of record. Registration Number: 32,474</p> <p><input type="checkbox"/> attorney or agent acting under 37 CFR 1.34. Registration number if acting under 37 CFR 1.34: _____</p>	
<p style="text-align: right;">Signature: </p> <p style="text-align: right;">Typed or printed name: Robert A. Koons, Jr., Esq.</p> <p style="text-align: right;">Telephone Number: <u>215-988-3392</u></p> <p style="text-align: right;">Date: <u>31 May 2007</u></p>	
<p>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.*</p> <p><input checked="" type="checkbox"/> Total of <u>1</u> forms are submitted.</p>	

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Notice of Appeal from Final Rejection in Reexamination No. 90/007,402 was served via First Class United States Mail, postage prepaid, this 31st day of May 2007, on the following:

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Martine, Penilla, & Gencarella, LLP  
710 Lakeway Drive, Suite 200  
Sunnyvale, CA 94085  
Attorney for Third Party Reexamination Requester

By:   
Robert A. Koons, Jr.  
Attorney for Patentee

**CERTIFICATE OF MAILING BY "EXPRESS MAIL" (37 CFR 1.10)**Applicant(s): **Arthur R. Hair**

Docket No.

NAPSP001

Application No.

90/007,402

Filing Date

January 31, 2005

Examiner

Roland G. Foster

Customer No.

023973

Group Art Unit

3992

Invention: **METHOD FOR TRANSMITTING A DESIRED DIGITAL VIDEO OR AUDIO SIGNAL**

70181 U.S. PTO



05/31/07

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Drinker Biddle & Reath LLP  
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# Litigation Search Report CRU 3999

Reexam Control No. 90/007,402

TO: Roland Foster  
Location: CRU  
Art Unit: 3992  
Date: 07/17/07  
Case Serial Number: 90/007,402

From: Patricia Volpe  
Location: CRU 3999  
MDW 7C69  
Phone: (571) 272-6825  
Patricia.volpe@uspto.gov

## Search Notes

**Litigation was found involving U.S. Patent Number 5,191,573**

Status- CLOSED 2:04cv1549 Sightsound Tech v. Roxio, Inc, et al

### Sources:

- 1) I performed a KeyCite Search in Westlaw, which retrieves all history on the patent including any litigation.
- 2) I performed a search on the patent in Lexis CourtLink for any open dockets or closed cases.
- 3) I performed a search in Lexis in the Federal Courts and Administrative Materials databases for any cases found.
- 4) I performed a search in Lexis in the IP Journal and Periodicals database for any articles on the patent.
- 5) I performed a search in Lexis in the news databases for any articles about the patent or any articles about litigation on this patent.





Date of Printing: JUL 17,2007

## KEYCITE

**HUS PAT 5191573 METHOD FOR TRANSMITTING A DESIRED DIGITAL VIDEO OR AUDIO SIGNAL, (Mar 02, 1993)**

**History**  
**Direct History**

- => 1 **METHOD FOR TRANSMITTING A DESIRED DIGITAL VIDEO OR AUDIO SIGNAL, US PAT 5191573, 1993 WL 1138260 (U.S. PTO Utility Mar 02, 1993) (NO. 586391)**  
*Construed by*
- H** 2 **SightSound.Com Inc. v. N2K, Inc., 185 F.Supp.2d 445 (W.D.Pa. Feb 08, 2002) (NO. CIV.A.98-CV-118)**
- => 3 **METHOD FOR TRANSMITTING A DESIRED DIGITAL VIDEO OR AUDIO SIGNAL, US PAT 5191573, 1993 WL 1138260 (U.S. PTO Utility Mar 02, 1993) (NO. 586391)**  
*Ruled Valid by*
- H** 4 **Sightsound.com Inc. v. N2K, Inc., 391 F.Supp.2d 321 (W.D.Pa. Oct 24, 2003) (NO. CIV.A. 98-CV-118)**
- H** 5 **SYSTEM FOR TRANSMITTING DESIRED DIGITAL VIDEO OR AUDIO SIGNALS, US PAT 5675734, 1997 WL 1488819 (U.S. PTO Utility Oct 07, 1997) (NO. 607648)**  
*Construed by*
- H** 6 **SightSound.Com Inc. v. N2K, Inc., 185 F.Supp.2d 445 (W.D.Pa. Feb 08, 2002) (NO. CIV.A.98-CV-118)**
- H** 7 **SYSTEM FOR TRANSMITTING DESIRED DIGITAL VIDEO OR AUDIO SIGNALS, US PAT 5675734, 1997 WL 1488819 (U.S. PTO Utility Oct 07, 1997) (NO. 607648)**  
*Ruled Valid by*
- H** 8 **Sightsound.com Inc. v. N2K, Inc., 391 F.Supp.2d 321 (W.D.Pa. Oct 24, 2003) (NO. CIV.A. 98-CV-118)**
- H** 9 **SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS, US PAT 5966440, 1999 WL 1731614 (U.S. PTO Utility Oct 12, 1999) (NO. 471964)**  
*Construed by*
- H** 10 **SightSound.Com Inc. v. N2K, Inc., 185 F.Supp.2d 445 (W.D.Pa. Feb 08, 2002) (NO. CIV.A.98-CV-118)**
- H** 11 **SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS, US PAT 5966440, 1999 WL 1731614 (U.S. PTO Utility Oct 12, 1999) (NO. 471964)**

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*Ruled Valid by*

- H** 12 Sightsound.com Inc. v. N2K, Inc., 391 F.Supp.2d 321 (W.D.Pa. Oct 24, 2003) (NO. CIV.A. 98-CV-118)

**Court Documents**  
**Trial Court Documents (U.S.A.)**

**W.D.Pa. Expert Testimony**

- 13 SIGHTSOUND.COM INCORPORATED, a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnw, Inc., a Pennsylvania corporation, and Cdnw Online, Inc., a Pennsylvania corporation, Defendants., 1998 WL 34373758 (Expert Report and Affidavit) (W.D.Pa. 1998) **Opening Expert Report of James A. Moorer** (NO. 98-0118)
- 14 SIGHTSOUND.COM INCORPORATED, A Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation CDNOW, Inc., A Pennsylvanica corporation, and CDNOW Online, Inc., a Pennsylvania corporation, Defendants., 2001 WL 34891529 (Expert Deposition) (W.D.Pa. Apr. 19, 2001) **Proceedings** (NO. 98-118)
- 15 SIGHTSOUND.COM INCORPORATED, a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware Corporation, CDNOW, INC., a CDNOW Online, Inc., a Pennsylvania corporation, Defendants., 2002 WL 32994569 (Expert Report and Affidavit) (W.D.Pa. Dec. 24, 2002) **Expert Report of Michael Ian Shamos, Ph.D., J.D.** (NO. 98-118)
- 16 SIGHTSOUND.COM INCORPORATED, Plaintiff, v. N2K, INC., CDNow, Inc., and CDNow Online, Inc., Defendants., 2003 WL 24288805 (Expert Report and Affidavit) (W.D.Pa. Jan. 21, 2003) **Expert Report of Justin Douglas Tygar, Ph.D.** (NO. 98-0118)
- 17 SIGHTSOUND.COM INCORPORATED, a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnw, Inc., a Pennsylvania corporation, and Cdnw Online, Inc., a Pennsylvania corporation, Defendants., 2003 WL 24288806 (Expert Report and Affidavit) (W.D.Pa. Feb. 19, 2003) **Rebuttal Expert Report of James A. Moorer to Opening Report of Professor Tygar** (NO. 98-0118)
- 18 SIGHTSOUND.COM INCORPORATED a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware Corporation, Cdnw, Inc., a Pennsylvania corporation, and Cdnw Online, Inc., a Pennsylvania corporation, Defendants., 2003 WL 24288804 (Expert Report and Affidavit) (W.D.Pa. Feb. 20, 2003) **Rebuttal Report of Michael Ian Shamos, PH.D., J.D.** (NO. 98-118)
- 19 SIGHTSOUND.COM. INCORPORATED, Plaintiff, v. N2K, INC., CDnow, Inc., and CDnow Online, Inc., Defendants., 2003 WL 24289706 (Expert Report and Affidavit) (W.D.Pa. Feb. 20, 2003) **Rebuttal Expert Report of Justin Douglas Tygar, Ph.D.** (NO. 98-0118)
- 20 SIGHTSOUND.COM INCORPORATED, a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnw, Inc., a Pennsylvania corporation, and Cdnw Online, Inc., a Pennsylvania corporation, Defendants., 2003 WL 24309949 (Partial Expert Testimony) (W.D.Pa. Mar. 3, 2003) **(Partial Testimony)** (NO. 98-0118)
- 21 SIGHTSOUND.COM, INCORPORATED, Plaintiff, v. N2K, INC., Cdnw, Inc., and Cdnw Online, Inc., Defendants., 2003 WL 24309947 (Partial Expert Testimony) (W.D.Pa. Mar. 9, 2003) **Deposition of Justin Douglas Tygar, Ph.D.** (NO. 98-0118)
- 22 SIGHTSOUND.COM INCORPORATED, a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnw, Inc., a Pennsylvania corporation, and Cdnw Online, Inc., a Pennsylvania corporation, Defendants., 2003 WL 24309950 (Expert Deposition) (W.D.Pa. Mar. 11, 2003) **(Deposition)** (NO. 98-0118)
- 23 In the Matter of: SIGHTSOUBD.COM INC., v. N2K, INC. et al., 2003 WL 24309948 (Partial Expert Testimony) (W.D.Pa. Mar. 12, 2003) **(Partial Testimony)** (NO. 98-0118)
- 24 SIGHTSOUND.COM, INC., a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnw, Inc., a Pennsylvania corporation, and Cdnw Online, Inc., a Pennsylvania corporation, Defendants., 2003 WL 24288807 (Expert Report and Affidavit) (W.D.Pa. Apr. 23, 2003) **Declaration by James A. Moorer in Support of Defendants' Motion for Summary Judgment** (NO. 98-0118)

- 25 SIGHTSOUND.COM, INC., a Pennsylvania corporation, Plaintiff and, Counterdefendants, v. N2K, INC., a Delaware corporation, CDNOW, Inc., a Pennsylvania corporation, and Cdnw Online, INC., a Pennsylvania corporation, Defendants and Counterclaimants., 2004 WL 3735168 (Expert Report and Affidavit) (W.D.Pa. Jan. 27, 2004) **Declaration of Michael Ian Shamos in Support of Defendants' Motion for Summary Judgment** (NO. 98-0118)

**W.D.Pa. Trial Motions, Memoranda and Affidavits**

- 26 SIGHTSOUND.COM INC., Plaintiff, v. N2K, INC., Cdnw, Inc., and CDnow Online, Inc., Defendants., 2004 WL 3742179 (Trial Motion, Memorandum and Affidavit) (W.D.Pa. Jan. 12, 2004) **Sightsound's Motion in Limine to Preclude Certain Testimony of James A. Moorer, Ph. D.** (NO. 98-0118)
- 27 SIGHTSOUND.COM INC., Plaintiff, v. N2K, INC., CDnow, Inc., and CDnow Online, Inc., Defendants., 2004 WL 3742180 (Trial Motion, Memorandum and Affidavit) (W.D.Pa. Jan. 12, 2004) **Sightsound's Motion in Limine to Preclude Certain Testimony of Michael Ian Shamos, Ph.D., J.D.** (NO. 98-0118)
- 28 SIGHTSOUND.COM INC., Plaintiff, v. N2K, INC., CDnow, Inc., and CDnow Online, Inc., Defendants., 2004 WL 3742181 (Trial Motion, Memorandum and Affidavit) (W.D.Pa. Jan. 27, 2004) **Defendants' Opposition to Plaintiff's Motion in Limine to Preclude Certain Testimony of James A. Moo** (NO. 98-0118)
- 29 SIGHTSOUND.COM INC., Plaintiff, v. N2K, INC., Cdnw, Inc., and CDnow Online, Inc., Defendants., 2004 WL 3742182 (Trial Motion, Memorandum and Affidavit) (W.D.Pa. Jan. 27, 2004) **Defendants' Opposition to Plaintiff's Motion in Limine to Preclude Certain Testimony of Michael Sham** (NO. 98-0118)

**Dockets (U.S.A.)**

**W.D.Pa.**

- 30 SIGHTSOUND.COM INC. v. N2K, INC., ET AL, NO. 2:98CV00118 (Docket) (W.D.Pa. Jan. 16, 1998)

**Patent Family**

- 31 TRANSMITTING DESIRED DIGITAL VIDEO OR AUDIO SIGNAL - TRANSFERRING MONEY VIA TELECOMMUNICATIONS LINE, CONNECTING ELECTRONICALLY FIRST MEMORY WITH SECOND MEMORY AND TRANSMITTING SIGNAL WITH TRANSMITTER IN CONTROL OF FIRST, DWPL 1993-093541

**Assignments**

- 32 ACTION: ASSIGNMENT OF ASSIGNORS INTEREST (SEE DOCUMENT FOR DETAILS). NUMBER OF PAGES: 006, DATE RECORDED: Dec 27, 2005
- 33 ACTION: NOTICE OF GRANT OF SECURITY INTEREST NUMBER OF PAGES: 006, DATE RECORDED: Oct 24, 2001
- 34 ACTION: CHANGE OF NAME (SEE DOCUMENT FOR DETAILS). NUMBER OF PAGES: 016, DATE RECORDED: May 03, 2000
- 35 ASSIGNEE(S): PARSEC SIGHT/SOUND, INC., DATE RECORDED: Oct 02, 1995

**Patent Status Files**

- .. Request for Re-Examination, (OG date: Mar 29, 2005)
- .. Patent Suit(See LitAlert Entries),
- .. Certificate of Correction, (OG date: Dec 21, 1993)

**Docket Summaries**

- 39 "SIGHTSOUND TECH v. ROXIO, INC., ET AL", 2:04CV01549, (W.D.PA. Oct 08, 2004), 35 USC 271 PATENT INFRINGEMENT

**Litigation Alert**

40 LitAlert P1998-06-59, (1999) Action Taken: A complaint was filed.

**Prior Art (Coverage Begins 1976)**

- ▶ 41 US PAT 4567359 AUTOMATIC INFORMATION, GOODS AND SERVICES DISPENSING SYSTEM, (U.S. PTO Utility 1986)
- ◻ 42 US PAT 3990710 COIN-OPERATED RECORDING MACHINE, (U.S. PTO Utility 1976)
- ◻ 43 US PAT 4654799 SOFTWARE VENDING SYSTEM, Assignee: Brother Kogyo Kabushiki Kaisha, (U.S. PTO Utility 1987)
- ◻ 44 US PAT 3718906 VENDING SYSTEM FOR REMOTELY ACCESSIBLE STORED INFORMATION, Assignee: Lightner R, (U.S. PTO Utility 1973)
- ◻ 45 US PAT 4647989 VIDEO CASSETTE SELECTION MACHINE, (U.S. PTO Utility 1987)

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**US District Court Civil Docket**

**U.S. District - Pennsylvania Western  
(Pittsburgh)**

**2:04cv1549**

**Sightsound Tech v. Roxio, Inc, et al**

This case was retrieved from the court on Tuesday, July 03, 2007

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<b>Date Filed: 10/08/2004</b>	<b>Class Code: CLOSED</b>
<b>Assigned To: Chief Judge Donetta W Ambrose</b>	<b>Closed: yes</b>
<b>Referred To:</b>	<b>Statute: 35:271</b>
<b>Nature of suit: Patent (830)</b>	<b>Jury Demand: Both</b>
<b>Cause: Patent Infringement</b>	<b>Demand Amount: \$0</b>
<b>Lead Docket: None</b>	<b>NOS Description: Patent</b>
<b>Other Docket: Dkt in other court: 05-01277</b>	
<b>Dkt in other court: Related, 2:98-cv-118</b>	
<b>Jurisdiction: Federal Question</b>	

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<b>Date</b>	<b>#</b>	<b>Proceeding Text</b>
10/08/2004	1	COMPLAINT with summons issued; jury demand Filing Fee \$ 150.00 Receipt # 05000126 (tt) (Entered: 10/08/2004)
10/08/2004	2	DISCLOSURE statement by SIGHTSOUND TECH (tt) (Entered: 10/08/2004)
10/08/2004	--	COPY of Complaint and Docket Entries mailed to the Commissioner of Patents and Trademarks. (tt) (Entered: 10/08/2004)
11/08/2004	3	RETURN OF SERVICE executed as to ROXIO, INC. 11/5/04 Answer due on 11/26/04 for ROXIO, INC. (tt) (Entered: 11/09/2004)
11/08/2004	4	RETURN OF SERVICE executed as to NAPSTER, L.L.C. 11/5/04 Answer due on 11/26/04 for NAPSTER, L.L.C. (tt) (Entered: 11/09/2004)
11/24/2004	5	ANSWER to Complaint; jury demand and COUNTERCLAIM by ROXIO, INC., NAPSTER, L.L.C. (Attorney William M. Wycoff, Kevin P. Allen, Charles K. Verhoeven, Michael E. Williams) against SIGHTSOUND TECH (tt) Modified on 03/11/2005 (Entered: 11/24/2004)
11/24/2004	6	DISCLOSURE statement by ROXIO, INC., NAPSTER, L.L.C. (tt) (Entered: 11/24/2004)
11/24/2004	7	NOTICE Opting Out of Arbitration by ROXIO, INC., NAPSTER, L.L.C. (tt) (Entered: 11/24/2004)
12/15/2004	8	ANSWER by SIGHTSOUND TECH to [5-2] counterclaims by NAPSTER, L.L.C., ROXIO, INC. (tt) (Entered: 12/16/2004)
12/17/2004	9	Case Management Conference set for 9:15 1/11/05 (tt) (Entered: 12/17/2004)
01/10/2005	10	INITIAL Case Scheduling Conference Statement by ROXIO, INC., NAPSTER, L.L.C. (tt) (Entered: 01/10/2005)
01/10/2005	11	MOTION by SIGHTSOUND TECH for Preliminary Injunction , with Proposed Order. (tt) (Entered: 01/11/2005)
01/10/2005	12	EXHIBITS by SIGHTSOUND TECH to [11-1] motion for Preliminary Injunction (tt) (Entered: 01/11/2005)
01/10/2005	13	BRIEF by SIGHTSOUND TECH in support of [11-1] motion for Preliminary Injunction by SIGHTSOUND TECH (tt) (Entered: 01/11/2005)
01/10/2005	14	DECLARATION of Justin Douglas Tygar, Ph.D. concerning the Operation of Roxio/Napster Re: [11-1] motion for Preliminary Injunction by SIGHTSOUND TECH (tt) (Entered: 01/11/2005)
01/11/2005	15	MOTION by ROXIO, INC., NAPSTER, L.L.C. to Substitute Attorney , with Proposed Order. (tt) (Entered: 01/11/2005)
01/11/2005	16	MOTION by ROXIO, INC., NAPSTER, L.L.C. for Charles K. Verhoeven to Appear Pro Hac Vice ; Filing Fee \$ 40.00 Receipt # 05001581 , with Proposed Order. (tt) (Entered: 01/11/2005)
01/11/2005	17	MOTION by ROXIO, INC., NAPSTER, L.L.C. for Tigran Guledjian to Appear Pro Hac Vice ; Filing Fee \$ 40.00 Receipt # 05001581 , with Proposed Order. (tt) (Entered: 01/11/2005)
01/11/2005	18	MOTION by ROXIO, INC., NAPSTER, L.L.C. for Michael E. Williams to Appear Pro Hac Vice ; Filing Fee \$ 40.00 Receipt # 05001581 , with Proposed Order. (tt) (Entered: 01/11/2005)
01/11/2005	19	Status Conference held 1/11/05 before Chief Judge Donetta W. Ambrose [ Reporter: none ] (tt) (Entered: 01/11/2005)
01/11/2005	--	Deadline updated; Response to Motion set to 2/11/05 for [11-1] motion for Preliminary Injunction ; Reply to Response to Motion set to 2/21/05 for [11-1] motion for Preliminary Injunction ; Motion Hearing set for 1:30 3/3/05 for [11-1] motion for Preliminary Injunction (tt) (Entered: 01/11/2005)
01/11/2005	20	RESPONSE by SIGHTSOUND TECH to defts' [10-1] Initial Case Scheduling Conference Statement. (tt) (Entered: 01/11/2005)
01/11/2005	--	ORDER upon motion granting [15-1] motion to Substitute Attorney ; terminated attorney William M. Wycoff for ROXIO, INC., attorney Kevin P. Allen for ROXIO, INC., attorney William M. Wycoff for NAPSTER, L.L.C., attorney Kevin P. Allen for NAPSTER, L.L.C. and added Laurencé Z. Shiekman, Kathryn M. Kenyon for defts. ( signed by Chief Judge Donetta W. Ambrose on 1/11/05 ) CM all parties of record. (tt) (Entered: 01/12/2005)
01/11/2005	--	ORDER upon motion granting [16-1] motion for Charles K. Verhoeven to Appear Pro Hac Vice on behalf of defts. ( signed by Chief Judge Donetta W. Ambrose on 1/11/05 ) CM all parties of record. (tt) (Entered: 01/12/2005)

- 01/11/2005 -- ORDER upon motion granting [17-1] motion for Tigran Guledjian to Appear Pro Hac Vice on behalf of defts. ( signed by Chief Judge Donetta W. Ambrose on 1/11/05 ) CM all parties of record. (tt) (Entered: 01/12/2005)
- 01/11/2005 -- ORDER upon motion granting [18-1] motion for Michael E. Williams to Appear Pro Hac Vice on behalf of defts. ( signed by Chief Judge Donetta W. Ambrose on 1/11/05 ) CM all parties of record. (tt) (Entered: 01/12/2005)
- 01/18/2005 21 Status Conference via phone held 1/18/05 before Chief Judge Donetta W. Ambrose [ Reporter: none ] ; Deft wants leave to amend counterclaims related to press release. Pltf doesn't object to motion for leave to amend. Leave granted orally by the Court; Amended counterclaim due 1/25/05. Deft to file a Motion to Stay Case pending outcome of application to Patent & Trademark Office, response due w/in 10 days. (tt) (Entered: 01/19/2005)
- 01/21/2005 22 MOTION by ROXIO, INC., NAPSTER, L.L.C. to Stay Pending Reexamination of Patents in Suit with Proposed Order. (jsp) (Entered: 01/24/2005)
- 01/21/2005 23 BRIEF by ROXIO, INC., NAPSTER, L.L.C. in support of [22-1] motion to Stay Pending Reexamination of Patents in Suit by NAPSTER, L.L.C., ROXIO, INC. (jsp) (Entered: 01/24/2005)
- 01/25/2005 24 FIRST AMENDED ANSWER to Complaint by ROXIO, INC., NAPSTER, L.L.C. amends: [5-1] answer by NAPSTER, L.L.C., ROXIO, INC. and COUNTERCLAIMS against SIGHTSOUND TECH (tt) (Entered: 01/26/2005)
- 01/27/2005 25 MOTION by SIGHTSOUND TECH to Extend Time w/in which to respond to defts' motion to stay pending receipt of defts' request for re-examination of patents and prior art which defts intend to submit to the Patent and Trademark Office , with Proposed Order. (tt) (Entered: 01/28/2005)
- 01/28/2005 26 RESPONSE by ROXIO, INC., NAPSTER, L.L.C. to pltf's [25-1] motion to Extend Time w/in which to respond to defts' motion to stay (tt) (Entered: 01/28/2005)
- 01/28/2005 27 ACCEPTANCE OF SERVICE of First Amended Answer and Counterclaim as to Scott Sander executed 1/26/05 (tt) (Entered: 01/28/2005)
- 01/28/2005 28 BRIEF by SIGHTSOUND TECH in support of [25-1] motion to Extend Time w/in which to respond to defts' motion to stay (tt) (Entered: 01/31/2005)
- 02/02/2005 29 Status Conference via phone held 1/31/05 before Chief Judge Donetta W. Ambrose [ Reporter: none ] ; Pltf's response to motion to stay due 2/11/05 ; Defts' reply due 2/16/05 ; Preliminary injunction date will be scheduled via order on motion to stay ; Defts do not have to file answer to preliminary injunction by March. (tt) (Entered: 02/02/2005)
- 02/02/2005 -- ORDER upon motion granting [25-1] motion to Extend Time w/in which to respond to defts' motion to stay pending receipt of defts' request for re-examination of patents and prior art which defts intend to submit to the Patent and Trademark Office. Defts shall serve on counsel for pltf by overnight delivery sent no later than 2/1/05 any request for re-examination of the patents in suit which defts intend to file with the PTO, including all prior art on which defts plan to rely in such request for re-examination ; Pltf's Response to Motion set to 2/11/05 for defts' [22-1] motion to Stay Pending Reexamination of Patents in Suit ; Defts' Reply Brief due 2/16/05 ; Defts are not required to file an answer to pltf's motion for preliminary injunction until further order of court. ( signed by Chief Judge Donetta W. Ambrose on 1/31/05 ) CM all parties of record. (tt) (Entered: 02/02/2005)
- 02/03/2005 30 MOTION by SIGHTSOUND TECH for Brian S. Mudge to Appear Pro Hac Vice ; Filing Fee \$ 40.00 Receipt # 05001943 , with Proposed Order. (tt) (Entered: 02/04/2005)
- 02/03/2005 31 MOTION by SIGHTSOUND TECH for William K. Wells to Appear Pro Hac Vice ; Filing Fee \$ 40.00 Receipt # 05001943 , with Proposed Order. (tt) (Entered: 02/04/2005)
- 02/03/2005 32 MOTION by SIGHTSOUND TECH for Duncan L. Williams to Appear Pro Hac Vice ; Filing Fee \$ 40.00 Receipt # 05001943 , with Proposed Order. (tt) (Entered: 02/04/2005)
- 02/03/2005 33 MOTION by SIGHTSOUND TECH for Clyde E. Findley to Appear Pro Hac Vice ; Filing Fee \$40.00 05001943 Receipt # 05001943 , with Proposed Order. (tt) (Entered: 02/04/2005)
- 02/04/2005 34 NOTICE of Lodging of Pending Requests for Reexamination by ROXIO, INC., NAPSTER, L.L.C. (tt) (Entered: 02/04/2005)
- 02/04/2005 35 EXHIBITS (VOLUME I) by ROXIO, INC., NAPSTER, L.L.C. to [34-1] notice of lodging of pending requests for reexamination. (tt) (Entered: 02/04/2005)
- 02/04/2005 36 EXHIBITS (VOLUME II) by ROXIO, INC., NAPSTER, L.L.C. to [34-1] notice of lodging of pending requests for reexamination. (tt) (Entered: 02/04/2005)
- 02/04/2005 37 EXHIBITS (VOLUME III) by ROXIO, INC., NAPSTER, L.L.C. to [34-1] notice of lodging of pending requests for reexamination. (tt) (Entered: 02/04/2005)

02/07/2005 -- ORDER upon motion granting [30-1] motion for Brian S. Mudge to Appear Pro Hac Vice on behalf of pltf. ( signed by Chief Judge Donetta W. Ambrose on 2/4/05 ) CM all parties of record. (tt) (Entered: 02/07/2005)

02/07/2005 -- ORDER upon motion granting [31-1] motion for William K. Wells to Appear Pro Hac Vice on behalf of pltf. ( signed by Chief Judge Donetta W. Ambrose on 2/4/05 ) CM all parties of record. (tt) (Entered: 02/07/2005)

02/07/2005 -- ORDER upon motion granting [32-1] motion for Duncan L. Williams to Appear Pro Hac Vice on behalf of pltf. ( signed by Chief Judge Donetta W. Ambrose on 2/4/05 ) CM all parties of record. (tt) (Entered: 02/07/2005)

02/07/2005 -- ORDER upon motion granting [33-1] motion for Clyde E. Findley to Appear Pro Hac Vice on behalf of pltf. ( signed by Chief Judge Donetta W. Ambrose on 2/4/05 ) CM all parties of record. (tt) (Entered: 02/07/2005)

02/11/2005 38 REPLY by SIGHTSOUND TECH to [24-2] First Amended Counterclaims by NAPSTER, L.L.C., ROXIO, INC. (tt) (Entered: 02/14/2005)

02/11/2005 39 BRIEF by SIGHTSOUND TECH in opposition to Napster's [22-1] motion to Stay Pending Reexamination of Patents in Suit (tt) (Entered: 02/14/2005)

02/11/2005 40 MOTION by SIGHTSOUND TECH, SCOTT SANDER to Dismiss defts' Amended Counterclaims 4-9 . (tt) (Entered: 02/14/2005)

02/11/2005 41 BRIEF by SIGHTSOUND TECH, SCOTT SANDER in support of their [40-1] motion to Dismiss defts' Amended Counterclaims 4-9 (tt) (Entered: 02/14/2005)

02/16/2005 42 REPLY by ROXIO, INC., NAPSTER, L.L.C. in support of their Motion to Stay pending Reexamination of the Patents-In-Suit (tt) (Entered: 02/17/2005)

02/16/2005 43 DECLARATION of William E. Growney (tt) Modified on 02/18/2005 (Entered: 02/17/2005)

02/16/2005 44 MOTION by ROXIO, INC., NAPSTER, L.L.C. to Seal [43-1] Declaration , with Proposed Order. (tt) (Entered: 02/17/2005)

02/17/2005 45 OPPOSITION by SIGHTSOUND TECH to defts' [44-1] motion to Seal [43-1] Declaration (tt) (Entered: 02/18/2005)

02/17/2005 46 NOTICE OF FILING: Supplemental Declaration of Christopher Reese by SIGHTSOUND TECH (FILED UNDER SEAL) (tt) Modified on 02/28/2005 (Entered: 02/18/2005)

02/17/2005 47 REQUEST by SIGHTSOUND TECH for Oral Argument on Motion to Stay . (tt) (Entered: 02/18/2005)

02/18/2005 -- ORDER upon motion denying [44-1] motion to Seal [43-1] Declaration. The declaration speaks only of vague, unsuccessful attempts & no dollar values are set forth. I see no risk of confidential information being disclosed. ( signed by Chief Judge Donetta W. Ambrose on 2/18/05 ) CM all parties of record. (tt) (Entered: 02/18/2005)

02/18/2005 -- ORDER upon motion denying [47-1] motion for Oral Argument on Motion to Stay. The parties have clearly represented their respective positions in the briefs and declarations filed. ( signed by Chief Judge Donetta W. Ambrose on 2/18/05 ) CM all parties of record. (tt) (Entered: 02/18/2005)

02/23/2005 48 MOTION by ROXIO, INC., NAPSTER, L.L.C. to Seal Supplemental Declaration of Christopher Reese , with Proposed Order. (tt) (Entered: 02/23/2005)

02/23/2005 49 OPPOSITION by SIGHTSOUND TECH to defts' [48-1] motion to Seal Supplemental Declaration of Christopher Reese (tt) (Entered: 02/24/2005)

02/28/2005 -- ORDER upon motion granting [48-1] motion to Seal Supplemental Declaration of Christopher Reese. The Supplemental Declaration of Christopher Reese filed 2/17/05 shall be placed under seal. ( signed by Chief Judge Donetta W. Ambrose on 2/28/05 ) CM all parties of record. (tt) (Entered: 02/28/2005)

02/28/2005 50 MEMORANDUM OPINION & ORDER granting defts' [22-1] motion to Stay. The defts are to contact this Court immediately upon receiving any notification from the PTO regarding the outcome of the Request for Reexamination. The preliminary injunction hearing scheduled for 3/3/05 is cancelled . The [11-1] motion for Preliminary Injunction is denied without prejudice to reassert once the stay is lifted. ( signed by Chief Judge Donetta W. Ambrose on 2/28/05 ) CM all parties of record. (tt) (Entered: 02/28/2005)

03/03/2005 51 NOTICE OF APPEAL by SIGHTSOUND TECH from [50-1] memorandum opinion dated 2/28/05 FILING FEE \$ 255 RECEIPT # 2394 TPO issued. (lck) (Entered: 03/07/2005)

03/03/2005 -- Certified copy of Notice of Appeal [51-1] appeal by SIGHTSOUND TECH , certified copy of

docket, certified copy of order dated 2/28/05 mailed to USCA; copy of Notice of Appeal and information sheet to ROXIO, INC., NAPSTER, L.L.C. and judge. Copy of information sheet to appellant. (lck) (Entered: 03/07/2005)

03/11/2005 52 Transcript Purchase order re: [51-1] appeal by SIGHTSOUND TECH indicating that no transcript is being ordered. (tt) (Entered: 03/11/2005)

03/21/2005 -- Text not available. (Entered: 03/21/2005)

04/04/2005 53 NOTICE of PTO's Order granting ex parte Reexamination by ROXIO, INC., NAPSTER, L.L.C. (tt) (Entered: 04/04/2005)

07/21/2005 54 MOTION for Relief from Stay with Respect to Defamation Counterclaims by SIGHTSOUND TECHNOLOGIES, INC., SCOTT SANDER. (Attachments: # 1 Proposed Order)(jsp) (Entered: 07/21/2005)

07/21/2005 55 BRIEF in Support re 54 MOTION for Relief from Stay with Respect to Defamation Counterclaims filed by SIGHTSOUND TECHNOLOGIES, INC., SCOTT SANDER. (Attachments: # 1 Part 2 of Brief)(jsp) (Entered: 07/21/2005)

07/22/2005 56 NOTICE: re 54 MOTION for Relief from Stay with Respect to Defamation Counterclaims:Response due on or before 8/4/05. (jlh) (Entered: 07/22/2005)

08/04/2005 57 NOTICE by ROXIO, INC., NAPSTER, L.L.C. of PTO's Issuance of Office Actions in Ex Parte Reexamination (Attachments: # 1 # 2 # 3)(Helmsen, Joseph) (Entered: 08/04/2005)

08/04/2005 58 MOTION for attorney Michael T. Zeller to Appear Pro Hac Vice by ROXIO, INC., NAPSTER, L.L.C.. (Attachments: # 1 Proposed Order)(Kenyon, Kathryn) (Entered: 08/04/2005)

08/04/2005 59 NOTICE by ROXIO, INC., NAPSTER, L.L.C. re 57 Notice (Other) Letter Notice of Prior Filing (Kenyon, Kathryn) (Entered: 08/04/2005)

08/04/2005 60 BRIEF in Opposition re 54 MOTION for Relief from Stay with Respect to Defamation Counterclaims filed by ROXIO, INC., NAPSTER, L.L.C.. (Attachments: # 1 Exhibit A# 2 Exhibit B# 3 Exhibit C# 4 Exhibit D# 5 Exhibit E# 6 Exhibit F# 7 Exhibit G# 8 Exhibit H)(Kenyon, Kathryn) (Entered: 08/04/2005)

08/04/2005 -- Pro Hac Vice Fees received in the amount of \$ 40 receipt # 4877 re 58 Motion to Appear Pro Hac Vice (ept) (Entered: 08/05/2005)

08/08/2005 61 ORDER granting 58 Motion to Appear Pro Hac Vice . Signed by Judge Donetta W. Ambrose on 8/8/05. (jlh ) (Entered: 08/08/2005)

09/01/2005 62 ORDER denying 54 Motion for Relief from Stay . Signed by Judge Donetta W. Ambrose on 8/31/05. (jlh ) (Entered: 09/01/2005)

09/06/2005 63 NOTICE by SIGHTSOUND TECHNOLOGIES, INC., SCOTT SANDER NOTICE OF FILING TO SUPPLEMENT RECORD (Kerr, Benjamin) (Entered: 09/06/2005)

09/07/2005 64 Minute Entry for proceedings held before Judge Donetta W. Ambrose : Status Conference held on 9/7/2005. Parties to keep Court informed of PTO Action. (jlh ) (Entered: 09/07/2005)

11/02/2005 65 NOTICE by ROXIO, INC., NAPSTER, L.L.C. of PTO's Issuance of Second Office Actions in Ex Parte Reexamination (Attachments: # 1 Exhibit A# 2 Exhibit B# 3 Exhibit C)(Kenyon, Kathryn) (Entered: 11/02/2005)

11/14/2005 66 MANDATE of USCA for the Federal Circuit as to [51] Notice of Appeal filed by SIGHTSOUND TECHNOLOGIES, INC., that the appeal is dismissed, with each party to bear its own costs. (jsp) (Entered: 11/15/2005)

03/02/2006 67 MOTION by Clyde E. Findley to Withdraw as Attorney by SIGHTSOUND TECHNOLOGIES, INC. (jsp) (Entered: 03/02/2006)

05/10/2006 68 NOTICE by ROXIO, INC., NAPSTER, L.L.C. Defendants' Notice of PTO's Issuance of Final Office Actions in Ex Parte Reexamination and Request for Status Conference (Attachments: # 1 Exhibit A)(Kenyon, Kathryn) (Entered: 05/10/2006)

05/10/2006 69 EXHIBITS in Support of 68 Notice (Other) by ROXIO, INC., NAPSTER, L.L.C.. (Kenyon, Kathryn) (Entered: 05/10/2006)

05/10/2006 70 EXHIBITS in Support of 68 Notice (Other) by ROXIO, INC., NAPSTER, L.L.C.. (Kenyon, Kathryn) (Entered: 05/10/2006)

05/10/2006 -- MOTION (Request) for Status Conference by ROXIO, INC., NAPSTER, L.L.C..(with Document 68) (jsp) (Entered: 05/11/2006)


05/11/2006 -- CLERK'S OFFICE QUALITY CONTROL MESSAGE. re 68 Notice (Other) ERROR: Document should have been filed as two separate documents. CORRECTION: Attorney advised in future that

documents of that nature are to be filed as separate documents. Clerk of Court docketed Request for Status Conference. This message is for informational purposes only. (jsp) (Entered: 05/11/2006)

- 05/31/2006 71 Minute Entry for proceedings held before Judge Donetta W. Ambrose : Telephone Conference held on 5/31/2006. (Court Reporter none) (jlh ) (Entered: 05/31/2006)
- 05/31/2006 72 ORDER FOR ADMINISTRATIVE CLOSING.Signed by Judge Donetta W. Ambrose on 5/31/06. (jlh) (Entered: 05/31/2006)
- 06/02/2006 73 NOTICE by SIGHTSOUND TECHNOLOGIES, INC. Notice of Filing by Sightsound Technologies, Inc. of Sua Sponte Decisions of United States Patent and Trademark Office Vacating Previous Final Office Actions (Rinaldo, Richard) (Entered: 06/02/2006)

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586391 (07) 5191573 March 2, 1993

UNITED STATES PATENT AND TRADEMARK OFFICE GRANTED PATENT

5191573

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March 2, 1993

Method for transmitting a desired digital video or audio signal

**REEXAM-LITIGATE:** January 31, 2005 - Reexamination requested January 31, 2005 by Napster, Inc., Los Angeles, CA; c/o Albert S. Penilla, Martine, Penilla & Gencarella, LLP, Sunnyvale, CA, Reexamination No. 90/007,402 (O.G. March 29, 2005) Ex. Gp.: 2655

NOTICE OF LITIGATION

Sightsound Tech v. Roxio, Inc, et al, Filed October 8, 2004, D.C. W.D. Pennsylvania, Doc. No. 2:04cv1549

**CERT-CORRECTION:** December 21, 1993 - a Certificate of Correction was issued for this Patent

**APPL-NO:** 586391 (07)

**FILED-DATE:** September 18, 1990

**GRANTED-DATE:** March 2, 1993

**ASSIGNEE-AFTER-ISSUE:** October 2, 1995 - ASSIGNMENT OF ASSIGNORS INTEREST (SEE DOCUMENT FOR DETAILS)., PARSEC SIGHT/SOUND, INC. 1518 ALLISON DRIVE UPPER ST. CLAIR, PENNSYLVANIA, 15241, Reel and Frame Number: 007656/0701

May 3, 2000 - CHANGE OF NAME (SEE DOCUMENT FOR DETAILS)., SIGHTSOUND.COM INCORPORATED 733 WASHINGTON ROAD, SUITE 400 MT. LEBANON, PENNSYLVANIA, 15228; Reel and Frame Number: 010776/0703

October 24, 2001 - NOTICE OF GRANT OF SECURITY INTEREST, KENYON & KENYON ONE BROADWAY NEW YORK, NEW YORK, 10004, SCHWARTZ, ANSEL M. ONE STERLING PLAZA 201 N. CRAIG STREET, SUITE 304 PITTSBURGH, PENNSYLVANIA, 15213, WATERVIEW PARTNERS, LLP ONE STERLING PLAZA 152 WEST 57TH STREET, 46TH FLOOR NEW YORK, NEW YORK, 10019, D&DF WATERVIEW PARTNERS, L.P. ONE STERLING PLAZA 152 WEST 57TH STREET, 46TH FLOOR NEW YORK, NEW YORK, 10019, Reel and Frame Number: 012506/0415

December 27, 2005 - ASSIGNMENT OF ASSIGNORS INTEREST (SEE DOCUMENT FOR

DETAILS),, DMT LICENSING, LLC ONE INDEPENDENCE WAY PRINCETON NEW JERSEY 08540,  
Reel and Frame Number: 017555/0149

**CORE TERMS:** user, song, music, memory, electronically, stored, digital, hardware, hard disk,  
electronic ...

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- ⓘ 1. [Sightsound.com, Inc. v. N2K, Inc.](#), Civil Action No. 98-0118 , UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA, 391 F. Supp. 2d 321; 2003 U.S. Dist. LEXIS 25503, October 23, 2003, Decided

**OVERVIEW:** Defendant was denied summary judgment on claims of patent invalidity; earlier patent described only "possibility" of use of unit in way that anticipated use of patent-in-suit, not the required "necessity," and fact question existed as to obviousness.

**CORE TERMS:** patent, digital, sightsound, invention, music, summary judgment, signal, prior art, license, consumer ...

... United States Patent No. **5,191,573** ("the '573 Patent") ...

- ⓘ 2. [Sightsound.com Inc. v. N2k, Inc.](#), Civil Action No. 98-118 , UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA, 185 F. Supp. 2d 445; 2002 U.S. Dist. LEXIS 6828, February 8, 2002, Decided

**OVERVIEW:** In an action involving patents which were directed to commercially-acceptable systems and methods for selling music and video in digital form over telecommunications lines, the judge made several recommendations regarding claim construction.

**CORE TERMS:** digital, memory, telecommunication, electronically, patent, audio signals, signal, specification, desired, transferring ...

... S. Patent Nos. **5,191,573** ("the '573 Patent"), 5,675,734 ("the '734 Patent") ...

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- 1. [Intellectual Property Today](#), April, 2004, INTERNETINFO.COLUMN; Pg. 49, 718 words, Will the Price of Music Downloads Include Patent License Fees?, BY W. SCOTT PETTY; Scott Petty, a Patent Attorney with King & Spalding, focuses on intellectual property issues for computer software, telecommunications and e-commerce companies. Scott can be contacted by telephone at 404.572.2888 or via e-mail at [spetty@kslaw.com](mailto:spetty@kslaw.com).  
... U.S. Patent Nos. **5,191,573** and 5,675,734, which date back to ...
- 2. [Rutgers Computer & Technology Law Journal](#), March 22, 2002, No. 1, Vol. 28; Pg. 61; ISSN: 0735-8938, 24588 words, The multiple unconstitutionality of business method patents: common sense, congressional consideration, and constitutional history., Pollack, Malla  
... U.S. Patent No. **5,191,573** (issued Mar. 2 ...
- 3. [Canadian Press Newswire](#), September 4, 2001, S 4'01, 5191573, 81 words, Trio of alleged drug-smugglers from Montreal elect trial by judge alone
- 4. [Canadian Press Newswire](#), September 4, 2001, S 4'01, 5191573, 81 words, Trio of alleged drug-smugglers from Montreal elect trial by judge alone (Record in progress)
- 5. [The Toronto Sun](#), May 19, 2000, Friday,, Final EDITION, NEWS,, Pg. 32, 174 words, KILLER INSULTS VICTIM'S KIN, ALAN CAIRNS, TORONTO SUN, BARRIE
- 6. [Mondaq Business Briefing - Hale and Dorr LLP, US](#), November 3, 1999, 02275027, 2096 words, US: Business Methods Patents - The Effects Of State Street On Electronic Commerce And The Internet, Alter, Scott M  
... 7. Patent number **5,191,573** and 5,675,734 ...
- 7. [The Computer Lawyer](#), October, 1999, PATENT; Vol. 16, No. 10; Pg. 3, 11742 words, What the General Intellectual Property Practitioner Should Know about Patenting Business Methods, by David L. Hayes; David L. Hayes is a partner and is Chairman of the Intellectual Property Practice Group at Fenwick & West in Palo Alto. CA. Copyright © 1999 Fenwick & West LLP.  
... terms of the matched coupons. **5,191,573** Title: "Method for ...  
... US Pat. No. **5,191,573** described above. Enforcement: ...  
... Sightsound.com asserted this and the **5,191,573** patent above against ...
- 8. [Salon.com](#), March 9, 1999 Tuesday, Feature, 2469 words, How can they patent that?, By Peter Wayner  
... eyes. Or consider patents **5191573** and 5675734, created by ...  
... N2K, is evaluating what patents **5191573** and 5675734 mean to his company's ...
- 9. [Business Wire](#), May 19, 1998, Tuesday, 867 words, Digital Sight/Sound Rolls Out First Patented Method for Sale of Digital Audio/Video Over the Internet, LOS ANGELES  
... United States Patents **5,191,573** and 5,675,734. "A2B is a ...
- 10. [Business Wire](#), May 18, 1998, Monday, 867 words, Digital Sight/Sound Rolls Out First Patented Method for Sale of Digital Audio/Video Over the Internet, LOS ANGELES  
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11. [Intellectual Property Today](#), March, 1998, RFC EXPRESS TM; Recently Filed Patent Cases; Pg. 23, 1248 words  
... vs. N2K INC. **5,191,573**; 5,675,734 97-2387 -- ...

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,402	01/31/2005	5191573	NAPS001	2998

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**EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM**

REEXAMINATION CONTROL NO. 90/007,402.

PATENT NO. 5191573.

ART UNIT 3992.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified *ex parte* reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the *ex parte* reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).



**Ex Parte Reexamination  
Advisory Action  
Before the Filing of an Appeal Brief**

Control No.  
90/007,402

Patent Under Reexamination  
5191573

Examiner  
Roland G. Foster

Art Unit  
3992

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

THE PROPOSED RESPONSE FILED 17 May 2007 FAILS TO OVERCOME ALL OF THE REJECTIONS IN THE FINAL REJECTION MAILED 17 March 2007.

1.  Unless a timely appeal is filed, or other appropriate action by the patent owner is taken to overcome all of the outstanding rejection(s), this prosecution of the present *ex parte* reexamination proceeding WILL BE TERMINATED and a Notice of Intent to Issue *Ex Parte* Reexamination Certificate will be mailed in due course. Any finally rejected claims, or claims objected to, will be CANCELLED.
- THE PERIOD FOR RESPONSE IS EXTENDED TO RUN 2 MONTHS FROM THE MAILING DATE OF THE FINAL REJECTION. Extensions of time are governed by 37 CFR 1.550(c).

**NOTICE OF APPEAL**

2.  An Appeal Brief is due two months from the date of the Notice of Appeal filed on 31 May 2007 to avoid dismissal of the appeal. See 37 CFR 41.37(a). Extensions of time are governed by 37 CFR 1.550(c). See 37 CFR 41.37(e).

**AMENDMENTS**

3.  The proposed amendment(s) filed after a final action, but prior to the date of filing a brief, will not be entered because:
- (a)  They raise new issues that would require further consideration and/or search (see NOTE below);
- (b)  They raise the issue of new matter (see NOTE below);
- (c)  They are not deemed to place the proceeding in better form for appeal by materially reducing or simplifying the issues for appeal; and/or
- (d)  They present additional claims without canceling a corresponding number of finally rejected claims.
- NOTE: \_\_\_\_\_ (See 37 CFR 1.116 and 41.33(a)).


4.  Patent owner's proposed response filed \_\_\_\_\_ has overcome the following rejection(s): \_\_\_\_\_
5.  The proposed new or amended claim(s) \_\_\_\_\_ would be allowable if submitted in a separate, timely filed amendment canceling the non-allowable claim(s).
6.  For purposes of appeal, the proposed amendment(s) a)  will not be entered, or b)  will be entered and an explanation of how the new or amended claim(s) would be rejected is provided below or appended.
- The status of the claim(s) is (or will be) as follows:
- Claim(s) patentable and/or confirmed: \_\_\_\_\_
- Claim(s) objected to: \_\_\_\_\_
- Claim(s) rejected: \_\_\_\_\_
- Claim(s) not subject to reexamination: \_\_\_\_\_


**AFFIDAVIT OR OTHER EVIDENCE**


7.  The affidavit or other evidence filed after a final action, but before or on the date of filing a Notice of Appeal will not be entered because patent owner failed to provide a showing of good and sufficient reasons why the affidavit or other evidence is necessary and was not earlier presented. See 37 CFR 1.116(e).
8.  The affidavit or other evidence filed after the date of filing a Notice of Appeal, but prior to the date of filing a brief, will not be entered because the affidavit or other evidence fails to overcome all rejections under appeal and/or appellant failed to provide a showing of good and sufficient reasons why the affidavit or other evidence is necessary and was not earlier presented. See 37 CFR 41.33(d)(1).
9.  The affidavit or other evidence is entered. An explanation of the status of the claims after entry is below or attached.

**REQUEST FOR RECONSIDERATION/OTHER**

10.  The request for reconsideration has been considered but does NOT place the application in condition for allowance because: See the Continuation Sheet.
11.  Note the attached Information Disclosure Statement(s), PTO/SB/08, Paper No(s) \_\_\_\_\_.
12.  Other: \_\_\_\_\_.

Conferees:  
  
Scott L. Weaver  
CRU Art Unit 3992

  
MARK J. REINHART  
SPRE-AU 3992  
CENTRAL REEXAMINATION UNIT

  
Roland G. Foster  
Primary Examiner  
Art Unit: 3992

cc: Requester (if third party requester)

## REQUEST FOR RECONSIDERATION/OTHER (Continued)

The Request for Reconsideration, filed on May 17, 2007 (the "Request"), has been considered but is not deemed persuasive.

The Request includes a new Declaration of Dr. Tygar and other new evidence in the form of non-patent literature describing a videoconferencing system that relies upon the use of a specialized High Speed Switched Digital Service (HDDS) rather than a telephone network. Both the declaration and the other evidence were submitted on May 17, 2007 after the final rejection, mailed March 17, 2007 (the "Final Rejection"). Indeed, this new evidence was submitted after the Final Rejection in response to issues (lack of entitlement to the benefit of an earlier filing date, written description, and enablement) first raised in an earlier Non-final rejection, mailed September 29, 2006 (the "Non-final Rejection"), thereby raising questions as to why this new evidence was not earlier presented. Despite this, the Request fails to provide ANY showing of good and sufficient reasons why this new evidence is necessary and was not earlier presented, contrary to 37 CFR 1.116(e) and contrary to the notice provided on pages 38 and 39 of the Non-final Rejection. See also MPEP § 2260 and 2272, especially regarding policy reasons. Thus, the said new evidence has not been entered nor considered by the examiner.

On pages 4-11 of the Request, the Patent Owner reiterates many of the arguments made in response to the Non-final Rejection and previously deemed unpersuasive. Thus, Patent Owner's present arguments are deemed unpersuasive for similar reasons.

In addition, the Patent Owner repeatedly asserts that the "office admits the '573 patent is not a continuation-in-part, but then asserts that the '573 Patent 'shares the characteristics of a continuation-in-part." For example, see pages 4 and 6 of the Request. The Patent Owner however has not cited to a section in the Final Rejection where this admission was allegedly made, and the examiner has not determined where he made this admission. Thus, Patent Owner's arguments that such an admission was made are unpersuasive.

On page 8 of the Request, the Patent Owner asserts that the "office admits that Examiner Nguyen did in fact address the issue of alleged new matter shown in Table I of the instant Office Action...[t]he Office further admits that Patentee has effectively demonstrated as much through the table submitted with Patentee's Response to the Office Action of September 29, 2006." The Patent Owner however has not cited to a section in the Final Rejection where these admissions were allegedly made, and the examiner has not determined where he made these admissions. Thus, Patent Owner's argument that such admissions were made is unpersuasive.

On page 12 of the Request, the Patent Owner argues that the "Office may only examine the recitation of 'hard disk' for compliance with Section 112, first paragraph." This argument is unpersuasive however because the claims recite a new limitation directed to a "second memory including a second party hard disk," not simply a "hard disk" as argued. Accordingly, the Final Rejection included 112, 1st paragraph rejections regarding the download of video to a second memory and playback therefrom. Furthermore, "the question of new matter should be considered in a reexamination proceeding." MPEP 2258.II.B.

On page 14 of the Request, the Patent Owner argues that the originally filed specification explicitly states that the disclosed invention eliminates the need to handle tapes and CDs. This argument however is not persuasive because the cited portion of the specification instead states that a hard disk "thus eliminat[es]...the need to unnecessarily handl[e]...tapes, or compact discs on a regular basis." Thus, the specification as originally filed does not preclude the possibility that tapes and CDs are used to store the downloaded music, albeit not on a regular basis. This embodiment thus directly contradicts the newly introduced, negative limitations directed to a "non-volatile storage portion of the second memory, wherein the non-volatile storage portion is not a tape or a CD." Indeed by pointing to that part of the specification that teaches storing the data on a hard disk, the Patent Owner's arguments support the position that the specification as originally filed teaches of a second memory in the form of hard disk, but fails to necessarily disclose (require) the broader, artificially created sub-genus corresponding to the negative limitation, namely a second memory that is not necessarily a hard disk, and that is also not a tape or CD either.

Pages 16-20 of the Request, the Patent Owner refers to newly submitted evidence that has not been entered or considered by the examiner as discussed above.

Pages 20-27 of the Request, the Patent Owner argues against the applied references individually for failing to teach features that were not relied upon in the specific 35 USC 103 combinations set forth in the Final Rejection. Thus, the Patent Owner arguments are unpersuasive. As for arguments regarding teaching away, the mere disclosure of an alternate embodiment does not constitute "teaching away."

**Index of Claims**



Application/Control No.

90/007,402

Examiner

Roland G. Foster

Applicant(s)/Patent under Reexamination

5191573

Art Unit

3992

✓	Rejected
=	Allowed

-	(Through numeral) Cancelled
+	Restricted


N	Non-Elected
I	Interference

A	Appeal
O	Objected

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<b>Reexamination</b> 	<b>Application/Control No.</b> 90/007,402	<b>Applicant(s)/Patent Under Reexamination</b> 5191573
	<b>Certificate Date</b>	<b>Certificate Number</b>

<b>Requester</b> <b>Correspondence Address:</b> <input type="checkbox"/> <b>Patent Owner</b> <input checked="" type="checkbox"/> <b>Third Party</b>
Albert S. Penilla Martine Penilla & Gencarella, LLP 710 Lakeway Drive, Suite 200 Sunnyvale, CA 94085

<b>LITIGATION REVIEW</b> <input checked="" type="checkbox"/>	rgf <small>(examiner initials)</small>	2/17/07 <small>(date)</small>
<b>Case Name</b>		<b>Director Initials</b>
Sightsound Tech. v. Roxio, Inc., 2:04cv1549, U.S. District, Pennsylvania Western (stay pending reexamination)		<i>written for Lissi Mojica Margolis</i>
Sightsound v. N2K, Inc., U.S. District, Pennsylvania		↓

COPENDING OFFICE PROCEEDINGS	
TYPE OF PROCEEDING	NUMBER
1. Ex Parte reexam for related patent	90007403
2. Ex Parte reexam for related patent	90007407
3.	
4.	



7-31-07

PEREXAM  
B

CERTIFICATE OF MAILING BY FIRST CLASS MAIL	
Applicant(s)	: Arthur R. Hair
Docket No.	: NAPS001
Serial No.	: 90/007,402
Filing Date	: January 31, 2005
Examiner	: Roland G. Foster
Group Art Unit	: 3992
Confirmation No.	: 2998
Invention	: Method for Transmitting a Desired Digital Video or Audio Signal

I hereby certify that the following correspondence:

**Brief on Appeal Under 37 C.F.R. § 41.37, check for \$500.00 and return postcard receipt**

is being deposited with the United States Postal Service addressed to MS Assignment Recordation Services, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on July 30, 2007

**Katrina D'Oliveira**

08/06/2007 JBRDWN3 00000007 90007402  
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Express Mail No.: EV 299882834 US

Control No.: 90/007,402

Attorney's Docket No. NAPS001

*Patent*

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re Application of: Arthur R. Hair

Group No.: 3992

Serial No.: 90/007,402

Examiner: Roland G. Foster

Filed: January 31, 2005

Confirmation No. 2998

For: METHOD FOR TRANSMITTING A DESIRED DIGITAL VIDEO OR AUDIO SIGNAL

**BRIEF ON APPEAL UNDER 37 C.F.R. § 41.37**

Mail Stop Appeal Brief - Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

**Real Party in Interest**

Appellant's real party in interest is:

DMT Licensing, LLC (a wholly-owned subsidiary of GE Intellectual Property  
Licensing, Inc., which is a wholly-owned subsidiary of General  
Electric Co.)  
105 Carnegie Center  
Princeton, New Jersey 08540

**Related Appeals and Interferences**

The Appeals in copending reexaminations 90/007,403 and 90/007,407 are related to the instant Appeal. The outcomes in these copending Appeals may affect, be affected by, or have some bearing on the Board's decision in the instant Appeal.

**Status of the Claims**

Claims 1 through 6 and 44 through 49 are currently pending. Claims numbered 1 to 6 were originally issued in U.S. Patent 5,191,573 (the "573 Patent"). Claims 7 through 43 were

added during reexamination and subsequently canceled following the vacating of the Office Action issued by the United States Patent and Trademark Office (the "Office") on March 20, 2006 finally rejecting all of the claims in reexamination. Claims 44 through 49 were added in the Response to the Non-Final Office Action issued on September 29, 2006.

Claims 1 through 6 and 44 through 49 are rejected under 35 U.S.C. § 112, first paragraph. Claims 1, 2, 4, 5, 44, 45, 47 and 48 are rejected under 35 U.S.C. § 102(e). Claims 1 through 6 and 44 through 49 are rejected under 35 U.S.C. § 103(a).

Appellant appeals the rejection of all claims.

#### **Status of Amendments**

All amendments have been entered.

#### **Summary of the Claimed Subject Matter**

Claims 1, 4, 44 and 47 are the independent claims. Below, Appellant summarizes the claimed subject matter in the independent claims per 37 C.F.R. § 41.37(c)(1)(v) using references to the Figures and column and line numbers in the issued patent.

Independent Claim 1 recites a method for transmitting a desired digital audio signal stored on a first memory of a first party to a second memory of a second party [Abstract]. The method comprises the steps of transferring money electronically via a telecommunication line to the first party at a location remote from the second memory and controlling use of the first memory from the second party, the second party being financially distinct from the first party [col. 2, lns. 63 to 67; col. 3, lns. 6 to 7; col. 5, lns. 32 to 34], and the second party controlling use and in possession of the second memory [col. 2, lns. 40 to 47; col. 3, lns. 12 to 17; col. 3, lns. 52 to 59]. The method further comprises connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital

audio signal can pass there-between [Fig. 1; col. 2, lns. 51 to 67; col. 3, lns. 8 to 12], transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 13 to 19 and 60 to 67; col. 4, lns. 25 to 44] and storing the digital signal in a non-volatile storage portion of the second memory, wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 31 to 35; col. 3, lns. 17 to 19; col. 4, lns. 41 to 43].

Independent Claim 4 recites a method for transmitting a desired digital video signal stored on a first memory of a first party to a second memory of a second party [Abstract]. The method comprises the steps of transferring money electronically via a telecommunications line to the first party at a location remote from the second memory and controlling use of the first memory from a second party financially distinct from the first party [col. 2, lns. 63 to 67; col. 3, lns. 6 to 7; col. 5, lns. 32 to 34], said second party in control and in possession of the second memory [col. 2, lns. 40 to 47; col. 3, lns. 12 to 17; col. 3, lns. 52 to 59]. The method further comprises connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital video signal can pass there-between [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 8 to 12, col. 5, ln. 67 to col. 6, ln. 2], transmitting the desired digital video signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 13 to 19 and 60 to 67; col. 4, lns. 25 to 44; col. 5, ln. 67 to col. 6, ln. 2] and storing the digital



signal in a non-volatile storage portion of the second memory, wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 31 to 35; col. 3, lns. 17 to 19; col. 4, lns. 41 to 43].

Independent claim 44 recites a method for transmitting a desired digital audio signal stored on a first memory of a first party to a second memory of a second party [Abstract; col. 5, ln. 67 to col. 6, ln. 2]. The method comprises the steps of transferring money electronically via a telecommunications line to the first party at a location remote from the second memory and controlling use of the first memory from the second party financially distinct from the first party [col. 2, lns. 63 to 67; col. 3, lns. 6 to 7; col. 5, lns. 32 to 34], said second party controlling use and in possession of the second memory [col. 2, lns. 40 to 47; col. 3, lns. 12 to 17; col. 3, lns. 52 to 59]. The second memory includes a second party hard disk [Fig. 1 (60); col. 3, ln. 57]. The method further comprises connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital audio signal can pass therebetween [Fig. 1 (20B, 30, 50B); col. 2, lns. 51 to 67; col. 3, lns. 8 to 12], transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 13 to 19 and 60 to 67; col. 4, lns. 25 to 44] and storing the digital signal in the second party hard disk [col. 3, lns. 17 to 19; col. 4, lns. 41 to 43].

Independent Claim 47 recites a method for transmitting a desired digital video signal stored on a first memory of a first party to a second memory of a second party [Abstract; col. 5, ln. 67 to col. 6, ln. 2]. The method comprises the steps of transferring money electronically via a telecommunications line to the first party at a location remote from the second memory and controlling use of the first memory from the second party financially distinct from the first party

[col. 2, lns. 63 to 67; col. 3, lns. 6 to 7; col. 5, lns. 32 to 34], said second party controlling use and in possession of the second memory [col. 2, lns. 40 to 47; col. 3, lns. 12 to 17; col. 3, lns. 52 to 59]. The second memory includes a second party hard disk [Fig. 1 (60); col. 3, ln. 57]. The method further comprises connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital video signal can pass therebetween [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 8 to 12, col. 5, ln. 67 to col. 6, ln. 2], transmitting the desired digital video signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 13 to 19 and 60 to 67; col. 4, lns. 25 to 44; col. 5, ln. 67 to col. 6, ln. 2] and storing the digital signal in the second party hard disk [col. 3, lns. 17 to 19; col. 4, lns. 41 to 43].

**Grounds for Rejection to be Reviewed on Appeal**

1. Examiner's rejection of Claims 1, 2, 4, 5, 44, 45, 47 and 48 under 35 U.S.C. § 102(e) and 35 U.S.C. § 103(a) over U.S. Patent 4,949,187 to Cohen (*Cohen*). In particular, Appellant seeks review of the Examiner's assertion that the '573 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Cohen* could be cited as a prior art reference.
2. Examiner's rejection of Claims 3, 6, 46 and 49 under 35 U.S.C. § 103(a) over *Cohen* in view of U.S. Patent 4,789,863 to Bush (*Bush*). In particular, Appellant seeks review of the Examiner's assertion that the '573 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Cohen* could be cited as a prior art reference.

3. Examiner's rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 103(a) over *Bush* in view of *Cohen*. In particular, Appellant seeks review of the Examiner's assertion that the '573 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Cohen* could be cited as a prior art reference.
4. Examiner's rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 103(a) over *Bush* in view of U.S. Patent 4,837,797 to Freeny (*Freeny I*).
5. Examiner's rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 103(a) over Japanese Patent Application No. 62-284496 to Akashi (*Akashi*) in view of U.S. Patent 4,528,643 to Freeny (*Freeny II*).
5. Examiner's rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 112, first paragraph as not being supported by the written description in the specification.
6. Examiner's rejection of Claims 4 through 6 and 47 through 49 under 35 U.S.C. § 112, first paragraph as not being enabled by the specification.

### Argument

#### I. Summary

The instant reexamination was originally filed on January 31, 2005, and was initially assigned to Examiner Benjamin Lanier ("Examiner Lanier"). The reexamination and two related copending reexaminations subsequently were transferred to the Central Reexamination Unit ("CRU") where they were assigned to Examiner Roland Foster ("Examiner Foster").

During the course of the proceedings in the instant reexamination, five Office Actions were issued. The first three Office Actions were issued by Examiner Lanier, who consistently rejected all claims presented by Appellant as obvious. In each case, Examiner Lanier relied on combinations of up to nine references in his obviousness analyses, offering only conclusory

statements regarding the motivation or teaching to combine the multiple references. In each case, the Appellant pointed out the impropriety of the combinations. Examiner Lanier never rebutted the Appellant's arguments. Instead, Examiner Lanier simply asserted that the rejections were proper.

Following the issuance of the third Office Action by Examiner Lanier, the instant reexamination was transferred to the CRU, specifically to Examiner Foster, where the Office reviewed and vacated Examiner Lanier's Final Rejection of the claims. The Office appeared to concur with the Appellant's view that the rejections offered by Examiner Lanier were untenable, but the Office did not allow the claims. Instead, the Office issued two subsequent Office Actions.

The two subsequent Office Actions take an alternate approach which, since also improper, has led to this appeal. Instead of relying on up to nine references, these subsequent Office Actions relied primarily on references that post-dated the June 13, 1988 priority date for the '573 Patent. In other words, the Office Actions relied on non-*prior* art. To justify this, the Office first had to conduct a *de novo* review of the '573 Patent's prosecution and then, based on that review, reassign the '573 Patent's June 13, 1988 priority date; a priority date that was rightfully granted by the original Examiner during the initial examination of the '573 Patent. In taking those steps, the Office reassigned the priority date to September 18, 1990. Then, using this new priority date, the Office cited new art post-dating the June 13, 1988 priority date, which the Office asserts anticipates or makes obvious all of the claims in reexamination.

As detailed below, this *de novo* review and resulting reassignment of the priority date is clearly outside the scope of authority of the Office as granted by the Reexamination Statute. 35

USC § 301, *et seq.* Further, the attempted reassignment of a new priority date to the '573 Patent does not comport with Office procedures.

Further, as a predicate for reassigning the priority date of the claims in the '573 Patent, the Office asserts that the claims as issued are either not supported by a written description or are not enabled by the specification as filed on June 13, 1988. In making these findings, the Office has applied improper and overly strict standards for both written description and enablement under 35 U.S.C. § 112, first paragraph. Using the appropriate standards, Appellant has demonstrated that the claims in reexamination are fully supported and enabled by the originally filed specification, and are thus entitled to the priority date of June 13, 1988.

Where the Office has presented obviousness rejections relying solely on references that do qualify as prior art based on the proper June 13, 1988 priority date, the Office has failed to present a reasoned argument showing a teaching or motivation to combine the references, as required by *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727 (U.S. 2007). Further, as demonstrated by Appellant, these references do not show each and every limitation of the claims in reexamination. As a result, the Office has not established a *prima facie* case of obviousness based on those references that are proper prior art.

The Office has also rejected Claims 1 through 6 and 44 through 49 in reexamination under 35 U.S.C. § 112, first paragraph, as not being supported by an adequate written description and as not being enabled by the specification. Here again, Appellant maintains that the Office has acted outside the mandated scope of reexamination by examining Claims 1 through 6 and 44 through 49 in their entirety for compliance with section 112, first paragraph, rather than limiting the analysis to newly claimed subject matter. Further, the Office has again applied improper standards for both written description support and enablement. Using the

appropriate standards, Appellant has demonstrated that the claims in reexamination do comply with the requirements section 112, first paragraph.

Since many of the positions taken by the Office in finally rejecting Claims 1 through 6 and 44 through 49 rely on a revisiting of issues dealt with during the original examination of the '573 Patent, it is appropriate here to summarize the prosecution history of the '573 Patent.

Appellant's arguments herein will refer to the summary provided in Section II below.

## II. Prosecution History of the '573 Patent

The '573 Patent issued from U.S. Patent Application Serial No. 07/586,391 (the "'391 Application'"), which was filed as a continuation of U.S. Patent Application Serial No. 07/206,497 (the "'497 Application'"). The '497 Application was originally filed on June 13, 1988 by Arthur Hair as a *pro se* applicant.<sup>1</sup> In the period after the initial filing of the '497 Application, Mr. Hair retained Ansel M. Schwartz as patent counsel. The Application was assigned to Examiner Hoa T. Nguyen ("Examiner Nguyen").

On December 19, 1988, Mr. Schwartz filed a preliminary amendment canceling original Claims 1 through 10 in the '497 Application and replacing them with new Claims 11 through 13, which read as follows:

11. A method for transmitting a desired digital audio music signal stored on a first memory to a second memory comprising the steps of:  
transferring money to a party controlling use of the first memory  
from a party controlling use of the second memory;  
connecting electronically the first memory with the second  
memory such that the desired digital signal can pass therebetween;  
transmitting the digital signal from the first memory to the second  
memory; and  
storing the digital signal in the second memory. (emphasis added).

<sup>1</sup> The application which became the '497 Application was actually mailed on June 9, 1988. However, since Mr. Hair was unaware of the use of Express Mail, the application was accorded the date that it actually was received at the Office.

12. A method as described in Claim 11, including after the *transferring* step, the steps of *searching the first memory* for the desired digital audio signal; and *selecting the desired digital audio signal* from the first memory. (emphasis added).

13. A method as described in Claim 12 wherein the transferring step includes the steps of *telephoning* the party controlling use of the first memory by the party controlling the second memory; *providing a credit card number* of the party controlling the second memory to the party controlling the first memory so that the party controlling the second memory is *charged money*.

The first Office Action in the '497 Application was issued on November 15, 1988 on the basis of Claims 11 to 13 added by the preliminary amendment. All of the claims were rejected as anticipated by U.S. Patent 3,718,906. Mr. Schwartz responded to the Office Action on February 26, 1990. In this response, Claims 14 through 20 were added. Exemplary Claims 14 and 15 read as follows:

14. A method as described in Claim 11 wherein the transmitting step includes the step of transmitting the digital signal from the first memory to the second memory at *a location determined by the second party* controlling use of the second memory. (emphasis added)

15. A method for transmitting a desired a *digital video* or audio music signal stored on a first memory to a second memory comprising the steps of:  
charging a fee to a first party controlling use of the second memory;  
connecting the first memory with the second memory such that the digital signal can pass therebetween;  
transmitting the digital signal from the first memory to the second memory; and  
storing the digital signal in the second memory. (emphasis added)

The second Office Action in the '497 Application was issued on May 10, 1990 on the basis of Claims 11 to 20. All of the claims were rejected as anticipated by either of U.S. Patent 3,718,906 or 3,990,710. Mr. Schwartz responded to this Office Action on August 21, 1990. In this response, Claims 11, 12 and 15 were amended and Claim 21 was added. Claims 14 and 16

to 20 were canceled. Claims 11 and 15 were amended by including the recitation of a “transmitter” and a “receiver.” New Claim 21 read identically to Claim 12, except that it depended from independent Claim 15. On September 9, 1990, Examiner Nguyen issued an Advisory Action indicating that the amendments would not be entered.

The amendment was resubmitted with a File Wrapper Continuation and subsequently entered. The File Wrapper Continuation was assigned application serial number 07/586,391 (the “‘391 Application”). The ‘391 Application was filed as a **continuation** of the parent ‘497 Application and claimed priority to the June 13, 1988 filing date. In fact, due to a clerical error, Mr. Schwartz was required to revive the ‘497 Application as unintentionally abandoned for the express purpose of establishing copendency with the ‘391 Application so that a proper claim for priority could be made. No new oath was required by the Office when the ‘391 Application was filed.

The first Office Action in the ‘391 Application was issued on September 9, 1991 on the basis of Claims 11 to 13, 15 and 21. All of the claims were rejected as obvious over U.S. Patent 3,990,710. Mr. Schwartz responded to this Office Action on December 9, 1991. In this response, Claims 11 and 15 were amended to recite that the first party location was remote from the second party location. Claim 15 was further amended to delete the reference to digital audio signals. Claim 22 was added, and was essentially identical to Claim 13, but depended from Claim 21. In addition to the claim amendments, text was added to pages 3 and 5 of the specification.

The next Office Action in the ‘391 Application was issued on February 24, 1992 on the basis of Claims 11 to 13, 15, 21 and 22. In the Office Action, Examiner Nguyen explicitly objected to the amendments to the specification and rejected all of the claims as being



unsupported by the originally filed specification. See pages 5 to 6 of the February 24, 1992 Office Action. Examiner Nguyen specifically pointed out the following as not having a basis in the original specification:

- (1) "transferring money"
- (2) "second party financially distinct from the first party"
- (3) "in the controlling step 'receiver in possession...of the second party'"
- (4) "telephoning"
- (5) "providing a credit card"

The specification was objected to "as originally filed, failing to provide clear support for the amendments to pages 3 and 5." The amendments to pages 3 and 5 encompassed the entirety of the amendments to the specification. Claims 11 to 13, 15, 21 and 22 were also rejected as obvious over U.S. Patent 3,990,710.

Mr. Schwartz responded to this Office Action on June 23, 1992. In this response, the amendments to the specification adding text at pages 3 and 5 were withdrawn. A substitute specification was submitted to address formal issues. Further, a new amendment to the specification was presented adding a new Abstract and adding text at page 6 and page 12 of the substitute specification. Claims 11 and 15 were amended to recite "transferring money electronically via a telecommunications line" and "connecting electronically via a telecommunications line." Claim 15 was again amended to delete "audio." Claim 23 was added.

In addition to the amendments and arguments filed with the Office Action response on June 23, 1992, Mr. Schwartz also filed a Declaration by Arthur Hair under 37 C.F.R. § 1.132 indicating that one of ordinary skill in the art would recognize that all of the terminology presented in the claims and specification by amendment was supported by the originally filed specification.

The next Office Action in the '391 Application was issued on September 21, 1992 on the basis of Claims 11 to 13, 15 and 21 to 23. The Office Action indicated that Claims 11 to 13, 15, 21 and 22 were allowable based on the response filed on June 23, 1992. Claim 23 was rejected. Mr. Schwartz responded to this Office Action on September 30, 1992 by canceling rejected Claim 23. The Examiner proceeded to issue a Notice of Allowance and Issue Fee Due on October 19, 1992. The Issue Fee was paid on December 4, 1992 and the '391 Application duly issued as the '573 Patent on March 2, 1993.

**III. THE APPROPRIATE PRIORITY DATE FOR THE CLAIMS OF THE '573 PATENT IN REEXAMINATION IS JUNE 13, 1988**

As set forth in Section II above, the '573 Patent issued from U.S. Patent Application Serial No. 07/586,391 (the "'391 Application'"), which was filed as a continuation of U.S. Patent Application Serial No. 07/206,497 (the "'497 Application'"). The Office admits the '573 Patent is not a continuation-in-part, but asserts that the '573 Patent "shares the characteristics of a continuation-in-part." The Office now attempts to use this novel characterization of the '573 Patent as a pretext to re-examine the priority date of the claims in the '573 Patent, which Examiner Nguyen had properly awarded as June 13, 1988. In particular, the Office is attempting to improperly reassign a priority date of September 18, 1990 to the claims in reexamination.

The Office's actions in reassigning a priority date are improper procedurally, and incorrect based on the prosecution history of the '573 Patent. In the first instance, the reexamination statutes do not empower the Office to examine claims for issues of effective priority date in the absence of a continuation-in-part in the original examination history. On this basis alone, the Board should vacate the Examiner's findings with respect to the proper priority date of the claims in the '573 Patent. Even if the Board does not vacate the Examiner's findings

on this basis, the Board should vacate the Examiner's findings because the issue was thoroughly dealt with by Examiner Nguyen during the initial examination of the '573 Patent, and thus does not present a new issue related to patentability. Even putting those arguments aside, the Board should vacate the Examiner's findings with respect to priority because the claims as issued in the '573 Patent and as currently constituted in reexamination are clearly supported by the original specification filed on June 13, 1988.

**A. The Office Exceeded Its Statutory Authority In Considering Issues Of Priority In The Instant Reexamination**

The Office exceeded its statutory authority by considering issues of priority in the instant reexamination. It is well established that the scope of a reexamination proceeding is limited to whether claims are patentable under 35 U.S.C. §§ 102 and 103 "on the basis of patents and printed publications." 37 C.F.R. § 1.552. The reexamination rules explicitly preclude consideration of issues arising under 35 U.S.C. § 112, except "with respect to subject matter added or deleted in the reexamination proceeding." *Id.*; *see also In re Etter*, 756 F.2d 852, 856 (Fed. Cir. 1985) (*en banc*) ("only new or amended claims are also examined under 35 U.S.C. §§ 112 and 132").

Moreover, the inquiry under Section 120 as to whether the language of a particular claim, as filed or amended during an original prosecution, was supported or unsupported by sufficient disclosure is, by definition, not a *new* question. Rather, it is an issue that necessarily arises at the time of original filing or amendment, and one that necessarily is before the original examiner. Where a continuation-in-part ("CIP") appears in the prosecution history of a patent in reexamination, it may be necessary to make an inquiry into whether claims in the CIP, as issued or amended in reexamination, find support in the originally filed parent application or rely on new matter added when the CIP was filed during the original prosecution of the patent.

However, where no CIP appears in the record this issue cannot arise since by definition no new matter was found to be added during the original prosecution of the patent in question.

As a result, it is beyond the scope of reexamination for an examiner to make a threshold determination that new matter was added during the original examination of a patent in reexamination in the absence of a recognition of such new matter in the record of the original examination of the patent in question.

**1. There Is No CIP In The Prosecution History Of The '573 Patent**

The Office admits the '573 Patent is not a continuation-in-part, but then asserts the '573 Patent "shares the characteristics of a continuation-in-part," and cites this as a basis for assigning a later priority date to the claims of the '573 Patent. The Office points to text added to the specification of the '391 Application that was not found in the originally filed specification in the '497 Application as grounds for this new designation. The Office further cites MPEP § 201.11 to support its conclusion. However, the presence of additional or different text in the specification of a continuation application does not by itself render the continuation application a CIP. The prohibition of MPEP § 201.11 concerns addition of text that would constitute *new matter*.

As set forth in Section II above, the '391 Application was filed under the old File Wrapper Continuation procedure. According to MPEP § 201.06(b), in effect at the time, if the '391 Application had been filed as a CIP a new oath or declaration would have been required; none was required. Therefore, no CIP appears in the history of the original prosecution of the '573 Patent.

Further, the Office has cited no authority that empowers it, in the context of reexamination, to treat a continuation application as a CIP because the examiner in

reexamination believes the continuation “shares characteristics of a continuation-in-part.” An application or patent is either a continuation-in-part, or it is not. There simply is no designation in the statutes or regulations for patents that are continuations, but “share the characteristics of continuations-in-part”, as asserted by the Office. Therefore, the Office has no statutory basis for reassigning the priority date for the ‘573 Patent.

**2. The Reexamination Statute Does Not Empower The Office To Address Issues Of Priority Under 35 U.S.C. § 120 In The Absence Of A CIP Application In The Prosecution History Of A Patent In Reexamination**

The Office relies on MPEP §§ 2258(I)(C) and 2217 for an implicit grant of authority to cite intervening art based upon a newly determined effective filing date for claims. The Office refers to two cases: *In re Ruscetta*, 255 F.2d 687 (C.C.P.A. 1958) and *In re van Langenhoven*, 458 F.2d 132 (C.C.P.A. 1972), cited in MPEP § 2258(I)(C) as granting the underlying authority to address issues under 35 U.S.C. § 120 in reexamination. The Office’s reliance on *Ruscetta* and *van Langenhoven* is misplaced. Both *Ruscetta* and *van Langenhoven* deal explicitly with patents issued from CIP applications, which as discussed *supra*, is simply not the case in the present reexamination. Further, both cases pre-date the reexamination statute, and thus say nothing about the proper conduct of reexamination proceedings. The Office has cited no further authority to support its interpretation of *Ruscetta* or *van Langenhoven*. Moreover, the Office cannot expand the holdings of these cases simply by inserting references to them in MPEP sections dealing with the scope of reexamination. “The MPEP sets forth PTO procedures; it is not a statement of law.” *Regents of the Univ. of New Mexico v. Knight*, 321 F.3d 1111, 1121 (Fed. Cir. 2003).

In contrast to the present case, where a CIP application appears in the prosecution history of a patent in reexamination, it is appropriate to consider the issue of the effective priority date

of a claim in reexamination, since it is recognized that a CIP application may introduce new matter not disclosed in its parent application. However, where no CIP appears in the original prosecution record, the examiner in reexamination has no basis for determining that new matter was added during the original prosecution. Further, the limited scope of reexamination prohibits the examiner from undertaking this analysis on his own initiative.

**3. MPEP § 2258.IV.E Does Not Empower The Office To Revisit The Issue Of The Entitlement To A Priority Date Of Claims In An Issued Patent**

The Office cites MPEP § 2258.IV.E as an example of revisiting priority issues in reexamination. However, most of this section addresses only the procedural issues in reexamination for perfecting a claim for priority made previously during initial examination and does not address the merits of a claim for priority.

The cited section also deals with claiming priority under 35 U.S.C. § 120 to an earlier filed copending application during reexamination where there was an earlier *failure* to make such a claim. In the instant case, a claim of priority of June 13, 1988 was made by the applicant. Examiner Nguyen determined the '573 Patent was in fact entitled to that priority date. Since a claim of priority is, by definition, before the Examiner when it is made, it can never be a new issue in reexamination; *i.e.* an issue that the original Examiner had no reason to consider. Indeed, MPEP § 201.11, cited favorably by the Office, *requires* an Examiner to address the issue during initial examination.

Further, MPEP § 2258.IV.E does not address revisiting and removing an earlier claim of priority made in an application, and does not address the entitlement of an issued patent to an earlier claimed right of priority.

Finally, MPEP § 2258.IV.E addresses reexaminations initiated by the Appellant. The section does not empower the Office to address the issue of entitlement to a claimed priority date where the issue is not first raised by the Appellant.

The Office also cites MPEP § 1402, which concerns reissue proceedings, as an example of addressing priority issues. However, again, the cited section deals with adding or changing claims of priority, where an earlier claim contained an error or was not made at all. While MPEP § 1405 does address deletion of a priority claim in reissue, that section does not empower the Office on its own to determine the propriety of the priority claim.

Finally, 37 C.F.R. § 1.552(c) is explicit about the scope of re-examination:

Issues other than those indicated in paragraphs (a) and (b) of this section *will not be resolved in a reexamination proceeding*. If such issues are raised by the patent owner or third party requester during a reexamination proceeding, the existence of such issues will be noted by the examiner in the next Office action, in which case *the patent owner may consider the advisability of filing a reissue application to have such issues considered and resolved*.

37 C.F.R. § 1.552(c) (emphasis added). Therefore, notwithstanding MPEP § 1405, the propriety of a previously made priority claim cannot be revisited by the Office during reexamination.

**B. The Priority Date For The Claims In The '573 Patent Is Not A New Issue Related To Patentability**

Even if the reexamination statute did provide authority to address the issue of priority in reexamination, which it does not, the Office is still barred from considering the issue with respect to the '573 Patent because it does not present a new issue related to patentability.

**1. Examiner Nguyen Assigned A Priority Date Of June 13, 1988 To The Claims In The '573 Patent**

During initial examination of the '573 Patent, the '391 Application was filed as a **continuation** of the '497 Application and thus, as a preliminary matter, was entitled to the filing date of the original application, June 13, 1988. The Office makes much of the fact that the '391 Application was filed pursuant to the old File Wrapper Continuation procedure, which permitted the filing of CIPs. However, as set forth above, MPEP § 201.06(b), in effect at the time the '391 Application was filed, required that a CIP application filed pursuant to the File Wrapper Continuation procedure include a new oath or declaration. Since Examiner Nguyen did not require a new oath or declaration, as a threshold matter she assigned the priority date of June 13, 1988 to the '391 Application when it was filed.

Notwithstanding this, the Office has asserted that Examiner Nguyen did not consider or have reason to consider the issue of whether the additions to the specification constituted new matter. In support of these assertions, Examiner Foster provided a chart in the Office Action of September 29, 2006, showing when and under what circumstances additions to the specification and resulting claim amendments were made in the '497 and '391 Applications.

Appellant responded to this assertion by reproducing the Examiner's chart in amended form to demonstrate that Examiner Nguyen did in fact consider the various additions to the specification and concluded those additions did not constitute new matter and the subject claims therefore were supported under Section 112. The chart has been amended by adding three columns, subtitled respectively: "Consideration by Examiner Nguyen," "Response by Applicant," and "Subsequent Action by Examiner Nguyen." That chart is set forth below:



	Parent Application 07/206,497 filed June 13, 1988		Child Application 07/586,391 filed September 18, 1990		Office Action in Application 07/586,391 and response		Issuance of '573 Patent
Feature	Date First Appearing in Claims of Parent Application	Date First Appearing in Specification of Parent Application	Date First Appearing in Claims of Child Application	Date First Appearing in Specification of Child Application	Consideration by Examiner Nguyen	Response by Applicant	Subsequent Action by Examiner Nguyen
Transferring Money from Second Party to a First Party (Charging a Fee)	December 22, 1988 February 28, 1990			September 18, 1990	Considered in Office Action February 24, 1992	Objection/ rejections specifically responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action
Providing a Credit Card Number	December 22, 1988			September 18, 1990	Considered in Office Action February 24, 1992	Objection/ rejections specifically responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action
Controlling Use of First/Second Memory	December 22, 1988			September 18, 1990	Considered in Office Action February 24, 1992	Objection/ rejections responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action
Transmitting to a Location Determined by Second Party	February 28, 1990			September 18, 1990	Considered in Office Action February 24, 1992	Objection/ rejections responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action
Specific Video Download Procedures	February 28, 1990			September 18, 1990	No new matter issues were ever raised	No response was ever necessary since no issue was ever raised	Claims allowed in September 21, 1992 Office Action

First Party in Possession of Transmitter	August 24, 1990 (not entered)			September 18, 1990	Considered in Office Action February 24, 1992	Objection/rejections responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action
Second Party in Possession of Receiver and Second Memory	August 24, 1990 (not entered)			September 18, 1990	Considered in Office Action February 24, 1992	Objection/rejections specifically responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action

The foregoing chart shows that, following submission of the subject additions to the specification and corresponding amendments to the claims, Examiner Nguyen considered those additions and amendments in the Office Action of February 24, 1992. That consideration included an objection to the specification as containing new matter under Section 132, and corresponding rejections of the relevant claims under Section 112. The Applicant responded to, and overcame, that objection and those rejections in the Response of June 25, 1992. In that Response, the Applicant included arguments and a Declaration under 37 C.F.R. § 1.132 establishing that the additions to the specification had ample support in the originally filed specification because the subject matter of the additions was implicitly disclosed and understood by those skilled in the art.<sup>2</sup> After considering this Response by the Applicant, Examiner Nguyen withdrew the objection to the specification and the Section 112 rejections of the claims, and thereby determined the claims were allowable.

The amended chart set forth above demonstrates indisputably that Examiner Nguyen *did consider* the very same new matter and Section 112 rejections that the Office now asserts. As a

<sup>2</sup> As an ancillary matter, the Office now seems to question the persuasiveness of the Section 1.132 Declaration submitted by applicant during examination of the '391 Application. Appellant respectfully points out this is not an issue that can be addressed on reexamination. The original Examiner must be assumed to have done his job properly in the initial examination. See *Am. Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1359 (Fed. Cir. 1984).

result, by definition, Examiner Nguyen determined that the claims in the '573 Patent were entitled to claim priority to the original June 13, 1988 filing date.

In the Office Action in the instant reexamination dated March 17, 2007, the Office admitted that Examiner Nguyen did in fact address the issue of the alleged new matter shown in the table above. The Office further admitted that Appellant has effectively demonstrated as much through the table submitted with Appellant's Response to the Office Action of September 29, 2006. However, the Office now asserts that Examiner Nguyen did not have an opportunity to compare all of the amendments to the claims and specification made during prosecution to the originally filed specification. The Office refers to "gradually added new matter," which the Office asserts was not addressed by Examiner Nguyen. However, the Office fails to explicitly identify what it considered the "gradually added new matter." At best, the Office merely refers generally to Table II in the Office Action dated March 17, 2007. Upon reviewing Table II in its entirety, it is apparent that the table merely contains the same alleged new matter as the table presented above. That is, Table II does include anything that could be identified as "gradually added new matter," nor does it include anything that the Office has not already admitted was reviewed and passed on by Examiner Nguyen. As a result, the Office's rejection amounts to a bogus rejection that fails to define what is meant by "gradually added new matter." *See, e.g.,* MPEP § 706.03(o) (noting that, in making a new matter rejection, an examiner is required to "identify the new matter by page and the line numbers and/or drawing figures and provide an appropriate explanation of [his/her] position"). Therefore, the rejection is improper and the Board should reverse it.

**2. The Absence Of Rejections Based On Intervening References During The Initial Examination Of The '573 Patent Does Not Demonstrate Examiner Nguyen Failed To Address The Issue Of Priority**

Notwithstanding the above, the Office also asserts that Examiner Nguyen never had reason to consider the propriety of the claim of priority made in the '391 Application, because no intervening references were ever cited by the Examiner. This line of argument by the Office effectively puts the rabbit in the hat by concluding that the absence of any intervening references in the record is conclusive evidence the issue of priority was never addressed by Examiner Nguyen. It is more plausible to conclude that no intervening references were cited because Examiner Nguyen properly concluded the '391 Application was entitled to the priority date of June 13, 1988. This conclusion is fully supported by the written record as detailed in Section II and Section III(B)(1) above.

**3. The Office Lacks Jurisdiction To Review Again The Same Section 112 Issues Determined By Examiner Nguyen**

As established above, the question of Section 112 support, and hence the appropriate priority date for the claims in the issued '573 Patent, were considered and passed on by Examiner Nguyen in the original examination. Therefore, as a matter of established law, the Office lacks jurisdiction under the facts in this proceeding to challenge again the Section 112 support and the June 13, 1988 priority date of the claims in reexamination.

In *Patlex Corp. v. Quiqq*, 680 F. Supp. 33 (D.C. Cir. 1988), the United States District Court for the District of Columbia addressed a situation substantially identical to the circumstances of the present reexamination. In that case, the District Court reversed, on summary judgment, a decision by the BPAI upholding the final rejection of three claims in a reexamination proceeding. The claims in question had issued in a patent that resulted from a string of continuation and divisional applications relating back to an original priority

application. The reexamination examiner took the position that the three claims were not entitled to the original priority date. Consequently, the reexamination examiner reassigned a later effective priority date, based on the reexamination examiner's determination that the specification had not enabled the three claims under Section 112 as of the original filing date.

The District Court determined, however, that the issue of whether the three claims were enabled under Section 112 previously had been considered and decided by the original examiner, and the Court therefore explicitly held that the reexamination examiner lacked jurisdiction to consider that issue again:

Entitlement to the ... [original priority] filing date was decided in the ... [original] examination. Plaintiffs contended then they were entitled to the [original priority] filing date, and the first Examiner considered then whether the [original] disclosure was enabling. Consequently, in order to reexamine ... [the patent] on the basis of whether the claims were anticipated by ... [later prior art], the reexamination examiner had to "reexamine" the question of whether the specification of the ... [original application] contained an enabling disclosure of the subject matter claimed in the ... [patent]. As noted above, however, the reexamination statute does not contemplate a "reexamination" of the sufficiency of a disclosure. Rather it is limited to reexamination of patentability based on prior art patents and publications. Hence, the Court concludes that the Examiner and the Board lack jurisdiction in this case to "reexamine" the sufficiency of the specification of the ... [original application].

*Id.* at 36-37. (Emphasis added). The holding of the *Patlex* case, therefore, is clear. Where, as in the present case, an original examiner already has considered and determined the sufficiency of a specification's disclosure under Section 112 and the resulting entitlement of claims to an original priority date, there is no "substantial new" question of patentability for reexamination, as required by 35 U.S.C. § 301, *et seq.* As a result, the Office lacks jurisdiction to "reexamine" that same issue for those same claims in a subsequent reexamination proceeding.

For this reason as well, the Board should vacate the Examiner's determinations regarding the proper priority date for the '573 Patent.

**C. The Claims In The '573 Patent Plainly Are Supported By The Originally Filed Specification**

The Office asserts that, for written description support, the claims in the '573 Patent rely on certain alleged new matter added to the specification during the original prosecution of the '573 Patent. The Office also asserts that the claims directed to the video embodiment of the invention are not supported by disclosure that was enabling as of the original June 13, 1988 filing date. As set forth above, Appellant's position is that the Office lacks jurisdiction to review issues of adequate written description and enablement, especially where the particular issue was dealt with explicitly in the original prosecution of the patent in reexamination. Those arguments aside, it is clear the originally filed specification does in fact provide both adequate written description for all of the claims and an enabling disclosure for those claims directed to the "video feature" of the invention.

**1. The Claims As Issued In The '573 Patent Are Supported By Adequate Written Description In The Originally Filed Specification**

Appellant provides below an analysis demonstrating that each element in Claims 1 through 6 as issued in the '573 Patent is supported, either explicitly or implicitly, by the original specification filed on June 13, 1988.

i) **The Proper Standard For Determining If The Claims Are Adequately Supported By The Specification As Filed**

As a preliminary matter, the standard for written support in the absence of *ipsis verbis* recitation of a claim limitation is not strictly the inherency or required interpretation standard urged by the Office. Rather, the proper standard generally is whether the written description reasonably conveys to the skilled artisan that the inventor was in possession of the claimed subject matter.

The issue of whether the written description requirement has been met is a question of fact, to be determined on a case-by-case basis. *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1562 (Fed. Cir. 1991). The legal standard for determining whether the facts of a particular case meet the written description requirement is well established, however. In *Vas-Cath*, the Court of Appeals for the Federal Circuit (“CAFC”) held that “[t]he test for sufficiency of support in a patent application is whether the disclosure of the application relied on ‘*reasonably conveys* to the skilled artisan that the inventor had possession at that time of the later claimed subject matter.’” *Vas-Cath*, 935 F.2d at 1563 (emphasis added). As further held by the CAFC in *Union Oil Co. of Cal. v. Atlantic Richfield Co.*, 208 F.3d 989 (Fed. Cir. 2000), “[t]he written description does not require the applicant ‘to describe exactly the subject matter claimed, [instead] the description must clearly allow persons of ordinary skill in the art to recognize that [the inventor] invented what is claimed.’” *Id.* at 997. In other words, contrary to the Office’s assertions, the general standard does not require that the “only reasonable interpretation” of the general features in the specification be the more specific features in the claims. *Vas-Cath*, 935 F.2d at 1566 (“[t]he [district] court further erred in applying a legal standard that essentially required the drawings of the ‘081 design application to *necessarily exclude* all diameters other than those within the claimed range.”)(emphasis in original).

Because the written description requirement is fact-based, various decision makers have at times appeared to drift from the “reasonably conveys” standard mandated by the CAFC. The CAFC, however, has never wavered from this standard. For example, in *Hyatt v. Boone*, 146 F.3d 1348 (Fed. Cir. 1998) the court reviewed a Board of Patent Appeals and Interferences (“BPAI”) decision holding that one party to an interference (Hyatt) lacked the necessary written description in his originally filed application to support a later claim drawn to a count of the interference. The phraseology used by the BPAI in setting forth the standard for compliance with the written description requirement was that “the written description must be sufficient, when the entire specification is read that the ‘necessary and only reasonable construction’ that would be given it by a person of ordinary skill in the art is one that clearly supports each positive limitation in the count.” *Hyatt*, 146 F.3d at 1353. The appellant argued that the “necessary and only reasonable construction” standard applied by the BPAI was different from and more rigorous than the “reasonably conveys standard” set forth in *Vas-Cath*.

The CAFC determined that despite the arguably more rigorous phraseology used by the BPAI, the standard for meeting the written description requirement did not become more rigorous. Rather, the standard remains that “the written description must include all of the limitations...or the applicant must show that any absent text is *necessarily comprehended* in the description provided and would have been so understood at the time the patent application was filed.” *Hyatt*, at 1354-55 (emphasis added). Moreover, the CAFC has on subsequent occasions repeatedly reinforced that the standard of *Vas-Cath* remains in effect. *See, e.g., Pandrol USA, LP v. Airboss Ry. Prods, Inc.*, 424 F.3d 1161, 1165 (Fed. Cir. 2005) (“[t]he 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.”)



In addition to *Hyatt*, the Office has cited *In re Robertson*, 169 F.3d 734 (Fed. Cir. 1999), and *Lockwood v. American Airlines, Inc.*, 107 F.3d 1565 (Fed. Cir. 1997), as establishing a strict inherency standard for finding written support for a claim element not having *ipsis verbis* support in the specification. In the first instance, the citation of *In Re Robertson* is inapposite. In *Robertson*, the CAFC reiterated the well-known standard for determining anticipation or obviousness of a claim by prior art where the prior art does not include literal disclosure of one or more elements of the claim. As such, *Robertson* was a case directed solely to Section 102/103 issues, and does not even mention Section 112. Moreover, nowhere in *Hyatt* or *Lockwood* does either court even allude to an inherency standard for showing support for claim limitations not described *ipsis verbis* in the specification. Rather, the CAFC simply held in *Lockwood* that “exact terms need not be used *in haec verba*..., the specification must contain an equivalent description of the claimed subject matter.” *Lockwood*, 107 F.3d at 1572 (citations omitted).

Therefore, the requirement of an inherency standard under Section 112 is unsupported by *Hyatt*, *Robertson*, or *Lockwood*. Rather, the proper standard to be applied by the Examiner in determining compliance with the written description requirement remains “whether the disclosure of the application as originally filed reasonably conveys to the artisan that the inventor had possession at that time of the later claimed subject matter, rather than the presence or absence of literal support in the specification for the claim language.” *In re Kaslow*, 707 F.2d 1366, 1375 (Fed. Cir. 1983).

**ii) All Features of Claims 1 Through 6 In The ‘573 Patent Find Written Support In The Originally Filed Specification**

Applying the proper standard for compliance with the written description requirement under Section 112, all of the limitations in Claims 1 through 6 of the ‘573 Patent are supported

by the originally filed specification. To illustrate this point, Appellant has prepared a detailed chart showing each feature of the invention, the claims in which those features are recited, and where support in the originally filed specification is found for each feature. That chart is set forth immediately below:

Feature	Claims Reciting Feature	Written Description of Feature in Original Specification	Comments
A method for transmitting a desired digital audio signal	1	p. 1, ins. 7-9 p. 2, ins. 8-10, 20-26	<i>ipsis verbis</i> support
stored on a first memory of a first party to a second memory of a second party	1, 4	p. 3, ins. 35-40 p. 4, ins. 12-26	The specification states <i>ipsis verbis</i> that the hard disk in the control unit of the authorized agent is the source of the digital signal. Further, the specification states that the digital signal is transferred to the hard disk in the control unit of the user. A skilled artisan would understand this as transferring signals stored on a first memory to a second memory.
transferring money via a telecommunications line to a first party location remote from the second memory	1, 4	p. 1, ins. 13-15 p. 2, ins. 8-10, 20-23, 47-50 p. 3, ins. 20-33 Fig. 1	The specification discloses electronic sales via telephone lines. Because the agent is authorized to sell and to transfer via telephone lines, there is implicit support for selling and thereby transferring money. This was previously pointed out in the declaration of Arthur Hair submitted May 5, 1992. A skilled artisan would readily understand this to comprehend transfers between two remote locations.
second party financially distinct from the first party	1, 4	p. 1, ins. 13-15 p. 2, ins. 8-10, 20-23, 47-50 p. 3, ins. 20-33	A skilled artisan would readily recognize that a sale requires the parties to be financially distinct. This was previously pointed out in the declaration of Arthur Hair submitted May 5, 1992.

second party controlling use and in possession of the second memory	1, 3	p. 3, lns. 26-33, 40-43	The as filed original specification includes <i>ipsis verbis</i> support for a second party control unit, where the user is the second party. A skilled artisan would readily recognize that the second memory is in possession and control of the second party, since the specification as originally filed states throughout that the user can store, sort and play thousands of songs from the user unit. A skilled artisan would clearly understand that this means the second party controls and possesses the second party control unit. This was previously pointed out in the declaration of Arthur Hair submitted May 5, 1992.
connecting electronically via a telecommunications line the first memory with the second memory	1, 4	p. 3, lns. 35-40	<i>ipsis verbis</i> support
transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party	1	p. 2, lns. 47-52 p. 3, lns. 35-40 Fig. 1	The as filed original specification has <i>ipsis verbis</i> support transmitting a desired digital audio signal and that the hard disk in the control unit of the authorized agent is the source. A skilled artisan would recognize that in order to regulate distribution of the signals the authorized agent would have to possess and control the transmitter. This was previously pointed out in the declaration of Arthur Hair submitted May 5, 1992.
to a receiver having the second memory at a location determined by the second party; said receiver in possession and control of the second party	1, 4	p. 2, lns. 47-50 p. 3, lns. 20-40 Fig. 1 p. 4, lns. 21-23	A skilled artisan would readily recognize in order to receive digital signals over telecommunications lines as disclosed throughout the specification, part of the second party control unit would act as a receiver. This was addressed

			previously in the affidavit of Arthur Hair dated May 5, 1992. A skilled artisan would also readily understand this to comprehend transfers between two remote locations. Since the second party possesses the second memory, the second party can determine its location. This was addressed previously in the declaration of Arthur Hair submitted May 5, 1992.
storing the digital audio signal in the second memory	1	p. 2, Ins. 23-27	<i>ipsis verbis</i> support
searching the first memory for the desired digital audio signal	2	p. 3, Ins. 35-40 p. 4, Ins. 12-28	The as filed original specification has <i>ipsis verbis</i> support for electronic sales and electronic transfer of digital signals from a control unit of an authorized agent to a control unit of a user. A skilled artisan would readily recognize that this would include searching the hard disk of the first party to locate desired digital signals for purchase.
selecting the desired digital audio signal from the first memory	2	p. 3, Ins. 35-40 p. 4, Ins. 12-28	The as filed original specification has <i>ipsis verbis</i> support for electronic sales and electronic transfer of digital signals from a control unit of an authorized agent to a control unit of a user. A skilled artisan would readily recognize that this would include selecting desired digital signals from the hard disk of the first party for purchase.
telephoning the first party controlling use of the first memory by the second party	3, 6	p. 2, Ins. 47-50 p. 3, Ins. 20-40 Fig. 1 p. 4, Ins. 21-23	The original as filed specification states throughout that digital audio or digital video signals are sold and transferred via telephone lines. A skilled artisan would readily recognize this as comprehending the

			telephoning of the first party by the second party to initiate a transaction. This was addressed previously in the declaration of Arthur Hair submitted May 5, 1992.
providing a credit card number of the second party to the first party so that the second party is charged money	3, 6	p. 1, lns. 13-15 p. 2, lns. 8-10, 20-23, 38-52 p. 3, lns. 12-15, 35-37	The original as filed specification states throughout that the invention provides for electronic sales of digital audio or digital video signals. A skilled artisan would readily recognize credit card sales as being comprehended within electronic sales. This was addressed previously in the affidavit of Arthur Hair dated May 5, 1992.
first party controlling the first memory	3, 6	p. 2, lns. 38-43 p. 3, lns. 35-49	The as filed original specification includes <i>ipsis verbis</i> support for a first party control unit, where the authorized agent is the first party. A skilled artisan would readily recognize that the first party control unit is in possession and control of the first party because as an "agent authorized to electronically sell and distribute" digital audio or digital video, the first party would necessarily have to possess and control the source of the digital audio and digital video. This was previously pointed out in the declaration of Arthur Hair submitted May 5, 1992.
A method for transmitting a desired digital video signal	4	p. 5, lns. 36-43	<i>ipsis verbis</i> support
transmitting the desired digital video signal from the first memory with a transmitter in control and possession of the first party	4	p. 5, lns. 36-43 p. 2, lns. 47-52 p. 3, lns. 35-40 Fig. 1	The as filed original specification has <i>ipsis verbis</i> support transmitting a desired digital audio signal and that the hard disk in the control unit of the authorized agent is the source. A skilled artisan

			would recognize that in order to regulate distribution of the signals the authorized agent would have to possess and control the transmitter. This was previously pointed out in the declaration of Arthur Hair submitted May 5, 1992. A skilled artisan would recognize based on the disclosure at the end of the specification that this procedure could also be used for digital video.
storing the digital video signal in the second memory	4	p. 5, lns. 36-43 p. 2, lns. 23-27	The as filed original specification has <i>ipsis verbis</i> support for storing digital signals on the hard disk of the user control unit. A skilled artisan would recognize based on the disclosure at the end of the specification that this procedure could also be used for digital video.
searching the first memory for the desired digital video signal	5	p. 3, lns. 35-40 p. 4, lns. 12-28 p. 5, lns. 36-43	The as filed original specification has <i>ipsis verbis</i> support for electronic sales and electronic transfer of digital signals from a control unit of an authorized agent to a control unit of a user. A skilled artisan would readily recognize that this would include searching the hard disk of the first party to locate desired digital signals for purchase. A skilled artisan would recognize based on the disclosure at the end of the specification that this procedure could also be used for digital video.
selecting the desired digital video signal from the first memory	5	p. 3, lns. 35-40 p. 4, lns. 12-28 p. 5, lns. 36-43	The as filed original specification has <i>ipsis verbis</i> support for electronic sales and electronic transfer of digital signals from a control unit of an authorized agent to a control unit of a user. A skilled artisan would readily

			<p>recognize that this would include selecting desired digital signals from the hard disk of the first party for purchase.</p> <p>A skilled artisan would recognize based on the disclosure at the end of the specification that this procedure could also be used for digital video.</p>
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For all the reasons set forth in the chart immediately above, the written description standard was satisfied for Claims 1 through 6 of the '573 Patent. For the same reason, Claims 44 through 49 are also supported by the originally filed specification of the '497 Application.

To further support Appellant's position with respect to particular claim elements, Appellant submitted a Declaration under 37 C.F.R. § 1.132 of Dr. J. Douglas Tygar with the response to the March 17, 2007 Office Action ("Tygar Dec. 2007"). As set forth in the Declaration of Dr. Tygar, the claim language "transferring money electronically via a telecommunication line to a first party at a location remote from the second memory," "charging a fee," "providing a credit card number," and "charging an account," all would have been understood by one of ordinary skill in the art in the context of the described electronic sales and distribution of digital audio signals or digital video signals. *See* Tygar Dec. 2007, para. 6-9. In this context, one of ordinary skill in the art would have recognized that electronic sales encompassed transactions where a fee is charged, and thus money is transferred from one party to another electronically via a telecommunication line. *See* Tygar Dec. 2007, para. 8-9. It further would have been understood by one of ordinary skill in the art that electronic sales could be accomplished by providing a credit card number. *Id.* As a result, one of ordinary skill in the art in 1988 would have recognized that the description of

electronic sales in the specification of the '497 Application necessarily comprehends "transferring money to a first party from a second party electronically via telecommunication lines," "charging a fee," "charging an account," and "providing a credit card number."

As further set forth in the Declaration of Dr. Tygar, one of ordinary skill in the art in 1988 would have been aware of the available means for connecting computer systems to telecommunication lines for the purpose of transferring electronic signals; for example modems. *See* Tygar Dec. 2007, para. 11. Such means could be used at the originating (transmitting) computer and at the destination (receiving) computer. *Id.* The control unit or control integrated circuit of the copyright holder and user would have been recognized by one of ordinary skill in the art as being some type of computer system or part of a computer system. *Id.* Therefore, the terms in the claims "transmitter" and "receiver" describe what would have been understood by one of ordinary skill in the art as being necessarily comprehended by the description provided in the specification and figures filed with the '497 Application.

Finally, as also set forth in the Declaration of Dr. Tygar, it easily would have been recognized by one of ordinary skill in the art in 1988 that the specification's teaching requires establishing some type of connectivity as a pre-requisite to making a purchase/sale of digital signals, as well as for transferring the digital signals. *See* Tygar Dec. 2007, para. 13-14. Since the specification of the '497 Application explicitly discloses selling and transferring digital audio signals (or digital video signals) over telephone lines, it is clear that the step of requesting and establishing connectivity (telephoning) is necessarily comprehended in the description provided in the '497 Application, since the step would have been recognized as a prerequisite for performing the function of the disclosed system. *Id.*



For all of the above reasons, Claims 1 through 6 and 44 through 49 find adequate written support in the specification of the '497 Application as filed and are therefore entitled to the June 13, 1988 priority date. For this reason as well, the Board should vacate the Examiner's findings with respect to the priority date of the '573 Patent.

**2. The "Video Feature" of the Invention in Claims 4 Through 6 Of The '573 Patent Was Enabled By The Originally Filed Specification**

The Office asserts the "video feature" of the invention in Claims 4 through 6 was not enabled by the disclosure in the originally filed specification.

The Office acknowledges the "original specification does contain a general statement at the end of the specification stating '[f]urther, it is intended that this invention not be limited to Digital Audio Music and can include Digital Video....'" The Office, however, generally asserts "this broad, generic statement fails to enable specifically claimed video download and processing procedures." September 29, 2006 Office Action, page 12. Since the Office has not specifically identified which portions of the claims allegedly are not enabled, Appellant will discuss below the issue of enablement with respect to particular comments made in the September 29, 2006 Office Action.

**i) The Office Is Attempting To Apply An Improper Standard For Enablement**

The Office is attempting to apply a "mass production" standard to the claims when, in actuality, the enablement standard of Section 112 has no such requirement. As the CAFC held in *Christianson v. Colt Indus. Operating Corp.*, 822 F.2d 1544, 1562 (Fed. Cir. 1987), "the law has never required that [an Appellant]... must disclose in its patent the dimensions, tolerances, drawings, and other parameters of mass production not necessary to enable one skilled in the art to practice (as distinguished from mass-produce) the invention." Nonetheless, it appears this

kind of “mass production” information is exactly the kind of information the Office now seeks. For example, the Office Action states “[p]ersonal user devices with the processing power capable of playing back much larger and more complicated digital video files, such as DVD players, were not routinely available until the late 1990(s).” September 29, 2006 Office Action, pages 19-20. (emphasis added.) Whether such devices “routinely” were available is not part of the test for enablement, nor is it one of the eight factors for reasonable experimentation that were laid out by the CAFC in *In re Wands*, 858 F.2d 731 (Fed. Cir. 1988). Rather, the only relevant test is whether, without undue experimentation, one of ordinary skill in the art could have made and used the claimed invention.

As further evidence that the Office seeks to apply a “mass production” standard, it is noted that the Office Action states “the digital bandwidth required to transmit a video signal at even VHS quality was around 1.5 megabits per second (approximately 30 megabytes in 3 minutes).” Office Action, page 14. (emphasis added.) However, while VHS quality may be appropriate for “mass production,” a limitation requiring VHS quality video is not included in any of the claims, and thus it is impermissible for the Office to use that level of quality as a benchmark for enablement. In fact, the recent success of very small screen video players shows that “mass production” can be achieved with even less than VHS quality.

Even if VHS quality were a requirement for enablement of the claims, there is no articulated basis to believe the original specification would not have enabled one of ordinary skill in the art to meet that quality for a short period of time. This fact is accentuated by the statement in the Office Action that “it is not clear ... how downloaded files of any appreciable or viable size would have been downloaded and stored on originally disclosed hard disk 60 of the user in the original specification.” September 29, 2006 Office Action, page 20. (emphasis

added.) The use of “appreciable” and “viable” makes it clear that short videos are enabled, and nothing more is required. Further, the Office appears to acknowledge that even a 30-megabyte hard drive could store a three-minute movie if encoded at 1.5 megabits/second. *Id.* That alone is sufficient to meet the enablement requirement.

Moreover, the Office impermissibly limits the scope of what it referenced when the Office Action cites the size of available hard drives. While a 30-megabyte hard drive would have been available in a 3.5-inch form factor, the same chart relied on by the Office illustrates that hard drives larger than 1.89 gigabytes were available at the same time. *See* September 29, 2006 Office Action, footnote 14.

Furthermore, the Office has applied the same “mass production” requirement to the library server. The Office initially seems to acknowledge that mainframes did exist which could have operated as repositories for copyrighted materials using hard disk drives. However, the Office then seems to discount the relevance of the existing mainframes by stating “it is not clear how even a small-sized video library ... would have been stored in the hard disk of the copyright holder ... without requiring details directed to a complex mainframe operating environment.” This unsupported statement on “complexity” is insufficient to prove that mainframe operating environments capable of storing digital video files were not already known at the time the original specification was filed, or that undue experimentation would have been required to store digital video files in such an environment. The statement also leaves unanswered how the Office is defining “small” -- according to the enablement standard under Section 112 or the improper “mass production” standard?

The Office Action further states “[r]egarding the transfer of these large video files over a network, the proliferation of broadband communication network[s] capable of delivering these

large files to consumers, such as the Internet, simply did not exist or were not well known in 1988.” September 29, 2006 Office Action, pages 14-15. (emphasis added.) Such a statement raises at least two issues. First, “not well known” to whom? Those of ordinary skill in the art of computer systems knew of telephony-based wide area networks at the time the original specification was filed. See <http://www.rfc-editor.org/rfc-index.html> for a list of computer communications standards including those available at the time of filing. Second, utilization of a “broadband” network is not required. In fact, the originally filed specification discloses that the audio and video files can be transferred over telephone lines. While this may not be an extremely fast method of transfer, it nonetheless clearly is enabling under Section 112.

The Office further questions “how the digital video would have been coded and decoded during transmission, as digital video coding standards for purposes of transmission and file download were not settled in 1988. [T]he MPEG-1 standard which was designed to code/decode digital video information and to transmit the video via a telephone (telecommunications) network in NTSC (broadcast) quality for archiving, was only established in 1992.” September 29, 2006 Office Action, page 21. (emphasis added.) Again, standardization of video coding and the use of “NTSC quality” relate to “mass production” rather than enablement under Section 112. Thus, the Office has not alleged -- and cannot allege -- that one of ordinary skill in the art could not have coded video at some other resolution or using some other encoding technique at the time the original specification was filed.

In contrast, those of ordinary skill in the art would have been able to code and decode video data transmitted over a telephone line without undue experimentation. This is because there were existing video teleconferencing systems known and available to them prior to applicant’s earliest priority date. In response to the March 17, 2007 Office Action, the

Appellant submitted the reference “The Design of Picturephone® Meeting Service (PMS) Conference Centers For Video Teleconferencing”, Bernard A. Wright, *IEEE Communications Magazine*, © 1983 (hereinafter *Wright*). In the paragraph crossing the left and right columns of page 30 of *Wright*, the article describes that five years before applicant’s earliest priority date a digital video signal could have been (and was) sent via a telephone network and decoded with a picture processor in real-time. In fact, on page 36, *Wright* states:

The Bell System has developed a complete capability for full motion video teleconferencing, and as of July 2, 1982 is providing such a service. This high quality PMS service provides the user with an excellent full-motion, two-way fully interactive conferencing capability.

Similarly, in the section of page 35 entitled “Picture Processor,” *Wright* discloses that not only was a TV processor for video processing available from Nippon Electric Corporation for use in the described video processing system, but a network interface specification was available for making systems that were compatible with the Bell System. (See reference [3].) It further states that “In the receive direction, a decoder accepts the two DS-1 signals as inputs, corrects errors, and recovers audio, video, and control information by performing the inverse of the encoding operations.” (Emphasis added.) As such, contrary to the position of the Office Action, it is clear that at the time of filing of the earliest priority application, one of ordinary skill in the art would have been able to transmit, download and decode video signals as claimed by using, for example, the digital video format of the PicturePhone system described in *Wright*, without undue experimentation.

Accordingly, Claims 4 through 6 and Claims 47 through 49 directed to the “video feature” embodiment of the invention are enabled by the originally filed specification under the proper standard for Section 112 enablement.

**D. Because Claims 1 Through 6 And 44 Through 49 Are Entitled To The June 13, 1988 Priority Date Awarded During the Original Examination, *Cohen* Is Not Appropriate Prior Art**

Based on the foregoing, Claims 1 through 6 and 44 through 49 in reexamination are entitled to the June 13, 1988 priority date. In the first instance, it is improper for the Office to reconsider the issue of priority in the present reexamination for the reasons set forth in Sections III(A) and (B) above. Further, even if it were proper to reconsider the issue of priority, the facts of record clearly show the claims were described adequately and enabled by the originally filed specification for the reasons set forth in Section III(C) above. Therefore, U.S. Patent 4,949,187 to Cohen (*Cohen*) cannot be a proper basis for a rejection because the reference post-dates the applicable June 13, 1988 priority date for the claims. The Board should, therefore, reverse all rejections based on *Cohen*. See *supra*, Grounds 1-3 under the Grounds for Rejection to be Reviewed on Appeal.

**IV. THE CLAIMS AS AMENDED ARE SUPPORTED AND ENABLED BY THE WRITTEN DESCRIPTION**

In addition to questioning the written support and enablement of Claims 1 through 6 in the originally filed specification, the Office has also asserted separate rejections of Claims 1 through 6 as amended and new Claims 44 through 49 under 35 U.S.C. § 112, first paragraph. In making these rejections, the Office has improperly applied Section 112 analysis to claim elements that existed in the claims as issued, rather than limiting the analysis to “matter added or deleted” as required by 37 C.F.R. § 1.552. As detailed herein, Claims 1 through 6 and 44 through 49 are fully supported and enabled by the specification of the ‘573 Patent.

**A. Rejection Of Claims 44 Through 49 Under 35 U.S.C. § 112, First Paragraph**

Claims 44 through 49 have been rejected under Section 112, first paragraph, as introducing matter not described in the original specification. Claims 47 through 49 additionally have been rejected as not being enabled by the original specification.

As a preliminary matter, 37 C.F.R. § 1.552(a) states that an analysis under Section 112 will be performed with respect to *matter* added or deleted, not *claims* added or deleted. The restatement of matter already presented in Claims 1 through 6 in the form of Claims 44 through 49 does not add *matter* to the claims. MPEP § 2163.I states that issues under Section 112 “*most typically... arise in the context of...new or amended claims.*” (emphasis added.) This statement does not empower the Office to assert Section 112, first paragraph, rejections every time previously claimed matter is presented in the form of a different claim.

The only element present in Claims 44 through 49 that was not previously present in Claims 1 through 6 is the recitation of a hard disk. Therefore, the Office may only examine the recitation of “hard disk” for compliance with Section 112, first paragraph. A review of the originally filed specification demonstrates this recitation is fully supported and enabled by the originally filed specification. *See* Original Specification, p. 3, ln. 30.

Nonetheless, even if it were proper for the Office to examine Claims 44 through 49 in their entirety for compliance with Section 112, first paragraph, under 37 C.F.R. § 1.552(a), those issues were already addressed by Examiner Nguyen during the initial examination of Claims 1 through 6, as set forth above.

Further, as demonstrated by the Appellant in Section III above, each element of Claims 44 through 49 is fully supported and enabled by the specification of the ‘497 Application as

originally filed. Therefore, the Board should reverse the rejections of Claims 44 through 49 under 35 U.S.C. § 112, first paragraph.

**B. Rejection Of Claims 1 Through 6 Under 35 U.S.C. § 112, First Paragraph**

Claims 1 through 6 have been rejected under Section 112, first paragraph, as introducing matter not described in the original specification. Claims 4 through 6 additionally have been rejected as not being enabled by the original specification.

The Office asserts that the negative limitation of “a non-volatile storage portion of the second memory, wherein the non-volatile storage is not a tape or a CD”, introduces a new concept to the claims that does not have a basis in the originally filed specification. The Office cites two cases from the BPAI, one case from the CAFC, and one case from the Court of Customs and Patent Appeals (“C.C.P.A.”) to support this rejection. None of the cases support the rejection.

The CAFC case cited by the Office, *Lizardtech, Inc. v. Earth Res. Mapping, Inc.*, 433 F.3d 1373 (Fed. Cir. 2006), is merely an opinion denying a petition for rehearing *en banc*. The case does not address anything related to the current rejection. Therefore, the case simply does not support the Office’s position.

The two cases from the BPAI, *Ex Parte Wong*, No. 2004-1144, 2004 WL 4981845 (Bd. Pat. App. & Interf. June 10, 2004) and *Ex Parte Grasselli*, 231 U.S.P.Q. 393 (Bd. Pat. App. & Interf. 1983), address situations where a negative limitation added to a claim was not described in the specification of the application. However, neither *Wong* nor *Grasselli* support the rejection of Claims 1 through 6 under Section 112, first paragraph, in the instant case. In both *Wong* and *Grasselli*, the issue and ultimate ground for rejection was that a negative limitation added to the claims introduced a new concept not disclosed in the respective specifications in



those cases. That simply is not the situation here. Both Claims 1 and 4 recite a non-volatile storage portion of a memory that is not a tape or CD. The originally filed specification of the '497 Application explicitly states that the disclosed invention eliminates the need to handle tapes and CDs. See p. 2, lns. 23 to 26. Thus, the concept of storing digital audio or digital video signals on a memory that is not a tape or CD is explicitly disclosed by the original specification. Therefore, *Wong* and *Grasselli* are inapposite to the present case.

The case from the C.C.P.A., *Application of Johnson*, 558 F.2d 1008 (C.C.P.A. 1977), concerns a situation where the applicant sought to claim priority to an originally filed application for claims in a subsequent continuation-in-part application. The holding of *Johnson* also fails to support the Office's position. In *Johnson*, an original parent application disclosed and claimed a genus of polymer compositions comprising various monomer units. In a later filed CIP application, the broad genus claims in the parent application were narrowed by expressly excluding certain species from the polymer compositions. The parent application only contained a description of the broader genus. The court found that claims to the narrower sub-genus created by the express exclusion of certain species in the CIP were not supported by the description of the broader genus in the parent specification. Again, the situation with the present reexamination differs significantly from the cited case law. Claims 1 and 4 recite a non-volatile storage portion of a memory that is not a tape or CD. This is exactly what is described at page 2, lines 23 to 26 of the originally filed specification. In short, the negative limitation recited in Claims 1 and 4 is expressly disclosed in the specification of the parent application. Thus, in the instant case, the scope of the disclosure in the specification was never narrowed with respect to this element, contrary to the situation in *Johnson*. Therefore, the recitation of a

non-volatile storage portion of a memory that is not a tape or CD is fully supported by the originally filed specification, as well as the specification of the '573 Patent as issued.

With respect to the other elements recited in Claims 1 through 6, the issue of written support for the claimed matter previously was addressed by Examiner Nguyen during the initial examination of Claims 1 through 6, as recognized by the Office in the Office Action dated March 17, 2007. Moreover, Appellant has thoroughly demonstrated in Sections III(C)(1)(ii) and III(C)(2) above that each element in Claims 1 through 6 is fully supported and enabled by the original specification as filed, as well as the specification for '573 Patent as issued.

Therefore, the Board should reverse the Examiner's rejections of Claims 1 through 6 under 35 U.S.C. § 112, first paragraph.

**V. BASED ON THE PROPER PRIORITY DATE FOR THE CLAIMS IN REEXAMINATION, THE REJECTIONS OF CLAIMS 1 THROUGH 6 AND 44 THROUGH 49 BASED ON *COHEN* ARE IMPROPER**

As set forth above, the proper priority for Claims 1 through 6 and 44 through 49 in reexamination is June 13, 1988. Therefore, any rejections under Sections 102 or 103 which rely on references that are not prior art based on the June 13, 1988 priority date are improper and should be reversed. U.S. Patent 4,949,187 to Cohen (*Cohen*) issued on August 14, 1990 from an application filed on December 16, 1988. Therefore, *Cohen* does not qualify as prior art for the purposes of Sections 102 and 103.

**A. Rejection Of Claims 1, 2, 4, 5, 44, 45, 47 And 48 Under 35 U.S.C. § 102(e) As Anticipated By *Cohen***

Claims 1, 2, 4, 5, 44, 45, 47 and 48 have been rejected under 35 U.S.C. § 102(e) as anticipated by *Cohen*. Because *Cohen* is not available as prior art based on the proper priority date of June 13, 1988 for the '573 Patent, the instant rejection is improper. Therefore, the Board should reverse this rejection.

**B. Rejection Of Claims 1 Through 6 and 44 Through 49 Under 35 U.S.C. § 103(a) Over *Bush* In View Of *Cohen***

Claims 1 through 6 and 44 through 49 have been rejected under 35 U.S.C. § 103(a) as obvious over the combination of U.S. Patent 4,789,863 to *Bush* (*Bush*) in view of *Cohen*. Because *Cohen* does not qualify as prior art based on the proper June 13, 1988 priority date of the '573 Patent, a combination of *Cohen* and another reference cannot provide a proper basis for an obviousness rejection. As a result, the rejection of Claims 1 through 6 and 44 through 49 based on a combination of *Bush* and *Cohen* is improper. Therefore, the Board should reverse this rejection.

**C. Rejection Of Claims 3, 6, 46 and 49 Under 35 U.S.C. § 103 (a) Over *Cohen* In View Of *Bush***

Claims 3, 6, 46 and 49 have been rejected under 35 U.S.C. § 103(a) over *Cohen* in view of *Bush*. Because *Cohen* does not qualify as prior art based on the proper June 13, 1988 priority date of the '573 Patent, a combination of *Cohen* and another reference cannot provide a proper basis for an obviousness rejection. As a result, the rejection of Claims 3, 6, 46 and 49 based on a combination of *Bush* and *Cohen* is improper. Therefore, the Board should reverse this rejection.

**VI. CLAIMS 1 THROUGH 6 AND 44 THROUGH 49 ARE PATENTABLE OVER THE REFERENCES OF RECORD THAT ARE PROPER PRIOR ART**

The Office has also presented rejections under 35 U.S.C. § 103(a) that are based on references that qualify as prior art based on the June 13, 1988 priority date for the claims in reexamination. However, the Office has not established a *prima facie* case of obviousness of any of Claims 1 through 6 or 44 through 49 based on these references.

**A. Rejection Of Claims 1 Through 6 And 44 Through 49 Under 35 U.S.C. § 103(a) Over *Bush* In View Of *Freeny I***

Claims 1 through 6 and 44 through 49 have been rejected under 35 U.S.C. § 103(a) as obvious over the combination of *Bush* in view of U.S. Patent 4,837,797 to Freeny (*Freeny I*).

The Office admits that *Bush* does not disclose storing digital audio signals or digital video signals in a non-volatile storage portion of a second memory that is not a tape or a CD as recited in Claims 1 and 4. As further admitted by the Office, *Bush* does not disclose storing digital audio signals or digital video signals in a second party hard disk as recited in Claims 44 and 49.

*Freeny I* discloses a message controller for receiving voice messages and machine readable messages over telephone lines. The apparatus of *Freeny I* is capable of differentiating between voice messages and machine readable messages received over standard telephone equipment, *i.e.* a telephone. When the apparatus of *Freeny I* determines that a received call is a voice message, it causes the user's telephone to ring, thereby alerting the user. When the apparatus of *Freeny I* determines that a received call is a machine readable message, it converts the message to human readable form using a standard printer or display unit. One embodiment of the apparatus of *Freeny I* indicates it is capable of receiving machine readable messages and storing them on a storage medium that may be a memory chip or hard disk.

However, *Freeny I* does not discuss transmission of digital audio or digital video signals from a first memory to a second memory, let alone the sale of such digital video or digital audio signals. Thus, *Freeny I* bears no relation to the disclosure of *Bush* or the invention recited in Claims 1 through 6 and 44 through 49. The Office apparently has recognized this deficiency in *Freeny I*, because the Office must cite to *Cohen* to show motivation to combine *Bush* and *Freeny I*. However, as set forth above, *Cohen* is not available as prior art based on the priority date of June 13, 1988 for the '573 Patent.

The Supreme Court's recent holding in *KSR Int'L Co. v. Teleflex Inc.*, 127 S. Ct. 1727 (U.S. 2007), does not relieve the Office of the obligation to show motivation to combine two separate references in making out a *prima facie* case of obviousness. Quite to the contrary, the Supreme Court stated: "[t]o determine whether there was an apparent reason to combine the known elements in the way a patent claims, it will often be necessary to look to interrelated teachings of multiple patents; to the effects of demands known to the design community or present in the marketplace; and to the background knowledge possessed by a person having ordinary skill in the art. *To facilitate review, this analysis should be made explicit.*" *KSR*, 127 S. Ct. at 1731 (emphasis added).

Since the Office has not shown any motivation to combine *Bush* and *Freeny I*, a *prima facie* case of obviousness has not been established. Therefore, the Board should reverse this rejection.

**B. Rejection Of Claims 1 Through 6 And 44 Through 49 Under 35 U.S.C. § 103(a) Over *Akashi* In View Of *Freeny II***

Claims 1 through 6 and 44 through 49 have been rejected over Japanese Patent Application No. 62-284496 (*Akashi*) in view of U.S. Patent 4,528,643 to Freeny (*Freeny II*). Such a rejection is unfounded. First, the combination of *Akashi* and *Freeny II* would not reach the presently claimed invention. Second, there is no motivation to combine *Akashi* and *Freeny II*.

The Office asserts that *Akashi* shows a system for transmitting recorded music from a host computer that stores recorded music data to a personal computer. The Office then asserts that *Akashi* “does not expressly detail...whether the data is stored on a non-volatile portion of a second memory that is not a tape or CD.” This is incorrect. *Akashi* explicitly discloses a record reproducing device that is a compact disk deck or a digital audio tape recorder. See *Akashi* Translation, p. 2 (Embodiment). In other words, *Akashi* is not ambiguous at all on this point. Thus, not only does *Akashi* fail to disclose transmitting digital audio signals or digital video signals from a first memory to a second memory and storing the digital audio signals or digital video signals in a non-volatile portion of the second memory that is not a tape or CD, *Akashi* expressly teaches away by specifically disclosing and requiring a tape recorder or CD deck.

The Office asserts the deficiencies of *Akashi* are cured by *Freeny II*. Specifically, the Office asserts that *Freeny II* discloses transmitting digital audio signals or digital video signals from a first memory in control and possession of a first party to a second memory in control and possession of a second party, and storing the digital audio signals or digital video signals in a non-volatile storage that is not a tape or CD. The Office further asserts it would have been obvious to implement the non-volatile storage of *Freeny II* in the system of *Akashi* because “[t]he use of a hard disk would have allowed the user to more efficiently access audio and video

files.” The Office bases its position on the conclusion that “a hard-disk, would have also increased the security and reliability of the stored data.”

For several reasons, it would not have been obvious to combine the teachings of *Akashi* and *Freeny II* to arrive at the invention recited in Claims 1 through 6 and 44 through 49. First, *Freeny II* discloses a kiosk-type system for producing “material objects” at a point of sale location where it is the “material object” that is sold to consumers. *Freeny II*, Abstract. Thus, like *Akashi*, *Freeny II* expressly teaches away from storing digital audio signals or digital video signals on a non-volatile storage portion of a second memory that is not a tape or CD in possession and control of a second party. Further, in *Freeny II*, the second memory (information manufacturing machine) for storing the information that is transformed into material objects is in possession and control of the first party. The first party controls access to the information on the second memory by requiring a fee to be paid for the consumer (second party) to access the information stored on the second memory. After the fee is paid, the second party has limited access to the specific information requested for the purpose of making a copy in the form of a material object. In the case of audio or video information, the material object would be in the form of a tape or CD. Therefore, again, both *Akashi* and *Freeny II* contemplate and require supplying audio information to the consumer in the form of a tape or CD. Thus, like *Akashi*, *Freeny II* expressly teaches away from storing digital audio signals or digital video signals on non-volatile storage portion of a second memory that is not a tape or CD in possession and control of a second party.

Additionally, in *Freeny II*, the necessary material object containing the digital audio or digital video signals is produced by accessing information stored on the second memory. The first memory (information control machine) simply supplies reproduction authorization codes in

response to a request for reproduction from the information manufacturing machine. The second party never has access to the first memory, as recited in present Claims 2, 5, 45 and 48.

Both *Akashi* and *Freeny II* solve the same problem: providing audio information, and video information in the case of *Freeny II*, to a consumer in the form of a material object, such as a tape or CD. *Akashi* and *Freeny II* solve this common problem in different and unrelated ways. Nonetheless, neither of the references teaches or discloses the benefits of transmitting digital audio signals or digital video signals from a first memory to a second memory and storing those digital audio signals or digital video signals in a non-volatile portion of the second memory that is not a tape or CD, which is in possession and control of a consumer, *i.e.* a second, financially distinct, party. Therefore, the combination of *Akashi* and *Freeny II* does not teach or suggest every limitation of Claims 1 through 6 or 44 through 49. In fact, because both *Akashi* and *Freeny II* expressly require storing digital audio signals or digital video signals on a tape or CD, they teach away from the invention recited in Claims 1 through 6 and 44 through 49. “[W]hen the prior art teaches away from combining certain known elements, discovery of a successful means of combining them is more likely to be nonobvious.” *KSR*, 127 S. Ct. at 1740. As a result, these references cannot be combined to render Claims 1 through 6 obvious.

Even if the combination of *Akashi* and *Freeny II* did teach each and every element of Claims 1 through 6 or 44 through 49 – which they do not – the motivations cited by the Office for combining and/or modifying *Akashi* and *Freeny II* are not found in those references. Moreover, the Office has not cited to any other references or knowledge available to one of ordinary skill in the art in 1988 that would have motivated a skilled artisan to combine and/or modify *Akashi* and *Freeny II* as suggested by the Office. Rather, the Office simply has made vague statements that the security and reliability of hard disks would have been well known at



the time. Such general allegations are insufficient to show motivation to combine these references, particularly since neither one of them even hints at such a modified combination. Again, as the Supreme Court has just admonished: “[a] patent composed of several elements is not proved obvious merely by demonstrating that each element was, independently, known in the prior art.” *KSR*, 127 S. Ct. at 1731.

Based on all of the foregoing, the Office has not established a *prima facie* case of obviousness of Claims 1 through 6 and 44 through 49 over the combination of *Akashi* and *Freeny II*. Therefore, the Board should reverse this rejection.

**C. The Secondary Considerations Of Non-Obviousness Support The Finding Of Non-Obviousness Of Claims 1 Through 6 And 44 Through 49**

Although a showing of secondary considerations is not strictly necessary to establish the non-obviousness of Appellant’s invention, such secondary considerations in fact do exist.

The CAFC has explicitly set forth the factors, such as commercial success, long felt but unresolved needs, skepticism by experts, and copying by competitors that can be used to establish non-obviousness. *Brown & Williamson Tobacco Corp. v. Philip Morris Inc.*, 229 F.3d 1120, 1129 (Fed. Cir. 2000). The CAFC has held that a nexus must be established between the merits of a claimed invention and the evidence of non-obviousness offered if that evidence is to be given substantial weight enroute to a conclusion of non-obviousness. *Ex parte Remark*, 15 U.S.P.Q.2d 1498, 1502 (Bd. Pat. App. & Interfer. 1990). The CAFC has also held, however, that copying of a patented feature or features of an invention, while other unpatented features are not copied, gives rise to an inference that there is a nexus between the patented feature and the commercial success. *Hughes Tool Co. v. Dresser Industries, Inc.*, 816 F.2d 1549, 1556 (Fed. Cir. 1987). Moreover, it is well established that copying of a patented invention, rather

than one within the public domain, is by itself indicative of non-obviousness. *See Windsurfing Int'l Inc., v. AMF, Inc.*, 782 F.2d 995, 1000 (Fed. Cir. 1986).

The invention recited in Claims 1-6 (and Claims 44-49) generally comprises transferring “for pay” digital video or digital audio signals between a first memory controlled by a seller and a second memory at a remote location controlled by a buyer over a telecommunication line. The invention has in the past achieved significant commercial success. *See, e.g.*, Declaration of Arthur R. Hair submitted with Appellant’s Response dated December 27, 2005.

Moreover, the invention continues to achieve commercial success in that it has been copied by a major participant in the field. The features of the invention generally included in Claims 1-6 (and Claims 44-49) have been copied by at least one commercially successful system available today: Napster Light. The Napster Light system (“Napster”) for purchasing digital music files online at [www.napster.com](http://www.napster.com) is a commercially successful system that embodies the features of the claimed invention. The Declaration of Justin Douglas Tygar, Ph.D. (“Tygar Dec. 2005”), a copy of which is filed herewith, supports the assertion that Napster is commercially successful and has copied the claimed invention.

Dr. Tygar determined that Napster has achieved a level of commercial success. *See* Tygar Dec. 2005, para. 6. Further, Dr. Tygar compared Napster to the invention recited in Claims 1-6 and determined Napster copied the invention. Specifically, Dr. Tygar found that Napster operates a music download system incorporating servers having hard disks and memory, through which it sells digital music files to a buyer for download over the Internet. *See* Tygar Dec. 2005, para. 10. The buyer using Napster has a computer at a home, office, or other location remote from Napster. *See* Tygar Dec. 2005, para. 11. The buyer forms a connection between his or her computer and Napster via the Internet, selects digital music

file(s) he or she wishes to purchase, provides a credit card number, and receives the music file via a download process where the file is transferred from Napster's server to the buyer's computer and stored on the hard drive. The buyer can then play the file using his or her computer system. *See* Tygar Dec. 2005, paras. 12-16. In view of this comparison, Dr. Tygar properly concludes that Napster has copied the features taught by the present invention. *See* Tygar Dec. 2005, para. 19.

Additionally, Napster *does not* copy the alleged closest prior art cited by the Examiner, *i.e.*, *Freeny* and *Akashi*. *Freeny* teaches a point-of-sale device (e.g., a kiosk) that dispenses a material object (e.g., tape) containing the music purchased. *See Freeny*, col. 1, line 64 to col. 2, line 12. These features of *Freeny* are plainly not found in Napster. *See* Tygar Dec. 2005, para. 16. *Akashi* teaches writing data to a digital audio tape recorder or a compact disk deck that employs a write-once, read-many times recordable optical disk which allows data to be read immediately after the data is written. The user downloads data to a RAM and then the data is written directly from the RAM to a recordable optical disk. *See Akashi* para. 6. This process of *Akashi* is not how Napster operates. *See* Tygar Dec. 2005, para. 18.

Therefore, it is apparent that Napster chose to copy the system taught by the '573 patent. *See* Tygar Dec. 2005, para. 19. It is also apparent that Napster chose *not* to copy the prior art systems of *Freeny* and *Akashi*. *See* Tygar Dec. 2005, para. 20 and 21. This selective copying by Napster of the invention recited in Claims 1-6 (and Claims 44-49), while Napster ignored the systems of *Freeny* and *Akashi*, provides a sound basis upon which the required nexus between commercial success and Appellant's claimed invention can be found. *See Hughes Tool*, 816 F.2d at 1556. Additionally, Napster's selective copying of Appellant's invention, coupled with Napster's disregard of the *Freeny* and *Akashi* systems, is itself substantive evidence of a

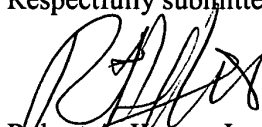
recognized secondary indication of non-obviousness. *See Windsurfing International Inc.*, 782 F.2d 995 (Fed. Cir. 1986).

The foregoing remarks and the Declaration of Dr. Tygar establish the requisite nexus between the commercial success of Napster and Appellant's claimed invention. These remarks and the Declaration of Dr. Tygar similarly have established copying by Napster as a secondary indicia of non-obviousness.

**Conclusion**

Based on the foregoing, the Board should reverse the rejections of Claims 1 through 6 and 44 through 49 under 35 U.S.C. §§ 102(e) and 103(a). Also based on the foregoing, the Board should reverse the rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 112, first paragraph.

Respectfully submitted,

  
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CLAIMS APPENDIX

1.(Amended) A method for transmitting a desired digital audio signal stored on a first memory of a first party to a second memory of a second party comprising the steps of: transferring money electronically via a telecommunication line to the first party at a location remote from the second memory and controlling use of the first memory from the second party financially distinct from the first party, said second party controlling use and in possession of the second memory; connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital audio signal can pass there-between; transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party; and storing the digital signal in a non-volatile storage portion of the second memory, wherein the non-volatile storage portion is not a tape or CD.

2.(Original) A method as described in claim 1 including after the transferring step, the steps of searching the first memory for the desired digital audio signal; and selecting the desired digital audio signal from the first memory.

3.(Original) A method as described in claim 2 wherein the transferring step includes the steps of telephoning the first party controlling use of the first memory by the second party; providing a credit card number of the second party controlling the second

memory to the first party controlling the first memory so the second party is charged money.

4.(Amended) A method for transmitting a desired digital video signal stored on a first memory of a first party to a second memory of a second party comprising the steps of: transferring money electronically via a telecommunications line to the first party at a location remote from the second memory and controlling use of the first memory, from a second party financially distinct from the first party, said second party in control and in possession of the second memory; connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital video signal can pass there-between; transmitting the desired digital video signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party; and storing the digital signal in a non-volatile storage portion of the second memory, wherein the non-volatile storage portion is not a tape or a CD.

5.(Original) A method as described in claim 4 including after the transferring money step, the step of searching the first memory for the desired digital signal and selecting the desired digital signal from the first memory.

6.(Original) A method as described in claim 5 wherein the transferring step includes the steps of telephoning the first party controlling use of the first memory by the second party controlling the second memory; providing a credit card number of the second party controlling the second memory to the first party controlling the first memory so the second party controlling the second memory is charged money.

7-43 (Canceled)

44.(New) A method for transmitting a desired digital audio signal stored on a first memory of a first party to a second memory of a second party comprising the steps of:

transferring money electronically via a telecommunications line to the first party at a location remote from the second memory and controlling use of the first memory from the second party financially distinct from the first party, said second party controlling use and in possession of the second memory;

the second memory including a second party hard disk;

connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital audio signal can pass therebetween;

transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party;

and storing the digital signal in the second party hard disk.

45.(New) A method as described in claim 44 including after the transferring step, the steps of searching the first memory for the desired digital audio signal; and selecting the desired digital audio signal from the first memory.

46.(New) A method as described in claim 45 wherein the transferring step includes the steps of telephoning the first party controlling use of the first memory by the second party; providing a credit card number of the second party controlling the second memory to the first party controlling the first memory so the second party is charged money.

47.(New) A method for transmitting a desired digital video signal stored on a first memory of a first party to a second memory of a second party comprising the steps of:

transferring money electronically via a telecommunications line to the first party at a location remote from the second memory and controlling use of the first memory from the second party financially distinct from the first party, said second party controlling use and in possession of the second memory;

the second memory including a second party hard disk;

connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital video signal can pass therebetween;

transmitting the desired digital video signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party;

and storing the digital signal in the second party hard disk.




48.(New) A method as described in claim 47 including after the transferring step, the steps of searching the first memory for the desired digital signal; and selecting the desired digital signal from the first memory.

49. (New) A method as described in claim 47 wherein the transferring step includes the steps of telephoning the first party controlling use of the first memory by the second party; providing a credit card number of the second party controlling the second memory to the first party controlling the first memory so the second party is charged money.

**EVIDENCE APPENDIX**

- 1) Declaration under 37 C.F.R. § 1.132 of Dr. J. Douglas Tygar submitted with the Appellant's response of May 17, 2007 to the final rejection of Claims 1 through 6 and 44 through 49.
- 2) "The Design of Picturephone® Meeting Service (PMS) Conference Centers For Video Teleconferencing", Bernard A. Wright, *IEEE Communications Magazine*, © 1983 (hereinafter *Wright*), submitted with the Appellant's response of May 17, 2007 to the final rejection of Claims 1 through 6 and 44 through 49.
- 3) Declaration under 37 C.F.R. § 1.132 of Arthur R. Hair submitted with the Appellant's response of December 27, 2005.
- 4) Declaration under 37 C.F.R. § 1.132 of Dr. J. Douglas Tygar submitted with the Appellant's response of December 27, 2005.
- 5) Website: <http://www.rfc-editor.org/rfc-index.html>, referenced in Appellant's response of November 29, 2006.
- 6) Website: [http://en.wikipedia.org/wiki/Non-volatile\\_storage](http://en.wikipedia.org/wiki/Non-volatile_storage), referenced in Appellant's response of November 29, 2006.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: 56548 U.S. PTO )  
ARTHUR R. HAIR  )  
05/17/07 )  
Reexamination Control No. 90/007,402 )  
Reexamination Filed: January 31, 2005 ) A SYSTEM FOR TRANSMITTING  
Patent Number: 5,191,573 ) DESIRED DIGITAL VIDEO OR  
Examiner: Roland G. Foster ) AUDIO SIGNALS )

May , 2007

Mail Stop *Ex Parte* Reexamination  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

DECLARATION UNDER 37 C.F.R. §1.132

I, Justin Douglas Tygar, hereby declare that:

1. I am a tenured, full Professor at the University of California, Berkeley, with a joint appointment in the Department of Electrical Engineering and Computer Science (Computer Science Division) and the School of Information. Before joining the faculty at Berkeley, I was faculty member at Carnegie Mellon University. I have continuously been Professor of electrical engineering and computer science since 1986.

2. I serve, and have served, in a number of capacities on government, academic, and industrial committees that give advice or set standards in security and electronic commerce. I have attached a copy of a recent curriculum vita to this declaration as Exhibit A.

3. I have reviewed the specification and claims of United States Patent No. 5,191,573 ("573 Patent"), United States Patent No. 5,675,734 ("734 Patent"), United States Patent No. 5,966,440 ("440 Patent") and the specification and claims of United States patent application Serial Number 07/206,497, as originally filed on June 13, 1988 ("497 Application").

4. I have been asked by counsel for the patent owner to analyze the claims in the '573 Patent, '734 Patent and '440 Patent, which currently are being reexamined, to determine if the language in the claims and the accompanying specifications have written support in the specification of the '497 Application, as originally filed on June 13, 1988. I understand that, for a claim to be supported by the specification of a patent, the specification must make clear to one of ordinary skill in the art that the inventor had possession of the invention recited in the claims at the time the application for the patent was filed. I also understand that the claims of a patent need not describe the invention using exactly the same terminology found in the specification of the patent, so long as one of skill in the art would recognize that what is recited in the claims is "necessarily comprehended" by what is described in the specification.

5. My understanding of the meaning of "necessarily comprehend" is that, although the specification of a patent may not exactly describe, in so many words, a limitation found in a claim, one skilled in the art on reading the specification and the claim would recognize that what is described in the specification necessarily encompasses what is recited in the claim.

6. In performing my analysis, I have reviewed the claims and specifications of the '573 Patent, '734 Patent and '440 Patent, and the specification and drawings of the '497 Application as originally filed on June 13, 1988, from the perspective of one having ordinary skill in the art of computers at that time. For the purposes of my analysis, a person having ordinary skill in the art in 1988 would have had a bachelor's degree in computer science or electrical engineering with a background in computers, or an equivalent level of knowledge and ability from working in industry for an appropriate number of years. I am well familiar with what the level of ordinary skill was in 1988 because at that time I was a Professor of computer science and each semester taught courses to students in both computer science and electrical engineering. One of ordinary skill in the art would have been familiar with then existing means for storage of digital information and transmission of digital information across telecommunications lines.

7. Based on the foregoing information and understanding, I have concluded that one of ordinary skill in the art in 1988 would have recognized the inventions claimed in the '573 Patent, '734 Patent and '440 Patent were necessarily comprehended by the description in the specification and drawings of the '497 Application. I make the following specific observations with respect to particular claim elements at issue:

A. "Transferring Money from a Second Party to a First Party," "Charging a Fee," "Providing a Credit Card Number," and "Charging an Account"

8. First, I note that, throughout the specification, the '497 Application discusses electronic sales and distribution of digital audio signals (or digital video signals), e.g.

selling and distributing music over telephone lines, which are telecommunication lines. The claim language at issue; "transferring money electronically via a telecommunication line to a first party at a location remote from the second memory," "charging a fee," "providing a credit card number," and "charging an account," all would have been interpreted by one of ordinary skill in the art in the context of the described electronic sales and distribution. Thus, one of ordinary skill in the art in 1988 would have been familiar with various electronic means of making purchases over telecommunication lines. Indeed, by 1988 the definition of "money" had expanded well beyond traditional coin and paper currency to include stores of value in purely electronic form. At that time, "money" could be transferred from one account to another, or simply credited to an account purely electronically. Further, in 1988, it also was known to authorize payment, such as by credit card, electronically over telecommunications lines. This authorization would have involved providing an identification of credit card account information in the form of a credit card number. Further, since this ultimately would have resulted in a credit being made to an electronic account of a seller, it would have been understood to be an electronic transfer of money.

9. One of ordinary skill in the art in 1988 would have been aware of all of the above and would have considered them forms of electronic sales. The term "sale" involves a payment from one party to another party, which necessarily encompasses "charging a fee" to the purchasing party. Therefore, one of ordinary skill in the art would have recognized that, in the context of the electronic sale and distribution of digital audio signals (or digital video signals) over telephone lines, an electronic sale encompassed transactions where a fee is charged and thus money is transferred from one party to another electronically via a telecommunication line. It

further would have been understood by one of ordinary skill in the art that electronic sales could be accomplished by providing a credit card number. As a result, one of ordinary skill in the art in 1988 would have recognized that the description of electronic sales in the specification of the '479 Application necessarily comprehends "transferring money to a first party from a second party electronically via telecommunication lines," "charging a fee," "charging an account," and "providing a credit card number."

B. Transmitter/Receiver

10. I note that, throughout the specification, the '497 Application discusses electronic sales and distribution of digital audio signals (or digital video signals), e.g. electronically selling and distributing music over telephone lines, which are telecommunication lines. The specification of the '497 Application also explicitly discloses the electronic transfer of digital audio signals over telephone lines (telecommunication lines). Finally, the specification of the '497 Application further explicitly discloses control integrated circuits associated with the control units of both the copyright holder and user (purchaser).

11. One of ordinary skill in the art in 1988 would have been aware of the available means for connecting computer systems to telecommunication lines for the purpose of transferring electronic signals; for example modems. Such means could be used at the originating (transmitting) computer and at the destination (receiving) computer. The control unit or control integrated circuit of the copyright holder and user would have been recognized by one of ordinary skill in the art as being some type of computer system or part of a computer system.

12. Since the specification and figures as originally filed with the '497 Application explicitly show the control units being connected to telephone lines (telecommunications lines), one of ordinary skill in the art would have recognized this involved means, such as a modem, for connecting the two systems to the telephone lines. Although the specification of the '497 Application does not include an explicit description of a transmitter or receiver, one of ordinary skill in the art would have had no difficulty determining the nature of the transmitter or receiver necessary to perform the required function. Therefore, the terms in the claims, "transmitter" and "receiver", describe in so many words what would have been understood by one of ordinary skill in the art as being necessarily comprehended by the description provided in the specification and figures filed with the '497 Application.

C. Telephoning

13. As set forth above, the specification of the '497 Application explicitly teaches the sale and transfer of digital audio signals (or digital video signals) over telephone lines. Although not explicitly set forth in the specification of the '497 Application, it nonetheless would have been easily recognized by one of ordinary skill in the art in 1988 that the specification's teaching requires establishing some type of connectivity over telephone lines as a pre-requisite to making an electronic purchase/sale of digital signals over telephone lines, as well as for transferring the digital signals over telephone lines.

14. A successful telephone call, whether a human or machine originated function, always encompasses a step of initiating some type of connectivity. For example, the connectivity could be person to person, as over a voice line. As an alternative example, the



connectivity could be machine to machine, using either traditional telephone lines, optical fibers or cable. Other alternatives include person to machine connectivity and machine to person connectivity.

15. Since the specification of the '497 Application explicitly discloses electronically selling and distributing digital audio signals (or digital video signals) over telephone lines, it is clear that the step of requesting and establishing connectivity (telephoning) is necessarily comprehended in the description provided in the '497 Application, since the step would have been recognized as a prerequisite for performing the function of the disclosed system.

I further 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 are 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 issuing thereon.

11 May 2007



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Date

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Justin Douglas Tygar, Ph.D.

## DOUG TYGAR

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### Personal Information:

Full name: Justin Douglas Tygar  
US Citizen  
Married to Xiaoniu Suchu Hsu

### Education:

- A.B., 1982     **University of California, Berkeley, Math/Computer Science**  
Bell Labs University Relations Student (1981)
- Ph.D., 1986     **Harvard University, Computer Science**  
Thesis: *An Integrated Toolkit for Operating System Security*  
Advisor: Michael Rabin  
NSF Graduate Fellow (1982 – 1985), IBM Graduate Fellow (1985 – 1986)

### Academic Appointments:

**University of California, Berkeley**  
**Department of Electrical Engineering and Computer Science**  
**& School of Information Management and Systems**  
1998 – Present     *Professor (tenured, joint appointment)*

**Carnegie Mellon University**  
**Computer Science Department**  
2000 – Present     *Adjunct Professor*  
1992 – 2000     *Associate Professor (tenured 1995, on leave 1998 – 2000)*  
1986 – 1992     *Assistant Professor*

### Major Awards:

NSF Presidential Young Investigator, 1988  
Outstanding Professor Award, *Carnegie Magazine*, 1989  
Chair, Defense Information Science and Technology Study Group on Security with Privacy  
Member, National Research Council Committee on Information Trustworthiness  
Member, INFOSEC Science and Technology Study Group  
Okawa Foundation Fellow, 2003-4  
Wide consulting for both industry and government

**Major speeches:**

*Keynote addresses:*

PODC (1995), ASIAN-96 (1996), NGITS (1997), VLDB (1998), CRYPTEC (1999),  
CAV (2000), Human Authentication (2001), PDSN (2002), ISM (2005), ISC (2005), ASIACCS (2006),  
Croucher ASI (2004, 2006)

*Invited addresses:*

Harvard Graduate School of Arts and Science 100th Anniversary,  
CMU Computer Science Department 25th Anniversary  
More than 240 talks & 20 professional seminars since 1985

**External review activities:**

Electronic Commerce Program, City University of Hong Kong  
Information Systems Management Program, Singapore Management University  
Information Technology Program, United Arab Emirates University  
Computer Science Program, University of California, Davis

## Publications

(Note: copies of most of these publications are available at [www.tygar.net/publications.htm](http://www.tygar.net/publications.htm).)

### Books

1. **Computer Security in the 21st Century.** Eds. D. Lee, S. Shieh, and J. D. Tygar. Springer, 2005. (This book includes item 7 below as well as a technical introduction by me and the other editors.)
2. **Secure Broadcast Communication in Wired and Wireless Networks.** A. Perrig and J. D. Tygar. Springer (Kluwer), 2003. Also, a Japanese translation with additional material appeared as **Waiyādo/Waiyaresu Nettowōku ni Okeru Burōdokyasuto Tsūshin no Sekyuriti** (ワイヤード/ワイヤレスネットワークにおけるブロードキャスト通信のセキュリティ). Translated by Fumio Mizoguchi and the Science University of Tokyo Information Media Science Research Group. Kyoritsu Shuppan, 2004.
3. **Trust in Cyberspace.** National Research Council Committee on Information Systems Trustworthiness (S. Bellovin, W. E. Boebert, M. Branstad, J. R. Catoe, S. Crocker, C. Kaufman, S. Kent, J. Knight, S. McGeady, R. Nelson, A. Schiffman, F. Schneider [ed.], G. Spix, and J. D. Tygar). National Academy Press, 1999.

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4. "Case Study: Acoustic Keyboard Emanations." L. Zhuang, F. Zhou, and J. D. Tygar. In **Phishing and Countermeasures: Understanding the Increasing Problem of Electronic Identity Theft**, eds. M. Jakobsson and S. Myers. Wiley-Interscience, 2007, pp. 221-240. (This is a popularized version of item 41.)
5. "Dynamic Security Skins." R. Dhamija and J. D. Tygar.. In **Phishing and Countermeasures: Understanding the Increasing Problem of Electronic Identity Theft**, eds. M. Jakobsson and S. Myers. Wiley-Interscience, 2007, pp. 339-351. (This is a popularized version of item 42.)
6. "Why Johnny can't encrypt: A usability evaluation of PGP 5.0." A. Whitten and J. D. Tygar. In **Security and Usability: Designing Secure Systems that People Can Use**, eds. L. Cranor and G. Simson. O'Reilly, 2005, pp. 679-702. (An earlier version of the paper was published in **Proceedings of the 8th USENIX Security Symposium**, August 1999, pp. 169-183. See also item 87.)
7. "Private matching." Y. Li, J. D. Tygar, J. Hellerstein. In **Computer Security in the 21st Century**, eds. D. Lee, S. Shieh, and J. D. Tygar. Springer, 2005, pp. 25-50. (See item 1.) (An early version of this paper appeared as Intel Research Laboratory Berkeley technical report IRB-TR-04-005, February 2004.)
8. "Digital cash." J. D. Tygar. In **Berkshire Encyclopedia of Human Computer Interaction**, ed. W. Bainbridge. Berkshire Publishing, 2004, pp. 167-170.

9. "Spamming." J. D. Tygar. In **Berkshire Encyclopedia of Human Computer Interaction**, ed. W. Bainbridge. Berkshire Publishing, 2004, pp. 673-675.
10. "Viruses." J. D. Tygar. In **Berkshire Encyclopedia of Human Computer Interaction**, ed. W. Bainbridge. Berkshire Publishing, 2004, pp. 788-791.
11. "Privacy in sensor webs and distributed information systems." J. D. Tygar. In **Software Security**, eds. M. Okada, B. Pierce, A. Scedrov, H. Tokuda, and A. Yonezawa. Springer, 2003, pp. 84-95.
12. "Atomicity in electronic commerce." J. D. Tygar. In **Internet Besieged**, eds. D. Denning and P. Denning. ACM Press and Addison-Wesley, 1997, pp. 389-405. (An expanded earlier version of this paper was published in **Proceedings of the Fifteenth Annual ACM Symposium on Principles of Distributed Computing, Keynote paper**, May 1996, pp. 8-26; and as Carnegie Mellon University Computer Science technical report CMU-CS-96-112, January 1996. See also item 28.)
13. "Cryptographic postage indicia." J. D. Tygar, B. Yee, and N. Heintze. In **Concurrency and Parallelism, Programming, Networking, and Security**, eds. J. Jaffar and R. Yap. Springer, 1996, pp. 378-391. (Preprint also available. Early versions appeared as Carnegie Mellon University Computer Science technical reports CMU-CS-96-113, January 1996, UC San Diego Computer Science technical report UCSD-TR-CS96-485, and in the 1996 **Securicom Proceedings**, Paris, 1996. See also item 89.)
14. "Dyad: A system for using physically secure coprocessors." J. D. Tygar and B. Yee. In **Technological Strategies for the Protection of Intellectual Property in the Networked Multimedia Environment**. Interactive Multimedia Association, 1994, pp. 121-152. (An early version appeared as Carnegie Mellon University Computer Science technical report CMU-CS-91-140R, May 1991.)
15. "A system for self-securing programs." J. D. Tygar and B. Yee. In **Carnegie Mellon Computer Science: A 25-Year Commemorative**, ed. R. Rashid. ACM Press and Addison-Wesley, 1991, pp. 163-197. (Note: The first printing of this volume had incorrect text due to a production error.)
16. "Implementing capabilities without a trusted kernel." M. Herlihy and J. D. Tygar. In **Dependable Computing for Critical Applications**, eds. A. Avizienis and J. Laprie. Springer, 1991, pp. 283-300. (Note: An early version appeared in the **(IFIP) Proceedings of the International Working Conference on Dependable Computing for Critical Applications**, August 1989.)
17. "Strongbox." J. D. Tygar and B. Yee. In **Camelot and Avalon: A Distributed Transaction Facility**, eds. J. Eppinger, L. Mummert, and A. Spector. Morgan-Kaufmann, 1991, pp. 381-400.
18. "ITOSS: An Integrated Toolkit for Operating System Security." M. Rabin and J. D. Tygar. In **Foundations of Data Organization**, eds. W. Litwin and H.-J. Shek. Springer, 1990, pp. 2-15. (Preprint also available.) (Note: Earlier, longer versions appeared as Harvard University Aiken Computation Laboratory technical report TR-05-87R and my Ph.D. dissertation.)
19. "Formal Semantics for Visual Specification of Security." M. Maimone, J. D. Tygar, and J. Wing. In **Visual Languages and Visual Programming**, ed. S. K. Chang. Plenum, 1990, pp.

97-116. (An early version was published in **Proceedings of the 1988 IEEE Workshop on Visual Programming**, pp. 45-51, and as Carnegie Mellon University Computer Science technical report CMU-CS-88-173r, December 1988.)

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20. "Injecting Heterogeneity through Protocol Randomization." L. Zhuang, J. D. Tygar, R. Dhamija. In *International Journal of Network Security*, 4:1, January 2007, pp. 45-58.
21. "Cyber defense technology networking and evaluation." Members of the DETER and EMIST Projects (R. Bajcsy, T. Benzel, M. Bishop, B. Braden, C. Brodley, S. Fahmy, S. Floyd, W. Hardaker, A. Joseph, G. Kesidis, K. Levitt, B. Lindell, P. Liu, D. Miller, R. Mundy, C. Neuman, R. Ostrenga, V. Paxson, P. Porras, C. Rosenberg, S. Sastry, D. Sterne, J. D. Tygar, and S. Wu). In *Communications of the ACM*, 47:3, March 2004, pp. 58-61.
22. "Technological dimensions of privacy in Asia." J. D. Tygar. In *Asia-Pacific Review*, 10:2, November 2003, pp. 120-145.
23. "SPINS: Security protocols for sensor networks." A. Perrig, R. Szewczyk, J. D. Tygar, V. Wen, and D. Culler. In *[ACM Journal of] Wireless Networks*, 8:5, September 2002, pp. 521-534. (An early version of this paper appears in **Proceedings of the 7th Annual International Conference on Mobile Computing and Networks (MOBICOM)**, July 2001, pp. 189-199.)
24. "The TESLA broadcast authentication protocol." A. Perrig, R. Canetti, J. D. Tygar, and D. Song. In *CryptoBytes*, 5:2, Summer/Fall 2002, pp. 2-13.
25. "SAM: A flexible and secure auction architecture using trusted hardware." A. Perrig, S. Smith, D. Song, and J. D. Tygar. In *Electronic Journal on E-commerce Tools and Applications*, 1:1, January 2002 (online journal). (An early version of this paper appeared in **Proceedings of the 1st IEEE International Workshop on Internet Computing and Electronic Commerce**, April 2001, pp. 1764-1773.)
26. "Why isn't the internet secure yet?" J. D. Tygar and A. Whitten. In *ASLIB Proceedings*, 52:3, March 2000, pp. 93-97.
27. "Multi-round anonymous auction protocols." H. Kikuchi, M. Harkavy, and J. D. Tygar. In *Institute of Electronics, Information, and Communication Engineers Transactions on Information and Systems*, E82-D:4, April 1999, pp. 769-777. (An early version appeared in **Proceedings of the First IEEE Workshop on Dependable and Real-Time E-Commerce Systems (DARE '98)**, June 1998, pp. 62-69.)
28. "Atomicity in electronic commerce." J. D. Tygar. In *ACM NetWorker*, 2:2, April/May 1998, pp. 32-43. (Note: this is a revision of item 12 published together with a new article: "An update on electronic commerce." In *ACM NetWorker*, Volume 2, Number 2, April/May 1998, pp. 40-41.)
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92. **Display Manager User's Guide.** J. D. Tygar. Valid Logic Systems engineering memorandum, VED-050682-1-JDT, May 1982.
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: )  
ARTHUR R. HAIR )  
Reexamination Control No. 90/007,402 )  
Reexamination Filed: January 31, 2005 ) METHOD FOR TRANSMITTING A  
Patent Number: 5,191,573 ) DESIRED DIGITAL VIDEO OR  
Examiner: Benjamin E. Lanier ) AUDIO SIGNALS  
Pittsburgh, Pennsylvania 15213

December 23, 2005

Mail Stop *Ex Parte* Reexamination  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

DECLARATION UNDER 37 C.F.R. §1.132

I, Arthur R. Hair, hereby declare that:

1. I am the sole inventor of United States Patent Nos. 5,191,573; 5,675,734; and 5,966,440.
2. I am Chairman of the Board and Chief Technology Officer of SightSound Technologies, Inc.
3. I assigned my rights in United States Patent Nos. 5,191,573; 5,675,734; and 5,966,440 to the company that ultimately became SightSound Technologies, Inc ("SightSound").  
These patents served SightSound Technologies well and were essential in raising the

capital necessary to launch a company that would build eCommerce systems protected by the patents.

4. With the foregoing three patents in hand, SightSound Technologies achieved many notable firsts, including:
  - first to electronically sell a music download via the Internet;
  - first to electronically sell a movie download via the Internet;
  - first to produce a motion picture specifically for simultaneous electronic distribution worldwide via the Internet;
  - first to electronically sell encrypted movies legally through the Gnutella file-sharing networks, without being in violation of copyrights;
  - first to develop a legal system to sell encrypted music legally through the Napster file-sharing networks, without being in violation of copyrights;
  - first to electronically sell a movie into a movie theater projection booth via the Internet for digital exhibition from a windows workstation; and
  - first to electronically sell a movie into a handheld unit, a Compaq iPac Pocket PC.
  
5. SightSound built five Media eCommerce Systems. Over time, these systems grew from a single server located in Pittsburgh to a geographically distributed system with a central core in Pittsburgh that controlled remote servers located in New York, Los Angeles, Santa Clara, Seattle, Chicago, Washington D.C. and Boston. Version 1 was built in 1995

and Version 2 was built in 1998, both of these versions only sold music. Version 3.1, 3.2 and 3.3 were built between 1999 and 2001 and sold both music and movies. The fifth system built at SightSound Technologies (which we called Version 3.3) was a fully automated, database driven secure Media eCommerce System that had the hardware capacity to rent and/or sell 380,000 movies a day.

6. The foregoing Media eCommerce Systems were covered by one or more claims in each of United States Patent Nos. 5,141,573, 5,675,734 and 5,966,440.
  
7. The Media eCommerce Systems were designed to support:
  - official movie websites;
  - banner ads that automatically invoke a download;
  - digital cinema (download to the projection booth);
  - portable audio/video devices
  - database driven websites; and
  - peer-to-peer file-sharing networks.
  
8. Using its Media eCommerce Systems, SightSound Technologies provided client services releasing motion pictures and music for Internet download sale for more than 40 filmmakers, special interest video production companies and recording artists. SightSound Technologies first offered music for sale via the Internet in download fashion in September 1995. At that time, SightSound Technologies offered music from the band

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: )  
ARTHUR R. HAIR )  
Reexamination Control No. 90/007,402 )  
Reexamination Filed: January 31, 2005 ) A SYSTEM FOR TRANSMITTING  
Patent Number: 5,191,573 ) DESIRED DIGITAL VIDEO OR  
Examiner: Benjamin E. Lanier ) AUDIO SIGNALS )

December 23, 2005

Mail Stop *Ex Parte* Reexamination  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

DECLARATION UNDER 37 C.F.R. §1.132

I, Justin Douglas Tygar, hereby declare that:

1. I am a tenured, full Professor at the University of California, Berkeley with a joint appointment in the Department of Electrical Engineering and Computer Science (Computer Science Division) and the School of Information Management and Systems.

2. I earned an A.B. degree in Math/Computer Science from the University of California, Berkeley, in 1982 and I earned a Ph.D. in Computer Science from Harvard University in 1986.

3. I am an expert in software engineering, computer security, and cryptography. I have taught courses in software engineering and computer security at the



undergraduate, master's, and doctorate level at both the University of California, Berkeley and Carnegie Mellon University.

4. I serve in a number of capacities on government, academic, and industrial committees that give advice or set standards in security and electronic commerce. In addition, I have authored numerous publications in the fields of computer science and security in electronic commerce. I have attached a copy of a recent curriculum vita to this declaration as Exhibit A.

5. At the request of counsel, I have compared a currently available system for purchasing digital audio files, namely the online music service offered at [www.napster.com](http://www.napster.com) known as Napster Light<sup>1</sup> (hereinafter "Napster Light"), with the teachings of U.S. Patent 5,191,573 (the "'573 patent").

6. Napster Light is a currently operating service with an apparently wide user base. It is therefore apparent that Napster Light, which uses the teachings of the '734 Patent, has been commercially successful.

7. The '573 Patent generally discloses a method pertaining to the electronic sale and transfer of digital audio or video signals, which are signals containing recorded sound or

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<sup>1</sup> It should be noted that the Napster Light service offered by the entity known currently as Napster, Inc. at [www.napster.com](http://www.napster.com) is separate and distinct from a previous file sharing on-line service offered by an earlier entity entitled Napster. It is my understanding that this prior entity went out of business in 2002, at which time Roxio, Inc. acquired the Napster name and trademark rights. Subsequently, Roxio, Inc. changed their name to Napster, Inc., thus creating the current entity referred to herein as "the new Napster, Inc."

video, such as a musical or video recording, converted into binary form. The steps of the method pertain to the following:

- A first party who is a seller of digital audio or video signals through telecommunication lines. Telecommunication lines can include the Internet. The seller must have control over a computer memory, which includes a hard disk and RAM. The hard disk includes copies of encoded digital audio or video signals, which are the digital audio or video signals configured in a form that would prevent unauthorized copying.

- A second party who is a buyer of the digital audio or video signals. The buyer must possess and control his or her own computer memory. The buyer's memory must be located at a location remote from the location of the memory controlled by the seller.

8. The invention of the '573 patent comprises a number of steps, though not in any particular order except as indicated below. The steps are:

- Forming an end-to-end electronic connection over the telecommunications lines between the computer memory controlled by the seller and the buyer's computer memory, which is controlled by the buyer;

- Transmitting the desired digital audio signal from the first memory to the second memory; and

- Storing the transferred copy of the digital audio or video signals in the buyer's memory.

9. I have accessed Napster Light for the purpose of comparing it to the '734 patent. Based on my review, I have determined the following facts set forth in paragraphs 10 through 20 of this declaration.

10. The operator of Napster Light (i.e., the new Napster, Inc.), the "first party" for the purposes of this comparison, operates a music download system through which digital music files are sold to buyers for download over the internet. The digital music files contain digital representations of sound recordings. I have concluded from viewing information on [www.napster.com](http://www.napster.com) that Napster Light uses a system that includes servers, which have memory that includes hard disks that store digital music for sale over the internet. The new Napster, Inc. appears to control the servers that contain the digital music files for sale.

11. The typical online buyer using Napster Light, the "second party" for the purposes of this comparison, controls a personal computer. For instance, the buyer controls which software to install and run on the computer, what data to store in the computer, and when to operate the computer. The buyer has the computer at a home, office, or other location remote from Napster Light.

12. Using a software application downloaded from a website associated with Napster Light, the online buyer may connect to Napster Light's online music library over the Internet and browse online music catalogs. The buyer forms a connection between his or her computer and the Internet through an Internet Service Provider (ISP) that may be accessed via a dial-up connection using a modem and a telephone line.

13. Using the downloaded software application, the online buyer browses Napster Light's online music catalogs. The online buyer can select a particular digital music file he or she desires.

14. The digital music file is delivered to the online buyer via a download operation that is automatically initiated between Napster Light's servers and the online buyer's computer.

15. The download process occurs by transmitting a copy of the digital music file over the Internet to the online buyer's computer. The transmitted copy is stored in the online buyer's computer hard drive. Throughout this downloading process, the online buyer is in control of his or her computer's memory.

16. The downloaded copy of the digital music is stored to the hard drive of the buyer's computer, from which it can be written to other media such as an optical disk or memory of a portable device.

17. Napster Light does not include a point-of-sale device such as a kiosk, as used in United States Patent No. 4,528,643 to Freeny (the "Freeny Patent").

18. Napster Light does not writing a digital signal from memory directly to an optical disk or digital tape, as taught in Japanese Patent Publication 62-284496 to Akashi (the "Akashi Patent").

19. In view of the foregoing, I have determined that Napster Light embodies the elements taught in the '573 Patent. As a result, it can be concluded that Napster Light has copied the teachings of the '573 Patent.

20. Also in view of the foregoing, I have determined that the Napster system does not embody essential elements of the Freeny patent. As a result, it can be concluded that Napster Light has not copied the Freeny patent.

21. Also in view of the foregoing, I have determined that the Napster system does not embody essential elements of the Akashi patent. As a result, it can be concluded that Napster Light has not copied the Akashi patent.

18. Napster Light does not writing a digital signal from memory directly to an optical disk or digital tape, as taught in Japanese Patent Publication 62-284496 to Akashi (the "Akashi Patent").

19. In view of the foregoing, I have determined that Napster Light embodies the elements taught in the '573 Patent. As a result, it can be concluded that Napster Light has copied the teachings of the '573 Patent.

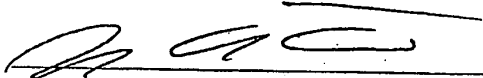
20. Also in view of the foregoing, I have determined that the Napster system does not embody essential elements of the Freeny patent. As a result, it can be concluded that Napster Light has not copied the Freeny patent.

21. Also in view of the foregoing, I have determined that the Napster system does not embody essential elements of the Akashi patent. As a result, it can be concluded that Napster Light has not copied the Akashi patent.

I further 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 are 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 issuing thereon.

26 Dec 05

Date



Justin Douglas Tygar, Ph.D.

**RELATED PROCEEDINGS APPENDIX**

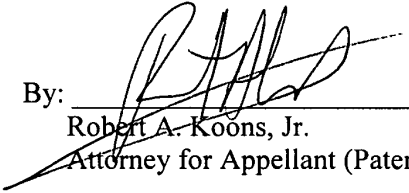
- 1) *Sightsound.com Inc. v. N2K, Inc.*, 2:98-cv-00118-DWA (W.D. Pa).  
-“Magistrate Judge’s Report and Recommendation” dated February 8, 2002
  
- 2) *Sightsound Technologies, Inc. v. ROXIO, Inc.*, 2:04-cv-01549-DWA (W.D. Pa).  
- “Memorandum Order and Opinion” dated February 28, 2005, granting Defendants’  
    motion to stay
  
- 3) Appeal from final rejection in copending reexamination Control No. 90/007,403.
  
- 4) Appeal from final rejection in copending reexamination Control No. 90/007,407.



**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Brief on Appeal Under 37 C.F.R. § 41.37 from Final Rejection in Reexamination No. 90/007,402 was served via First Class United States Mail, postage prepaid, this 30th day of July 2007, on the following:

Mr. Albert S. Penilla  
Martine, Penilla, & Gencarella, LLP  
710 Lakeway Drive, Suite 200  
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Attorney for Third Party Reexamination Requester

By:   
Robert A. Koons, Jr.  
Attorney for Appellant (Patentee)



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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,402	01/31/2005	5191573	NAPS001	2998

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DRINKER BIDDLE & REATH  
ATTN: INTELLECTUAL PROPERTY GROUP  
ONE LOGAN SQUARE  
18TH AND CHERRY STREETS  
PHILADELPHIA, PA 19103-6996

EXAMINER

ART UNIT            PAPER NUMBER

DATE MAILED: 01/17/2008

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



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**EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM**

REEXAMINATION CONTROL NO. 90/007,402.

PATENT NO. 5191573.

ART UNIT 3992.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified *ex parte* reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the *ex parte* reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

<b>Notification of Non-Compliant Appeal Brief (37 CFR 41.37)</b>	<b>Application No.</b> 90/007,402	<b>Applicant(s)</b> 5191573	
	<b>Examiner</b> Roland G. Foster	<b>Art Unit</b> 3992	

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


The Appeal Brief filed on 30 July 2007 is defective for failure to comply with one or more provisions of 37 CFR 41.37.

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.  The brief does not contain a statement of the status of all claims, (e.g., rejected, allowed, withdrawn, objected to, canceled), or does not identify the appealed claims (37 CFR 41.37(c)(1)(iii)).
3.  At least one amendment has been filed subsequent to the final rejection, and the brief does not contain a statement of the status of each such amendment (37 CFR 41.37(c)(1)(iv)).
4.  (a) The brief does not contain a concise explanation of the subject matter defined in each of the independent claims involved in the appeal, referring to the specification by page and line number and to the drawings, if any, by reference characters; and/or (b) the brief fails to: (1) identify, for each independent claim involved in the appeal and for each dependent claim argued separately, every means plus function and step plus function under 35 U.S.C. 112, sixth paragraph, and/or (2) set forth the structure, material, or acts described in the specification as corresponding to each claimed function with reference to the specification by page and line number, and to the drawings, if any, by reference characters (37 CFR 41.37(c)(1)(v)).
5.  The brief does not contain a concise statement of each ground of rejection presented for review (37 CFR 41.37(c)(1)(vi)).
6.  The brief does not present an argument under a separate heading for each ground of rejection on appeal (37 CFR 41.37(c)(1)(vii)).
7.  The brief does not contain a correct copy of the appealed claims as an appendix thereto (37 CFR 41.37(c)(1)(viii)).
8.  The brief does not contain copies of the evidence submitted under 37 CFR 1.130, 1.131, or 1.132 or of any other evidence entered by the examiner **and relied upon by appellant in the appeal**, along with a statement setting forth where in the record that evidence was entered by the examiner, as an appendix thereto (37 CFR 41.37(c)(1)(ix)).
9.  The brief does not contain copies of the decisions rendered by a court or the Board in the proceeding identified in the Related Appeals and Interferences section of the brief as an appendix thereto (37 CFR 41.37(c)(1)(x)).
10.  Other (including any explanation in support of the above items):

*Reference to unentered information is not permitted in the Appeal Brief. See 37 CFR § 41.37(c)(1)(ix). See also MPEP § 1205.02.(ix). The instant Appeal Brief refers to unentered evidence, such as a "March 17, 2007" (in actuality a May 17, 2007) Declaration of Dr. J. Douglas Tygar, which is cited and discussed, for example, on pages 34 and 35 of the Brief. Furthermore, the "Evidence Appendix" to the Brief cites to the 2007 Tygar Declaration and to an IEEE article submitted May 17, 2007. For reasons why the above identified evidence was not entered, see the Advisory Action, mailed July 30, 2007.*

*Conforce*  
*SW*  
**ESK**

  
Roland G. Foster  
Primary Examiner  
Art Unit: 3992

Express Mail No.: EV 299882953 US

Control No.: 90/007,402

Attorney's Docket No. NAPS001

*Patent*

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re Application of: Arthur R. Hair	:	Group No.: 3992
	:	
Serial No.: 90/007,402	:	Examiner: Roland G. Foster
	:	
Filed: January 31, 2005	:	Confirmation No. 2998
	:	

For: METHOD FOR TRANSMITTING A DESIRED DIGITAL VIDEO OR AUDIO SIGNAL

**AMENDED BRIEF ON APPEAL UNDER 37 C.F.R. § 41.37**

Mail Stop Appeal Brief - Patents  
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P.O. Box 1450  
Alexandria, VA 22313-1450

**Real Party in Interest**

Appellant's real party in interest is:

DMT Licensing, LLC (a wholly-owned subsidiary of GE Intellectual Property  
Licensing, Inc., which is a wholly-owned subsidiary of General  
Electric Co.)  
105 Carnegie Center  
Princeton, New Jersey 08540

**Related Appeals and Interferences**

The Appeals in copending reexaminations 90/007,403 and 90/007,407 are related to the instant Appeal. The outcomes in these copending Appeals may affect, be affected by, or have some bearing on the Board's decision in the instant Appeal.

**Status of the Claims**

Claims 1 through 6 and 44 through 49 are currently pending. Claims numbered 1 to 6 were originally issued in U.S. Patent 5,191,573 (the "573 Patent"). Claims 7 through 43 were

added during reexamination and subsequently canceled following the vacating of the Office Action issued by the United States Patent and Trademark Office (the "Office") on March 20, 2006 finally rejecting all of the claims in reexamination. Claims 44 through 49 were added in the Response to the Non-Final Office Action issued on September 29, 2006.

Claims 1 through 6 and 44 through 49 are rejected under 35 U.S.C. § 112, first paragraph. Claims 1, 2, 4, 5, 44, 45, 47 and 48 are rejected under 35 U.S.C. § 102(e). Claims 1 through 6 and 44 through 49 are rejected under 35 U.S.C. § 103(a).

Appellant appeals the rejection of all claims.

**Status of Amendments**

All amendments have been entered.

**Summary of the Claimed Subject Matter**

Claims 1, 4, 44 and 47 are the independent claims. Below, Appellant summarizes the claimed subject matter in the independent claims per 37 C.F.R. § 41.37(c)(1)(v) using references to the Figures and column and line numbers in the issued patent.

Independent Claim 1 recites a method for transmitting a desired digital audio signal stored on a first memory of a first party to a second memory of a second party [Abstract]. The method comprises the steps of transferring money electronically via a telecommunication line to the first party at a location remote from the second memory and controlling use of the first memory from the second party, the second party being financially distinct from the first party [col. 2, lns. 63 to 67; col. 3, lns. 6 to 7; col. 5, lns. 32 to 34], and the second party controlling use and in possession of the second memory [col. 2, lns. 40 to 47; col. 3, lns. 12 to 17; col. 3, lns. 52 to 59]. The method further comprises connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital

audio signal can pass there-between [Fig. 1; col. 2, lns. 51 to 67; col. 3, lns. 8 to 12], transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 13 to 19 and 60 to 67; col. 4, lns. 25 to 44] and storing the digital signal in a non-volatile storage portion of the second memory, wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 31 to 35; col. 3, lns. 17 to 19; col. 4, lns. 41 to 43].

Independent Claim 4 recites a method for transmitting a desired digital video signal stored on a first memory of a first party to a second memory of a second party [Abstract]. The method comprises the steps of transferring money electronically via a telecommunications line to the first party at a location remote from the second memory and controlling use of the first memory from a second party financially distinct from the first party [col. 2, lns. 63 to 67; col. 3, lns. 6 to 7; col. 5, lns. 32 to 34], said second party in control and in possession of the second memory [col. 2, lns. 40 to 47; col. 3, lns. 12 to 17; col. 3, lns. 52 to 59]. The method further comprises connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital video signal can pass there-between [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 8 to 12, col. 5, ln. 67 to col. 6, ln. 2], transmitting the desired digital video signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 13 to 19 and 60 to 67; col. 4, lns. 25 to 44; col. 5, ln. 67 to col. 6, ln. 2] and storing the digital

signal in a non-volatile storage portion of the second memory, wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 31 to 35; col. 3, lns. 17 to 19; col. 4, lns. 41 to 43].

Independent claim 44 recites a method for transmitting a desired digital audio signal stored on a first memory of a first party to a second memory of a second party [Abstract; col. 5, ln. 67 to col. 6, ln. 2]. The method comprises the steps of transferring money electronically via a telecommunications line to the first party at a location remote from the second memory and controlling use of the first memory from the second party financially distinct from the first party [col. 2, lns. 63 to 67; col. 3, lns. 6 to 7; col. 5, lns. 32 to 34], said second party controlling use and in possession of the second memory [col. 2, lns. 40 to 47; col. 3, lns. 12 to 17; col. 3, lns. 52 to 59]. The second memory includes a second party hard disk [Fig. 1 (60); col. 3, ln. 57]. The method further comprises connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital audio signal can pass therebetween [Fig. 1 (20B, 30, 50B); col. 2, lns. 51 to 67; col. 3, lns. 8 to 12], transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 13 to 19 and 60 to 67; col. 4, lns. 25 to 44] and storing the digital signal in the second party hard disk [col. 3, lns. 17 to 19; col. 4, lns. 41 to 43].

Independent Claim 47 recites a method for transmitting a desired digital video signal stored on a first memory of a first party to a second memory of a second party [Abstract; col. 5, ln. 67 to col. 6, ln. 2]. The method comprises the steps of transferring money electronically via a telecommunications line to the first party at a location remote from the second memory and controlling use of the first memory from the second party financially distinct from the first party



[col. 2, lns. 63 to 67; col. 3, lns. 6 to 7; col. 5, lns. 32 to 34], said second party controlling use and in possession of the second memory [col. 2, lns. 40 to 47; col. 3, lns. 12 to 17; col. 3, lns. 52 to 59]. The second memory includes a second party hard disk [Fig. 1 (60); col. 3, ln. 57]. The method further comprises connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital video signal can pass there-between [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 8 to 12, col. 5, ln. 67 to col. 6, ln. 2], transmitting the desired digital video signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 13 to 19 and 60 to 67; col. 4, lns. 25 to 44; col. 5, ln. 67 to col. 6, ln. 2] and storing the digital signal in the second party hard disk [col. 3, lns. 17 to 19; col. 4, lns. 41 to 43].

**Grounds for Rejection to be Reviewed on Appeal**

1. Examiner's rejection of Claims 1, 2, 4, 5, 44, 45, 47 and 48 under 35 U.S.C. § 102(e) and 35 U.S.C. § 103(a) over U.S. Patent 4,949,187 to Cohen (*Cohen*). In particular, Appellant seeks review of the Examiner's assertion that the '573 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Cohen* could be cited as a prior art reference.
2. Examiner's rejection of Claims 3, 6, 46 and 49 under 35 U.S.C. § 103(a) over *Cohen* in view of U.S. Patent 4,789,863 to Bush (*Bush*). In particular, Appellant seeks review of the Examiner's assertion that the '573 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Cohen* could be cited as a prior art reference.

3. Examiner's rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 103(a) over *Bush* in view of *Cohen*. In particular, Appellant seeks review of the Examiner's assertion that the '573 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Cohen* could be cited as a prior art reference.
4. Examiner's rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 103(a) over *Bush* in view of U.S. Patent 4,837,797 to Freeny (*Freeny I*).
5. Examiner's rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 103(a) over Japanese Patent Application No. 62-284496 to Akashi (*Akashi*) in view of U.S. Patent 4,528,643 to Freeny (*Freeny II*).
5. Examiner's rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 112, first paragraph as not being supported by the written description in the specification.
6. Examiner's rejection of Claims 4 through 6 and 47 through 49 under 35 U.S.C. § 112, first paragraph as not being enabled by the specification.

### Argument

#### **I. Summary**

The instant reexamination was originally filed on January 31, 2005, and was initially assigned to Examiner Benjamin Lanier ("Examiner Lanier"). The reexamination and two related copending reexaminations subsequently were transferred to the Central Reexamination Unit ("CRU") where they were assigned to Examiner Roland Foster ("Examiner Foster").

During the course of the proceedings in the instant reexamination, five Office Actions were issued. The first three Office Actions were issued by Examiner Lanier, who consistently rejected all claims presented by Appellant as obvious. In each case, Examiner Lanier relied on combinations of up to nine references in his obviousness analyses, offering only conclusory

statements regarding the motivation or teaching to combine the multiple references. In each case, the Appellant pointed out the impropriety of the combinations. Examiner Lanier never rebutted the Appellant's arguments. Instead, Examiner Lanier simply asserted that the rejections were proper.

Following the issuance of the third Office Action by Examiner Lanier, the instant reexamination was transferred to the CRU, specifically to Examiner Foster, where the Office reviewed and vacated Examiner Lanier's Final Rejection of the claims. The Office appeared to concur with the Appellant's view that the rejections offered by Examiner Lanier were untenable, but the Office did not allow the claims. Instead, the Office issued two subsequent Office Actions.

The two subsequent Office Actions take an alternate approach which, since also improper, has led to this appeal. Instead of relying on up to nine references, these subsequent Office Actions relied primarily on references that post-dated the June 13, 1988 priority date for the '573 Patent. In other words, the Office Actions relied on non-*prior* art. To justify this, the Office first had to conduct a *de novo* review of the '573 Patent's prosecution and then, based on that review, reassign the '573 Patent's June 13, 1988 priority date; a priority date that was rightfully granted by the original Examiner during the initial examination of the '573 Patent. In taking those steps, the Office reassigned the priority date to September 18, 1990. Then, using this new priority date, the Office cited new art post-dating the June 13, 1988 priority date, which the Office asserts anticipates or makes obvious all of the claims in reexamination.

As detailed below, this *de novo* review and resulting reassignment of the priority date is clearly outside the scope of authority of the Office as granted by the Reexamination Statute. 35

USC § 301, *et seq.* Further, the attempted reassignment of a new priority date to the '573 Patent does not comport with Office procedures.

Further, as a predicate for reassigning the priority date of the claims in the '573 Patent, the Office asserts that the claims as issued are either not supported by a written description or are not enabled by the specification as filed on June 13, 1988. In making these findings, the Office has applied improper and overly strict standards for both written description and enablement under 35 U.S.C. § 112, first paragraph. Using the appropriate standards, Appellant has demonstrated that the claims in reexamination are fully supported and enabled by the originally filed specification, and are thus entitled to the priority date of June 13, 1988.

Where the Office has presented obviousness rejections relying solely on references that do qualify as prior art based on the proper June 13, 1988 priority date, the Office has failed to present a reasoned argument showing a teaching or motivation to combine the references, as required by *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727 (U.S. 2007). Further, as demonstrated by Appellant, these references do not show each and every limitation of the claims in reexamination. As a result, the Office has not established a *prima facie* case of obviousness based on those references that are proper prior art.

The Office has also rejected Claims 1 through 6 and 44 through 49 in reexamination under 35 U.S.C. § 112, first paragraph, as not being supported by an adequate written description and as not being enabled by the specification. Here again, Appellant maintains that the Office has acted outside the mandated scope of reexamination by examining Claims 1 through 6 and 44 through 49 in their entirety for compliance with section 112, first paragraph, rather than limiting the analysis to newly claimed subject matter. Further, the Office has again applied improper standards for both written description support and enablement. Using the

appropriate standards, Appellant has demonstrated that the claims in reexamination do comply with the requirements section 112, first paragraph.

Since many of the positions taken by the Office in finally rejecting Claims 1 through 6 and 44 through 49 rely on a revisiting of issues dealt with during the original examination of the '573 Patent, it is appropriate here to summarize the prosecution history of the '573 Patent.

Appellant's arguments herein will refer to the summary provided in Section II below.

## II. Prosecution History of the '573 Patent

The '573 Patent issued from U.S. Patent Application Serial No. 07/586,391 (the "'391 Application'"), which was filed as a continuation of U.S. Patent Application Serial No. 07/206,497 (the "'497 Application'"). The '497 Application was originally filed on June 13, 1988 by Arthur Hair as a *pro se* applicant.<sup>1</sup> In the period after the initial filing of the '497 Application, Mr. Hair retained Ansel M. Schwartz as patent counsel. The Application was assigned to Examiner Hoa T. Nguyen ("Examiner Nguyen").

On December 19, 1988, Mr. Schwartz filed a preliminary amendment canceling original Claims 1 through 10 in the '497 Application and replacing them with new Claims 11 through 13, which read as follows:

11. A method for transmitting a desired digital audio music signal stored on a first memory to a second memory comprising the steps of:  
transferring money to a party controlling use of the first memory  
from a party controlling use of the second memory;  
connecting electronically the first memory with the second  
memory such that the desired digital signal can pass therebetween;  
transmitting the digital signal from the first memory to the second  
memory; and  
storing the digital signal in the second memory. (emphasis added).

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<sup>1</sup> The application which became the '497 Application was actually mailed on June 9, 1988. However, since Mr. Hair was unaware of the use of Express Mail, the application was accorded the date that it actually was received at the Office.

12. A method as described in Claim 11, including after the transferring step, the steps of searching the first memory for the desired digital audio signal; and selecting the desired digital audio signal from the first memory. (emphasis added).

13. A method as described in Claim 12 wherein the transferring step includes the steps of telephoning the party controlling use of the first memory by the party controlling the second memory; providing a credit card number of the party controlling the second memory to the party controlling the first memory so that the party controlling the second memory is charged money.

The first Office Action in the '497 Application was issued on November 15, 1988 on the basis of Claims 11 to 13 added by the preliminary amendment. All of the claims were rejected as anticipated by U.S. Patent 3,718,906. Mr. Schwartz responded to the Office Action on February 26, 1990. In this response, Claims 14 through 20 were added. Exemplary Claims 14 and 15 read as follows:

14. A method as described in Claim 11 wherein the transmitting step includes the step of transmitting the digital signal from the first memory to the second memory at a location determined by the second party controlling use of the second memory. (emphasis added)

15. A method for transmitting a desired a digital video or audio music signal stored on a first memory to a second memory comprising the steps of:

- charging a fee to a first party controlling use of the second memory;
- connecting the first memory with the second memory such that the digital signal can pass therebetween;
- transmitting the digital signal from the first memory to the second memory; and
- storing the digital signal in the second memory. (emphasis added)

The second Office Action in the '497 Application was issued on May 10, 1990 on the basis of Claims 11 to 20. All of the claims were rejected as anticipated by either of U.S. Patent 3,718,906 or 3,990,710. Mr. Schwartz responded to this Office Action on August 21, 1990. In this response, Claims 11, 12 and 15 were amended and Claim 21 was added. Claims 14 and 16

to 20 were canceled. Claims 11 and 15 were amended by including the recitation of a “transmitter” and a “receiver.” New Claim 21 read identically to Claim 12, except that it depended from independent Claim 15. On September 9, 1990, Examiner Nguyen issued an Advisory Action indicating that the amendments would not be entered.

The amendment was resubmitted with a File Wrapper Continuation and subsequently entered. The File Wrapper Continuation was assigned application serial number 07/586,391 (the “‘391 Application”). The ‘391 Application was filed as a **continuation** of the parent ‘497 Application and claimed priority to the June 13, 1988 filing date. In fact, due to a clerical error, Mr. Schwartz was required to revive the ‘497 Application as unintentionally abandoned for the express purpose of establishing copendency with the ‘391 Application so that a proper claim for priority could be made. No new oath was required by the Office when the ‘391 Application was filed.

The first Office Action in the ‘391 Application was issued on September 9, 1991 on the basis of Claims 11 to 13, 15 and 21. All of the claims were rejected as obvious over U.S. Patent 3,990,710. Mr. Schwartz responded to this Office Action on December 9, 1991. In this response, Claims 11 and 15 were amended to recite that the first party location was remote from the second party location. Claim 15 was further amended to delete the reference to digital audio signals. Claim 22 was added, and was essentially identical to Claim 13, but depended from Claim 21. In addition to the claim amendments, text was added to pages 3 and 5 of the specification.

The next Office Action in the ‘391 Application was issued on February 24, 1992 on the basis of Claims 11 to 13, 15, 21 and 22. In the Office Action, Examiner Nguyen explicitly objected to the amendments to the specification and rejected all of the claims as being

unsupported by the originally filed specification. *See* pages 5 to 6 of the February 24, 1992

Office Action. Examiner Nguyen specifically pointed out the following as not having a basis in the original specification:

- (1) “transferring money”
- (2) “second party financially distinct from the first party”
- (3) “in the controlling step ‘receiver in possession...of the second party””
- (4) “telephoning”
- (5) “providing a credit card”

The specification was objected to “as originally filed, failing to provide clear support for the amendments to pages 3 and 5.” The amendments to pages 3 and 5 encompassed the entirety of the amendments to the specification. Claims 11 to 13, 15, 21 and 22 were also rejected as obvious over U.S. Patent 3,990,710.

Mr. Schwartz responded to this Office Action on June 23, 1992. In this response, the amendments to the specification adding text at pages 3 and 5 were withdrawn. A substitute specification was submitted to address formal issues. Further, a new amendment to the specification was presented adding a new Abstract and adding text at page 6 and page 12 of the substitute specification. Claims 11 and 15 were amended to recite “transferring money electronically via a telecommunications line” and “connecting electronically via a telecommunications line.” Claim 15 was again amended to delete “audio.” Claim 23 was added.

In addition to the amendments and arguments filed with the Office Action response on June 23, 1992, Mr. Schwartz also filed a Declaration by Arthur Hair under 37 C.F.R. § 1.132 indicating that one of ordinary skill in the art would recognize that all of the terminology presented in the claims and specification by amendment was supported by the originally filed specification.



The next Office Action in the '391 Application was issued on September 21, 1992 on the basis of Claims 11 to 13, 15 and 21 to 23. The Office Action indicated that Claims 11 to 13, 15, 21 and 22 were allowable based on the response filed on June 23, 1992. Claim 23 was rejected. Mr. Schwartz responded to this Office Action on September 30, 1992 by canceling rejected Claim 23. The Examiner proceeded to issue a Notice of Allowance and Issue Fee Due on October 19, 1992. The Issue Fee was paid on December 4, 1992 and the '391 Application duly issued as the '573 Patent on March 2, 1993.

### **III. THE APPROPRIATE PRIORITY DATE FOR THE CLAIMS OF THE '573 PATENT IN REEXAMINATION IS JUNE 13, 1988**

As set forth in Section II above, the '573 Patent issued from U.S. Patent Application Serial No. 07/586,391 (the "'391 Application'"), which was filed as a continuation of U.S. Patent Application Serial No. 07/206,497 (the "'497 Application'"). The Office admits the '573 Patent is not a continuation-in-part, but asserts that the '573 Patent "shares the characteristics of a continuation-in-part." The Office now attempts to use this novel characterization of the '573 Patent as a pretext to re-examine the priority date of the claims in the '573 Patent, which Examiner Nguyen had properly awarded as June 13, 1988. In particular, the Office is attempting to improperly reassign a priority date of September 18, 1990 to the claims in reexamination.

The Office's actions in reassigning a priority date are improper procedurally, and incorrect based on the prosecution history of the '573 Patent. In the first instance, the reexamination statutes do not empower the Office to examine claims for issues of effective priority date in the absence of a continuation-in-part in the original examination history. On this basis alone, the Board should vacate the Examiner's findings with respect to the proper priority date of the claims in the '573 Patent. Even if the Board does not vacate the Examiner's findings

on this basis, the Board should vacate the Examiner's findings because the issue was thoroughly dealt with by Examiner Nguyen during the initial examination of the '573 Patent, and thus does not present a new issue related to patentability. Even putting those arguments aside, the Board should vacate the Examiner's findings with respect to priority because the claims as issued in the '573 Patent and as currently constituted in reexamination are clearly supported by the original specification filed on June 13, 1988.

**A. The Office Exceeded Its Statutory Authority In Considering Issues Of Priority In The Instant Reexamination**

The Office exceeded its statutory authority by considering issues of priority in the instant reexamination. It is well established that the scope of a reexamination proceeding is limited to whether claims are patentable under 35 U.S.C. §§ 102 and 103 "on the basis of patents and printed publications." 37 C.F.R. § 1.552. The reexamination rules explicitly preclude consideration of issues arising under 35 U.S.C. § 112, except "with respect to subject matter added or deleted in the reexamination proceeding." *Id.*; see also *In re Etter*, 756 F.2d 852, 856 (Fed. Cir. 1985) (*en banc*) ("only new or amended claims are also examined under 35 U.S.C. §§ 112 and 132").

Moreover, the inquiry under Section 120 as to whether the language of a particular claim, as filed or amended during an original prosecution, was supported or unsupported by sufficient disclosure is, by definition, not a *new* question. Rather, it is an issue that necessarily arises at the time of original filing or amendment, and one that necessarily is before the original examiner. Where a continuation-in-part ("CIP") appears in the prosecution history of a patent in reexamination, it may be necessary to make an inquiry into whether claims in the CIP, as issued or amended in reexamination, find support in the originally filed parent application or rely on new matter added when the CIP was filed during the original prosecution of the patent.

However, where no CIP appears in the record this issue cannot arise since by definition no new matter was found to be added during the original prosecution of the patent in question.

As a result, it is beyond the scope of reexamination for an examiner to make a threshold determination that new matter was added during the original examination of a patent in reexamination in the absence of a recognition of such new matter in the record of the original examination of the patent in question.

**1. There Is No CIP In The Prosecution History Of The '573 Patent**

The Office admits the '573 Patent is not a continuation-in-part, but then asserts the '573 Patent "shares the characteristics of a continuation-in-part," and cites this as a basis for assigning a later priority date to the claims of the '573 Patent. The Office points to text added to the specification of the '391 Application that was not found in the originally filed specification in the '497 Application as grounds for this new designation. The Office further cites MPEP § 201.11 to support its conclusion. However, the presence of additional or different text in the specification of a continuation application does not by itself render the continuation application a CIP. The prohibition of MPEP § 201.11 concerns addition of text that would constitute *new matter*.

As set forth in Section II above, the '391 Application was filed under the old File Wrapper Continuation procedure. According to MPEP § 201.06(b), in effect at the time, if the '391 Application had been filed as a CIP a new oath or declaration would have been required; none was required. Therefore, no CIP appears in the history of the original prosecution of the '573 Patent.

Further, the Office has cited no authority that empowers it, in the context of reexamination, to treat a continuation application as a CIP because the examiner in

reexamination believes the continuation “shares characteristics of a continuation-in-part.” An application or patent is either a continuation-in-part, or it is not. There simply is no designation in the statutes or regulations for patents that are continuations, but “share the characteristics of continuations-in-part”, as asserted by the Office. Therefore, the Office has no statutory basis for reassigning the priority date for the ‘573 Patent.

**2. The Reexamination Statute Does Not Empower The Office To Address Issues Of Priority Under 35 U.S.C. § 120 In The Absence Of A CIP Application In The Prosecution History Of A Patent In Reexamination**

The Office relies on MPEP §§ 2258(I)(C) and 2217 for an implicit grant of authority to cite intervening art based upon a newly determined effective filing date for claims. The Office refers to two cases: *In re Ruscetta*, 255 F.2d 687 (C.C.P.A. 1958) and *In re van Langenhoven*, 458 F.2d 132 (C.C.P.A. 1972), cited in MPEP § 2258(I)(C) as granting the underlying authority to address issues under 35 U.S.C. § 120 in reexamination. The Office’s reliance on *Ruscetta* and *van Langenhoven* is misplaced. Both *Ruscetta* and *van Langenhoven* deal explicitly with patents issued from CIP applications, which as discussed *supra*, is simply not the case in the present reexamination. Further, both cases pre-date the reexamination statute, and thus say nothing about the proper conduct of reexamination proceedings. The Office has cited no further authority to support its interpretation of *Ruscetta* or *van Langenhoven*. Moreover, the Office cannot expand the holdings of these cases simply by inserting references to them in MPEP sections dealing with the scope of reexamination. “The MPEP sets forth PTO procedures; it is not a statement of law.” *Regents of the Univ. of New Mexico v. Knight*, 321 F.3d 1111, 1121 (Fed. Cir. 2003).

In contrast to the present case, where a CIP application appears in the prosecution history of a patent in reexamination, it is appropriate to consider the issue of the effective priority date

of a claim in reexamination, since it is recognized that a CIP application may introduce new matter not disclosed in its parent application. However, where no CIP appears in the original prosecution record, the examiner in reexamination has no basis for determining that new matter was added during the original prosecution. Further, the limited scope of reexamination prohibits the examiner from undertaking this analysis on his own initiative.

**3. MPEP § 2258.IV.E Does Not Empower The Office To Revisit The Issue Of The Entitlement To A Priority Date Of Claims In An Issued Patent**

The Office cites MPEP § 2258.IV.E as an example of revisiting priority issues in reexamination. However, most of this section addresses only the procedural issues in reexamination for perfecting a claim for priority made previously during initial examination and does not address the merits of a claim for priority.

The cited section also deals with claiming priority under 35 U.S.C. § 120 to an earlier filed copending application during reexamination where there was an earlier *failure* to make such a claim. In the instant case, a claim of priority of June 13, 1988 was made by the applicant. Examiner Nguyen determined the '573 Patent was in fact entitled to that priority date. Since a claim of priority is, by definition, before the Examiner when it is made, it can never be a new issue in reexamination; *i.e.* an issue that the original Examiner had no reason to consider. Indeed, MPEP § 201.11, cited favorably by the Office, *requires* an Examiner to address the issue during initial examination.

Further, MPEP § 2258.IV.E does not address revisiting and removing an earlier claim of priority made in an application, and does not address the entitlement of an issued patent to an earlier claimed right of priority.

Finally, MPEP § 2258.IV.E addresses reexaminations initiated by the Appellant. The section does not empower the Office to address the issue of entitlement to a claimed priority date where the issue is not first raised by the Appellant.

The Office also cites MPEP § 1402, which concerns reissue proceedings, as an example of addressing priority issues. However, again, the cited section deals with adding or changing claims of priority, where an earlier claim contained an error or was not made at all. While MPEP § 1405 does address deletion of a priority claim in reissue, that section does not empower the Office on its own to determine the propriety of the priority claim.

Finally, 37 C.F.R. § 1.552(c) is explicit about the scope of re-examination:

Issues other than those indicated in paragraphs (a) and (b) of this section *will not be resolved in a reexamination proceeding*. If such issues are raised by the patent owner or third party requester during a reexamination proceeding, the existence of such issues will be noted by the examiner in the next Office action, in which case *the patent owner may consider the advisability of filing a reissue application to have such issues considered and resolved*.

37 C.F.R. § 1.552(c) (emphasis added). Therefore, notwithstanding MPEP § 1405, the propriety of a previously made priority claim cannot be revisited by the Office during reexamination.

**B. The Priority Date For The Claims In The ‘573 Patent Is Not A New Issue Related To Patentability**

Even if the reexamination statute did provide authority to address the issue of priority in reexamination, which it does not, the Office is still barred from considering the issue with respect to the ‘573 Patent because it does not present a new issue related to patentability.

**1. Examiner Nguyen Assigned A Priority Date Of June 13, 1988 To The Claims In The '573 Patent**

During initial examination of the '573 Patent, the '391 Application was filed as a **continuation** of the '497 Application and thus, as a preliminary matter, was entitled to the filing date of the original application, June 13, 1988. The Office makes much of the fact that the '391 Application was filed pursuant to the old File Wrapper Continuation procedure, which permitted the filing of CIPs. However, as set forth above, MPEP § 201.06(b), in effect at the time the '391 Application was filed, required that a CIP application filed pursuant to the File Wrapper Continuation procedure include a new oath or declaration. Since Examiner Nguyen did not require a new oath or declaration, as a threshold matter she assigned the priority date of June 13, 1988 to the '391 Application when it was filed.

Notwithstanding this, the Office has asserted that Examiner Nguyen did not consider or have reason to consider the issue of whether the additions to the specification constituted new matter. In support of these assertions, Examiner Foster provided a chart in the Office Action of September 29, 2006, showing when and under what circumstances additions to the specification and resulting claim amendments were made in the '497 and '391 Applications.

Appellant responded to this assertion by reproducing the Examiner's chart in amended form to demonstrate that Examiner Nguyen did in fact consider the various additions to the specification and concluded those additions did not constitute new matter and the subject claims therefore were supported under Section 112. The chart has been amended by adding three columns, subtitled respectively: "Consideration by Examiner Nguyen," "Response by Applicant," and "Subsequent Action by Examiner Nguyen." That chart is set forth below:

	Parent Application 07/206,497 filed June 13, 1988		Child Application 07/586,391 filed September 18, 1990		Office Action in Application 07/586,391 and response		Issuance of '573 Patent
Feature	Date First Appearing in Claims of Parent Application	Date First Appearing in Specification of Parent Application	Date First Appearing in Claims of Child Application	Date First Appearing in Specification of Child Application	Consideration by Examiner Nguyen	Response by Applicant	Subsequent Action by Examiner Nguyen
Transferring Money from Second Party to a First Party (Charging a Fee)	December 22, 1988 February 28, 1990			September 18, 1990	Considered in Office Action February 24, 1992	Objection/ rejections specifically responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action
Providing a Credit Card Number	December 22, 1988			September 18, 1990	Considered in Office Action February 24, 1992	Objection/ rejections specifically responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action
Controlling Use of First/Second Memory	December 22, 1988			September 18, 1990	Considered in Office Action February 24, 1992	Objection/ rejections responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action
Transmitting to a Location Determined by Second Party	February 28, 1990			September 18, 1990	Considered in Office Action February 24, 1992	Objection/ rejections responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action
Specific Video Download Procedures	February 28, 1990			September 18, 1990	No new matter issues were ever raised	No response was ever necessary since no issue was ever raised	Claims allowed in September 21, 1992 Office Action



First Party in Possession of Transmitter	August 24, 1990 (not entered)			September 18, 1990	Considered in Office Action February 24, 1992	Objection/rejections responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action
Second Party in Possession of Receiver and Second Memory	August 24, 1990 (not entered)			September 18, 1990	Considered in Office Action February 24, 1992	Objection/rejections specifically responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action

The foregoing chart shows that, following submission of the subject additions to the specification and corresponding amendments to the claims, Examiner Nguyen considered those additions and amendments in the Office Action of February 24, 1992. That consideration included an objection to the specification as containing new matter under Section 132, and corresponding rejections of the relevant claims under Section 112. The Applicant responded to, and overcame, that objection and those rejections in the Response of June 25, 1992. In that Response, the Applicant included arguments and a Declaration under 37 C.F.R. § 1.132 establishing that the additions to the specification had ample support in the originally filed specification because the subject matter of the additions was implicitly disclosed and understood by those skilled in the art.<sup>2</sup> After considering this Response by the Applicant, Examiner Nguyen withdrew the objection to the specification and the Section 112 rejections of the claims, and thereby determined the claims were allowable.

The amended chart set forth above demonstrates indisputably that Examiner Nguyen *did* consider the very same new matter and Section 112 rejections that the Office now asserts. As a

<sup>2</sup> As an ancillary matter, the Office now seems to question the persuasiveness of the Section 1.132 Declaration submitted by applicant during examination of the '391 Application. Appellant respectfully points out this is not an issue that can be addressed on reexamination. The original Examiner must be assumed to have done his job properly in the initial examination. See *Am. Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1359 (Fed. Cir. 1984).

result, by definition, Examiner Nguyen determined that the claims in the '573 Patent were entitled to claim priority to the original June 13, 1988 filing date.

In the Office Action in the instant reexamination dated March 17, 2007, the Office admitted that Examiner Nguyen did in fact address the issue of the alleged new matter shown in the table above. The Office further admitted that Appellant has effectively demonstrated as much through the table submitted with Appellant's Response to the Office Action of September 29, 2006. However, the Office now asserts that Examiner Nguyen did not have an opportunity to compare all of the amendments to the claims and specification made during prosecution to the originally filed specification. The Office refers to "gradually added new matter," which the Office asserts was not addressed by Examiner Nguyen. However, the Office fails to explicitly identify what it considered the "gradually added new matter." At best, the Office merely refers generally to Table II in the Office Action dated March 17, 2007. Upon reviewing Table II in its entirety, it is apparent that the table merely contains the same alleged new matter as the table presented above. That is, Table II does include anything that could be identified as "gradually added new matter," nor does it include anything that the Office has not already admitted was reviewed and passed on by Examiner Nguyen. As a result, the Office's rejection amounts to a bogus rejection that fails to define what is meant by "gradually added new matter." *See, e.g.,* MPEP § 706.03(o) (noting that, in making a new matter rejection, an examiner is required to "identify the new matter by page and the line numbers and/or drawing figures and provide an appropriate explanation of [his/her] position"). Therefore, the rejection is improper and the Board should reverse it.

**2. The Absence Of Rejections Based On Intervening References During The Initial Examination Of The '573 Patent Does Not Demonstrate Examiner Nguyen Failed To Address The Issue Of Priority**

Notwithstanding the above, the Office also asserts that Examiner Nguyen never had reason to consider the propriety of the claim of priority made in the '391 Application, because no intervening references were ever cited by the Examiner. This line of argument by the Office effectively puts the rabbit in the hat by concluding that the absence of any intervening references in the record is conclusive evidence the issue of priority was never addressed by Examiner Nguyen. It is more plausible to conclude that no intervening references were cited because Examiner Nguyen properly concluded the '391 Application was entitled to the priority date of June 13, 1988. This conclusion is fully supported by the written record as detailed in Section II and Section III(B)(1) above.

**3. The Office Lacks Jurisdiction To Review Again The Same Section 112 Issues Determined By Examiner Nguyen**

As established above, the question of Section 112 support, and hence the appropriate priority date for the claims in the issued '573 Patent, were considered and passed on by Examiner Nguyen in the original examination. Therefore, as a matter of established law, the Office lacks jurisdiction under the facts in this proceeding to challenge again the Section 112 support and the June 13, 1988 priority date of the claims in reexamination.

In *Patlex Corp. v. Quiqq*, 680 F. Supp. 33 (D.C. Cir. 1988), the United States District Court for the District of Columbia addressed a situation substantially identical to the circumstances of the present reexamination. In that case, the District Court reversed, on summary judgment, a decision by the BPAI upholding the final rejection of three claims in a reexamination proceeding. The claims in question had issued in a patent that resulted from a string of continuation and divisional applications relating back to an original priority

application. The reexamination examiner took the position that the three claims were not entitled to the original priority date. Consequently, the reexamination examiner reassigned a later effective priority date, based on the reexamination examiner's determination that the specification had not enabled the three claims under Section 112 as of the original filing date.

The District Court determined, however, that the issue of whether the three claims were enabled under Section 112 previously had been considered and decided by the original examiner, and the Court therefore explicitly held that the reexamination examiner lacked jurisdiction to consider that issue again:

Entitlement to the ... [original priority] filing date was decided in the ... [original] examination. Plaintiffs contended then they were entitled to the [original priority] filing date, and the first Examiner considered then whether the [original] disclosure was enabling. Consequently, in order to reexamine ... [the patent] on the basis of whether the claims were anticipated by ... [later prior art], the reexamination examiner had to "reexamine" the question of whether the specification of the ... [original application] contained an enabling disclosure of the subject matter claimed in the ... [patent]. As noted above, however, the reexamination statute does not contemplate a "reexamination" of the sufficiency of a disclosure. Rather it is limited to reexamination of patentability based on prior art patents and publications. Hence, the Court concludes that the Examiner and the Board lack jurisdiction in this case to "reexamine" the sufficiency of the specification of the ... [original application].

*Id.* at 36-37. (Emphasis added). The holding of the *Patlex* case, therefore, is clear. Where, as in the present case, an original examiner already has considered and determined the sufficiency of a specification's disclosure under Section 112 and the resulting entitlement of claims to an original priority date, there is no "substantial new" question of patentability for reexamination, as required by 35 U.S.C. § 301, *et seq.* As a result, the Office lacks jurisdiction to "reexamine" that same issue for those same claims in a subsequent reexamination proceeding.

For this reason as well, the Board should vacate the Examiner's determinations regarding the proper priority date for the '573 Patent.

**C. The Claims In The '573 Patent Plainly Are Supported By The Originally Filed Specification**

The Office asserts that, for written description support, the claims in the '573 Patent rely on certain alleged new matter added to the specification during the original prosecution of the '573 Patent. The Office also asserts that the claims directed to the video embodiment of the invention are not supported by disclosure that was enabling as of the original June 13, 1988 filing date. As set forth above, Appellant's position is that the Office lacks jurisdiction to review issues of adequate written description and enablement, especially where the particular issue was dealt with explicitly in the original prosecution of the patent in reexamination. Those arguments aside, it is clear the originally filed specification does in fact provide both adequate written description for all of the claims and an enabling disclosure for those claims directed to the "video feature" of the invention.

**1. The Claims As Issued In The '573 Patent Are Supported By Adequate Written Description In The Originally Filed Specification**

Appellant provides below an analysis demonstrating that each element in Claims 1 through 6 as issued in the '573 Patent is supported, either explicitly or implicitly, by the original specification filed on June 13, 1988.

**i) The Proper Standard For Determining If The Claims Are Adequately Supported By The Specification As Filed**

As a preliminary matter, the standard for written support in the absence of *ipsis verbis* recitation of a claim limitation is not strictly the inherency or required interpretation standard urged by the Office. Rather, the proper standard generally is whether the written description

reasonably conveys to the skilled artisan that the inventor was in possession of the claimed subject matter.

The issue of whether the written description requirement has been met is a question of fact, to be determined on a case-by-case basis. *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1562 (Fed. Cir. 1991). The legal standard for determining whether the facts of a particular case meet the written description requirement is well established, however. In *Vas-Cath*, the Court of Appeals for the Federal Circuit (“CAFC”) held that “[t]he test for sufficiency of support in a patent application is whether the disclosure of the application relied on ‘*reasonably conveys* to the skilled artisan that the inventor had possession at that time of the later claimed subject matter.’” *Vas-Cath*, 935 F.2d at 1563 (emphasis added). As further held by the CAFC in *Union Oil Co. of Cal. v. Atlantic Richfield Co.*, 208 F.3d 989 (Fed. Cir. 2000), “[t]he written description does not require the applicant ‘to describe exactly the subject matter claimed, [instead] the description must clearly allow persons of ordinary skill in the art to recognize that [the inventor] invented what is claimed.’” *Id.* at 997. In other words, contrary to the Office’s assertions, the general standard does not require that the “only reasonable interpretation” of the general features in the specification be the more specific features in the claims. *Vas-Cath*, 935 F.2d at 1566 (“[t]he [district] court further erred in applying a legal standard that essentially required the drawings of the ‘081 design application to *necessarily exclude* all diameters other than those within the claimed range.”)(emphasis in original).

Because the written description requirement is fact-based, various decision makers have at times appeared to drift from the “reasonably conveys” standard mandated by the CAFC. The CAFC, however, has never wavered from this standard. For example, in *Hyatt v. Boone*, 146 F.3d 1348 (Fed. Cir. 1998) the court reviewed a Board of Patent Appeals and Interferences

(“BPAI”) decision holding that one party to an interference (Hyatt) lacked the necessary written description in his originally filed application to support a later claim drawn to a count of the interference. The phraseology used by the BPAI in setting forth the standard for compliance with the written description requirement was that “the written description must be sufficient, when the entire specification is read that the ‘necessary and only reasonable construction’ that would be given it by a person of ordinary skill in the art is one that clearly supports each positive limitation in the count.” *Hyatt*, 146 F.3d at 1353. The appellant argued that the “necessary and only reasonable construction” standard applied by the BPAI was different from and more rigorous than the “reasonably conveys standard” set forth in *Vas-Cath*.

The CAFC determined that despite the arguably more rigorous phraseology used by the BPAI, the standard for meeting the written description requirement did not become more rigorous. Rather, the standard remains that “the written description must include all of the limitations...or the applicant must show that any absent text is *necessarily comprehended* in the description provided and would have been so understood at the time the patent application was filed.” *Hyatt*, at 1354-55 (emphasis added). Moreover, the CAFC has on subsequent occasions repeatedly reinforced that the standard of *Vas-Cath* remains in effect. *See, e.g., Pandrol USA, LP v. Airboss Ry. Prods, Inc.*, 424 F.3d 1161, 1165 (Fed. Cir. 2005) (“[t]he 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.”)

In addition to *Hyatt*, the Office has cited *In re Robertson*, 169 F.3d 734 (Fed. Cir. 1999), and *Lockwood v. American Airlines, Inc.*, 107 F.3d 1565 (Fed. Cir. 1997), as establishing a strict inherency standard for finding written support for a claim element not having *ipsis verbis* support in the specification. In the first instance, the citation of *In Re Robertson* is inapposite.

In *Robertson*, the CAFC reiterated the well-known standard for determining anticipation or obviousness of a claim by prior art where the prior art does not include literal disclosure of one or more elements of the claim. As such, *Robertson* was a case directed solely to Section 102/103 issues, and does not even mention Section 112. Moreover, nowhere in *Hyatt* or *Lockwood* does either court even allude to an inherency standard for showing support for claim limitations not described *ipsis verbis* in the specification. Rather, the CAFC simply held in *Lockwood* that “exact terms need not be used *in haec verba*..., the specification must contain an equivalent description of the claimed subject matter.” *Lockwood*, 107 F.3d at 1572 (citations omitted).

Therefore, the requirement of an inherency standard under Section 112 is unsupported by *Hyatt*, *Robertson*, or *Lockwood*. Rather, the proper standard to be applied by the Examiner in determining compliance with the written description requirement remains “whether the disclosure of the application as originally filed reasonably conveys to the artisan that the inventor had possession at that time of the later claimed subject matter, rather than the presence or absence of literal support in the specification for the claim language.” *In re Kaslow*, 707 F.2d 1366, 1375 (Fed. Cir. 1983).

**ii) All Features of Claims 1 Through 6 In The ‘573 Patent Find Written Support In The Originally Filed Specification**

Applying the proper standard for compliance with the written description requirement under Section 112, all of the limitations in Claims 1 through 6 of the ‘573 Patent are supported by the originally filed specification. To illustrate this point, Appellant has prepared a detailed chart showing each feature of the invention, the claims in which those features are recited, and where support in the originally filed specification is found for each feature. That chart is set forth immediately below:



Feature	Claims Reciting Feature	Written Description of Feature in Original Specification	Comments
A method for transmitting a desired digital audio signal	1	p. 1, lns. 7-9 p. 2, lns. 8-10, 20-26	<i>ipsis verbis</i> support
stored on a first memory of a first party to a second memory of a second party	1, 4	p. 3, lns. 35-40 p. 4, lns. 12-26	The specification states <i>ipsis verbis</i> that the hard disk in the control unit of the authorized agent is the source of the digital signal. Further, the specification states that the digital signal is transferred to the hard disk in the control unit of the user. A skilled artisan would understand this as transferring signals stored on a first memory to a second memory.
transferring money via a telecommunications line to a first party location remote from the second memory	1, 4	p. 1, lns. 13-15 p. 2, lns. 8-10, 20-23, 47-50 p. 3, lns. 20-33 Fig. 1	The specification discloses electronic sales via telephone lines. Because the agent is authorized to sell and to transfer via telephone lines, there is implicit support for selling and thereby transferring money. This was previously pointed out in the declaration of Arthur Hair submitted May 5, 1992. A skilled artisan would readily understand this to comprehend transfers between two remote locations.
second party financially distinct from the first party	1, 4	p. 1, lns. 13-15 p. 2, lns. 8-10, 20-23, 47-50 p. 3, lns. 20-33	A skilled artisan would readily recognize that a sale requires the parties to be financially distinct. This was previously pointed out in the declaration of Arthur Hair submitted May 5, 1992.
second party controlling use and in possession of the second memory	1, 3	p. 3, lns. 26-33, 40-43	The as filed original specification includes <i>ipsis verbis</i> support for a second party control unit, where the user is the second party. A skilled artisan would readily recognize that the second memory is in possession and control of the second party, since the

			specification as originally filed states throughout that the user can store, sort and play thousands of songs from the user unit. A skilled artisan would clearly understand that this means the second party controls and possesses the second party control unit. This was previously pointed out in the declaration of Arthur Hair submitted May 5, 1992.
connecting electronically via a telecommunications line the first memory with the second memory	1, 4	p. 3, lns. 35-40	<i>ipsis verbis</i> support
transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party	1	p. 2, lns. 47-52 p. 3, lns. 35-40 Fig. 1	The as filed original specification has <i>ipsis verbis</i> support transmitting a desired digital audio signal and that the hard disk in the control unit of the authorized agent is the source. A skilled artisan would recognize that in order to regulate distribution of the signals the authorized agent would have to possess and control the transmitter. This was previously pointed out in the declaration of Arthur Hair submitted May 5, 1992.
to a receiver having the second memory at a location determined by the second party; said receiver in possession and control of the second party	1, 4	p. 2, lns. 47-50 p. 3, lns. 20-40 Fig. 1 p. 4, lns. 21-23	A skilled artisan would readily recognize in order to receive digital signals over telecommunications lines as disclosed throughout the specification, part of the second party control unit would act as a receiver. This was addressed previously in the affidavit of Arthur Hair dated May 5, 1992. A skilled artisan would also readily understand this to comprehend transfers between two remote locations. Since the second party possesses the second memory, the second party

			can determine its location. This was addressed previously in the declaration of Arthur Hair submitted May 5, 1992.
storing the digital audio signal in the second memory	1	p. 2, lns. 23-27	<i>ipsis verbis</i> support
searching the first memory for the desired digital audio signal	2	p. 3, lns. 35-40 p. 4, lns. 12-28	The as filed original specification has <i>ipsis verbis</i> support for electronic sales and electronic transfer of digital signals from a control unit of an authorized agent to a control unit of a user. A skilled artisan would readily recognize that this would include searching the hard disk of the first party to locate desired digital signals for purchase.
selecting the desired digital audio signal from the first memory	2	p. 3, lns. 35-40 p. 4, lns. 12-28	The as filed original specification has <i>ipsis verbis</i> support for electronic sales and electronic transfer of digital signals from a control unit of an authorized agent to a control unit of a user. A skilled artisan would readily recognize that this would include selecting desired digital signals from the hard disk of the first party for purchase.
telephoning the first party controlling use of the first memory by the second party	3, 6	p. 2, lns. 47-50 p. 3, lns. 20-40 Fig. 1 p. 4, lns. 21-23	The original as filed specification states throughout that digital audio or digital video signals are sold and transferred via telephone lines. A skilled artisan would readily recognize this as comprehending the telephoning of the first party by the second party to initiate a transaction. This was addressed previously in the declaration of Arthur Hair submitted May 5, 1992.
providing a credit card number of the second party to the first party so that the	3, 6	p. 1, lns. 13-15 p. 2, lns. 8-10, 20-23, 38-52	The original as filed specification states throughout that the

second party is charged money		p. 3, lns. 12-15, 35-37	invention provides for electronic sales of digital audio or digital video signals. A skilled artisan would readily recognize credit card sales as being comprehended within electronic sales. This was addressed previously in the affidavit of Arthur Hair dated May 5, 1992.
first party controlling the first memory	3, 6	p. 2, lns. 38-43 p. 3, lns. 35-49	The as filed original specification includes <i>ipsis verbis</i> support for a first party control unit, where the authorized agent is the first party. A skilled artisan would readily recognize that the first party control unit is in possession and control of the first party because as an "agent authorized to electronically sell and distribute" digital audio or digital video, the first party would necessarily have to possess and control the source of the digital audio and digital video. This was previously pointed out in the declaration of Arthur Hair submitted May 5, 1992.
A method for transmitting a desired digital video signal	4	p. 5, lns. 36-43	<i>ipsis verbis</i> support
transmitting the desired digital video signal from the first memory with a transmitter in control and possession of the first party	4	p. 5, lns. 36-43 p. 2, lns. 47-52 p. 3, lns. 35-40 Fig. 1	The as filed original specification has <i>ipsis verbis</i> support transmitting a desired digital audio signal and that the hard disk in the control unit of the authorized agent is the source. A skilled artisan would recognize that in order to regulate distribution of the signals the authorized agent would have to possess and control the transmitter. This was previously pointed out in the declaration of Arthur Hair submitted May 5, 1992. A skilled artisan would

			recognize based on the disclosure at the end of the specification that this procedure could also be used for digital video.
storing the digital video signal in the second memory	4	p. 5, lns. 36-43 p. 2, lns. 23-27	The as filed original specification has <i>ipsis verbis</i> support for storing digital signals on the hard disk of the user control unit. A skilled artisan would recognize based on the disclosure at the end of the specification that this procedure could also be used for digital video.
searching the first memory for the desired digital video signal	5	p. 3, lns. 35-40 p. 4, lns. 12-28 p. 5, lns. 36-43	The as filed original specification has <i>ipsis verbis</i> support for electronic sales and electronic transfer of digital signals from a control unit of an authorized agent to a control unit of a user. A skilled artisan would readily recognize that this would include searching the hard disk of the first party to locate desired digital signals for purchase. A skilled artisan would recognize based on the disclosure at the end of the specification that this procedure could also be used for digital video.
selecting the desired digital video signal from the first memory	5	p. 3, lns. 35-40 p. 4, lns. 12-28 p. 5, lns. 36-43	The as filed original specification has <i>ipsis verbis</i> support for electronic sales and electronic transfer of digital signals from a control unit of an authorized agent to a control unit of a user. A skilled artisan would readily recognize that this would include selecting desired digital signals from the hard disk of the first party for purchase. A skilled artisan would recognize based on the disclosure at the end of the specification that this procedure could also be used

			for digital video.
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For all the reasons set forth in the chart immediately above, the written description standard was satisfied for Claims 1 through 6 of the '573 Patent. For the same reason, Claims 44 through 49 are also supported by the originally filed specification of the '497 Application.

Moreover, the claim language "transferring money electronically via a telecommunication line to a first party at a location remote from the second memory," "charging a fee," "providing a credit card number," and "charging an account," all would have been understood by one of ordinary skill in the art in the context of the described electronic sales and distribution of digital audio signals or digital video signals. In this context, one of ordinary skill in the art would have recognized that electronic sales encompassed transactions where a fee is charged, and thus money is transferred from one party to another electronically via a telecommunication line. It further would have been understood by one of ordinary skill in the art that electronic sales could be accomplished by providing a credit card number. As a result, one of ordinary skill in the art in 1988 would have recognized that the description of electronic sales in the specification of the '497 Application necessarily comprehends "transferring money to a first party from a second party electronically via telecommunication lines," "charging a fee," "charging an account," and "providing a credit card number."

One of ordinary skill in the art in 1988 would have also been aware of the available means for connecting computer systems to telecommunication lines for the purpose of transferring electronic signals; for example modems. Such means could be used at the originating (transmitting) computer and at the destination (receiving) computer. The control

unit or control integrated circuit of the copyright holder and user would have been recognized by one of ordinary skill in the art as being some type of computer system or part of a computer system. Therefore, the terms in the claims “transmitter” and “receiver” describe what would have been understood by one of ordinary skill in the art as being necessarily comprehended by the description provided in the specification and figures filed with the ‘497 Application.

Finally, it easily would have been recognized by one of ordinary skill in the art in 1988 that the specification’s teaching requires establishing some type of connectivity as a prerequisite to making a purchase/sale of digital signals, as well as for transferring the digital signals. Since the specification of the ‘497 Application explicitly discloses selling and transferring digital audio signals (or digital video signals) over telephone lines, it is clear that the step of requesting and establishing connectivity (telephoning) is necessarily comprehended in the description provided in the ‘497 Application, since the step would have been recognized as a prerequisite for performing the function of the disclosed system.

For all of the above reasons, Claims 1 through 6 and 44 through 49 find adequate written support in the specification of the ‘497 Application as filed and are therefore entitled to the June 13, 1988 priority date. For this reason as well, the Board should vacate the Examiner’s findings with respect to the priority date of the ‘573 Patent.

**2. The “Video Feature” of the Invention in Claims 4 Through 6 Of The ‘573 Patent Was Enabled By The Originally Filed Specification**

The Office asserts the “video feature” of the invention in Claims 4 through 6 was not enabled by the disclosure in the originally filed specification.

The Office acknowledges the “original specification does contain a general statement at the end of the specification stating “[f]urther, it is intended that this invention not be limited to Digital Audio Music and can include Digital Video....” The Office, however, generally asserts “this broad, generic statement fails to enable specifically claimed video download and processing procedures.” September 29, 2006 Office Action, page 12. Since the Office has not specifically identified which portions of the claims allegedly are not enabled, Appellant will discuss below the issue of enablement with respect to particular comments made in the September 29, 2006 Office Action.

**i) The Office Is Attempting To Apply An Improper Standard For Enablement**

The Office is attempting to apply a “mass production” standard to the claims when, in actuality, the enablement standard of Section 112 has no such requirement. As the CAFC held in *Christianson v. Colt Indus. Operating Corp.*, 822 F.2d 1544, 1562 (Fed. Cir. 1987), “the law has never required that [an Appellant]... must disclose in its patent the dimensions, tolerances, drawings, and other parameters of mass production not necessary to enable one skilled in the art to practice (as distinguished from mass-produce) the invention.” Nonetheless, it appears this kind of “mass production” information is exactly the kind of information the Office now seeks. For example, the Office Action states “[p]ersonal user devices with the processing power capable of playing back much larger and more complicated digital video files, such as DVD players, were not routinely available until the late 1990(s).” September 29, 2006 Office Action, pages 19-20. (emphasis added.) Whether such devices “routinely” were available is not part of the test for enablement, nor is it one of the eight factors for reasonable experimentation that were laid out by the CAFC in *In re Wands*, 858 F.2d 731 (Fed. Cir. 1988). Rather, the only



relevant test is whether, without undue experimentation, one of ordinary skill in the art could have made and used the claimed invention.

As further evidence that the Office seeks to apply a “mass production” standard, it is noted that the Office Action states “the digital bandwidth required to transmit a video signal at even VHS quality was around 1.5 megabits per second (approximately 30 megabytes in 3 minutes).” Office Action, page 14. (emphasis added.) However, while VHS quality may be appropriate for “mass production,” a limitation requiring VHS quality video is not included in any of the claims, and thus it is impermissible for the Office to use that level of quality as a benchmark for enablement. In fact, the recent success of very small screen video players shows that “mass production” can be achieved with even less than VHS quality.

Even if VHS quality were a requirement for enablement of the claims, there is no articulated basis to believe the original specification would not have enabled one of ordinary skill in the art to meet that quality for a short period of time. This fact is accentuated by the statement in the Office Action that “it is not clear ... how downloaded files of any appreciable or viable size would have been downloaded and stored on originally disclosed hard disk 60 of the user in the original specification.” September 29, 2006 Office Action, page 20. (emphasis added.) The use of “appreciable” and “viable” makes it clear that short videos are enabled, and nothing more is required. Further, the Office appears to acknowledge that even a 30-megabyte hard drive could store a three-minute movie if encoded at 1.5 megabits/second. *Id.* That alone is sufficient to meet the enablement requirement.

Moreover, the Office impermissibly limits the scope of what it referenced when the Office Action cites the size of available hard drives. While a 30-megabyte hard drive would have been available in a 3.5-inch form factor, the same chart relied on by the Office illustrates

that hard drives larger than 1.89 gigabytes were available at the same time. *See* September 29, 2006 Office Action, footnote 14.

Furthermore, the Office has applied the same “mass production” requirement to the library server. The Office initially seems to acknowledge that mainframes did exist which could have operated as repositories for copyrighted materials using hard disk drives. However, the Office then seems to discount the relevance of the existing mainframes by stating “it is not clear how even a small-sized video library ... would have been stored in the hard disk of the copyright holder ... without requiring details directed to a complex mainframe operating environment.” This unsupported statement on “complexity” is insufficient to prove that mainframe operating environments capable of storing digital video files were not already known at the time the original specification was filed, or that undue experimentation would have been required to store digital video files in such an environment. The statement also leaves unanswered how the Office is defining “small” -- according to the enablement standard under Section 112 or the improper “mass production” standard?

The Office Action further states “[r]egarding the transfer of these large video files over a network, the proliferation of broadband communication network[s] capable of delivering these large files to consumers, such as the Internet, simply did not exist or were not well known in 1988.” September 29, 2006 Office Action, pages 14-15. (emphasis added.) Such a statement raises at least two issues. First, “not well known” to whom? Those of ordinary skill in the art of computer systems knew of telephony-based wide area networks at the time the original specification was filed. See <http://www.rfc-editor.org/rfc-index.html> for a list of computer communications standards including those available at the time of filing. Second, utilization of a “broadband” network is not required. In fact, the originally filed specification discloses that

the audio and video files can be transferred over telephone lines. While this may not be an extremely fast method of transfer, it nonetheless clearly is enabling under Section 112.

The Office further questions “how the digital video would have been coded and decoded during transmission, as digital video coding standards for purposes of transmission and file download were not settled in 1988. [T]he MPEG-1 standard which was designed to code/decode digital video information and to transmit the video via a telephone (telecommunications) network in NTSC (broadcast) quality for archiving, was only established in 1992.” September 29, 2006 Office Action, page 21. (emphasis added.) Again, standardization of video coding and the use of “NTSC quality” relate to “mass production” rather than enablement under Section 112. Thus, the Office has not alleged -- and cannot allege -- that one of ordinary skill in the art could not have coded video at some other resolution or using some other encoding technique at the time the original specification was filed.

In contrast, those of ordinary skill in the art would have been able to code and decode video data transmitted over a telephone line without undue experimentation. This is because there were existing video teleconferencing systems known and available to them prior to applicant’s earliest priority date. As earlier as five years before applicant’s earliest priority date digital video signals could have been and were sent via telephone networks and decoded with picture processors in real-time.

Similarly, not only were TV processors for video processing available for use in video processing systems, but network interface specifications were available for making systems that were compatible with signals sent via telephone networks. As such, contrary to the position of the Office Action, it is clear that at the time of filing of the earliest priority application, one of

ordinary skill in the art would have been able to transmit, download and decode video signals as claimed without undue experimentation.

Accordingly, Claims 4 through 6 and Claims 47 through 49 directed to the “video feature” embodiment of the invention are enabled by the originally filed specification under the proper standard for Section 112 enablement.

**D. Because Claims 1 Through 6 And 44 Through 49 Are Entitled To The June 13, 1988 Priority Date Awarded During the Original Examination, *Cohen* Is Not Appropriate Prior Art**

Based on the foregoing, Claims 1 through 6 and 44 through 49 in reexamination are entitled to the June 13, 1988 priority date. In the first instance, it is improper for the Office to reconsider the issue of priority in the present reexamination for the reasons set forth in Sections III(A) and (B) above. Further, even if it were proper to reconsider the issue of priority, the facts of record clearly show the claims were described adequately and enabled by the originally filed specification for the reasons set forth in Section III(C) above. Therefore, U.S. Patent 4,949,187 to Cohen (*Cohen*) cannot be a proper basis for a rejection because the reference post-dates the applicable June 13, 1988 priority date for the claims. The Board should, therefore, reverse all rejections based on *Cohen*. See *supra*, Grounds 1-3 under the Grounds for Rejection to be Reviewed on Appeal.

**IV. THE CLAIMS AS AMENDED ARE SUPPORTED AND ENABLED BY THE WRITTEN DESCRIPTION**

In addition to questioning the written support and enablement of Claims 1 through 6 in the originally filed specification, the Office has also asserted separate rejections of Claims 1 through 6 as amended and new Claims 44 through 49 under 35 U.S.C. § 112, first paragraph. In making these rejections, the Office has improperly applied Section 112 analysis to claim elements that existed in the claims as issued, rather than limiting the analysis to “matter added or deleted” as required by 37 C.F.R. § 1.552. As detailed herein, Claims 1 through 6 and 44 through 49 are fully supported and enabled by the specification of the ‘573 Patent.

**A. Rejection Of Claims 44 Through 49 Under 35 U.S.C. § 112, First Paragraph**

Claims 44 through 49 have been rejected under Section 112, first paragraph, as introducing matter not described in the original specification. Claims 47 through 49 additionally have been rejected as not being enabled by the original specification.

As a preliminary matter, 37 C.F.R. § 1.552(a) states that an analysis under Section 112 will be performed with respect to *matter* added or deleted, not *claims* added or deleted. The restatement of matter already presented in Claims 1 through 6 in the form of Claims 44 through 49 does not add *matter* to the claims. MPEP § 2163.I states that issues under Section 112 “*most typically... arise in the context of...new or amended claims.*” (emphasis added.) This statement does not empower the Office to assert Section 112, first paragraph, rejections every time previously claimed matter is presented in the form of a different claim.

The only element present in Claims 44 through 49 that was not previously present in Claims 1 through 6 is the recitation of a hard disk. Therefore, the Office may only examine the recitation of “hard disk” for compliance with Section 112, first paragraph. A review of the originally filed specification demonstrates this recitation is fully supported and enabled by the originally filed specification. *See* Original Specification, p. 3, ln. 30.

Nonetheless, even if it were proper for the Office to examine Claims 44 through 49 in their entirety for compliance with Section 112, first paragraph, under 37 C.F.R. § 1.552(a), those issues were already addressed by Examiner Nguyen during the initial examination of Claims 1 through 6, as set forth above.

Further, as demonstrated by the Appellant in Section III above, each element of Claims 44 through 49 is fully supported and enabled by the specification of the ‘497 Application as

originally filed. Therefore, the Board should reverse the rejections of Claims 44 through 49 under 35 U.S.C. § 112, first paragraph.

**B. Rejection Of Claims 1 Through 6 Under 35 U.S.C. § 112, First Paragraph**

Claims 1 through 6 have been rejected under Section 112, first paragraph, as introducing matter not described in the original specification. Claims 4 through 6 additionally have been rejected as not being enabled by the original specification.

The Office asserts that the negative limitation of “a non-volatile storage portion of the second memory, wherein the non-volatile storage is not a tape or a CD”, introduces a new concept to the claims that does not have a basis in the originally filed specification. The Office cites two cases from the BPAI, one case from the CAFC, and one case from the Court of Customs and Patent Appeals (“C.C.P.A.”) to support this rejection. None of the cases support the rejection.

The CAFC case cited by the Office, *Lizardtech, Inc. v. Earth Res. Mapping, Inc.*, 433 F.3d 1373 (Fed. Cir. 2006), is merely an opinion denying a petition for rehearing *en banc*. The case does not address anything related to the current rejection. Therefore, the case simply does not support the Office’s position.

The two cases from the BPAI, *Ex Parte Wong*, No. 2004-1144, 2004 WL 4981845 (Bd. Pat. App. & Interf. June 10, 2004) and *Ex Parte Grasselli*, 231 U.S.P.Q. 393 (Bd. Pat. App. & Interf. 1983), address situations where a negative limitation added to a claim was not described in the specification of the application. However, neither *Wong* nor *Grasselli* support the rejection of Claims 1 through 6 under Section 112, first paragraph, in the instant case. In both *Wong* and *Grasselli*, the issue and ultimate ground for rejection was that a negative limitation added to the claims introduced a new concept not disclosed in the respective specifications in

those cases. That simply is not the situation here. Both Claims 1 and 4 recite a non-volatile storage portion of a memory that is not a tape or CD. The originally filed specification of the '497 Application explicitly states that the disclosed invention eliminates the need to handle tapes and CDs. *See* p. 2, Ins. 23 to 26. Thus, the concept of storing digital audio or digital video signals on a memory that is not a tape or CD is explicitly disclosed by the original specification. Therefore, *Wong* and *Grasselli* are inapposite to the present case.

The case from the C.C.P.A., *Application of Johnson*, 558 F.2d 1008 (C.C.P.A. 1977), concerns a situation where the applicant sought to claim priority to an originally filed application for claims in a subsequent continuation-in-part application. The holding of *Johnson* also fails to support the Office's position. In *Johnson*, an original parent application disclosed and claimed a genus of polymer compositions comprising various monomer units. In a later filed CIP application, the broad genus claims in the parent application were narrowed by expressly excluding certain species from the polymer compositions. The parent application only contained a description of the broader genus. The court found that claims to the narrower sub-genus created by the express exclusion of certain species in the CIP were not supported by the description of the broader genus in the parent specification. Again, the situation with the present reexamination differs significantly from the cited case law. Claims 1 and 4 recite a non-volatile storage portion of a memory that is not a tape or CD. This is exactly what is described at page 2, lines 23 to 26 of the originally filed specification. In short, the negative limitation recited in Claims 1 and 4 is expressly disclosed in the specification of the parent application. Thus, in the instant case, the scope of the disclosure in the specification was never narrowed with respect to this element, contrary to the situation in *Johnson*. Therefore, the recitation of a



non-volatile storage portion of a memory that is not a tape or CD is fully supported by the originally filed specification, as well as the specification of the '573 Patent as issued.

With respect to the other elements recited in Claims 1 through 6, the issue of written support for the claimed matter previously was addressed by Examiner Nguyen during the initial examination of Claims 1 through 6, as recognized by the Office in the Office Action dated March 17, 2007. Moreover, Appellant has thoroughly demonstrated in Sections III(C)(1)(ii) and III(C)(2) above that each element in Claims 1 through 6 is fully supported and enabled by the original specification as filed, as well as the specification for '573 Patent as issued.

Therefore, the Board should reverse the Examiner's rejections of Claims 1 through 6 under 35 U.S.C. § 112, first paragraph.

**V. BASED ON THE PROPER PRIORITY DATE FOR THE CLAIMS IN REEXAMINATION, THE REJECTIONS OF CLAIMS 1 THROUGH 6 AND 44 THROUGH 49 BASED ON *COHEN* ARE IMPROPER**

As set forth above, the proper priority for Claims 1 through 6 and 44 through 49 in reexamination is June 13, 1988. Therefore, any rejections under Sections 102 or 103 which rely on references that are not prior art based on the June 13, 1988 priority date are improper and should be reversed. U.S. Patent 4,949,187 to Cohen (*Cohen*) issued on August 14, 1990 from an application filed on December 16, 1988. Therefore, *Cohen* does not qualify as prior art for the purposes of Sections 102 and 103.

**A. Rejection Of Claims 1, 2, 4, 5, 44, 45, 47 And 48 Under 35 U.S.C. § 102(e) As Anticipated By *Cohen***

Claims 1, 2, 4, 5, 44, 45, 47 and 48 have been rejected under 35 U.S.C. § 102(e) as anticipated by *Cohen*. Because *Cohen* is not available as prior art based on the proper priority date of June 13, 1988 for the '573 Patent, the instant rejection is improper. Therefore, the Board should reverse this rejection.

**B. Rejection Of Claims 1 Through 6 and 44 Through 49 Under 35 U.S.C. § 103(a) Over *Bush* In View Of *Cohen***

Claims 1 through 6 and 44 through 49 have been rejected under 35 U.S.C. § 103(a) as obvious over the combination of U.S. Patent 4,789,863 to Bush (*Bush*) in view of *Cohen*. Because *Cohen* does not qualify as prior art based on the proper June 13, 1988 priority date of the '573 Patent, a combination of *Cohen* and another reference cannot provide a proper basis for an obviousness rejection. As a result, the rejection of Claims 1 through 6 and 44 through 49 based on a combination of *Bush* and *Cohen* is improper. Therefore, the Board should reverse this rejection.

**C. Rejection Of Claims 3, 6, 46 and 49 Under 35 U.S.C. § 103 (a) Over *Cohen* In View Of *Bush***

Claims 3, 6, 46 and 49 have been rejected under 35 U.S.C. § 103(a) over *Cohen* in view of *Bush*. Because *Cohen* does not qualify as prior art based on the proper June 13, 1988 priority date of the '573 Patent, a combination of *Cohen* and another reference cannot provide a proper basis for an obviousness rejection. As a result, the rejection of Claims 3, 6, 46 and 49 based on a combination of *Bush* and *Cohen* is improper. Therefore, the Board should reverse this rejection.

**VI. CLAIMS 1 THROUGH 6 AND 44 THROUGH 49 ARE PATENTABLE OVER THE REFERENCES OF RECORD THAT ARE PROPER PRIOR ART**

The Office has also presented rejections under 35 U.S.C. § 103(a) that are based on references that qualify as prior art based on the June 13, 1988 priority date for the claims in reexamination. However, the Office has not established a *prima facie* case of obviousness of any of Claims 1 through 6 or 44 through 49 based on these references.

**A. Rejection Of Claims 1 Through 6 And 44 Through 49 Under 35 U.S.C. § 103(a) Over *Bush* In View Of *Freeny I***

Claims 1 through 6 and 44 through 49 have been rejected under 35 U.S.C. § 103(a) as obvious over the combination of *Bush* in view of U.S. Patent 4,837,797 to Freeny (*Freeny I*).

The Office admits that *Bush* does not disclose storing digital audio signals or digital video signals in a non-volatile storage portion of a second memory that is not a tape or a CD as recited in Claims 1 and 4. As further admitted by the Office, *Bush* does not disclose storing digital audio signals or digital video signals in a second party hard disk as recited in Claims 44 and 49.

*Freeny I* discloses a message controller for receiving voice messages and machine readable messages over telephone lines. The apparatus of *Freeny I* is capable of differentiating between voice messages and machine readable messages received over standard telephone equipment, *i.e.* a telephone. When the apparatus of *Freeny I* determines that a received call is a voice message, it causes the user's telephone to ring, thereby alerting the user. When the apparatus of *Freeny I* determines that a received call is a machine readable message, it converts the message to human readable form using a standard printer or display unit. One embodiment of the apparatus of *Freeny I* indicates it is capable of receiving machine readable messages and storing them on a storage medium that may be a memory chip or hard disk.

However, *Freeny I* does not discuss transmission of digital audio or digital video signals from a first memory to a second memory, let alone the sale of such digital video or digital audio signals. Thus, *Freeny I* bears no relation to the disclosure of *Bush* or the invention recited in Claims 1 through 6 and 44 through 49. The Office apparently has recognized this deficiency in *Freeny I*, because the Office must cite to *Cohen* to show motivation to combine *Bush* and *Freeny I*. However, as set forth above, *Cohen* is not available as prior art based on the priority date of June 13, 1988 for the '573 Patent.

The Supreme Court's recent holding in *KSR Int'L Co. v. Teleflex Inc.*, 127 S. Ct. 1727 (U.S. 2007), does not relieve the Office of the obligation to show motivation to combine two separate references in making out a *prima facie* case of obviousness. Quite to the contrary, the Supreme Court stated: "[t]o determine whether there was an apparent reason to combine the known elements in the way a patent claims, it will often be necessary to look to interrelated teachings of multiple patents; to the effects of demands known to the design community or present in the marketplace; and to the background knowledge possessed by a person having ordinary skill in the art. *To facilitate review, this analysis should be made explicit.*" *KSR*, 127 S. Ct. at 1731 (emphasis added).

Since the Office has not shown any motivation to combine *Bush* and *Freeny I*, a *prima facie* case of obviousness has not been established. Therefore, the Board should reverse this rejection.

**B. Rejection Of Claims 1 Through 6 And 44 Through 49 Under 35 U.S.C. § 103(a)  
Over *Akashi* In View Of *Freeny II***

Claims 1 through 6 and 44 through 49 have been rejected over Japanese Patent Application No. 62-284496 (*Akashi*) in view of U.S. Patent 4,528,643 to Freeny (*Freeny II*). Such a rejection is unfounded. First, the combination of *Akashi* and *Freeny II* would not reach the presently claimed invention. Second, there is no motivation to combine *Akashi* and *Freeny II*.

The Office asserts that *Akashi* shows a system for transmitting recorded music from a host computer that stores recorded music data to a personal computer. The Office then asserts that *Akashi* “does not expressly detail...whether the data is stored on a non-volatile portion of a second memory that is not a tape or CD.” This is incorrect. *Akashi* explicitly discloses a record reproducing device that is a compact disk deck or a digital audio tape recorder. See *Akashi* Translation, p. 2 (Embodiment). In other words, *Akashi* is not ambiguous at all on this point. Thus, not only does *Akashi* fail to disclose transmitting digital audio signals or digital video signals from a first memory to a second memory and storing the digital audio signals or digital video signals in a non-volatile portion of the second memory that is not a tape or CD, *Akashi* expressly teaches away by specifically disclosing and requiring a tape recorder or CD deck.

The Office asserts the deficiencies of *Akashi* are cured by *Freeny II*. Specifically, the Office asserts that *Freeny II* discloses transmitting digital audio signals or digital video signals from a first memory in control and possession of a first party to a second memory in control and possession of a second party, and storing the digital audio signals or digital video signals in a non-volatile storage that is not a tape or CD. The Office further asserts it would have been obvious to implement the non-volatile storage of *Freeny II* in the system of *Akashi* because “[t]he use of a hard disk would have allowed the user to more efficiently access audio and video

files.” The Office bases its position on the conclusion that “a hard-disk, would have also increased the security and reliability of the stored data.”

For several reasons, it would not have been obvious to combine the teachings of *Akashi* and *Freeny II* to arrive at the invention recited in Claims 1 through 6 and 44 through 49. First, *Freeny II* discloses a kiosk-type system for producing “material objects” at a point of sale location where it is the “material object” that is sold to consumers. *Freeny II*, Abstract. Thus, like *Akashi*, *Freeny II* expressly teaches away from storing digital audio signals or digital video signals on a non-volatile storage portion of a second memory that is not a tape or CD in possession and control of a second party. Further, in *Freeny II*, the second memory (information manufacturing machine) for storing the information that is transformed into material objects is in possession and control of the first party. The first party controls access to the information on the second memory by requiring a fee to be paid for the consumer (second party) to access the information stored on the second memory. After the fee is paid, the second party has limited access to the specific information requested for the purpose of making a copy in the form of a material object. In the case of audio or video information, the material object would be in the form of a tape or CD. Therefore, again, both *Akashi* and *Freeny II* contemplate and require supplying audio information to the consumer in the form of a tape or CD. Thus, like *Akashi*, *Freeny II* expressly teaches away from storing digital audio signals or digital video signals on non-volatile storage portion of a second memory that is not a tape or CD in possession and control of a second party.

Additionally, in *Freeny II*, the necessary material object containing the digital audio or digital video signals is produced by accessing information stored on the second memory. The first memory (information control machine) simply supplies reproduction authorization codes in

response to a request for reproduction from the information manufacturing machine. The second party never has access to the first memory, as recited in present Claims 2, 5, 45 and 48.

Both *Akashi* and *Freeny II* solve the same problem: providing audio information, and video information in the case of *Freeny II*, to a consumer in the form of a material object, such as a tape or CD. *Akashi* and *Freeny II* solve this common problem in different and unrelated ways. Nonetheless, neither of the references teaches or discloses the benefits of transmitting digital audio signals or digital video signals from a first memory to a second memory and storing those digital audio signals or digital video signals in a non-volatile portion of the second memory that is not a tape or CD, which is in possession and control of a consumer, *i.e.* a second, financially distinct, party. Therefore, the combination of *Akashi* and *Freeny II* does not teach or suggest every limitation of Claims 1 through 6 or 44 through 49. In fact, because both *Akashi* and *Freeny II* expressly require storing digital audio signals or digital video signals on a tape or CD, they teach away from the invention recited in Claims 1 through 6 and 44 through 49. “[W]hen the prior art teaches away from combining certain known elements, discovery of a successful means of combining them is more likely to be nonobvious.” *KSR*, 127 S. Ct. at 1740. As a result, these references cannot be combined to render Claims 1 through 6 obvious.

Even if the combination of *Akashi* and *Freeny II* did teach each and every element of Claims 1 through 6 or 44 through 49 – which they do not – the motivations cited by the Office for combining and/or modifying *Akashi* and *Freeny II* are not found in those references. Moreover, the Office has not cited to any other references or knowledge available to one of ordinary skill in the art in 1988 that would have motivated a skilled artisan to combine and/or modify *Akashi* and *Freeny II* as suggested by the Office. Rather, the Office simply has made vague statements that the security and reliability of hard disks would have been well known at

the time. Such general allegations are insufficient to show motivation to combine these references, particularly since neither one of them even hints at such a modified combination. Again, as the Supreme Court has just admonished: “[a] patent composed of several elements is not proved obvious merely by demonstrating that each element was, independently, known in the prior art.” *KSR*, 127 S. Ct. at 1731.

Based on all of the foregoing, the Office has not established a *prima facie* case of obviousness of Claims 1 through 6 and 44 through 49 over the combination of *Akashi* and *Freeny II*. Therefore, the Board should reverse this rejection.

**C. The Secondary Considerations Of Non-Obviousness Support The Finding Of Non-Obviousness Of Claims 1 Through 6 And 44 Through 49**

Although a showing of secondary considerations is not strictly necessary to establish the non-obviousness of Appellant’s invention, such secondary considerations in fact do exist.

The CAFC has explicitly set forth the factors, such as commercial success, long felt but unresolved needs, skepticism by experts, and copying by competitors that can be used to establish non-obviousness. *Brown & Williamson Tobacco Corp. v. Philip Morris Inc.*, 229 F.3d 1120, 1129 (Fed. Cir. 2000). The CAFC has held that a nexus must be established between the merits of a claimed invention and the evidence of non-obviousness offered if that evidence is to be given substantial weight enroute to a conclusion of non-obviousness. *Ex parte Remark*, 15 U.S.P.Q.2d 1498, 1502 (Bd. Pat. App. & Interfer. 1990). The CAFC has also held, however, that copying of a patented feature or features of an invention, while other unpatented features are not copied, gives rise to an inference that there is a nexus between the patented feature and the commercial success. *Hughes Tool Co. v. Dresser Industries, Inc.*, 816 F.2d 1549, 1556 (Fed. Cir. 1987). Moreover, it is well established that copying of a patented invention, rather



than one within the public domain, is by itself indicative of non-obviousness. *See Windsurfing Int'l Inc., v. AMF, Inc.*, 782 F.2d 995, 1000 (Fed. Cir. 1986).

The invention recited in Claims 1-6 (and Claims 44-49) generally comprises transferring “for pay” digital video or digital audio signals between a first memory controlled by a seller and a second memory at a remote location controlled by a buyer over a telecommunication line. The invention has in the past achieved significant commercial success. *See, e.g.*, Declaration of Arthur R. Hair submitted with Appellant’s Response dated December 27, 2005.

Moreover, the invention continues to achieve commercial success in that it has been copied by a major participant in the field. The features of the invention generally included in Claims 1-6 (and Claims 44-49) have been copied by at least one commercially successful system available today: Napster Light. The Napster Light system (“Napster”) for purchasing digital music files online at [www.napster.com](http://www.napster.com) is a commercially successful system that embodies the features of the claimed invention. The Declaration of Justin Douglas Tygar, Ph.D. (“Tygar Dec. 2005”), a copy of which is filed herewith, supports the assertion that Napster is commercially successful and has copied the claimed invention.

Dr. Tygar determined that Napster has achieved a level of commercial success. *See Tygar Dec. 2005*, para. 6. Further, Dr. Tygar compared Napster to the invention recited in Claims 1-6 and determined Napster copied the invention. Specifically, Dr. Tygar found that Napster operates a music download system incorporating servers having hard disks and memory, through which it sells digital music files to a buyer for download over the Internet. *See Tygar Dec. 2005*, para. 10. The buyer using Napster has a computer at a home, office, or other location remote from Napster. *See Tygar Dec. 2005*, para. 11. The buyer forms a connection between his or her computer and Napster via the Internet, selects digital music

file(s) he or she wishes to purchase, provides a credit card number, and receives the music file via a download process where the file is transferred from Napster's server to the buyer's computer and stored on the hard drive. The buyer can then play the file using his or her computer system. *See Tygar Dec. 2005, paras. 12-16.* In view of this comparison, Dr. Tygar properly concludes that Napster has copied the features taught by the present invention. *See Tygar Dec. 2005, para. 19.*

Additionally, Napster *does not* copy the alleged closest prior art cited by the Examiner, *i.e., Freeny and Akashi.* *Freeny* teaches a point-of-sale device (e.g., a kiosk) that dispenses a material object (e.g., tape) containing the music purchased. *See Freeny, col. 1, line 64 to col. 2, line 12.* These features of *Freeny* are plainly not found in Napster. *See Tygar Dec. 2005, para. 16.* *Akashi* teaches writing data to a digital audio tape recorder or a compact disk deck that employs a write-once, read-many times recordable optical disk which allows data to be read immediately after the data is written. The user downloads data to a RAM and then the data is written directly from the RAM to a recordable optical disk. *See Akashi para. 6.* This process of *Akashi* is not how Napster operates. *See Tygar Dec. 2005, para. 18.*

Therefore, it is apparent that Napster chose to copy the system taught by the '573 patent. *See Tygar Dec. 2005, para. 19.* It is also apparent that Napster chose *not* to copy the prior art systems of *Freeny* and *Akashi.* *See Tygar Dec. 2005, para. 20 and 21.* This selective copying by Napster of the invention recited in Claims 1-6 (and Claims 44-49), while Napster ignored the systems of *Freeny* and *Akashi,* provides a sound basis upon which the required nexus between commercial success and Appellant's claimed invention can be found. *See Hughes Tool, 816 F.2d at 1556.* Additionally, Napster's selective copying of Appellant's invention, coupled with Napster's disregard of the *Freeny* and *Akashi* systems, is itself substantive evidence of a

recognized secondary indication of non-obviousness. *See Windsurfing International Inc.*, 782 F.2d 995 (Fed. Cir. 1986).

The foregoing remarks and the Declaration of Dr. Tygar establish the requisite nexus between the commercial success of Napster and Appellant's claimed invention. These remarks and the Declaration of Dr. Tygar similarly have established copying by Napster as a secondary indicia of non-obviousness.

**Conclusion**

Based on the foregoing, the Board should reverse the rejections of Claims 1 through 6 and 44 through 49 under 35 U.S.C. §§ 102(e) and 103(a). Also based on the foregoing, the Board should reverse the rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 112, first paragraph.

Respectfully submitted,



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Reg. No. 32,474

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**Date: January 30, 2008**

**CLAIMS APPENDIX**

1.(Amended) A method for transmitting a desired digital audio signal stored on a first memory of a first party to a second memory of a second party comprising the steps of: transferring money electronically via a telecommunication line to the first party at a location remote from the second memory and controlling use of the first memory from the second party financially distinct from the first party, said second party controlling use and in possession of the second memory; connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital audio signal can pass there-between; transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party; and storing the digital signal in a non-volatile storage portion of the second memory, wherein the non-volatile storage portion is not a tape or CD.

2.(Original) A method as described in claim 1 including after the transferring step, the steps of searching the first memory for the desired digital audio signal; and selecting the desired digital audio signal from the first memory.

3.(Original) A method as described in claim 2 wherein the transferring step includes the steps of telephoning the first party controlling use of the first memory by the second party; providing a credit card number of the second party controlling the second

memory to the first party controlling the first memory so the second party is charged money.

4.(Amended) A method for transmitting a desired digital video signal stored on a first memory of a first party to a second memory of a second party comprising the steps of: transferring money electronically via a telecommunications line to the first party at a location remote from the second memory and controlling use of the first memory, from a second party financially distinct from the first party, said second party in control and in possession of the second memory; connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital video signal can pass there-between; transmitting the desired digital video signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party; and storing the digital signal in a non-volatile storage portion of the second memory, wherein the non-volatile storage portion is not a tape or a CD.

5.(Original) A method as described in claim 4 including after the transferring money step, the step of searching the first memory for the desired digital signal and selecting the desired digital signal from the first memory.

6.(Original) A method as described in claim 5 wherein the transferring step includes the steps of telephoning the first party controlling use of the first memory by the second party controlling the second memory; providing a credit card number of the second party controlling the second memory to the first party controlling the first memory so the second party controlling the second memory is charged money.

7-43 (Canceled)

44.(New) A method for transmitting a desired digital audio signal stored on a first memory of a first party to a second memory of a second party comprising the steps of:  
transferring money electronically via a telecommunications line to the first party at a location remote from the second memory and controlling use of the first memory from the second party financially distinct from the first party, said second party controlling use and in possession of the second memory;  
the second memory including a second party hard disk;  
connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital audio signal can pass therebetween;  
transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party;  
and storing the digital signal in the second party hard disk.

45.(New) A method as described in claim 44 including after the transferring step, the steps of searching the first memory for the desired digital audio signal; and selecting the desired digital audio signal from the first memory.

46.(New) A method as described in claim 45 wherein the transferring step includes the steps of telephoning the first party controlling use of the first memory by the second party; providing a credit card number of the second party controlling the second memory to the first party controlling the first memory so the second party is charged money.

47.(New) A method for transmitting a desired digital video signal stored on a first memory of a first party to a second memory of a second party comprising the steps of:

transferring money electronically via a telecommunications line to the first party at a location remote from the second memory and controlling use of the first memory from the second party financially distinct from the first party, said second party controlling use and in possession of the second memory;

the second memory including a second party hard disk;

connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital video signal can pass therebetween;

transmitting the desired digital video signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party;

and storing the digital signal in the second party hard disk.

48.(New) A method as described in claim 47 including after the transferring step, the steps of searching the first memory for the desired digital signal; and selecting the desired digital signal from the first memory.

49. (New) A method as described in claim 47 wherein the transferring step includes the steps of telephoning the first party controlling use of the first memory by the second party; providing a credit card number of the second party controlling the second memory to the first party controlling the first memory so the second party is charged money.



**EVIDENCE APPENDIX**

- 1) Declaration under 37 C.F.R. § 1.132 of Arthur R. Hair submitted with the Appellant's response of December 27, 2005.
- 2) Declaration under 37 C.F.R. § 1.132 of Dr. J. Douglas Tygar submitted with the Appellant's response of December 27, 2005.
- 3) Website: <http://www.rfc-editor.org/rfc-index.html>, referenced in Appellant's response of November 29, 2006.
- 4) Website: [http://en.wikipedia.org/wiki/Non-volatile\\_storage](http://en.wikipedia.org/wiki/Non-volatile_storage), referenced in Appellant's response of November 29, 2006.



capital necessary to launch a company that would build eCommerce systems protected by the patents.

4. With the foregoing three patents in hand, SightSound Technologies achieved many notable firsts, including:
  - first to electronically sell a music download via the Internet;
  - first to electronically sell a movie download via the Internet;
  - first to produce a motion picture specifically for simultaneous electronic distribution worldwide via the Internet;
  - first to electronically sell encrypted movies legally through the Gnutella file-sharing networks, without being in violation of copyrights;
  - first to develop a legal system to sell encrypted music legally through the Napster file-sharing networks, without being in violation of copyrights;
  - first to electronically sell a movie into a movie theater projection booth via the Internet for digital exhibition from a windows workstation; and
  - first to electronically sell a movie into a handheld unit, a Compaq iPac Pocket PC.
  
5. SightSound built five Media eCommerce Systems. Over time, these systems grew from a single server located in Pittsburgh to a geographically distributed system with a central core in Pittsburgh that controlled remote servers located in New York, Los Angeles, Santa Clara, Seattle, Chicago, Washington D.C. and Boston. Version 1 was built in 1995

and Version 2 was built in 1998, both of these versions only sold music. Version 3.1, 3.2 and 3.3 were built between 1999 and 2001 and sold both music and movies. The fifth system built at SightSound Technologies (which we called Version 3.3) was a fully automated, database driven secure Media eCommerce System that had the hardware capacity to rent and/or sell 380,000 movies a day.

6. The foregoing Media eCommerce Systems were covered by one or more claims in each of United States Patent Nos. 5,141,573, 5,675,734 and 5,966,440.
  
7. The Media eCommerce Systems were designed to support:
  - official movie websites;
  - banner ads that automatically invoke a download;
  - digital cinema (download to the projection booth);
  - portable audio/video devices
  - database driven websites; and
  - peer-to-peer file-sharing networks.
  
8. Using its Media eCommerce Systems, SightSound Technologies provided client services releasing motion pictures and music for Internet download sale for more than 40 filmmakers, special interest video production companies and recording artists. SightSound Technologies first offered music for sale via the Internet in download fashion in September 1995. At that time, SightSound Technologies offered music from the band

"The Gathering Field." Individual songs were priced at 99 cents and the entire album was available for \$6.00. SightSound Technologies went on to build a respectable client roster that included over 65 companies and individuals, including:

- Miramax Films (a subsidiary of the Walt Disney Company)
- Showtime Networks (the Tyson -vs- Norris boxing match)
- Comedy Central (half owned by Fox and half owned by Warner Brothers)
- Lyric Studios (the children's television program "Barney")
- WQED TV

9. I have attached as part of this Declaration several announcements and media coverage illustrating the many accomplishments that United States Patent Nos. 5,191,573; 5,675,734; and 5,966,440 assisted SightSound Technologies to achieve.

I further 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 are 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 issuing thereon.

23 DECEMBER 2005  
Date

Arthur R. Hair  
Arthur R. Hair

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: )  
ARTHUR R. HAIR )  
Reexamination Control No. 90/007,402 )  
Reexamination Filed: January 31, 2005 ) A SYSTEM FOR TRANSMITTING  
Patent Number: 5,191,573 ) DESIRED DIGITAL VIDEO OR  
Examiner: Benjamin E. Lanier ) AUDIO SIGNALS  
)

December 23, 2005

Mail Stop *Ex Parte* Reexamination  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

DECLARATION UNDER 37 C.F.R. §1.132

I, Justin Douglas Tygar, hereby declare that:

1. I am a tenured, full Professor at the University of California, Berkeley with a joint appointment in the Department of Electrical Engineering and Computer Science (Computer Science Division) and the School of Information Management and Systems.
2. I earned an A.B. degree in Math/Computer Science from the University of California, Berkeley, in 1982 and I earned a Ph.D. in Computer Science from Harvard University in 1986.
3. I am an expert in software engineering, computer security, and cryptography. I have taught courses in software engineering and computer security at the

undergraduate, master's, and doctorate level at both the University of California, Berkeley and Carnegie Mellon University.

4. I serve in a number of capacities on government, academic, and industrial committees that give advice or set standards in security and electronic commerce. In addition, I have authored numerous publications in the fields of computer science and security in electronic commerce. I have attached a copy of a recent curriculum vita to this declaration as Exhibit A.

5. At the request of counsel, I have compared a currently available system for purchasing digital audio files, namely the online music service offered at [www.napster.com](http://www.napster.com) known as Napster Light<sup>1</sup> (hereinafter "Napster Light"), with the teachings of U.S. Patent 5,191,573 (the "'573 patent").

6. Napster Light is a currently operating service with an apparently wide user base. It is therefore apparent that Napster Light, which uses the teachings of the '734 Patent, has been commercially successful.

7. The '573 Patent generally discloses a method pertaining to the electronic sale and transfer of digital audio or video signals, which are signals containing recorded sound or

---

<sup>1</sup> It should be noted that the Napster Light service offered by the entity known currently as Napster, Inc. at [www.napster.com](http://www.napster.com) is separate and distinct from a previous file sharing on-line service offered by an earlier entity entitled Napster. It is my understanding that this prior entity went out of business in 2002, at which time Roxio, Inc. acquired the Napster name and trademark rights. Subsequently, Roxio, Inc. changed their name to Napster, Inc., thus creating the current entity referred to herein as "the new Napster, Inc."

video, such as a musical or video recording, converted into binary form. The steps of the method pertain to the following:

- A first party who is a seller of digital audio or video signals through telecommunication lines. Telecommunication lines can include the Internet. The seller must have control over a computer memory, which includes a hard disk and RAM. The hard disk includes copies of encoded digital audio or video signals, which are the digital audio or video signals configured in a form that would prevent unauthorized copying.

- A second party who is a buyer of the digital audio or video signals. The buyer must possess and control his or her own computer memory. The buyer's memory must be located at a location remote from the location of the memory controlled by the seller.

8. The invention of the '573 patent comprises a number of steps, though not in any particular order except as indicated below. The steps are:

- Forming an end-to-end electronic connection over the telecommunications lines between the computer memory controlled by the seller and the buyer's computer memory, which is controlled by the buyer;

- Transmitting the desired digital audio signal from the first memory to the second memory; and

- Storing the transferred copy of the digital audio or video signals in the buyer's memory.



9. I have accessed Napster Light for the purpose of comparing it to the '734 patent. Based on my review, I have determined the following facts set forth in paragraphs 10 through 20 of this declaration.

10. The operator of Napster Light (i.e., the new Napster, Inc.), the "first party" for the purposes of this comparison, operates a music download system through which digital music files are sold to buyers for download over the internet. The digital music files contain digital representations of sound recordings. I have concluded from viewing information on [www.napster.com](http://www.napster.com) that Napster Light uses a system that includes servers, which have memory that includes hard disks that store digital music for sale over the internet. The new Napster, Inc. appears to control the servers that contain the digital music files for sale.

11. The typical online buyer using Napster Light, the "second party" for the purposes of this comparison, controls a personal computer. For instance, the buyer controls which software to install and run on the computer, what data to store in the computer, and when to operate the computer. The buyer has the computer at a home, office, or other location remote from Napster Light.

12. Using a software application downloaded from a website associated with Napster Light, the online buyer may connect to Napster Light's online music library over the Internet and browse online music catalogs. The buyer forms a connection between his or her computer and the Internet through an Internet Service Provider (ISP) that may be accessed via a dial-up connection using a modem and a telephone line.

13. Using the downloaded software application, the online buyer browses Napster Light's online music catalogs. The online buyer can select a particular digital music file he or she desires.

14. The digital music file is delivered to the online buyer via a download operation that is automatically initiated between Napster Light's servers and the online buyer's computer.

15. The download process occurs by transmitting a copy of the digital music file over the Internet to the online buyer's computer. The transmitted copy is stored in the online buyer's computer hard drive. Throughout this downloading process, the online buyer is in control of his or her computer's memory.

16. The downloaded copy of the digital music is stored to the hard drive of the buyer's computer, from which it can be written to other media such as an optical disk or memory of a portable device.

17. Napster Light does not include a point-of-sale device such as a kiosk, as used in United States Patent No. 4,528,643 to Freeny (the "Freeny Patent").

18. Napster Light does not writing a digital signal from memory directly to an optical disk or digital tape, as taught in Japanese Patent Publication 62-284496 to Akashi (the "Akashi Patent").

19. In view of the foregoing, I have determined that Napster Light embodies the elements taught in the '573 Patent. As a result, it can be concluded that Napster Light has copied the teachings of the '573 Patent.

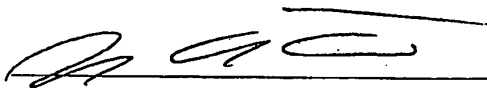
20. Also in view of the foregoing, I have determined that the Napster system does not embody essential elements of the Freeny patent. As a result, it can be concluded that Napster Light has not copied the Freeny patent.

21. Also in view of the foregoing, I have determined that the Napster system does not embody essential elements of the Akashi patent. As a result, it can be concluded that Napster Light has not copied the Akashi patent.

I further 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 are 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 issuing thereon.

26 Dec 05

Date



Justin Douglas Tygar, Ph.D.




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Appellant respectfully submits that removing reference to the unentered information overcomes the objections in the Notification and places the brief in compliance with 37 C.F.R. § 41.37. If, in the opinion of the examiner, a telephone conference would aid in processing the subject brief, the examiner is invited to call the undersigned attorney.

Respectfully submitted,



Robert A. Koons, Jr., Esq.  
Attorney for Appellant  
Reg. No. 32,474

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Date: January 30, 2008



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CENTRAL REEXAMINATION UNIT **Drinker Biddle & Reath**  
L L P

One Logan Square  
18<sup>th</sup> & Cherry Streets  
Philadelphia, PA 19103-6996  
■ 215-988-2700

FACSIMILE INFORMATION SHEET

TO:	<u>Manuel Saldana</u>	FROM:	<u>Daniel P. Reilly</u>	DIRECT DIAL:	<u>215-988-1992</u>
DATE:	<u>February 6, 2008</u>	DOCUMENT NAME:	<u>90/007,402</u>		
NUMBER OF PAGES: INCLUDING COVER					<u>2</u>
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IF YOU DO NOT RECEIVE THIS FAX DOCUMENT IN ITS ENTIRETY, PLEASE CALL **Daniel P. Reilly** AT 215-988-1992  
DB&R FACSIMILE MACHINES  
215-988-2757

Message:

In response to your voicemail message to Mr. Robert Koons on February 5, 2008, the following is a Certificate of Service for Reexamination No. 90/007,402.

If you have any questions, please contact Robert Koons at (215) 988-3392 or Daniel Reilly at (215) 988-1992.

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Reexamination Number 90/007,402

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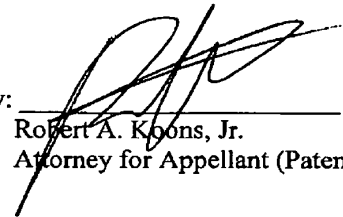
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Arthur R. Hair	:	Group No.: 3992
	:	
Serial No.: 90/007,402	:	Examiner: Roland G. Foster
	:	
Filed: January 31, 2005	:	Confirmation No. 2998
	:	
For: METHOD FOR TRANSMITTING A DESIRED DIGITAL VIDEO OR AUDIO SIGNAL		

CERTIFICATE OF SERVICE

The undersigned hereby certifies that true and correct copies of the AMENDED BRIEF ON APPEAL UNDER 37 C.F.R. § 41.37 and the RESPONSE TO NOTIFICATION OF NON-COMPLIANT APPEAL BRIEF, which were filed with the United States Patent & Trademark Office on January 30, 2008, in Reexamination No. 90/007,402, were served via First Class United States Mail, postage prepaid, this 6th day of February 2008, on the following:

Mr. Albert S. Penilla  
 Martine, Penilla, & Gencarella, LLP  
 710 Lakeway Drive, Suite 200  
 Sunnyvale, CA 94085  
 Attorney for Third Party Reexamination Requester

By:   
 Robert A. Koons, Jr.  
 Attorney for Appellant (Patentee)





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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,402	01/31/2005	5191573	NAPS001	2998

23973                      7590                      04/24/2008

DRINKER BIDDLE & REATH  
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EXAMINER

ART UNIT                      PAPER NUMBER

DATE MAILED: 04/24/2008

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



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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

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Sunnyvale, CA 94085

MAILED  
APR 24 2008  
CENTRAL REEXAMINATION UNIT

## **EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM**

REEXAMINATION CONTROL NO. 90/007,402.

PATENT NO. 5191573.

ART UNIT 3992.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified *ex parte* reexamination proceeding (37 CFR 1.550(f)).

Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the *ex parte* reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).



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**EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM**

REEXAMINATION CONTROL NO. 90/007,402.

PATENT NO. 5191573.

ART UNIT 3992.

Enclosed is a copy of the latest communication from the United States Patent and Trademark Office in the above identified *ex parte* reexamination proceeding (37 CFR 1.550(f)).

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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 90/007,402  
Filing Date: January 31, 2005  
Appellant(s): 5191573

Robert A. Koons, Jr.  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed January 30, 2008 appealing from the Office action mailed March 17, 2007.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

Related appeals are pending from reexamination proceeding for the following U.S. Patents, which are all related to the subject '573 patent.

<u>U.S. Patent No.</u>	<u>Reexamination Proceeding</u>	<u>Relationship To Subject U.S. Patent</u>
5,675,734	90/007,403	Great Grand-Child
5,966,440	90/007,407	Great Grand-Child

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct to the extent it contains a concise explanation of the subject matter.

**(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is substantially correct. The changes are as follows: claims 1, 2, 4, 5, 44, 45, 47 and 48 stand rejected under 35 U.S.C. § 102(e), not under 35 U.S.C. § 103(a) over U.S. Patent No. 4,949,187 to Cohen.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Evidence Relied Upon**

4,528,643	Freeny	7-1985
4,789,863	Bush	12-1988
4,837,797	Freeny, Jr.	6-1989
4,949,187	Cohen	8-1990
62-284496	Akashi	12-1987

"The History of Recordings", Recording Industry of Association, retrieved from <http://www.riaa.com/issues/audio/hisotry.asp> on September 19, 2006.

"History of CD Technology", citing as a source "The compact Disc Handbook, 2nd Edition," by Ken C. Pohlmann, retrieved from <http://www.oneoffcd.com/info/hisotrycd.cfm> on September 19, 2006.

"History of MPEG", University of California, Berkeley, School of Information Management and Systems, retrieved from <http://www2.sims.berkeley.edu/courses/is224/s99/GroupG/report1.html> on September 19, 2006

"IBM HDD Evolution" chart, by Ed Grochowski at Almaden, retrieved from [http://www.sorageview.com/guideImages/z\\_ibm\\_sorageevolution.gif](http://www.sorageview.com/guideImages/z_ibm_sorageevolution.gif) on September 19, 2006.

### **(9) Grounds of Rejection**

#### **Summary**

U.S. Patent No. 5,191,573 is presently under reexamination in this proceeding. The claims of said patent are generally directed to downloading audio and video content via a "telecommunications line," where a district court, consistent with the appellant's arguments in that proceeding, held that the term "telecommunications line" may include the Internet.<sup>1</sup> The appellant has not characterized the claimed invention differently in this reexamination proceeding. See for example, the Declaration by Arthur R. Hair, filed on December 27, 2005, especially paragraphs 4-6.

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<sup>1</sup> Sightsound.com Inc. v. NSK, Inc. Cdnow, Inc., and Cdnow Online, Inc., Civil Action No. 98-118, pp. 50 and 57 (District Court for the Western District of Pennsylvania, Feb. 2002).

### **Intervening Printed Publications**

#### **Summary**

Claims in an *ex parte* reexamination proceeding will be examined on the basis of patents or printed publications. 37 CFR 1.552. The examiner may use an intervening printed publication when the claims under reexamination are entitled only to the actual filing date of the patent being reexamined, not to the filing date of a different, earlier filed patent. 35 U.S.C. 120. See also MPEP § 2258.I.C.

#### **Definitions**

As an initial matter, the instant 5,191,573 (the "573") patent under reexamination and the earlier filed application are related as follows. The '573 patent under reexamination issued from U.S. Application No. 07/586,391 (hereinafter the "Child" application), which was filed on September 18, 1990. The parent (earlier filed) application to the Child application is U.S. Application No. 07/206,497, as originally filed on June 13, 1988 (hereinafter the "Parent" application).

#### **Basic Statement of the Issues Regarding Entitlement to the Benefit of a Filing Date of an Earlier Application**

The Child application is alleged to be related to the Parent application as a "continuation" application (i.e., the Child application did not, on filing, contain disclosure of any subject matter not present in the Parent application, and the claims of the Child application, on filing, were fully



supported by the disclosure of the Child application, see MPEP § 201.06(c).III).<sup>2</sup> However, the specification of the Child application (at the time the Child application issued as the '573 patent under reexamination) and the specification of the Parent application, as originally filed (see attachment "A"), differ considerably, as discussed below, raising issues of priority under 35 U.S.C. 120.

Furthermore, the prosecution history of the Child application (issuing as the '573 patent under reexamination) does not show that the examiner had any reason to consider the propriety of the benefit (continuation) claim set forth in the Child application to the originally filed, Parent application, as, for example a reference dated later than the filing date of the Parent application that would antedate the actual filing date of the Child application. In addition, the prosecution history of the Child patent does not contain any substantive, written discussion between the appellant and the examiner regarding such a claim to the benefit of filing date in the Parent applications, as originally filed.

For the reasons to be discussed below, the effective filing date of the '573 patent under reexamination, which issued from the Child application, is September 18, 1990 (at the earliest), which is the actual filing date of the Child application.

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<sup>2</sup> Note that all the applications above were filed under the old "file wrapper continuation" procedures under 37 CFR 1.62, see MPEP § 201.06(a).

Intervening Patents and Printed Publications Are Available as Prior Art In a Reexamination Proceeding According to 35 U.S.C. 120

A rejection may be made in an *ex-parte* reexamination proceeding based on an intervening patent when the patent claims under reexamination, under 35 U.S.C. 120, are entitled only to the filing date of the patent under reexamination. Specifically:

Rejections may be made in reexamination proceedings based on intervening patents or printed publications where the patent claims under reexamination are entitled only to the filing date of the patent and are not supported by an earlier foreign or United States patent application whose filing date is claimed. For example, under 35 U.S.C. 120, the effective date of these claims would be the filing date of the application which resulted in the patent. Intervening patents or printed publications are available as prior art under *In re Ruscetta*, 255 F.2d 687, 118 USPQ 101 (CCPA 1958), and *In re van Langenhoven*, 458 F.2d 132, 173 USPQ 426 (CCPA 1972). See also MPEP § 201.11

MPEP § 2258.I.C, Scope of Reexamination (emphasis added).

As discussed above, 35 U.S.C. 120 applies to *ex-parte* reexamination procedure. To be entitled to benefit of an earlier filing date under 35 U.S.C. 120, the previously filed specification of the Parent application must support the invention claimed in the Child application. See 35 U.S.C. 120.

The Original Claims of the Child Patent Under Reexamination Are Not Entitled to Benefit of the Filing Date of the Parent Application, as Originally Filed, Under 35 U.S.C. 120 Because the Parent Application, as Originally Filed, Fails to Support Several Features Claimed in the Child Patent Under Reexamination

A review of the prosecution history reveals that a significant amount of new text (directed to various features) added in a series of amendments is not found in the Parent application as originally filed (attachment "A"). Consider the following Table I:

**Table I. New Matter Chart**

	Parent Appln. 07/206,497, filed 6/13/88 (Abandoned)		Child Appln. 07/586,391, filed 9/18/90 (5,191,573)	
Feature	Date First Appearing in Claims of Parent Appln.	Date First Appearing in Spec. of Parent Appln.	Date First Appearing in Claims of Child Appln.	Date First Appearing in Spec. of Child Appln.
Hard Disk/Control Unit of Seller/User	Filing Date of the <b>Original</b> Application – 6/13/88	Filing Date of the <b>Original</b> Application – 6/13/88		Filing Date of the Child Application – 9/18/90
Electronic sales and distribution of the music				
Broad Statement at end of spec. regarding Video Applicability, Note *		Filing Date of the <b>Original</b> Application – 6/13/88		Filing Date of the Child Application – 9/18/90
Transferring Money from Second Party to a First Party (Charging a Fee)	12/22/88 (2/28/90)		Filing Date of the Child Application – 9/18/90	12/11/91
Providing a Credit Card Number	12/22/88		Filing Date of the Child Application – 9/18/90	
Controlling Use of First/Second Memory	12/22/88		Filing Date of the Child Application – 9/18/90	12/11/91
Transmitting to a Location Determined by Second Party	2/28/90		Filing Date of the Child Application – 9/18/90	12/11/91
Specific Video Download Procedures	2/28/90		Filing Date of the Child Application – 9/18/90	12/11/91 Note **
First Party in Possession of Transmitter	8/24/90, but not entered		Filing Date of the Child Application – 9/18/90	12/11/91
Second Party in Possession of Receiver and Second Memory	8/24/90, but not entered		Filing Date of the Child Application – 9/18/90	12/11/91

Key: Clear row means original matter present in the original Parent application. Shaded row means new matter introduced by amendment into both the Parent and Child applications subsequent to the date of the original Parent application.

Note \* - The original specification also describes using a "convenient visual display of the user's library of songs" (page 5), however this section appears to relate to displaying category/lyrical information to the user regarding downloaded audio content, and not directed to the actual download, processing, and display of video content.

Note \*\* - Even more detailed video download procedures are added to the specification of subsequent Child applications, see the 90/007,403 and 90/007,407 reexaminations.

Appellant failed to provide adequate support for all the new text added by the series of amendments (as identified in Table I above) to the Parent and Child applications. Appellant should specifically point out the support for any amendments made to the original disclosure. MPEP § 714.02, 2163.II.A.2(b), and 2163.06. Consider the following:

**Table II. Amendment History Chart**

**I. Parent Application No. 07/206,497 (filed June 13, 1988)**

***a. Amendment of Dec. 22, 1988***

New Matter in Claims

New Independent Claim 11 – "transferring money to a party controlling use of the first memory"

New Dependent Claim 13 - "providing a credit card number of the party controlling use of the first memory by the party controlling the second memory"

New Matter in Spec.

No new matter added to specification.

Support for New Matter

Applicant made a statement in the amendment that "support for these new claims is found in the figures." This statement however is very broad. Applicant does not specifically point out where in the figures the added features are found and the examiner cannot find support for such features.

***b. Amendment of Feb. 28, 1990***

New Matter in Claims

New Dependent Claim 14 - "transmitting the digital signal from the first memory to the second memory at a location determined by the second party..."

New Independent Claim 15 –

\* "transmitting a desired digital, a video or audio music signal...."

[detailed recitation of a method for transmitting follows]

\* "charging a fee to the first party controlling use of the second memory"

New Dependent Claim 18 – "charging a fee to a party controlling the use and the location of the second memory."

New Matter in Spec.

Abstract briefly mentions storing video signals onto a hard disk.

Support for New Matter

Applicant made a statement in the amendment that "antecedent support for these claims is found in Figure 1." This statement is very broad. Applicant does not specifically point out where in the figures the added features are found and the examiner cannot find support for such features.

***c. Proposed After-final Amendment of August 24, 1990 (Not Entered)***

New Matter in Claims

Independent Claim 11 –

\*"second party controlling use and in possession of the second memory"

\* "with a transmitter in control and possession of the first party to a receiver having a second memory at a location

determined by the second party, said receiver in possession and control of the second party"

Independent Claim 15 –

- \* "charging a fee by a first party controlling use of the first memory
- \* new limitations similar to claim 11 above

New Matter in Spec.

Title amended to state "Method for Transmitting a Desired Video or Audio Signal"

Support for New Matter

No support was provided.

**II. Child Application No. 07/586,391 (filed September 18, 1990) (FWC) (Issued as 5,191,573)**

A substantial amount of new matter was added to the Child application, with respect to the Parent application as originally filed. For example, see the preliminary amendment of September 18, 1990, the amendment of December 11, 1991, the amendment of June 25, 1992, and the amendment of October 5, 1992.

Thus, as discussed above, the appellant failed to point out support in the original Parent application, as originally filed (attachment "A"), for all of the new text added by the series of amendments. Appellant should specifically point out the support for any amendments made to the original disclosure. MPEP § 714.02, 2163.II.A.2(b), and 2163.06.

Limitations Later Added by Amendment, but Missing from the Original Written Description, Must Be Required By or Necessarily Present in the Original Written Description, Otherwise Those Limitations Are New Matter To the Original Written Description

Furthermore, the new text added by the amendments identified above is in the nature of additional, narrowing limitations and elements undisclosed by the generic statements in the original disclosure of the Parent application. When an explicit limitation in a claim "is not present in the written description whose benefit is sought it must be shown that a person of ordinary skill would have understood, at the time the patent application was filed, that the description requires that limitation." Hyatt v. Boone, 146 F.3d 1348, 1353, 47 USPQ2d 1128, 1131 (Fed. Cir. 1998) (emphasis added) (Certiorari Denied). The written description must "actually or inherently disclose the claim element." Poweroasis, Inc. v. T-Mobile USA, Inc., 2008 WL 1012561, p. 6 (Fed. Cir. 2008). "To establish inherency, the extrinsic evidence must make clear that the missing descriptive matter is necessarily present in the thing described in the reference.... Inherency, however, may not be established by probabilities or possibilities." In re Robertson, 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999) (citations omitted, emphasis added). As for speculation about undisclosed uses of the originally disclosed elements, it is not sufficient that the written description, when "combined with the knowledge in the art, would lead one to speculate as to modifications that the inventor might have envisioned, but failed to disclose." Lockwood v. American Airlines, Inc., 107 F.3d 1565, 1571, 41 USPQ2d 1961, 1965-66 (Fed. Cir. 1997). See also MPEP § 2163.II.A.2(b) and § 2163.05.II.

New Matter Issues Other Than Video Download Features

In the instant case, it is clear that the explicit limitations added by amendment but missing from the original written description are not required by or necessarily present in the original written description. The recited details as to how money is transferred from a second party to the first party, a fee is charged, or how a credit card number is provided are not disclosed or required by the original, generic statement "electronic sales and distribution of the music...." For example, during the originally disclosed electronic sale, money could instead be transferred from a third party buyer (e.g., advertiser, local network provider, local retail store, friend, etc.) and/or transferred to a third party seller (e.g., remote wholesale music provider, local network provider, local retail store, etc.). Furthermore, a money fee would not necessarily be charged upfront during a sale (e.g., a free preview or trial period, or a sale based on barter or credits). Thus, an electronic sale could be booked without the transfer of money. Finally, digital content would not necessarily be purchased using a credit card. For example, the person downloading the content could receive the bill in the mail.

Similarly, the ability to control and possess a transmitter, receiver, and memory and to determine the location to which data is transmitted is not disclosed or required by the original, generic statements such as "control unit of the user." For example, the originally disclosed control unit of the seller or user could instead mean that seller and/or buyer instead rent or lease the equipment as is commonplace in the computer network industry rather than possess the equipment. Neither is the seller or user required to exercise control over their equipment, for



example, the downloading services could be provided by a third party offering a turn-key solution.

The appellant submitted a Declaration on June 25, 1992 attempting to show many of the above features were nonetheless required. This Declaration however, and related attorney arguments, were in response to a new matter objection made to one in a series of amendments, specifically the amendment of December 11, 1991 (see the non-final rejection in the Child application, mailed on February 24, 1992), where by the way, both the examiner and appellant only touched upon a subset of the new matter issues described in Table I above. A series of amendments to the specification and claims were filed previously and subsequently to this single amendment in the Parent and Child applications, where each amendment gradually added new matter. See Table II, *supra*. Therefore, it is not clear whether the examiner addressed this issue in regard to the specification as originally filed in the Child application from which the '573 patent issued, much less in regard to the specification as originally filed in the Parent application, which is at issue here.

Nonetheless, the Declaration is unpersuasive. Although factual evidence is preferable to opinion testimony in a 37 C.F.R. 1.132 Declaration, opinion testimony is entitled to consideration and some weight so long as the opinion is not on the ultimate legal conclusion at issue. While an opinion as to a legal conclusion is not entitled to any weight, the underlying basis for the opinion may be persuasive. MPEP § 71601(c).III. Here, the 1.132 Declaration relies upon the opinion of the inventor, often couched in conclusory language, to reach

conclusions about what would have been required by the specification, as it existed at the time of the December 11, 1991 amendment. That is, the Declaration goes to the ultimate legal conclusion at issue, whether the specification at the time of the December 11, 1991 amendment discloses those limitations newly introduced into the December 1991 amendment. Thus, the Declaration is not entitled to any weight, and furthermore the basis for the opinion is unpersuasive. For example, consider the following conclusory statement from page 2:

One skilled in the art would know that an electronic sale inherently assumes a transferring of money by providing a credit or debit card number (since that is the only way for electronic sales to occur) coupled with a transferring of a service or product.

As discussed above, a money fee would not necessarily be charged upfront during a sale (e.g., a free preview or trial period, or a sale based on barter or credits). Thus, an electronic sale could be booked without the transfer of money. The purchaser instead could be easily identified by other types of information (e.g., account number, PIN, email address, mailing address, etc.). Furthermore, digital content would not necessarily be purchased using a credit card. The simplest example is that a person downloading the content could receive the bill in the mail.

#### New Matter Related to Video Download Features

The specific video download features added to the original specification and claims by the above amendments are not disclosed nor required by the one sentence, generic statement at the end of the original specification that "this invention is not to be limited to Digital Audio

Music and can include Digital Video...."<sup>3</sup> Undisclosed digital video features (assuming enablement) could be implemented into the broadly termed "invention" in an almost unlimited number of specific, possible (but not required) ways, such as at various levels of integration with the originally disclosed audio system and at various levels of detail. By introducing new text directed to specific video download features in the subsequent amendments, the appellant simply chose one possible (but not required) way to integrate video features into the originally disclosed audio system.<sup>4</sup> Indeed, the appellant continued to add specific, video download and transmission procedures not found in the original specification (i.e., chose other possible ways to integrate video features) during the prosecution of subsequent, allegedly "continuation" applications, see the 90/007,403 and 90/007,407 reexaminations.<sup>5</sup> Thus, the original, one sentence generic statement does not require all the many instances of undisclosed, specific details later added by the appellant.

Furthermore, transmission and storage of digital video content significantly differs in technology from the transmission and storage of digital audio content, thus the originally disclosed audio transmission features fail to imply or require any video transmission features. For example, the decoding of digital video data is much more processor intensive than the decoding of digital audio data due to the increased information content and bandwidth of a

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<sup>3</sup> The original specification also describes using a "convenient visual display of the user's library of songs" (page 5), however this section appears to relate to displaying category/lyrical information to the user regarding downloaded audio content, and not directed to the actual download, processing, and display of video content.

<sup>4</sup> See the amendments of February 28, 1990, December 11, 1991, and June 25, 1992.

<sup>5</sup> Although adding text that replaces all appearances of "audio" with "video" would be one possible (but not required) way to integrate undisclosed video features into the originally disclosed audio system, this is not what the applicant has done here, probably because such a rote replacement would create a dysfunctional system. For example, those originally disclosed audio features directed to listening to the audio cannot be simply replaced with the word video (e.g., listening to "video"). For example, applicant waited until the child application to add new text directed toward displaying downloaded video, see page 10 of the amendment, filed January 3, 1994, in child application 08/023,398.

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typical video signal. In the mid 1980(s), at the time of the filing date of the original Parent specification, only compact audio disk players were routinely available.<sup>6</sup> Personal user devices with the processing power capable of playing back much larger and more complex digital video files, such as DVD players, were not routinely available until the late 1990(s), and even these devices initially only read video data from read-only DVD disks capable of storing large digital video files, not from video data downloaded (recorded) from a remote server via a communications network.<sup>7</sup> Thus, undisclosed devices capable of decoding and playing back digital video files would not have been required nor necessarily present based on the original disclosure of an integrated circuit 50 of the user, which was also originally disclosed to process and store audio information. For the same reasons, it is also not clear how the originally disclosed, incoming RAM 50c and playback RAM 50d could have supported storage of downloaded video and playback.

Further regarding the original equipment of the user (consumer), in 1988 a large capacity drive for a user (e.g., 3.5 inch form factor) was around 30 megabytes<sup>8</sup>, yet the digital bandwidth required to transmit a video signal at even VHS quality was 1.5 megabits per second (approximately 30 megabytes in 3 minutes) and this even using a Moving Picture Coding Experts Group Standard "1" ("MPEG-1") video compression technology not even available in

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<sup>6</sup> See "The History of Recordings", Recording Industry of Association, retrieved from <http://www.riaa.com/issues/audio/hisotry.asp> on September 19, 2006. See also the "History of CD Technology", citing as a source "The compact Disc Handbook, 2<sup>nd</sup> Edition," by Ken C. Pohlmann, retrieved from <http://www.oneoffcd.com/info/hisotrycd.cfm> on September 19, 2006.

<sup>7</sup> See the "History of MPEG", University of California, Berkeley, School of Information Management and Systems, retrieved from <http://www2.sims.berkeley.edu/courses/is224/s99/GroupG/report1.html> on September 19, 2006. See also the "History of CD Technology", citing as a source "The compact Disc Handbook, 2<sup>nd</sup> Edition," by Ken C. Pohlmann, retrieved from <http://www.oneoffcd.com/info/hisotrycd.cfm> on September 19, 2006.

1988.<sup>9</sup> Thus, undisclosed devices capable of downloading and storing digital video files would not have been required or necessarily present based on the original disclosure of hard disk 60, which was also originally disclosed to process and store audio information.

Regarding video equipment used at the library (server) end, even large mainframe computers (e.g., IBM mainframe computers) typically only provided hard drives with capacity well below 10 gigabytes.<sup>10</sup> Thus, undisclosed devices capable of supporting even a small-sized video library, with its steep storage requirements as discussed above, would not have been required or necessarily present based on the original disclosure of the library (server) hard disk 10 of the copyright holder, which was originally disclosed as storing audio information.

Regarding the transfer of these large video files over a network, the proliferation of broadband communication network capable of delivering these large files to consumers simply did not exist or were not well known in 1988. Furthermore, it is not clear how the digital video would have been coded and decoded during transmission, as digital video coding standards for purposes of transmission and file downloading were not settled in 1988. As an example of the above points, the MPEG-1 standard, which was designed to code/decode digital video information and to transmit the video via a telephone (telecommunications) network in NTSC (broadcast) quality for archiving, was only established in 1992.<sup>11</sup> Thus, undisclosed devices

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<sup>8</sup> See "IBM HDD Evolution" chart, by Ed Grochowski at Almaden, retrieved from [http://www.soragereview.com/guideImages/z\\_ibm\\_sorageevolution.gif](http://www.soragereview.com/guideImages/z_ibm_sorageevolution.gif) on September 19, 2006.

<sup>9</sup> See the "History of MPEG", University of California, Berkeley, School of Information Management and Systems, retrieved from <http://www2.sims.berkeley.edu/courses/is224/s99/GroupG/report1.html> on September 19, 2006.

<sup>10</sup> IBM HDD Evolution chart, *supra*.

<sup>11</sup> History of MPEG, supra.

capable of coding, transmitting, and decoding video digital data would not have been required or necessarily present based on the original disclosure of telephone line 30 (transmission line) and control IC(s) 20b and 50b (coding/decoding devices), which were originally disclosed as processing audio information.

Conclusion Regarding Entitlement to the Benefit of a Filing Date  
in an Earlier Application

In view of the above, all of the new text introduced by amendment into the Child application (as identified in Table I above) is considered new matter to the original Parent application, as originally filed (attachment "A"), for the purposes of this reexamination. Thus, the previously filed, original specification of the Parent application fails to support the invention claimed in the Child application and thus is not entitled to priority under 35 U.S.C. 120. Thus, the effective filing date (priority) of the instant '573 patent under reexamination is latest date at which time the priority chain was broken, namely September 18, 1990 (at the earliest), which is also the filing date of the Child application (which issued as the '573 patent under reexamination).

**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 1-6 and 44-49** are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement.

**New Claims Contain Extensive New Text that is Not Found in the Written Description of the Parent Application As Originally Filed**

35 U.S.C. 112 issues can be addressed in a reexamination proceeding with respect to new claims or amendatory subject matter. MPEP § 2258.

"Most typically, the [112] issue will arise in the context of determining whether new or amended claims are supported by the description of the invention in the application as filed... whether a claimed invention is entitled to the benefit of an earlier priority date or effective filing date under 35 U.S.C. 119, 120, or 365(c)." MPEP § 2163.I. Here, the '573 patent under reexamination claims benefit under 35 U.S.C. 120 to the earlier filing date of the Parent application.

The new claim(s) contain 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(s), at the time the original Parent application was filed, had possession of the claimed invention. Indeed,

the new claims contain extensive new text that is not found in the written description of the originally filed Parent application, see Table I in the "Intervening Printed Publications" section (9) above. See also attachment "A" regarding the originally filed, Parent application.

To comply with the written description requirement of 35 U.S.C. 112, para. 1, or to be entitled to an earlier priority date or filing date under 35 U.S.C. 119, 120, or 365(c), each claim limitation must be expressly, implicitly, or inherently supported in the originally filed disclosure. When an explicit limitation in a claim "is not present in the written description whose benefit is sought it must be shown that a person of ordinary skill would have understood, at the time the patent application was filed, that the description requires that limitation." Hyatt v. Boone, 146 F.3d 1348, 1353, 47 USPQ2d 1128, 1131 (Fed. Cir. 1998). See also In re Wright, 866 F.2d 422, 425, 9 USPQ2d 1649, 1651 (Fed. Cir. 1989).

MPEP § 2163.II.A.2.(b), emphasis added.

Here, the appellant, on page 9 of the amendment filed November 29, 2006 (the "Amendment"), states that the new claims mirror the original claims in the '573 patent, where alleged support for the original claims in the '573 patent are provided on pages 21-26 of the Amendment. Certain of the claim limitations addressed in this chart, however, are not necessarily disclosed (required by) the written description of the originally filed, Parent application, and thus are not present in the said written description. Thus these limitations are considered new matter, as extensively discussed by the examiner in the "Intervening Printed Publications" section (9) above.



New and Amended Claims Contain a Negative Limitation that is Not Found in the  
Written Description of the Original Parent Application

The Amendment also introduced a negative limitation into independent claims 1 and 4. For example, claim 1 now recites "a non-volatile storage portion of the second memory, wherein the non-volatile storage portion is not a tape or a CD" (emphasis added).

Any negative limitation must have basis in the original disclosure. If alternative elements are positively recited in the specification, they may be explicitly excluded in the claims, however the mere absence of a positive recitation is not a basis for exclusion. Any claim containing a negative limitation, which does not have a basis in the original disclosure should be rejected under 35 U.S.C. 112. See MPEP § 2173.05(i).

Although the Parent application, as originally filed (attachment "A"), discloses a specific hard disk embodiment, which is therefore not in the form of a tape or a CD, the originally filed disclosure does not provide written description support for the recited, negative limitation. On page 8 of the Amendment, the appellant points to page 4, lines 35 to 49 of the originally filed, Parent specification (attachment "A") has teaching a "hard disk for storing digital audio or digital video signals." The originally filed specification in the Parent application, including the section cited to by the appellant above, only discloses one embodiment, where a hard disk 60 stores electronic audio music.<sup>12</sup> Thus, the originally filed, Parent specification discloses only a specific hard disk embodiment, which is not in the form of a tape or a CD. It should also be noted that

"[c]laims are not necessarily limited to preferred embodiments, but if there are no other embodiments, and no other disclosure, then they may be so limited." Lizardtech, Inc. v. Earth Resource Mapping, Inc., 433 F.3d 1373, 1375 (Fed. Cir. 2006) (rehearing denied, *en banc*).

The negative limitation introduces new concepts beyond this specific embodiment. The new concepts include non-volatile storage devices that are not tapes or CDs, but that are also not hard disks. See page 3 of Ex Parte Wong, 2004 WL 4981845 (Bd.Pat.App. & Interf. 2004). The "express exclusion of certain elements implies the permissible inclusion of all other elements not so expressly excluded. This clearly illustrates that such negative limitations do, in fact, introduce new concepts. Ex parte Grasselli, 231 USPQ 393, 394 (Bd. App. 1983), *aff'd* mem., 738 F.2d 453 (Fed. Cir. 1984). "The artificial subgenus thus created in the claims is not described in the parent case and would be new matter if introduced into the parent case. It is thus equally 'new matter'...." Ex Parte Johnson, 558 F.2d 1008, 1014 (CCPA 1977). Here, the originally filed disclosure does not necessarily disclose (require) or even suggest an undisclosed, artificial subgenus of non-volatile storage devices that are not tapes or CDs. Thus, such a claimed subgenus represents new matter.

**Claims 4-6 and 47-49** 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.

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<sup>12</sup> The originally filed specification in the Parent application, including the section cited to by the Appellant above,

35 U.S.C. 112 issues can be addressed in a reexamination proceeding with respect to new claims or amendatory subject matter. MPEP § 2258.

The new claim(s) contain 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(s), at the time that the original Parent application was filed, that the specification would have taught one skilled in the art how to make and/or use the full scope of the claimed invention without undue experimentation. In re Wright, 999 F.2d 1557, 1562, 27 USPQ2d 1510, 1513 (Fed. Cir. 1993). See also MPEP § 2164.01 and 2164.05(a).

#### Undue Experimentation Factors

There are many factors to be considered when determining whether there is sufficient evidence to support a determination that a disclosure does not satisfy the enablement requirement and whether any necessary experimentation is "undue." These factors include, but are not limited to whether the scope and breadth of the claims are reasonably related to the scope of enablement within the original specification, the level of ordinary skill in the art, and the quantity of undue experimentation. See MPEP 2164.01(a).

Here, the subject claims recite extensive new text directed to specific and detailed video download and processing procedures that is not found in original specification of the Parent

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also fails to teach that the hard disk stored video data despite assertions by the Appellant.

Application. The original specification does contain a general statement at the end of the specification stating "[f]urther, it is intended that this invention is not to be limited to Digital Audio Music and can include Digital Video...." (attachment "A"), however this broad, generic statement fails to enable specifically claimed video download and processing procedures.<sup>13</sup>

The detailed and extensive claim limitations directed to video download and processing stand in contrast to the brief, generic one sentence disclosure in the original specification, as discussed above. Thus, the scope and breadth of the claims are not reasonably correlated to the scope of enablement in the original specification. The scope of enablement must at least bear a "reasonable correlation" to the scope of the claims. See, e.g., In re Fisher, 427 F.2d 833, 839, 166 USPQ 18, 24 (CCPA 1970). See also MPEP § 2164.08.

The original specification would not have been enabling to one of ordinary skill in the art and furthermore an undue quantity of experimentation would have been required to make or use the scope of the claimed invention (video download and processing features) based on the original specification. The specification must be enabling as of the filing date of the specification. MPEP § 2164.05(a). Here, the filing date of the Parent Application was June 13, 1988. In the mid 1980(s) however, compact audio disks players were just becoming popular.<sup>14</sup> Personal user devices with the processing power capable of playing back much larger and more

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<sup>13</sup> The original specification also describes using a "convenient visual display of the user's library of songs" (page 5), however this section appears to relate to displaying category/lyrical information to the user regarding downloaded audio content, and not directed to the actual download of video content.

<sup>14</sup> See "The History of Recordings", Recording Industry of Association, retrieved from <http://www.riaa.com/issues/audio/hisotry.asp> on September 19, 2006. See also the "History of CD Technology", citing as a source "The compact Disc Handbook, 2<sup>nd</sup> Edition," by Ken C. Pohlmann, retrieved from <http://www.oneoffcd.com/info/hisotrycd.cfm> on September 19, 2006.

complex digital video files, such as DVD players, were not routinely available until the late 1990(s), and even these devices initially only read video data from read-only DVD disks capable of storing large digital video files, not from video data downloaded (recorded) from a remote server via a communications network.<sup>15</sup> Thus, it is not clear how the originally disclosed, integrated circuit 50 of the user would have had the processing power to decode and playback downloaded, digital video signals. For the same reasons, it is also not clear how the originally disclosed, incoming RAM 50c and playback RAM 50d could have supported storage of downloaded video and playback.

Further regarding the equipment of the user (consumer), in 1988 a large capacity drive for a user (e.g., 3.5 inch form factor) was around 30 megabytes<sup>16</sup>, yet the digital bandwidth required to transmit a video signal at even VHS quality was 1.5 megabits per second (approximately 30 megabytes in 3 minutes) and this even using a Moving Picture Coding Experts Group Standard "1" ("MPEG-1") video compression technology not even available in 1988.<sup>17</sup> Thus, it is not clear how downloaded video files of any appreciable or viable size would have been downloaded and stored on originally disclosed hard disk 60 of the user in the original specification.

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<sup>15</sup> See the "History of MPEG", University of California, Berkeley, School of Information Management and Systems, retrieved from <http://www2.sims.berkeley.edu/courses/is224/s99/GroupG/report1.html> on September 19, 2006. See also the "History of CD Technology", citing as a source "The compact Disc Handbook, 2<sup>nd</sup> Edition," by Ken C. Pohlmann, retrieved from <http://www.oneoffcd.com/info/hisotrycd.cfm> on September 19, 2006.

<sup>16</sup> See "IBM HDD Evolution" chart, by Ed Grochowski at Almaden, retrieved from [http://www.soragereview.com/guideImages/z\\_ibm\\_sorageevolution.gif](http://www.soragereview.com/guideImages/z_ibm_sorageevolution.gif) on September 19, 2006.

<sup>17</sup> See the "History of MPEG", University of California, Berkeley, School of Information Management and Systems, retrieved from <http://www2.sims.berkeley.edu/courses/is224/s99/GroupG/report1.html> on September 19, 2006.

Regarding the equipment used at the library (server), even large mainframe computers (e.g., IBM mainframe computers) typically only provided hard drives with capacity well below 10 gigabytes.<sup>18</sup> Thus, it is not clear how even a small-sized video library, with its steep bandwidth (storage) requirements (as discussed above), would have been stored in the hard disk 10 of the copyright holder in the original specification, without requiring details directed toward a complex mainframe operating environment.

Regarding the transfer of these large video files over a network, the proliferation of broadband communication network capable of delivering these large files to consumers simply did not exist or were not well known in 1988. Furthermore, it is not clear how the digital video would have been coded and decoded during transmission, as digital video coding standards for purposes of transmission and file downloading were not settled in 1988. As an example of the above points, the MPEG-1 standard, which was designed to code/decode digital video information and to transmit the video via a telephone (telecommunications) network in NTSC (broadcast) quality for archiving, was only established in 1992.<sup>19</sup>

Thus, based on the evidence regarding each of the above factors, the specification, at the time the Parent application was filed, would not have taught one skilled in the art how to make and/or use the full scope of the claimed invention without undue experimentation.

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<sup>18</sup> IBM HDD Evolution chart, *supra*.

<sup>19</sup> History of MPEG, *supra*.

**Claim Rejections Based on Bush**

**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 negated by the manner in which the invention was made.

**Claims 1-6 and 44-49** are rejected under 35 U.S.C. 103(a) as being unpatentable over United States Patent No. 4,789,863 ("Bush"), of record, in view of U.S. Patent No. 4,949,187 ("Cohen"), of record.

The filing date of the Cohen patent is December 16, 1988. The earliest priority date of the '573 patent under reexamination however is September 18, 1990, as discussed extensively above in the "Intervening Printed Publication" section (9) above. Thus, Cohen is available as 102(e) type prior art.

Regarding **claim 1**,

**A method for transmitting a desired digital audio signal stored on a first memory of a first party to a second memory of a second party comprising the steps of:**

Bush teaches transmitting a desired digital, audio or video signal (col. 2, ll. 18-29 and col. 3, ll. 26 - 35). The digital audio or video signals are stored on compact disc machines 41-46 (first memory) of a pay per view entertainment system provider associated with source 10 (first

party) (Figs. 1, 4 and col. 2, ll. 19-47). The digital signals are transmitted via a network to the consumer's receiver 14 (Fig. 1) (also illustrated as receiver 100 in Fig. 5, see also col. 3, ll. 14-17). The signals are stored on cassette recording unit and an associated cassette tape (second memory) (Fig. 5 and col. 4, ll. 1-11). Note that the second memory is also a compact disc recorder (col. 10, claim 14) and thus the second memory is also a CD.

**transferring money electronically via a telecommunication line to the first party at a location remote from the second memory and controlling use of the first memory from the second party financially distinct from the first party, said second party controlling use and in possession of the second memory;**

Bush teaches that money is electronically transferred via a telephone line (telecommunications line) and clearing house 200 to the source 10 (first party) by way of a credit card transaction (Fig. 3 and col. 2, ll. 58-63, col. 4, ll. 44-47, col. 5, ll. 1-3, col. 6, ll. 25-28, and ll. 45-48). The first party's location (source 10) is remote via a network from the consumer (Fig. 1). The second party (consumer) commands the download of audio/video from the memories of the first party (source 10) (Fig. 7, col. 1, ll. 59-64, and col. 6, ll. 11-48). Thus, the first memory is controlled from the second party. Clearly, the second party (consumer) is financially distinct from the first party (source 10). The second party (consumer) also controls the use and also possesses the second memory, such as by the ability to determine what contents are stored in the second memory (col. 6, ll. 11-48)

**connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital audio signal can pass therebetween;**



The limitation broadly recites "a telecommunications line," which lacks antecedent basis to the previous recitation of a telecommunications line. The examiner interprets a "telecommunications line" to mean a electronic medium of communicating between computers, which requires end-to-end connectivity, which is an interpretation that could include the Internet and that is consistent with an interpretation advanced by the appellant and adopted by the district court. Sightsound.com Inc. v. NSK, Inc. Cdnow, Inc., and Cdnow Online, Inc., Civil Action No. 98-118, pp. 50 and 57 (District Court for the Western District of Pennsylvania, Feb. 2002). The appellant has not characterized the claimed invention differently in this reexamination proceeding. See for example, the Declaration by Arthur R. Hair, filed on December 27, 2005, especially paragraphs 4-6. Here, Bush teaches of a cable system (electronic medium) that provides end-to-end communications between computer at the central cable system associated with source 10 and the consumer's computer (Figs. 1, 2 and 5). The audio and video files are downloaded via the telecommunications line and thus connect the first and second memories, as discussed above.

**transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party; and**

The desired digital audio or video signal is transmitted from the first memory as discussed above using a transmitter (Fig. 4, CADA transceiver 40) in control (col. 2, ll. 18-21) and possession of the first party, such as when the first party (source 10) determines what contents are stored in the first memory (col. 2, ll. 30-42). The second party (consumer)

determines the location to which the audio/video data is transmitted as broadly recited by the claims, such as when the consumer operates the invention by turning on the television and interacts with the pay per view channel at a location (e.g., consumer's home) determined by the consumer. The receiver 14 includes a cassette tape (or CD) (as discussed above) that is in possession and control of the second party (col. 1, ll. 59-64).

**storing the digital signal in a non-volatile storage portion of the second memory, wherein the non-volatile storage portion is not a tape or a CD.**

The received audio/video digital signal is stored in the second memory (cassette tape or CD) associated with the second party (consumer) as discussed above (i.e., a non-volatile storage portion of the second memory). See also col. 5, ll. 24-52.

Bush however fails to disclose that the non-volatile storage is "not a tape or a CD."

Cohen however (similarly to Bush, see the section 102 claim rejections based on Cohen in this Office action for additional details) teaches of an audio and video downloading system that also uses a magnetic, hard disk (non-volatile storage that is not or a CD) (col. 4, l. 64 – col. 5, l. 4).

The suggestion/motivation for adding the hard disk as taught by Cohen to Bush would have been to more efficiently access audio and video files because "magnetic media, such as hard disk drives....permit an almost unlimited number of read/write cycles...." (Cohen, col. 4, ll.

3-7). Storing data on magnetic media, such as a hard-disk, would have also increased the security and reliability of the stored data because magnetic, hard disks retain data when the power to the unit is removed (i.e., non-volatile) as would have been notoriously well-known in the art at the time the invention was made.

Therefore, to one of ordinary skill in the art at the time the invention was made, it would have been obvious to add a hard disk as taught by Cohen to the system taught by Bush.

**Claim 4** differs substantively from claim 1 in that claim 4 recites that digital "video" signal is transmitted (downloaded) as opposed to the audio signal in claim 1. However, the claim 1 rejection clearly explained how Bush teaches that both audio and video digital signals are downloaded. Therefore, see the claim 1 rejection for additional details.

**Claims 44 and 47** differ substantively from claims 1 and 4 in that claims 44 and 47 recite specifically that the second memory includes a second party hard disk. This limitation was addressed in the claim 1 rejection above regarding the obvious addition of a hard disk. Therefore, see the claims 1 and 4 rejections above for additional details.

Regarding **claims 2, 5, 45, and 48**, after the money transfer step, the recording system searches for a recording signal from the remote library (e.g., forward and reverse roll commands) and then for a subsequent video/audio file from the remote library for the purposes of recording,

where the video/audio file is stored in the first memory, as discussed above (col. 5, ll. 35-44 and col. 6, ll. 23-48).

Regarding **claims 3, 6, 46, and 49**, Bush teaches of a system for downloading audio and video files from a central library to a user, where the user pays for the audio files and stores the audio files (abstract and Figs. 1 and 6). Bush also teaches that the user provides a credit card number to the second party (library) (col. 4, ll. 44-47, col. 5, ll. 1-3, col. 6, ll. 25-28, and ll. 45-48).

**Claims 1-6 and 44-49** are rejected under 35 U.S.C. 103(a) as being unpatentable over Bush in view of U.S. Patent No. 4,837,797 ("Freeny I"), of record.

The claim rejections based on Bush in view Freeny I differ from the claim rejections based on Bush in view of Cohen above in that Freeny I, instead of Cohen, is relied upon to teach a non-volatile storage portion of the second memory that is not a tape or a CD (e.g., a hard disk). Freeny I however is available as 102(e) prior art regardless of the effective filing date of the '573 patent. See the Bush in view Cohen rejection above for additional details regarding the specific teachings of Bush.

Freeny I (similarly to Bush) teaches of a device that receives and stores audio data (abstract) and that also stores the received messages on a non-volatile storage portion that is not a tape or a CD (e.g., a hard disk) (col. 5, ll. 20-25).

The suggestion/motivation for adding the hard disk as taught by Freeny I to Bush would have been to more efficiently access audio and video files because magnetic media, such as hard disk drives permit an almost unlimited number of read/write cycles. Storing data on magnetic media, such as a hard-disk, would have also increased the security and reliability of the stored data because magnetic, hard disks retain data when the power to the unit is removed (i.e., non-volatile) as would have been notoriously well-known in the art at the time the invention was made.

Therefore, to one of ordinary skill in the art at the time the invention was made, it would have been obvious to add a hard disk as taught by Freeny I to the system taught by Bush.

**Claim Rejections Based on Cohen**

**Claim Rejections - 35 USC § 102**

**Claims 1, 2, 4, 5, 44, 45, 47, and 48** are rejected under 35 U.S.C. 102(e) as being anticipated by Cohen.

The filing date of the Cohen patent is December 16, 1988. The earliest priority date of the '573 patent under reexamination however is September 18, 1990, as discussed extensively above in the "Intervening Printed Publication" section (9) above. Thus, Cohen is available as 102(e) type, intervening prior art.

With respect to **claim 1**, Cohen clearly teaches a method for transmitting a desired digital movie signal (abstract) comprising video and audio components (col. 1, ll. 7-12 and ll. 46-50) of a first party (central source of audio and video data, Fig. 4) to a second memory (disk storage system 114) of a second party (home viewer) (abstract). Money is electronically transferred via a telephone (telecommunication) line, where the first (central source) and second party (home viewer) is clearly financially distinct (abstract and Fig. 4, telephone line 60). The desired digital movie (video and audio) is in the first memory (principal on line movie storage 12-26, Fig. 4) is connected to and transferred via the telephone (telecommunications) line 60 to the second memory (disk storage system 114), where it is stored (col. 4, ll. 1-68). The digital signal is stored in a non-volatile storage portion of the second memory, that is not a tape or a CD (i.e., the hard disk) (col. 4, l. 64 – col. 5, l. 4).

**Claim 4** differs substantively from claim 1 in that claim 4 recites that digital "video" signal is transmitted (downloaded) as opposed to the audio signal in claim 1. However, the claim 1 rejection clearly explained how Cohen teaches that both audio and video digital signals are downloaded. Therefore, see the claim 1 rejection for additional details.

**Claims 44 and 47** differ substantively from claims 1 and 4 in that claims 44 and 47 recite specifically that the second memory includes a second party hard disk. This limitation was addressed in the claim 1 rejection above. Therefore, see the claims 1 and 4 rejections above for additional details.

Regarding claims 2, 5, 45, and 48, see col. 4, ll. 19-29 and ll. 47-63, where after the money transfer (accounting) step, the system searches for the desired selection by the home viewer and commences downloading.

Claim Rejections - 35 USC § 103

Claims 3, 6, 46, and 49 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cohen as applied to the claims above, and further in view of Bush.

Cohen teaches of telephoning the first party controlling use of the first memory and transferring money (as discussed above in the claim 1 rejection). Cohen however fails to teach providing a credit card number of the second party.

Bush teaches (similarly to Cohen, see the Bush, claim 1 rejection above) of a system for downloading audio and video files from a central library to a user, where the user pays for the audio files and stores the audio files (abstract and Figs. 1 and 6). Bush also teaches that the user provides a credit card number to the second party (library) (col. 4, ll. 44-47, col. 5, ll. 1-3, col. 6, ll. 25-28, and ll. 45-48).

The suggestion/motivation for providing a credit card number to the second party would be to reduce the expenses involved in operating a download service, because financial service organizations, such as credit card organizations, "enable the source 10 to [be] paid be a service

fee for the subscriber's use of the system." Bush, col. 2, ll. 58-63. Obviously, providing a credit card number would have been required to use the services of a credit card organization.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to add the step of the user providing a credit number to the second party as taught by the audio/video download system of Bush to the audio/video download of Cohen, which teaches that the user pays for the download.

### **Claim Rejections Based on Akashi**

#### **Claim Rejections - 35 USC § 103**

**Claims 1-6 and 44-49** are rejected under 35 U.S.C. 103(a) as being unpatentable over Japanese Patent Application No. 62-284496 ("Akashi") using the English translation of record, in view U.S. Patent No. 4,528,643 to Freeny ("Freeny II").

Regarding **claims 1, 3, 4, 6, 44, 46, 47, and 49**, Akashi discloses a system for automatically selling recorded music via telecommunication lines (Page 1 through line 1 of Page 2). This system utilizes the telecommunications lines to transmit the recorded music data from a host computer that stores the recorded music data to a personal computer (Page 2 Section 4), which meets the limitation of connecting electronically via telecommunications line the first memory with the second memory such that the desired digital audio signal can pass therebetween, transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at



a location determined by the second party, said receiver in possession and control of the second party, storing the digital signal in the second memory.

Akashi discloses that the digital music data is purchased automatically but does not expressly detail how the purchase is transacted and whether the data is stored on a non-volatile storage portion of the second memory that is not a tape or a CD.

Freeny II discloses a method of electronically distributing and selling audio and video data by way of having the requesting user transmit a consumer credit card number along with their request for the audio and video data (col. 13, lines 25-29). This step allows the owner of the data to approve the sale and charge the sale to the consumer credit card number (col. 13, lines 30-31), which meets the limitation of transferring money electronically via a telecommunications line to the first party at a location remote from the second memory and controlling use of the first memory from the second party financially distinct from the first party, said second party controlling use and in possession of the second memory, the transferring step includes the steps of telephoning the first party controlling use of the first memory by the second party, providing a credit card number of the second party controlling the second memory to the first party controlling the first memory so the second party is charged money. Freeny II also discloses that the received audio and video data is stored on a non-volatile storage that is not a tape or CD (e.g., a hard disk) (col. 5, l. 23-25).

The suggestion/motivation for combining Akashi with Freeny II would have been because this method of electronic sale allows the owner of the information to receive directly the compensation for sale of recording and such compensation is received before the reproduction is authorized as taught in Freeny II (col. 13, lines 36-39). The use of a hard disk would have allowed the user to more efficiently access audio and video files because magnetic media, such as hard disk drives, permit an almost unlimited number of read/write cycles. Furthermore, storing data on magnetic media, such as a hard-disk, would have also increased the security and reliability of the stored data because magnetic, hard disks retain data when the power to the unit is removed (i.e., non-volatile) as would have been notoriously well-known in the art at the time the invention was made.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to have the requesting user's of Akashi transmit a consumer credit card number along with their request for the digital data so that the source unit could approve and charge the sale of the digital data to the consumer credit card and to store the received audio and video data on a hard disk (non-volatile storage that is not a tape or CD) as taught by Freeny II.

Regarding **claims 2, 5, 45, and 48**, Akashi discloses that personal computer contains a CPU (Figure 1). The personal computer sends an access signal to the host computer, and the host computer returns a response signal that contains menu data displayed at the personal computer (page 3, paragraph 6). Using the monitor screen, the user chooses desired data using a control unit and sending the selection data to the host computer in the same way the initial transmission

was sent (page 4, paragraph 1), which meets the limitation of the steps of searching the first memory for the desired digital audio signal and selecting the desired digital audio signal from the first memory.

#### **(10) Response to Argument**

##### **I. Summary**

On pages 6-9 of the Brief, the appellant provides a summary. The examiner responds with the following summary.

The claims of the '573 patent are broadly directed to downloading audio and video content via the Internet. For example, claims 1 and 4 recite downloading audio and video content via a telecommunications line, where a district court, consistent with the appellant's arguments in that proceeding, held that the term "telecommunications line" may include the Internet.<sup>20</sup> The appellant has not characterized the claimed invention differently in this reexamination proceeding. See for example, the Declaration by Arthur R. Hair, filed on December 27, 2005, especially paragraphs 4-6.

In view of the important and broad nature of these claims, the examiner carefully reviewed the prior art of record. Claims in an *ex parte* reexamination proceeding will be examined on the basis of patents or printed publications. 37 CFR 1.552. Here, the examiner

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<sup>20</sup> Sightsound.com Inc. v. NSK, Inc. Cdnow, Inc., and Cdnow Online, Inc., Civil Action No. 98-118, pp. 50 and 57 (District Court for the Western District of Pennsylvania, Feb. 2002).

examined the claims of the '573 patent on the basis of printed publications, such as the intervening Cohen patent, which was never applied during the original prosecution of the application that issued as the '573 patent. The examiner may use an intervening printed publication, such as the Cohen patent, where the patent claims under reexamination are entitled only to the actual filing date of said patent and are not supported by an earlier patent. 35 U.S.C. 120. See also MPEP § 2258.I.C. See also MPEP § 201.11(B), where the examiner may use an intervening printed publication and the applicant may respond by showing that conditions for claiming the benefit of the prior application have been met. In the instant reexamination proceeding, the appellant's response focused not upon a showing that conditions for claiming the benefit of an earlier filing date were met, but instead upon the argument that the examiner has no authority to apply an intervening printed publication. Such a response is unsurprising, since a substantial amount of new text, not found in the Parent application as originally filed on the date whose benefit is sought, was systematically added in a series of amendments to both the Parent and Child applications. That is, although the Parent and Child applications were alleged to be related as continuation applications, the specifications of said Parent and Child are objectively incongruent.

Indeed, the appellant failed to even dispute teachings of the newly applied Cohen publication, which is also unsurprising, because the Cohen publication teaches features regarding downloading and storing audio and video that are highly pertinent to the claims of the '573 patent.

Neither did a section 120 issue "necessarily arise." The prosecution history of the '573 patent fails to show that the examiner had reason to consider the propriety of a benefit claim set forth in the '573 patent, and the record does not contain any written discussion or consideration of such benefit claim. The original examiner did not make a determination regarding the priority date for the asserted claims with respect to any reference, much less an intervening reference, such as Cohen. Although the examiner addressed some new matter issues in a single, non-final rejection in the Child application, the rejection only facially raised the issue of new matter in the Child application that was then being examined at the time, not the distinct issue of whether the actual filing date of the Child application is entitled to extend to the filing date of the earlier Parent. See sections III.A. and III.B.1 below for additional details. Thus, any argument by the appellant that said new matter rejection was based on the specification of the Parent application, as originally filed, is speculation.

Furthermore, said new matter rejection only touched upon a subset of the new matter issues described in Table I above in this reexamination proceeding. See section III.B.1 below for additional details. Thus, any argument by the appellant that said new matter rejection addressed all the same new matter issues that were addressed in the instant reexamination proceeding contradicts the evidence.

Thus, the determination as to whether entitlement to the filing date of the earlier Parent application would allow the appellant to antedate the intervening Cohen printed publication, thereby removing it as a reference against the claims, is an open question that was properly

addressed in this reexamination proceeding. For the reasons previously discussed, the examiner determined that the effective filing date of the claims in '573 patent under reexamination, which issued from the Child application, is September 18, 1990 (at the earliest), which is the actual filing date of the Child application. Thus, the intervening Cohen patent is available as prior art.

II. Prosecution History of the '573 Patent

On pages 9-13 of the Brief, the appellant characterizes the prosecution history of the '573 patent. The examiner does not agree with this characterization, especially regarding the selective highlighting of amendments to both the specification and claims. The relatively brief and complete prosecution history of both the Parent and Child speaks for itself and is available in the image file wrapper ("IFW") for U.S. Application No. 07/586,391 (Child), which also contains the prosecution history of U.S. Application No. 07/296,497 (Parent).

III. The Appropriate Date for the Claims of the '573 Patent Is September 18, 1990, At the Earliest

On pages 13 and 14 of the Brief, the appellant argues that the Office lacks the authority in reexaminations to "reassign" priority dates for originally issued claims in the absence of a previous continuation-in-part application. Specifically, the appellant argues that "reexamination statutes do not empower the Office to examine claims for issues of effective priority date in the absence of a continuation-in-part in the original examination history." The patent also argues

that the "Board should vacate the Examiner's findings because the issue was thoroughly dealt with by Examiner Nguyen during the initial examination of the '573 patent...."

Appellant arguments are unpersuasive. As discussed in Section I above, an examiner may use an intervening printed publication, such as the Cohen patent, where the patent claims under reexamination are entitled only to the actual filing date of said patent. 37 CFR 1.552, 35 U.S.C. 120, MPEP § 2258.I.C, and MPEP § 201.11.(B). The appellant has failed to cite to any law or procedure that prohibits the Office from applying intervening printed publications during an *ex parte* reexamination proceeding in the absence of a continuation-in-part. In contrast, the examiner relies upon long-standing procedure specifically authorized by the Office. A rejection may be made in an *ex-parte* reexamination proceeding based on an intervening printed publication, in accordance with 37 CFR 1.552, whenever patent claims under reexamination, in accordance with 35 U.S.C. 120, are entitled only to the filing date of the patent under reexamination. Specifically:

Rejections may be made in reexamination proceedings based on intervening patents or printed publications where the patent claims under reexamination are entitled only to the filing date of the patent and are not supported by an earlier foreign or United States patent application whose filing date is claimed. For example, under 35 U.S.C. 120, the effective date of these claims would be the filing date of the application which resulted in the patent. Intervening patents or printed publications are available as prior art under *In re Ruscetta*, 255 F.2d 687, 118 USPQ 101 (CCPA 1958), and *In re van Langenhoven*, 458 F.2d 132, 173 USPQ 426 (CCPA 1972). See also MPEP § 201.11

MPEP § 2258.I.C, Scope of Reexamination (emphasis added). See also MPEP § 2217.

Furthermore, no priority dates have been "reassigned" by the examiner. Rather the examiner simply applied an intervening reference, which is a printed publication (U.S. patent).

The appellant could have responded by amending the claims of the patent under reexamination, such that the subject matter of the claims is clearly possessed in the earlier patent, thus allowing entitlement to the benefit of the filing date of the earlier patent. The appellant declined to do so.

The appellant could have also responded by simply correcting the benefit claim or showing that the conditions for claiming benefit to the priority date have been met. MPEP 201.11(B). The appellant declined to do so.

The appellant also had yet another option for responding. The appellant could have simply argued that the intervening printed publication does not read upon the claims. The appellant declined to do so.



III.A. The Office Acts Within Its Authority In Considering Issues of Priority During a Reexamination

*The Office has Jurisdiction to Apply Intervening Patents and Printed Publications in a Reexamination Proceeding To a Patent that Seeks the Section 120 Benefit to the Filing Date of an Earlier Filed Application*

On pages 14 of the Brief, the appellant argues:

It is well established that the scope of a reexamination proceeding is limited to whether claims are patentable under 35 U.S.C. §§ 102 and 103 "on the basis of patents and printed publications." 37 C.F.R. § 1.552. The reexamination rules explicitly preclude consideration of issues arising under 35 U.S.C. § 112, except "with respect to subject matter added or deleted in the reexamination proceeding." *Id.*; see also *In re Etter*, 756 F.2d 852, 856 (Fed. Cir. 1985) (en banc) ("only new or amended claims are also examined under 35 U.S.C. §§ 112 and 132").

Appellant arguments are unpersuasive. The claims of the '573 patent were examined on the basis of printed publications, such as the intervening Cohen patent, where the claims were entitled only to the actual filing date of '573 patent. 37 CFR 1.552, 35 U.S.C. 120, MPEP § 2258.I.C, and MPEP § 201.11.(B). Applying 35 U.S.C. § 120 neither requires nor implies that the specification of the '573 patent under reexamination is itself being subjected to a 35 U.S.C. § 112 analysis. Indeed, none of the original six patent claims of the '573 patent have been rejected pursuant to section 112. Rather it is the specification(s) of the separate Parent application that is being analyzed on that basis. For example, the examiner has taken the position that the Parent application, as originally filed, does not describe certain features recited in the claims of the instant '573 patent under reexamination. The examiner does not argue that the specification, including the claims, of '573 patent under reexamination fails to establish possession of the claimed invention, but rather whether possession of the claimed invention was established before the filing date of the '573 patent in a different U.S. application.

*An Inquiry Under Section 120 Does Not Revisit Any Substantial Question of Patentability Necessarily Raised and Previously Decided by the Examiner During Prosecution of the Application Corresponding to the '573 Patent*

On page 14 of the Brief, the appellant argues that an:

[I]nquiry under Section 120 as to whether the language of a particular claim, as filed or amended during an original prosecution, was supported or unsupported by sufficient disclosure is, by definition, not a *new* question.

Appellant arguments are unpersuasive. A substantial new question of patentability was raised in this proceeding based on prior patents or printed publications identified in the Request for Reexamination, filed on January 31, 2005 (and as detailed in the Order Granting the Request for *Ex Parte* Reexamination, mailed March 18, 2005). Therefore, the issue of whether a 35 U.S.C. 120 inquiry raises a substantial new question of patentability is irrelevant.

Nonetheless, an inquiry under section 120 does not revisit any substantial question of patentability previously decided by the examiner during prosecution of the application corresponding to the '573 patent. Substantial questions of patentability are "old" only in respect to previously considered patents or printed publications, i.e., those questions based on "old art." See MPEP 2242.II. The new intervening patents applied in this reexamination proceeding, such as Cohen, were not previously considered during prosecution of application leading to the '573 patent under reexamination, and thus do not raise questions of patentability previously considered by the original examiner.

The appellant then argues on page 14 of the Brief that:

Rather, it is an issue that necessarily arises at the time of original filing or amendment, and one that necessarily is before the original examiner.

Appellant arguments are not persuasive. As discussed above, substantial questions of patentability are "old" only in respect to previously considered patents or printed publications.

Nonetheless, a section 120 issue does not "necessarily" arise, as argued by the appellant above, during prosecution of the continuing application leading to patent, thereby precluding all further consideration of priority issues by the Office after the patent issues. Regarding a continuing application, only if an examiner determines that the claims in the later-filed application are not entitled to the benefit of an earlier filing date should the examiner apply an intervening reference. MPEP 201.11 ("If the claims in the later-filed application are not entitled to the benefit of an earlier filing date, the examiner should:....(B)...use an intervening reference....") Thus, the lack of intervening rejection during the original examination may simply indicate that the examiner never determined whether the claims were entitled to the benefit of the earlier filing date, not necessarily the more sweeping conclusion that the examiner determined the claims were entitled to the benefit, as argued by the appellant. For example regarding continuing applications, the mere inclusion of prior application information in the patent does not necessarily indicate that the claims are entitled to the benefit of the earlier filing date. MPEP § 202.02. Furthermore, the examiner had no reason to consider the propriety of a benefit claim under section 120 during prosecution of the application leading to the '573 patent under reexamination. For example, the original examiner relied exclusively upon statutory bar

type (i.e., 102(b)) type prior art). Indeed, the '573 patent under reexamination lists no intervening references at all.

There are other examples of why a section 120 issue is not "necessarily" addressed during the original examination. In addition to the MPEP § 2258.I.C. as discussed above, the appellant himself may request a reexamination proceeding to correct a failure to adequately claim benefit under 35 U.S.C. 120, see MPEP § 2258.IV.E. Priority issues can also be considered in reissue proceedings, see MPEP § 1402. If a section 120 issue "necessarily" arises and is always completely disposed of during the original examination of a continuing application as argued by the appellant, then the above corrective procedures have no purpose, which is an untenable argument.

Instead of addressing whether the claims in the Child application were entitled to the filing date benefit of the Parent application, as originally filed, in view of an intervening printed publication, the examiner set forth a new matter rejection of the claims in the Child application in the absence of an intervening printed publication. The two lines of analysis are distinct, contrary to appellant attempts to conflate them. See section III.B.1. for additional details. Furthermore and nonetheless, the new matter rejection incompletely addressed all new matter issues identified in Table I above and the rejection did not clearly address the Parent specification as originally filed. See section III.B.1. for additional details.

Finally, the appellant admitted earlier in the reexamination proceeding that the original examiner did not address the issue of whether to apply intervening references against the original claims. Specifically, on pages 12 and 13 of the amendment filed on November 29, 2006, the appellant argued that the original examiner "could not – and did not – reassign priority dates to the original claims...." Thus, the use of intervening references is an open question that will be addressed in this reexamination proceeding.

Thus, there is insufficient evidence to conclude that a section 120 issue "necessarily" arose during the original prosecution. Indeed, there is evidence to the contrary. Thus, appellant's arguments amount to speculation that contradicts the evidence.

#### III.A.1. Whether There Is a CIP in the Prosecution History of the '573 Patent

On page 15 of the Brief, the appellant asserts that the "office admits the '573 patent in not a continuation-in-part, but then asserts that the '573 Patent 'shares the characteristics of a continuation-in-part."

The appellant however has not cited to a section in the final Office action where the examiner admitted that the '573 patent was not a continuation-in-part. The examiner has not determined where he made this admission. Thus, appellant's arguments that such an admission was made are unpersuasive.

III.A.2. The Reexamination Statute Empowers the Office To Apply Intervening Printed Publications During an Reexamination

*Ruscetta and Langenhoven Nowhere Hold That Priority Determinations Under 35 U.S.C. 120 Are Limited To Continuation-in-Part applications, Nonetheless, the Application Corresponding to the '573 Patent Shares the Characteristics of a Continuation-in-Part in its Relationship to the Originally Filed, Parent Application*

On page 16 of the Brief, the appellant argues that MPEP §§ 2258.I.C. and 2217 should be limited to situations where there was a continuation-in-part ("CIP") application because both of the cases cited for support are cases involving CIP(s), namely *In re Ruscetta*, 255 F.2d 687 (CCPA 1958) and *In re van Langenhoven*, 458 F.2d 132 (CCPA 1972).

Appellant arguments are not persuasive. *Ruscetta* and *Langenhoven* nowhere hold that rejections based on intervening printed publications during an *ex parte* reexamination procedure should be limited to continuation-in-part applications. Instead, both cases are directed to the use of intervening references against the claims of an application that seek the benefit of priority to an earlier filed application under 35 U.S.C. 120. The ability to use an intervening reference is not limited to continuation-in-part applications, but applies to any later filed application claiming benefit of a prior application under 35 U.S.C. 120, such as continuation applications. See MPEP § 201.11, "Claiming the Benefit of an Earlier Filing Date Under 35 U.S.C. 120 and 119(e)"....(B)... [t]he examiner may use an intervening reference in a rejection until applicant corrects the benefit claim or shows that the conditions for claiming the benefit of the prior application have been met." Both continuation and continuations-in-part applications are also related in that they both rely on priority under 35 U.S.C. 120 to obtain the benefit of an earlier filing date. MPEP § 201.11

Furthermore, continuation-in-part applications are related to continuation applications as a "continuing applications" under 37 CFR 1.53(b). Indeed, the application corresponding to the '573 patent under reexamination was filed under the old "file wrapper continuation" procedure, under which both continuation and continuation-in-part applications were filed under the same rule, 37 CFR 1.62. MPEP § 201.06(b), referring to MPEP, 8<sup>th</sup> Ed., 1<sup>st</sup> Revision, February 2003. ([http://www.uspto.gov/web/offices/pac/mpep/mpep\\_e8r1\\_0200.pdf](http://www.uspto.gov/web/offices/pac/mpep/mpep_e8r1_0200.pdf)). Here, the present reexamination proceeding uses intervening references against the claims of an alleged continuing application (the '573 patent) that seeks the benefit of priority to an earlier filed application under 35 U.S.C. 120, which is similar to the issues discussed in the Ruscetta and Langenhoven cases.

Nonetheless, as extensively discussed in the "Intervening Printed Publication" section (9) above, a review of the prosecution history provides clear and objective evidence that a significant amount of new text (directed to various features) was added in a series of amendments to the application corresponding to the '573 patent that was not present in the originally filed, Parent application. See for example, Tables I and II *supra*. Thus, the '573 patent being reexamined and the specification of the original, Parent application are not congruent, that is, they do not contain the same disclosure with respect to claim support issues. Thus, the application corresponding to the '573 patent shares the characteristics of a continuation-in-part in its relationship to the originally filed, Parent application. See 37 CFR 1.53.b.2 and MPEP § 201.08. That is, the consideration of any new matter in the December 11, 1991 amendment does not relate back to the specification as originally filed in the Parent application. For the same

reasons, the consideration of any issues in the Declaration, filed on June 25, 1992 would also fail to relate back to the Parent application as originally filed (even if the Declaration were considered persuasive, which it is not, as discussed in the "Intervening Printed Publication" section (9) above).

III.A.3. MPEP § 2258.IV.E. Empowers the Office to Address the Issue of Entitlement to a Priority Date of Claims in an Issued Patent

On page 17 and 18, the appellant argues that MPEP § 2258.IV.E. only applies where "there was an earlier failure to make...[a benefit] claim" whereas in the instant case, "Examiner Nguyen determined the '573 Patent was in fact entitled to that priority date." The appellant then admits that MPEP § 1402 "deals with adding or changing claims of priority, where an earlier claim contained an error or was not made at all" and that MPEP § 1405 "does address deletion of a priority claim in reissue." The appellant then repeats arguments that a rejection based upon an intervening printed publication is outside the scope of reexamination.

Appellant arguments regarding MPEP § 2258.IV.E are wholly unpersuasive. If 35 USC 120 issues must "necessarily" arise and be completely disposed of by examiner during the examination of a continuing application, as proposed by the appellant, then there would certainly be no failure to make a benefit claim in the first place, and MPEP § 2258.IV would be rendered useless, which is an untenable argument. Nonetheless, MPEP § 2258.IV.E also states that the appellant may correct a "failure to adequately claim...benefit under 35 U.S.C. 120 of an earlier



filed...application." Emphasis added. Such a statement does not equate to a simple failure to make a benefit claim contrary to appellant arguments. See section III.A for additional details.

Appellant's argument that the original examiner determined that the '573 patent was in entitled to the priority date is incorrect. Instead, the examiner set forth a new matter rejection in absence of any intervening reference, which is distinct from a priority determination for claims rejected by an intervening printed publication, contrary to appellant attempts to conflate these two issues. Furthermore and nonetheless, the new matter rejection incompletely addressed all new matter issues identified in Table I above and the rejection did not clearly address the Parent specification as originally filed. See section III.B.1 for additional details.

The corrective procedures discussed in MPEP § 1402 and 1405 also shows that priority issues are not "necessarily" addressed during the original examination of a continuing application.

Appellant's argument that that a rejection based upon an intervening printed publication is outside the scope of reexamination is unpersuasive. An examiner may reject the claims of a patent under reexamination on the basis of an intervening printed publication, such as the Cohen patent, where the patent claims under reexamination are entitled only to the actual filing date of said patent. 37 CFR 1.552, 35 U.S.C. 120, MPEP § 2258.I.C, and MPEP § 201.11.(B).

III.B. The Priority Date for the Claims in the '573 Patent Is a New Issue Related To Patentability

III.B.1. The Original Examiner Never Assigned a Priority Date of June 13, 1988 to the Claims in the '573 Patent

On page 19 of the Brief, the appellant argues:

The Office makes much of the fact that the '391 Application was filed pursuant to the old File Wrapper Continuation procedure, which permitted the filing of CIPs. However, as set forth above, MPEP § 201.06(b), in effect at the time the '391 Application was filed, required that a CIP application filed pursuant to the File Wrapper Continuation procedure include a new oath or declaration. Since Examiner Nguyen did not require a new oath or declaration, as a threshold matter she assigned the priority date of June 13, 1988 to the '391 Application when it was filed.

The examiner disagrees. The patent owner again makes a sweeping conclusion based upon the lack of affirmative acts and furthermore regarding a separate issue. The more reasonable conclusion is this lack of evidence fails to support a showing that the distinct issue of priority issue was addressed. For example, the mere lack of a new oath or declaration in the Child application coupled with the lack of any affirmative acts on the part of the examiner stating to the applicant that a declaration was not needed cannot be reasonably viewed as a sound basis for concluding the original examiner addressed the separate and distinct issue of whether the applicant was entitled to the benefit of filing date in the earlier parent application per 37 CFR 1.552, 35 U.S.C. 120, MPEP § 2258.I.C, and MPEP § 201.11.(B).

On pages 19-22 of the Brief, the appellant argues:

The foregoing chart shows that, following submission of the subject additions to the specification and corresponding amendments to the claims, Examiner Nguyen considered those additions and amendments in the Office Action of February 24, 1992. That consideration included an objection to the specification as containing new matter under Section 132, and corresponding rejections of the relevant claims under Section

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112. The Applicant responded to, and overcame, that objection and those rejections in the Response of June 25, 1992. In that Response, the Applicant included arguments and a Declaration under 37 C.F.R. § 1.132 establishing that the additions to the specification had ample support in the originally filed specification because the subject matter of the additions was implicitly disclosed and understood by those skilled in the art. After considering this Response by the Applicant, Examiner Nguyen withdrew the objection to the specification and the Section 112 rejections of the claims, and thereby determined the claims were allowable. The amended chart set forth above demonstrates indisputably that Examiner Nguyen did consider the very same new matter and Section 112 rejections that the Office now asserts.

Appellant arguments flatly contradict the evidence.

First, the prosecution history fails to show the examiner ever made a priority determination for claims rejected by an intervening printed publication. Instead, the examiner set forth a new matter rejection in absence of any intervening reference, which is distinct, contrary to appellant attempts to conflate these two issues. For example, the new matter rejection only needed to establish whether the new matter at issue in the rejection was relative to the Child application as originally filed. Thus, the new matter rejection did not need to establish, and indeed did not establish, whether the new matter at issue in the rejection was relative to the original Parent application as originally filed, as would have been required in a full priority analysis. Specifically, in the Child application and subsequent to a series of amendments that added substantial new text to both the specification and claims of the Parent and Child applications, the examiner objected to "original specification" for failing to establish a basis for certain features. See pages 5 and 6 of the non-final Office action, mailed February 24, 1992, in the IFW record for the Child application. Thus, it is not clear whether the examiner referred to the Child specification as originally filed or to the Parent specification as originally filed. Thus, any argument by the appellant that said new matter rejection was based on the specification of the Parent application, as originally filed, is speculation.

Also unclear is on what basis the new matter rejection was withdrawn, indeed no reason was given. See the final Office action, mailed September 21, 1992. Thus, for this reason alone it is unclear if the new matter rejection was withdrawn on the basis of the Parent specification, as originally filed.

Nonetheless, although the applicant responded with an amendment and declaration on June 25, 1992, the applicant based support arguments upon both the specification as originally filed in the Parent application and on subsequent amendments that added the new text (e.g., "applicant have utilized the now questioned language in the claims and the Examiner has never question it. Only now, after 4 years does the Examiner raise a rejection based upon the same"). Thus, it is not clear whether the decision to withdraw the rejection was based upon support from the subsequent amendments that added new text instead of upon the Parent specification as originally filed.

Furthermore, the applicant characterized the new text as being introduced by a "preliminary amendment filed on the parent application....," however said preliminary amendment was submitted on December 22, 1988 almost 6 months after the filing of the original Parent specification and thus was not part of the original Parent specification. Thus, even the applicant arguments regarding the "preliminary" amendment where were not based upon the original Parent specification. Thus, it is not clear whether the decision to withdraw this rejection was based upon the Parent specification, as originally filed.

Thus, any argument by the appellant that said new matter rejection was withdrawn in response to applicant arguments about support in the Parent application, as originally filed, is also speculation.

Third, said new matter rejection only touched upon a **subset** of the new matter issues addressed in this reexamination proceeding as described in Table I above (see the section entitled "Intervening Printed Publications" ), where Table I was used to show new matter issues in regard to the Parent application, as originally filed. As a starting point, consider the appellant's list of the new matter issues allegedly addressed by the original examiner on page 12 of the Brief. See also page 5 and 6 of the non-final Office action, mailed February 24, 1992. When these issues are compared to the issues in Table I, substantial differences are immediately noticed. A result of the comparison is provided in Table III below. **Bold face** means the new matter issue was not addressed by the original examiner in regard to the Parent application, as originally filed. *Italics* means that although the new matter issue was addressed in the Child application, it is not clear whether the new matter issue was also addressed in the regard to the Parent application, as originally filed.

Table III: Comparison of New Matters Issues Originally Addressed in the Child Application Versus New Matter Issues Addressed in the Instant Reexamination Proceeding

<b>New Matters Issues Addressed in the Child Application (Whether Addressed In Regard to the Parent Application As Originally Filed Is Unclear)</b>	<b>New Matter Issues Addressed in the Reexamination In Regard to the Parent Application, As Originally Filed</b>
Transferring Money	<b><i>Transferring Money from Second Party to a First Party (Charging a Fee)</i></b>
Second Party Financially Distinct from the First Party	<b>Not Addressed</b>
Receiver in Possession of the Second Party	<b><i>Receiver and Second Memory in Possession of Second Party</i></b>
Telephoning	<b>Not Addressed</b>
Providing a Credit Card	<b><i>Providing a Credit Card Number</i></b>
Not Addressed	<b>Controlling Use of First/Second Memory</b>
Not Addressed	<b>Transmitting to a Location Determined by Second Party</b>
Not Addressed	<b>Specific Download Procedures</b>
Not Addressed	<b>First Party in Possession of Transmitter</b>

Thus, appellant's argument that the "the amended chart set forth above demonstrates indisputably that Examiner Nguyen did consider the very same new matter and Section 112 rejections that the Office now asserts" is clearly contradicted by the evidence.

On page 22 of the Brief, the appellant argues:

In the Office Action in the instant reexamination dated March 17, 2007, the Office admitted that Examiner Nguyen did in fact address the issue of the alleged new matter shown in the table above. The Office further admitted that Appellant has effectively demonstrated as much through the table submitted with Appellant's Response to the Office Action of September 29, 2006.

The appellant has not cited to a section in the final Office action where these admissions were allegedly made, and the examiner has not determined where he made these admissions. Thus, appellant arguments that such admissions were made is unpersuasive. Indeed, appellant's argument that the original examiner addressed all the issues illustrated in Table I is contradicted by the evidence, as discussed above. Furthermore, appellant's argument that the new matter addressed in the Child application were in regard to the Parent application, as originally filed, is also speculative, as discussed above.

On page 22 of the Brief, the appellant argues that the "office's rejection amounts to a bogus rejection that fails to define what is meant by 'gradually added new matter.'"

The final Office action, which is repeated here in the Examiner's Answer, clearly defines how new matter was gradually added after the Parent specification was originally filed. Nonetheless, the prosecution history, available in IFW, even upon cursory inspection, speaks for itself.

III.B.2. The Absence of Rejections Based on Intervening References During the Initial Examination Demonstrates the Examiner Never Addressed the Issue of Priority

On page 23 of the Brief, that appellant argues that "[i]t is more plausible to conclude that no intervening references were cited because Examiner Nguyen properly concluded the '391 Application was entitled to the priority date of June 13, 1988."

Appellant arguments are unpersuasive and amount to speculation, which is also contradicted by evidence. First, the patent owner again makes a sweeping conclusion based upon the lack of affirmative acts (e.g., a lack of rejections based upon intervening references). The more logical conclusion is this lack of evidence fails to support a showing that the issue of intervening references was addressed. There is insufficient evidence to conclude that the original examiner considered the propriety of the benefit claim under section 120 to the Parent application as originally filed during prosecution of the Child application leading to the '573 patent under reexamination. Second, there is indeed evidence to the contrary. See section III.A above. Thus it would not be more plausible to conclude that no intervening references were cited for this reason. Rather, it would be speculation contradicting the evidence.



III.B.3. The Office Has Jurisdiction to Apply an Intervening Printed Publication in a Reexamination Proceeding

*Patlex Makes Clear that It Does Not Apply to Situations Where the Sufficiency of the Parent Application Has Not Been Decided, Furthermore the Facts in the Patlex Case Differ Considerably from the Facts in the Instant Reexamination Proceeding*

On pages 23-25 of the Brief, the appellant argues that in Patlex v. Quiqq, 680 F.Supp. 33, 6 USPQ2d 1296 (D.D.C. 1988), the United States District Court for the District of Columbia "addressed a situation substantially identical to the circumstances of the present reexamination" and held that where "an original examiner already has considered and determined the sufficiency of the specification's disclosure under Section 112 and the resulting entitlement of claims to an original priority date, there is no 'substantial new' question of patentability for reexamination..." and thus the "Office lacks jurisdiction to 'reexamine' that same issue for those same claims in a subsequent reexamination proceeding."

Appellant arguments are unpersuasive. The holding relied on by the appellant reads, in full, "hence, the Court concludes that the examiner and the Board lacked jurisdiction in this case to 'reexamine' the sufficiency of the specification of the 'great-grandparent' application." (Emphasis added). Id., at 37, at 1299. Obviously, this is not a broad holding that a 35 U.S.C. § 120 benefit claim can never be "reexamined" in a reexamination proceeding. Indeed, the Patlex court specifically, and rather clearly, went on to state that the "Court wishes to make clear that it is not deciding whether the Commissioner has jurisdiction in a reexamination to inquire into the sufficiency of the specification of a "parent" application where the sufficiency of the "parent" application vis-a-vis the claims of the patent being reexamined was not previously determined by

the PTO or a court."<sup>21</sup> As discussed extensively above, the original examiner did not consider and determine the sufficiency of the specification in the originally filed, Parent application for the purposes of priority under 35 U.S.C. 120.

Indeed, the facts in the instant reexamination proceeding differ considerably from the facts in Patlex. In Patlex, the Court found that the issues were based upon the fact that the specification of the patent being reexamined was "essentially identical" to the specification of the great-grandparent application for which section 120 benefit was claimed (Id., at 34, at 1297) and that the claims of the great-grandparent were "directed essentially to the invention for [the patent being reexamined]." (Id. at 36, at 1299). In other words, in Patlex not only were the specifications essentially identical, but so were the claims. In contrast, and as discussed extensively above in the "Intervening Printed Publication" section (9) (see Tables I and II), the specification and the claims of the patent being reexamined are substantially different from the specification and claims of the original, Parent application for which section 120 benefit was claimed. A series of amendments subsequent the filing of the original, Parent application has added a substantial amount of new text to the specification and claims of both the parent application and the Child application, which issued as the '573 patent.

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<sup>21</sup> In another example, the Federal Circuit recently upheld a priority determination based upon a written description analysis raised by the Office during a reexamination proceeding initiated based on prior art raising a new question of patentability. In re Curtis, 354 F.3d 1347 (Fed. Cir. 2004). See also In re Modine and Guntly, 2001 WL 898541 (Fed. Cir. 2001) (unpublished) (finding lack of priority to an ancestor application during a reexamination of a patent where the reexam was initiated based on prior art raising a new question of patentability).

III.C. The Claims of the '573 Patent Are Not Entitled to the Benefit of Filing Date of the Parent Application, as Originally Filed

III.C.1. The Written Description of the Parent Application, as Originally Filed

III.C.1.i) The Proper Standard Is that the Original Written Description Must Actually or *Inherently* Disclose the Claim Element

On pages 25-28 of the Brief, the appellant argues that the "requirement of an inherency standard under Section 112 is unsupported by *Hyatt, Robertson, or Lockwood*."

Appellant arguments are unpersuasive. The written description must "actually or inherently disclose the claim element." *Poweroasis, Inc. v. T-Mobile USA, Inc.*, 2008 WL 1012561, p. 6 (Fed. Cir. 2008). In the case of *Hyatt v. Boone*, 146 F.3d 1348, 47 USPQ2d 1128 (Fed. Cir. 1998) (emphasis added) (Certiorari Denied), to which the appellant refers to approvingly, is clear in this matter. When an explicit limitation in a claim "is not present in the written description whose benefit is sought it must be shown that a person of ordinary skill would have understood, at the time the patent application was filed, that the description requires that limitation." *Id.* at 1353 (emphasis added). "It is 'not a question of whether one skilled in the art might be able to construct the patentee's device from the teachings of the disclosure...Rather, it is a question whether the application necessarily discloses that particular device." *Id.* at 1353-4 (quoting from *Jepson v. Coleman*, 50 C.C.P.A. 1051, 314 F.2d 533, 536, 136 USPQ 647, 649-50 (CCPA 1963)) (emphasis added). The "written description must include all of the limitations...or the applicant must show that any absent text is necessarily comprehended in the description

provided and would have been so understood at the time the patent application was filed." Id. at 1354-55 (emphasis added).

The case of In re Roberston, 169, F.3d 743, 49 USPQ2d 1949 (Fed. Cir. 1999) was cited for its holding that "missing descriptive matter" that is "necessarily present" also goes to inherency. Id. at 745 (emphasis added). See also Poweroasis cited above.

The case of Lockwood v. American Airlines, Inc., 107 F.3d 1565, 41 USPQ2d 1961 (Fed. Cir. 1997) was cited to emphasize that, although the written description requirement requires that the application necessarily discloses a particular device to one of ordinary skill in the art at the time the application was filed, such a test should not devolve into an inquiry that "combined with the knowledge in the art, would lead one to speculate as to modifications that the inventor might have envisioned, but failed to disclosed." Id. at 1571.

Thus, when an explicit limitation in a claim is not present in the written description whose benefit is sought, such a limitation must be required (necessarily disclosed) by the written description. Thus, if the said limitation is not necessarily disclosed in (required by) the written description, it is not present in the written description.

III.C.1.ii) Claim 1 Through 6 in the '573 Patent Lack Written Description Support in the Originally Filed Specification

On pages 28-35 of the Brief, the appellant provides a chart to show that all of the limitations in claims 1-6 and 44-49 of the '573 patent were supported by the originally filed, Parent application.

Although the appellant's arguments have been duly considered, they are not deemed persuasive. While the chart is certainly appreciated, certain of the claim limitations addressed in the chart are not necessarily disclosed (required by) the written description of the originally filed, Parent application, and thus are not present in the said written description, as extensively discussed by the examiner in the "Intervening Printed Publications" section (9) *supra*. Thus, the effective filing date (priority) of the instant '573 patent under reexamination remains the latest date at which time the priority chain was broken, namely September 18, 1990 (at the earliest), which is also the actually filing date of the '573 patent.

III.C.2. The "Video Feature" of the Claims 4-6 Of the '573 Patent Was Not Enabled by the Originally Filed Specification

*The Enablement Rejection of Newly Added, Video Download Feature Is Based on Factors, such as Undue Experimentation, and Not upon a "Mass Production" Standard as Argued by the Appellant*

On pages 35-40 of the Brief, the appellant argues that, regarding the enablement of various video features recited in claims 4 through 6 by the Parent application, as originally filed,

the Office is attempting to apply a "mass production" standard when, "in actuality, the enablement standard of Section 112 has no such requirement."

Appellant arguments are unpersuasive. Claims 4 through 6 were not rejected under a 35 U.S.C., 112, 1<sup>st</sup> paragraph, enablement rejection. Nonetheless, the rejection under the enablement requirement of those newly introduced claims reciting a video download feature was explicitly based upon an undue experimentation factor. Nothing was stated about a "mass production" requirement. For example, the originally filed, Parent application teaches that data (not specifically video data) is transmitted via a telephone line. Yet the MPEG-1 standard, which was designed to code/decode digital video information and to transmit the video via a telephone (telecommunications) network in NTSC (broadcast) quality for archiving, was only established in 1992. See the 35 U.S.C. 112, 1<sup>st</sup> paragraph rejection *supra* for additional details. Thus, digital video coding standards for purposes of transmission and file downloading over a telephone line were not settled in 1988. Thus, it would not have been clear to one of ordinary skill how the digital video would have been coded and decoded during transmission over a telephone line. Such a question does not relate to mass production, but whether a single video downloading system as claimed could be made or used without undue experimentation by one of ordinary skill in the art in 1988 facing a lack of industry standards for transmitting digital, video data via a telephone line and also facing a limited disclosure of any video features whatsoever (except for the general statements at the end of the specification regarding video applicability) in the originally filed, Parent application.

III.D. Cohen Is Available as Prior Art

On page 41 of the Brief, the appellant argues that Cohen is not available as prior art. The publication date of the Cohen patent however is August 14, 1990. The earliest priority date of the '573 Patent under reexamination however is September 18, 1990, as discussed extensively above in the "Intervening Printed Publication" section (9) and the arguments above. Thus, Cohen is available as prior art.

IV. The Claims As Amended Are Neither Supported Nor Enabled by the Written Description

On pages 42 of the Brief, the appellant argues that the "Office may only examine the recitation of 'hard disk' for compliance with Section 112, first paragraph." This argument is unpersuasive however because the claims recite a new limitation directed to a "second memory including a second party hard disk," not simply a "hard disk" as argued. Accordingly, the final Office action included 112, 1st paragraph rejections regarding the download of video to a second memory and playback therefrom. Furthermore, "the question of new matter should be considered in a reexamination proceeding." MPEP 2258.II.B.

On pages 43-45 of the Brief, the appellant argues that the originally filed specification explicitly states that the disclosed invention eliminates the need to handle tapes and CDs. This argument however is not persuasive because the cited portion of the specification (p. 2, ll. 23-26) instead states that a hard disk "thus eliminat[es]...the need to unnecessarily handl[e]...tapes, or

compact discs on a regular basis." Thus, the specification as originally filed does not preclude the possibility that tapes and CDs are used to store the downloaded music, albeit not on a regular basis. This embodiment thus directly contradicts the newly introduced, negative limitations directed to a "non-volatile storage portion of the second memory, wherein the non-volatile storage portion is not a tape or a CD." Indeed by pointing to that part of the specification that teaches storing the data on a hard disk, the appellant's arguments support the position that the specification as originally filed teaches of a second memory in the form of hard disk, but fails to necessarily disclose (require) the broader, artificially created sub-genus corresponding to the negative limitation, namely a second memory that is not necessarily a hard disk, and that is also not a tape or CD either.

V. Based on the Proper Priority Date for the Claims in Reexamination, the Rejection of Claims 1 through 6 and 44-49 Based on Cohen are proper.

The earliest priority date of the '573 Patent under reexamination is September 18, 1990, as discussed extensively above in the "Intervening Printed Publication" section (9) and also in the arguments above. Thus, Cohen is available as prior art.

VI. Claims 1 through 6 and 44-49 Are Unpatentable Over the Other Applied Prior Art

VI.A. Rejections of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 103(a) Over Bush in View of Freeny

On page 48 of the Brief, the appellant argues that "Freeny I bears no relation to the disclosure of Bush or the invention recited in Claims 1 through 6 and 44 through 49. The Office



apparently has recognized this deficiency in Freeny I, because the Office must cite to Cohen to show motivation to combine Bush and Freeny I."

Appellant arguments are unpersuasive. As the rejection in the final Office action made clear, which is repeated here, Bush teaches the downloading and storing of audio and video data. Freeny I is relied for the unremarkable proposition that said stored audio and video data may be stored on a hard disk (i.e., "non-volatile storage portion is not a tape or a CD" as claimed). As stated in the final Office action, Freeny I (similarly to Bush) teaches of a device that receives and stores audio data (abstract). Thus, Freeny I and Bush are analogous prior art (devices that receive and store media data, such as audio).

On page 48 of the Brief, the appellant argues:

The Supreme Court's recent holding in *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727 (U.S. 2007), does not relieve the Office of the obligation to show motivation to combine two separate references in making out a *prima facie* case of obviousness. Quite to the contrary, the Supreme Court stated: "[t]o determine whether there was an apparent reason to combine the known elements in the way a patent claims, it will often be necessary to look to interrelated teachings of multiple patents; to the effects of demands known to the design community or present in the marketplace; and to the background knowledge possessed by a person having ordinary skill in the art. *To facilitate review, this analysis should be made explicit.*" KSR, 127 S. Ct. at 1731 (emphasis added).

The final Office action, which is repeated here, showed an explicit motivation to add a hard disk to the teaching of Bush, which already disclosed downloading and storing audio and video data. Furthermore regarding KSR, the Court stated the "combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results." *Id.* at 1739. A "combination of familiar elements according to known methods is likely

to be obvious when it does no more than yield predictable results." *Id.* at 1731. Here, the combination of a hard disk with a system that stores audio and video data would yield predictable results, such as the efficient access to audio and video files because magnetic media, such as hard disk drives permit an almost unlimited number of read/write cycles. Other predictable results include increased security and reliability because magnetic hard disks retain data when the power to the unit is removed. Furthermore, storing audio and video data as taught by Bush does not affect the hard disk operational advantages as taught by Freeny I and vice versa. Thus, since the functionalities of Bush and Freeny I do not interfere with each other the results of the combination would have been a combination of familiar elements according to known methods to yield predictable results.

Furthermore, since each individual element and its function are shown in the prior art combination of Bush in view of Freeny I, the difference between the claimed subject matter and the prior art rests not on any individual element or function but in the very combination itself, that is, the substitution of a hard disk (i.e., "non-volatile storage portion is not a tape or a CD") with the tape/CD teachings of the primary references. An improvement is more than the predictable use of prior-art elements if the claimed subject matter involves more than the simple substitution of one known element for another or the mere application of a known technique to a piece of prior art ready for the improvement. *Id.* at 1731.

VI.B. Rejections of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 103(a) Over Akashi in View of Freeny II

On pages 49-52 of the Brief, the appellant arguments that Akashi teaches away because it teaches a recording device that is a compact disk or digital audio tape record are unpersuasive. The mere disclosure of an embodiment that will be substituted out does not constitute "teaching away." If it were otherwise, the simple substitution of one known element for another would not be obvious, contrary to the holdings in KSR. *Id.* at 1731. Furthermore, regarding KSR and for similar reasons discussed in section VI.A above, the functionalities of Akashi and Freeny II do not interfere with each other and the results of the combination would have been a combination of familiar elements according to known methods to yield predictable results. Furthermore for reasons similar to those discussed in section VI.A above, the claimed subject matter involves more than the simple substitution of one known element for another or the mere application of a known technique to a piece of prior art ready for the improvement.

VI.C. The Secondary Considerations of Non-Obviousness Fail to Support the Finding of Non-obviousness of Claims 1 through 6 and Claims 44-49

On pages 53-55 of the Brief, the appellant argues that secondary considerations of non-obviousness render those rejections based on 35 U.S.C. § 103 invalid.

However, as discussed above, those rejections were directed to adding a hard disk and a credit card transaction to a system that already teaches downloading and storing media (audio and video) data. Not surprisingly then, the examiner was able to make a strong *prima facie*

showing of obviousness in each of the rejections. Thus, even if the Appellant has established substantial evidence of secondary considerations, which it has not done here, see Leapfrog Enterprises, Inc. v. Fisher-Price, Inc., 458 F.3d 1157, 1162 (Fed. Cir. 2007), where the court held that substantial evidence of secondary considerations had been established, but "[g]iven the strength of the prima facie obviousness showing, the evidence on secondary considerations was inadequate to overcome a final conclusion that...[the claims] would have been obvious."

*Nexus*

An applicant who is asserting commercial success to support its contention of nonobviousness bears the burden of proof of establishing a nexus between the claimed invention and evidence of commercial success. MPEP § 716.03. The appellant has failed to establish such a nexus. The said Tygar declaration only characterizes the claimed invention in general terms (paragraphs 7 and 8). For example, the characterization of the claimed invention fails to discuss the secondary teachings relied upon in the subject 103 claim rejections, such as the addition of a "hard disk" to the second party or the use of a credit card transaction. As for the said Hair declaration, it fails to discuss the invention in terms of the claim language. Thus, the appellant has failed to establish a "nexus" between the merits of the claimed invention and the evidence of secondary considerations.

*Commercial Success*

On page 53 of the Brief, the appellant argues that the December 27, 2005 Declaration of Arthur R. Hair and the separate Declaration of Justin Douglas Tygar, Ph.D. establish commercial success.

Appellant evidence is unpersuasive. MPEP 716.03(b).I states in part:

In considering evidence of commercial success; care should be taken to determine that the commercial success alleged is directly derived from the invention claimed, in a marketplace where the consumer is free to choose on the basis of objective principles, and that such success is not the result of heavy promotion or advertising, shift in advertising, consumption by purchasers normally tied to applicant or assignee, or other business events extraneous to the merits of the claimed invention, etc. In re Mageli, 470 F.2d 1380, 176 USPQ 305 (CCPA 1973) (conclusory statements or opinions that increased sales were due to the merits of the invention are entitled to little weight); In re Noznick, 478 F.2d 1260, 178 USPQ 43 (CCPA 1973).

In ex parte proceedings before the Patent and Trademark Office, an applicant must show that the claimed features were responsible for the commercial success of an article if the evidence of nonobviousness is to be accorded substantial weight. See In re Huang, 100 F.3d 135, 140, 40 USPQ2d 1685, 1690 (Fed. Cir. 1996) (Inventor's opinion as to the purchaser's reason for buying the product is insufficient to demonstrate a nexus between the sales and the claimed invention.). Merely showing that there was commercial success of an article which embodied the invention is not sufficient. Ex parte Remark, 15 USPQ2d 1498, 1502-02 (Bd. Pat. App. & Inter. 1990). Compare Demaco Corp. v. F. Von Langsdorff Licensing Ltd., 851 F.2d 1387, 7 USPQ2d 1222 (Fed. Cir. 1988) (In civil litigation, a patentee does not have to prove that the commercial success is not due to other factors. "A requirement for proof of the negative of all imaginable contributing factors would be unfairly burdensome, and contrary to the ordinary rules of evidence.").

Here, the said Hair Declaration fails to establish that the commercial success was directly derived from the invention as claimed and that such success was not caused by other factors, such as heavy promotion or advertising. Indeed, the appellant has failed to provide a showing why the claimed features caused the commercial success. Merely showing that there was commercial success of an article which embodied the invention, which the appellant has done

here, is insufficient. The said Tygar Declaration suffers from the same defects. Although the Tygar Declaration at least attempts to characterize in general terms the claimed invention (paragraphs 7 and 8), this is response to a competing system (Napster) and not in regard to a showing of commercial success. Indeed, the portion of the Tygar declaration cited to by the appellant (paragraph 6) not only fails to relate to any claimed subject matter, but is based upon wholly unpersuasive evidence of commercial success. For example, the statement "Napster Light is a currently operating service with an apparently wide user base" is a conclusory and equivocating statement that even if assumed to be true, falls far short in showing commercial success.

### *Copying*

MPEP § 716.06 states in part:

Another form of secondary evidence which may be presented by applicants during prosecution of an application, but which is more often presented during litigation, is evidence that competitors in the marketplace are copying the invention instead of using the prior art. However, more than the mere fact of copying is necessary to make that action significant because copying may be attributable to other factors such as a lack of concern for patent property or contempt for the patentees ability to enforce the patent. *Cable Electric Products, Inc. v. Genmark, Inc.*, 770 F.2d 1015, 226 USPQ 881 (Fed. Cir. 1985). Evidence of copying was persuasive of nonobviousness when an alleged infringer tried for a substantial length of time to design a product or process similar to the claimed invention, but failed and then copied the claimed invention instead. *Dow Chem. Co. v. American Cyanamid Co.*, 816 F.2d 617, 2 USPQ2d 1350 (Fed. Cir. 1987). Alleged copying is not persuasive of nonobviousness when the copy is not identical to the claimed product, and the other manufacturer had not expended great effort to develop its own solution. *Pentec, Inc. v. Graphic Controls Corp.*, 776 F.2d 309, 227 USPQ 766 (Fed. Cir. 1985). See also *Vandenberg v. Dairy Equipment Co.*, 740 F.2d 1560, 1568, 224 USPQ 195, 199 (Fed. Cir. 1984) (evidence of copying not found persuasive of nonobviousness) and *Panduit Corp. v. Dennison Manufacturing Co.*, 774 F.2d 1082, 1098-99, 227 USPQ 337, 348, 349 (Fed. Cir. 1985), vacated on other grounds, 475 U.S. 809, 229 USPQ 478 (1986), on remand, 810 F.2d 1561, 1 USPQ2d 1593 (Fed. Cir. 1987) (evidence of copying found persuasive of nonobviousness where admitted infringer failed to satisfactorily produce a solution after 10 years of effort and expense).

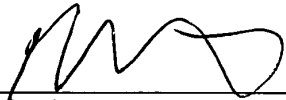
Here, the appellant presents in the Tygar Declaration some conclusory evidence that the invention was copied. However, more than the mere fact of copying is necessary to make that action significant because copying may be caused by other factors. Furthermore, the appellant has not provided evidence that the copier tried for a substantial length of time to design the system, but then copied the claimed invention instead.

Thus, the secondary evidence presented is not commensurate in scope to the claimed subject matter.

**Conclusion**

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

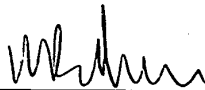


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06/23/08

Attorney's Docket No. NAPS001

Patent

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Arthur R. Hair : Group No.: 3992  
 Serial No.: 90/007,402 : Examiner: Roland G. Foster  
 Filed: January 31, 2005 : Confirmation No. 2998  
 For: METHOD FOR TRANSMITTING A DESIRED DIGITAL VIDEO OR AUDIO SIGNAL

REPLY BRIEF ON APPEAL UNDER 37 C.F.R. § 41.41

Mail Stop Appeal Brief - Patents  
 Commissioner for Patents  
 P.O. Box 1450  
 Alexandria, VA 22313-1450

Sir:

This reply is in response to the Examiner's Answer mailed April 24, 2008. This Reply is being filed within the two month time period set by regulation. No fee is believed to be due for this reply.

If any fees are due, please charge deposit account number 50-0573.

CERTIFICATE OF MAILING  
 UNDER 37 C.F.R. 1.8(a)

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

BY *Katelyn H' Chereau* 06/23/2008 JSH  
 DATE: *June 23, 2008* 01 FC:1403

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**Real Party in Interest**

Appellant's real party in interest is:

DMT Licensing, LLC (a wholly-owned subsidiary of GE Intellectual Property Licensing,  
Inc., which is a wholly-owned subsidiary of General Electric Co.)

105 Carnegie Center

Princeton, New Jersey 08540

**Status of the Claims**

Claims 1 through 6 and 44 through 49 are currently pending. Claims numbered 1 to 6 were originally issued in U.S. Patent 5,191,573 (the “573 Patent”). Claims 7 through 43 were added during reexamination and subsequently canceled following the vacating of the Office Action issued by the United States Patent and Trademark Office (the “Office”) on March 20, 2006 finally rejecting all of the claims in reexamination. Claims 44 through 49 were added in the Response to the Non-Final Office Action issued on September 29, 2006.

Claims 1 through 6 and 44 through 49 are rejected under 35 U.S.C. § 112, first paragraph. Claims 1, 2, 4, 5, 44, 45, 47 and 48 are rejected under 35 U.S.C. § 102(e). Claims 1 through 6 and 44 through 49 are rejected under 35 U.S.C. § 103(a).

Appellant appeals the rejection of all claims.

**Grounds for Rejection to be Reviewed on Appeal**

1. Office's rejection of Claims 1, 2, 4, 5, 44, 45, 47 and 48 under 35 U.S.C. § 102(e) and 35 U.S.C. § 103(a) over U.S. Patent 4,949,187 to Cohen (*Cohen*). In particular, Appellant seeks review of the Office's assertion that the '573 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Cohen* could be cited as a prior art reference.
2. Office's rejection of Claims 3, 6, 46 and 49 under 35 U.S.C. § 103(a) over *Cohen* in view of U.S. Patent 4,789,863 to Bush (*Bush*). In particular, Appellant seeks review of the Office's assertion that the '573 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Cohen* could be cited as a prior art reference.
3. Office's rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 103(a) over *Bush* in view of *Cohen*. In particular, Appellant seeks review of the Office's assertion that the '573 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Cohen* could be cited as a prior art reference.
4. Office's rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 103(a) over *Bush* in view of U.S. Patent 4,837,797 to Freeny (*Freeny I*).
5. Office's rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 103(a) over Japanese Patent Application No. 62-284496 to Akashi (*Akashi*) in view of U.S. Patent 4,528,643 to Freeny (*Freeny II*).
5. Office's rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 112, first paragraph as not being supported by the written description in the specification.
6. Office's rejection of Claims 4 through 6 and 47 through 49 under 35 U.S.C. § 112, first paragraph as not being enabled by the specification.

### Argument

#### I. SUMMARY

The Examiner's Answer ("the Answer") essentially rehashes the arguments/rejections made in the Examiner's last Office Action. Appellant addressed each of those arguments/rejections in its Opening Appeal Brief. Appellant will not repeat all of those arguments here.<sup>1</sup> Instead, this Reply will focus specifically on three deficiencies in the Answer. First, the Answer's attempt to reassign priority dates to the present claims circumvents the rules and regulations governing the scope of reexamination. Second, the Answer continues to apply the incorrect enablement standard. Third, the Answer misconstrues the specification disclosure with respect to the "non-volatile storage portion is not a tape or a CD" element.

#### II. THE ANSWER'S REASSIGNING OF PRIORITY HAS NO LEGAL SUPPORT.

In rejecting the present claims based on "intervening" references, the Answer takes a two step approach that amounts to an improper *de novo* determination of priority for the existing claims. In the first step, the Answer alleges that "new matter" was added during the prosecution of the patent. Using that alleged "new matter," the Answer improperly converts the present continuation application to a continuation in part application by assigning varying priority dates to each of the claims.<sup>2</sup> In the second step, having already improperly created multiple artificial priority dates, the Answer asserts that it is now authorized to use intervening references to reject

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<sup>1</sup> The fact that Appellant, in this Reply, has not raised all of the issues in the Opening Appeal Brief should not be considered a waiver of those issues.

<sup>2</sup> The Answer tries to hide the ball by repeatedly stating the Appellant is conflating the new matter issue with the priority issue. What the Answer fails to acknowledge is that its actions necessarily require the issues to be combined. If the Answer does not examine the claims under 35 USC 112, then the Answer would not have created the alleged "new matter." Without the alleged "new matter," there would be no question of priority because all of the claims would have been entitled to the original priority date. In other words, the Answer could not have reached the second step without initially taking the first step.

the claims. An examiner in a reexamination lacks the authority to take those two steps. As a result, the rejections based on the “intervening” references are improper.

**A. Reassigning priority clearly falls outside the scope of reexamination.**

The first step, *i.e.*, alleging that new matter was added during the original prosecution is outside the scope of reexamination for the pending application. That scope is defined by 37 CFR 1.552, which, in relevant part, recites:

(a) Claims in an *ex parte* reexamination proceeding will be examined on the basis of patents or printed publications and, with respect to subject matter added or deleted in the reexamination proceeding, on the basis of the requirements of 35 U.S.C. 112.

(c) Issues other than those indicated in paragraphs (a) and (b) of this section will not be resolved in a reexamination proceeding. If such issues are raised by the patent owner or third party requester during a reexamination proceeding, the existence of such issues will be noted by the examiner in the next Office action, in which case the patent owner may consider the advisability of filing a reissue application to have such issues considered and resolved.

In short, the reexamination regulations clearly state that issues with respect to 35 U.S.C. §112 can only be raised in a reexamination for “subject matter added or deleted in the reexamination proceeding.” 37 CFR 1.552; *see also In re Etter*, 756 F.2d 852, 856 (Fed. Cir. 1985) (*en banc*) (“only new or amended claims are also examined under 35 U.S.C. §§ 112 and 132”). That is not the case here.

Determining that material in the specification is “new matter” and then subsequently converting a continuation application to a continuation in part application, as the Answer improperly does in this case, plainly is an issue with raised under 35 U.S.C. §112. However, the material that the Answer alleges is new matter was not “added or deleted in the reexamination proceeding.” The Answer does not – and cannot – dispute this fact. On the contrary, the Answer lists each of dates in which the alleged new matter was added during the *original* prosecution.

Because the material was added during the *original* prosecution and not during reexamination, 37 CFR 1.552 makes clear that the reexamination examiner has no authority to review the material under 35 U.S.C. §112.

Without the first step of magically and improperly converting the continuation application to a continuation in part application, the Answer's rejection based on "intervening references" must fail. The priority date of a continuation application is the filing date of the original application to which the continuation claims priority. There is only one priority date. With only one priority date, there cannot be intervening references. For intervening references to exist, let alone be applied, the examiner necessarily had to reassign priority dates. Thus, the Answer is simply wrong when it asserted that "the examiner simply applied an intervening reference" and that "no priority dates [had] been 'reassigned' by the examiner." Answer, p. 44.

**B. The new matter rejections are not a new question of patentability.**

During the original prosecution, the original examiner was required to, and in fact did, review all added material to determine whether this material was new matter. As a result, conducting a new matter analysis on material added to the application during the original prosecution is not a new question of patentability in this reexamination. Because it is not a new question of patentability, the issue is outside the scope of reexamination.

As acknowledge in the Answer, the examiner in the original prosecution issued a new matter rejection in the office action of February 24, 1992. This rejection evidences the original examiner's attention to this issue; an issue that the statutes and rules mandate the examiner address. See 35 U.S.C. 132 (a) ("No amendment shall introduce new matter into the disclosure of the invention."); MPEP 706.03(o) ("In the examination of an application following amendment thereof, the examiner must be on the alert to detect new matter" and should object

“to amendments to the abstract, specification, or drawings attempting to add new disclosure to that originally disclosed on filing.”). This action is presumed to be complete. *See* 37 CFR §1.104 (“The examiner’s action will be complete as to all matters,” except in certain circumstances, none of which apply here). Therefore, the alleged new matter cannot be a new question of patentability here.<sup>3</sup>

**C. The authority the Answer cites fails to support the action of converting a continuation application to a continuation in part application during reexamination.**

The Answer cites several sections of the MPEP that allegedly empower a reexamination examiner to make a *de novo* priority determination of a *continuation* application. As discussed below, none of the cited sections give a reexamination examiner such authority.<sup>4</sup> In fact, the reexamination examiner attempts to take actions (*i.e.*, convert a continuation to a continuation in part application) that no examiner – not even an original examiner – has authority to do. Thus, if an original examiner believes new matter has been added to an application that is not a continuation-in-part, and further believes the new matter is required to support claims, the proper courses for that original examiner is to object to the new matter under 35 U.S.C. § 132(a), and to reject the claims under 35 U.S.C. §112. It is undisputed there is absolutely no authority for an original examiner to do what the examiner did here – magically turn the application into a continuation-in-part, arbitrarily assign a new priority date to the claims, and thereafter reject those claims based on intervening prior art. Plainly, if an original examiner could not do that, then a reexamination examiner cannot do it either, absent some express authority in the

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<sup>3</sup> The Answer asserts that the appellant’s statement that the original examiner “could not – and did not – reassign priority dates to the original claims...” was an admission “that the original examiner did not address the issue of whether to apply intervening references against the original claims.” This assertion is just plain wrong. That statement was not an admission that the original examiner did not address the issue, but rather a statement that the original examiner correctly and properly did not reassign priority when it had an opportunity to do so.

<sup>4</sup> It is important to note that “the MPEP does not have the force of law,” although it is entitled to judicial notice. *Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1180, n. 10 (Fed. Cir. 1995).



reexamination statutes or rules which, contrary to the present examiner's assertions, simply does not exist:

- MPEP § 201.11(B) – This section is not directed to reexaminations, and therefore does not apply to the present application.
- MPEP § 202.02 – The Answer cites this section for the proposition that “the inclusion of prior application information in the patent does not necessarily indicate that the claims are entitled to the benefit of the earlier filing date.” First, while this is true, it does not empower a reexamination examiner to convert a continuation application to a continuation in part application. Second, this section is not directed to reexaminations, and therefore does not apply to the present application.
- MPEP § 2258(I)(C) – This section notes that rejections based on intervening references are allowed during reexamination, but does not provide authority for an examiner to conduct a *de novo* priority determination of a *continuation* application during reexamination. The two cases cited in the section addressed continuation in part applications. Neither the section, nor the cases cited in the section provide an examiner with authority to convert a continuation application to a continuation in part application during reexamination.
- MPEP § 2258 (IV)(E) – This section provides that an examiner in reexamination can review priority claims *if* the patentee makes a claim for priority during the reexamination. Appellant did not make such a claim because Appellant did not need to. There is only one priority date to this application. To hold otherwise would in essence convert the continuation application into a continuation in part application, which, as discussed above, cannot be done.
- MPEP § 1402 – This section is directed to reissue applications, not applications in reexamination. The section does not provide an examiner with authority to convert a continuation application to a continuation in part application during reexamination.
- MPEP § 1405 – This section is directed to reissue applications, not applications in reexamination. The section does not provide an examiner with authority to convert a continuation application to a continuation in part application during reexamination.

There is no dispute that an examiner in a reexamination may, under limited circumstances, have authority to review intervening references in a reexamination. However, an examiner can only do so if the patent under reexamination issued from a continuation in part application. Again,

that is not the case here. The patent instead issued from a continuation application. The Answer's smoke and mirrors arguments<sup>5</sup> that shift the burden to the appellant to show why the present continuation application cannot be treated like a continuation in part application are, just that -- smoke and mirrors. Each of the sections cited by the Answer relates to non-reexamination applications and/or continuation in part applications. None of the references relate to a continuation application in reexamination, which is what we have here. As a result, it is the Office that has the burden to show how these sections can apply. Not surprisingly, even with its manufactured arguments, the Answer failed to do that.

### **III. THE ANSWER APPLIED THE IMPROPER STANDARD AND IMPROPERLY IMPORTED LIMITATIONS INTO THE CLAIMS IN SUPPORT OF THE SECTION 112 REJECTIONS.**

#### **A. The Answer tacitly admits that short videos are enabled.**

In the Opening Brief, Appellant pointed out that the rejection included an implicit admission that short videos were enabled. Appellant quoted the Office Action which stated "it is not clear ... how downloaded video files of any appreciable or viable size would have been downloaded and stored on originally disclosed hard disk 60 of the user in the original specification." Opening Brief, p. 37. In light of that statement, Appellant argued "The use of 'appreciable' and 'viable' makes it clear that short videos are enabled, and nothing more is required." *Id.* Not only is the use of the qualifying language "appreciable" and "viable" in the Office Action a tacit admission by the Office that the present specification at least enables videos of *some* size, the Answer's (e.g., on pages 26 and 67) failure to provide *any evidence* to rebut Appellant's argument that short videos are enabled is legally tantamount to an admission

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<sup>5</sup> The Answer inexplicably asserts that the "appellant has failed to cite to any law or procedure that prohibits the Office from applying intervening printed publications during an *ex parte* reexamination proceeding in the absence of a continuation-in-part." Answer, p. 44. The Answer apparently has overlooked 37 CFR 1.552.

that short videos are enabled. See *In re Herrmann*, 261 F.2d 598, 120 USPQ 182 (CCPA 1958) and *In re Soni*, 54 F.3d 746, 751, 34 USPQ2d 1684, 1688 (Fed. Cir. 1995) reversing rejections for failure to rebut applicant's argument. Because the enablement requirement does not have an "appreciable or viable size" requirement,<sup>6</sup> and because the Answer admits the present specification enables videos of *some* size (*i.e.*, short videos), there can be no doubt the present claims meet the enablement requirement. Appellant therefore submits that the Proposed Findings of Fact and Conclusion of Law, attached hereto as Exhibit A, should be adopted of record in this Appeal.

**B. The Answer applies the wrong standard and improperly imports limitations into the claims in support of the Section 112 rejections.**

The Answer does nothing more than state the enablement rejection is based on the alleged fact that undue experimentation would be required to reach the claimed invention. Without more, that statement falls on its face. The Answer does not even discuss – much less provide any evidence -- as to how much or what kind of experimentation would be required. Instead, the Answer merely states that the level of experimentation would be "undue." This is not enough. Moreover, the Answer attempts to support the undue experimentation statement by introducing qualifiers (*e.g.*, "popular" or "routinely available") that are not present in the claims, and therefore not part of a proper enablement analysis. Again, by using such qualifiers, the examiner has tacitly admitted the claims are enabled in some manner, albeit in ways the examiner considers to be not "popular" or not "routinely available."

Despite its contentions to the contrary, the Answer clearly attempts to apply a "mass production" standard to the claims when, in actuality, the enablement standard of Section 112

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<sup>6</sup> The Answer acknowledges that even a 30-megabyte hard drive could store a three-minute movie if encoded at 1.5 megabits/second, which is more than enough to meet the enablement requirement. Answer, p. 26.

has no such requirement. As the Federal Circuit held in *Christianson v. Colt Indus. Operating Corp.*, 822 F.2d 1544, 1562 (Fed. Cir. 1987), “the law has never required that [an Appellant]... must disclose in its patent the dimensions, tolerances, drawings, and other parameters of mass production not necessary to enable one skilled in the art to practice (as distinguished from mass-produce) the invention.” Nonetheless, this kind of “mass production” information is exactly the kind of information the Answer now seeks. The Answer asserts that it did not apply the “mass production” standard,<sup>7</sup> but as can be seen from the quotations directly from the Answer, this assertion defies reality.

Thus, the Answer states “[p]ersonal user devices with the processing power capable of playing back much larger and more complicated digital video files, such as DVD players, were not routinely available until the late 1990(s).” Answer, pp. 25-26 (emphasis added). Whether such devices “routinely” were available is not part of the test for enablement, nor is it one of the eight factors for reasonable experimentation that were laid out by the Federal Circuit in *In re Wands*, 858 F.2d 731 (Fed. Cir. 1988). Rather, the only relevant test is whether, without undue experimentation, one of ordinary skill in the art could have made and used the claimed invention.

As further evidence the Answer seeks to apply a “mass production” standard, the Answer states “the digital bandwidth required to transmit a video signal at even VHS quality was around 1.5 megabits per second (approximately 30 megabytes in 3 minutes).” Answer, p. 26 (emphasis added). However, while VHS quality may be appropriate for “mass production,” a limitation requiring VHS quality video is not included in any of the claims, and thus it is impermissible for the Office to use that level of quality as a benchmark for enablement. In fact, the recent success

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<sup>7</sup> The Answer asserts on page 67 that “Nothing was stated about a ‘mass production’ requirement.” Simply because the Answer did not use the exact words “mass production” does not mean that the requirement was not applied.

of very small screen video players shows that “mass production” can be achieved with even less than VHS quality.

Moreover, the Answer impermissibly limits the scope of what it referenced when it cites the size of available hard drives. While a 30-megabyte hard drive would have been available in a 3.5-inch form factor, the same chart relied on by the Office illustrates that hard drives larger than 1.89 gigabytes were available at the same time.

Furthermore, the Answer has applied the same “mass production” requirement to the library server. The Answer acknowledges that mainframes did exist which could have operated as repositories for copyrighted materials using hard disk drives, but then discounts the relevance of the existing mainframes by stating “it is not clear how even a small-sized video library ... would have been stored in the hard disk of the copyright holder ... without requiring details directed to a complex mainframe operating environment.” This unsupported statement on “complexity” is insufficient to prove that mainframe operating environments capable of storing digital video files were not already known at the time the original specification was filed, or that undue experimentation would have been required to store digital video files in such an environment. The statement also leaves unanswered how the Answer is defining “small” -- according to the enablement standard under Section 112 or the improper “mass production” standard?

The Answer also states “[r]egarding the transfer of these large video files over a network, the proliferation of broadband communication network[s] capable of delivering these large files to consumers, such as the Internet, simply did not exist or were not well known in 1988.” Answer, p. 27. (emphasis added). Such a statement raises at least two issues. First, “not well known” to whom? Those of ordinary skill in the art of computer systems knew of telephony-

based wide area networks at the time the original specification was filed. See <http://www.rfc-editor.org/rfc-index.html> for a list of computer communications standards including those available at the time of filing. Second, utilization of a “broadband” network is not required. In fact, the originally filed specification discloses that the audio and video files can be transferred over telephone lines. While this may not be an extremely fast method of transfer, it nonetheless clearly is enabling under Section 112.

The Office further questions “how the digital video would have been coded and decoded during transmission, as digital video coding standards for purposes of transmission and file download were not settled in 1988. [T]he MPEG-1 standard which was designed to code/decode digital video information and to transmit the video via a telephone (telecommunications) network in NTSC (broadcast) quality for archiving, was only established in 1992.” Answer, p. 27 (emphasis added). Again, standardization of video coding and the use of “NTSC quality” relate to “mass production” rather than enablement under Section 112. Thus, the Office has not alleged -- and cannot allege -- that one of ordinary skill in the art could not have coded video at some other resolution or using some other encoding technique at the time the original specification was filed.

In contrast, those of ordinary skill in the art would have been able to code and decode video data transmitted over a telephone line without undue experimentation. This is because there were existing video teleconferencing systems known and available to them prior to applicant’s earliest priority date. As earlier as five years before applicant’s earliest priority date digital video signals could have been and were sent via telephone networks and decoded with picture processors in real-time.

Similarly, not only were TV processors for video processing available for use in video processing systems, but network interface specifications were available for making systems that were compatible with signals sent via telephone networks. As such, contrary to the position of the Answer, it is clear that at the time of filing of the earliest priority application, one of ordinary skill in the art would have been able to transmit, download and decode video signals as claimed without undue experimentation.

Accordingly, Claims 4 through 6 and Claims 47 through 49 directed to the “video feature” embodiment of the invention are clearly enabled by the originally filed specification under the proper standard for Section 112 enablement.

#### **IV. Negative Limitation**

The Answer asserts the negative limitation of “a non-volatile storage portion of the second memory, wherein the non-volatile storage is not a tape or a CD”, introduces a new concept to the claims that does not have a basis in the originally filed specification. The Answer cites two cases from the BPAI, one case from the CAFC, and one case from the Court of Customs and Patent Appeals (“C.C.P.A.”) to support this rejection. None of the cases support the rejection.

The CAFC case cited in the Answer, *Lizardtech, Inc. v. Earth Res. Mapping, Inc.*, 433 F.3d 1373 (Fed. Cir. 2006), is merely an opinion denying a petition for rehearing *en banc*. The case does not address anything related to the current rejection. Therefore, the case simply does not support the Answer’s position.

The two cases from the BPAI, *Ex Parte Wong*, No. 2004-1144, 2004 WL 4981845 (Bd. Pat. App. & Interf. June 10, 2004) and *Ex Parte Grasselli*, 231 U.S.P.Q. 393 (Bd. Pat. App. & Interf. 1983), address situations where a negative limitation added to a claim was not described

in the specification of the application. However, neither *Wong* nor *Grasselli* support the rejection of Claims 1 through 6 under Section 112, first paragraph in the instant case. In both *Wong* and *Grasselli*, the issue and ultimate ground for rejection was that a negative limitation added to the claims introduced a new concept not disclosed in the respective specifications in those cases. That simply is not the situation here. Both Claims 1 and 4 recite a non-volatile storage portion of a memory that is not a tape or CD. The originally filed specification of the '497 Application explicitly states that the disclosed invention eliminates the need to handle tapes and CDs. See p. 2, lns. 23 to 26.<sup>8</sup> Thus, the concept of storing digital audio or digital video signals on a memory that is not a tape or CD is explicitly disclosed by the original specification. Therefore, *Wong* and *Grasselli* are inapposite to the present case.

The case from the C.C.P.A., *Application of Johnson*, 558 F.2d 1008 (C.C.P.A. 1977), concerns a situation where the applicant sought to claim priority to an originally filed application for claims in a subsequent continuation-in-part application. The holding of *Johnson* also fails to support the Answer's position. In *Johnson*, an original parent application disclosed and claimed a genus of polymer compositions comprising various monomer units. In a later filed CIP application, the broad genus claims in the parent application were narrowed by expressly excluding certain species from the polymer compositions. The parent application only contained a description of the broader genus. The court found that claims to the narrower sub-genus created by the express exclusion of certain species in the CIP were not supported by the description of the broader genus in the parent specification. Again, the situation with the present reexamination differs significantly from the cited case law. Claims 1 and 4 recite a non-volatile

---

<sup>8</sup> The Answer argues that the specification's disclosure of the present invention eliminating the need to handle tapes and CDs somehow means that present invention includes tapes and CDs. Eliminating something does not mean including that something. To find otherwise would be nonsensical.



storage portion of a memory that is not a tape or CD. This is exactly what is described at page 2, lines 23 to 26 of the originally filed specification. In short, the negative limitation recited in Claims 1 and 4 is expressly disclosed in the specification of the parent application. Thus, in the instant case, the scope of the disclosure in the specification was never narrowed with respect to this element, contrary to the situation in *Johnson*. Therefore, the recitation of a non-volatile storage portion of a memory that is not a tape or CD is fully supported by the originally filed specification, as well as the specification of the '573 Patent as issued.

The Board should therefore reverse the "negative limitation" rejections of Claims 1 through 6 under 35 U.S.C. § 112, first paragraph.

**Conclusion**

Based on all of the foregoing and the Appellant's Opening Brief, Appellant respectfully submits that the Board should reverse the rejections of Claims 1 through 6 and 44 through 49 under 35 U.S.C. §§ 102(e) and 103(a). Also based on the foregoing and on the Appellant's Opening Brief, the Board should reverse the rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 112, first paragraph. Appellant respectfully requests an oral hearing by way of the Request for Oral Hearing form filed herewith.

**Date: June 23, 2008**

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Respectfully submitted,



Robert A. Koons, Jr., Esq.  
Attorney for Appellant  
Reg. No. 32,474

**Exhibit A**

**Proposed Findings of Fact**

1. Page 37 of Appellant's brief argued "The use of 'appreciable' and 'viable' makes it clear that short videos are enabled, and nothing more is required."
2. The Examiner's Answer provided no evidence to rebut Appellant's argument that "The use of 'appreciable' and 'viable' makes it clear that short videos are enabled."

**Proposed Conclusion of Law**

1. The Examiner's failure to rebut Appellant's argument that short videos are enabled is legally an implicit admission that short videos are enabled. *See In re Herrmann*, 261 F.2d 598, 120 USPQ 182 (CCPA 1958) and *In re Soni*, 54 F.3d 746, 751, 34 USPQ2d 1684, 1688 (Fed. Cir. 1995).

Express Mail No.: EV 502961945 US

Control No.: 90/007,402

Attorney's Docket No. NAPS001

Patent


**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re Application of: Arthur R. Hair	:	Group No.: 3992
	:	
Serial No.: 90/007,402	:	Examiner: Roland G. Foster
	:	
Filed: January 31, 2005	:	Confirmation No. 2998
	:	
For: METHOD FOR TRANSMITTING A DESIRED DIGITAL VIDEO OR AUDIO SIGNAL		

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that true and correct copies of the REPLY BRIEF ON APPEAL UNDER 37 C.F.R. § 41.41 and the REQUEST FOR ORAL HEARING, which were filed with the United States Patent & Trademark Office on June 23, 2008, in Reexamination No. 90/007,402, were served via First Class United States Mail, postage prepaid, this 23<sup>rd</sup> day of June 2008, on the following:

Mr. Albert S. Penilla  
Martine, Penilla, & Gencarella, LLP  
710 Lakeway Drive, Suite 200  
Sunnyvale, CA 94085  
Attorney for Third Party Reexamination Requester

By:   
Robert A. Koons, Jr.  
Attorney for Appellant (Patentee)



06-24-08

RE-EXAM

Approved for use through 06/30/2008. OMB 0651-0031 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.



06/23/08

REQUEST FOR ORAL HEARING BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Docket Number (Optional) NAPS001

I hereby certify that this correspondence is being facsimile transmitted to the USPTO or deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to "Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450" [37 CFR 1.8(a)] on July 23, 2008. Signature: Patricia D'Oliveira. Typed or printed name: Patricia D'Oliveira

In re Application of Arthur R. Hair. Application Number 90/007,402. Filed January 31, 2005. For Method for Transmitting A Desired Digital Video or Audio Signal. Art Unit 3992. Examiner Roland G. Foster

Applicant hereby requests an oral hearing before the Board of Patent Appeals and Interferences in the appeal of the above-identified application.

The fee for this Request for Oral Hearing is (37 CFR 41.20(b)(3)) \$ 1,030.00

- Applicant claims small entity status. See 37 CFR 1.27. Therefore, the fee shown above is reduced by half, and the resulting fee is: \$
[X] A check in the amount of the fee is enclosed.
Payment by credit card. Form PTO-2038 is attached.
The Director has already been authorized to charge fees in this application to a Deposit Account. I have enclosed a duplicate copy of this sheet.
[X] The Director is hereby authorized to charge any fees which may be required, or credit any overpayment to Deposit Account No. 50-0573. I have enclosed a duplicate copy of this sheet.
A petition for an extension of time under 37 CFR 1.136(b) (PTO/SB/23) is enclosed. For extensions of time in reexamination proceedings, see 37 CFR 1.550.

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) attorney or agent of record. Registration number attorney or agent acting under 37 CFR 1.34. Registration number if acting under 37 CFR 1.34. 32,474

Signature: Robert A. Koons, Jr. Typed or printed name: Robert A. Koons, Jr. Date: 6/23/08 Telephone number: (215) 988-3392

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\*.

[X] \*Total of 1 forms are submitted.

This collection of information is required by 37 CFR 41.20(b)(3). 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, 1.14 and 41.6. 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.
90/007,402	01/31/2005	5191573	NAPS001	2998

23973                      7590                      07/11/2008

DRINKER BIDDLE & REATH  
ATTN: INTELLECTUAL PROPERTY GROUP  
ONE LOGAN SQUARE  
18TH AND CHERRY STREETS  
PHILADELPHIA, PA 19103-6996

EXAMINER

ART UNIT	PAPER NUMBER
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DATE MAILED: 07/11/2008

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REEXAMINATION CONTROL NO. 90/007,402.

PATENT NO. 5191573.

ART UNIT 3992.

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Where this copy is supplied after the reply by requester, 37 CFR 1.535, or the time for filing a reply has passed, no submission on behalf of the *ex parte* reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).



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APPLICATION NO./ CONTROL NO.	FILING DATE	FIRST NAMED INVENTOR / PATENT IN REEXAMINATION	ATTORNEY DOCKET NO.
90007402	1/31/05	5191573	NAPS001

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EXAMINER

ROLAND G.. FOSTER

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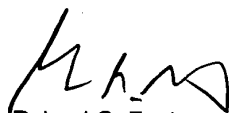
20080707-A


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Commissioner for Patents

The examiner requests the opportunity to present arguments at the oral hearing.

  
Roland G. Foster  
Primary Examiner  
Electrical Art Unit 3992  
Central Reexamination Unit

  
MARK J. REINHART  
CRU SPE-AU 3992





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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,402	01/31/2005	5191573	NAPS001	2998

23973                      7590                      04/24/2008

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<b>APPLICATION NO./ CONTROL NO.</b>	<b>FILING DATE</b>	<b>FIRST NAMED INVENTOR / PATENT IN REEXAMINATION</b>	<b>ATTORNEY DOCKET NO.</b>
90007402	1/31/05	5191573	NAPS001

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**EXAMINER**

ROLAND G. FOSTER

<b>ART UNIT</b>	<b>PAPER</b>
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3992


20080707

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**Commissioner for Patents**

The reply brief filed on June 23, 2008 has been entered and considered. The proceeding has been forwarded to the Board of Patent Appeals and Interferences for decision on the appeal.

  
Roland G. Foster  
Primary Examiner  
Electrical Art Unit 3992  
Central Reexamination Unit

  
**MARK J. REINHART**  
CRU SPE-AU 3992



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Table with 5 columns: APPLICATION NO., FILING DATE, FIRST NAMED INVENTOR, ATTORNEY DOCKET NO., CONFIRMATION NO.

90/007,402 01/31/2005 5191573 NAPS001 2998

23973 7590 09/26/2008
DRINKER BIDDLE & REATH
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Table with 1 column: EXAMINER

FOSTER, ROLAND G

Table with 2 columns: ART UNIT, PAPER NUMBER

3992

Table with 2 columns: MAIL DATE, DELIVERY MODE

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



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PHILADELPHIA, PA 19103-6996

Appeal No: 2008-6178  
Application: 90/007,402  
Appellant: Arthur R. Hair

## Board of Patent Appeals and Interferences Docketing Notice

Application 90/007,402 was received from the Technology Center at the Board on August 14, 2008 and has been assigned Appeal No: 2008-6178.

A review of the file indicates that the following documents have been filed by appellant:

Appeal Brief filed on: January 30, 2008  
Reply Brief filed on: June 23, 2008  
Request for Hearing filed on: June 23, 2008

In all future communications regarding this appeal, please include both the application number and the appeal number.

The mailing address for the Board is:

**BOARD OF PATENT APPEALS AND INTERFERENCES  
UNITED STATES PATENT AND TRADEMARK OFFICE  
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ALEXANDRIA, VIRGINIA 22313-1450**

The facsimile number of the Board is 571-273-0052. Because of the heightened security in the Washington D.C. area, facsimile communications are recommended. Telephone inquiries can be made by calling 571-272-9797 and should be directed to a Program and Resource Administrator.

By order of the Board of Patent Appeals and Interferences.

Third Party Requester:

Albert S. Penilla  
MARTINE PENILLA & GENCARELLA, LLP  
710 Lakeway Drive  
Suite 200  
Sunnyvale, CA 94085

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte*: ARTHUR R. HAIR

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Appeal No. 2008-6178  
Reexamination Control No. 90/007,402  
Patent No. 5,191,573  
Technology Center 3900

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Mailed: November 13, 2008

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Before LYNN KRYZA *Deputy Chief Trial Administrator*

ORDER REMANDING TO EXAMINER

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This reexamination was electronically received at the Board of Patent Appeals and Interferences on August 14, 2008. Upon review of the reexamination, it has been determined that a remand to the Examiner is

Appeal No. 2008- 6178  
Application No. 90/007,402

necessary to consider the following issue and to take necessary corrective action.

### **APPEAL BRIEF, MISSING EVIDENCE**

A review of the file finds that with regard to the evidence listed in the Evidence Appendix of the Appeal Brief filed January 30, 2008, it does not appear that copies of such evidence have been provided, nor does there appear to be a statement setting forth where in the record the evidence was entered in the record by the Examiner in accordance with 37 CFR 41.37(c)(1)(ix).

### **CONCLUSION**

Accordingly, it is **ORDERED** that this reexamination be remanded to the Examiner to:

- 1) to hold the Appeal Brief filed January 30, 2008 defective; and,
- 2) notify Appellant to file a corrected paper addressing the evidence listed in the Evidence Appendix; and,
- 3) for such further action as appropriate.

If there are any questions pertaining to this Order, please contact the Board of Patent Appeals and Interferences at 571-272-9797.

LK/SD




Appeal No. 2008- 6178  
Application No. 90/007,402

For Patent Owner:

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<b>Application Number</b> 	<b>Application/Control No.</b> 90/007,402	<b>Applicant(s)/Patent Under Reexamination</b> 5191573
	<b>Examiner</b> ROLAND G. FOSTER	<b>Art Unit</b> 3992



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THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS

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710 LAKEWAY DRIVE, SUITE 200

SUNNYVALE, CA 94085

Date:

**MAILED**

**DEC 04 2008**

CENTRAL REEXAMINATION UNIT

**EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM**

REEXAMINATION CONTROL NO. : 90007402

PATENT NO. : 5191573

ART UNIT : 3900

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**DRINKER BIDDLE & REATH**  
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ONE LOGAN SQUARE  
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EXAMINER

ART UNIT            PAPER NUMBER

DATE MAILED: 12/04/2008

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

**Notification of Non-Compliant Appeal  
Brief (37 CFR 41.37) in  
Ex Parte Reexamination**

Control No.	Patent Under Reexamination
90/007,402	5,191,573
Examiner	Art Unit
ROLAND G. FOSTER	3992

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

The Appeal Brief filed on 30 January 2008 is defective for failure to comply with one or more provisions of 37 CFR 41.37(c).

Patent owner is given a TIME PERIOD of ONE MONTH or THIRTY DAYS, whichever is longer, from the mailing date of this Notification for filing an amended brief or other appropriate correction of the Appeal brief (see MPEP 1205.03). If an amended brief or other appropriate correction (see MPEP 1205.03) is not timely submitted, the appeal will be dismissed as of the expiration of the period for reply to this Notification. Extensions of this time period may be obtained only under 37 CFR 1.550(c).

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.  The brief does not contain a statement of the status of all claims (e.g., rejected, allowed or confirmed, withdrawn, objected to, canceled), or does not identify the appealed claims (37 CFR 41.37(c)(1)(iii)).
3.  At least one amendment has been filed subsequent to the final rejection, and the brief does not contain a statement of the status of each such amendment (37 CFR 41.37(c)(1)(iv)).
4.  The brief does not comply with 37 CFR 41.37(c)(1)(v) if that it fails to (1) contain a concise explanation of the subject matter defined in each of the independent claims involved in the appeal, referring to the specification by page and line number and to the drawings, if any, by reference characters; (2) identify, for each independent claim involved in the appeal and for each dependent claim argued separately, every means plus function and step plus function under 35 U.S.C. 112, sixth paragraph, and/or (3) set forth the structure, material, or acts described in the specification as corresponding to each claimed function with reference to the specification by page and line number, and to the drawings, if any, by reference characters.
5.  The brief does not contain a concise statement of each ground of rejection presented for review (37 CFR 41.37(c)(1)(vi)).
6.  The brief does not present an argument under a separate heading for each ground of rejection on appeal (37 CFR 41.37(c)(1)(vii)).
7.  The brief does not contain a correct copy of the appealed claims as an appendix thereto (37 CFR 41.37(c)(1)(viii)).
8.  The brief does not contain, as an appendix thereto (37 CFR 41.37(c)(1)(ix)), copies of the evidence submitted under 37 CFR 1.130, 131, or 1.132 or of any other evidence entered by the examiner and relied upon by appellant in the appeal, along with a statement setting forth where in the record that evidence was entered by the examiner.
9.  The brief does not contain, as an appendix thereto (37 CFR 41.37(c)(1)(x)), copies of the decisions rendered by a court or the Board in the proceeding identified in the Related Appeals and Interferences section of the brief.
10.  Other (including any explanation in support of the above items):  
See Continuation Sheet.

\* If this is a merged proceeding, one copy must be added for each reexamination in addition to the first reexamination.

cc: Requester (if third party requester)

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PTOL-462R (Rev. 07-05) Notification of Non-Compliant Appeal Brief (37 CFR 41.37) in Ex Parte Reexamination

Part of Paper No. 20081203

Continuation of 10. Other (including any explanation in support of the above items):

In accordance with the Order from the Board of Patent Appeals and Interferences, mailed November 13, 2008:

- 1) the examiner holds the Appeal Brief defective; and
- 2) hereby notifies Appellant to file a corrected paper addressing the evidence listed in the Evidence Appendix as described in the Order.

/Roland G. Foster/  
Roland G. Foster  
Primary Examiner  
Electrical Art Unit 3992  
Central Reexamination Unit

Express Mail No.: EV 320481168 US

Control No.: 90/007,402

Attorney's Docket No. NAPS001

Patent

66155 U.S. PTO



12/15/08

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Arthur R. Hair	:	Group No.: 3992
	:	
Serial No.: 90/007,402	:	Examiner: Roland G. Foster
	:	
Filed: January 31, 2005	:	Confirmation No. 2998
	:	

For: METHOD FOR TRANSMITTING A DESIRED DIGITAL VIDEO OR AUDIO SIGNAL

AMENDED BRIEF ON APPEAL UNDER 37 C.F.R. § 41.37

Mail Stop Appeal Brief - Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

This Amended Brief on Appeal in being submitted in response to the Examiner's Notification of Non-Compliant Appeal Brief dated December 4, 2008, which was prompted by the Board's Remand Order dated November 13, 2008. To address alleged deficiencies identified in the Examiner's Notification and the Board's Order, and expedite consideration of the brief by the Board, this Amended Brief (1) deletes reference to the website [http://en.wikipedia.org/wiki/Non-volatile\\_storage](http://en.wikipedia.org/wiki/Non-volatile_storage) in the Evidence Appendix (no reference was made to this website in the body of the Brief), (2) deletes reference to the website <http://www.rfc-editor.org/rfc-index.html> in the Evidence Appendix and on page 39 of the text of this Appeal Brief, and (3) notes in the Evidence Appendix, where in the record the examiner considered the Hair and Tygar Declarations. No other changes have been made.

**Real Party in Interest**

Appellant's real party in interest is:

DMT Licensing, LLC (a wholly-owned subsidiary of GE Intellectual Property Licensing, Inc., which is a wholly-owned subsidiary of General Electric Co.)  
105 Carnegie Center  
Princeton, New Jersey 08540

**Related Appeals and Interferences**

The Appeals in copending reexaminations 90/007,403 and 90/007,407 are related to the instant Appeal. The outcomes in these copending Appeals may affect, be affected by, or have some bearing on the Board's decision in the instant Appeal.

**Status of the Claims**

Claims 1 through 6 and 44 through 49 are currently pending. Claims numbered 1 to 6 were originally issued in U.S. Patent 5,191,573 (the "573 Patent"). Claims 7 through 43 were added during reexamination and subsequently canceled following the vacating of the Office Action issued by the United States Patent and Trademark Office (the "Office") on March 20, 2006 finally rejecting all of the claims in reexamination. Claims 44 through 49 were added in the Response to the Non-Final Office Action issued on September 29, 2006.

Claims 1 through 6 and 44 through 49 are rejected under 35 U.S.C. § 112, first paragraph. Claims 1, 2, 4, 5, 44, 45, 47 and 48 are rejected under 35 U.S.C. § 102(e). Claims 1 through 6 and 44 through 49 are rejected under 35 U.S.C. § 103(a).

Appellant appeals the rejection of all claims.

**Status of Amendments**

All amendments have been entered.



**Summary of the Claimed Subject Matter**

Claims 1, 4, 44 and 47 are the independent claims. Below, Appellant summarizes the claimed subject matter in the independent claims per 37 C.F.R. § 41.37(c)(1)(v) using references to the Figures and column and line numbers in the issued patent.

Independent Claim 1 recites a method for transmitting a desired digital audio signal stored on a first memory of a first party to a second memory of a second party [Abstract]. The method comprises the steps of transferring money electronically via a telecommunication line to the first party at a location remote from the second memory and controlling use of the first memory from the second party, the second party being financially distinct from the first party [col. 2, lns. 63 to 67; col. 3, lns. 6 to 7; col. 5, lns. 32 to 34], and the second party controlling use and in possession of the second memory [col. 2, lns. 40 to 47; col. 3, lns. 12 to 17; col. 3, lns. 52 to 59]. The method further comprises connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital audio signal can pass there-between [Fig. 1; col. 2, lns. 51 to 67; col. 3, lns. 8 to 12], transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 13 to 19 and 60 to 67; col. 4, lns. 25 to 44] and storing the digital signal in a non-volatile storage portion of the second memory, wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 31 to 35; col. 3, lns. 17 to 19; col. 4, lns. 41 to 43].

Independent Claim 4 recites a method for transmitting a desired digital video signal stored on a first memory of a first party to a second memory of a second party [Abstract]. The

method comprises the steps of transferring money electronically via a telecommunications line to the first party at a location remote from the second memory and controlling use of the first memory from a second party financially distinct from the first party [col. 2, lns. 63 to 67; col. 3, lns. 6 to 7; col. 5, lns. 32 to 34], said second party in control and in possession of the second memory [col. 2, lns. 40 to 47; col. 3, lns. 12 to 17; col. 3, lns. 52 to 59]. The method further comprises connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital video signal can pass there-between [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 8 to 12, col. 5, ln. 67 to col. 6, ln. 2], transmitting the desired digital video signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 13 to 19 and 60 to 67; col. 4, lns. 25 to 44; col. 5, ln. 67 to col. 6, ln. 2] and storing the digital signal in a non-volatile storage portion of the second memory, wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 31 to 35; col. 3, lns. 17 to 19; col. 4, lns. 41 to 43].

Independent claim 44 recites a method for transmitting a desired digital audio signal stored on a first memory of a first party to a second memory of a second party [Abstract; col. 5, ln. 67 to col. 6, ln. 2]. The method comprises the steps of transferring money electronically via a telecommunications line to the first party at a location remote from the second memory and controlling use of the first memory from the second party financially distinct from the first party [col. 2, lns. 63 to 67; col. 3, lns. 6 to 7; col. 5, lns. 32 to 34], said second party controlling use and in possession of the second memory [col. 2, lns. 40 to 47; col. 3, lns. 12 to 17; col. 3, lns. 52 to 59]. The second memory includes a second party hard disk [Fig. 1 (60); col. 3, ln. 57]. The method further comprises connecting electronically via a telecommunications line the first

memory with the second memory such that the desired digital audio signal can pass therebetween [Fig. 1 (20B, 30, 50B); col. 2, lns. 51 to 67; col. 3, lns. 8 to 12], transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 13 to 19 and 60 to 67; col. 4, lns. 25 to 44] and storing the digital signal in the second party hard disk [col. 3, lns. 17 to 19; col. 4, lns. 41 to 43].

Independent Claim 47 recites a method for transmitting a desired digital video signal stored on a first memory of a first party to a second memory of a second party [Abstract; col. 5, ln. 67 to col. 6, ln. 2]. The method comprises the steps of transferring money electronically via a telecommunications line to the first party at a location remote from the second memory and controlling use of the first memory from the second party financially distinct from the first party [col. 2, lns. 63 to 67; col. 3, lns. 6 to 7; col. 5, lns. 32 to 34], said second party controlling use and in possession of the second memory [col. 2, lns. 40 to 47; col. 3, lns. 12 to 17; col. 3, lns. 52 to 59]. The second memory includes a second party hard disk [Fig. 1 (60); col. 3, ln. 57]. The method further comprises connecting electronically via a telecommunications line the first memory with the second memory such that the desired digital video signal can pass therebetween [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 8 to 12, col. 5, ln. 67 to col. 6, ln. 2], transmitting the desired digital video signal from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory at a location determined by the second party, said receiver in possession and control of the second party [Figure 1; col. 2, lns. 51 to 67; col. 3, lns. 13 to 19 and 60 to 67; col. 4, lns. 25 to 44; col. 5, ln.

67 to col. 6, ln. 2] and storing the digital signal in the second party hard disk [col. 3, lns. 17 to 19; col. 4, lns. 41 to 43].

**Grounds for Rejection to be Reviewed on Appeal**

1. Examiner's rejection of Claims 1, 2, 4, 5, 44, 45, 47 and 48 under 35 U.S.C. § 102(e) and 35 U.S.C. § 103(a) over U.S. Patent 4,949,187 to Cohen (*Cohen*). In particular, Appellant seeks review of the Examiner's assertion that the '573 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Cohen* could be cited as a prior art reference.
2. Examiner's rejection of Claims 3, 6, 46 and 49 under 35 U.S.C. § 103(a) over *Cohen* in view of U.S. Patent 4,789,863 to Bush (*Bush*). In particular, Appellant seeks review of the Examiner's assertion that the '573 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Cohen* could be cited as a prior art reference.
3. Examiner's rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 103(a) over *Bush* in view of *Cohen*. In particular, Appellant seeks review of the Examiner's assertion that the '573 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Cohen* could be cited as a prior art reference.
4. Examiner's rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 103(a) over *Bush* in view of U.S. Patent 4,837,797 to Freeny (*Freeny I*).
5. Examiner's rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 103(a) over Japanese Patent Application No. 62-284496 to Akashi (*Akashi*) in view of U.S. Patent 4,528,643 to Freeny (*Freeny II*).
5. Examiner's rejection of Claims 1 through 6 and 44 through 49 under 35 U.S.C. § 112, first paragraph as not being supported by the written description in the specification.

6. Examiner's rejection of Claims 4 through 6 and 47 through 49 under 35 U.S.C. § 112, first paragraph as not being enabled by the specification.

**Argument**

**I. Summary**

The instant reexamination was originally filed on January 31, 2005, and was initially assigned to Examiner Benjamin Lanier ("Examiner Lanier"). The reexamination and two related copending reexaminations subsequently were transferred to the Central Reexamination Unit ("CRU") where they were assigned to Examiner Roland Foster ("Examiner Foster").

During the course of the proceedings in the instant reexamination, five Office Actions were issued. The first three Office Actions were issued by Examiner Lanier, who consistently rejected all claims presented by Appellant as obvious. In each case, Examiner Lanier relied on combinations of up to nine references in his obviousness analyses, offering only conclusory statements regarding the motivation or teaching to combine the multiple references. In each case, the Appellant pointed out the impropriety of the combinations. Examiner Lanier never rebutted the Appellant's arguments. Instead, Examiner Lanier simply asserted that the rejections were proper.

Following the issuance of the third Office Action by Examiner Lanier, the instant reexamination was transferred to the CRU, specifically to Examiner Foster, where the Office reviewed and vacated Examiner Lanier's Final Rejection of the claims. The Office appeared to concur with the Appellant's view that the rejections offered by Examiner Lanier were untenable, but the Office did not allow the claims. Instead, the Office issued two subsequent Office Actions.

The two subsequent Office Actions take an alternate approach which, since also improper, has led to this appeal. Instead of relying on up to nine references, these subsequent Office Actions relied primarily on references that post-dated the June 13, 1988 priority date for the '573 Patent. In other words, the Office Actions relied on non-*prior* art. To justify this, the Office first had to conduct a *de novo* review of the '573 Patent's prosecution and then, based on that review, reassign the '573 Patent's June 13, 1988 priority date; a priority date that was rightfully granted by the original Examiner during the initial examination of the '573 Patent. In taking those steps, the Office reassigned the priority date to September 18, 1990. Then, using this new priority date, the Office cited new art post-dating the June 13, 1988 priority date, which the Office asserts anticipates or makes obvious all of the claims in reexamination.

As detailed below, this *de novo* review and resulting reassignment of the priority date is clearly outside the scope of authority of the Office as granted by the Reexamination Statute. 35 USC § 301, *et seq.* Further, the attempted reassignment of a new priority date to the '573 Patent does not comport with Office procedures.

Further, as a predicate for reassigning the priority date of the claims in the '573 Patent, the Office asserts that the claims as issued are either not supported by a written description or are not enabled by the specification as filed on June 13, 1988. In making these findings, the Office has applied improper and overly strict standards for both written description and enablement under 35 U.S.C. § 112, first paragraph. Using the appropriate standards, Appellant has demonstrated that the claims in reexamination are fully supported and enabled by the originally filed specification, and are thus entitled to the priority date of June 13, 1988.

Where the Office has presented obviousness rejections relying solely on references that do qualify as prior art based on the proper June 13, 1988 priority date, the Office has failed to

present a reasoned argument showing a teaching or motivation to combine the references, as required by *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727 (U.S. 2007). Further, as demonstrated by Appellant, these references do not show each and every limitation of the claims in reexamination. As a result, the Office has not established a *prima facie* case of obviousness based on those references that are proper prior art.

The Office has also rejected Claims 1 through 6 and 44 through 49 in reexamination under 35 U.S.C. § 112, first paragraph, as not being supported by an adequate written description and as not being enabled by the specification. Here again, Appellant maintains that the Office has acted outside the mandated scope of reexamination by examining Claims 1 through 6 and 44 through 49 in their entirety for compliance with section 112, first paragraph, rather than limiting the analysis to newly claimed subject matter. Further, the Office has again applied improper standards for both written description support and enablement. Using the appropriate standards, Appellant has demonstrated that the claims in reexamination do comply with the requirements section 112, first paragraph.

Since many of the positions taken by the Office in finally rejecting Claims 1 through 6 and 44 through 49 rely on a revisiting of issues dealt with during the original examination of the '573 Patent, it is appropriate here to summarize the prosecution history of the '573 Patent. Appellant's arguments herein will refer to the summary provided in Section II below.

## **II. Prosecution History of the '573 Patent**

The '573 Patent issued from U.S. Patent Application Serial No. 07/586,391 (the "'391 Application'"), which was filed as a continuation of U.S. Patent Application Serial No. 07/206,497 (the "'497 Application'"). The '497 Application was originally filed on June 13,

1988 by Arthur Hair as a *pro se* applicant.<sup>1</sup> In the period after the initial filing of the '497 Application, Mr. Hair retained Ansel M. Schwartz as patent counsel. The Application was assigned to Examiner Hoa T. Nguyen ("Examiner Nguyen").

On December 19, 1988, Mr. Schwartz filed a preliminary amendment canceling original Claims 1 through 10 in the '497 Application and replacing them with new Claims 11 through 13, which read as follows:

11. A method for transmitting a desired digital audio music signal stored on a first memory to a second memory comprising the steps of: transferring money to a party controlling use of the first memory from a party controlling use of the second memory; connecting electronically the first memory with the second memory such that the desired digital signal can pass therebetween; transmitting the digital signal from the first memory to the second memory; and storing the digital signal in the second memory. (emphasis added).

12. A method as described in Claim 11, including after the transferring step, the steps of searching the first memory for the desired digital audio signal; and selecting the desired digital audio signal from the first memory. (emphasis added).

13. A method as described in Claim 12 wherein the transferring step includes the steps of telephoning the party controlling use of the first memory by the party controlling the second memory; providing a credit card number of the party controlling the second memory to the party controlling the first memory so that the party controlling the second memory is charged money.

The first Office Action in the '497 Application was issued on November 15, 1988 on the basis of Claims 11 to 13 added by the preliminary amendment. All of the claims were rejected as anticipated by U.S. Patent 3,718,906. Mr. Schwartz responded to the Office Action on February 26, 1990. In this response, Claims 14 through 20 were added. Exemplary Claims 14 and 15 read as follows:

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<sup>1</sup> The application which became the '497 Application was actually mailed on June 9, 1988. However, since Mr. Hair was unaware of the use of Express Mail, the application was accorded the date that it actually was received at the Office.



14. A method as described in Claim 11 wherein the transmitting step includes the step of transmitting the digital signal from the first memory to the second memory at a location determined by the second party controlling use of the second memory. (emphasis added)

15. A method for transmitting a desired a digital video or audio music signal stored on a first memory to a second memory comprising the steps of:

- charging a fee to a first party controlling use of the second memory;
- connecting the first memory with the second memory such that the digital signal can pass therebetween;
- transmitting the digital signal from the first memory to the second memory; and
- storing the digital signal in the second memory. (emphasis added)

The second Office Action in the '497 Application was issued on May 10, 1990 on the basis of Claims 11 to 20. All of the claims were rejected as anticipated by either of U.S. Patent 3,718,906 or 3,990,710. Mr. Schwartz responded to this Office Action on August 21, 1990. In this response, Claims 11, 12 and 15 were amended and Claim 21 was added. Claims 14 and 16 to 20 were canceled. Claims 11 and 15 were amended by including the recitation of a "transmitter" and a "receiver." New Claim 21 read identically to Claim 12, except that it depended from independent Claim 15. On September 9, 1990, Examiner Nguyen issued an Advisory Action indicating that the amendments would not be entered.

The amendment was resubmitted with a File Wrapper Continuation and subsequently entered. The File Wrapper Continuation was assigned application serial number 07/586,391 (the "391 Application"). The '391 Application was filed as a **continuation** of the parent '497 Application and claimed priority to the June 13, 1988 filing date. In fact, due to a clerical error, Mr. Schwartz was required to revive the '497 Application as unintentionally abandoned for the express purpose of establishing copendency with the '391 Application so that a proper claim for

priority could be made. No new oath was required by the Office when the '391 Application was filed.

The first Office Action in the '391 Application was issued on September 9, 1991 on the basis of Claims 11 to 13, 15 and 21. All of the claims were rejected as obvious over U.S. Patent 3,990,710. Mr. Schwartz responded to this Office Action on December 9, 1991. In this response, Claims 11 and 15 were amended to recite that the first party location was remote from the second party location. Claim 15 was further amended to delete the reference to digital audio signals. Claim 22 was added, and was essentially identical to Claim 13, but depended from Claim 21. In addition to the claim amendments, text was added to pages 3 and 5 of the specification.

The next Office Action in the '391 Application was issued on February 24, 1992 on the basis of Claims 11 to 13, 15, 21 and 22. In the Office Action, Examiner Nguyen explicitly objected to the amendments to the specification and rejected all of the claims as being unsupported by the originally filed specification. *See* pages 5 to 6 of the February 24, 1992 Office Action. Examiner Nguyen specifically pointed out the following as not having a basis in the original specification:

- (1) "transferring money"
- (2) "second party financially distinct from the first party"
- (3) "in the controlling step 'receiver in possession...of the second party'"
- (4) "telephoning"
- (5) "providing a credit card"

The specification was objected to "as originally filed, failing to provide clear support for the amendments to pages 3 and 5." The amendments to pages 3 and 5 encompassed the entirety of the amendments to the specification. Claims 11 to 13, 15, 21 and 22 were also rejected as obvious over U.S. Patent 3,990,710.

Mr. Schwartz responded to this Office Action on June 23, 1992. In this response, the amendments to the specification adding text at pages 3 and 5 were withdrawn. A substitute specification was submitted to address formal issues. Further, a new amendment to the specification was presented adding a new Abstract and adding text at page 6 and page 12 of the substitute specification. Claims 11 and 15 were amended to recite "transferring money electronically via a telecommunications line" and "connecting electronically via a telecommunications line." Claim 15 was again amended to delete "audio." Claim 23 was added.

In addition to the amendments and arguments filed with the Office Action response on June 23, 1992, Mr. Schwartz also filed a Declaration by Arthur Hair under 37 C.F.R. § 1.132 indicating that one of ordinary skill in the art would recognize that all of the terminology presented in the claims and specification by amendment was supported by the originally filed specification.

The next Office Action in the '391 Application was issued on September 21, 1992 on the basis of Claims 11 to 13, 15 and 21 to 23. The Office Action indicated that Claims 11 to 13, 15, 21 and 22 were allowable based on the response filed on June 23, 1992. Claim 23 was rejected. Mr. Schwartz responded to this Office Action on September 30, 1992 by canceling rejected Claim 23. The Examiner proceeded to issue a Notice of Allowance and Issue Fee Due on October 19, 1992. The Issue Fee was paid on December 4, 1992 and the '391 Application duly issued as the '573 Patent on March 2, 1993.

**III. THE APPROPRIATE PRIORITY DATE FOR THE CLAIMS OF THE '573 PATENT IN REEXAMINATION IS JUNE 13, 1988**

As set forth in Section II above, the '573 Patent issued from U.S. Patent Application Serial No. 07/586,391 (the "'391 Application'"), which was filed as a continuation of U.S. Patent

Application Serial No. 07/206,497 (the “497 Application”). The Office admits the ‘573 Patent is not a continuation-in-part, but asserts that the ‘573 Patent “shares the characteristics of a continuation-in-part.” The Office now attempts to use this novel characterization of the ‘573 Patent as a pretext to re-examine the priority date of the claims in the ‘573 Patent, which Examiner Nguyen had properly awarded as June 13, 1988. In particular, the Office is attempting to improperly reassign a priority date of September 18, 1990 to the claims in reexamination.

The Office’s actions in reassigning a priority date are improper procedurally, and incorrect based on the prosecution history of the ‘573 Patent. In the first instance, the reexamination statutes do not empower the Office to examine claims for issues of effective priority date in the absence of a continuation-in-part in the original examination history. On this basis alone, the Board should vacate the Examiner’s findings with respect to the proper priority date of the claims in the ‘573 Patent. Even if the Board does not vacate the Examiner’s findings on this basis, the Board should vacate the Examiner’s findings because the issue was thoroughly dealt with by Examiner Nguyen during the initial examination of the ‘573 Patent, and thus does not present a new issue related to patentability. Even putting those arguments aside, the Board should vacate the Examiner’s findings with respect to priority because the claims as issued in the ‘573 Patent and as currently constituted in reexamination are clearly supported by the original specification filed on June 13, 1988.

**A. The Office Exceeded Its Statutory Authority In Considering Issues Of Priority In The Instant Reexamination**

The Office exceeded its statutory authority by considering issues of priority in the instant reexamination. It is well established that the scope of a reexamination proceeding is limited to whether claims are patentable under 35 U.S.C. §§ 102 and 103 “on the basis of patents and

printed publications.” 37 C.F.R. § 1.552. The reexamination rules explicitly preclude consideration of issues arising under 35 U.S.C. § 112, except “with respect to subject matter added or deleted in the reexamination proceeding.” *Id.*; see also *In re Etter*, 756 F.2d 852, 856 (Fed. Cir. 1985) (*en banc*) (“only new or amended claims are also examined under 35 U.S.C. §§ 112 and 132”).

Moreover, the inquiry under Section 120 as to whether the language of a particular claim, as filed or amended during an original prosecution, was supported or unsupported by sufficient disclosure is, by definition, not a *new* question. Rather, it is an issue that necessarily arises at the time of original filing or amendment, and one that necessarily is before the original examiner. Where a continuation-in-part (“CIP”) appears in the prosecution history of a patent in reexamination, it may be necessary to make an inquiry into whether claims in the CIP, as issued or amended in reexamination, find support in the originally filed parent application or rely on new matter added when the CIP was filed during the original prosecution of the patent. However, where no CIP appears in the record this issue cannot arise since by definition no new matter was found to be added during the original prosecution of the patent in question.

As a result, it is beyond the scope of reexamination for an examiner to make a threshold determination that new matter was added during the original examination of a patent in reexamination in the absence of a recognition of such new matter in the record of the original examination of the patent in question.

**1. There Is No CIP In The Prosecution History Of The ‘573 Patent**

The Office admits the ‘573 Patent is not a continuation-in-part, but then asserts the ‘573 Patent “shares the characteristics of a continuation-in-part,” and cites this as a basis for assigning a later priority date to the claims of the ‘573 Patent. The Office points to text added

to the specification of the '391 Application that was not found in the originally filed specification in the '497 Application as grounds for this new designation. The Office further cites MPEP § 201.11 to support its conclusion. However, the presence of additional or different text in the specification of a continuation application does not by itself render the continuation application a CIP. The prohibition of MPEP § 201.11 concerns addition of text that would constitute *new matter*.

As set forth in Section II above, the '391 Application was filed under the old File Wrapper Continuation procedure. According to MPEP § 201.06(b), in effect at the time, if the '391 Application had been filed as a CIP a new oath or declaration would have been required; none was required. Therefore, no CIP appears in the history of the original prosecution of the '573 Patent.

Further, the Office has cited no authority that empowers it, in the context of reexamination, to treat a continuation application as a CIP because the examiner in reexamination believes the continuation "shares characteristics of a continuation-in-part." An application or patent is either a continuation-in-part, or it is not. There simply is no designation in the statutes or regulations for patents that are continuations, but "share the characteristics of continuations-in-part", as asserted by the Office. Therefore, the Office has no statutory basis for reassigning the priority date for the '573 Patent.

**2. The Reexamination Statute Does Not Empower The Office To Address Issues Of Priority Under 35 U.S.C. § 120 In The Absence Of A CIP Application In The Prosecution History Of A Patent In Reexamination**

The Office relies on MPEP §§ 2258(I)(C) and 2217 for an implicit grant of authority to cite intervening art based upon a newly determined effective filing date for claims. The Office refers to two cases: *In re Ruscetta*, 255 F.2d 687 (C.C.P.A. 1958) and *In re van Langenhoven*,

458 F.2d 132 (C.C.P.A. 1972), cited in MPEP § 2258(I)(C) as granting the underlying authority to address issues under 35 U.S.C. § 120 in reexamination. The Office's reliance on *Ruscetta* and *van Langenhoven* is misplaced. Both *Ruscetta* and *van Langenhoven* deal explicitly with patents issued from CIP applications, which as discussed *supra*, is simply not the case in the present reexamination. Further, both cases pre-date the reexamination statute, and thus say nothing about the proper conduct of reexamination proceedings. The Office has cited no further authority to support its interpretation of *Ruscetta* or *van Langenhoven*. Moreover, the Office cannot expand the holdings of these cases simply by inserting references to them in MPEP sections dealing with the scope of reexamination. "The MPEP sets forth PTO procedures; it is not a statement of law." *Regents of the Univ. of New Mexico v. Knight*, 321 F.3d 1111, 1121 (Fed. Cir. 2003).

In contrast to the present case, where a CIP application appears in the prosecution history of a patent in reexamination, it is appropriate to consider the issue of the effective priority date of a claim in reexamination, since it is recognized that a CIP application may introduce new matter not disclosed in its parent application. However, where no CIP appears in the original prosecution record, the examiner in reexamination has no basis for determining that new matter was added during the original prosecution. Further, the limited scope of reexamination prohibits the examiner from undertaking this analysis on his own initiative.

**3. MPEP § 2258.IV.E Does Not Empower The Office To Revisit The Issue Of The Entitlement To A Priority Date Of Claims In An Issued Patent**

The Office cites MPEP § 2258.IV.E as an example of revisiting priority issues in reexamination. However, most of this section addresses only the procedural issues in reexamination for perfecting a claim for priority made previously during initial examination and does not address the merits of a claim for priority.

The cited section also deals with claiming priority under 35 U.S.C. § 120 to an earlier filed copending application during reexamination where there was an earlier *failure* to make such a claim. In the instant case, a claim of priority of June 13, 1988 was made by the applicant. Examiner Nguyen determined the '573 Patent was in fact entitled to that priority date. Since a claim of priority is, by definition, before the Examiner when it is made, it can never be a new issue in reexamination; *i.e.* an issue that the original Examiner had no reason to consider. Indeed, MPEP § 201.11, cited favorably by the Office, *requires* an Examiner to address the issue during initial examination.

Further, MPEP § 2258.IV.E does not address revisiting and removing an earlier claim of priority made in an application, and does not address the entitlement of an issued patent to an earlier claimed right of priority.

Finally, MPEP § 2258.IV.E addresses reexaminations initiated by the Appellant. The section does not empower the Office to address the issue of entitlement to a claimed priority date where the issue is not first raised by the Appellant.

The Office also cites MPEP § 1402, which concerns reissue proceedings, as an example of addressing priority issues. However, again, the cited section deals with adding or changing claims of priority, where an earlier claim contained an error or was not made at all. While MPEP § 1405 does address deletion of a priority claim in reissue, that section does not empower the Office on its own to determine the propriety of the priority claim.

Finally, 37 C.F.R. § 1.552(c) is explicit about the scope of re-examination:

Issues other than those indicated in paragraphs (a) and (b) of this section *will not be resolved in a reexamination proceeding*. If such issues are raised by the patent owner or third party requester during a reexamination proceeding, the existence of such issues will be noted by the examiner in the next Office action, in which



*case the patent owner may consider the advisability of filing a reissue application to have such issues considered and resolved.*

37 C.F.R. § 1.552(c) (emphasis added). Therefore, notwithstanding MPEP § 1405, the propriety of a previously made priority claim cannot be revisited by the Office during reexamination.

**B. The Priority Date For The Claims In The '573 Patent Is Not A New Issue Related To Patentability**

Even if the reexamination statute did provide authority to address the issue of priority in reexamination, which it does not, the Office is still barred from considering the issue with respect to the '573 Patent because it does not present a new issue related to patentability.

**1. Examiner Nguyen Assigned A Priority Date Of June 13, 1988 To The Claims In The '573 Patent**

During initial examination of the '573 Patent, the '391 Application was filed as a **continuation** of the '497 Application and thus, as a preliminary matter, was entitled to the filing date of the original application, June 13, 1988. The Office makes much of the fact that the '391 Application was filed pursuant to the old File Wrapper Continuation procedure, which permitted the filing of CIPs. However, as set forth above, MPEP § 201.06(b), in effect at the time the '391 Application was filed, required that a CIP application filed pursuant to the File Wrapper Continuation procedure include a new oath or declaration. Since Examiner Nguyen did not require a new oath or declaration, as a threshold matter she assigned the priority date of June 13, 1988 to the '391 Application when it was filed.

Notwithstanding this, the Office has asserted that Examiner Nguyen did not consider or have reason to consider the issue of whether the additions to the specification constituted new matter. In support of these assertions, Examiner Foster provided a chart in the Office Action of

September 29, 2006, showing when and under what circumstances additions to the specification and resulting claim amendments were made in the '497 and '391 Applications.

Appellant responded to this assertion by reproducing the Examiner's chart in amended form to demonstrate that Examiner Nguyen did in fact consider the various additions to the specification and concluded those additions did not constitute new matter and the subject claims therefore were supported under Section 112. The chart has been amended by adding three columns, subtitled respectively: "Consideration by Examiner Nguyen," "Response by Applicant," and "Subsequent Action by Examiner Nguyen." That chart is set forth below:

	Parent Application 07/206,497 filed June 13, 1988		Child Application 07/586,391 filed September 18, 1990		Office Action in Application 07/586,391 and response		Issuance of '573 Patent
Feature	Date First Appearing in Claims of Parent Application	Date First Appearing in Specification of Parent Application	Date First Appearing in Claims of Child Application	Date First Appearing in Specification of Child Application	Consideration by Examiner Nguyen	Response by Applicant	Subsequent Action by Examiner Nguyen
Transferring Money from Second Party to a First Party (Charging a Fee)	December 22, 1988 February 28, 1990			September 18, 1990	Considered in Office Action February 24, 1992	Objection/ rejections specifically responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action
Providing a Credit Card Number	December 22, 1988			September 18, 1990	Considered in Office Action February 24, 1992	Objection/ rejections specifically responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action
Controlling Use of First/Second Memory	December 22, 1988			September 18, 1990	Considered in Office Action February 24, 1992	Objection/ rejections responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action

Transmitting to a Location Determined by Second Party	February 28, 1990			September 18, 1990	Considered in Office Action February 24, 1992	Objection/rejections responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action
Specific Video Download Procedures	February 28, 1990			September 18, 1990	No new matter issues were ever raised	No response was ever necessary since no issue was ever raised	Claims allowed in September 21, 1992 Office Action
First Party in Possession of Transmitter	August 24, 1990 (not entered)			September 18, 1990	Considered in Office Action February 24, 1992	Objection/rejections responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action
Second Party in Possession of Receiver and Second Memory	August 24, 1990 (not entered)			September 18, 1990	Considered in Office Action February 24, 1992	Objection/rejections specifically responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action

The foregoing chart shows that, following submission of the subject additions to the specification and corresponding amendments to the claims, Examiner Nguyen considered those additions and amendments in the Office Action of February 24, 1992. That consideration included an objection to the specification as containing new matter under Section 132, and corresponding rejections of the relevant claims under Section 112. The Applicant responded to, and overcame, that objection and those rejections in the Response of June 25, 1992. In that Response, the Applicant included arguments and a Declaration under 37 C.F.R. § 1.132 establishing that the additions to the specification had ample support in the originally filed specification because the subject matter of the additions was implicitly disclosed and

understood by those skilled in the art.<sup>2</sup> After considering this Response by the Applicant, Examiner Nguyen withdrew the objection to the specification and the Section 112 rejections of the claims, and thereby determined the claims were allowable.

The amended chart set forth above demonstrates indisputably that Examiner Nguyen *did consider* the very same new matter and Section 112 rejections that the Office now asserts. As a result, by definition, Examiner Nguyen determined that the claims in the '573 Patent were entitled to claim priority to the original June 13, 1988 filing date.

In the Office Action in the instant reexamination dated March 17, 2007, the Office admitted that Examiner Nguyen did in fact address the issue of the alleged new matter shown in the table above. The Office further admitted that Appellant has effectively demonstrated as much through the table submitted with Appellant's Response to the Office Action of September 29, 2006. However, the Office now asserts that Examiner Nguyen did not have an opportunity to compare all of the amendments to the claims and specification made during prosecution to the originally filed specification. The Office refers to "gradually added new matter," which the Office asserts was not addressed by Examiner Nguyen. However, the Office fails to explicitly identify what it considered the "gradually added new matter." At best, the Office merely refers generally to Table II in the Office Action dated March 17, 2007. Upon reviewing Table II in its entirety, it is apparent that the table merely contains the same alleged new matter as the table presented above. That is, Table II does include anything that could be identified as "gradually added new matter," nor does it include anything that the Office has not already admitted was reviewed and passed on by Examiner Nguyen. As a result, the Office's rejection amounts to a

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<sup>2</sup> As an ancillary matter, the Office now seems to question the persuasiveness of the Section 1.132 Declaration submitted by applicant during examination of the '391 Application. Appellant respectfully points out this is not an issue that can be addressed on reexamination. The original Examiner must be assumed to have done his job properly in the initial examination. See *Am. Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1359 (Fed. Cir. 1984).

bogus rejection that fails to define what is meant by “gradually added new matter.” *See, e.g.*, MPEP § 706.03(o) (noting that, in making a new matter rejection, an examiner is required to “identify the new matter by page and the line numbers and/or drawing figures and provide an appropriate explanation of [his/her] position”). Therefore, the rejection is improper and the Board should reverse it.

**2. The Absence Of Rejections Based On Intervening References During The Initial Examination Of The ‘573 Patent Does Not Demonstrate Examiner Nguyen Failed To Address The Issue Of Priority**

Notwithstanding the above, the Office also asserts that Examiner Nguyen never had reason to consider the propriety of the claim of priority made in the ‘391 Application, because no intervening references were ever cited by the Examiner. This line of argument by the Office effectively puts the rabbit in the hat by concluding that the absence of any intervening references in the record is conclusive evidence the issue of priority was never addressed by Examiner Nguyen. It is more plausible to conclude that no intervening references were cited because Examiner Nguyen properly concluded the ‘391 Application was entitled to the priority date of June 13, 1988. This conclusion is fully supported by the written record as detailed in Section II and Section III(B)(1) above.

**3. The Office Lacks Jurisdiction To Review Again The Same Section 112 Issues Determined By Examiner Nguyen**

As established above, the question of Section 112 support, and hence the appropriate priority date for the claims in the issued ‘573 Patent, were considered and passed on by Examiner Nguyen in the original examination. Therefore, as a matter of established law, the Office lacks jurisdiction under the facts in this proceeding to challenge again the Section 112 support and the June 13, 1988 priority date of the claims in reexamination.

In *Patlex Corp. v. Quiqq*, 680 F. Supp. 33 (D.C. Cir. 1988), the United States District Court for the District of Columbia addressed a situation substantially identical to the circumstances of the present reexamination. In that case, the District Court reversed, on summary judgment, a decision by the BPAI upholding the final rejection of three claims in a reexamination proceeding. The claims in question had issued in a patent that resulted from a string of continuation and divisional applications relating back to an original priority application. The reexamination examiner took the position that the three claims were not entitled to the original priority date. Consequently, the reexamination examiner reassigned a later effective priority date, based on the reexamination examiner's determination that the specification had not enabled the three claims under Section 112 as of the original filing date.

The District Court determined, however, that the issue of whether the three claims were enabled under Section 112 previously had been considered and decided by the original examiner, and the Court therefore explicitly held that the reexamination examiner lacked jurisdiction to consider that issue again:

Entitlement to the ... [original priority] filing date was decided in the ... [original] examination. Plaintiffs contended then they were entitled to the [original priority] filing date, and the first Examiner considered then whether the [original] disclosure was enabling. Consequently, in order to reexamine ... [the patent] on the basis of whether the claims were anticipated by ... [later prior art], the reexamination examiner had to "reexamine" the question of whether the specification of the ... [original application] contained an enabling disclosure of the subject matter claimed in the ... [patent]. As noted above, however, the reexamination statute does not contemplate a "reexamination" of the sufficiency of a disclosure. Rather it is limited to reexamination of patentability based on prior art patents and publications. Hence, the Court concludes that the Examiner and the Board lack jurisdiction in this case to "reexamine" the sufficiency of the specification of the ... [original application].

*Id.* at 36-37. (Emphasis added). The holding of the *Patlex* case, therefore, is clear. Where, as in the present case, an original examiner already has considered and determined the sufficiency of a specification's disclosure under Section 112 and the resulting entitlement of claims to an original priority date, there is no "substantial new" question of patentability for reexamination, as required by 35 U.S.C. § 301, *et seq.* As a result, the Office lacks jurisdiction to "reexamine" that same issue for those same claims in a subsequent reexamination proceeding.

For this reason as well, the Board should vacate the Examiner's determinations regarding the proper priority date for the '573 Patent.

**C. The Claims In The '573 Patent Plainly Are Supported By The Originally Filed Specification**

The Office asserts that, for written description support, the claims in the '573 Patent rely on certain alleged new matter added to the specification during the original prosecution of the '573 Patent. The Office also asserts that the claims directed to the video embodiment of the invention are not supported by disclosure that was enabling as of the original June 13, 1988 filing date. As set forth above, Appellant's position is that the Office lacks jurisdiction to review issues of adequate written description and enablement, especially where the particular issue was dealt with explicitly in the original prosecution of the patent in reexamination. Those arguments aside, it is clear the originally filed specification does in fact provide both adequate written description for all of the claims and an enabling disclosure for those claims directed to the "video feature" of the invention.

**1. The Claims As Issued In The '573 Patent Are Supported By Adequate Written Description In The Originally Filed Specification**

Appellant provides below an analysis demonstrating that each element in Claims 1 through 6 as issued in the '573 Patent is supported, either explicitly or implicitly, by the original specification filed on June 13, 1988.

**i) The Proper Standard For Determining If The Claims Are Adequately Supported By The Specification As Filed**

As a preliminary matter, the standard for written support in the absence of *ipsis verbis* recitation of a claim limitation is not strictly the inherency or required interpretation standard urged by the Office. Rather, the proper standard generally is whether the written description reasonably conveys to the skilled artisan that the inventor was in possession of the claimed subject matter.

The issue of whether the written description requirement has been met is a question of fact, to be determined on a case-by-case basis. *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1562 (Fed. Cir. 1991). The legal standard for determining whether the facts of a particular case meet the written description requirement is well established, however. In *Vas-Cath*, the Court of Appeals for the Federal Circuit ("CAFC") held that "[t]he test for sufficiency of support in a patent application is whether the disclosure of the application relied on '*reasonably conveys* to the skilled artisan that the inventor had possession at that time of the later claimed subject matter.'" *Vas-Cath*, 935 F.2d at 1563 (emphasis added). As further held by the CAFC in *Union Oil Co. of Cal. v. Atlantic Richfield Co.*, 208 F.3d 989 (Fed. Cir. 2000), "[t]he written description does not require the applicant 'to describe exactly the subject matter claimed, [instead] the description must clearly allow persons of ordinary skill in the art to recognize that [the inventor] invented what is claimed.'" *Id.* at 997. In other words, contrary to the Office's



assertions, the general standard does not require that the “only reasonable interpretation” of the general features in the specification be the more specific features in the claims. *Vas-Cath*, 935 F.2d at 1566 (“[t]he [district] court further erred in applying a legal standard that essentially required the drawings of the ‘081 design application to *necessarily exclude* all diameters other than those within the claimed range.”)(emphasis in original).

Because the written description requirement is fact-based, various decision makers have at times appeared to drift from the “reasonably conveys” standard mandated by the CAFC. The CAFC, however, has never wavered from this standard. For example, in *Hyatt v. Boone*, 146 F.3d 1348 (Fed. Cir. 1998) the court reviewed a Board of Patent Appeals and Interferences (“BPAI”) decision holding that one party to an interference (Hyatt) lacked the necessary written description in his originally filed application to support a later claim drawn to a count of the interference. The phraseology used by the BPAI in setting forth the standard for compliance with the written description requirement was that “the written description must be sufficient, when the entire specification is read that the ‘necessary and only reasonable construction’ that would be given it by a person of ordinary skill in the art is one that clearly supports each positive limitation in the count.” *Hyatt*, 146 F.3d at 1353. The appellant argued that the “necessary and only reasonable construction” standard applied by the BPAI was different from and more rigorous than the “reasonably conveys standard” set forth in *Vas-Cath*.

The CAFC determined that despite the arguably more rigorous phraseology used by the BPAI, the standard for meeting the written description requirement did not become more rigorous. Rather, the standard remains that “the written description must include all of the limitations...or the applicant must show that any absent text is *necessarily comprehended* in the description provided and would have been so understood at the time the patent application

was filed.” *Hyatt*, at 1354-55 (emphasis added). Moreover, the CAFC has on subsequent occasions repeatedly reinforced that the standard of *Vas-Cath* remains in effect. *See, e.g., Pandrol USA, LP v. Airboss Ry. Prods, Inc.*, 424 F.3d 1161, 1165 (Fed. Cir. 2005) (“[t]he 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.”)

In addition to *Hyatt*, the Office has cited *In re Robertson*, 169 F.3d 734 (Fed. Cir. 1999), and *Lockwood v. American Airlines, Inc.*, 107 F.3d 1565 (Fed. Cir. 1997), as establishing a strict inherency standard for finding written support for a claim element not having *ipsis verbis* support in the specification. In the first instance, the citation of *In Re Robertson* is inapposite. In *Robertson*, the CAFC reiterated the well-known standard for determining anticipation or obviousness of a claim by prior art where the prior art does not include literal disclosure of one or more elements of the claim. As such, *Robertson* was a case directed solely to Section 102/103 issues, and does not even mention Section 112. Moreover, nowhere in *Hyatt* or *Lockwood* does either court even allude to an inherency standard for showing support for claim limitations not described *ipsis verbis* in the specification. Rather, the CAFC simply held in *Lockwood* that “exact terms need not be used *in haec verba*..., the specification must contain an equivalent description of the claimed subject matter.” *Lockwood*, 107 F.3d at 1572 (citations omitted).

Therefore, the requirement of an inherency standard under Section 112 is unsupported by *Hyatt*, *Robertson*, or *Lockwood*. Rather, the proper standard to be applied by the Examiner in determining compliance with the written description requirement remains “whether the disclosure of the application as originally filed reasonably conveys to the artisan that the inventor had possession at that time of the later claimed subject matter, rather than the presence

or absence of literal support in the specification for the claim language.” *In re Kaslow*, 707

F.2d 1366, 1375 (Fed. Cir. 1983).

**ii) All Features of Claims 1 Through 6 In The ‘573 Patent Find Written Support In The Originally Filed Specification**

Applying the proper standard for compliance with the written description requirement under Section 112, all of the limitations in Claims 1 through 6 of the ‘573 Patent are supported by the originally filed specification. To illustrate this point, Appellant has prepared a detailed chart showing each feature of the invention, the claims in which those features are recited, and where support in the originally filed specification is found for each feature. That chart is set forth immediately below:

Feature	Claims Reciting Feature	Written Description of Feature in Original Specification	Comments
A method for transmitting a desired digital audio signal	1	p. 1, lns. 7-9 p. 2, lns. 8-10, 20-26	<i>ipsis verbis</i> support
stored on a first memory of a first party to a second memory of a second party	1, 4	p. 3, lns. 35-40 p. 4, lns. 12-26	The specification states <i>ipsis verbis</i> that the hard disk in the control unit of the authorized agent is the source of the digital signal. Further, the specification states that the digital signal is transferred to the hard disk in the control unit of the user. A skilled artisan would understand this as transferring signals stored on a first memory to a second memory.
transferring money via a telecommunications line to a first party location remote from the second memory	1, 4	p. 1, lns. 13-15 p. 2, lns. 8-10, 20-23, 47-50 p. 3, lns. 20-33 Fig. 1	The specification discloses electronic sales via telephone lines. Because the agent is authorized to sell and to transfer via telephone lines, there is implicit support for selling and thereby transferring money. This was previously pointed out in the declaration of Arthur Hair submitted May

			5, 1992. A skilled artisan would readily understand this to comprehend transfers between two remote locations.
second party financially distinct from the first party	1, 4	p. 1, lns. 13-15 p. 2, lns. 8-10, 20-23, 47-50 p. 3, lns. 20-33	A skilled artisan would readily recognize that a sale requires the parties to be financially distinct. This was previously pointed out in the declaration of Arthur Hair submitted May 5, 1992.
second party controlling use and in possession of the second memory	1, 3	p. 3, lns. 26-33, 40-43	The as filed original specification includes <i>ipsis verbis</i> support for a second party control unit, where the user is the second party. A skilled artisan would readily recognize that the second memory is in possession and control of the second party, since the specification as originally filed states throughout that the user can store, sort and play thousands of songs from the user unit. A skilled artisan would clearly understand that this means the second party controls and possesses the second party control unit. This was previously pointed out in the declaration of Arthur Hair submitted May 5, 1992.
connecting electronically via a telecommunications line the first memory with the second memory	1, 4	p. 3, lns. 35-40	<i>ipsis verbis</i> support
transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party	1	p. 2, lns. 47-52 p. 3, lns. 35-40 Fig. 1	The as filed original specification has <i>ipsis verbis</i> support transmitting a desired digital audio signal and that the hard disk in the control unit of the authorized agent is the source. A skilled artisan would recognize that in order to regulate distribution of the signals the authorized agent would have to possess and control the transmitter. This was previously pointed

			out in the declaration of Arthur Hair submitted May 5, 1992.
to a receiver having the second memory at a location determined by the second party; said receiver in possession and control of the second party	1, 4	p. 2, lns. 47-50 p. 3, lns. 20-40 Fig. 1 p. 4, lns. 21-23	A skilled artisan would readily recognize in order to receive digital signals over telecommunications lines as disclosed throughout the specification, part of the second party control unit would act as a receiver. This was addressed previously in the affidavit of Arthur Hair dated May 5, 1992. A skilled artisan would also readily understand this to comprehend transfers between two remote locations. Since the second party possesses the second memory, the second party can determine its location. This was addressed previously in the declaration of Arthur Hair submitted May 5, 1992.
storing the digital audio signal in the second memory	1	p. 2, lns. 23-27	<i>ipsis verbis</i> support
searching the first memory for the desired digital audio signal	2	p. 3, lns. 35-40 p. 4, lns. 12-28	The as filed original specification has <i>ipsis verbis</i> support for electronic sales and electronic transfer of digital signals from a control unit of an authorized agent to a control unit of a user. A skilled artisan would readily recognize that this would include searching the hard disk of the first party to locate desired digital signals for purchase.
selecting the desired digital audio signal from the first memory	2	p. 3, lns. 35-40 p. 4, lns. 12-28	The as filed original specification has <i>ipsis verbis</i> support for electronic sales and electronic transfer of digital signals from a control unit of an authorized agent to a control unit of a user. A skilled artisan would readily recognize that this would include selecting desired

			digital signals from the hard disk of the first party for purchase.
telephoning the first party controlling use of the first memory by the second party	3, 6	p. 2, Ins. 47-50 p. 3, Ins. 20-40 Fig. 1 p. 4, Ins. 21-23	The original as filed specification states throughout that digital audio or digital video signals are sold and transferred via telephone lines. A skilled artisan would readily recognize this as comprehending the telephoning of the first party by the second party to initiate a transaction. This was addressed previously in the declaration of Arthur Hair submitted May 5, 1992.
providing a credit card number of the second party to the first party so that the second party is charged money	3, 6	p. 1, Ins. 13-15 p. 2, Ins. 8-10, 20-23, 38-52 p. 3, Ins. 12-15, 35-37	The original as filed specification states throughout that the invention provides for electronic sales of digital audio or digital video signals. A skilled artisan would readily recognize credit card sales as being comprehended within electronic sales. This was addressed previously in the affidavit of Arthur Hair dated May 5, 1992.
first party controlling the first memory	3, 6	p. 2, Ins. 38-43 p. 3, Ins. 35-49	The as filed original specification includes <i>ipsis verbis</i> support for a first party control unit, where the authorized agent is the first party. A skilled artisan would readily recognize that the first party control unit is in possession and control of the first party because as an "agent authorized to electronically sell and distribute" digital audio or digital video, the first party would necessarily have to possess and control the source of the digital audio and digital video. This was previously pointed out in the declaration of Arthur Hair

			submitted May 5, 1992.
A method for transmitting a desired digital video signal	4	p. 5, lns. 36-43	<i>ipsis verbis</i> support
transmitting the desired digital video signal from the first memory with a transmitter in control and possession of the first party	4	p. 5, lns. 36-43 p. 2, lns. 47-52 p. 3, lns. 35-40 Fig. 1	The as filed original specification has <i>ipsis verbis</i> support transmitting a desired digital audio signal and that the hard disk in the control unit of the authorized agent is the source. A skilled artisan would recognize that in order to regulate distribution of the signals the authorized agent would have to possess and control the transmitter. This was previously pointed out in the declaration of Arthur Hair submitted May 5, 1992. A skilled artisan would recognize based on the disclosure at the end of the specification that this procedure could also be used for digital video.
storing the digital video signal in the second memory	4	p. 5, lns. 36-43 p. 2, lns. 23-27	The as filed original specification has <i>ipsis verbis</i> support for storing digital signals on the hard disk of the user control unit. A skilled artisan would recognize based on the disclosure at the end of the specification that this procedure could also be used for digital video.
searching the first memory for the desired digital video signal	5	p. 3, lns. 35-40 p. 4, lns. 12-28 p. 5, lns. 36-43	The as filed original specification has <i>ipsis verbis</i> support for electronic sales and electronic transfer of digital signals from a control unit of an authorized agent to a control unit of a user. A skilled artisan would readily recognize that this would include searching the hard disk of the first party to locate desired digital signals for purchase. A skilled artisan would recognize based on the

			disclosure at the end of the specification that this procedure could also be used for digital video.
selecting the desired digital video signal from the first memory	5	p. 3, lns. 35-40 p. 4, lns. 12-28 p. 5, lns. 36-43	The as filed original specification has <i>ipsis verbis</i> support for electronic sales and electronic transfer of digital signals from a control unit of an authorized agent to a control unit of a user. A skilled artisan would readily recognize that this would include selecting desired digital signals from the hard disk of the first party for purchase. A skilled artisan would recognize based on the disclosure at the end of the specification that this procedure could also be used for digital video.

For all the reasons set forth in the chart immediately above, the written description standard was satisfied for Claims 1 through 6 of the '573 Patent. For the same reason, Claims 44 through 49 are also supported by the originally filed specification of the '497 Application.

Moreover, the claim language "transferring money electronically via a telecommunication line to a first party at a location remote from the second memory," "charging a fee," "providing a credit card number," and "charging an account," all would have been understood by one of ordinary skill in the art in the context of the described electronic sales and distribution of digital audio signals or digital video signals. In this context, one of ordinary skill in the art would have recognized that electronic sales encompassed transactions where a fee is charged, and thus money is transferred from one party to another electronically via a telecommunication line. It further would have been understood by one of ordinary skill in the art that electronic sales could be accomplished by providing a credit card number. As a result, one of ordinary skill in the art in 1988 would have recognized that the description of



electronic sales in the specification of the '497 Application necessarily comprehends "transferring money to a first party from a second party electronically via telecommunication lines," "charging a fee," "charging an account," and "providing a credit card number."

One of ordinary skill in the art in 1988 would have also been aware of the available means for connecting computer systems to telecommunication lines for the purpose of transferring electronic signals; for example modems. Such means could be used at the originating (transmitting) computer and at the destination (receiving) computer. The control unit or control integrated circuit of the copyright holder and user would have been recognized by one of ordinary skill in the art as being some type of computer system or part of a computer system. Therefore, the terms in the claims "transmitter" and "receiver" describe what would have been understood by one of ordinary skill in the art as being necessarily comprehended by the description provided in the specification and figures filed with the '497 Application.

Finally, it easily would have been recognized by one of ordinary skill in the art in 1988 that the specification's teaching requires establishing some type of connectivity as a prerequisite to making a purchase/sale of digital signals, as well as for transferring the digital signals. Since the specification of the '497 Application explicitly discloses selling and transferring digital audio signals (or digital video signals) over telephone lines, it is clear that the step of requesting and establishing connectivity (telephoning) is necessarily comprehended in the description provided in the '497 Application, since the step would have been recognized as a prerequisite for performing the function of the disclosed system.

For all of the above reasons, Claims 1 through 6 and 44 through 49 find adequate written support in the specification of the '497 Application as filed and are therefore entitled to

the June 13, 1988 priority date. For this reason as well, the Board should vacate the Examiner's findings with respect to the priority date of the '573 Patent.

**2. The "Video Feature" of the Invention in Claims 4 Through 6 Of The '573 Patent Was Enabled By The Originally Filed Specification**

The Office asserts the "video feature" of the invention in Claims 4 through 6 was not enabled by the disclosure in the originally filed specification.

The Office acknowledges the "original specification does contain a general statement at the end of the specification stating '[f]urther, it is intended that this invention not be limited to Digital Audio Music and can include Digital Video....'" The Office, however, generally asserts "this broad, generic statement fails to enable specifically claimed video download and processing procedures." September 29, 2006 Office Action, page 12. Since the Office has not specifically identified which portions of the claims allegedly are not enabled, Appellant will discuss below the issue of enablement with respect to particular comments made in the September 29, 2006 Office Action.

**i) The Office Is Attempting To Apply An Improper Standard For Enablement**

The Office is attempting to apply a "mass production" standard to the claims when, in actuality, the enablement standard of Section 112 has no such requirement. As the CAFC held in *Christianson v. Colt Indus. Operating Corp.*, 822 F.2d 1544, 1562 (Fed. Cir. 1987), "the law has never required that [an Appellant]... must disclose in its patent the dimensions, tolerances, drawings, and other parameters of mass production not necessary to enable one skilled in the art to practice (as distinguished from mass-produce) the invention." Nonetheless, it appears this kind of "mass production" information is exactly the kind of information the Office now seeks. For example, the Office Action states "[p]ersonal user devices with the processing power

capable of playing back much larger and more complicated digital video files, such as DVD players, were not routinely available until the late 1990(s).” September 29, 2006 Office Action, pages 19-20. (emphasis added.) Whether such devices “routinely” were available is not part of the test for enablement, nor is it one of the eight factors for reasonable experimentation that were laid out by the CAFC in *In re Wands*, 858 F.2d 731 (Fed. Cir. 1988). Rather, the only relevant test is whether, without undue experimentation, one of ordinary skill in the art could have made and used the claimed invention.

As further evidence that the Office seeks to apply a “mass production” standard, it is noted that the Office Action states “the digital bandwidth required to transmit a video signal at even VHS quality was around 1.5 megabits per second (approximately 30 megabytes in 3 minutes).” Office Action, page 14. (emphasis added.) However, while VHS quality may be appropriate for “mass production,” a limitation requiring VHS quality video is not included in any of the claims, and thus it is impermissible for the Office to use that level of quality as a benchmark for enablement. In fact, the recent success of very small screen video players shows that “mass production” can be achieved with even less than VHS quality.

Even if VHS quality were a requirement for enablement of the claims, there is no articulated basis to believe the original specification would not have enabled one of ordinary skill in the art to meet that quality for a short period of time. This fact is accentuated by the statement in the Office Action that “it is not clear ... how downloaded files of any appreciable or viable size would have been downloaded and stored on originally disclosed hard disk 60 of the user in the original specification.” September 29, 2006 Office Action, page 20. (emphasis added.) The use of “appreciable” and “viable” makes it clear that short videos are enabled, and nothing more is required. Further, the Office appears to acknowledge that even a 30-megabyte

hard drive could store a three-minute movie if encoded at 1.5 megabits/second. *Id.* That alone is sufficient to meet the enablement requirement.

Moreover, the Office impermissibly limits the scope of what it referenced when the Office Action cites the size of available hard drives. While a 30-megabyte hard drive would have been available in a 3.5-inch form factor, the same chart relied on by the Office illustrates that hard drives larger than 1.89 gigabytes were available at the same time. *See* September 29, 2006 Office Action, footnote 14.

Furthermore, the Office has applied the same “mass production” requirement to the library server. The Office initially seems to acknowledge that mainframes did exist which could have operated as repositories for copyrighted materials using hard disk drives. However, the Office then seems to discount the relevance of the existing mainframes by stating “it is not clear how even a small-sized video library ... would have been stored in the hard disk of the copyright holder ... without requiring details directed to a complex mainframe operating environment.” This unsupported statement on “complexity” is insufficient to prove that mainframe operating environments capable of storing digital video files were not already known at the time the original specification was filed, or that undue experimentation would have been required to store digital video files in such an environment. The statement also leaves unanswered how the Office is defining “small” -- according to the enablement standard under Section 112 or the improper “mass production” standard?

The Office Action further states “[r]egarding the transfer of these large video files over a network, the proliferation of broadband communication network[s] capable of delivering these large files to consumers, such as the Internet, simply did not exist or were not well known in 1988.” September 29, 2006 Office Action, pages 14-15. (emphasis added.) Such a statement

raises at least two issues. First, “not well known” to whom? Those of ordinary skill in the art of computer systems knew of telephony-based wide area networks at the time the original specification was filed. Second, utilization of a “broadband” network is not required. In fact, the originally filed specification discloses that the audio and video files can be transferred over telephone lines. While this may not be an extremely fast method of transfer, it nonetheless clearly is enabling under Section 112.

The Office further questions “how the digital video would have been coded and decoded during transmission, as digital video coding standards for purposes of transmission and file download were not settled in 1988. [T]he MPEG-1 standard which was designed to code/decode digital video information and to transmit the video via a telephone (telecommunications) network in NTSC (broadcast) quality for archiving, was only established in 1992.” September 29, 2006 Office Action, page 21. (emphasis added.) Again, standardization of video coding and the use of “NTSC quality” relate to “mass production” rather than enablement under Section 112. Thus, the Office has not alleged -- and cannot allege -- that one of ordinary skill in the art could not have coded video at some other resolution or using some other encoding technique at the time the original specification was filed.

In contrast, those of ordinary skill in the art would have been able to code and decode video data transmitted over a telephone line without undue experimentation. This is because there were existing video teleconferencing systems known and available to them prior to applicant’s earliest priority date. As earlier as five years before applicant’s earliest priority date digital video signals could have been and were sent via telephone networks and decoded with picture processors in real-time.

Similarly, not only were TV processors for video processing available for use in video processing systems, but network interface specifications were available for making systems that were compatible with signals sent via telephone networks. As such, contrary to the position of the Office Action, it is clear that at the time of filing of the earliest priority application, one of ordinary skill in the art would have been able to transmit, download and decode video signals as claimed without undue experimentation.

Accordingly, Claims 4 through 6 and Claims 47 through 49 directed to the “video feature” embodiment of the invention are enabled by the originally filed specification under the proper standard for Section 112 enablement.

**D. Because Claims 1 Through 6 And 44 Through 49 Are Entitled To The June 13, 1988 Priority Date Awarded During the Original Examination, *Cohen* Is Not Appropriate Prior Art**

Based on the foregoing, Claims 1 through 6 and 44 through 49 in reexamination are entitled to the June 13, 1988 priority date. In the first instance, it is improper for the Office to reconsider the issue of priority in the present reexamination for the reasons set forth in Sections III(A) and (B) above. Further, even if it were proper to reconsider the issue of priority, the facts of record clearly show the claims were described adequately and enabled by the originally filed specification for the reasons set forth in Section III(C) above. Therefore, U.S. Patent 4,949,187 to Cohen (*Cohen*) cannot be a proper basis for a rejection because the reference post-dates the applicable June 13, 1988 priority date for the claims. The Board should, therefore, reverse all rejections based on *Cohen*. See *supra*, Grounds 1-3 under the Grounds for Rejection to be Reviewed on Appeal.

**IV. THE CLAIMS AS AMENDED ARE SUPPORTED AND ENABLED BY THE WRITTEN DESCRIPTION**

In addition to questioning the written support and enablement of Claims 1 through 6 in the originally filed specification, the Office has also asserted separate rejections of Claims 1 through 6 as amended and new Claims 44 through 49 under 35 U.S.C. § 112, first paragraph. In making these rejections, the Office has improperly applied Section 112 analysis to claim elements that existed in the claims as issued, rather than limiting the analysis to “matter added or deleted” as required by 37 C.F.R. § 1.552. As detailed herein, Claims 1 through 6 and 44 through 49 are fully supported and enabled by the specification of the ‘573 Patent.

**A. Rejection Of Claims 44 Through 49 Under 35 U.S.C. § 112, First Paragraph**

Claims 44 through 49 have been rejected under Section 112, first paragraph, as introducing matter not described in the original specification. Claims 47 through 49 additionally have been rejected as not being enabled by the original specification.

As a preliminary matter, 37 C.F.R. § 1.552(a) states that an analysis under Section 112 will be performed with respect to *matter* added or deleted, not *claims* added or deleted. The restatement of matter already presented in Claims 1 through 6 in the form of Claims 44 through 49 does not add *matter* to the claims. MPEP § 2163.I states that issues under Section 112 “*most typically... arise in the context of...new or amended claims.*” (emphasis added.) This statement does not empower the Office to assert Section 112, first paragraph, rejections every time previously claimed matter is presented in the form of a different claim.

The only element present in Claims 44 through 49 that was not previously present in Claims 1 through 6 is the recitation of a hard disk. Therefore, the Office may only examine the recitation of “hard disk” for compliance with Section 112, first paragraph. A review of the

originally filed specification demonstrates this recitation is fully supported and enabled by the originally filed specification. *See* Original Specification, p. 3, ln. 30.

Nonetheless, even if it were proper for the Office to examine Claims 44 through 49 in their entirety for compliance with Section 112, first paragraph, under 37 C.F.R. § 1.552(a), those issues were already addressed by Examiner Nguyen during the initial examination of Claims 1 through 6, as set forth above.

Further, as demonstrated by the Appellant in Section III above, each element of Claims 44 through 49 is fully supported and enabled by the specification of the '497 Application as originally filed. Therefore, the Board should reverse the rejections of Claims 44 through 49 under 35 U.S.C. § 112, first paragraph.

**B. Rejection Of Claims 1 Through 6 Under 35 U.S.C. § 112, First Paragraph**

Claims 1 through 6 have been rejected under Section 112, first paragraph, as introducing matter not described in the original specification. Claims 4 through 6 additionally have been rejected as not being enabled by the original specification.

The Office asserts that the negative limitation of “a non-volatile storage portion of the second memory, wherein the non-volatile storage is not a tape or a CD”, introduces a new concept to the claims that does not have a basis in the originally filed specification. The Office cites two cases from the BPAI, one case from the CAFC, and one case from the Court of Customs and Patent Appeals (“C.C.P.A.”) to support this rejection. None of the cases support the rejection.

The CAFC case cited by the Office, *Lizardtech, Inc. v. Earth Res. Mapping, Inc.*, 433 F.3d 1373 (Fed. Cir. 2006), is merely an opinion denying a petition for rehearing *en banc*. The



case does not address anything related to the current rejection. Therefore, the case simply does not support the Office's position.

The two cases from the BPAI, *Ex Parte Wong*, No. 2004-1144, 2004 WL 4981845 (Bd. Pat. App. & Interf. June 10, 2004) and *Ex Parte Grasselli*, 231 U.S.P.Q. 393 (Bd. Pat. App. & Interf. 1983), address situations where a negative limitation added to a claim was not described in the specification of the application. However, neither *Wong* nor *Grasselli* support the rejection of Claims 1 through 6 under Section 112, first paragraph, in the instant case. In both *Wong* and *Grasselli*, the issue and ultimate ground for rejection was that a negative limitation added to the claims introduced a new concept not disclosed in the respective specifications in those cases. That simply is not the situation here. Both Claims 1 and 4 recite a non-volatile storage portion of a memory that is not a tape or CD. The originally filed specification of the '497 Application explicitly states that the disclosed invention eliminates the need to handle tapes and CDs. *See* p. 2, Ins. 23 to 26. Thus, the concept of storing digital audio or digital video signals on a memory that is not a tape or CD is explicitly disclosed by the original specification. Therefore, *Wong* and *Grasselli* are inapposite to the present case.

The case from the C.C.P.A., *Application of Johnson*, 558 F.2d 1008 (C.C.P.A. 1977), concerns a situation where the applicant sought to claim priority to an originally filed application for claims in a subsequent continuation-in-part application. The holding of *Johnson* also fails to support the Office's position. In *Johnson*, an original parent application disclosed and claimed a genus of polymer compositions comprising various monomer units. In a later filed CIP application, the broad genus claims in the parent application were narrowed by expressly excluding certain species from the polymer compositions. The parent application only contained a description of the broader genus. The court found that claims to the narrower