Exhibit 1303

PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re the patent of:

Arthur R. HAIR

U.S. Patent No. 5,966,440

Issued: October 12, 1999

Application No. 08/471,964

Filed: June 6, 1995

For: SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS

Docket No. NAPSP003

Date: January 31, 2005

CERTIFICATE OF EXPRESS MAILING

I hereby certify that this paper and the documents and/or fees referred to as attached herein are being deposited with the United States Postal Service on January 31, 2005 in an envelope as "Express Mail Post Office to Addressee" service under 37 CFR § 1.10, Mailing Label Number EV 577446447 US, addressed to the Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

Albert S. Penilla

REQUEST FOR *EX PARTE* REEXAMINATION TRANSMITTAL FORM

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

1. This is a request for *ex parte* reexamination pursuant to 37 CFR 1.510 of U.S. Patent No. 5,966,440, which issued October 12, 1999 ("the '440 patent"). The request is made by a third-party requester.

2. The name and address of the person requesting reexamination is:

Napster, Inc. (formerly Roxio, Inc. and majority owner of Napster, L.L.C.)
Los Angeles Office
9044 Melrose Ave.
Los Angeles, CA 90069.

3. A check in the amount of $6,870.00 to cover the *ex parte* reexamination fee ($2,520.00) and the excess claim fees ($4,350.00 for 11 extra independent claims ($2,200.00) and 43 claims in excess of 20 claims ($2,150.00)) is enclosed. 37 CFR 1.20(c)(1).

4. The Commissioner is authorized to charge any fees beyond the amount enclosed which may be required, or to credit any overpayment, to Deposit Account No. 50-0805 (Order No. NAPSP003).

5. A copy of the '440 patent to be reexamined having a double column format on one side of a separate paper is enclosed. 37 CFR 1.510(b)(4).

6. **Reexamination of claims 1-63 is requested.**

7. A copy of every patent or printed publication relied upon is submitted herewith including a listing thereof on Form PTO-1449.

8. The attached detailed request includes at least the following items:

a. A statement identifying each substantial new question of patentability based on prior patents and printed publications. 37 CFR 1.510(b)(1); and

b. An identification of every claim for which reexamination is requested, and a detailed explanation of the pertinency and manner of applying the cited art to every claim for which reexamination is requested. 37 CFR 1.510(b)(2).

9. It is certified that a copy of this request has been served in its entirety on the patent owner as provided in 37 CFR 1.33(c). The name and address of the party served and the date of service are:

Ansel M. Schwartz, Registration No. 30,587
201 N. Craig Street, Suite 304
Pittsburgh, PA 15213

Date of Service: January 31, 2005 (by overnight courier).

10. Correspondence Address: Direct all communication about the reexamination to:

Albert S. Penilla
MARTINE PENILLA & GENCARELLA, LLP
710 Lakeway Drive, Suite 200
Sunnyvale, CA 94085
(408) 749-6900
Customer Number 25920.

11. The patent is the subject of the following concurrent proceeding:

Copending litigation styled: SightSound Technologies, Inc. v. Roxio, Inc. and Napster, L.L.C., U.S. District Court for the Western District of Pennsylvania, Civil Action No. 04-1549.

Respectfully submitted,
MARTINE PENILLA & GENCARELLA, LLP

Albert S. Penilla (for third-party requester)
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re *Ex Parte* Reexamination of: Arthur R. Hair U.S. Patent No. 5,966,440 Issued: Oct. 12, 1999 For: SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS	Examiner: Nguyen, Hoa T. (Prior Examiner) Group Art Unit: 2516 (Prior Examination) **REQUEST FOR *Ex Parte* REEXAMINATION UNDER 37 CFR § 1.510** Date: January 31, 2005

Mail Stop *Ex Parte* Reexam
Honorable Commissioner of Patents and Trademarks
P.O. Box 1450
Alexandria, VA 22313-1450

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I. INTRODUCTION

This Request for *Ex Parte* Reexamination of U.S. Patent No. 5,966,440 ("the '440 patent") raises substantial new questions of patentability with respect to the '440 patent based on prior art not cited or considered during the prosecution of the '440 patent and based on double patenting in view of U.S. Patent Nos. 5,675,734 ("the '734 patent") and 5,191,573 ("the '573 patent"), all issued to Arthur R. Hair (collectively, the "Hair Patents").

A. Anticipation and Obviousness

The '440 patent is directed to a method and system for transferring money and desired audio or video signals through telecommunications lines from a first memory of a first party to a second memory of a second party. During the prosecution of the '440 patent, prior art references Gallagher and Gremillet were neither disclosed nor considered by the Examiner. Gallagher, like the Hair Patents, teaches a method, system and apparatus for selling and transferring through telecommunications lines, recorded digital audio and video data between a source unit, a database, which may be housed by a record company, and user units, which belong to the general public.

Similarly, Gremillet teaches a method and system for the electronic sale of digital audio signals and recorded information over telecommunications lines, including telephone lines, cables and optical fibres. The digital audio signals are stored in an information bank at a distribution center and are distributed to user equipment that includes a recording device.

Gallagher and Gremillet each individually anticipate all of the claims of the '440 patent. Additionally, Gallagher and Gremillet in combination with other prior art references, cited below, render all claims of the '440 patent obvious.

Accordingly, because Gallager and Gremillet alone and in combination with other

prior art references raise substantial new questions of patentability, this Request for Reexamination of the '440 patent should be granted.

B. Double Patenting

The '440 patent is also invalid under the doctrine of obviousness-type double patenting. The '440 patent claims the same innovation as set forth in the '573 patent. The only limitations that do not represent a mere change in wording that the patentee added in the '440 patent are: (1) control unit; (2) speakers; (3) video display; (4) electronic coding or, encryption, of the signal; (5) hard disk; (6) control panel; (7) integrated circuit; and (8) sales, incoming or playback RAM chip. As Requestor will demonstrate in the detailed analysis in Section VIII of this Request, none of these limitations is patentably distinct and all of them would have been obvious to the person of ordinary skill in the art, in 1988.

The addition of "control unit" and "control panel" is not patentably distinct. It would have been obvious to one skilled in the art in light of claims 1 and 4 of the '573 patent to have the second memory included in some type of collection of hardware and software called a "control unit" and to have the digital signals on the second memory to be played through speakers connected to the second memory. In addition, the limitation of having the second memory included in some type of collection of hardware and software called a "control unit" was obvious in view of at least Gallagher, Akashi, Freeny, Schwartz. A control unit for the first party too would be understood to one of skill in the art. The "first party control unit" was obvious in view of the "first memory with a transmitter in control and possession of the first party," of Claim 1of the '573 Patent. In order to exercise the "control" disclosed some means for control would have to exist. Viewed together a "control unit" was disclosed.

It would have been obvious to have a "control panel" on the user's unit. Hair's claimed invention as described in the original '573 specification was an "advanced stereo system." '573 Prosecution History, Original Patent Application Filing at p.6. It is well known, was well known in 1988, that a stereo system must have a control panel in order to accept user commands (for example to "play" music).

The addition of "speakers" is not patentably distinct. The limitation of having the digital signals on the second memory played through speakers connected to the second memory was obvious to a person skilled in the art in 1988. Namely, it was obvious that a customer would want to play the purchased music through speakers. Moreover, the addition of this limitation is obvious in view of at least Gallagher, Schwartz and Gremillet. Finally, Hair's claimed invention as described in the original '573 specification was an "advanced stereo system" capable of playing digital audio. '573 Prosecution History, Original Patent Application Filing at p.6. Such a unit would obviously be connected to speakers as this was customary for stereo systems and without speakers such a stereo system would be unable to produce sound.

The addition of "video display" is not patentably distinct. A video display was obviously required to playback the digital video data disclosed in the claims of the '573. As Hair in prosecution claimed an "advanced stereo system" a person of skill in the art would know that the analogous video system would be a machine akin to a videocassette recorder, which would naturally be connected to a TV monitor, or something similar. Moreover, digital video was well known in the late 1980s. Gallagher and Rosch each illustrate the obviousness of a video display in the context of digital video in that time period.

The addition of "coding" the signal to prevent unauthorized reproduction, or "encryption," is not patentably distinct. One skilled in the art would have known in light of claims 3 and 6 of the '573 patent to code or encrypt the signals in a way to prevent unauthorized reproduction. Encryption was widely known and practiced in 1988. Specifically, the limitation of electronically coding the desired digital video or audio signals was obvious in view of at least

Freeny, Gallagher, Waters and a *PC Weekly* 1987 article. That article stated: "Several software firms are including encryption as an option for their spreadsheet or database users. Other developers sell encryption hardware and software to tighten the lid on computer security."

The addition of "hard disk" is not patentably distinct. Usage of hard disc was known in the art well before 1988. Hair himself argued during the prosecution that "[t]he use of transferring money across telecommunications connections, such as by telephoning the agent who has the hard disc over the phone lines, for obtaining data on the hard disc is well known to one skilled in the art to be part of electronic sales.") *See '573* Prosecution History 6/25/92 Hair Decl.

The addition of "integrated circuit" is not patentably distinct. A second party control integrated circuit was inherent in the '573 teaching of electronic sales. During the prosecution, Hair argued that "the 'second party' must have a 'receiver' (the control IC of the user in figure 1) in his 'possession' in order to receive the music electronically from the hard disk of the agent over the telecommunications lines, such as telephone lines.") '734 Prosecution History, 1/3/94 Hair Decl., p. 3-4 (emphasis added). The limitation of a second party integrated circuit and a control panel connected to the integrated circuit was further obvious in view of at least Gallagher, Freeny, Akashi, Schwartz and Gremillet.

The addition of RAM chip is not patentably distinct. The limitation of the incoming random access memory chip to buffer incoming data before storage to a hard disk and a playback random access memory chip to buffer digital signals prior to playback was obvious to a person skilled in art. It was also obvious in view of at least Gallagher, Freeny, Akashi, Schwartz and Ferrarini. Moreover, the functions attributed by Hair to the seller's "sales random access memory chip" were well known within the field of digital telecommunications.

Accordingly, the '440 claims the same invention as the '573 patent, and adds only minor and obvious limitations, all of the claims of the '440 patent are invalid for obviousness-type of double patenting. Because the Examiner had not rejected the claims on the basis of double

patenting during the prosecution of the '440 patent, Requestor's analysis presents substantial new questions of patentability.

II. RELATED AND CO-FILED REQUESTS FOR REEXAMINATION

In addition to this Request for reexamination of the '440 patent, separate Requests for reexamination of the '573 and '734 patents have also been concurrently filed. As stated, the '573, '734 and '440 patents are all related, disclose identical inventions, claim priority to the same June 13, 1988 earliest filing date, and were issued from continuation applications from the same parent application. Moreover, the three patents also share similar specifications and identical drawings.

III. CURRENT STATUS OF THE '440 PATENT

The '440 patent is currently in litigation in the District Court for the Western District of Pennsylvania in a case styled SightSound Technologies, Inc. v. Roxio, Inc. and Napster, L.L.C., Civil Action No. 04-1549. The case is in its infancy and no formal discovery has taken place. Pursuant to the Court's request, Requestor has filed a Motion to Stay the case pending the outcome of the Reexamination proceedings.

Previously, the '440 patent was in litigation in another case, also in the District Court for the Western District of Pennsylvania, styled as SightSound.com Incorporated v. N2K, Inc., CDnow, Inc., and CDnow Online, Inc., Civil Action No. 98-0118. That case settled before trial with no judicial determination of the invalidity of the '440 patent.

The '573 and '734 patents are also at issue in the current litigation, and were also at issue in the previous litigation.

IV. CLAIMS FOR WHICH REEXAMINATION IS REQUESTED

Reexamination is requested for all claims, 1 through 63.

V. PRIOR ART PATENTS AND PUBLICATIONS

Pursuant to 37 C.F.R. § 1.555 Requestor brings to the attention of the Examiner the following references, all of which are listed on the enclosed form PTO–1449, along with copies of the listed references:

Reference Name	Reference Description
"Gallagher"	Great Britain Patent GB 2 178 275 A, "Recorded Data Transfer System," filed July 16, 1986, published February 4, 1987.
"Gremillet"	U.S. Pat. No. 4,499,568, "Process for the Teledistribution of Recorded Information and a System for Performing This Process," filed December 13, 1982, issued February 12, 1985.
"Freeny"	U.S. Patent No. 4,528,643, "System For Reproducing Information In Material Objects At a Point of Sale Location," filed January 10, 1983, issued on July 9, 1985.
"Akashi"	Japanese Patent Application No. S62-284496 to H. Akashi, "Automated Music Purchasing System," filed on June 3, 1986 and published on December 10, 1987. (Translation included.)
"Schwartz"	U.S. Pat. No. 4,636,876, "Audio Digital Recording and Playback System," filed April 19, 1983, issued January 13, 1987.
"Hellman"	U.S. Pat. No. 4,658,093, Software Distribution System, filed July 13, 1983, issued on April 14, 1987.
"Ferrarini"	Ferrarini, "Direct Connections for Software Selections," Business Computer Systems, February 1984.
"Rosch"	"ComNet for the PC," *PC Magazine*, August 1983.
"Elmer-Dewitt"	"Calling Up an On-Line Cornucopia," *Time*, April 7, 1986.
"Jared"	"The Copy Protection Wars," *PC Magazine*, January 14, 1986.
"Kramer"	"Network Applications Are Adding Encryption," *PC* Week, March 3, 1987.
"Jordan"	*Communications and Networking for the IBM PC*, 1983.
"Waters"	"Prospects for Standardization in Cable Audio," *Technical*

	Papers-NCTA Annual Convention, 1984.
"McDonnell"	"AT&T Breaks the Speed Barrier," *Computers & Electronics*, September 1984.
"Fishcher"	"Modems, Music, and Your Apple II," *A+*, June 1988.
"Zilber"	"It's a Mac, Mac, Mac World," *MacUser*, April 1988.

For the reasons discussed below, the prior art patents and printed publications submitted herein raise substantial new questions of patentability of claims 1 through 63 of the '440 patent.

VI. STATEMENT POINTING OUT SUBSTANTIAL NEW QUESTIONS OF PATENTABILITY

This Request for *Ex Parte* Reexamination of the '440 patent raises the following substantial new questions of patentability:

1. Whether claims 1 – 63 are anticipated under 35 U.S.C. § 102 by **Gallagher**;

2. Whether claims 1 – 63 are anticipated under 35 U.S.C. § 102 by **Gremillet**;

3. Whether claims 1 – 63 are rendered obvious under 35 U.S.C. § 103 by **Gallagher**, in view of **Gremillet, Freeny, Akashi, Schwartz, Hellman, Ferrarini, Rosch, Elmer-Dewitt, Jared, Kramer, Jordan, Waters, McDonnell, Fishcher** and/or **Zilber**.

4. Whether claims 1 – 63 are rendered obvious under 35 U.S.C. § 103 by **Gremillet** in view of **Gallagher, Freeny, Akashi, Schwartz, Hellman, Ferrarini, Rosch, Elmer-Dewitt, Jared, Kramer, Jordan, Waters, McDonnell, Fishcher** and/or **Zilber**.

5. Whether claims 1 – 63 are unpatentable for double patenting in view of U.S. Patent No. 5,191,573, also issued to Arthur R. Hair.

VII. DESCRIPTION OF THE RELEVANT PRIOR ART

In the following claim charts, the left hand column lists the claims of the '440 patent and the right-hand column identifies the relevant portions of the cited references and

explains their pertinence which anticipates under 35 U.S.C. § 102. The right hand column also explains how, in combination with other prior art, the cited references render the Hair '440 patent obvious under 35 U.S.C. § 103, as specifically described below.

A. GALLAGHER (GB 2 178 275 A): Claims 1 – 63 of the Hair '440 Patent Are Anticipated Under 35 U.S.C. § 102 by Gallagher and/or Are Rendered Obvious Under 35 U.S.C. § 103 by Gallagher, in view of Gremillet, Freeny, Akashi, Schwartz, Hellman, Ferrarini, Rosch, Elmer-Dewitt, Jared, Kramer, Jordan, Waters, McDonnell, Fishcher and/or Zilber.

Gallagher (GB 2 178 275 A) was not cited or considered by the Examiner during the prosecution of the Hair '440 Patent. Gallagher was filed on July 16, 1986 and published on February 4, 1987, prior to the earliest priority date of June 13, 1988 of the Hair patent. Accordingly, Gallagher is prior art to the Hair patent.

Gallagher teaches a method, system and apparatus for transferring recorded digital audio and video data between a source unit, a database which may be housed by a record company and user units. See Gallagher at Abstract. The system includes forming a connection through telecommunication lines (which include high speed telephone links by way of modems, or regular telephone links, fibre optic links, electro-magnetic waves or any other suitable medium) between a first memory of a first party and a second memory of a second party, the first memory having the digital audio or video signals, selling electronically by the first party to the second party through the telecommunications lines the desired digital audio or video signals, transferring the desired digital signals from the first party to the second party through the telecommunications lines while the second memory is in possession and control of the second party (at a remote location) and storing the digital signals in the second memory which includes hard disks. See Gallagher at 1. In addition Gallagher also teaches encryption and decryption of the digital audio or video signals for the prevention of unlawful copying and piracy. See Gallagher at 1. Moreover, Gallagher discloses that the sale of the digital audio or video signal is through the user units, for example through the user's personal computer. See Gallagher at 1.

Accordingly, the Gallagher reference raises substantial new questions of

patentability of the Hair patent.

GREAT BRITAIN PATENT GB 2 178 275 A TO GALLAGHER	
Claim	**Prior Art Disclosure Rendering Hair Anticipated or Obvious, Including Motivation to Combine**
1. A method for transferring desired digital video or digital audio signals comprising the steps of:	Gallagher discloses the transfer of desired digital video audio in a "recorded data transfer system" of "digital data" in the "entertainment industry" such as "audio or visual" data. See Gallagher at 1:5, 1:8, 1:6-7, 1:91, Figs. 2 & 3
forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals;	Gallagher discloses forming a connection through telecommunication lines. Gallagher at 1:28-31 ("The media for data transfer is preferably high speed telephone links by way of modems. However, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used."). Gallagher at 1:13-16 (The first memory of a first party is a "database having a main computer, . . . a data storage and processing system, means for controlling the storage and processing of data . . . .") Gallagher at 1:67-69 (First party can be the "source unit" which can also contain the first memory, and it "comprises a storage medium 11."). Gallagher at 1:5, 1:8, 1:6-7, 1:91, Figs. 1 & 2 (first memory has desired digital video or digital audio signals). Gallagher also discloses a second memory of a second party control unit of a second party. Gallagher at 1:21-22 ("means for storing/recalling and/or processing data received from the database"). Gallagher at 1:102-14, 2:104-107 ("The user . . . can log on to the data base and make her/his selection according to a supplied menu.").
selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory; and	Gallagher at 1:49-50 (Gallagher discloses "sale to the general public via their user units."). Gallagher at 2:92-93 ("*home-buying* of material" and "immediate access to material."). Gallagher at 1:28-31 (The telecommunication line is "high speed telephone links by way of modems. However, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used."). To the extent that this limitation is not fully disclosed by Gallagher, it would have been obvious to a person skilled in the art to modify Gallagher to include this limitation in view of U.S. Patent No. 4,528,643 to **Freeny** at 13:31-36 ("a consumer credit card number also might be communicated . . . so the owner of the information could approve the sale and, in effect, charge the sale to the consumer credit card number"). Or, in view of **Ferrarini** ("If you decide to buy, you receive the software, complete with documentation, via your microcomputer and the telephone lines. . . . Recently, a handful of companies have established services that allow users to purchase software just this way. If they are successful, delivering software via the telephone will become a major method of distribution within the next few years."). Or, in view of **Hellman** at 5:57-6:2 ("Base unit 12 generates and communicates to authorization and billing unit 13 a signal representing a user originated request for software

	use...BILLING INFORMATION is a credit car[d] number or similar means for billing the user of the software."). See also '573 Prosecution History, Paper No. 27 at 2.: "One skilled in the art would know that an electronic sale inherently assumes a transferring of money by providing a credit card number (since that is the only way for electronic sales to occur) coupled with a transferring of a service or product. The use of transferring money across telecommunication connections, such as by telephoning the agent who has the hard disc over the phone lines, for obtaining data on the hard disc is well known to one skilled in the art to be part of electronic sales." See also '734 Prosecution History, 1/3/94 Hair Decl. at 5 (" '[E]lectronic sales' as disclosed refers to the well known practices of 'transferring' and verifying monies across telephone lines such as by a 'credit card'; or by 'charging a fee' to the second party, so the second party can gain access to the first party's memory through telecommunications lines to select the desired digital video or digital audio signals."). See above this Claim, Gallagher disclosure re "desired digital video or digital audio signals" and re "first memory."
transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; and	Gallagher discloses transferring digital video or audio signals from the database to the user unit through telecommunication lines. Gallagher at 1:28-31, Figs. 1, 2. & 3 ("The media for data transfer is preferably high speed *telephone links* by way of modems. However, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used."). Gallagher at 1:19-22 ("user unit having means for communication with said *database* including a transmitter/receiver interface and means for *storing/recalling* and/or *processing data* received from the database"). Gallagher at 1:49-50 (The *general public* has the user units and therefore is in possession and control.).
playing through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit.	Gallagher discloses playback and speakers. Gallagher at Abstract, p.1 ("Preferably the user unit includes *playback apparatus*.") Gallagher at 1:87-92 ("The user unit, Figure 3, comprises a . . . suitable conversion apparatus 34 for audio and/or visual reproduction."). Gallagher also discloses a second memory of a second party control unit of a second party to which the speakers must be connected. Gallagher at 1:19-22 ("user unit having means for communication with said database including a transmitter/receiver interface and means for *storing/recalling* and/or *processing data* received from the database").
2. A method as described in claim 1 wherein the second party is at a second party location and the step of selling electronically includes the step of	Gallagher discloses sale is to the general public. Gallagher at 1:49-50 ("sale to the general public via their user units.") Gallagher also discloses that general public is at home and therefore at a

charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.	remote location. Gallagher at 2:92-93 ("*home-buying of material*" and "immediate access to material.") See also Claim 1, Gallagher disclosure re "selling electronically."
3. A method as described in claim 2 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.	See Claim 1, Gallagher disclosure re "selling electronically."
4. A method as described in claim 3 wherein the step of charging the account of the second party 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.	See Claim 1, Gallagher disclosure re "telecommunications lines." See Claim 1, Gallagher disclosure re "selling electronically." See Claim 1, Gallagher disclosure re "first party," "first memory," "second party" and "second memory." Gallagher discloses that the first party is controlling use of the first memory and the second party is controlling the second memory. Gallagher at 1:44-46 ("The source unit [first party] could belong to a recording artist, the main unit [database] to a major record company [also first party] and user units to the general public [second party].").
5. A method as described in claim 4 including after the transferring step, the step of storing the desired digital video or digital audio signals in the second memory.	Gallagher at 1:19-22 ("user unit having means for communication with said database including a transmitter/receiver interface and means for *storing/recalling* and/or processing data received from the database").
6. A method as described in claim 5 including before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.	Gallagher at 1:36-38 ("The system may incorporate anti-piracy methods such as the encryption or encoding of data either generally or uniquely."). Gallagher at 1:50-54 ("By arranging for the data to be encoded/encrypted uniquely for each user unit, the borrowing or unlawful copying of material could be eliminated. This method could also be used to ensure security between all units."). Gallagher at 1:70, Fig. 1 (the source unit has an "encoder/decoder 13"). Gallagher at 1:83, Fig. 2 (the database has an "encoder/decoder 22"). Gallagher at 1:90, Fig. 3 (the user unit has a "decoder 33").

7. A method as described in claim 6 wherein the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and including before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the hard disk into the sales random access memory chip.	See Claim 1, Gallagher disclosure re "first party," "first memory," "second party" and "second memory." See Claim 1, Gallagher disclosure re "digital video or digital audio signals" and re "first memory." Gallagher at 1:32-35 ("The media for storage of data would be floppy disk, *hard disk*, optical or laser disk, magnetic tape, integrated circuit memory or any other suitable medium.") Gallagher at 1:81-84 ("The database, Figure 2, comprises a parallel transmitter/receiver 20, a serial/parallel and parallel/serial converter 21, an encoder/decoder 22 and a *buffer store 23*.") A person skilled in the art would realize that a "buffer store 23" can be a sales random access memory chip. See Claim 1, Gallagher disclosure re "telecommunications lines." Gallagher at 2:98-103, Figs.1 & 2 ("a database having a main *computer*, a caller/called interface, a transmitter/receiver interface, a data storage and processing system, *means for controlling* the storage and *processing* of data, means for controlling the process of being called by one or more user units or another database."). To the extent a "sales random access memory chip" is not expressly disclosed, computers inherently have random access memory chips which would temporarily store a replica of the desired digital video or audio signal for subsequent transfer.
8. A method as described in claim 7 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.	See Claim 1, Gallagher disclosure re "first party" and "second party control unit." See Claim 1, Gallagher disclosure re "digital video or digital audio signals." Gallagher at 1:19-22 ("at least one user unit having means for communication with said database including a transmitter/receiver interface and means for storing/recalling and/or processing data received from the database."). Gallagher at 1:102-104 ("The user . . . can log on to the data base and make her/his selection according to a supplied menu."). Accordingly, a person of ordinary skill at the time would understand that a "means for communication with said database including a transmitter/receiver interface" and a "means for "processing data" would include a second party integrated circuit for controlling and executing commands and a second party control panel connected to the second party integrated circuit and where the second party integrated circuit is commanded with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.

9. A method as described in claim 5 wherein the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip, a second party hard disk for storing the desired digital video or digital audio signals, and a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback; and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback.	Gallagher at 1:19-22 ("at least one user unit having *means for communication* with said database including a transmitter/receiver interface and *means for storing/recalling* and/or *processing* data received from the database."). Accordingly, "second party control unit" with "second memory," "incoming random access memory chip" and "playback random access memory chip" are disclosed. See Claim 7 for Gallagher disclosure of "sales random access memory chip."[1] (*Note*: Although Claim 9 depends from Claim 5, there is no disclosure of sales random access memory chip in Claims 5, 4, 3, 2 or 1. Accordingly, this term in Claim 9 lacks antecedent basis as well.) Gallagher at 1:81-84 ("The database, Figure 2, comprises a parallel transmitter/receiver 20, a serial/parallel and parallel/serial converter 21, an encoder/decoder 22 and a *buffer store 23*.") A person skilled in the art would realize that a "buffer store 23" can be a sales random access memory chip. Gallagher at 1:32-35 ("The media for storage of data would be floppy disk, *hard disk*, optical or laser disk, magnetic tape, integrated circuit memory or any other suitable medium.") See Claim 1, Gallagher disclosure re "digital video or digital audio signals." Gallagher at Abstract, p.1 ("Preferably the user unit includes *playback apparatus*."). Gallagher at 1:87-92 ("The user unit, Figure 3, comprises a . . . suitable conversion apparatus 34 for audio and/or visual reproduction."). Accordingly, a person skilled in the art at the time would realize that a playback random access memory chip is disclosed. Gallagher at 1:102-104 ("The user . . . can log on to the data base and make her/his selection according to a supplied menu."). See Claim 1, Gallagher disclosure re "first party" and "second party control unit." Accordingly, a person of ordinary skill at the time would understand that a "*means for communication* with said database including a transmitter/receiver interface and *means for storing/recalling* and/or *processing* data received from the database." would include all of the limitations of this claim. See also Claim 8, Gallagher disclosure.

[1] A citation to a previous claim—from which the current claim being discussed does not depend—is made for purposes of disclosure only, where a particular limitation, phrase or concept has already been disclosed, such that repetition is avoided. Requestor has endeavored to keep this request brief, and such citation does not suggest that the claim being discussed depends from the cited previous claim, where such dependence is not expressly claimed.

10. A method as described in claim 9 including after the transferring step, there is the step of repeating the commanding, playing, and transferring a replica steps.	See Claim 9. Gallagher discloses repeating the commanding, playing and transferring a replica steps. A person skilled in the art would understand that once information is stored in the second memory of the user unit, it can be replayed and recopied: "*means for storing/recalling* and/or *processing* data received from the database." Gallagher at 1:19-22.
11. A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of:	See Claim 1.
placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party;	Gallagher discloses a second party control unit (part of the user unit). Gallagher at 1:19-22 ("at least one user unit having *means for communication* with said database including a transmitter/receiver interface and *means for storing/recalling* and/or *processing* data received from the database."). Gallagher also discloses that general public is at home and therefore at a location determined by the second party. Gallagher at 2:92-93 ("*home-buying of material*" and "immediate access to material.")
entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party;	Gallagher at 1:19-22 ("at least one user unit having means for communication with said database including a transmitter/receiver interface and means for storing/recalling and/or processing data received from the database."). Gallagher at 1:102-104 ("The user . . . can log on to the data base and make her/his selection according to a supplied menu."). See Claim 1, Gallagher disclosure re "digital video or digital audio signals."
forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having desired digital video or digital audio signals;	Gallagher at 1:28-31 ("The media for data transfer is preferably high speed telephone links by way of modems. However, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used."). Gallagher at 1:81-84 ("The database, Figure 2, comprises a parallel transmitter/receiver 20, a serial/parallel and parallel/serial converter 21, an encoder/decoder 22 and a buffer store 23.") Gallagher also discloses a "transmitter/receiver" at the source unit), at the database (Gallagher at 1:81-82, Fig. 2), and at the user unit (Gallagher at 1:87-88, Fig. 3). Gallagher discloses that "[t]he data is transferred from the source unit to the database where it is processed for storage in library form whereby selected data can be transmitted to any user and/or source unit in national or foreign territories." (Gallagher at 1:39-43) See Claim 1, Gallagher disclosure re "digital video or digital audio

	signals," "first memory of first party," and "second memory of second party control unit."
selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;	See Claim 1, Gallagher disclosure re "selling electronically." See Claim 1, Gallagher disclosure re "digital video or digital audio signals" and "first memory."
transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party;	See Claim 1, Gallagher disclosure re "digital video or digital audio signals," "first memory of first party," "second memory of the second party" and "telecommunications lines." Gallagher at 1:49-50 (The *general public* has the user units and therefore is in possession and control of the second memory.). See also Claim 1, Gallagher disclosure re "second memory in possession and control of second party."
entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit; and	Gallagher at 1:19-22 ("at least one user unit having means for communication with said database including a transmitter/receiver interface and *means for storing/recalling* and/or *processing data* received from the database."). Gallagher at Abstract, p.1 ("Preferably the user unit includes *playback apparatus*."). Gallagher at 1:87-92, Fig. 3 ("The user unit, Figure 3, comprises a . . . suitable conversion apparatus 34 for audio and/or visual reproduction.").
playing the desired digital video or digital audio signals with the second party control unit.	Gallagher at Abstract, p.1 ("Preferably the user unit includes *playback apparatus*.").
12. A system for transferring digital video or digital audio signals comprising:	See Claim 1.
a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals;	Gallagher at 1:13-18 ("a database having a main computer, a caller/called interface, a transmitter/receiver interface, a *data storage* and processing system, means for controlling the storage and processing of data, means for controlling the processing of data, means for controlling the process of being called by one or more user units or another database."). See Claim 1 re "digital video or digital audio signals." See Claim 1 re "electronically selling."
a second party control unit having a second party control panel, a second memory connected to the second party control panel, and means or a	Gallagher at 1:19-22 ("at least one user unit having means for communication with said database including a transmitter/receiver interface and means for storing/recalling and/or processing data received from the database.").

mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and	from the database."). Gallagher at Abstract, p.1 ("Preferably the user unit includes *playback apparatus*."). Gallagher at 1:87-92, Fig. 3 ("The user unit, Figure 3, comprises a . . . suitable conversion apparatus 34 for audio and/or visual reproduction."). Gallagher also discloses sale to the general public that is at home and therefore at a remote location. The second party control unit is placed by the second party at a location determined by the second party. Gallagher at 2:92-93 ("*home-buying of material*" and "immediate access to material.")
telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party.	See Claim 1, Gallagher disclosure re "telecommunications lines." See Claim 1, Gallagher disclosure re "electronic selling." See Claim 1, Gallagher disclosure re "digital video or digital audio signals." See Claim 1, Gallagher disclosure re electronic transfer of digital video or digital audio signals from the first memory to the second memory. See Claim 1, Gallagher disclosure re "second memory in possession and control of the second party."
13. A system as described in claim 12 wherein the first party control unit includes a first party hard disk having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party's hard disk.	See Claim 12. Gallagher discloses a first party control unit with a first party hard disk that has the desired digital video or digital audio signals. Gallagher at 1:13-18. See Claim 7, Gallagher disclosure re "hard disk." Gallagher at 1:32-35 See Claim 7, Gallagher disclosure re "sales random access memory chip." Gallagher at 1:81-84. Gallagher also discloses that the sales random access memory chip is electronically connected to the first party hard disk, and that the first party hard disk stores a replica of the desired digital video or audio signals. Gallagher at 1:19-22, 1:28-31, Figs. 1, 2. & 3
14. A system as described in claim 13 wherein the second party control unit includes a second party hard disk which stores a plurality of digital video or digital audio signals, and a playback random access memory chip electronically connected to the second party hard disk for storing a replica of	See Claim 9. Gallagher discloses a second party control unit with a second party hard disk which stores digital video or audio signals. Gallagher at 1:19-22 Gallagher discloses playback random access memory chip that is electronically connected to the second party hard disk that acts as a temporary staging area for playback. Gallagher at Abstract, p.1, 1:87-92.

the desired digital video or digital audio signals as a temporary staging area for playback.	temporary staging area for playback. Gallagher at Abstract, p.1, 1:87-92.
15. A system as described in claim 14 wherein the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.	See Claim 1, Gallagher disclosure re "second party integrated circuit." Gallagher at 1:13-16 (The first memory of a first party is a "database having a main computer, . . . a data storage and processing system, means for controlling the storage and processing of data . . . .") Gallagher at 1:67-69 (First party can be the "source unit" which can also contain the first memory, and it "comprises a storage medium 11."). Gallagher at 1:67-74 ("From Figure 1 it is seen that the source unit . . . comprises a storage medium 11, a buffer 12, an encoder/decoder 13, a serial/parallel and parallel/serial converter 14, and a parallel transmitter/receiver 15.") Gallagher at 1:93-96 ("It is assumed that recorded material may be sent and received *by* both the source unit and the database and that the user unit may only receive recorded material.") See Claim 7, Gallagher disclosure re "hard disk." Gallagher at 1:32-35. See Claim 7, Gallagher disclosure re "sales random access memory chip." Gallagher at 1:81-84. See Claim 1, Gallagher disclosure re "telecommunications lines." See Claim 1, Gallagher disclosure re "digital video or digital audio signals." Thus, Gallagher discloses that the first party and second party control integrated circuits regulate the transfer of the desired digital video or audio signals. Moreover, Gallagher discloses that the first party control panel is used to program and is connected to the first party control integrated.
16. A system as described in claim 15 wherein the second party control unit includes a second party control integrated circuit which controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit	Gallagher discloses a second party control unit with a control integrated circuit. Gallagher at 1:19-22 ("at least one user unit having means for communication with said database including a transmitter/receiver interface and means for storing/recalling and/or processing data received from the database."). Gallagher at 1:102-104 ("The user . . . can log on to the data base and make her/his selection according to a supplied menu.").Thus, Gallagher teaches that the second party control unit controls and executes commands of the second party. See Claim 7, Gallagher disclosure re "hard disk." Gallagher at 1:32-35. See Claim 9, Gallagher disclosure re "playback random access memory

regulate the transfer of the desired digital video or digital audio signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.	chip." Gallagher at 1:19-22. See Claim 1, Gallagher disclosure re "telecommunications lines." Thus, Gallagher discloses that the second party control unit is connected to the second party hard disk, the playback random access memory and the first party control integrated circuit through the telecommunications lines. Gallagher at 1:32-35. See Claim 1, Gallagher disclosure re "digital video or digital audio signals." Gallagher 1:87-92, Fig. 3 ("The user unit, Figure 3, comprises a parallel receiver/transmitter 30, a serial/parallel and parallel/serial converter 31, a storage medium 32 such as video tape or optical disk, a decoder 33 and suitable conversion apparatus 34 for audio and/or visual reproduction."). Gallagher at 1:102-104 ("The user . . . can log on to the data base and make her/his selection according to a supplied menu."). Accordingly, Gallagher discloses that the first party and second party control integrated circuits regulate the transfer of the desired digital video or audio signals. Moreover, Gallagher discloses that the first party control panel is used to program and is connected to the first party control integrated.
17. A system as described in claim 16 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video or digital audio signals received from the first party's control unit for subsequent storage to the second party hard disk.	See Claim 9 for disclosures of "incoming random access memory chip" of the second party control unit, "second party hard disk," "second party control integrated circuit." See Clam 12, Gallagher disclosure re "first party control unit." See Claim 1, Gallagher disclosure re "telecommunications lines."
18. A system as described in claim 17 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.	Gallagher discloses that the second party control unit includes a video display unit that is connected to the playback random access memory chip and to the second party integrated circuit for displaying digital information. Gallagher at 1:87-92 ("The user unit, Figure 3, comprises a . . . suitable conversion apparatus 34 for audio and/or visual reproduction.").

19. A system as described in claim 12 wherein the means or mechanism for electronically selling includes means or a mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.	See Claims 1 and 2.
20. A system as described in claim 19 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.	See Claims 1 and 3.
21. A system as described in claim 20 wherein the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party.	See Claims 1 and 4.
22. A method for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising the steps of:	See Claims 1 and 11.
placing a second party control unit having a receiver and the second memory connected to the receiver by the second party at a desired location determined by the second party;	See Claim 11. Gallagher discloses a second party control unit (part of the user unit). Gallagher at 1:19-22 ("at least one user unit having *means for communication* with said database including a transmitter/receiver interface and *means for storing/recalling* and/or *processing* data received from the database."). Gallagher also discloses that general public is at home and therefore at a location determined by the second party. Gallagher at 2:92-93 ("*home-buying of material*" and "immediate access to material.")
selling electronically via telecommunications lines to the second party at a location remote from the first memory by the first party controlling use of the first memory, said second party financially distinct from the first	See Claim 1, Gallagher disclosure re "selling electronically via telecommunications lines." Gallagher discloses that the first party is in control and possession of the first memory. Gallagher at 1:8-9 ("a database which may be housed by a record company"). Gallagher at 1:13-18 (The first memory of a first

party, said second party in control and in possession of the second memory;	party is a "database having a main computer, . . . a data storage and processing system, means for controlling the storage and processing of data, means for controlling the process of being called by one or more user units or another database"). Gallagher discloses that the second party is in control and possession of the second memory. Gallagher at 1:49-50 (The *general public* has the user units, which contain the second memory, and therefore is in possession and control.). Gallagher also discloses that general public is at home and therefore at a remote location. Gallagher at 2:92-93 ("*home-buying of material*" and "immediate access to material.") Gallagher discloses that the first and second parties are financially distinct as the "record company" provides the digital data "*for sale* to the general public." (Gallagher at 1:46-50). During prosecution, Hair admitted that "[o]ne skilled in the art would know since the music is distributed through electronic sale, 'the second party must be financially distinct from the first party' or there could be no sale." See '734 Patent File Wrapper, 1/3/94 Hair Decl. at 3-4.
connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;	Gallagher discloses forming a connection electronically through telecommunications lines between the first and second memories. Gallagher at 1:28-31 ("The media for data transfer is preferably high speed telephone links by way of modems. However, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used."). Gallagher discloses the transfer of desired digital video audio in a "recorded data transfer system" of "digital data" in the "entertainment industry" such as "audio or visual" data. See Gallagher at 1:5, 1:8, 1:6-7, 1:91, Figs. 2 & 3
transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party control unit having the second memory at the location determined by the second party while said receiver is in possession and control of the second party;	See Claim 1, Gallagher disclosure re "digital video or digital audio signals." Gallagher at 1:13-18 ("a database having a main computer, a caller/called interface, a transmitter/receiver interface, a *data storage* and processing system, means for controlling the storage and processing of data, means for controlling the processing of data, means for controlling the process of being called by one or more user units or another database."). Gallagher at 1:19-22 ("at least one user unit having means for communication with said database including a transmitter/receiver interface and means for storing/recalling and/or processing data received from the database."). See also limitation immediately above re "control and possession."
storing the digital video or digital audio signals in the second memory; and playing the digital video or digital audio signals in the second memory with the	Gallagher at 1:19-22 ("user unit having means for communication with said *database* including a transmitter/receiver interface and means for *storing/recalling* and/or *processing data* received from the database").

second party control unit.	Gallagher at Abstract, p.1 ("Preferably the user unit includes *playback apparatus*."). Gallagher at 1:87-92, Fig. 3 ("The user unit, Figure 3, comprises a . . . suitable conversion apparatus 34 for audio and/or visual reproduction.").
23. A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising:	See Claims 1 and 11.
means or mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory, said second party controlling use and in possession of the second memory;	See Claim 1 re "selling electronically via telecommunications lines."
means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;	Gallagher at 1:13-18 ("a database having a main computer, a caller/called interface, a transmitter/receiver interface, a *data storage* and processing system, means for controlling the storage and processing of data, means for controlling the processing of data, means for controlling the process of being called by one or more user units or another database."). Gallagher at 1:19-22 ("at least one user unit having means for communication with said database including a transmitter/receiver interface and means for storing/recalling and/or processing data received from the database."). Gallagher discloses that the connecting means or mechanism is in electrical communication with the transferring means or mechanism. See Claim 1, Gallagher disclosure re "digital video or digital audio."
means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;	Gallagher at 1:13-18 ("a database having a main computer, a caller/called interface, a transmitter/receiver interface, a *data storage* and processing system, means for controlling the storage and processing of data, means for controlling the processing of data, means for controlling the process of being called by one or more user units or another database."). Therefore the transmitter is in control and possession of the first party. Gallagher at 1:19-22 ("at least one user unit having means for communication with said database including a transmitter/receiver interface and means for storing/recalling and/or processing data received from the database."). Therefore the receiver is in possession and control of the second party Gallagher also discloses that general public is at home and therefore at a

	location determined by the second party. Gallagher at 2:92-93 ("*home-buying of material*" and "immediate access to material.") Gallagher discloses that the connecting means or mechanism is in electrical communication with the transferring means or mechanism. See Claim 1, Gallagher disclosure re "digital video or digital audio."
means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.	See Claim 22. Gallagher at 1:19-22 ("user unit having means for communication with said *database* including a transmitter/receiver interface and means for *storing/recalling* and/or *processing data* received from the database"). Gallagher at 1:13-18 ("a database having a main computer, a caller/called interface, a transmitter/receiver interface, a *data storage* and processing system, means for controlling the storage and processing of data, means for controlling the processing of data, means for controlling the process of being called by one or more user units or another database."). Therefore, Gallagher discloses that the storing means or mechanism is in electrical communication with said transmitting means or mechanism. Gallagher at Abstract, p.1 ("Preferably the user unit includes *playback apparatus*."). Gallagher at 1:87-92, Fig. 3 ("The user unit, Figure 3, comprises a . . . suitable conversion apparatus 34 for audio and/or visual reproduction.").
24. A system as described in claim 23 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.	See Claim 12, Gallagher disclosure re "a first party control unit" in possession and control of a first party and connected to a "second party control unit" in possession and control of the second party.
25. A system as described in claim 18 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access	See Claims 7, 8 and 9, Gallagher disclosure re a first control unit with a first control panel, first integrated circuit and a sales random access memory in electrical communication with first integrated circuit; and second control unit having a second control panel, second integrated circuit, incoming random access memory and playback random access memory, where the second control panel, incoming random access memory and playback random access memory are in electrical communication with the second control integrated circuit.

memory and said playback random access memory in electrical communication with said second control integrated circuit.	
26. A system as described in claim 25 wherein the telecommunications lines include telephone lines.	Gallagher discloses telephone lines. Gallagher at 1:28-31 ("The media for data transfer is preferably high speed *telephone links* by way of modems. However, *normal telephone links*, fibre optic links, electro-magnetic waves or any other suitable medium may be used.").
27. A system as described in claim 26 wherein the first memory comprises a first hard disk and the second memory comprises a second hard disk.	Gallagher at 1:32-35 ("The media for storage of data would be floppy disk, *hard disk*, optical or laser disk, magnetic tape, integrated circuit memory or any other suitable medium.")
28. A system as described in claim 27 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.	Gallagher at 1:87-92 ("The user unit, Figure 3, comprises a . . . suitable conversion apparatus 34 for audio and/or visual reproduction."). Gallagher at 1:19-22 ("user unit having means for communication with said *database* including a transmitter/receiver interface and means for *storing/recalling* and/or *processing data* received from the database").
29. A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising:	See Claim 11.
means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said first party controlling use of the first memory, said second party controlling use and in possession of the second memory;	See Claim 1, Gallagher disclosure re "selling electronically." See Claims 4 and 22, Gallagher disclosure re "controlling use" of the first memory by the first party and the second memory by the second party. See Claims 2, 19 and 22, Gallagher disclosure re "remote location" or "location remote."
means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication	See Claim 22, Gallagher disclosure re "connecting electronically via telecommunications lines." See Claim 23, Gallagher disclosure re "in electrical communication." See also Claim 22 limitation re "control and possession."

with the transferring means or mechanism;	
means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;	See claim 22, Gallagher disclosure re "means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver of the second party control unit having the second memory." See Claim 23, Gallagher disclosure re "in electrical communication." See also Claim 22 limitation re "control and possession."
means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.	Gallagher at 1:19-22 ("user unit having means for communication with said *database* including a transmitter/receiver interface and means for *storing/recalling* and/or *processing data* received from the database"). Gallagher at Abstract, p.1 ("Preferably the user unit includes *playback apparatus*."). Gallagher at 1:87-92, Fig. 3 ("The user unit, Figure 3, comprises a . . . suitable conversion apparatus 34 for audio and/or visual reproduction."). See also Claim 22 limitation re "control and possession."
30. A system as described in claim 29 wherein the means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location.	See Claim 1, Gallagher disclosure re "selling electronically." See Claim 2, Gallagher disclosure re "first party location remote from the second party location."
31. A system as described in claim 30 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.	Gallagher at 1:13-18 ("a database having a main computer, a caller/called interface, a transmitter/receiver interface, a *data storage* and processing system, means for controlling the storage and processing of data, means for controlling the processing of data, means for controlling the process of being called by one or more user units or another database."). Gallagher at 1:19-22 ("at least one user unit having means for communication with said database including a transmitter/receiver interface and means for storing/recalling and/or processing data received from the database.").

32. A system as described in claim 31 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.	See claim 25, which is identical. See Claims 7, 8 and 9, Gallagher disclosure re a first control unit with a first control panel, first integrated circuit and a sales random access memory in electrical communication with first integrated circuit; and second control unit having a second control panel, second integrated circuit, incoming random access memory and playback random access memory, where the second control panel, incoming random access memory and playback random access memory are in electrical communication with the second control integrated circuit.
33. A system as described in claim 32 wherein the telecommunications lines include telephone lines.	See claim 26, which is identical. Gallagher discloses telephone lines. Gallagher at 1:28-31 ("The media for data transfer is preferably high speed *telephone links* by way of modems. However, *normal telephone links*, fibre optic links, electro-magnetic waves or any other suitable medium may be used.").
34. A system as described in claim 33 wherein the first memory comprises a first hard disk and the second memory comprises a second hard disk.	See claim 27, which is identical.
35. A system as described in claim 34 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.	See claim 28, which is identical.
36. A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising	Gallagher discloses the transfer of desired digital video audio in a "recorded data transfer system" of "digital data" in the "entertainment industry" such as "audio or visual" data. See Gallagher at 1:5, 1:8, 1:6-7, 1:91, Figs. 2 & 3

the steps of:	Gallagher at 1:13-16 (The first memory of a first party is a "database having a main computer, . . . a data storage and processing system, means for controlling the storage and processing of data . . . .") Gallagher at 1:21-22 (The second memory of a second party is a "user unit having . . . means for storing/recalling and/or processing data received from the database").
placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location;	Gallagher discloses a second memory of a second party control unit of a second party. Gallagher at 1:21-22 ("means for storing/recalling and/or processing data received from the database"). Gallagher at 1:102-14, 2:104-107 ("The user . . . can log on to the data base and make her/his selection according to a supplied menu."). The second party location is remote. Gallagher discloses sale is to the general public. Gallagher at 1:49-50 ("sale to the general public via their user units.") Gallagher also discloses that general public is at home and therefore at a remote location. Gallagher at 2:92-93 ("*home-buying of material*" and "immediate access to material.")
charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines;	See Claim 1, Gallagher disclosure re "selling electronically." See Claims 4 and 22, Gallagher disclosure re "controlling use" of the first memory by the first party and the second memory by the second party. See Claims 2, 19 and 22, Gallagher disclosure re "remote location" or "location remote."
connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;	See Claim 22, Gallagher disclosure re "connecting electronically via telecommunications lines." See Claim 23, Gallagher disclosure re "in electrical communication." See also Claim 22 limitation re "control and possession."
transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines;	See claim 22, Gallagher disclosure re "means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver of the second party control unit having the second memory." See Claim 23, Gallagher disclosure re "in electrical communication." See also Claim 22 limitation re "control and possession."
storing the digital video or digital audio signals in the second memory; and playing the digital video or digital audio signals stored in the second memory	Gallagher at 1:19-22 ("user unit having means for communication with said *database* including a transmitter/receiver interface and means for *storing/recalling* and/or *processing data* received from the database").

with the second party control unit.	Gallagher at Abstract, p.1 ("Preferably the user unit includes *playback apparatus*."). Gallagher at 1:87-92, Fig. 3 ("The user unit, Figure 3, comprises a . . . suitable conversion apparatus 34 for audio and/or visual reproduction."). See also Claim 22 limitation re "control and possession."
37. A method as described in claim 36 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.	See claim 2, which is identical.
38. A method as described in claim 37 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.	See claim 3, which is identical.
39. A method as described in claim 38 wherein the step of charging the account of the second party 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.	See claim 4, which is identical.
40. A method as described in claim 39 including after the transferring step, there is the step of repeating the charging a fee, connecting, and transferring steps.	See claim 5, which is identical.
41. A method for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising the steps of:	See Claim 11.

selling electronically via telecommunications lines to the second party at a location remote from the first memory by the first party controlling use of the first memory, said second party financially distinct from the first party, said second party in control and in possession of a second party control unit having a receiver and the second memory connected to the receiver;	See Claim 1, Gallagher disclosure re "selling electronically via telecommunications lines." Gallagher discloses that the first party is in control and possession of the first memory. Gallagher at 1:8-9 ("a database which may be housed by a record company"). Gallagher at 1:13-18 (The first memory of a first party is a "database having a main computer, . . . a data storage and processing system, means for controlling the storage and processing of data, means for controlling the process of being called by one or more user units or another database"). Gallagher discloses that the second party is in control and possession of the second memory. Gallagher at 1:49-50 (The *general public* has the user units, which contain the second memory, and therefore is in possession and control.). Gallagher also discloses that general public is at home and therefore at a remote location. Gallagher at 2:92-93 ("*home-buying of material*" and "immediate access to material.") Gallagher discloses that the first and second parties are financially distinct as the "record company" provides the digital data "*for sale* to the general public." (Gallagher at 1:46-50). During prosecution, Hair admitted that "[o]ne skilled in the art would know since the music is distributed through electronic sale, 'the second party must be financially distinct from the first party' or there could be no sale." See '734 Patent File Wrapper, 1/3/94 Hair Decl. at 3-4.
connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;	Gallagher discloses forming a connection electronically through telecommunications lines between the first and second memories. Gallagher at 1:28-31 ("The media for data transfer is preferably high speed telephone links by way of modems. However, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used."). Gallagher discloses the transfer of desired digital video audio in a "recorded data transfer system" of "digital data" in the "entertainment industry" such as "audio or visual" data. See Gallagher at 1:5, 1:8, 1:6-7, 1:91, Figs. 2 & 3
transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver connected to the second memory of the second party control unit at the location determined by the second party while said second party control unit is in possession and control of the second party;	See Claim 1, Gallagher disclosure re "digital video or digital audio signals." Gallagher at 1:13-18 ("a database having a main computer, a caller/called interface, a transmitter/receiver interface, a *data storage* and processing system, means for controlling the storage and processing of data, means for controlling the processing of data, means for controlling the process of being called by one or more user units or another database."). Gallagher at 1:19-22 ("at least one user unit having means for communication with said database including a transmitter/receiver interface and means for storing/recalling and/or processing data received from the database.").

.	See also limitation immediately above re "control and possession."
storing the digital video or digital audio signals in the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.	Gallagher at 1:19-22 ("user unit having means for communication with said *database* including a transmitter/receiver interface and means for *storing/recalling* and/or *processing data* received from the database"). Gallagher at Abstract, p.1 ("Preferably the user unit includes *playback apparatus*."). Gallagher at 1:87-92, Fig. 3 ("The user unit, Figure 3, comprises a . . . suitable conversion apparatus 34 for audio and/or visual reproduction.").
42. A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of:	See claim 11, which is identical.
placing a second party control unit having a second memory by the second party at a desired location determined by the second party;	See claim 11, which is identical. See "placing" limitation of claim 11 above.
forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals;	See claim 11, which is identical. See "forming" limitation of claim 11 above.
selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;	See claim 11, which is identical. See "selling" limitation of claim 11 above.
transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.	See "transferring" limitation of claim 1 above.
43. A method as described in claim 42 wherein the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second	See claim 2, which is identical. See claim 2 above.

party at a first party location remote from the second party location.	
44. A method as described in claim 43 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.	See claim 3, which is identical. See claim 3 above.
45. A method as described in claim 44 wherein the step of charging the account of the second party 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.	See claim 11, which is identical. See claim 4 above.
46. A method for transferring desired digital video or digital audio signals comprising the steps of:	See Claims 1 and 11.
placing a second party control unit having a second memory by the second party at a desired second party location determined by the second party;	See Claim 11. Gallagher discloses a second party control unit (part of the user unit). Gallagher at 1:19-22 ("at least one user unit having *means for communication* with said database including a transmitter/receiver interface and *means for storing/recalling* and/or *processing* data received from the database."). Gallagher also discloses that general public is at home and therefore at a location determined by the second party. Gallagher at 2:92-93 ("*home-buying of material*" and "immediate access to material.")
forming a connection through telecommunications lines between a first memory of a first party and the second memory of a second party, said first memory having said desired digital video or digital audio signals;	Gallagher at 1:28-31 ("The media for data transfer is preferably high speed telephone links by way of modems. However, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used."). Gallagher at 1:81-84 ("The database, Figure 2, comprises a parallel transmitter/receiver 20, a serial/parallel and parallel/serial converter 21, an encoder/decoder 22 and a buffer store 23.") Gallagher also discloses a "transmitter/receiver" at the source unit), at the database (Gallagher at 1:81-82, Fig. 2), and at the user unit (Gallagher at

	1:87-88, Fig. 3). Gallagher discloses that "[t]he data is transferred from the source unit to the database where it is processed for storage in library form whereby selected data can be transmitted to any user and/or source unit in national or foreign territories." (Gallagher at 1:39-43) See Claim 1, Gallagher disclosure re "digital video or digital audio signals," "first memory of a first party," and "second memory of a second party."
incurring a fee by the second party to the first party for the use of telecommunications lines, the desired digital video or digital audio signals in the first memory;	See Claim 1, Gallagher disclosure re "selling electronically."
transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.	See "transferring" limitation of claim 1 above.
47. A system for transferring digital video signals from a first party to a second party at a second party location comprising:	See "transferring" limitation of claim 1 above.
a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location;	Gallagher at 1:13-18 ("a database having a main computer, a caller/called interface, a transmitter/receiver interface, a *data storage* and processing system, means for controlling the storage and processing of data, means for controlling the processing of data, means for controlling the process of being called by one or more user units or another database."). See Claim 1 re "digital video or digital audio signals." See Claim 1 re "electronically selling."
a second party control unit having a second party control panel, a receiver and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second	Gallagher at 1:19-22 ("at least one user unit having means for communication with said database including a transmitter/receiver interface and means for storing/recalling and/or processing data received from the database."). Gallagher at Abstract, p.1 ("Preferably the user unit includes *playback apparatus*."). Gallagher at 1:87-92, Fig. 3 ("The user unit, Figure 3, comprises a . . . suitable conversion apparatus 34 for audio and/or visual reproduction.").

party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and	reproduction."). Gallagher 1:87-92, Fig. 3 ("The user unit, Figure 3, comprises a parallel receiver/transmitter 30, a serial/parallel and parallel/serial converter 31, a storage medium 32 such as video tape or optical disk, a decoder 33 and suitable conversion apparatus 34 for audio and/or visual reproduction."). Gallagher at 1:102-104 ("The user . . . can log on to the data base and make her/his selection according to a supplied menu."). Gallagher also discloses sale to the general public that is at home and therefore at a remote location. The second party control unit is placed by the second party at a location determined by the second party. Gallagher at 2:92-93 ("*home-buying of material*" and "immediate access to material.")
telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party.	See Claim 1, Gallagher disclosure re "telecommunications lines" between the first party control unit and second party control unit and "selling electronically" information that is "transferred" from the first memory to the second memory while the second memory is in possession and control of the second party after the desired information (digital audio/video signals) are sold by the first party.
48. A system as described in claim 47 wherein the second party control unit includes a second memory which is connected to the receiver and the video display, said second memory storing the digital video signals that are received by the receiver to provide the video display with the digital video signals.	See "second party control unit" limitation of claim 12 above.
49. A system as described in claim 48 wherein the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired digital video signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video signals of the first party's hard disk.	See claim 13 above, which is identical, except it is for Video Only. Gallagher discloses both digital video and digital audio. See claim 1.

50. A system as described in claim 49 wherein the second party control unit includes a second party hard disk which stores a plurality of digital video signals, and a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video signals as a temporary staging area for playback.	See claim 14 above, which is identical, except it is for Video Only. Gallagher discloses both digital video and digital audio. See claim 1.
51. A system as described in claim 50 wherein the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.	See claim 15 above, which is identical, except it is for Video Only. Gallagher discloses both digital video and digital audio. See claim 1.
52. A system as described in claim 51 wherein the second party control unit includes a second party control integrated circuit which controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party	See claim 16 above, which is identical, except it is for Video Only. Gallagher discloses both digital video and digital audio. See claim 1.

integrated circuit.	
53. A system as described in claim 52 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party's control unit for subsequent storage to the second party hard disk.	See claim 17 above, which is identical, except it is for Video Only. Gallagher discloses both digital video and digital audio. See claim 1.
54. A system as described in claim 53 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video signals.	See claim 18 above, which is identical, except it is for Video Only. Gallagher discloses both digital video and digital audio. See claim 1.
55. A system as described in claim 47 wherein the means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.	See claim 19 above, which is identical, except it is for Video Only. Gallagher discloses both digital video and digital audio. See claim 1.
56. A system as described in claim 55 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.	See claim 20 above, which is identical, except it is for Video Only. Gallagher discloses both digital video and digital audio. See claim 1.
57. A system as described in claim 56 wherein the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party.	See claim 21 above, which is identical, except it is for Video Only. Gallagher discloses both digital video and digital audio. See claim 1.

58. A method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second party at a second party location so the second party can view the desired digital video signals comprising the steps of:	Gallagher discloses the transfer of desired digital video audio in a "recorded data transfer system" of "digital data" in the "entertainment industry" such as "audio or visual" data. See Gallagher at 1:5, 1:8, 1:6-7, 1:91, Figs. 2 & 3 See Claim 1, Gallagher disclosure re "first memory," "first party," "second party" Gallagher at 1:87-92 ("The user unit, Figure 3, comprises a . . . suitable conversion apparatus 34 for audio and/or visual reproduction.").
placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location;	Gallagher 1:87-92, Fig. 3 ("The user unit, Figure 3, comprises a parallel receiver/transmitter 30, a serial/parallel and parallel/serial converter 31, a storage medium 32 such as video tape or optical disk, a decoder 33 and suitable conversion apparatus 34 for audio and/or visual reproduction."). Gallagher at 1:102-104 ("The user . . . can log on to the data base and make her/his selection according to a supplied menu."). See claim 2, Gallagher disclosure re "remote" and "second party location."
charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals;	See "charging" limitation of claim 36 above.
connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;	Gallagher at 1:13-18 ("a database having a main computer, a caller/called interface, a transmitter/receiver interface, a *data storage* and processing system, means for controlling the storage and processing of data, means for controlling the processing of data, means for controlling the process of being called by one or more user units or another database."). Gallagher at 1:28-31 ("The media for data transfer is preferably high speed telephone links by way of modems. However, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used."). Gallagher at 1:19-22 ("user unit having means for communication with said *database* including a transmitter/receiver interface and means for *storing/recalling* and/or *processing data* received from the database").
choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected;	Gallagher at 1:102-104 ("The user . . . can log on to the data base and make her/his selection according to a supplied menu.").
transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the	See "transmitting" limitation of claim 22 above.

second party while the receiver is in possession and control of the second party at the second party location determined by the second party; and	
displaying the desired video signals received by the receiver on the video display in possession and control of the second party.	Gallagher at 1:87-92 ("The user unit, Figure 3, comprises a . . . suitable conversion apparatus 34 for audio and/or visual reproduction."). Gallagher at Abstract, p.1 ("Preferably the user unit includes *playback apparatus*.")
59. A method as described in claim 58 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory.	See "means or mechanism for the first party to charge a fee to the second party for access" limitation of claim 29 above.
60. A method as described in claim 59 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.	See claim 3 above, which is identical.
61. A method as described in claim 60 wherein the step of charging the account of the second party 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.	See claim 4 above, which is identical.
62. A system for transferring digital audio signals from a first party to a second party at a second party location comprising:	See claim 47 above, which is identical, except it replaces video signals with audio signals and replaces video monitor with speakers]. See claim 47 above. Gallagher discloses both digital video and digital audio. See claim 1. See Gallagher at 1:5, 1:8, 1:6-7, 1:91, Figs. 2 & 3 ("recorded data transfer system" of "digital data" in the "entertainment industry" such as "audio or visual" data).

a first party control unit having a first memory having a plurality of desired individual songs as desired digital audio signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital audio signals at a location remote from the second party location;	See this limitation of claim 47, above.
a second party control unit having a second party control panel, a receiver and speakers for playing the desired digital audio signals received by the receiver, said second party control panel connected to the speakers and the receiver, said receiver and speakers operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital audio signals from the first memory with said second party control panel; and	See this limitation of claim 47, above.
telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital audio signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital audio signals are sold to the second party by the first party.	See this limitation of claim 47, above.
63. A method for transmitting desired digital audio signals stored in a first memory having a plurality of individual songs as digital audio signals of a first party at a first party location to a second party at a second party location so the second party can listen to the desired digital audio signals comprising the steps of:	See claim 58 above, which is identical, except it replaces video signals with audio signals and replaces video monitor with speakers. See claim 58 above. Gallagher discloses both digital video and digital audio. See claim 1. See Gallagher at 1:5, 1:8, 1:6-7, 1:91, Figs. 2 & 3 ("recorded data transfer system" of "digital data" in the "entertainment industry" such as "audio or visual" data).
placing by the second party a receiver, and speakers connected to the receiver	See "placing" limitation of claim 58, above.

at the second party location determined by the second party which is remote from the first party location;	
charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital audio signals;	See "charging" limitation of claim 58, above.
connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;	See "connecting" limitation of claim 58, above.
choosing the desired digital audio signals by the second party from the first memory of the first party so desired songs are selected;	See "choosing" limitation of claim 58 and preamble to claim 63 above.
transmitting the desired digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party; and	See "transmitting" limitation of claim 58 and preamble to claim 63 above.
playing the desired audio signals received by the receiver on the speakers in possession and control of the second party.	See "playing" limitation of claim 58 and preamble to claim 63 above.

B. GREMILLET (U.S. Pat. No. 4,499,568): Claims 1 – 63 of the Hair '440 Patent Are Anticipated Under 35 U.S.C. § 102 by Gremillet and/or Are Rendered Obvious Under 35 U.S.C. § 103 by Gremillet in view of Gallagher, Freeny, Akashi, Schwartz, Hellman, Ferrarini, Rosch, Elmer-Dewitt, Jared, Kramer, Jordan, Waters, McDonnell, Fishcher and/or Zilber.

Gremillet (US 4,499,568) was filed on December 13, 1982 in the United States and has a foreign application priority date of December 16, 1981 (France). Gremillet issued on February 12, 1985, prior to the earliest filing date of June 13, 1988 of the Hair patents. Accordingly, Gremillet is prior art to the Hair patents. It was not cited during the prosecution of the '440 patent.

Gremillet teaches a process and system for vending recorded information over telecommunications lines. Gremillet at Abstract. The system includes forming a connection through telecommunication lines between a first memory of a first party and a second memory of a second party, the first memory having the recorded information including digital audio, selling by the first party to the second party through the telecommunications lines the desired digital audio or video signals, transferring the desired digital signals from the first party to the second party through the telecommunications lines while the second memory is in possession and control of the second party (at a remote location) and storing the digital signals in the second memory.

Gremillet specifically teaches vending digital audio. Gremillet at 2:29-31. The telecommunications lines include broadcast means, such as antennae, optical fibres, cables and telephone lines. Gremillet at 4:1-7 and Claim 5. Individual musical works are kept at a vendor's location in a first memory (an "information bank"). Users request musical works from this distribution center and the distribution center transmits the requested songs to them, all over telecommunications lines. The user equipment magnetically records the incoming audio material

onto a memory. Moreover, Gremillet teaches the playback of audio from this memory medium. Gremillet at Fig. 1 (sound restoration system with speakers). Further, Gremillet discloses the well known componentry described by Hair, such as control integrated circuits and random access memory. Gremillet at Fig. 2.

While Gremillet does not specifically detail the use of credit cards for vending digital audio signals, these means would have been generally known to one of ordinary skill in the art. In prosecution, Hair himself relied on "the well known practices of 'transferring' and verifying monies across telephone lines such as by a 'credit card'; or by 'charging a fee' to the second party, so the second party can gain access to the first party's memory through telecommunications lines to select the desired digital video or digital audio signals," to overcome a rejection for inadequate written description. '734 Prosecution History, 1/3/94 Hair Decl., p. 5. Moreover, such details would have been obvious in light of Gallagher, Freeny and Ferrarini.

Though Gremillet's preferred embodiment is specifically related to digital audio, the specification broadly teaches "vending recorded information." Thus, in view of other references such as Gallagher and Rosch, Gremillet renders digital video obvious. Moreover, in prosecution Hair admitted that the electronic sale of digital video was well known. '734 Prosecution History, 1/3/94 Hair Decl., p. 5. (referring to "the well known practices of 'transferring' and verifying monies across telephone lines such as by a 'credit card'; or by 'charging a fee' to the second party, so the second party can gain access to the first party's memory through telecommunications lines to select the desired digital video or digital audio signals," in order to overcome a rejection for lack of written description.)

The memory medium disclosed in Gremillet's preferred embodiment is a video disk or video recorder. This was the high-density recording medium of choice in the early-

eighties due to the cost and capacity limitations of other media. However, by the late eighties hard disk had become a more attractive option. Thus, Gremillet's teaching that the recording medium could be "an apparatus generally suitable for recording picture signals" (Gremillet at 2:21-22) would have been interpreted to include a hard drive in 1988. During prosecution, Hair admitted that the use of hard disks in electronic sales was well known. '573 Prosecution History 6/25/92 Hair Decl. ("The use of transferring money across telecommunications connections, such as by telephoning the agent who has the hard disc over the phone lines, for obtaining data on the hard disc is well known to one skilled in the art to be part of electronic sales."). Moreover, use of a hard disk would be obvious in view of other references such as Gallagher, Schwartz and Rosch.

While encryption of data is not specifically disclosed by Gremillet, the problem of piracy was well known within the art and a person of ordinary skill would have adopted one of the solutions known within the art to overcome this problem. Such teachings are plainly disclosed in other references from the time such as Gallagher, Hellman and Waters.

Accordingly, the Gremillet reference raises substantial new questions of patentability of the Hair '440 patent.

U.S. PAT. NO. 4,499,568 TO GREMILLET	
Claim	**Prior Art Disclosure Rendering Hair Anticipated or Obvious, Including Motivation to Combine**
1. A method for transferring desired digital video or digital audio signals comprising the steps of:	Gremillet teaches digital audio, a technology considered conventional at the time of Gremillet's patent. Gremillet at 2:29-31 ("However, from the structural standpoint it involves conventional digital or analog signal..."); 2:67-68 ("The message can be transmitted in either analog or digital manner"); see also 5:1-4; Claim 3 ("wherein the transmission of the message takes place in a digital manner."); along with Claims 1 ("corresponding to sound") and 4 ("the information consists of musical works"). In addition, it would have been obvious to a person skilled in the art at the time to transfer "digital audio" via telecommunications lines. **McDonnell** ("Using proper analog to digital convertors with CSDC will enable users to send high fidelity music and speech more easily than existing methods allow."); **Fishcher** ("The modem is the passport to a rich variety of musical

	experience if you are interested in musical instrument digital interface (MIDI) music. Nationwide on-line services offer information and files for Apple II users.") It also teaches digital video. Gremillet covers "recorded information." Gremillet at Abstract. In addition, it would have been obvious to a person skilled in the art at the time to transfer "digital video" via telecommunications lines. **Gallagher** expressly discloses the combination of "digital video" transfer via telecommunications lines. Gallagher at 1:5, 1:8, 1:6-7, 1:91, Figs. 2 & 3 (Gallagher discloses the transfer of desired digital video audio in a "recorded data transfer system" of "*digital data*" in the "entertainment industry" such as "audio or *visual*" data.) Gallagher also expressly discloses a "video display." Gallagher at Fig. 3 ("audio/video conversion"). Gallagher at 1:90-92 ("suitable conversion apparatus 34 for audio and/or visual reproduction"). Additionally, **Freeny** also expressly discloses the combination of the combination of "digital video" transfer via telecommunications lines. Freeny at 1:10-14, 6:32-37 ("Information embodied in recordings . . . video games, motion pictures, software . . . electronic games . . . and the like," "received on the input line 16 may be in an analog format or in a digital format."). **Rosch** also discloses the combination of the combination of "digital video" transfer via telecommunications lines. Rosch at 228 (discussing "Networking Video" using "Video Van Gogh" product; "A digitized picture can also be sent—albeit very slowly, very slowly—over a standard telephone line using the ComNet modem."). **Jordan** also discloses the combination of the combination of "digital video" transfer via telecommunications lines. Jordan at 174 ("[In Britain] VIDEOTEX uses the equally familiar telephone system to interactively communicate information. . . . [I]n the case of VIDEOTEX, stand-alone computers can be adapted to receive alphanumeric or graphics information. . . . Alphaphotographic technology allows the transmission of photo quality images and is being developed as a follow-on capability for all VIDEOTEX systems."). **Elmer-Dewitt** also discloses the combination of the combination of "digital video" transfer via telecommunications lines. Elmer-Dewitt at 69 ("The FBI prints descriptions of its ten most wanted criminals, complete with digitized mug shots for quick identification."). See also '440 Prosecution History, 1/4/96 Office Action at 4 ("Ogaki et al discloses all that is claimed except that he does not disclose transferring audio or video signals. However he does disclose transferring the software programs through telecommunication lines for distributing or selling these programs to consumers. Lightner discloses transferring audio/video signals through telecommunications lines for distributing or selling to purchasers. It would have been obvious to one of ordinary skill in the art to transfer or sell[] distribute audio/video signals in the system and method taught by Ogaki et al. It would have been obvious because one of ordinary skill in the

	art, based on common knowledge and common sense, would be able to recognize a substitution of the contents of the software program signals with audio/video signals."). Accordingly, "digital video" transfer via telecommunications lines would have been obvious to one of ordinary skill in the art at the relevant time.
forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals;	Gremillet discloses a memory at a distribution centre (first party), which "comprises a bank of musical recordings." Gremillet at 3:38-39; Fig. 1 ("Information bank" 11); 3:4-6 ("a distribution center comprising an information recording bank..."). The distribution centre stores the recordings on disk or tape. Gremillet at 3:40-41 ("video disk or a video recorder"). Gremillet discloses a memory at the user (second party). Gremillet at 3:55-56 ("user equipment [that] comprises ... a video recorder.") Gremillet at Fig. 1 ("Video Recording" 23); 4:37-37. ("The recording can be kept on the video recorder for the purpose of listening to it later..."). Gremillet's disclosure of a "transmission channel" and "telephone lines" anticipates the transmission of digital audio and video signals over telecommunications lines and telephone lines in the '440 patent. Gremillet at 2:57-59 ("transmitting to the requesting subscriber the said message by means of a transmission channel"); Fig. 1 (transmission channel; telephone network). See also Gremillet at 3:18-23; 34-36; 4:1-7 ("Transmission channel is able to transmit data from the distribution centre to each of the subscribers equipment. The flow rate is at least 50Mbits/s. It can comprise broadcasting means consisting of a transmitter, a transmitting antenna, a receiving antenna, or a cable or optical fibres."); Claim 5 ("a means for connecting subscribers to the distribution centre via a telephone network."). Gremillet teaches a second party control unit. Gremillet at 3:55-62 ("Each user equipment ..."). Moreover, this limitation was inherent. See '734 Prosecution history, 1/3/94 Hair Decl., p. 3-4 ("Furthermore, the 'second party' must have a 'receiver' (the control IC of the user in figure 1) in his 'possession' in order to receive the music electronically from the hard disk of the agent over the telecommunications lines, such as telephone lines.").
selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory; and	Gremillet's invention relates to "vending" recorded information, including digital audio and vending is the same as sale. Gremillet at Abstract. Gremillet mentions "subscribers" throughout his patent. E.g. Gremillet at 4:35. A person employing Gremillet's invention for selling would have naturally used electronic sales, because this would have provided the most convenient purchaser experience in the context of teledistribution. In addition, it would have been obvious to a person skilled in the art at the time to electronically sell digital audio and video signals via telecommunications lines. **Gallagher** expressly discloses the combination of "selling electronically" digital audio and video signals over telecommunications lines. Gallagher at 1:49-50 ("sale to the general public

	via their user units," "home-buying of material" and "immediate access to material"). Additionally, **Freeny** discloses the combination of "selling electronically" digital audio and video signals over telecommunications lines. Freeny at 12:31-36 ("a consumer credit card number also might be communicated . . . so the owner of the information could approve the sale and, in effect, charge the sale to the consumer credit card number"). **Hellman** also discloses the combination of "selling electronically" digital audio and video signals over telecommunications lines. Hellman at 5:57-6:2 ("Base unit 12 generates and communicates to authorization and billing unit 13 a signal representing a user originated request for software use...BILLING INFORMATION is a credit car[d] number or similar means for billing the user of the software."). **Akashi** also discloses the combination of "selling electronically" digital audio and video signals over telecommunications lines. Akashi at 1 (Akashi discloses an "Automated Music *Purchasing* System" which "communicates via telephone lines" and "*sells* recorded music via the telephone line."). Akashi at 2 (Akashi distinguishes the "conventional system of selling recorded music," that is, through "music sales outlets."). Akashi at 2, 5, Fig. 2 (the "automated music *purchasing* system network."). Akashi at 4 (a record company need "not require the current distribution channels" [music sales outlets] and thus the "user would be able to easily as well as freely search for and *purchase desired music from home.*"). **Elmer-Dewitt** also discloses the combination of "selling electronically" digital audio and video signals over telecommunications lines. Elmer-Dewitt at 69 ("Today anybody with a computer, a modem and a deep line of credit can buy an airline ticket to Cleveland, rent a Hertz car at the airport, book a room at the Sheraton, buy a novel from Waldenbooks, check the closing prices on Wall Street and purchase 100 shares of IBM—without ever getting up from the computer.") **Ferrarini** also discloses the combination of "selling electronically" digital audio and video signals over telecommunications lines. Ferrarini ("If you decide to buy, you receive the software, complete with documentation, via your microcomputer and the telephone lines. . . . Recently, a handful of companies have established services that allow users to purchase software just this way. If they are successful, delivering software via the telephone will become a major method of distribution within the next few years."). See also '573 Prosecution History, Paper No. 27 at 2.: "One skilled in the art would know that an electronic sale inherently assumes a transferring of money by providing a credit card number (since that is the only way for electronic sales to occur) coupled with a transferring of a service or product. The use of transferring money across telecommunication connections, such as by telephoning the agent who has the hard disc over the phone lines, for obtaining data on the hard disc is well known to one skilled in the art to be part of electronic sales." See also '573 Prosecution History, 5/5/94 IDS at 2 (Hair admits that "[t]his patent [U.S. Patent No. 4,789,863 to **Bush**] discloses a pay per view

	entertainment system."). See also '734 Prosecution History, 1/3/94 Hair Decl. at 5 ("'[E]lectronic sales' as disclosed refers to the well known practices of 'transferring' and verifying monies across telephone lines such as by a 'credit card'; or by 'charging a fee' to the second party, so the second party can gain access to the first party's memory through telecommunications lines to select the desired digital video or digital audio signals."). Accordingly, the electronic sale of digital audio and video signals via telecommunications lines would have been obvious to one of ordinary skill in the art at the relevant time. See '734 Prosecution history , 1/3/94 Hair Decl., p. 5 (" '[E]lectronic sales' as disclosed refers to the well known practices of 'transferring' and verifying monies across telephone lines such as by a 'credit card'; or by 'charging a fee' to the second party, so the second party can gain access to the first party's memory through telecommunications lines to select the desired digital video or digital audio signals.").
transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; and	See above re: telecommunications lines.
playing through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit.	Gremillet discloses a playback means including speakers. Gremillet at Fig. 1 ("Sound Restoration" 25); 4:34-37 ("An indicator can inform the subscriber that listening can start....The recording can be kept on the video recorder for the purpose of listening to it later...").
2. A method as described in claim 1 wherein the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.	The distribution centre and user were remote. Gremillet at 1:8-10 ("The present invention relates to a process for the teledistribution or remote distribution of recorded information or data and to a system for performing the process.") (emphasis added). Moreover, Gremillet teaches vending recorded information over telecommunication lines and a person of skill in the art would know that telephone lines connect parties residing at remote locations. *See* '573 Prosecution history, 6/25/92 Amendment, p. 15 ("the memories are at different locations and by being connected by telecommunication lines have to be remote."). See claim 1 re: electronic transfer of money.

3. A method as described in claim 2 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.	See above re: electronic sales. See claim 1 re: electronic transfer of money.
4. A method as described in claim 3 wherein the step of charging the account of the second party 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.	The credit card limitation is found in the prior art. See '734 Prosecution history, Information Disclosure Statement, 5/5/1994. p.2 ("'[E]lectronic sales' as disclosed refers to the well known practices of 'transferring' and verifying monies across telephone lines such as by a 'credit card'; or by 'charging a fee' to the second party, so the second party can gain access to the first party's memory through telecommunications lines to select the desired digital video or digital audio signals."). In addition, it would have been obvious to a person skilled in the art at the time to electronically sell digital audio and video signals via telecommunications lines. **Gallagher** expressly discloses the combination of "selling electronically" digital audio and video signals over telecommunications lines. Gallagher at 1:49-50 ("sale to the general public via their user units," "home-buying of material" and "immediate access to material"). Additionally, **Freeny** discloses the combination of "selling electronically" digital audio and video signals over telecommunications lines. Freeny at 12:31-36 ("a consumer credit card number also might be communicated . . . so the owner of the information could approve the sale and, in effect, charge the sale to the consumer credit card number"). **Hellman** also discloses the combination of "selling electronically" digital audio and video signals over telecommunications lines. Hellman at 5:57-6:2 ("Base unit 12 generates and communicates to authorization and billing unit 13 a signal representing a user originated request for software use...BILLING INFORMATION is a credit car[d] number or similar means for billing the user of the software."). **Akashi** also discloses the combination of "selling electronically" digital audio and video signals over telecommunications lines. Akashi at 1 (Akashi discloses an "Automated Music *Purchasing* System" which "communicates via telephone lines" and "*sells* recorded music via the telephone line."). Akashi at 2 (Akashi distinguishes the "conventional system of selling recorded music," that is, through "music sales outlets."). Akashi at 2, 5, Fig. 2 (the "automated music *purchasing* system network."). Akashi at 4 (a record company need "not require the current distribution channels" [music sales outlets] and thus the "user would be able to easily as well as freely search for and *purchase desired music from home*."). **Elmer-Dewitt** also discloses the combination of "selling electronically" digital audio and video signals over telecommunications lines. Elmer-Dewitt at 69 ("Today anybody with a computer, a modem and a deep line of credit can buy an airline ticket to Cleveland, rent a Hertz car at the airport,

	book a room at the Sheraton, buy a novel from Waldenbooks, check the closing prices on Wall Street and purchase 100 shares of IBM—without ever getting up from the computer.") **Ferrarini** also discloses the combination of "selling electronically" digital audio and video signals over telecommunications lines. Ferrarini ("If you decide to buy, you receive the software, complete with documentation, via your microcomputer and the telephone lines. . . . Recently, a handful of companies have established services that allow users to purchase software just this way. If they are successful, delivering software via the telephone will become a major method of distribution within the next few years."). See also '573 Prosecution History, Paper No. 27 at 2.: "One skilled in the art would know that an electronic sale inherently assumes a transferring of money by providing a credit card number (since that is the only way for electronic sales to occur) coupled with a transferring of a service or product. The use of transferring money across telecommunication connections, such as by telephoning the agent who has the hard disc over the phone lines, for obtaining data on the hard disc is well known to one skilled in the art to be part of electronic sales." See also '573 Prosecution History, 5/5/94 IDS at 2 (Hair admits that "[t]his patent [U.S. Patent No. 4,789,863 to **Bush**] discloses a pay per view entertainment system."). See also '734 Prosecution History, 1/3/94 Hair Decl. at 5 ("'[E]lectronic sales' as disclosed refers to the well known practices of 'transferring' and verifying monies across telephone lines such as by a 'credit card'; or by 'charging a fee' to the second party, so the second party can gain access to the first party's memory through telecommunications lines to select the desired digital video or digital audio signals."). Accordingly, the electronic sale of digital audio and video signals via telecommunications lines would have been obvious to one of ordinary skill in the art at the relevant time. See '734 Prosecution history 1/3/94 Hair Decl." at p. 2 ("One skilled in the art would know that an electronic sale inherently assumes a transferring of money by providing an account number or a credit or debit card number which then allows for access to or a transferring of a service or product through telecommunications lines...One skilled in the art would know that an electronic sale inherently assumes a charging of a fee to an account which then allows for access to or a transferring of a product or service through telecommunications lines...The use of transferring money across telecommunication connections, such as by telephoning over the phone lines the agents who as a first party's hard disk, or charging a fee to a purchaser or 'second party' preferably at a location remote from purchaser or 'second party', for obtaining data on the first party's hard disk through telecommunications lines is well known to one skilled in the art to be part of electronic sales.") (emphasis added). See claim 1 re: electronic transfer of money.

5. A method as described in claim 4 including after the transferring step, the step of storing the desired digital video or digital audio signals in the second memory.	See claim 1 re: second party memory (user).
6. A method as described in claim 5 including before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.	A person of ordinary skill in the art would have known that data could be secured using encryption. In addition, it would have been obvious to a person skilled in the art at the time to use "encryption" to securely transfer digital audio and video signals via telecommunications lines. **Gallagher** expressly discloses the combination of using "encryption" and transferring digital audio and video signals over telecommunications lines. Gallagher at 1:36-38 ("The system may incorporate anti-piracy methods such as the encryption or encoding of data either generally or uniquely."); Gallagher at 1:50-54 ("By arranging for the data to be encoded/encrypted uniquely for each user unit, the borrowing or unlawful copying of material could be eliminated. This method could also be used to ensure security between all units."). Additionally, **Freeny** expressly discloses the combination of using "encryption" and transferring digital audio and video signals over telecommunications lines. Freeny at 23:42-51 ("The encipher programs, the file encipher programs and the authorization encipher programs are programs designed to rearrange digital information in a predetermined manner and the file decipher programs, the decipher programs, the authorization decipher programs and the catalog decipher programs are designed to rearrange digital information back to a predetermined sequence or to select certain data from encoded information (The catalog decipher programs). Programs of this nature are well known in the art . . . . "). **Waters** also discloses the combination of using "encryption" and transferring digital audio and video signals over telecommunications lines. Waters at 82 ("The second is digital audio encryption, which some believe to be the ultimate weapon against theft of service."). **Jared** also discloses the combination of using "encryption" and transferring digital audio and video signals over telecommunications lines. Jared at 165 ("Even inexpensive data-protection programs use exotic encryption methods that may be foolproof. In just a few seconds, you can scramble a file so thoroughly that not even the C.I.A. can read it."). **Kramer** also discloses the combination of using "encryption" and transferring digital information over telecommunications lines. Kramer at C7 ("Several software firms are including encryption as an option for their spreadsheet or database users. Other developers sell encryption hardware and software to tighten the lid on computer security."). **Hellman** discloses the combination of encryption (cryptography) to defeat software piracy and transferring digital information over telecommunications lines. Hellman at 2:61-65 ("Three prior art cryptographic functions required to carry out the present invention are

	described: conventional cryptographic functions or systems, one-way functions, and public key cryptosystems."). Accordingly, the use of "encryption" to securely transfer digital audio and video signals via telecommunications lines would have been obvious to one of ordinary skill in the art at the relevant time.
7. A method as described in claim 6 wherein the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and including before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the hard disk into the sales random access memory chip.	Gremillet satisfies the first party hard disk limitation because it discloses a memory at a distribution centre (first party), which "comprises a bank of musical recordings." Gremillet at 3:38-39; Fig. 1 ("Information bank" 11); 3:4-6 ("a distribution center comprising an information recording bank..."). The distribution centre stores the recordings on disk or tape. Gremillet at 3:40-41 ("video disk or a video recorder"). In addition, it would have been obvious to a person skilled in the art at the time to use a "hard disk" to store digital audio and video signals. **Gallagher** expressly discloses the combination of "hard disk" and storage of digital audio and video signals. Gallagher at 1:32-35 ("The media storage of data would be floppy disk, *hard disk*, optical or laser disk, magnetic tape, integrated circuit memory or any other suitable medium."). Additionally, **Schwartz** discloses the combination of "hard disk" and storage of digital information and data. Schwartz at 6:23-29 ("In the preferred embodiment of this invention the storage medium is a 5.25" magnetic disk commonly in use for digital magnetic storage and retrieval. These disks have a storage capacity of about 1 megabyte . . . and are anticipated to reach 10 megabytes in the near future. For purposes of illustration, a 5 megabyte disk will be assumed."). **Ferrarini** also discloses the combination of "hard disk" and storage of digital information, data, audio and video signals. Ferrarini ("When your microcomputer buffer is full, the linker routine instructs your computer to record the software on disk."). Accordingly, the use of a "hard disk" for storage of digital audio and video signals would have been obvious to one of ordinary skill in the art at the relevant time. In addition, it would have been obvious to a person skilled in the art at the time to transfer "digital video" via telecommunications lines. **Gallagher** expressly discloses the combination of "digital video" transfer via telecommunications lines. Gallagher at 1:5, 1:8, 1:6-7, 1:91, Figs. 2 & 3 (Gallagher discloses the transfer of desired digital video audio in a "recorded data transfer system" of "*digital data*" in the "entertainment industry" such as "audio or *visual*" data.) Gallagher also expressly discloses a "video display." Gallagher at Fig. 3 ("audio/video conversion"). Gallagher at 1:90-92 ("suitable conversion apparatus 34 for audio and/or visual reproduction"). Additionally, **Freeny** also expressly discloses the combination of the combination of "digital video" transfer via telecommunications lines. Freeny at 1:10-14, 6:32-37 ("Information embodied in recordings . . . video

	games, motion pictures, software . . . electronic games . . . and the like," "received on the input line 16 may be in an analog format or in a digital format."). **Rosch** also discloses the combination of the combination of "digital video" transfer via telecommunications lines. Rosch at 228 (discussing "Networking Video" using "Video Van Gogh" product; "A digitized picture can also be sent—albeit very slowly, very slowly—over a standard telephone line using the ComNet modem."). **Jordan** also discloses the combination of the combination of "digital video" transfer via telecommunications lines. Jordan at 174 ("[In Britain] VIDEOTEX uses the equally familiar telephone system to interactively communicate information. . . . [I]n the case of VIDEOTEX, stand-alone computers can be adapted to receive alphanumeric or graphics information. . . . Alphaphotographic technology allows the transmission of photo quality images and is being developed as a follow-on capability for all VIDEOTEX systems."). **Elmer-Dewitt** also discloses the combination of the combination of "digital video" transfer via telecommunications lines. Elmer-Dewitt at 69 ("The FBI prints descriptions of its ten most wanted criminals, complete with digitized mug shots for quick identification."). See also '440 Prosecution History, 1/4/96 Office Action at 4 ("Ogaki et al discloses all that is claimed except that he does not disclose transferring audio or video signals. However he does disclose transferring the software programs through telecommunication lines for distributing or selling these programs to consumers. Lightner discloses transferring audio/video signals through telecommunications lines for distributing or selling to purchasers. It would have been obvious to one of ordinary skill in the art to transfer or sell[] distribute audio/video signals in the system and method taught by Ogaki et al. It would have been obvious because one of ordinary skill in the art, based on common knowledge and common sense, would be able to recognize a substitution of the contents of the software program signals with audio/video signals."). Accordingly, "digital video" transfer via telecommunications lines would have been obvious to one of ordinary skill in the art at the relevant time. See also '734 Prosecution history 1/3/94 Hair Decl." at p. 2 ("The use of transferring money across telecommunication connections, such as by telephoning over the phone lines the agents who as a first party's hard disk, or charging a fee to a purchaser or 'second party' preferably at a location remote from purchaser or 'second party', for obtaining data on the first party's hard disk through telecommunications lines is well known to one skilled in the art to be part of electronic sales.") (emphasis added). The distribution centre in Gremillet anticipates the Sales R.A.M. claimed by Hair. Gremillet at 3:42 ("The compression of the sound information can be obtained by writing into a memory and then reading from the memory at the accelerated speed.") See claim 1 re: second party memory (user), digital audio, digital video

	and telecom lines.
8. A method as described in claim 7 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.	Gremillet at 3:55-62 ("Each user equipment comprises...an indicating circuit..."). See '734 Prosecution history, 1/3/94 Hair Decl., p. 3-4 ("Furthermore, the 'second party' must have a 'receiver' (the control IC of the user in figure 1) in his 'possession' in order to receive the music electronically from the hard disk of the agent over the telecommunications lines, such as telephone lines."). Gremillet disclosed a control panel means whereby a user could select recordings being offered by the distribution centre. Gremillet at 4:13 ("The user wishing to listen to a work belonging to the collection recorded in the centre supplies the latter with the references of the chosen work by means of the telephone line."); Fig. 1 ("Telephone receiver 41").
9. A method as described in claim 5 wherein the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip, a second party hard disk for storing the desired digital video or digital audio signals, and a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback; and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access	Gremillet satisfies the second party hard disk limitation. It teaches the storage of audio at the user's terminal. Gremillet at 2:21-22 (teaching that the user equipment should store audio signals on "an apparatus generally suitable for recording picture signals"); 4:23-25 ("The information received by [user] equipment is then transmitted to magnetoscope, where it is recorded at the fast speed."). A person of ordinary skill in the art in 1988 would have known that a hard disk could have been used to store such data. Gremillet at 2:19-22 ("The recording of the sound transmitted under these conditions must take place on an apparatus generally suitable for recording picture signals . . ."). In addition, it would have been obvious to a person skilled in the art at the time to use a "hard disk" to store digital audio and video signals. **Gallagher** expressly discloses the combination of "hard disk" and storage of digital audio and video signals. Gallagher at 1:32-35 ("The media storage of data would be floppy disk, *hard disk*, optical or laser disk, magnetic tape, integrated circuit memory or any other suitable medium."). Additionally, **Schwartz** discloses the combination of "hard disk" and storage of digital information and data. Schwartz at 6:23-29 ("In the preferred embodiment of this invention the storage medium is a 5.25" magnetic disk commonly in use for digital magnetic storage and retrieval. These disks have a storage capacity of about 1 megabyte . . . and are anticipated to reach 10 megabytes in the near future. For purposes of illustration, a 5 megabyte disk will be assumed."). **Ferrarini** also discloses the combination of "hard disk" and storage of digital information, data, audio and video signals. Ferrarini ("When your microcomputer buffer is full, the linker routine instructs your computer to record the software on disk."). Accordingly, the use of a "hard disk" for storage of digital audio and video

memory chip for playback.	signals would have been obvious to one of ordinary skill in the art at the relevant time. Gremillet discloses a playback means including speakers. Gremillet at Fig. 1 ("Sound Restoration" 25); 4:34-37 ("An indicator can inform the subscriber that listening can start....The recording can be kept on the video recorder for the purpose of listening to it later..."). Gremillet discloses a playback R.A.M. that is used as a temporary staging area during playback. Gremillet at Fig. 2 (54B / 54A); 5:11 ("two memory stacks"). See claim 1 re: first party memory (distribution centre), digital audio, and digital video. See claim 7 re: sales R.A.M. See claim 8 re: first party control I.C. and second party control panel.
10. A method as described in claim 9 including after the transferring step, there is the step of repeating the commanding, playing, and transferring a replica steps.	See claim 9 re: playback means.
11. A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of:	See claim 1 re: digital audio and digital video.
placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party;	Gremillet's disclosure of "subscriber equipment" (Gremillet at 3:11) and "user equipment" (Gremillet at 3:55) anticipates distribution to a location determined by the second party, as claimed by Hair. Gremillet at Claim 1 ("in equipment housed with the requesting subscriber"); Abstract. In any event, the location determined by the second party limitation was added into the specification of the '573 and related patents in a response to office action. Specification support was only added later. *See* '734 Prosecution history, 1/3/94 Amendment, p. 6 ("The second party control unit 50 is placed by the second party location determined by the second party which is remote from the first party control unit 20.") If this limitation were not "inherent" it would be new matter. As there has been no finding yet that this limitation represents new matter, it must be understood to be within the knowledge of one of ordinary skill. See claim 1 re: second party control I.C.
entering into a second party control panel of the second party control unit of the second party commands by the	See claim 1 re: digital audio, digital video, and second party control unit.

second party to purchase desired digital video or digital audio signals from a first party;	See claim 8 re: second party control panel.
forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having desired digital video or digital audio signals;	See claim 1 re: telecom lines.
selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;	See claim 1 re: electronic transfer of money.
transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party;	See claim 1 re: transmitting data over telecom lines.
entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit; and	See claim 9 re: playback means.
playing the desired digital video or digital audio signals with the second party control unit.	See claim 9 re: playback.
12. A system for transferring digital video or digital audio signals comprising:	See claim 1 re: digital audio, digital video and transmitting data over telecom lines.
a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals;	Gremillet teaches a distribution centre (first party control unit), which "comprises a bank of musical recordings." Gremillet at 3:38-39; Fig. 1 ("Information bank" 11); 3:4-6 ("a distribution center comprising an information recording bank..."). The distribution centre stores the recordings on disk or tape. Gremillet at 3:40-41 ("video disk or a video recorder"). Gremillet discloses the use of integrated circuits to control and execute the teledistribution and playback of digital audio. Gremillet at 4:21-34 ("When the complete work has been transmitted, by means of circuit 12, centre 10 transmits an end of message code, which is recognized by circuit 22, which

	then stops the video recorder 23."); 5:27 ("control circuit 60"); Fig. 2 ("Control CCT 60"). In addition, it would have been obvious to a person skilled in the art at the time to use a "first party control unit" to facilitate transferring digital audio and video signals via telecommunications lines. **Gallagher** expressly discloses the combination of using a "first party control unit" and transferring digital audio and video signals over telecommunications lines. Gallagher at 1:13-18 ("a database having a main computer, a caller/called interface, a transmitter/receiver interface, a data storage and processing system, means for controlling the storage and processing of data, means for controlling the processing of data, means for controlling the process of being called by one or more user units or another database."). Additionally, **Freeny** discloses the combination of using a "first party control unit" to facilitate transferring digital audio and video signals over telecommunications lines. Freeny at Fig. 2, 5:1-7; 22:12-13 ("In general, the information control machine 12 [including the "control manufacturing unit 72, which may be an Apple III computer] is constructed to receive information via an input line 16, encode the received information, store the encoded information, receive request reproduction codes requesting to reproduce certain preselected information at a particular information manufacturing machine 14."). **Schwartz** also discloses the combination of using a "first party control unit" (computer) and transferring digital audio and video signals over telecommunications lines. Schwartz Figs. 5 & 6; (microcomputers); 10: 6-9 ("the user control pad may offer...track select and other additional features..."); Schwartz at 7:5-10, 10:20-25 (a first party control unit ("computer" of which a "control unit" would be an inherent part) having integrated circuits ("the system will employ Very Large Scale Integrated Circuit (VLSIs) technology") which controls and executes commands of the first party (keyboard) connected to the first party hard disk); Scwhartz at 10:20-37 (the first party control unit is connected through the telecommunications lines to the second party and the first and second party integrated circuits regulate the transfer of the desired digital audio or video signals). **Ferrarini** discloses the combination of using a "first party control unit" (computer) and transferring digital audio and video signals over telecommunications lines. Ferrarini at 35 ("This so-called telesoftware does not require any special hardware or expensive software. You usually need a microcomputer equipped with either a 300- or 1200- baud Bell 103 compatible modem and communications software.") **Akashi** discloses the combination of using a "first party control unit" (computer) and transferring digital audio and video signals over telecommunications lines. Akashi discloses a system where digital music (audio signal) is stored on a host (first party) computer's database (first memory). Akashi Fig. 1, pp. 1, 4 & 5 (A host/first party "control unit" would have been an inherent part of a host computer); Akashi at 3, Fig. 2 (showing the first party and second party connected through telecommunications lines). Hellman discloses the combination of using a "first party control unit"

	(computer) and transferring digital audio and video signals over telecommunications lines. Hellman at Abstract, 3:27 ("Base units" include computers). Accordingly, the use of a "first party control unit" to facilitate transferring digital audio and video signals via telecommunications lines would have been obvious to one of ordinary skill in the art at the relevant time.
a second party control unit having a second party control panel, a second memory connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and	See claim 1 re: second party memory (user) and second party control unit. See claim 2 re: remote locations. See claim 8 re: second party control panel. See claim 9 re: playback means. See claim 11 re: location determined by the second party.
telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party.	See claim 1 re: telecom lines, transferring data over telecom lines and electronic transfer of money.
13. A system as described in claim 12 wherein the first party control unit includes a first party hard disk having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party's hard disk.	See claim 7 re: first party hard disk and sales R.A.M.

14. A system as described in claim 13 wherein the second party control unit includes a second party hard disk which stores a plurality of digital video or digital audio signals, and a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.	See claim 1 re: secondary party control unit. See claim 6 re: playback R.A.M. See claim 9 re: secondary hard disk
15. A system as described in claim 14 wherein the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.	Gremillet teaches a first party control integrated circuit to control and execute the teledistribution and playback of digital audio. Gremillet at 4:21-34 ("When the complete work has been transmitted, by means of circuit 12, centre 10 transmits an end of message code, which is recognized by circuit 22, which then stops the video recorder 23."); 5:27 ("control circuit 60"); Fig. 2 ("Control CCT 60"). See claim 1 re: telecom lines. See claim 7 re: first party hard disk and sales R.A.M. See claim 8 re: second party control I.C. See claim 12 re: first party control unit. In addition, it would have been obvious to a person skilled in the art at the time to use a "first party control panel" to facilitate transferring digital audio and video signals via telecommunications lines. **Gallagher** discloses the combination of using a "first party control panel" and transferring digital audio and video signals over telecommunications lines. Gallagher at 1:13-16 (The first memory of a first party is a "database having a main computer, . . . a data storage and processing system, means for controlling the storage and processing of data . . . ."); Gallagher at 1:67-69 (First party can be the "source unit" which can also contain the first memory, and it "comprises a storage medium 11."); Gallagher at 1:67-74 ("From Figure 1 it is seen that the source unit . . . comprises a storage medium 11, a buffer 12, an encoder/decoder 13, a serial/parallel and parallel/serial converter 14, and a parallel transmitter/receiver 15."); Gallagher at 1:93-96 ("It is assumed that recorded material may be sent and received by both the source unit and the database and that the user unit may only receive recorded material."). Thus, Gallagher discloses that the first party and second party control integrated circuits regulate the transfer of the desired digital video or audio signals. Moreover, Gallagher discloses that the first party control panel is used to program and is connected to the first party control integrated circuit.

	Ferrarini discloses the combination of using a "first party control panel" (computer, which would have a keyboard as a first party control panel) and transferring digital audio and video signals over telecommunications lines. Ferrarini at 35 ("This so-called telesoftware does not require any special hardware or expensive software. You usually need a microcomputer equipped with either a 300- or 1200- baud Bell 103 compatible modem and communications software."). **Freeny** discloses the combination of using a "first party control panel" (computer, which would have a keyboard as a first party control panel) and transferring digital audio and video signals over telecommunications lines. Freeny at Figs. 1, 2, 5:1-7; 22:12-13 ("In general, the information control machine 12 [including the "control manufacturing unit 72, which may be an Apple III computer having a keyboard] is constructed to receive information via an input line 16, encode the received information, store the encoded information, receive request reproduction codes requesting to reproduce certain preselected information at a particular information manufacturing machine 14."). **Schwartz** also discloses the combination of using a "first party control panel" (user controls of a computer) and transferring digital audio and video signals over telecommunications lines. Schwartz Figs. 5 & 6; (microcomputers); 10: 6-9 ("the user control pad may offer...track select and other additional features..."); Schwartz at 7:5-10, 10:20-25 (a first party control unit ("computer" of which a keyboard or "control panel" would be an inherent part) having integrated circuits ("the system will employ Very Large Scale Integrated Circuit (VLSIs) technology") which controls and executes commands of the first party (keyboard) connected to the first party hard disk); Scwhartz at 10:20-37 (the first party control unit is connected through the telecommunications lines to the second party and the first and second party integrated circuits regulate the transfer of the desired digital audio or video signals). **Akashi** discloses the combination of using a "first party control panel" (keyboard of a computer) and transferring digital audio and video signals over telecommunications lines. Akashi discloses a system where digital music (audio signal) is stored on a host (first party) computer's database (first memory). Akashi Fig. 1, pp. 1, 4 & 5 (A host/first party keyboard or "control panel" would have been an inherent part of a host computer); Akashi at 3, Fig. 2 (showing the first party and second party connected through telecommunications lines). **Hellman** discloses the combination of using a "first party control panel" (base unit/computer having a keyboard) and transferring digital audio and video signals over telecommunications lines. Hellman at 8:66-67 (base unit would have a keyboard). Accordingly, the use of a "first party control unit" to facilitate transferring digital audio and video signals via telecommunications lines would have been obvious to one of ordinary skill in the art at the relevant time.

16. A system as described in claim 15 wherein the second party control unit includes a second party control integrated circuit which controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.	See claim 1 re: telecom lines, telephone lines and second party control unit. See claim 8 re: second party control I.C. and second party control panel. See claim 9 re: second party hard disk and playback R.A.M. See claim 15 re: first party control I.C.
17. A system as described in claim 16 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video or digital audio signals received from the first party's control unit for subsequent storage to the second party hard disk.	Gremillet discloses an incoming R.A.M. in the second party control unit that is used as a temporary staging area during playback. Gremillet at Fig. 2 (54B / 54A); 5:11 ("two memory stacks"). See claim 1 re: telecom lines. See claim 8 re: second party control I.C. See claim 9 re: second party hard disk. See claim 12 re: first party control unit.
18. A system as described in claim 17 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.	In addition, it would have been obvious to a person skilled in the art at the time to transfer "digital video" via telecommunications lines. **Gallagher** expressly discloses the combination of "digital video" transfer via telecommunications lines. Gallagher at 1:5, 1:8, 1:6-7, 1:91, Figs. 2 & 3 (Gallagher discloses the transfer of desired digital video audio in a "recorded data transfer system" of "*digital data*" in the "entertainment industry" such as "audio or *visual*" data.) Gallagher also expressly discloses a "video display." Gallagher at Fig. 3 ("audio/video conversion"). Gallagher at 1:90-92 ("suitable conversion apparatus 34 for audio and/or visual reproduction"). Additionally, **Freeny** also expressly discloses the combination of the combination of "digital video" transfer via telecommunications lines. Freeny at 1:10-14, 6:32-37 ("Information embodied in recordings . . . video games, motion pictures, software . . . electronic games . . . and the like,"

	"received on the input line 16 may be in an analog format or in a digital format."). **Rosch** also discloses the combination of the combination of "digital video" transfer via telecommunications lines and use of "video display." Rosch at 228 (discussing "Networking Video" using "Video Van Gogh" product; "A digitized picture can also be sent—albeit very slowly, very slowly—over a standard telephone line using the ComNet modem.") **Zilber** also discloses the use of a "video display." Zilber at 135 ("[At the] MacWorld Expo in San Francisco...for color output, Moniterm and SuperMac Technologies were showing 19-inch color monitors for the Mac II..."). See claim 8 re: secondary party control I.C. See claim 9 re: playback R.A.M.
19. A system as described in claim 12 wherein the means or mechanism for electronically selling includes means or a mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.	See claim 1 re: electronic transfer of money. See claim 2 re: remote locations. See claim 3 re: credit card.
20. A system as described in claim 19 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.	See claim 1 re: electronic transfer of money.
21. A system as described in claim 20 wherein the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party.	See claim 3 re: credit card.
22. A method for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second	See claim 1 re: first party memory (distribution centre), second party memory (user), digital audio, digital video and transmitting data over telecom lines.

party comprising the steps of:	
placing a second party control unit having a receiver and the second memory connected to the receiver by the second party at a desired location determined by the second party;	Gremillet teaches a receiver at Fig. 1 ("TV Receiver"). See '734 Prosecution history, 1/3/94 Hair Decl., p. 3-4 ("Furthermore, the 'second party' must have a 'receiver' (the control IC of the user in figure 1) in his 'possession' in order to receive the music electronically from the hard disk of the agent over the telecommunications lines, such as telephone lines."). See claim 12 re: location determined by the second party.
selling electronically via telecommunications lines to the second party at a location remote from the first memory by the first party controlling use of the first memory, said second party financially distinct from the first party, said second party in control and in possession of the second memory;	As a distributor of digital audio data over telecommunications lines and his or her users would be engaged in a commercial transaction, that the two parties were financially distinct would be inherent. See '734 Prosecution history, 1/3/94 Hair Decl., p. 3-4 ("One skilled in the art would know since the music is distributed through electronic sale, 'the second party must be financially distinct from the first party' or there could be no sale."). See claim 1 re: electronic transfer of money. See claim 2 re: remote locations. See claim 3 re: credit card.
connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;	See claim 1 re: telecom lines.
transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party control unit having the second memory at the location determined by the second party while said receiver is in possession and control of the second party;	See claim 1 re: transmitting data over telecom lines.
storing the digital video or digital audio signals in the second memory; and playing the digital video or digital audio signals in the second memory with the second party control unit.	See claim 1 re: second party memory (user) See claim 9 re: playback means.
23. A system for transmitting desired digital video or digital audio signals	See claim 1 re: first party memory (distribution centre), second party memory (user) and transmitting data over telecom lines.

stored on a first memory of a first party to a second memory of a second party comprising:	memory (user) and transmitting data over telecom lines.
means or mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory, said second party controlling use and in possession of the second memory;	See claim 1 re: electronic transfer of money. See claim 2 re: remote locations.
means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;	See claim 1 re: telecom lines.
means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;	Gremillet teaches a transmitter at Fig. 1 ("Transmitter"). See claim 12 re: location determined by the second party. See claim 22 re: receiver.
means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.	See claim 1 re: second party memory (user) See claim 9 re: playback means.
24. A system as described in claim 23 wherein the connecting means or	See claim 1 re: second party control unit.

mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.	See claim 12 re: first party control unit.
25. A system as described in claim 18 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.	See claim 7 re: second party control panel. See claim 8 re: second party control I.C. and second party control panel. See claim 9 re: playback R.A.M. See claim 12 re: first party control unit. See claim 15 re: Second party control unit and first party control panel. See claim 17 re: incoming R.A.M.
26. A system as described in claim 25 wherein the telecommunications lines include telephone lines.	See claim 4 re: telephone lines.
27. A system as described in claim 26 wherein the first memory comprises a first hard disk and the second memory comprises a second hard disk.	See claim 1 re: first party memory (distribution centre) and second party memory (user). See claim 7 re: first party hard disk. See claim 9 re: second party hard disk.
28. A system as described in claim 27 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second	See claim 1 re: speakers. See claim 18 re: video display.

control integrated circuit.	
29. A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising:	See claim 1 re: first party memory (distribution centre), second party memory (user), digital audio and digital video.
means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said first party controlling use of the first memory, said second party controlling use and in possession of the second memory;	See claim 1 re: electronic transfer of money. See claim 2 re: remote locations.
means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;	See claim 1 re: telecom lines.
means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;	See claim 12 re: location determined by the second party. See claim 22 re: receiver. See claim 23 re: transmitter.
means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored	See claim 1 re: first party memory (distribution centre) and second party memory (user). See claim 9 re: playback means.

in the second memory, said playing means or mechanism connected to the second memory.	
30. A system as described in claim 29 wherein the means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location.	See claim 1 re: electronic transfer of money. See claim 2 re: remote locations.
31. A system as described in claim 30 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party	See claim 1 re: second party control unit. See claim 12 re: first party control unit.
32. A system as described in claim 31 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.	See Claim 25.
33. A system as described in claim 32 wherein the telecommunications lines include telephone lines.	See Claim 26.

34. A system as described in claim 33 wherein the first memory comprises a first hard disk and the second memory comprises a second hard disk.	See Claim 27.
35. A system as described in claim 34 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.	See Claim 28.
36. A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising the steps of:	See claim 1 re: first party memory (distribution centre).
placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location;	See claim 1 re: second party control unit. See claim 2 re: remote locations. See claim 12 re: location determined by the second party.
charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines;	See claim 1 re: telecom lines. See claim 2 re: remote locations.
connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;	See claim 1 re: second party memory (user) and telecom lines.
transferring electronically via telecommunications lines the digital	See claim 1 re: transmitting data over telecom lines.

video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines;	See claim 2 re: remote locations.
storing the digital video or digital audio signals in the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.	See claim 1 re: first party memory (distribution centre) and second party memory (user).
37. A method as described in claim 36 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.	See claim 2.
38. A method as described in claim 37 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.	See claim 3.
39. A method as described in claim 38 wherein the step of charging the account of the second party 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.	See claim 4.
40. A method as described in claim	See claim 1 re: transmitting data over telecom lines and electronic transfer

39 including after the transferring step, there is the step of repeating the charging a fee, connecting, and transferring steps.	of money.
41. A method for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising the steps of:	See claim 1 re: first party memory (distribution centre), second party memory (user), remote locations and digital audio.
selling electronically via telecommunications lines to the second party at a location remote from the first memory by the first party controlling use of the first memory, said second party financially distinct from the first party, said second party in control and in possession of a second party control unit having a receiver and the second memory connected to the receiver;	See claim 1 re: second party memory (user) and electronic transfer of money. See claim 2 re: remote locations. See claim 22 re: financially distinct and receiver.
connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;	See claim 1 re: transmitting data over telecom lines.
transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver connected to the second memory of the second party control unit at the location determined by the second party while said second party control unit is in possession and control of the second party;	See claim 1 re: transmitting data over telecom lines. See claim 12 re: location determined by the second party. See claim 22 re: receiver.
storing the digital video or digital audio signals in the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.	See claim 1 re: second party memory (user). See claim 9 re: playback means.

42. A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of:	See claim 11
placing a second party control unit having a second memory by the second party at a desired location determined by the second party;	
forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals;	
selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;	
transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.	
43. A method as described in claim 42 wherein the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.	See claim 2.
44. A method as described in claim 43 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.	See claim 3.

45. A method as described in claim 44 wherein the step of charging the account of the second party 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.	See claim 4.
46. A method for transferring desired digital video or digital audio signals comprising the steps of:	See claim 1 re: digital audio, digital video and transmitting data over telecom lines.
placing a second party control unit having a second memory by the second party at a desired second party location determined by the second party;	See claim 1 re: second party memory (user) and secondary party control unit. See claim 12 re: location determined by the second party.
forming a connection through telecommunications lines between a first memory of a first party and the second memory of a second party, said first memory having said desired digital video or digital audio signals;	See claim 1 re: first party memory (distribution centre), second party memory (user) and telecom lines.
incurring a fee by the second party to the first party for the use of telecommunications lines, the desired digital video or digital audio signals in the first memory;	See claim 1 re: electronic transfer of money.
transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.	See claim 1 re: transferring data over telecom lines. See claim 9 re: playback means.

47. A system for transferring digital video signals from a first party to a second party at a second party location comprising:	See claim 1 re: digital video and transferring data over telecom lines.
a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location;	See claim 1 re: first party memory (distribution centre) and electronic transfer of money. See claim 2 re: remote locations.
a second party control unit having a second party control panel, a receiver and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and	See claim 1 re: second party control unit. See claim 2 re: remote locations. See claim 8 re: secondary party control panel. See claim 12 re: location determined by the second party. See claim 18 re: video display. See claim 22 re: receiver.
telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party.	See claim 1 re: telecom lines.
48. A system as described in claim 47 wherein the second party control unit includes a second memory which is connected to the receiver and the	See claim 1 re: second party memory (user). See claim 18 re: video display.

video display, said second memory storing the digital video signals that are received by the receiver to provide the video display with the digital video signals.	See claim 22 re: receiver.
49. A system as described in claim 48 wherein the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired digital video signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video signals of the first party's hard disk.	See claim 13.
50. A system as described in claim 49 wherein the second party control unit includes a second party hard disk which stores a plurality of digital video signals, and a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video signals as a temporary staging area for playback.	See claim 14.
51. A system as described in claim 50 wherein the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control	See claim 15.

integrated circuit.	
52. A system as described in claim 51 wherein the second party control unit includes a second party control integrated circuit which controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.	See claim 16.
53. A system as described in claim 52 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party's control unit for subsequent storage to the second party hard disk.	See claim 17.
54. A system as described in claim 53 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video signals.	See claim 18.

55. A system as described in claim 47 wherein the means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.	See claim 19.
56. A system as described in claim 55 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.	See claim 20.
57. A system as described in claim 56 wherein the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party.	See claim 21.
58. A method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second party at a second party location so the second party can view the desired digital video signals comprising the steps of:	See claim 1 re: first party memory (distribution centre), display video, and transferring data over telecom lines.
placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location;	See claim 2 re: remote locations. See claim 12 re: location determined by the second party. See claim 18 re: video display. See claim 22 re: receiver.
charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals;	See claim 1 re: electronic transfer of money. See claim 2 re: remote locations.
connecting electronically via telecommunications lines the first	See claim 1 re: first party memory (distribution centre) and telecom lines.

telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;	See claim 22 re: receiver.
choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected;	See claim 47 re: searching first memory for material.
transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party; and	See claim 1 re: first party memory (distribution centre) and transferring data over telecom lines. See claim 12 re: location determined by the second party. See claim 22 re: receiver. See claim 23 re: transmitter.
displaying the desired video signals received by the receiver on the video display in possession and control of the second party.	See claim 18 re: video display.
59. A method as described in claim 58 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory.	See claim 1 re: electronic transfer of money.
60. A method as described in claim 59 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.	See claim 3.
61. A method as described in claim 60 wherein the step of charging the account of the second party includes the steps of telephoning the first party controlling use of the first memory by the second party; providing a credit	See claim 4.

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.	
62. A system for transferring digital audio signals from a first party to a second party at a second party location comprising:	See claim 47.
a first party control unit having a first memory having a plurality of desired individual songs as desired digital audio signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital audio signals at a location remote from the second party location;	
a second party control unit having a second party control panel, a receiver and speakers for playing the desired digital audio signals received by the receiver, said second party control panel connected to the speakers and the receiver, said receiver and speakers operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital audio signals from the first memory with said second party control panel; and	
telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital audio signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital audio signals are sold to the second party by the first party.	

63. A method for transmitting desired digital audio signals stored in a first memory having a plurality of individual songs as digital audio signals of a first party at a first party location to a second party at a second party location so the second party can listen to the desired digital audio signals comprising the steps of:	See claim 58.
placing by the second party a receiver, and speakers connected to the receiver at the second party location determined by the second party which is remote from the first party location;	
charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital audio signals;	
connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;	
choosing the desired digital audio signals by the second party from the first memory of the first party so desired songs are selected;	
transmitting the desired digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party; and	
playing the desired audio signals received by the receiver on the speakers in possession and control of the second party.	

VIII. DOUBLE PATENTING IS A PROPER BASIS FOR THE REEXAMINATION PROCEEDING

The '440 patent is also invalid under the doctrine of double patenting. The doctrine of double patenting seeks to prevent the unjustified extension of patent exclusivity beyond the term of a patent. According to the MPEP, the public policy behind this doctrine is that "[t]he public should . . . be able to act on the assumption that upon the expiration of the patent it will be free to use not only the invention claimed in the patent but also modifications or variants which would have been obvious to those of ordinary skill in the art at the time the invention was made, taking into account the skill in the art and prior art other than the invention claimed in the issued patent." See MPEP, § 804 (citing cases). For the doctrine of double patenting to apply, there must be some common relationship of inventorship and/or ownership of two or more patents or applications. Since the doctrine of double patenting seeks to avoid unjustly extending patent rights at the expense of the public, the focus of any double patenting analysis necessarily is on the claims in the multiple patents or patent applications involved in the analysis.

Accordingly, double patenting can provide the basis for a reexamination proceeding. In re Lonardo, 119 F.3d 960 (Fed. Cir. 1997); MPEP §§ 2217, 2258. In Lonardo, the Federal Circuit concluded that nonstatutory double patenting is a legitimate basis for reexamination and that reexamination can be based upon non-prior art patents over which there is nonstatutory double patenting. *See also* Richard A. Neifeld, *Viability of the Hilmer Doctrine*, 81 J. Pat. & Trademark Off. Soc'y 544 (1999) (explaining the Federal Circuit's reasoning). The Lonardo court found that 35 U.S.C. § 303(a) is not limited to prior art patents or printed publications, and granted the Commissioner the authority to consider substantial new questions of patentability over "patents and publications discovered by him." 119 F.3d at 966; 35 U.S.C. §303(a) (1994). See also Geneva Pharms., Inc. v. GlaxoSmithKline PLC, 349 F.3d 1373 (Fed. Cir. 2003) (citing In re Lonardo with approval).

A. The '440 Patent Is Invalid Over the '573 Patent for Obviousness-Type Nonstatutory Double Patenting.

As explained in the Introduction (Section I of this Request) the only limitations that do not represent a mere change in wording that the patentee added in the '440 patent are: (1) control unit; (2) speakers; (3) video display; (4) electronic coding or, encryption, of the signal; (5) hard disk; (6) control panel; (7) integrated circuit; and (8) RAM chip.[2]

As explained more fully below, none of these limitations is patentably distinct and all of them would have been obvious to the person of ordinary skill in the art, in 1988. Indeed, the patentee is currently seeking to further extend its monopoly by pursuing a fourth patent claiming the same priority date and reciting the very same invention. The PTO, however, has recognized that the new application covers the same territory and rejected Claims 32-69 of that pending application under the doctrine of double patenting over Claims 12-21 and 25-28 of the '440 Patent. *See* Office Action dated July 21, 2000. On January 19, 2001, the patentee filed a terminal disclaimer to overcome the Examiner's rejection. *See* Amendment of January 19, 2001.

The '440 claims the same invention as the '573 patent, and adds only minor and obvious limitations, all of the claims of the '440 Patent are invalid for obviousness-type of double patenting. Because the Examiner had not rejected the claims on the basis of double patenting during the prosecution of the '440 patent, Requestor's analysis presents substantial new questions

[2] In addition to these limitations, there are numerous minor differences between the claims of the two patents. Those are even more obvious variations of the claimed elements. For example, having various parts of the structures or systems described at "remote locations," and the locations being determined by respective parties and the placing being done by the respective parties is obvious in light of every prior art reference cited herein.

of patentability.[3]

B. Double Patenting Analysis of the Claims of the '440 Patent

Claim 1 of the '440 Patent

Claim 1 of the '440 patent is invalid for obviousness-type double patenting in light of claims 1 and 4 of the '573 patent.

Claim 1 of the '440 patent reads as follows:

> A method for transferring desired digital video or digital audio signals comprising the steps of: forming a connection through telecommunications lines between a first memory of a first party and a second memory of a **second party control unit** of a second party, said first memory having said desired digital video or digital audio signals; **selling electronically** by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory; and transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; and **playing through speakers** of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit.

Claim 1 of the '573 patent reads as follows:

> 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 lien 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 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

[3] In addition to being invalid over the '573 Patent, the '440 Patent is also invalid in light of the '734 Patent which issued two years before the '440 Patent, or the combination of the '573 Patent's claims with the '734 Patent's claims. Combining multiple claims from prior patents as references for obviousness-type double patenting is consistent with the analysis conducted by the PTO pursuant to the MPEP. See MPEP § 804.02.IV ("If multiple conflicting patents and/or pending applications are applied in double patenting rejections made in a single application. . . "). Under the MPEP, the PTO considers claims from multiple prior commonly owned patents in combination with prior art for the purposes of an obviousness-type double patenting analysis. See id. § 804, ¶ 8.36 (form paragraph for a rejection for "Obviousness Type Double Patenting – With Secondary Reference(s).").

location determined by the second party, said receiver in possession and control of the second party; and storing the digital signal in the second memory.

Claim 1 of the '573 patent is an independent claim which recites a method for transmitting a digital audio signal stored on a first memory of a first party to a second memory of a second party. As claimed, the first party is at a location that is remote from the second memory and the second party is financially distinct from the first party. The method comprises of four steps which include (1) transferring money to the first party from the second party, (2) connecting the first and second memories electronically, (3) transmitting the digital audio signal from the first memory to the second memory, and (4) storing the digital audio signal in the second memory.

Claim 4 of the '573 patent, the only other independent claim, tracks the language of claim 1, however, it provides the same method as it relates to digital video signals, instead of digital audio signals.

The only differences between claim 1 of the '440 patent and claims 1 and 4 of the '573 patent is that claim 1 of the '440 patent includes a "second party control unit" that has the second memory and speakers connected to the second memory to play the digital signals.

It would have been obvious to one skilled in the art in light of claims 1 and 4 of the '573 patent to have the second memory included in some type of collection of hardware and software called a "control unit" and to have the digital signals on the second memory to be played through speakers connected to the second memory. The limitation of having the second memory included in some type of collection of hardware and software called a "control unit" was obvious in view of Gallagher at 1:19-22 (unit having means for "storing/recalling" data), 1:49-50 ("sale to the general public via their user units."); Akashi at 2 (recording device in personal computer), Fig. 1, Freeny at Fig. 1, Col. 7:53-62 ("the information file unit 28 [of the information control unit 12]); Schwartz at Col. 10:20-25 (record format disclosed could be used with a computer).[4]

[4] The citations to prior art in support of the double patenting analysis are not exhaustive but merely representative of the fact that the differences between the claims of the prior and the subsequent patents would have been obvious to a person skilled in the art. The Requestor cites to the prior art already discussed in this Request for the convenience of the Examiner.

Finally, one skilled in the art would know that this "unit" could include some type of controlling interface so that the second party can initiate the purchase and then play the transferred signals. Gallagher at 1:19-22 (user unit with means to communicate with database and recall/process data received from database); Freeny at Figs.1, 3, 22:29-30 (unit may be an Apple III computer); Akashi at 4 (using monitor screen to choose desired data with control unit), 5 (monitor and control unit), Fig.1, Schwartz at Fig. 5.

The limitation of having the digital signals on the second memory to be played through speakers connected to the second memory was obvious in view of Gallagher at Abstract, p.1 (user unit includes playback apparatus), 1:87-92 (user unit comprises apparatus for "audio and/or visual reproduction") and Schwartz at Fig. 1, Col. 1:16-19 ("On playback the electrical signal is amplified and used to drive loudspeakers").

Hair's claimed invention as described in the original '573 specification was an "advanced stereo system" capable of playing digital audio. '573 Prosecution History, Original Patent Application Filing at p.6. Such a unit would obviously be connected to speakers as this was customary for stereo systems and without speakers such a stereo system would be unable to produce sound. Moreover, in Hair's description of the invention, he admits that speakers were well-known where he states that "the following components are already commercially available: ...the Stereo Speakers 80." '573 Patent, 4:16-20.

The other differences in claim 1 of the '440 patent and claims 1 and 4 of the '573 patents also do not render it patentably distinct. The use of "transferring" in claim 1 of the '440 patent has the same meaning as "transmitting" in claims 1 and 4 of the '573 patents. Both are used to describe moving the digital signals from a source party to a receiving party through the "telecommunication lines" described.

Further, the phrase "selling electronically" in claim 1 of the '440 patent has the same function of selling the digital signals that claims 1 and 4 describe as "transferring money electronically via a telecommunications line." Moreover, in prosecution Hair argued that

"electronic sales" and its constituent parts were well known within the art. '573 Prosecution History 6/25/92 Hair Decl." at p. 2 ("The use of transferring money across telecommunications connections, such as by telephoning the agent who has the hard disc over the phone lines, for obtaining data on the hard disc is well known to one skilled in the art to be part of electronic sales.") The difference in language creates no patentably distinct difference. Therefore, claim 1 of the '440 patent is obvious in light of claims 1 and 4 of the '573 patent.

Claim 2

Claim 2 of the '440 patent is invalid for double patenting in light of claims 1 and 4 of the '573 patent. Claim 2 of the '440 patent reads as follows:

> A method as described in claim **1** wherein the second party is at **a second party location** and the step of selling electronically includes the step of **charging a fee** via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

One difference is that claim 2 of the '440 patent recites "locations" for the various parties. Having the parties in various locations whether remote from each other or not, is inherent in that a buyer and a seller are distinct parties and therefore would be in separate locations. At the least, one skilled in the art in light of claims 1 and 4 of the '573 patent would know that the parties could and most likely would be placed at locations, either remote or at the same place.

The "second party location" limitation is not found in the original specification filed for the '573 Patent that provides the priority date for the '440. Nor is it found in the final '573 specification. Thus, it has no clear antecedent support. The closest phrase found in the '573 patent is "having the second memory at a location determined by the second party." Claim 1 of the '573 Patent. For the limitation "second party location" found in the '440 not to be invalid for lack of written description it would have to be inherent in the '573. Thus, the limitation must be obvious in light of the '573 claim 1 limitation "having the second memory at a location determined by the second party," the closest teaching to a "second party location."

The limitation of having the second party at a second party location was obvious in view of Gallagher at 2:92-93 ("home-buying of material" and "immediate access to material."), Akashi at 4 (user is at home), Freeny at Fig. 1, Col. 5:1-4 (information control machine at location remote from the point of sale location), 5:32-50 (point of sale location remote from location of information control machine), Schwartz at Col. 10:24-25 ("transmit the recorded data to a remote playback facility").

The only other difference is that claim 2 of the '440 patent uses the language "charging a fee." This has the same function of selling the digital signals that claims 1 and 4 describe as "transferring money electronically via a telecommunications line." The difference in language creates no patentably distinct difference. Hair admitted during prosecution that charging a fee over telephone lines was well known within the art. for the '734 Prosecution history, 1/3/94 Hair Decl., p. 5 ("'[E]lectronic sales' as disclosed refers to the well known practices of 'transferring' and verifying monies across telephone lines such as by a 'credit card'; or by 'charging a fee' to the second party, so the second party can gain access to the first party's memory through telecommunications lines to select the desired digital video or digital audio signals.") (emphasis added).

Further, the limitation of charging a fee was obvious in view of Hellman at 5:57- 6:2 (billing user); Gallagher at 1:49-50 ("sale to the general public"); Akashi at 1 ("Automated Music Purchasing System"); Freeny at Fig. 1, Col. 21:56-60 (transmission/communication over telephone lines), 13:25-36 ("charge the sale"). Therefore, claim 2 of the '440 patent is obvious in light of claims 1 and 4 of the '573 patent.

Claim 3

Claim 3 of the '440 patent is invalid for double patenting in light of claims 3 and 6 of the '573 patent. Claim 3 of the '573 patent reads as follows:

> 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.[5]

Claim 3 of the '440 patent reads as follows:

A method as described in claim **2** wherein the second party has **an account** and the step of charging a fee includes the step of **charging the account** of the second party.

The only difference between claim 3 of the '440 patent and claims 3 and 6 of the '573 patent is the language to describe the second party's payment method and the step of making the payment. Claim 3 recites an "account" and "charging the account" whereas, claims 3 and 6 describe a "credit card number" and "providing that number." The difference in language creates no patentably distinct difference.

Moreover, in prosecution Hair admitted that charging an account was inherent to electronic sales. '734 Prosecution History, 1/3/94 Hair Decl., p. 2 ("One skilled in the art would know that an electronic sale inherently assumes a charging of a fee to an account which then allows for access to or a transferring of a product or service through telecommunications lines.") As providing a credit card number over a telephone line under claims 3 and 6 of the '573 Patent was a part of electronic sales, '573 Prosecution history, 6/25/92 Hair Decl. at p. 2 ("The use of transferring money across telecommunications connections, such as by telephoning the agent who has the hard disc over the phone lines, for obtaining data on the hard disc is well known to one skilled in the art to be part of electronic sales."), charging an account was inherent in claims 3 and 6 of the '573 patent.

Moreover, the limitation of the second party having an account and the step of charging a fee, which includes charging the second party's account was obvious in view of Freeny at Col. 13:25-36 ("charge the sale to the consumer credit card number"), Hellman at 5:57-6:2 (billing user). Therefore, claim 3 of the '440 patent is obvious in light of claims 3 and 6 of the '573 patent.

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[5] Claim 6 recites the same limitations for the video signal.

Claim 4

Claim 4 of the '440 patent reads as follows:

> A method as described in claim **3** wherein the step of charging the account of the second party 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.

Claim 4 of the '440 patent is invalid for double patenting in light of claims 3 and 6 of the '573 patent. There is no difference between claim 4 of the '440 patent and claims 3 and 6 of the '573 patent.

Claim 5

Claim 5 of the '440 patent reads as follows:

> A method as described in claim **4** including after the transferring step, the step of storing the desired digital video or digital audio signals in the second memory.

Claim 5 of the '440 patent is invalid for double patenting in light of claims 3 and 6 of the '573 patent. There is no difference between claim 5 of the '440 patent claims 3 and 6 of the '573 patent.

Claim 6

Claim 6 of the '440 patent is invalid for double patenting in light of claims 3 and 6 of the '573 patent. Claim 6 of the '440 patent reads as follows:

> A method as described in claim **5** including before the transferring step, the step of **electronically coding** the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.

The only difference is that claim 6 recites "coding" the signals to "prevent unauthorized reproduction." One skilled in the art would have known in light of claims 3 and 6 of the '573 patent to code or encrypt the signals in a way to prevent unauthorized reproduction. The limitation of electronically coding the desired digital video or audio signals was obvious in view

of Freeny at Col. 23:42-51 (encipher programs well known in the art); Gallagher at 1:36-38 ("encryption or encoding of data"), 1:50-54 ("data to be encoded/encrypted"), 1:70 (source unit has an "encoder/decoder 13"), 1:83 (the database has an "encoder/decoder 22"), 1:90 (the user unit has a "decoder 33"), and Figs. 1-3, Waters at 82 ("The second is digital audio encryption, which some believe to be the ultimate weapon against theft of service."); Jared at 165 ("Even inexpensive data-protection programs use exotic encryption methods that may be foolproof. In just a few seconds, you can scramble a file so thoroughly that not even the C.I.A. can read it."); Kramer at C7 ("Several software firms are including encryption as an option for their spreadsheet or database user. Other developers sell encryption hardware and software to tighten the lid on computer security").

Claim 7

Claim 7 of the '440 patent reads as follows:

> A method as described in claim **6** wherein the first memory includes a **first party hard disk** having a plurality of digital video or digital audio signals, and a sales **random access memory chip** which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and including before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the hard disk into the sales random access memory chip.

Claim 7 of the '440 patent is invalid for double patenting in light of claims 3 and 6 of the '573 patent. The only differences are that the first memory includes a "hard disk," or hard drive, to store the signals, a "sales random access memory chip," or RAM, for temporarily storing the signals for the transfer during purchase, and the step of doing this before the transfer. One skilled in the art in light of claims 3 and 6 of the '573 patent would have known that a hard drive could be used to store the signals and that a RAM chip could be used for temporary storing during the step of transferring. '734 Prosecution History, 1/3/94 Hair Decl., p. 2 ("The use of transferring money across telecommunication connections, such as by telephoning over the phone lines the agents who as a first party's hard disk, or charging a fee to a purchaser or 'second party' preferably at a location remote from purchaser or 'second party', for obtaining data on the

first party's hard disk through telecommunications lines is well known to one skilled in the art to be part of electronic sales.") (emphasis added).

The limitation of a first memory including a first party hard disk was obvious in view of Gallagher at 1:32-35 (media for storage of data would be hard disk); Freeny at 22:31-36 (digital storage unit may be a hard disk); Schwartz at 6:23 (storage medium can be magnetic disk). The limitation of a sales random access memory chip was obvious in view of Gallagher at 1:81-84 (database includes a buffer store); Freeny at Fig.2, 22:12-13 ("the control manufacturing unit 72 may be an Apple III computer"); Schwartz at 7:39-41 ("RAM Buffer Module"). The limitation of storing a replica of the digital audio or video signals from the hard disk to the sales random access memory was obvious in view of Gallagher at 1:81-84 (database comprises buffer store); Freeny at Fig.1, 5:60-6:3-8 (information manufacturing machine 14 provides a request reproduction code requesting to reproduce the certain selected information."); Schwartz at 7:39-41 ("series of amplitude readings is utilized from the RAM Buffer Module").

Claim 8

Claim 8 of the '440 patent is invalid for double patenting in light of claims 3 and 6 of the '573 patent. Claim 8 of the '440 patent reads as follows:

> A method as described in claim **7** wherein the second party control unit has a **second party integrated circuit** which controls and executes commands of the second party, and a **second party control panel** connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.

The only differences are the addition of a "second party integrated circuit" that "controls and executes commands" from a "control panel," or interface, and the step of giving the command to initiate the purchase. A second party control integrated circuit was inherent in the '573 teaching of electronic sales. '734 Prosecution History, 1/3/94 Hair Decl., p. 3-4 ("Furthermore, the 'second party' must have a 'receiver' (the control IC of the user in figure 1) in

his 'possession' in order to receive the music electronically from the hard disk of the agent over the telecommunications lines, such as telephone lines.") (emphasis added).

It also would have been obvious to have a second party control panel. Hair's claimed invention as described in the original '573 specification was an "advanced stereo system." '573 Prosecution History, Original Patent Application Filing at p.6. It is well known that a stereo system must have a control panel in order to accept user commands (for example to "play" music).

Finally, the limitation of a second party integrated circuit and a control panel connected to the integrated circuit was obvious in view of Gallagher at 1:19-22 (user unit with means to process data), Freeny at Figs.1, 3, 22:29-30 (unit may be an Apple III computer), Akashi at 4 (choose data using control unit and accesses and processes data), 5 ("control unit"), Fig.1; Schwartz at 7:5-10 (system can "Very Large Scale Integrated Circuit (VLSIs) technology").

Claim 9

Claim 9 of the '440 patent is invalid for double patenting in light of claims 3 and 6 of the '573 patent. Claim 9 of the '440 patent reads as follows:

> A method as described in claim **5** wherein the second memory of the second party control unit includes an incoming **random access memory chip** which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip, a **second party hard disk** for storing the desired digital video or digital audio signals, and a playback **random access memory chip** for temporarily storing the desired digital video or digital audio signals for sequential **playback**; and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk, commanding the **second party integrated circuit** with the **second party control panel** to **play** the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the **second party hard disk** to the playback **random access memory chip** for playback.

See claim 8 for "second party control panel."[6]

See claim 7 for "second party integrated circuit"

See claim 7 for "[incoming/playback] random access memory chip."

The only other differences are the addition of a "second party hard disk" for storing the signals, and the storing step including storing and transferring the signals during the transfer, and playing of the signal. It would have been obvious to one skilled in the art in light of claims 3 and 6 of the '573 patent to have these parts and steps.

The limitation of storing and playing the digital signals was obvious in view of Gallagher at Abstract, p.1 ("user unit includes playback apparatus"), 1:19-22 (user unit with means for storing/recalling and/or processing data), 1:81-84 (database contains buffer store), 1:32-35 ("media for storage of data"), Freeny at Figs.1, 3, 22:29-30 (unit may be Apple III computer), Akashi at 1 ("personal computer recording/recording reproduction devise"), 3 ("recording/reproducing device", 4 ("optical disk recording/reproducing device"), Fig.1; Schwartz at 6:23-29 (storage medium can be magnetic disk").

Finally, it was well known within the art that digital audio could be stored on hard disk and playback would require playback random access memory. See e.g., Schwartz Fig. 1 (showing digital audio data going from hard disk to RAM Buffer to "Player Module"); 6:40-42 ("In the retrieve mode, or playback, the Disk Read/Write Module first reads the Waveform Catalog from the disk into RAM").

Claim 10

Claim 10 of the '440 patent reads as follows:

A method as described in claim **9** including after the transferring step, there is the **step of repeating** the commanding, playing, and transferring a replica steps.

[6] In order to avoid duplication of arguments, the Requestor respectfully refers the Examiner to the analysis of the previous claims and cites this analysis in the following way: "See claim __ for [discussion of limitation]."

Claim 10 of the '440 patent is invalid for double patenting in light of claims 3 and 6 of the '573 patent. The only difference is that claim 10 recites "repeating" the steps outlined. The "repeating" limitation of claim 10, which covers repeated playback of digital audio signals stored on the user's hard disk, would be inherent in a system oriented to the playback of digital audio signals from a hard disk. When data is read from a hard disk it remains intact on the hard disk, thus allowing for future reuse. Hair recognizes this well known property of hard disks in the'573 specification. '573 Patent 4:61-63 ("When a song is retrieved from the Hard Disk 60 only a replica of the permanently stored song is retrieved. The permanently stored song remains intact on the Hard Disk 60, thus allowing repeated playback.").

The entire purpose of the system disclosed in the '573 patent was for the sale of digital audio and video songs, plainly it would have been obvious to anyone that that purpose included repeatedly commanding, playing and transferring.

Moreover, the limitation of repeating the commanding, playing, and transferring a replica steps was obvious in view of Gallagher at 1:19-22 (user unit with means for storing/recalling and/or processing data), Freeny at 15:24-33 (after storage additional recordings/information will be produced).

Claim 11

Claim 11 of the '440 patent is invalid for double patenting in light of claims 1 and 4 of the '573 patent. Claim 11 of the '440 patent reads as follows:

> A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of: placing a **second party control unit** in possession and control of the second party by the second party at a desired location determined by the second party; entering into a **second party control panel** of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party; forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having desired digital video or digital audio signals; **selling electronically** by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first

memory; transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party; entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit; and **playing** the desired digital video or digital audio signals with the second party control unit.

See claim 1 for "second party control unit."

See claim 8 for "second party control panel."

See claim 9 for "playing."

See claim 1 for "selling electronically."

See claim 1 for "transferring."

Claim 12

Claim 12 is invalid over claims 2 and 5 of the '573 Patent. Claim 2 of the '573 patent reads as follows:

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.[7]

Claim 12 of the '440 patent reads as follows:

A system for transferring digital video or digital audio signals comprising: a **first party control unit** having a first memory having desired digital video or digital audio signals, and **means or a mechanism for electronically selling** the desired digital video or digital audio signals; a second party control unit having a **second party control panel**, a second memory connected to the second party control panel, and **means or a mechanism for playing** the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel, said **second party control unit** remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the

[7] Claim 5 tracks the same limitations for the video signal.

second party after the desired digital video or digital audio signals are sold to the second party by the first party.

See claim 1 for "means or mechanism for electronically selling."

See claim 8 for "second party control panel."

See claim 9 for "playing."

See claim 1 for "second party control unit."

The only difference between this claim and claims 2 and 5 of the '573 Patent is the addition of "means and a mechanism" limitation. The addition of the "means" language does not create a patentable distinction. Instead, it merely causes the claim to cover the corresponding structure, material, or acts described in the specification or their equivalents. Therefore, because the specification of the '573 patent already discloses the same structure as that disclosed in the '440 specification for electronic sales of music, "means and a mechanism for selling music electronically" does not add any new elements.

Although claims 2 and 5 of the '573 patent are not system claims like claim 12 of the '440 patent but rather method claims, they nevertheless presuppose a system to which the system of claim 12 of the '440 patent is virtually identical, from which the system of claim 12 of the '440 patent is not patently distinct, or from which claim 12 of the '440 would have been obvious in light of, by one skilled in the art. The differences between claim 12 of the '440 patent and claims 2 and 5 of the '573 patent also do not make them patently distinct, or one skilled in the art would have viewed those differences as obvious in light of claims 2 and 5 of the '573 patent.

Claim 12 of the '440 patent includes a "first party control unit" which has the first memory and a means for "electronically selling." It would have been obvious to one skilled in the art in light of claims 2 and 5 of the '573 patent to have the hardware necessary called a "control unit" to perform the desired steps in view of Gallagher at 1:19-22 (user unit with means to communicate with database and store/recall/process data received from database), 1:49-50 ("sale to the general public via their user units."); Akashi at 3-5 ("user chooses desired data using control unit", user can "purchase desired music from home"), Fig. 1, Freeny at Fig. 1, 7:53-62

(information control unit communicates with information manufacturing machine); Schwartz at 10:20-25 ("recording and playback functions can be integrated").

Finally, the only other difference between claim 12 of the '440 patent and the claims 2 and 5 of the '573 patent is that the telecommunication lines are recited to be connected to the first and second party control units as opposed to the memories as recited in claims 2 and 5 of the '573 patent. This does not make claim 12 patentably distinct.[8]

Claim 13

Claim 13 of the '440 patent reads as follows:

> A system as described in claim **12** wherein the first party control unit includes a **first party hard disk** having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales **random access memory chip** electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party's hard disk.

Claim 13 of the '440 patent is invalid for double patenting in light of claims 3 and 6 of the '573 patent. The analysis for claim 13 is the same as claim 7.

Claim 14

Claim 14 of the '440 patent reads as follows:

> A system as described in claim **13** wherein the second party control unit includes a **second party hard disk** which stores a plurality of digital video or digital audio signals, and a **playback random access memory chip** electronically connected to the second party hard disk for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.

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[8] As explained above, the '440 patent was filed before the '734 patent. Nevertheless, the '734 patent issued before the '440 patent. While the '440 patent covers more generic, means-plus-function claims, the '734 patent includes more specific claims which disclose the structure involved in the means plus function claims of the '440 patent. In In re Goodman, 11 F.3d 1046 (Fed. Cir. 1993), the Federal Circuit held that the claims of the earlier filed, but not yet issued application were "generic" to the "species" claims of the earlier issued patent to the same inventor. Accordingly, the Court held that "the generic invention is 'anticipated' by the species of the patented invention." Id. As such, all of the "generic" means-plus-function claims of the '440 patent are also invalid (due to anticipation) in view of the specific "species" claims of the '734 patent.

Claim 14 of the '440 patent is invalid for double patenting in light of claims 3 and 6 of the '573 patent. The analysis for claim 14 is the same as claim 7.

Claim 15

Claim 15 of the '440 patent is invalid for double patenting in light of claims 2 and 5 of the '573 patent. Claim 15 of the '440 patent reads as follows:

> A system as described in claim **14** wherein the first party control unit includes a **first party control integrated circuit** which controls and executes commands of the first party and is connected to the **first party hard disk**, the first party sales random access memory, and the **second party control integrated circuit** through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a **first party control panel** through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit

See claim 7 for "first party hard disk."

See claim 8 for "second party control integrated circuit."

The only differences between claim 15 of the '440 patent and claims 2 and 5 of the '573 patent do not make it patentably distinct. First, it would have been obvious to one skilled in the art to have an integrated circuit ("IC") to perform these functions and to have these connected so it all worked in view of Gallagher at 1:19-22 (user unit with means to store/recall/process data), 1:49-50 ("sale to the general public via their user units."); Freeny at Figs. 1, 3, 22:12-13 (unit may be an Apple III computer); Akashi at 2 (personal computer), 3 ("Automated Music Purchasing System"), 4 ("CPU"), Fig.1; Schwartz at 7:5-10 ("Very Large Scale Integrated Circuit (VLSIs) technology"), 10:20-25 (recording and playback functions can be integrated).

It also would have been obvious to have the ICs regulate the transfer in view of Gallagher at 1:67-74 (source unit with storage medium, encoder/decoder, transmitter/receiver), 1:93-96 ("recorded material may be sent and received *by* both the source unit and the database user unit receive material."); Freeny at Figs. 1, 3, 22:12-13 (unit may be an Apple III computer);

Akashi at 2 (user device signals host computer and host computer sends data); Schwartz at 10:20-37 (computer communications link to transmit the recorded data).

Finally, it would have been obvious to have an interface which programs the IC and which sends it commands in view of Gallagher at 1:67-74 (source unit with transmitter/receiver), 1:93-96 (material sent and received by source unit and database and user unit receives recorded material); Freeny at Figs. 1, 3, 22:12-13 (unit may be an Apple III computer); Akashi at 2 (data transmitted via personal computers); Schwartz at 10:20-37 (recording and playback functions can be integrated).

Claim 16

Claim 16 of the '440 patent reads as follows:

> A system as described in claim **15** wherein the **second party control unit** includes a **second party control integrated circuit** which controls and executes commands of the second party and is connected to the **second party hard disk**, the playback **random access memory**, and the first **party control integrated circuit** through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a **second party control panel** through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

Claim 16 of the '440 patent is invalid for double patenting in light of claims 2 and 5 of the '573 patent.

See claim 8 for "second party control integrated circuit."

See claim 1 for "second party control unit."

See claim 9 for "second party hard disk."

See claim 7 for "[playback] random access memory chip."

See claim 15 for "first party control integrated circuit."

See claim 8 for "second party control panel."

Finally, it would have been obvious to have an interface that programs the IC and sends commands to and that they be connected so it works in view of Gallagher at 1:67-74 (source unit with transmitter/receiver), 1:93-96 (material sent and received by source unit and database and

user unit receives recorded material); Freeny at Figs. 1, 3, 22:12-13 (unit may be an Apple III computer); Akashi at 2 (data transmitted via personal computers); Schwartz at 10:20-37 (recording and playback functions can be integrated).

Claim 17

Claim 17 of the '440 patent reads as follows:

> A system as described in claim **16** wherein the **second party control unit** includes an **incoming random access memory chip** connected to the **second party hard drive** and the **second party control integrated circuit**, and the **first party control unit** through the telecommunications lines for temporarily storing the desired digital video or digital audio signals received from the first party's control unit for subsequent storage to the second party hard disk.

Claim 17 of the '440 patent is invalid for double patenting in light of claims 2 and 5 of the '573 patent.

See claim 1 for "second party control unit."

See claim 7 for "[incoming] random access memory chip."

See claim 9 for "second party hard disk."

See claim 8 for "second party control integrated circuit."

See claim 12 for "first party control unit."

Claim 18

Claim 18 of the '440 patent reads as follows:

> A system as described in claim **17** wherein the second party control unit includes a **video display unit** connected to the playback **random access memory chip** and to the **second party integrated circuit** for displaying the desired digital video or digital audio signals.

See claim 1 for "second party control unit."

See claim 7 for "[playback] random access memory chip."

See claim 8 for "second party control integrated circuit."

Claim 18 of the '440 patent is invalid for double patenting in light of claims 2 and 5 of the '573 patent. The only differences between claim 18 of the '440 patent and claims 2 and 5 of the

'573 patent do not make it patentably distinct. It would have been obvious to have some type of display and to have these parts connected so that the system works in view of Gallagher at 1:87-92 (apparatus for visual reproduction), Fig. 3; Akashi at 2 (TV or computer monitor); Freeny at Fig.1, 3, 22:23-24 (Apple II monitor); Schwartz at Fig. 6. In Hair's description of the invention, he admits that video display units were well-known where he states that "the following components are already commercially available: ...the Video Display Unit 70." '573 Patent, 4:16-20.

Claim 19

Claim 19 of the '440 patent reads as follows:

> A system as described in claim **12** wherein the **means or mechanism for electronically selling** includes means or a mechanism for electronically selling includes **means or a mechanism for charging a fee** via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

Claim 19 is invalid over claims 2 and 5 of the '573 Patent.

See claim 12 for "means and mechanism."

See claim 1 for "electronically selling."

Claim 19 of the '440 patent is invalid for double patenting in light of claims 2 and 5 of the '573 patent. The only differences between claim 19 of the '440 patent and claims 2 and 5 of the '573 patent do not make it patentably distinct. First, the phrase "charging a fee" in claim 12 of the '440 patent has the same function of selling the digital signals that claims 2 and 5 of the '573 patent describe as "transferring money electronically via a telecommunications line." The difference in language creates no patentably distinct difference.

Second, although claims 2 and 5 of the '573 patent do not recite the structure for "charging a fee," the structure that would be needed for this would have been obvious to one skilled in the art in light of claims 2 and 5 of the '573 patent in view of Gallagher at 1:49-50 ("sale to the general public via their user units."); Freeny at Fig.1, 21:56-60 (communication

transmission), 13:25-36 (data communicated can be consumer credit card number); Hellman at 5:57- 6:2 (billing user).

Claim 20

Claim 20 of the '440 patent reads as follows:

> A system as described in claim **19** wherein the second party has an **account** and the means or mechanism for charging a fee includes **means or a mechanism for charging the account** of the second party.

See claim 3 for "account" and for "means or mechanism for charging the account."

Claim 21

Claim 21 of the '440 patent reads as follows:

> A system as described in claim **20** wherein the means or mechanism for charging the account includes **means or a mechanism for receiving a credit card number** of the second party.

Claim 21 of the '440 patent is invalid for double patenting in light of claims 3 and 6 of the '573 patent. The analysis for claim 21 is the same as claim 4 along with the fact that the structure needed to receive a credit card number to have been obvious to one skilled in the art in view of Gallagher at 1:49-50 ("sale to the general public via their user units."); Freeny at Fig.1, 21:56-60 (communication transmission), 13:25-36 (data communicated can be consumer credit card number); Hellman at 5:57- 6:2 (billing user).

See also claim 1 re "selling electronically."

See also claim 12 for "means and a mechanism."

Claim 22

Claim 22 of the '440 patent is invalid for double patenting in light of claims 1 and 4 of the '573 patent. Claim 22 of the '440 patent reads as follows:

> A method for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising the steps of: placing a **second party control unit** having a receiver and the second memory connected to the receiver by the second party at a desired location determined by the second party; **selling electronically** via telecommunications lines to the second party at a location

remote from the first memory by the first party controlling use of the first memory, said second party financially distinct from the first party, said second party in control and in possession of the second memory; connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween; transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party control unit having the second memory at the location determined by the second party while said receiver is in possession and control of the second party; storing the digital video or digital audio signals in the second memory; and **playing** the digital video or digital audio signals in the second memory with the second party control unit.

See claim 1 for "second party control unit."

See claim 1 for "selling electronically."

See claim 9 for "playing."

Claim 23

Claim 23 is invalid over claims 1 and 4 of the '573 Patent. Claim 23 of the '440 patent reads as follows:

A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising: **means or mechanism for transferring money electronically** via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory, said second party controlling use and in possession of the second memory; **means or a mechanism for connecting electronically** via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism; **means or a mechanism for transmitting** the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism; **means or a mechanism for storing** the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and **means or mechanism for playing** the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

See claim 21 for "means or mechanism for transferring money electronically."

See also claim 1 re "selling electronically."

See also claim 9 re "second party hard disk" and "storing."

See also claim 9 re "playing."

See also claim 12 for "means and a mechanism."

Although claims 1 and 4 of the '573 patent are not system claims like claim 23 of the '440 patent but method claims, they nevertheless disclose a system to which the system of claim 23 of the '440 patent is virtually identical, from which the system of claim 23 of the '440 patent is not patently distinct, or from which claim 23 of the '440 would have been obvious in light of by one skilled in the art. The differences between claim 23 of the '440 patent and claims 1 and 4 of the '573 patent also do not make them patently distinct, or one skilled in the art would have viewed those differences as obvious in light of claims 1 and 4 of the '573 patent.

Claim 23 of the '440 patent recites a means for "connecting electronically via telecommunication lines" and that it be in "electrical communication" with the transferring structure. One skilled in the art in light of claims 1 and 4 of the '573 patent would know what structure would be needed to connect the telecommunications lines to the respective parties in view of Gallagher at 1:49-50 ("sale to the general public via their user units."), 2:92-93 ("home-buying", "immediate access"), 1:28-31 (media for data transfer); Freeny at 13:25-36 (communication of data); Akashi at 3 (NCU employed as communication method), Fig.1; Schwartz at 10:20-25 (transmission by modem); Hellman at 5:57- 6:2 (billing user).

Furthermore, it is inherent to have "electrical communication" between the transferring and connecting structures as these structures are the same, or at least one skilled in the art in light of claims 1 and 4 of the '573 patent would have known to have "electrical communication" between the transferring and connecting structures in view of Gallagher at 1:19-22 (user unit with means for communication with database to receive data from database); Freeny at 9:39-41 (unit constructed to receive encoded information), Fig. 1; Akashi at 2 (host computer sends data), 3 (communication line between host computer database and recording/reproducing device), 4 (data

recorded using recording/reproducing device), Fig.1, 2); Schwartz at 10:20-25 ("recording and playback functions can be integrated"), Fig. 6. Claim 23 of the '440 patent also recites a means for storing the digital signals.

Further, claim 23 of the '440 patent recites "playing" the digital signals and a means for doing this. The limitation of storing and playing the digital signals was obvious in view of Gallagher at Abstract, p.1 ("user unit includes playback apparatus."), 1:19-22 (user unit with means for storing/recalling/ processing data), 1:81-84 (buffer store), 1:32-35 (storage media); Freeny at Figs.1, 3, 22:29-30 (unit may be an Apple III computer); Akashi at 1 (personal computer recording/recording reproduction device), 4 (data recorded to recordable optical disc), Fig.1; Schwartz at 6:23-29 (storage medium can be magnetic disk), 6:40-46 (playback from the disk), 7:39-41 (playing at output end of system).

Claim 24

Claim 24 is invalid over claims 1 and 4 of the '573 Patent. Claim 24 of the '440 patent reads as follows:

> A system as described in claim **23** wherein the **connecting means or mechanism** comprise a **first control unit** in possession and control of the first party and a **second control unit** in possession and control of the second party.

The analysis for claim 24 is the same as the discussion on "control unit" for claim 1.

See claim 23 for "connecting means or mechanism."

See claim 12 for "first party control unit."

See claim 1 for "second party control unit."

Claim 25

Claim 25 of the '440 patent reads as follows:

> A system as described in claim **18** wherein the first control unit comprises a **first control panel**, **first control integrated circuit** and a **sales random access memory**, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said **second control unit** comprising a **second control**

panel, a **second control integrated circuit**, an **incoming random access memory** and a **playback random access memory**, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

Claim 25 of the '440 patent is invalid for double patenting in light of claims 1 and 4 of the '573 patent. All of the new terms in Claim 25 have been addressed previously in the above claims as follows:

See claim 15 for "first party control panel."

See claim 15 for "first party control integrated circuit."

See claim 7 for "[sales/incoming/playback] random access memory chip."

See claim 1 for "second party control unit."

See claim 8 for "second party control panel."

See claim 8 for "second party control integrated circuit."

Claim 26

Claim 26 of the '440 patent reads as follows:

A system as described in claim **25** wherein the telecommunications lines include **telephone lines**.

Claim 26 of the '440 patent is invalid for double patenting in light of claims 3 and 6 of the '573 patent. There is no difference in claim 26 and claims 3 and 6 of the '573 patent because claim 3 recites that the "...transferring step includes telephoning..." ('573, 6:32) which would require that telephone lines be included. At the least, the limitation to use telephone lines was obvious in view of Gallagher at 1:28-31 ("high speed telephone links", "normal telephone links"); Freeny at Figs. 1, 21:57-60 (transmission via telephone lines); Akashi at 1 ("telephone lines"); Schwartz at 10:20-25 (communications link with modem), Fig. 6.

Claim 27

Claim 27 of the '440 patent reads as follows:

A system as described in claim **26** wherein the first memory comprises a **first hard disk** and the second memory comprises a **second hard disk**.

Claim 27 of the '440 patent is invalid for double patenting in light of claims 3 and 6 of the '573 patent.

See claim 7 for "first party hard disk."

See claim 9 for "second party hard disk."

Claim 28

Claim 28 of the '440 patent reads as follows:

A system as described in claim **27** including a **video display** and **speakers** in possession and control of the second party, said video display and speakers in electrical communication with said **second control integrated circuit**.

Claim 28 of the '440 patent is invalid for double patenting in light of claims 3 and 6 of the '573 patent.

See claim 18 for "video display."

See claim 1 for "speakers."

See claim 8 for "second party control integrated circuit."

Moreover, in Hair's description of the invention, he admits that video display units were well-known where he states that "the following components are already commercially available: ...the Video Display Unit 70." '573 Patent, 4:16-20.

Claim 29

Claim 29 is invalid over claims 2 and 5 of the '573 Patent. Claim 29 of the '440 patent reads as follows:

A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising: **means or a mechanism for the first party to charge a fee** to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said first party controlling use of the first memory, said second party controlling use and in possession of the second memory; **means or a mechanism for connecting electronically** via telecommunications lines the

first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism; **means or a mechanism for transmitting** the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism; **means or a mechanism for storing** the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and **means or mechanism for playing** the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

See claim 19 for "means of mechanism for the first party to charge a fee."

Although claims 2 and 5 of the '573 patent are not system claims like claim 29 of the '440 patent but rather method claims, they nevertheless disclose a system to which the system of claim 29 of the '440 patent is virtually identical, from which the system of claim 29 of the '440 patent is not patently distinct, or from which claim 29 of the '440 would have been obvious in light of by one skilled in the art. The differences between claim 29 of the '440 patent and claims 2 and 5 of the '573 patent also do not make them patently distinct, or one skilled in the art would have viewed those differences as obvious in light of claims 2 and 5 of the '573 patent.

Claim 29 of the '440 patent recites respective "locations" for the first and second memories. Claim 29 of the '440 patent having the memories at first and second "locations" does not add anything patently distinct over claims 2 and 5 of the '573 patent or having the "locations" is inherent in a claimed system. Moreover, one skilled in the art would have known that the locations could and would mostly be in different locations in light of claims 2 and 5 of the '573 patent in view of Gallagher at 2:92-93 ("home-buying", "immediate access"); Freeny at Fig. 1, 5:45-47 (information machine at location remote from point of sale location); Akashi at 4 (user is at home); Schwartz at 10:25 ("transmitted for playback at the remote location").

Claim 29 of the '440 patent also includes a "means for...charging a fee to the second party for access" to the digital signals. First, this language has the same function as claims 2 and

5 of the '573 patent in that they both refer to charging money to the purchaser before accessing the digital signals. The difference in language creates no patentably distinct difference. Further, the "means for" or structure to do this would have been obvious to one skilled in the art in light of claims 2 and 5 of the '573 patent in view of Hellman at 5:57- 6:2 (billing user); Gallagher at 1:49-50 ("sale to the general public via their user units."); Akashi at 1 ("Automatic Music Purchase System"); Freeny at Fig. 1, Col. 21:56-60 (communication/transmission over telephone lines)), 13:25-36 (communicate credit card number to charge sale).

The language of claim 29 of the '440 patent also requires that the digital signals to be at a location remote from the second party. Having the signals remote from the purchaser would have been obvious to one skilled in the art in light of claims 2 and 5 of the '573 patent in view of Gallagher at 2:92-93 ("home-buying", "immediate access"); Freeny at Fig. 1, 5:45-47 (information machine at location remote from point of sale location); Akashi at 4 (user is at home); Schwartz at 10:25 (transmit data to remote playback facility).

Claim 29 of the '440 patent then recites a "means for ...connecting" and that this connecting means be in "electrical communication" with the "transferring means." First, the means for or the structure needed to connect the telecommunication lines between the first and second memory is inherent in the telecommunication lines and adds nothing that is patentably distinct. At the least, this structure would have been obvious to one skilled in the art in light of claims 2 and 5 of the '573 patent in view of Gallagher at 1:49-50 ("sale to the general public via their user units."); 2:92-93 ("home-buying", "immediate access"), 1:28-31 (media for data transfer); Freeny at 21:56-60 (transmission via telephone lines); Akashi at 3-4 (NCU employed as computer communication method), Fig.1, 2; Schwartz at 10:20-25 (communications link with modem); Hellman at 5:57- 6:2 (billing user).

Secondly, it is inherent to have "electrical communication" between the transferring and connecting structures as these structures are the same, or at least one skilled in the art would have known to have "electrical communication" between the transferring and connecting structures in

view of Gallagher at 1:19-22 (unit with means for communication with database including transmitter/receiver interface); Freeny at 9:39-41 (master file unit of information manufacturing machine), Fig. 1; Akashi at 3-4 (NCU employed as computer communication method, access signal/response signal/data sent through NCU), Fig.1; Schwartz at 10:20-25 (communication link with modem for transmission), Fig. 6.

Claim 29 of the '440 patent then recites a "means for" the transmitting the signals and that it be in "electrical communication" with the "connecting means." The structure necessary for transmitting the signals would have been obvious to one skilled in the art in light of claims 2 and 5 of the '573 patent, as would having the structures for transmitting and connecting to be in "electrical communication" or hardwired together so that the system runs together in view of Gallagher at 1:49-50 ("sale to the general public via their user units."), 2:92-93 ("home-buying", "immediate access"), 1:28-31 (media for data transfer); Freeny at 21:56-60 (communication link as a transmission type); Akashi at 3-4 (NCU employed as computer communication method, access signal/response signal/data sent through NCU), Fig.1; Schwartz at 10:20-25 (transmission/communication with modem); Hellman at 5:57- 6:2 (billing user).

The other difference that the receiver of the second party to be placed at the "second party location" is inherent for the system to work and at the least would have been obvious to one skilled in the art in light of claims 2 and 5 of the '573 patent in view of Gallagher at 2:92-93 ("home-buying", "immediate access"); Freeny at Fig. 1, 5:45-47 (information machine at location remote from point of sale location); Akashi at 4 (user is at home); Schwartz at 10:25 (transmit data to remote playback facility).

Another difference is that claim 29 of the '440 patent recites a "means for" storing the signals and that it be in "electrical communication" with the "transmitting means." The structure needed to store the signals would have been obvious to one skilled in the art in light of claims 2 and 5 of the '573 patent, as would having the structures for storing and transmitting to be in "electrical communication," or hardwired together, so that the system works in view of Gallagher

at 1:49-50 ("sale to the general public via their user units."), 2:92-93 ("home-buying", "immediate access"), 1:28-31 (media for data transfer); Freeny at 5:1-4 (machine receives information via input line), 5:18-21 (machine provides stored information to second machine via communication link); Akashi at 3 (NCU employed as communication method in recording/reproducing device), Fig.1; Schwartz at 10:20-25 (recording function and modem used together); Hellman at 5:57- 6:2 (billing user).

Finally, claim 29 of the '440 patent includes a "means for ... playing" the signals and that this means be in connection with the second memory. It would have been obvious to one skilled in the art in light of claims 2 and 5 of the '573 patent to "play" the signals purchased along with the hardware and software needed to play the signals as would having it "connected" or hardwired to the second memory so that the signals could be accessed to play in view of Gallagher at Abstract, p.1 ("user unit includes playback apparatus."), 1:19-22 (unit with means for storing/recalling/processing data), 1:81-84 (database having buffer store), 1:32-35 (storage media); Freeny at Figs.1, 3, 22:29-30 (unit may be an Apple III computer); Akashi at 2 (recording/recording reproduction devise in personal computer is sent data); Schwartz at 6:23-29 (storage medium can be magnetic disk), 6:40-46 (playback using read and playback module), 7:39-41 (RAM used in playing).

Claim 30

Claim 30 of the '440 patent reads as follows:

> A system as described in claim **29** wherein the means or mechanism for the first party to charge a fee includes **means or a mechanism for transferring money electronically** via telecommunications lines to the first party at a location remote from the second memory at the second location.

Claim 30 is invalid over claims 2 and 5 of the '573 Patent.

See claim 21 for "means or a mechanism for transferring money electronically."

Claim 31

Claim 31 of the '440 patent reads as follows:

A system as described in claim **30** wherein the connecting means or mechanism comprise a **first control unit** in possession and control of the first party and a **second control unit** in possession and control of the second party.

Claim 31 of the '440 patent is invalid for double patenting in light of claims 2 and 5 of the '573 patent. The analysis for claim 31 is the same as the discussion of a "control unit" in claim 1.

See claim 12 for "first party control unit."

See claim 1 for "second party control unit."

Claim 32

Claim 32 of the '440 patent reads as follows:

A system as described in claim **31** wherein the first control unit comprises a **first control panel, first control integrated circuit** and a **sales random access memory,** said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a **second control panel,** a **second control integrated circuit,** an **incoming random access memory** and a **playback random access memory,** said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

Claim 32 of the '440 patent is invalid for double patenting in light of claims 2 and 5 of the '573 patent. The analysis for claim 32 is the same as for claim 25.

Claim 33

Claim 33 of the '440 patent reads as follows:

A system as described in claim **32** wherein the telecommunications lines include **telephone lines.**

Claim 33 of the '440 patent is invalid for double patenting in light of claims 2 and 5 of the '573 patent. The analysis for claim 33 is the same as for claim 26 above.

Claim 34

Claim 34 of the '440 patent reads as follows:

A system as described in claim **33** wherein the first memory comprises a **first hard disk** and the second memory comprises a **second hard disk**.

Claim 34 of the '440 patent is invalid for double patenting in light of claims 2 and 5 of the '573 patent. The analysis for claim 34 is the same as for claim 27 above.

Claim 35

Claim 35 of the '440 patent reads as follows:

A system as described in claim **34** including a **video display** and **speakers** in possession and control of the second party, said video display and speakers in electrical communication with said **second control integrated circuit**.

Claim 35 of the '440 patent is invalid for double patenting in light of claims 2 and 5 of the '573 patent. The analysis for claim 35 is the same as for claim 28 above.

Claim 36

Claim 36 of the '440 patent reads as follows:

A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising the steps of: placing a **second party control unit** having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location; charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines; connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween; transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines; storing the digital video or digital audio signals in the second memory; and **playing** the digital video or digital audio signals stored in the second memory with the second party control unit.

Claim 36 of the '440 patent is invalid for double patenting in light of claims 2 and 5 of the '573 patent.

See claim 1 for "second party control unit."

See claim 9 for "playback."

Claim 37

Claim 37 of the '440 patent reads as follows:

A method as described in claim **36** wherein the step of charging a fee includes the step of **charging a fee via telecommunications lines** by the first party to the second party at a location remote from the second party location.

Claim 37 of the '440 patent is invalid for double patenting in light of claims 2 and 5 of the '573 patent. The analysis for claim 37 is the same as for claim 2 above.

Claim 38

Claim 38 of the '440 patent reads as follows:

A method as described in claim **37** wherein the second party has an **account** and the step of charging a fee includes the step of **charging the account** of the second party.

Claim 38 of the '440 patent is invalid for double patenting in light of claims 2 and 65 of the '573 patent. The analysis for claim 38 is the same as for claim 3 above.

Claim 39

Claim 39 of the '440 patent reads as follows:

A method as described in claim **38** wherein the step of charging the account of the second party 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.

Claim 39 of the '440 patent is invalid for double patenting in light of claims 2 and 5 of the '573 patent. The analysis for claim 39 is the same as for claim 4 above.

Claim 40

Claim 40 of the '440 patent reads as follows:

A method as described in claim **39** including after the transferring step, there is the **step of repeating** the charging a fee, connecting, and transferring steps.

Claim 40 of the '440 patent is invalid for double patenting in light of claims 2 and 5 of the '573 patent.

See claim 10 for "step of repeating."

Claim 41

Claim 41 of the '440 patent reads as follows:

> A method for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising the steps of: **selling electronically** via telecommunications lines to the second party at a location remote from the first memory by the first party controlling use of the first memory, said second party financially distinct from the first party, said second party in control and in possession of a **second party control unit** having a receiver and the second memory connected to the receiver; connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween; transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver connected to the second memory of the second party control unit at the location determined by the second party while said second party control unit is in possession and control of the second party; storing the digital video or digital audio signals in the second memory; and **playing** the digital video or digital audio signals stored in the second memory with the second party control unit.

Claim 41 of the '440 patent is invalid for double patenting in light of claims 1 and 4 of the '573 patent. The analysis is the same as in claim 1 and in claim 9.

Claim 42

Claim 42 of the '440 patent reads as follows:

> A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of: placing a **second party control unit** having a second memory by the second party at a desired location determined by the second party; forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals; selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory; transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; and **playing** the digital video or digital audio signals stored in the second memory with the second party control unit.

Claim 42 of the '440 patent is invalid for double patenting in light of claims 1 and 4 of the '573 patent. The analysis is the same as in claim 1.

Claim 43

Claim 43 of the '440 patent reads as follows:

> A method as described in claim **42** wherein the second party is at a second party location and the step of **selling electronically** includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

Claim 43 of the '440 patent is invalid for double patenting in light of claims 1 and 4 of the '573 patent. The analysis of claim 43 is the same as claim 2.

Claim 44

Claim 44 of the '440 patent reads as follows:

> A method as described in claim **43** wherein the second party has an **account** and the step of charging a fee includes the step of charging the account of the second party.

Claim 44 of the '440 patent is invalid for double patenting in light of claims 1 and 4 of the '573 patent. The analysis of claim 44 is the same as claim 3.

Claim 45

Claim 45 of the '440 patent reads as follows:

> A method as described in claim **44** wherein the step of charging the account of the second party 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.

Claim 45 of the '440 patent is invalid for double patenting in light of claims 1 and 4 of the '573 patent. The analysis of claim 45 is the same as claim 4.

Claim 46

Claim 46 of the '440 patent reads as follows:

A method for transferring desired digital video or digital audio signals comprising the steps of: placing a **second party control unit** having a second memory by the second party at a desired second party location determined by the second party; forming a connection through telecommunications lines between a first memory of a first party and the second memory of a second party, said first memory having said desired digital video or digital audio signals; incurring a fee by the second party to the first party for the use of telecommunications lines, the desired digital video or digital audio signals in the first memory; transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party; and **playing** the digital video or digital audio signals stored in the second memory with the second party control unit.

Claim 46 of the '440 patent is invalid for double patenting in light of claims 2 and 5 of the '573 patent. The analysis is the same as in claim 1 except for replacing the analysis of "electronically selling" with "incurring a fee."

Claim 47

Claim 47 of the '440 patent reads as follows:

A system for transferring digital video signals from a first party to a second party at a second party location comprising: a **first party control unit** having a first memory having a plurality of desired individual video selections as desired digital video signals, and **means or a mechanism for the first party to charge a fee** to the second party for access to the desired digital video signals at a location remote from the second party location; a **second party control unit** having a **second party control panel**, a receiver and a **video display** for **playing** the desired digital video signals received by the receiver, said second party control panel connected to the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party.

Claim 47 of the '440 patent is invalid for double patenting in light of claim 5 of the '573 patent.

See claim 12 for "first party control unit."

See claim 19 for "means or mechanism for the first party to charge a fee."

See claim 1 for "second party control unit."

See claim 8 for "second party control panel."

See claim 18 for "video display."

See claim 9 for "playing."

Claim 48

Claim 48 of the '440 patent reads as follows:

> A system as described in claim **47** wherein the **second party control unit** includes a second memory which is connected to the receiver and the **video display**, said second memory storing the digital video signals that are received by he receiver to provide the video display with the digital video signals.

Claim 48 of the '440 patent is invalid for double patenting in light of claim 5 of the '573 patent.

See claim 1 for "second party control unit."

See claim 18 for "video display."

Claim 49

Claim 49 of the '440 patent reads as follows:

> A system as described in claim **48** wherein the first party control unit includes a **first party hard disk** having a plurality of digital video signals which include the desired digital video signals, and a sales **random access memory chip** electronically connected to the first party hard disk for storing a replica of the desired digital video signals of the first party's hard disk.

Claim 49 of the '440 patent is invalid for double patenting in light of claim 5 of the '573 patent. The analysis of claim 49 is the same as in claim 13.

Claim 50

Claim 50 of the '440 patent reads as follows:

A system as described in claim **49** wherein the second party control unit includes a **second party hard disk** which stores a plurality of digital video signals, and a playback **random access memory chip** electronically connected to the second party hard disk for storing a replica of the desired digital video signals as a temporary staging area for playback.

Claim 50 of the '440 patent is invalid for double patenting in light of claim 5 of the '573 patent. The analysis of claim 50 is the same as in claim 14.

Claim 51

Claim 51 of the '440 patent reads as follows:

A system as described in claim **50** wherein the first party control unit includes a **first party control integrated circuit** which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the **second party control integrated circuit** through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video signals; and a **first party control panel** through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

Claim 51 of the '440 patent is invalid for double patenting in light of claim 5 of the '573 patent. The analysis of claim 50 is the same as in claim 15.

Claim 52

Claim 52 of the '440 patent reads as follows:

A system as described in claim **51** wherein the second party control unit includes a **second party control integrated circuit** which controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video signals; and a **second party control panel** through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

Claim 52 of the '440 patent is invalid for double patenting in light of claim 5 of the '573 patent. The analysis of claim 52 is the same as in claim 16.

Claim 53

Claim 53 of the '440 patent reads as follows:

A system as described in claim **52** wherein the second party control unit includes an incoming **random access memory chip** connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party's control unit for subsequent storage to the second party hard disk.

Claim 53 of the '440 patent is invalid for double patenting in light of claim 5 of the '573 patent. The analysis of claim 53 is the same as in claim 17.

Claim 54

Claim 54 of the '440 patent reads as follows:

A system as described in claim **53** wherein the second to party control unit includes a **video display unit** connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video signals.

Claim 54 of the '440 patent is invalid for double patenting in light of claim 5 of the '573 patent. The analysis of claim 54 is the same as in claim 18.

Claim 55

Claim 55 of the '440 patent reads as follows:

A system as described in claim **47** wherein the means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.

Claim 55 of the '440 patent is invalid for double patenting in light of claim 5 of the '573 patent. The analysis of claim 55 is the same as in claim 19.

Claim 56

Claim 56 of the '440 patent reads as follows:

A system as described in claim **55** wherein the second party has an **account** and the means or mechanism for charging a fee includes **means or a mechanism for charging the account** of the second party.

Claim 56 of the '440 patent is invalid for double patenting in light of claim 5 of the '573 patent. The analysis of claim 56 is the same as in claim 20.

Claim 57

Claim 57 of the '440 patent reads as follows:

A system as described in claim **56** wherein the means or mechanism for charging the account includes **means or a mechanism for charging a credit card number** of the second party.

Claim 57 of the '440 patent is invalid for double patenting in light of claim 5 of the '573 patent. The analysis of claim 57 is the same as in claim 21.

Claim 58

Claim 58 of the '440 patent is invalid for double patenting in light of claim 5 of the '573 patent. Claim 58 of the '440 patent reads as follows:

A method for transmitting desired digital video signals stored in a first memory having a **plurality of individual video selections** as digital video signals of a first party at a first party location to a second party at a second party location so the second party can view the desired digital video signals comprising the steps of: placing by the second party a receiver, and a **video display** connected to the receiver at the second party location determined by the second party which is remote from the first party location; charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals; connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party; choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected; transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party; and **displaying** the desired video signals received by the receiver on the video display in possession and control of the second party.

The highlighted differences between claim 58 of the '440 patent and claim 5 of the '573 patent do not make it patentably distinct. The entire purpose of the innovation disclosed in the '573 patent is multiple video selections. It is obvious that the seller would sell a "plurality of individual video selections." Moreover, the "plurality of video selections" was obvious in view of Gallagher at 1:5 (recorded data), 1:6-8 (digital data), Figs. 2 & 3); Freeny at 1:10-14 (information embodied in material objects), 6:32-37 (data in digital format), Figs. 1, 3); Schwartz at 10:20-25 (playback facility, playback functions). The "sales random access memory chip" was also obvious in view of Gallagher at 1:81-84 (database includes a buffer store); Freeny at Fig.2, 22:12-13 ("the control manufacturing unit 72 may be an Apple III computer"); Schwartz at 7:39-41 ("RAM Buffer Module").

Next, the limitation of displaying the digital signals was obvious in view of Gallagher at Abstract, p.1 ("user unit includes playback apparatus."), 1:19-22 (unit with means of recalling/processing data), 1:32-35 (storage media)); Freeny at Figs.1, 3, 22:29-30 (unit may be an Apple III computer); Akashi at 2 (computer monitor), 4 (data recorded using recording/reproducing device); Schwartz at 6:23-29 (storage medium can be magnetic disk), 6:40-46 ("Player module"), 7:39-41 (playing module). The limitation of having a "video display" was obvious in view of Gallagher at 1:87-92 (apparatus for visual reproduction), Fig. 3; Freeny at 13:14-17 (input line), 22:9-13 (Apple II monitor), Figs. 1,2); Akashi at 2 (computer monitor, TV monitors), 4 (using monitor screen), Fig. 1); Schwartz at 7:5-10 (integrated circuit), 10:20-25 (playback facility), Figs.5 & 6. In Hair's description of the invention, he admits that video display units were well-known where he states that "the following components are already commercially available: ...the Video Display Unit 70." '573 Patent, 4:16-20.

Claim 59

Claim 59 of the '440 patent reads as follows:

A method as described in claim **58** wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the

second party can obtain access to the desired digital video signals stored on the first memory.

Claim 59 of the '440 patent is invalid for double patenting in light of claim 5 of the '573 patent. The analysis for claim 59 is the same as claim 2.

Claim 60

Claim 6 of the '440 patent reads as follows:

A method as described in claim **59** wherein the second party has an **account** and the step of charging a fee includes the step of **charging the account** of the second party.

Claim 60 of the '440 patent is invalid for double patenting in light of claim 5 of the '573 patent. The analysis for claim 60 is the same as claim 3.

Claim 61

Claim 61 of the '440 patent reads as follows:

A method as described in claim **60** wherein the step of charging the account of the second party 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.

Claim 61 of the '440 patent is invalid for double patenting in light of claim 5 of the '573 patent. The analysis for claim 61 is the same as claim 4.

Claim 62

Claim 62 of the '440 patent reads as follows:

A system for transferring digital audio signals from a first party to a second party at a second party location comprising: a **first party control unit** having a first memory having a **plurality of desired individual songs** as desired digital audio signals, and **means or a mechanism for the first party to charge a fee** to the second party for access to the desired digital audio signals at a location remote from the second party location; a **second party control unit** having a **second party control panel**, a receiver and **speakers** for **playing** the desired digital audio signals received by the receiver, said second party control panel connected to the speakers and the receiver, said receiver and speakers operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed

by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital audio signals from the first memory with said second party control panel; and telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital audio signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital audio signals are sold to the second party by the first party.

Claim 62 of the '440 patent is invalid for double patenting in light of claim 2 of the '573 patent.

See claim 12 for "first party control unit."

See claim 19 for "means or a mechanism for the first party to charge a fee."

See claim 1 for "second party control unit."

See claim 8 for "second party control panel."

See claim 1 for "speakers."

See claim 9 for "playing."

The only other differences between claim 62 of the '440 patent and claim 2 of the '573 patent do not make it patentably distinct. First, the limitation of having "plurality of desired individual songs" was obvious in view of Gallagher at 1:5 (recorded data), 1:6-8 (digital data), 1:87-92 (apparatus for audio reproduction), Figs. 2 & 3); Freeny at 1:10-14 (information embodied in material objects), 6:32-37 (data in digital format), Figs. 1, 3); Akashi at 2 (recorded music data transmitted to devise installed in personal computer); Schwartz at 10:20-25 (playback facility, playback functions). The "means or a mechanism for the first party to charge a fee" was also obvious in view of Hellman at 5:57- 6:2 (billing user); Gallagher at 1:49-50 ("sale to the general public via their user units."); Akashi at 1 ("Automatic Music Purchase System"); Freeny at Fig. 1, Col. 21:56-60 (communication/transmission over telephone lines)), 13:25-36 (communicate credit card number to charge sale).

Claim 63

Claim 63 of the '440 patent reads as follows:

> A method for transmitting desired digital audio signals stored in a first memory having a **plurality of individual songs** as digital audio signals of a first party at a first party location to a second party at a second party location so the second party can listen to the desired digital audio signals comprising the steps of: placing by the second party a receiver, and **speakers** connected to the receiver at the second party location determined by the second party which is remote from the first party location; charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital audio signals; connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party; choosing the desired digital audio signals by the second party from the first memory of the first party so desired songs are selected; transmitting the desired digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party; and **playing** the desired audio signals received by the receiver on the speakers in possession and control of the second party.

Claim 63 of the '440 patent is invalid for double patenting in light of claim 2 of the '573 patent.

See claim 1 for "speakers."

See claim 9 for "playing."

The only differences between claim 63 of the '440 patent and claims 2 and 5 of the '573 patent do not make it patentably distinct. First, the limitation of having "plurality of individual songs" so the second party can "listen" was obvious in view of Gallagher at 1:5 (recorded data), 1:6-8 (digital data), 1:87-92 (apparatus for audio reproduction), Figs. 2 & 3); Freeny at 1:10-14 (information embodied in material objects), 6:32-37 (data in digital format), Figs. 1, 3); Akashi at 2 (recorded music data transmitted to devise installed in personal computer); Schwartz at 10:20-25 (playback facility, playback functions).

C. Double Patenting Invalidity of the '440 Patent via the '734 Patent Alone, or via Combinations of the '573 and '734 Patents.

In addition to being invalid for obviousness type double patenting in view of the '573 patent, the '440 patent can also be invalidated via the '734 patent alone, or via combinations of the '573 and '734 patents. In the interest of efficient presentation to the Examiner, the Requestor does not repeat the claim by claim analysis and arguments for these combinations but rather provides the Examiner with a representative summary of the potential claim combinations, as follows:

Claims of the '440 Patent	Claims of the '734 Patent	Combination of the '573 and '734 Patents
Claim 1	1, 3 and 4	'573 1 and 4 plus '734 1, 3 and 4
Claim 2	1, 3 and 4	'573 1 and 4 plus '734 1, 3 and 4
Claim 3	1, 3 and 4	'573 1 and 4 plus '734 1, 3 and 4
Claim 4	1, 3 and 4	'573 1 and 4 plus '734 1, 3 and 4
Claim 5	1, 3 and 4	'573 1 and 4 plus '734 1, 3 and 4
Claim 6	1, 3 and 4	'573 1 and 4 plus '734 1, 3 and 4
Claim 7	1, 3 and 4	'573 1 and 4 plus '734 1, 3 and 4
Claim 8	1, 3 and 4	'573 1 and 4 plus '734 1, 3 and 4
Claim 9	1, 3 and 4	'573 1 and 4 plus '734 1, 3 and 4
Claim 10	1, 3 and 4	'573 1 and 4 plus '734 1, 3 and 4
Claim 11	1, 3, 4 and 6	'573 1 and 4 plus '734 1, 3, 4 and 6
Claim 12	28 through 34	'573 1 and 4 plus '734 28 through 34
Claim 13	28 through 34	'573 1 and 4 plus '734 28 through 34
Claim 14	28 through 34	'573 1 and 4 plus '734 28 through 34
Claim 15	28 through 34	'573 1 and 4 plus '734 28 through 34
Claim 16	28 through 34	'573 1 and 4 plus '734 28 through 34
Claim 17	28 through 34	'573 1 and 4 plus '734 28 through 34
Claim 18	28 through 34	'573 1 and 4 plus '734 28 through 34
Claim 19	28 through 34	'573 1 and 4 plus '734 28 through 34

Claim 20	28 through 34	'573 1 and 4 plus '734 28 through 34
Claim 21	28 through 34	'573 1 and 4 plus '734 28 through 34
Claim 22	1 through 3	'573 1 and 4 plus '734 1 through 3
Claim 23	11	'573 1 and 4 plus '734 11
Claim 24	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 25	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 26	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 27	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 28	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 29	11	'573 1 and 4 plus '734 11
Claim 30	11	'573 1 and 4 plus '734 11
Claim 31	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 32	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 33	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 34	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 35	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 36	1 through 4	'573 1 and 4 plus '734 1 through 4
Claim 37	1 through 4	'573 1 and 4 plus '734 1 through 4
Claim 38	1 through 4	'573 1 and 4 plus '734 1 through 4
Claim 39	1 through 4	'573 1 and 4 plus '734 1 through 4
Claim 40	1 through 4	'573 1 and 4 plus '734 1 through 4
Claim 41	1 through 4	'573 1 and 4 plus '734 1 through 4
Claim 42	1 through 4	'573 1 and 4 plus '734 1 through 4
Claim 43	1 through 4	'573 1 and 4 plus '734 1 through 4
Claim 44	1 through 4	'573 1 and 4 plus '734 1 through 4
Claim 45	1 through 4	'573 1 and 4 plus '734 1 through 4
Claim 46	1 through 4	'573 1 and 4 plus '734 1 through 4
Claim 47	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 48	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 49	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 50	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 51	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 52	4 through 11	'573 1 and 4 plus '734 4 through 11

Claim 53	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 54	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 55	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 56	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 57	4 through 11	'573 1 and 4 plus '734 4 through 11
Claim 58	19	'573 1 and 4 plus '734 19
Claim 59	16 and 19	'573 1 and 4 plus '734 16 and 19
Claim 60	16 and 19	'573 1 and 4 plus '734 16 and 19
Claim 61	16 and 19	'573 1 and 4 plus '734 16 and 19
Claim 62	26	'573 1 and 4 plus '734 26
Claim 63	26	'573 1 and 4 plus '734 26

CONCLUSION

The prior art documents referred to above were not of record (except Freeny) in the file of the Hair '440 patent. Since the claims in the Hair patent are not patentable over these prior art documents, a substantial new question of patentability is raised. Further, these prior art documents are closer to the subject matter of Hair than any prior art which was cited during the prosecution of the Hair patent. These prior art documents provide disclosures and teachings not considered during the prosecution of the Hair patent. Additionally, under double patenting. none of the limitations of the claims of the '440 patent are patentably distinct over the claims of the '573 patent, and all of them would have been obvious to the person of ordinary skill in the art, in 1988.

In view of the above, it is respectfully requested that reexamination be granted based upon the substantial new questions of patentability presented. It is further respectfully requested that each of claims 1 through 63 be rejected over the prior art for the reasons specified above.

Dated: January 31, 2005

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APPENDIX A

The Freeny Prior Art Reference - U.S. Patent No. 4,528,643 ("Freeny")

Freeny, U.S. Patent No. 4,528,643, anticipates the Hair Patents based on an intervening decision by the Federal Circuit reversing the claim construction of Freeny that Hair and the Examiner relied upon to allow the '440 patent to issue. As explained in detail below, notwithstanding Hair's attempts to distinguish Freeny, the Examiner repeatedly rejected the '440 patent as obvious in light of Freeny. Subsequent thereto, and during the course of litigation involving Freeny, a New York District Court construed Freeny in a manner that supported Hair's interpretation. Hair appealed the final rejection, relying on the District Court's ruling that was in support of Hair's interpretation of Freeny, and ultimately convinced the Examiner to withdraw his rejections based on Freeny. However, after issuance of the '440 patent, the Court of Appeals for the Federal Circuit reversed the very ruling by the District Court upon which Hair—and the Examiner—had relied to procure allowance of the '440 patent. Accordingly, with the grounds upon which Hair argued to overcome the Examiner's final rejection eviscerated by the Federal Circuit, Freeny stands to invalidate the '573 patent, especially since it was never raised during its prosecution.

U.S. Patent No. 5,966,440 to Hair, was filed June 6, 1995, as application no. 08/471,964 ("the '964 application") and issued October 12, 1999. During the prosecution of the '964 application in December 1995, Freeny was cited by the Examiner in a notice of references cited. In an office action dated January 4, 1996, the Examiner rejected all originally filed claims 1 through 31 as anticipated by Lightner and obvious over Ogaki in view of Lightner. Then, in a May 7, 1996 Examiner Interview Summary Record, the Examiner stated that "[a]pplicant explains the different concept between [] used invention and the teachings of prior art of record

(Lightner, Ogaki et al and Freeny, Jr.). Applicant will amend the independent claims to include different concept discussed." *See* '440 File Wrapper, paper 4. In a July 3, 1996 amendment responsive to the January 4, 1996 office action and the examiner interview, Hair amended his claims and stated that the "key distinction and limitation" of the claimed invention and Freeny is that "the purchaser plays the information in the same machine which receives the information." *Id.* at 58 (emphasis added). That is, "the second party control unit or apparatus or device or receiver which receives the signals has the capability of also playing the signals." *Id.* at 57-58 (emphasis in original). Applicant further argued that the "claimed invention combines the transfer function with the playing function so a user does not have to go off somewhere else and play the information." *Id.* at 59.

Thereafter, in an October 9, 1996 office action, in response to the amendment, the Examiner once again rejected all of the claims under 35 U.S.C. § 103 as being unpatentable over Freeny. The Examiner stated that "Freeny et al does not specifically teach the step of or a mechanism for 'playing through speakers of the second party control unit the digital video or digital audio signals in the second memory.'" *Id.* at paper 7, p. 3. "The step of playing the video or audio digital signals at the second party unit would have been an obvious matter of optimization of design for optimizing verification of transferring the signal which is (sic) not seen to add patentable weight to the claimed method." *Id.* "It would have been obvious because even though Freeny does not specifically teach the use of play-back feature, one of ordinary skill in the art would obviously be able to recognize that a system can record information such as that of Freeny can also play said information which system has been well known in the recording art." *Id.*

Applicant (Hair), in an April 9, 1997 response, argued that Freeny does not teach

to play the audio or video signal, that there is no suggestion to play the copied signals, and that only with the hindsight of applicant's claimed invention and specification would one skilled in the art find applicant's claimed invention obvious over Freeny. *See id.* at 2-10.

Finally, the Examiner, in a July 10, 1997 final office action, repeated the obviousness rejection based on Freeny, stating: "Applicant mainly argues that Freeny does not teach reproducing/playing-back after transferring of the signals and thus the claimed invention should be considered distinguishable over Freeny. The argument is not found to be persuasive because it would have been obvious to one of ordinary skill in the art, in light of the teaching of Freeny, that play-back/reproducing after transferring the signals, based on personal common sense, would have been obvious within a level of ordinary skill in the art to verify the quality of the transferred signals since verification of integrity of signals/data/information, etc. has been well known in the art." *See id.* at Paper 10, pp. 2-3.

Hair, in a January 9, 1998 response, put forth a declaration attempting to show secondary consideration evidence of nonobviousness in an attempt to distinguish the teachings of Freeny to overcome the Examiner's § 103 rejection based on Freeny. *See id.* at Paper 13, p.5. Applicant reiterated his argument that Freeny teaches away from the claimed invention because Freeny does not provide for playback of the desired digital audio or video signals from the second memory. Hair further argued that (1) "the Examiner is using non-analogous art in reaching for a basis of rejection of the claimed invention" *id.* at p. 5; and (2) "the Examiner is using hindsight from applicant's own specification and claims to take the teachings of Freeny and then the argument that it would be obvious to add a playing mechanism to the teachings of Freeny to arrive at applicant's claimed invention." *Id.* at p. 17. In response, the Examiner issued an advisory action, maintaining rejection of all claims and further stating that "link(s) is required

to be established between the merits of the claimed invention and the evidence of secondary considerations (i.e., exhibits A, B, C)." *Id.*, paper 15.

While this was occurring in the Patent office, the owner of the Freeny patent brought suit for patent infringement against Compuserve, which resulted in a May 15, 1998 decision by a federal district court that construed various terms of the Freeny patent. *See Interactive Gift Express, Inc. v. Compuserve Inc.*, 1998 WL 247485, 47 U.S.P.Q.2d 1797 (S.D.N.Y. 1998) (attached as Exhibit 1).

Back at the Patent Office, Hair appealed from the Examiner's final rejection in view of the Freeny patent by filing an appeal brief on June 9, 1998, in which he quoted from the District Court decision construing the claims of Freeny. *See* '440 File Wrapper, Paper 17, pp. 39-41. In relying on the District Court decision, Hair stated: "Besides not teaching or suggesting a playing capability, Freeny does not teach transferring digital video or digital audio signals to a second memory using telecommunications lines from a first memory, where the second memory is in the possession and control of the second party, as well as additional limitations which are not taught by Freeny." *Id.* at 41. Hair further stated to the Examiner, "Appellant's view is not simply argument but law determined on May 13, 1998, by the United States District Court for the Southern District of New York in Interactive Gift Express . . . ." *Id.*

Relying on the District Court's decision, Hair argued that his invention is distinguishable from Freeny on three grounds. *See id.* at 41. First, "Freeny teaches a point of sale location where a consumer goes to purchase material objects embodying predetermined or preselected information." *Id.* "In appellant's claim 1, the second party already has the second memory so the second party does not have the step of going anywhere to get the second memory nor does the second party have the step of purchasing the material object to get the information."

Id.

Second, "Freeny teaches a required step of transferring the information from the ICM to the IMM before the information can be transferred to the consumer and before the consumer even appears at the IMM to order the information." *Id.* at 41-42. "Appellant's invention does not need this step." *Id.* at 42.

Third, Hair argued that according to the District Court in *Interactive Gift Express*, Freeny does not teach real-time download of information, whereas appellant's invention supports real-time downloading of information. *Id.*

After the appeal, the Examiner deferred to the District Court's decision, and Hair's arguments based thereon, and issued a notice of allowability on September 15, 1998.

Subsequent to the issuance of the '440 Patent, the Court of Appeals for the Federal Circuit on July 13, 2001 in *Interactice Gift Express, Inc. v. Compuserve Inc.*, 256 F.3d 1323 (Fed. Cir. 2001) (attached as Exhibit 2), decided an appeal in the *Interactive Gift Express* case, reversing the District Court judge and directly contradicting what Hair presented to the Examiner as law. The Federal Circuit found error in the District Court's construction of all the claim terms of the Freeny patent that the District Court construed and Hair relied on to procure issuance of the '440 patent. *Id.* at 1333. In particular, the Federal Circuit held that "a home can be a point of sale location" and that the "functions of the IMM are all of a type that can be performed within a computer, and it is well within the reasonable expectation of a person skilled in the art. . . ." *Id.* at 1335 & 1339. This ruling effectively removed Hair's first argument. In particular, a person operating their home computer as an IMM can request digital audio and video signals for transfer from a first party computer to the home computer acting as an IMM. Thus, according to the Federal Circuit, Freeny teaches that a consumer would already have the

second memory at their home and would not have to perform the steps of going somewhere to access the second memory and purchasing a material object to get the information downloaded to the second memory of their computer.

The Federal Circuit also reversed the District Court's ruling that Freeny does not "cover real-time transactions where the requested item of information is transmitted to the IMM at the time it is requested by the consumer." *Id.* at 1342. The Federal Circuit held that "in the specification [of the Freeny patent], two embodiments are disclosed which operate in real-time and send information after a request is made." *Id.* at 1343. "In both of these embodiments, the 'providing' of information is performed after 'receiving the request reproduction code.'" *Id.* Further, "[a]lthough the specification [of the Freeny patent] describes these two non-preferred embodiments as impractical and uneconomical, respectively, it does not characterize them as inoperative nor is there anything in the specification which would nullify the effect of the disclosure in supporting a claim construction that is not limited to the predelivery of information. *Id.* Thus, the Federal Circuit's ruling directly vitiated Hair's remaining two arguments, that Freeny does not disclose real-time transactions and that Freeny requires that information is transferred to the second memory before the consumer even appears at the IMM to order the information.

Thus, the Federal Circuit's ruling alone eliminated each and every basis under which Hair distinguished the '440 patent claims over Freeny. Consequently, Hair anticipates, or at the very least renders the claims of the '440 patent obvious.

More recently, a Pennsylvania District Court construed various claims of the Hair patent and issued an order on a summary judgment motion relating to the Freeny reference. The Pennsylvania District Court stated that "the Freeny Patent teaches away from the Hair invention,

primarily because the device to which the information is downloaded is not the device on which the consumer plays back the recording, an element which is critical to the Asserted Claims . . . ." *SightSound.com Incorporated v. N2K, Inc., CDnow, Inc., and CDnow Online, Inc.*, Civil Action No. 98-0118, at 52-53 (W.D. Penn. 1998) (attached as Exhibit 3). The Court further stated that "material object 'does not encompass the hard disk component of a home personal computer' and the material object must be offered for sale, and be purchasable, at the point of sale location." *Id.* at 53.

The Pennsylvania District Court's interpretation does not change the fact that Freeny anticipates each and every limitation of the Hair patent.[1] Specifically, in reconciling the Pennsylvania District Court's ruling and the Federal Circuit's ruling it is clear that Freeny discloses that a consumer's home computer can be a point of sale location (IMM) where a consumer purchases digital information (digital audio or video signals) in real-time. That is, a consumer desiring to purchase digital audio/video signals with Freeny's disclosed invention, can purchase information from a first party for transferring to the memory of the consumer's home computer after requesting the information, at which time the information would be resident in the consumer's home computer. Accordingly, at that moment, Freeny fully anticipates the Hair patent. Freeny merely discloses the additional step of reproducing the information stored in the consumer's home computer onto a "material object" such as a floppy disk or CD that is separate and distinct from the computer's hard disk, as the Pennsylvania District Court points out.

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[1] "While the Patent Office may accord deference to factual findings made by a district court, the determination of whether a substantial new question of patentability exists will be made independently of the court's decision on validity and is not controlling on the Office." MPEP § 2286 ("Because of the different standards of proof and claim interpretation employed by the District Courts and the Office, . . . [w]hen the initial question as to whether the prior art raises a substantial new question of patentability as to a patent claim is under consideration, the existence of a final court decision of claim validity in view of the same or different prior art does not necessarily mean that no new question is present.") (emphasis added) (*Citing In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989); *In re Etter*, 756 F.2d 852 (Fed. Cir. 1985)).

Thus, under the Federal Circuit's interpretation of the Freeny patent, Freeny anticipates the claims of the '440 patent, or at the very least renders the claims obvious, notwithstanding the Pennsylvania District Court's ruling. Accordingly, Freeny raises substantial new questions of patentability with respect to the '440 patent. For this reason and because the Freeny patent was not raised during the prosecution of the '573 patent, Freeny raises substantial new questions of patentability with respect to the '573 patent as well. Any argument that the patentee in this Reexamination may make to overcome Freeny, in light of the above history, would run afoul of the Federal Circuit's Decision in *Interactive Gift Express* and should be given no weight.

US005966440A

United States Patent [19]

Hair

[11] Patent Number: 5,966,440

[45] Date of Patent: Oct. 12, 1999

[54] **SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS**

[75] Inventor: **Arthur R. Hair**, Pittsburgh, Pa.

[73] Assignee: **Parsec Sight/Sound, Inc.**, Mt. Lebanon, Pa.

[21] Appl. No.: **08/471,964**

[22] Filed: **Jun. 6, 1995**

Related U.S. Application Data

[63] Continuation of application No. 08/023,398, Feb. 26, 1993, which is a continuation of application No. 07/586,391, Sep. 18, 1990, Pat. No. 5,191,573, which is a continuation of application No. 07/206,497, Jun. 13, 1988, abandoned.

[51] **Int. Cl.**[6] **H04L 9/00**; G11B 5/86

[52] **U.S. Cl.** **380/4**; 360/15; 364/918.51

[58] **Field of Search** 235/381, 380, 235/375; 364/479, 410, 918, 918.51, 921, 926.9, 926.91, 926.92, 926.93; 369/33, 34, 84, 85; 360/15; 380/4

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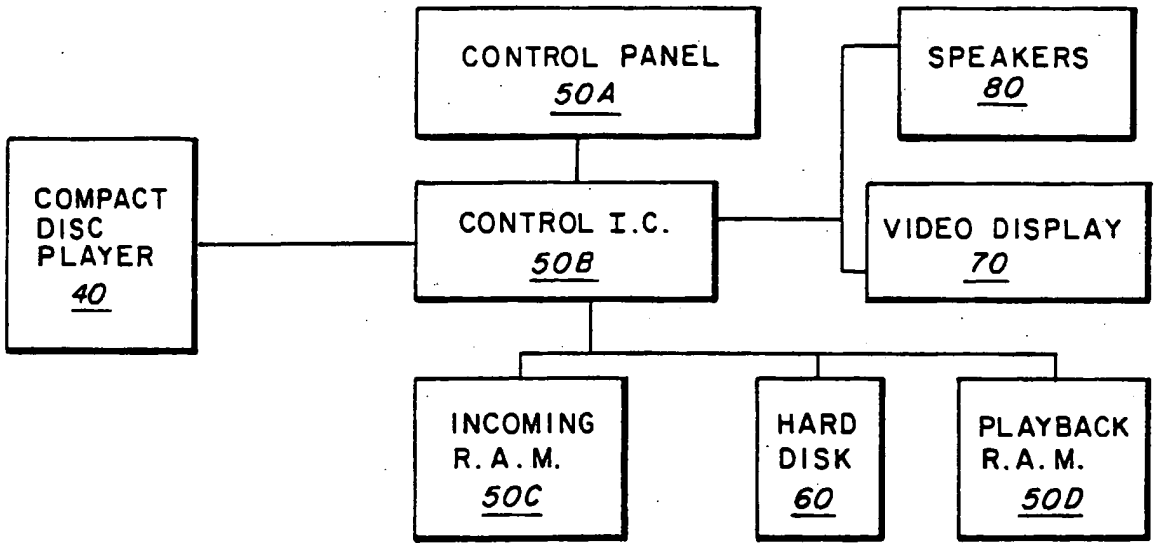
Primary Examiner—Hoa T. Nguyen

Attorney, Agent, or Firm—Ansel M. Schwartz

[57] **ABSTRACT**

A method for transferring desired digital video or audio signals. The method comprises the steps of forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party. The first memory has the desired digital video or audio signals. Then, there is the step of selling electronically by the first party to the second party through telecommunications lines, the desired digital video or audio signals in the first memory. Then, there is the step of transferring the desired digital video or audio signals from the first memory of the first party to the second memory of the second party through the telecommunications lines while the second memory is in possession and control of the second party. Additionally, there is a system for transferring digital video or audio signals.

63 Claims, 2 Drawing Sheets



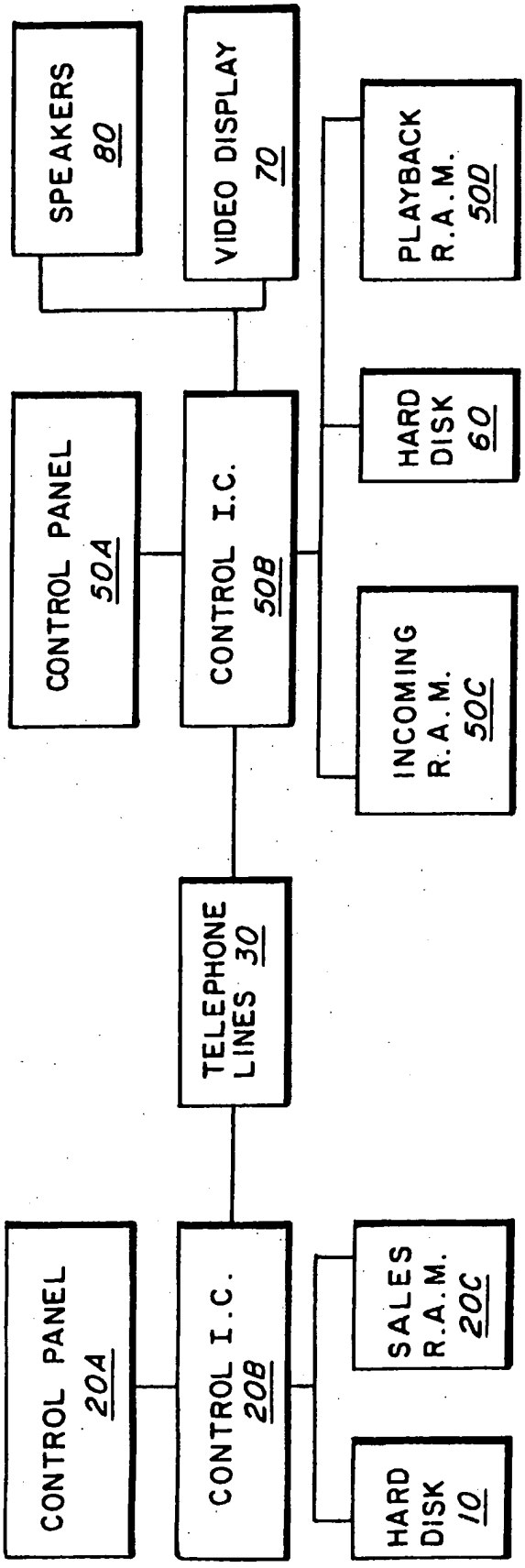

SPEAKERS 80
VIDEO DISPLAY 70
PLAYBACK R.A.M. 500
CONTROL PANEL 504
CONTROL I.C. 508
HARD DISK 60
INCOMING R.A.M. 50C
TELEPHONE LINES 30
CONTROL PANEL 204
CONTROL I.C. 208
SALES R.A.M. 20C
HARD DISK 10

FIG. 1

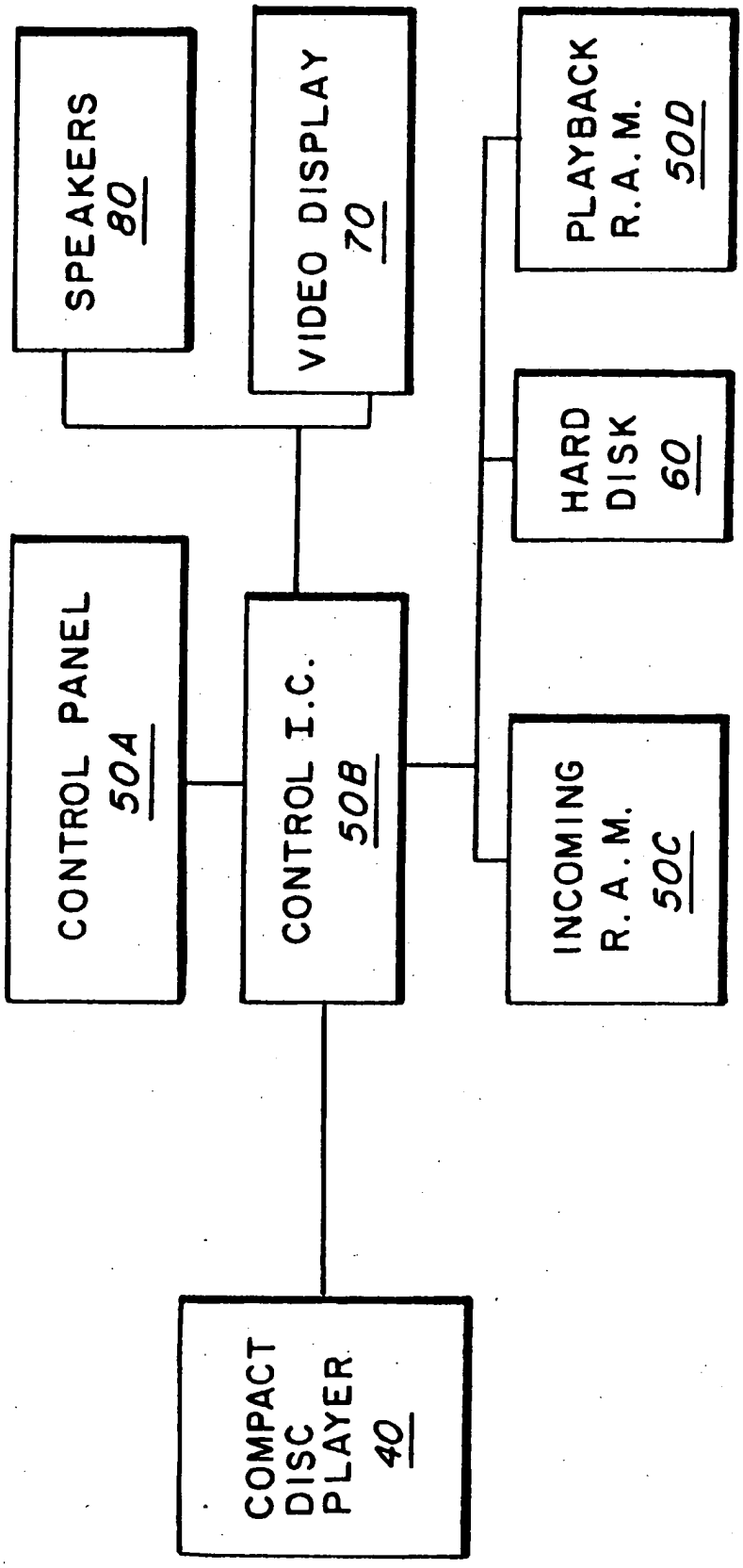

SPEAKERS
80
VIDEO DISPLAY
70
PLAYBACK
R.A.M.
50D
HARD
DISK
60
CONTROL PANEL
50A
CONTROL I.C.
50B
INCOMING
R.A.M.
50C
COMPACT
DISC
PLAYER
40

FIG. 2

SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS

CROSS REFERENCE TO OTHER PATENTS

This is a continuation of copending application(s) Ser. No. 08/023,398 filed on Feb. 26, 1993. This is a continuation application of U.S. patent application Ser. No. 07/586,391 filed Sep. 18, 1990, now U.S. Pat. No. 5,191,573, issued Mar. 2, 1993, which is a continuation application of U.S. patent application Ser. No. 07/206,497, filed Jun. 13, 1988, abandoned.

FIELD OF THE INVENTION

The present invention is related to a system and associated method for the electronic sales and distribution of digital audio or video signals, and more particularly, to a system and method which a user may purchase and receive digital audio or video signal from any location which the user has access to telecommunications lines.

BACKGROUND OF THE INVENTION

The three basic mediums (hardware units) of music: records, tapes, and compact discs, greatly restricts the transferability of music and results in a variety of inefficiencies.

CAPACITY: The individual hardware units as cited above are limited as to the amount of music that can be stored on each.

MATERIALS: The materials used to manufacture the hardware units are subject to damage and deterioration during normal operations, handling, and exposure to the elements.

SIZE: The physical size of the hardware units imposes constraints on the quantity of hardware units which can be housed for playback in confined areas such as in automobiles, boats, planes, etc.

RETRIEVAL: Hardware units limit the ability to play, in a sequence selected by the user, songs from different albums. For example, if the user wants to play one song from ten different albums, the user would spend an inordinate amount of time handling, sorting, and cueing the ten different hardware units.

SALES AND DISTRIBUTION: Prior to final purchase, hardware units need to be physically transferred from the manufacturing facility to the wholesale warehouse to the retail warehouse to the retail outlet, resulting in lengthy lag time between music creation and music marketing, as well as incurring unnecessary and inefficient transfer and handling costs. Additionally, tooling costs required for mass production of the hardware units and the material cost of the hardware units themselves, further drives up the cost of music to the end user.

QUALITY: Until the recent invention of Digital Audio Music, as used on Compact Discs, distortion free transfer from the hardware units to the stereo system was virtually impossible. Digital Audio Music is simply music converted into a very basic computer language known as binary. A series of commands known as zeros or ones encode the music for future playback. Use of laser retrieval of the binary commands results in distortion free transfer of the music from the compact disc to the stereo system. Quality Digital Audio Music is defined as the binary structure of the Digital Audio Music. Conventional analog tape recording of Digital Audio Music is not to be considered quality inasmuch as the binary structure itself is not recorded. While

Digital Audio Music on compact discs is a technological breakthrough in audio quality, the method by which the music is sold, distributed, stored, manipulated, retrieved, played and protected from copyright infringements remains as inefficient as with records and tapes.

COPYRIGHT PROTECTION: Since the invention of tape recording devices, strict control and enforcement of copyright laws have proved difficult and impossible with home recorders. Additionally, the recent invention of Digital Audio Tape Recorders now jeopardizes the electronic copyright protection of quality Digital Audio Music on Compact Discs or Digital Audio Tapes. If music exists on hardware units, it can be copied.

Thus, as is apparent from the above discussion, the inflexible form in which the songs are purchased by an end user, and the distribution channels of the songs, requires the end user to go to a location to purchase the songs, and not necessarily be able to purchase only the songs desired to be heard, in a sequence the end user would like to hear them. This is not limited to just songs, but also includes, for example, videos.

Accordingly, it is an objective of this invention is to provide a new and improved methodology/system to electronically sell and distribute Digital Audio Music or digital video.

A further objective of this invention to provide a new and improved methodology/system to electronically store and retrieve Digital Audio Music or digital video.

Another objective of this invention is to provide a new and improved methodology/system to electronically manipulate, i.e., sort, cue, and select, Digital Audio Music or digital video for playback.

Still another objective of this invention is to offer a new and improved methodology/system which can prevent unauthorized electronic copying of quality Digital Audio Music or digital video.

SUMMARY OF THE INVENTION

Briefly, this invention accomplishes the above cited objectives by providing a new and improved methodology/system of electronic sales, distribution, storage, manipulation, retrieval, playback, and copyright protection of Digital Audio Music. The high speed transfer of Digital Audio Music as prescribed by this invention is stored onto one piece of hardware, a hard disk, thus eliminating the need to unnecessarily handle records, tapes, or compact discs on a regular basis. This invention recalls stored music for playback as selected/programmed by the user. This invention can easily and electronically sort stored music based on many different criteria such as, but not limited to, music category, artist, album, user's favorite songs, etc. An additional feature of this invention is the random playback of songs, also based on the user's selection. For example, the user could have this invention randomly play all jazz songs stored on the user's hard disk, or randomly play all songs by a certain artist, or randomly play all of the user's favorite songs which the user previously electronically "tagged" as favorites. Further, being more specific, the user can electronically select a series of individual songs from different albums for sequential playback.

This invention can be configured to either accept direct input of Digital Audio Music from the digital output of a Compact Disc, such transfer would be performed by the private user, or this invention can be configured to accept Digital Audio Music from a source authorized by the copyright holder to sell and distribute the copyrighted materials.

thus guaranteeing the protection of such copyrighted materials. Either method of electronically transferring Digital Audio Music by means of this invention is intended to comply with all copyright laws and restrictions and any such transfer is subject to the appropriate authorization by the copyright holder. Inasmuch as Digital Audio Music is software and this invention electronically transfers and stores such music, electronic sales and distribution of the music can take place via telephone lines onto a hard disk. This new methodology/system of music sales and distribution will greatly reduce the cost of goods sold and will reduce the lag time between music creation and music marketing from weeks down to hours.

The present invention is a system for transmitting desired digital video or audio signals stored on a first memory of a first party to preferably a second memory of a second party. The system comprises means or mechanism for electronically selling the desired digital video or digital audio signals preferably via telecommunications lines to the first party from the second party. Moreover, the system preferably comprises means or mechanism for connecting electronically via telecommunications lines the first memory preferably with the second memory such that the desired digital video or digital audio signals can pass therebetween. Additionally, the system comprises means or mechanism for transmitting the desired digital video or audio signals from the first memory with a transmitter in control and in possession of the first party to a receiver preferably having the second memory. While the receiver is in possession and in control of the second party. The receiver is placed at a second party location determined by the second party. Preferably, there is also means or mechanism for storing the digital video or digital audio signal in the second memory.

Further objectives and advantages of this invention will become apparent as the following description proceeds and the particular features of novelty which characterize this invention will be pointed out in the claims annexed to and forming a part of this declaration.

BRIEF DESCRIPTION OF THE DRAWINGS

For a better understanding of this invention, reference should be made to the following detailed description, taken in conjunction with the accompanying drawings, in which:

FIG. **1** is a pictorial flow chart which may be used in carrying out the teachings of this invention for the purposes of electronic sales, distribution, storage, manipulation, retrieval, playback, and copyright protection of Digital Audio Music; and

FIG. **2** is a pictorial flow chart which may be used in carrying out the teachings of this invention for the purposes of electronic storage, manipulation, retrieval, and playback of Digital Audio Music.

DESCRIPTION OF THE PREFERRED EMBODIMENT

Referring now to the drawings wherein like reference numerals refer to similar or identical parts throughout the several views, and more specifically to figure thereof, there is shown.

Referring now to the FIG. **1**, this invention preferably is comprised of the following:

10 Hard Disk of the copyright holder
20 Control Unit of the copyright holder
  20*a* Control Panel
  20*b* Control Integrated Circuit
  20*c* Sales Random Access Memory Chip
30 Telephone Lines/Input Transfer
50 Control Unit of the user
  50*a* Control Panel
  50*b* Control Integrated Circuit
  50*c* Incoming Random Access Memory Chip
  50*d* Play Back Random Access Memory Chip
60 Hard Disk of the user
70 Video Display Unit
80 Stereo Speakers

The Hard Disk **10** of the first party or agent authorized to electronically sell and distribute the copyrighted Digital Audio Music is the originating source of music in the configuration as outlined in FIG. **1**. The Control Unit **20** of the authorized agent is the means by which the electronic transfer of the Digital Audio Music from the agent's Hard Disk **10** via the Telephone Lines **30** to the user's or second party's Control Unit **50** is possible. The user's Control Unit is comprised of a Control Panel **50***a*, a Control Integrated Circuit **50***b*, an Incoming Random Access Memory Chip **50***c*, and a Play Back Random Access Memory Chip **50***d*. Similarly, the authorized agent's Control Unit **20** has a control panel and control integrated circuit similar to that of the user's Control Unit **50**. The authorized agent's Control Unit **20**, however, only requires the Sales Random Access Memory Chip **20***c*. The other components in FIG. **1** include a Hard Disk **60**, a Video Display Unit **70**, and a set of Stereo Speakers **80**.

Referring now to FIG. **2**, with the exception of a substitution of a Compact Disc Player **40** (as the initial source of Digital Audio Music) for the agent's Hard Disk **10**, the agent's Control Unit **20**, and the Telephone Lines **30** in FIG. **1**, FIG. **2** is the same as FIG. **1**.

In FIG. **1** and FIG. **2**, the following components are already commercially available: the agent's Hard Disk **10**, the Telephone Lines **30**, the Compact Disc Player **40**, the user's Hard Disk **60**, the Video Display Unit **70**, and the Stereo Speakers **80**. The Control Units **20** and **50**, however, would be designed specifically to meet the teachings of this invention. The design of the control units would incorporate the following functional features:

1) the Control Panels **20***a* and **50***a* would be designed to permit the agent and user to program the respective Control Integrated Circuits **20***b* and **50***b*,
2) the Control Integrated Circuits **20***b* and **50***b* would be designed to control and execute the respective commands of the agent and user and regulate the electronic transfer of Digital Audio Music throughout the system, additionally, the sales Control Integrated Circuit **20***b* could electronically code the Digital Audio Music in a configuration which would prevent unauthorized reproductions of the copyrighted material,
3) the Sales Random Access Memory Chip **20***c* would be designed to temporarily store user purchased Digital Audio Music for subsequent electronic transfer via telephone lines to the user's Control Unit **50**,
4) the Incoming Random Access Memory Chip **50***c* would be designed to temporarily store Digital Audio Music for subsequent electronic storage to the user's Hard Disk **60**,
5) the Play Back Random Access Memory Chip **50***d* would be designed to temporarily store Digital Audio Music for sequential playback.

The foregoing description of the Control Units **20** and **50** is intended as an example only and thereby is not restrictive with respect to the exact number of components and/or its actual design.

Once the Digital Audio Music has been electronically stored onto the user's Hard Disk **60**, having the potential to store literally thousands of songs, the user is free to perform the many functions of this invention. To play a stored song, the user types in the appropriate commands on the Control Panel **50***a*, and those commands are relayed to the Control Integrated Circuit **50***b* which retrieves the selected song from the Hard Disk **60**. When a song is retrieved from the Hard Disk **60** only a replica of the permanently stored song is retrieved. The permanently stored song remains intact on the Hard Disk **60**, thus allowing repeated playback. The Control Integrated Circuit **50***b* stores the replica onto the Play Back Random Access Memory Chip **50***d* at a high transfer rate. The Control Integrated Circuit **50***b* then sends the electronic output to the Stereo Speakers **80** at a controlled rate using the Play Back Random Access Memory Chip **50***d* as a temporary staging point for the Digital Audio Music.

Unique to this invention is that the Control Unit **50** also serves as the user's personal disk jockey. The user may request specific songs to be electronically cued for playback, or may request the Control Unit **50** to randomly select songs based on the user's criteria. All of these commands are electronically stored in random access memory enabling the control unit to remember prior commands while simultaneously performing other tasks requested by the user and, at the same time, continuing to play songs previously cued.

Offering a convenient visual display of the user's library of songs is but one more new and improved aspect of this invention. As the Control Unit **50** is executing the user's commands to electronically sort, select, randomly play, etc., the Video Display Screen **70** is continually providing feedback to the user. The Video Display Screen **70** can list/scroll all songs stored on the Hard Disk **60**, list/scroll all cued songs, display the current command function selected by the user, etc. Further expanding upon the improvements this invention has to offer, the Video Display Screen **70** can display the lyrics of the song being played, as well as the name of the song, album, artist, recording company, date of recording, duration of song, etc. This is possible if the lyrics and other incidental information are electronically stored to the Hard Disk **60** with the Digital Audio Music.

The present invention is a method for transmitting desired digital video or digital audio signals stored on a first memory of a first party preferably to a second memory of a second party. The method comprises the steps of transferring money via telecommunications lines to the first party from the second party or electronically selling to the second party by the first party. Additionally, the method comprises the step of then connecting electronically via telecommunications lines the first memory preferably with the second memory such that the desired digital video or digital audio signals can pass therebetween. Next, there is the step of transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and in possession of the first party to a receiver preferably having the second memory. While the receiver is in possession and in control of the second party. The receiver is placed by the second party at a second party location determined by the second party. There preferably is also the step of then storing the desired digital video or digital audio signals in the second memory.

In summary, there has been disclosed a new and improved methodology/system by which Digital Audio Music or digital video can be electronically sold, distributed, transferred, and stored. Further, there has been disclosed a new and improved methodology/system by which Digital Audio Music or digital video can be electronically manipulated, i.e., sorted, cued, and selected for playback. Further still, there has been disclosed a new and improved methodology/system by which the electronic manipulation of Digital Audio Music can be visually displayed for the convenience of the user. Additionally, there has been disclosed a new and improved methodology/system by which electronic copyright protection of quality Digital Audio Music is possible through use of this invention.

Since numerous changes may be made in the above described process and apparatus and different embodiments of the invention may be made without departing from the spirit thereof, it is intended that all matter contained in the foregoing description or shown in the accompanying drawings shall be interpreted as illustrative, and not in a limiting sense. Further, it is intended that this invention is not to be limited to Digital Audio Music and can include Digital Video, Digital Commercials, and other applications of digital information.

For instance, the present invention is a system **100** for transferring digital video signals from a first party to a second party. The system **100** comprises a first party control unit **20** having a first memory having a plurality of desired individual video selections as desired digital video signals. The first party control unit **20** also has means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals. The system **100** also comprises a second party control unit **50** having a second party control panel **50***a*, a receiver and a video display for playing the desired digital video or digital audio signals received by the receiver. The second party control panel **50***a* is connected to the video display and the receiver. The receiver and the video display is operatively controlled by the second party control panel **50***a*. The second party control unit **50** is remote from the first party control unit **20**. The second party control unit **50** is placed by the second party at a second party location determined by the second party which is remote from the first party control unit **20**. The second party chooses the desired digital video signals from the first memory with the second party control panel **20***a*. The system **100** is also comprised of telecommunications lines connected to the first party control unit **20** and the second party control unit **50** through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit **50** is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party.

Preferably, the second party control unit **50** includes a second memory which is connected to the receiver and the video display. The second memory stores the digital video signals that are received by the receiver for providing them to the video display. The second party control unit **50** preferably includes a second party hard disk **60** which stores a plurality of digital video signals, and a playback random access memory chip **50***d* electronically connected to the second party hard disk **60** for storing a replica of the desired digital video signals as a temporary staging area for playback. The second party control unit **50** includes a second party control integrated circuit **50***b* which controls and executes commands of the second party and is connected to the second party hard disk **60**, the playback random access memory **50***d*, and the first party control integrated circuit **20***b* through the telecommunications lines. The second party control integrated circuit **50***b* preferably includes the receiver. Additionally, the second party control unit **50** includes a second party control panel **20***a* through which the

second party control integrated circuit **20***b* is programmed and is sent commands and which is connected to the second party integrated circuit **50***b*. Preferably, the second party control unit **50** includes an incoming random access memory chip **50***c* connected to the second party hard drive **60** and the second party control integrated circuit **50***b*, and the first party control unit **20** through the telecommunications lines for temporarily storing the desired digital video signals received from the first party's control unit **20** for subsequent storage to the second party hard disk **60**. Preferably, the video display includes a video display unit connected to the playback random access memory chip 5O*c* and to the second party integrated circuit **50***b* for displaying the desired digital video signals.

The first party control unit **20** preferably includes a first party hard disk **10** having a plurality of digital video signals which include the desired digital video signals, and a sales random access memory chip **20***c* electronically connected to the first party hard disk **10** for storing a replica of the desired digital video signals of the first party's hard disk **10**. The first party control unit **20** preferably includes a first party control integrated circuit **20***b* which controls and executes commands of the first party and is connected to the first party hard disk **10**, the first party sales random access memory **20***c*, and the second party control integrated circuit **20***b* through the telecommunications lines. The first party control integrated circuit **20***b* and the second party control integrated circuit **50***b* regulate the transfer of the desired digital video signals. The first party control unit **20** preferably also includes a first party control panel **20***a* through which the first party control integrated circuit **20***b* is programmed and is sent commands and which is connected to the first party control integrated circuit **20***b*.

The means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location. Preferably, the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party. Preferably, the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party. Preferably, the means or mechanism for electronically selling includes means or a mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location. Preferably, the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party. Preferably, the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party. The means or mechanism for receiving a credit card number preferably is part of the control integrated circuit **20***b*. The telecommunications lines are preferably telephone lines **30**.

The present invention also pertains to a method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second party at a second party location so the second party can view the desired digital video signals. The method comprises the steps of placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location. Next, there is the step of charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals. Then, there is the step of connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party. Next, there is the step of choosing the desired digital video signals by the second party from the first memory of the first party so desired digital video selections are selected. Next, there is the step of transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party. Next, there is the step of displaying the desired video signals received by the receiver on a video display in possession and control of the second party. The video display is connected with the receiver.

Preferably, the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory. Preferably, the second party has an account and the step of charging a fee includes the step of charging the account of the second party. Preferably, the step of charging the account of the second party includes the steps of telephoning the first party controlling use of the first memory by the second party. Then, there is the step of 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. Preferably, the means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location.

Although the invention has been described in detail in the foregoing embodiments for the purpose of illustration, it is to be understood that such detail is solely for that purpose and that variations can be made therein by those skilled in the art without departing from the spirit and scope of the invention except as it may be described by the following claims.

What is claimed is:

1. A method for transferring desired digital video or digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory; and

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; and playing through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit.

2. A method as described in claim 1 wherein the second party is at a second party location and the step of selling electronically includes the step of charging a fee via tele-

communications lines by the first party to the second party at a first party location remote from the second party location.

3. A method as described in claim 2 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

4. A method as described in claim 3 wherein the step of charging the account of the second party 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.

5. A method as described in claim 4 including after the transferring step, the step of storing the desired digital video or digital audio signals in the second memory.

6. A method as described in claim 5 including before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.

7. A method as described in claim 6 wherein the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and including before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the hard disk into the sales random access memory chip.

8. A method as described in claim 7 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.

9. A method as described in claim 5 wherein the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip, a second party hard disk for storing the desired digital video or digital audio signals, and a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback; and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback.

10. A method as described in claim 9 including after the transferring step, there is the step of repeating the commanding, playing, and transferring a replica steps.

11. A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party;

entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party;

forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party;

entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit; and

playing the desired digital video or digital audio signals with the second party control unit.

12. A system for transferring digital video or digital audio signals comprising:

a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals;

a second party control unit having a second party control panel, a second memory connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and

telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party.

13. A system as described in claim 12 wherein the first party control unit includes a first party hard disk having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party's hard disk.

14. A system as described in claim 13 wherein the second party control unit includes a second party hard disk which stores a plurality of digital video or digital audio signals, and a playback random access memory chip electronically connected to the second party hard disk for storing a replica of

the desired digital video or digital audio signals as a temporary staging area for playback.

15. A system as described in claim 14 wherein the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

16. A system as described in claim 15 wherein the second party control unit includes a second party control integrated circuit which controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

17. A system as described in claim 16 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video or digital audio signals received from the first party's control unit for subsequent storage to the second party hard disk.

18. A system as described in claim 17 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.

19. A system as described in claim 12 wherein the means or mechanism for electronically selling includes means or a mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

20. A system as described in claim 19 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

21. A system as described in claim 20 wherein the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party.

22. A method for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising the steps of:

placing a second party control unit having a receiver and the second memory connected to the receiver by the second party at a desired location determined by the second party;

selling electronically via telecommunications lines to the second party at a location remote from the first memory by the first party controlling use of the first memory, said second party financially distinct from the first party, said second party in control and in possession of the second memory;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party control unit having the second memory at the location determined by the second party while said receiver is in possession and control of the second party;

storing the digital video or digital audio signals in the second memory; and playing the digital video or digital audio signals in the second memory with the second party control unit.

23. A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising:

means or mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

24. A system as described in claim 23 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

25. A system as described in claim 18 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

26. A system as described in claim 25 wherein the telecommunications lines include telephone lines.

27. A system as described in claim 26 wherein the first memory comprises a first hard disk and the second memory comprises a second hard disk.

28. A system as described in claim 27 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

29. A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising:

means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said first party controlling use of the first memory, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

30. A system as described in claim 29 wherein the means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location.

31. A system as described in claim 30 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

32. A system as described in claim 31 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

33. A system as described in claim 32 wherein the telecommunications lines include telephone lines.

34. A system as described in claim 33 wherein the first memory comprises a first hard disk and the second memory comprises a second hard disk.

35. A system as described in claim 34 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

36. A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising the steps of:

placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines;

storing the digital video or digital audio signals in the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

37. A method as described in claim 36 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.

38. A method as described in claim 37 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

39. A method as described in claim 38 wherein the step of charging the account of the second party 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.

40. A method as described in claim 39 including after the transferring step, there is the step of repeating the charging a fee, connecting, and transferring steps.

41. A method for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising the steps of:

selling electronically via telecommunications lines to the second party at a location remote from the first memory by the first party controlling use of the first memory, said second party financially distinct from the first party, said second party in control and in possession of a second party control unit having a receiver and the second memory connected to the receiver;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver

connected to the second memory of the second party control unit at the location determined by the second party while said second party control unit is in possession and control of the second party;

storing the digital video or digital audio signals in the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

42. A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

43. A method as described in claim 42 wherein the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

44. A method as described in claim 43 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

45. A method as described in claim 44 wherein the step of charging the account of the second party 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.

46. A method for transferring desired digital video or digital audio signals comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired second party location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of a second party, said first memory having said desired digital video or digital audio signals;

incurring a fee by the second party to the first party for the use of telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

47. A system for transferring digital video signals from a first party to a second party at a second party location comprising:

a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location;

a second party control unit having a second party control panel, a receiver and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and

telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party.

48. A system as described in claim 47 wherein the second party control unit includes a second memory which is connected to the receiver and the video display, said second memory storing the digital video signals that are received by the receiver to provide the video display with the digital video signals.

49. A system as described in claim 48 wherein the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired digital video signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video signals of the first party's hard disk.

50. A system as described in claim 49 wherein the second party control unit includes a second party hard disk which stores a plurality of digital video signals, and a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video signals as a temporary staging area for playback.

51. A system as described in claim 50 wherein the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

52. A system as described in claim 51 wherein the second party control unit includes a second party control integrated circuit which controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video signals; and a second party control panel through which the second party control integrated circuit is

programmed and is sent commands and which is connected to the second party integrated circuit.

53. A system as described in claim 52 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party's control unit for subsequent storage to the second party hard disk.

54. A system as described in claim 53 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video signals.

55. A system as described in claim 47 wherein the means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.

56. A system as described in claim 55 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

57. A system as described in claim 56 wherein the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party.

58. A method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second party at a second party location so the second party can view the desired digital video signals comprising the steps of:

placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals;

connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;

choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected;

transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party; and

displaying the desired video signals received by the receiver on the video display in possession and control of the second party.

59. A method as described in claim 58 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory.

60. A method as described in claim 59 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

61. A method as described in claim 60 wherein the step of charging the account of the second party 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.

62. A system for transferring digital audio signals from a first party to a second party at a second party location comprising:

a first party control unit having a first memory having a plurality of desired individual songs as desired digital audio signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital audio signals at a location remote from the second party location;

a second party control unit having a second party control panel, a receiver and speakers for playing the desired digital audio signals received by the receiver, said second party control panel connected to the speakers and the receiver, said receiver and speakers operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital audio signals from the first memory with said second party control panel; and

telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital audio signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital audio signals are sold to the second party by the first party.

63. A method for transmitting desired digital audio signals stored in a first memory having a plurality of individual songs as digital audio signals of a first party at a first party location to a second party at a second party location so the second party can listen to the desired digital audio signals comprising the steps of:

placing by the second party a receiver, and speakers connected to the receiver at the second party location determined by the second party which is remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital audio signals;

connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;

choosing the desired digital audio signals by the second party from the first memory of the first party so desired songs are selected;

transmitting the desired digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party; and

playing the desired audio signals received by the receiver on the speakers in possession and control of the second party.

* * * * *

Form 1449 (Modified) **Information Disclosure Statement By Applicant** (Use Several Sheets if Necessary)	Atty Docket No: NAPSP003 Applicant: Arthur R. Hair Issue Date: October 12, 1999	U.S. Patent No. 5,966,440 Group:

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Examiner Initial	No.	Patent No.	Date	Patentee	Class	Sub-class
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	D	4,658,093	4/1987	Hellman		
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	F					
	G					
	H					
	I					
	J					
	K					

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Examiner Initial	No.	Document No.	Publication Date	Country or Patent Office	Class	Sub-class	Translation	
							Yes	No
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	M	62-284496	12/1987	Japan			X	
	N							
	O							
	P							

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	T	P. McDonnell, "AT&T Breaks the Speed Barrier," *Computers & Electronics*, September 1984.

Examiner	Date Considered

Examiner: Initial citation considered. Draw line through citation if not in conformance and not considered. Include copy of this form with next communication to applicant.

Form 1449 (Modified) **Information Disclosure Statement By Applicant** (Use Several Sheets if Necessary)	Atty Docket No: NAPSP003 Applicant: Arthur R. Hair Issue Date: October 12, 1999	U.S. Patent No. 5,966,440 Group:

U.S. Patent Documents

Examiner Initial	No.	Patent No.	Date	Patentee	Class	Sub-class
	A					
	B					
	C					
	D					
	E					
	F					
	G					
	H					
	I					

Foreign Patent or Published Foreign Patent Application

Examiner Initial	No.	Document No.	Publication Date	Country or Patent Office	Class	Sub-class	Translation	
							Yes	No
	L							
	M							
	N							
	O							
	P							

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Examiner	Date Considered

Examiner: Initial citation considered. Draw line through citation if not in conformance and not considered. Include copy of this form with next communication to applicant.

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U.S. Patent Documents

Examiner Initial	No.	Patent No.	Date	Patentee	Class	Sub-class
	A					
	B					
	C					
	D					
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	G					
	H					
	I					
	J					
	K					

Foreign Patent or Published Foreign Patent Application

Examiner Initial	No.	Document No.	Publication Date	Country or Patent Office	Class	Sub-class	Translation	
							Yes	No
	L							
	M							
	N							
	O							
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	S-2	
	T-2	

Examiner	Date Considered

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H04H 1/00 H04L 27/10

(52) Domestic classification (Edition I)
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H4P AFC

(56) Documents cited
GB A 2121656 GB A 2117210 GB A 2063026
EP A2 0140593 EP A2 0082077

(58) Field of search
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Selected US specifications from IPC sub-class H04H

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(54) Recorded data transfer system

(57) A recorded data transfer system is provided particularly for use in the entertainment industry whereby digital data may be transferred between a source unit, a database which may be housed by a record company and user units.

The transfer system comprises

a) a database having a main computer, a caller/called interface, a transmitter/receiver interface, and a data storage and processing system, means for controlling the storage and processing of data,

b) at least one source unit having a means for communication with said database and means for the storage and processing of data, and

c) at least one user unit having means for communication with the database and a means for storing/recalling and/or processing data received from the database. Preferably the user unit includes playback apparatus.

The database includes means for transmitting bytes of data in the form of a plurality of frequencies, each frequency being assigned to only one bit of the word.

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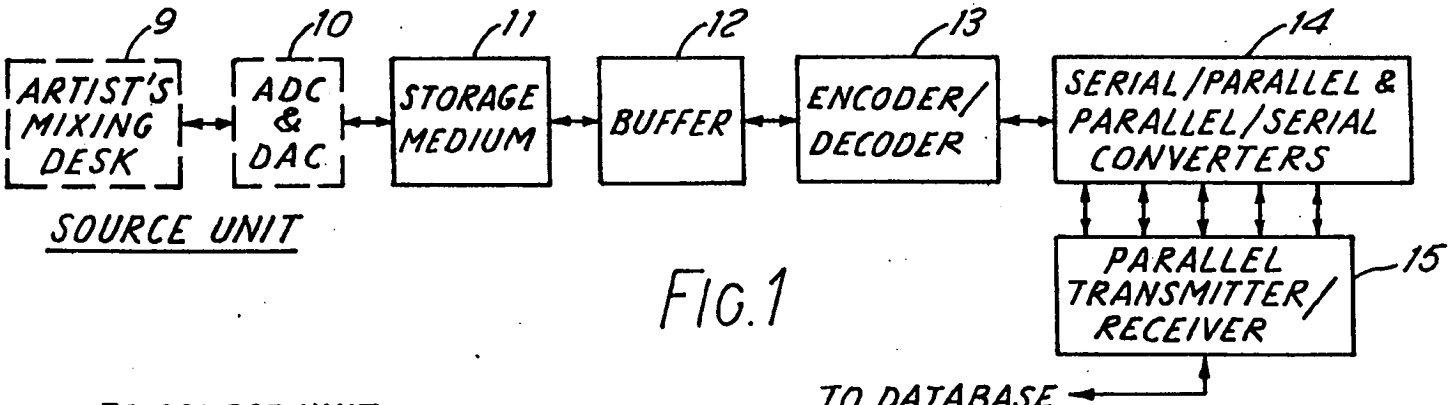

FIG. 1

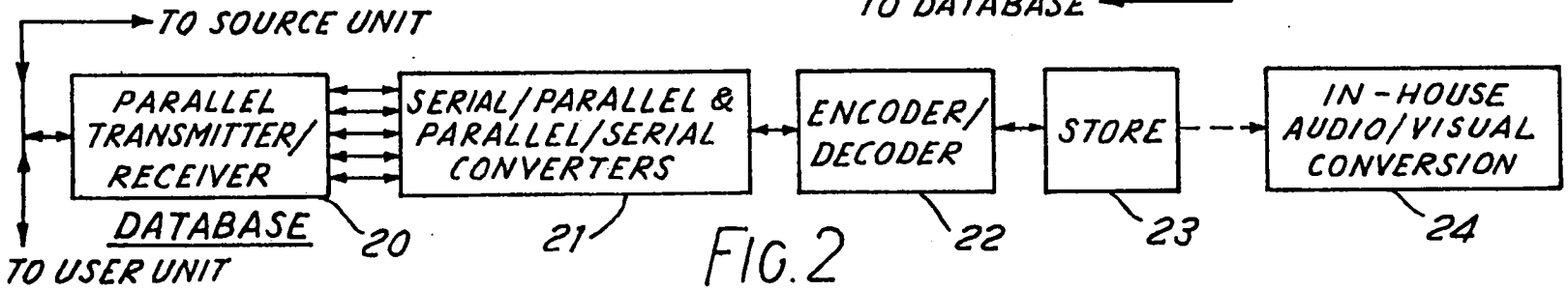

FIG. 2

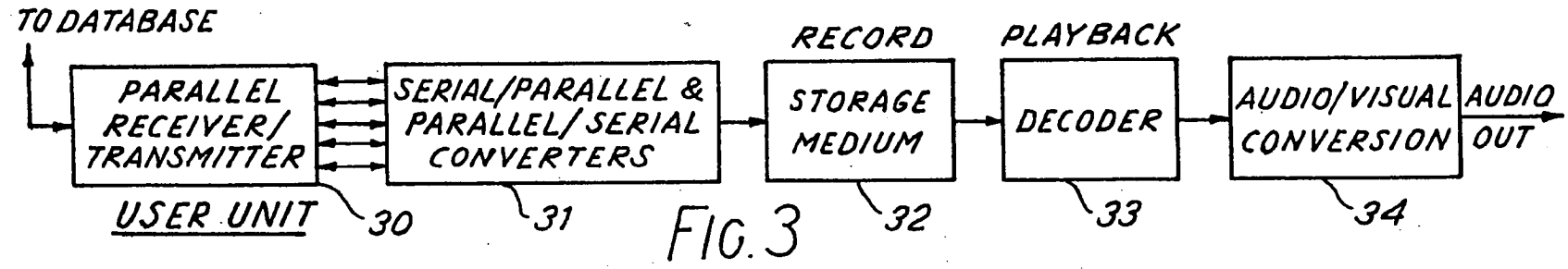

FIG. 3

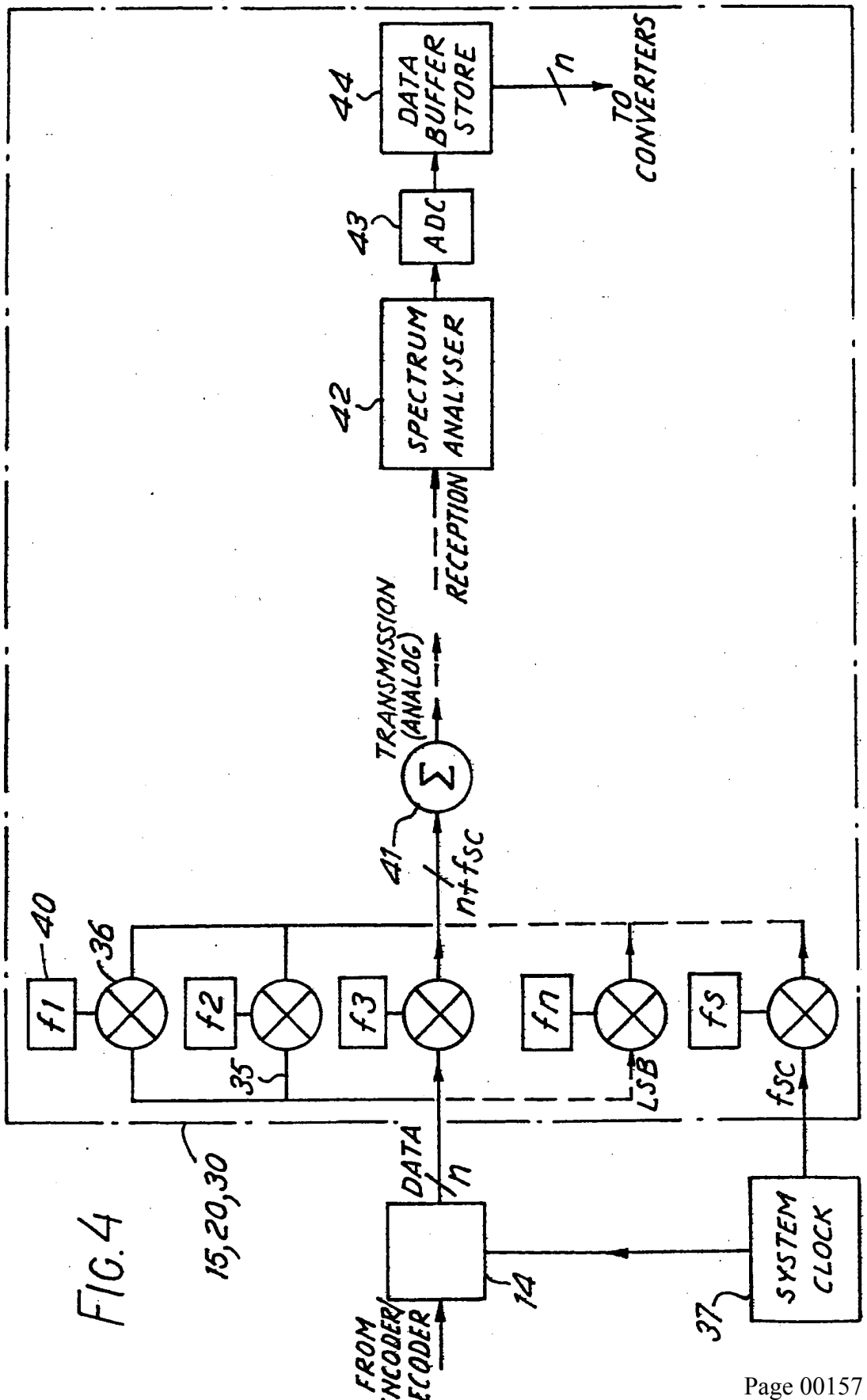
FROM ENCODER/ DECODER
14
DATA
n
15,20,30
SYSTEM CLOCK
37
fSC
LSB
35
40
f1
36
f2
f3
fn
fs
41
n+fSC
Σ
TRANSMISSION (ANALOG)
RECEPTION
42
SPECTRUM ANALYSER
43
ADC
44
DATA BUFFER STORE
n
TO CONVERTERS

FIG. 4

SPECIFICATION

Recorded data transfer system

This invention relates to a recorded data transfer system particularly for use in the entertainment industry whereby digital data may be transferred between a source unit, a database which may be housed by a record company, and a user unit either directly or indirectly.

According to the invention there is provided a recorded data transfer system comprising

a) a database having a main computer, a caller/called interface, a transmitter/receiver interface, a data storage and processing system, means for controlling the storage and processing of data, means for controlling the process of being called by one or more user units or another database, and

b) at least one user unit having means for communication with said database including a transmitter/receiver interface and means for storing/recalling and/or processing data received from the database.

Preferably the transfer system includes at least one source unit having a means for communication with said database including a transmitter/receiver interface, and means for the storage and processing of data.

The media for data transfer is preferably high speed telephone links by way of modems. However, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used.

The media for storage of data would be floppy disk, hard disk, optical or laser disk, magnetic tape, integrated circuit memory or any other suitable medium.

The system may incorporate anti-piracy methods such as the encryption or encoding of data either generally or uniquely.

The data is transferred from the source unit to the database where it is processed for storage in library form whereby selected data can be transmitted to any user and/or source unit in national or foreign territories.

The source unit could belong to a recording artist, the main unit to a major record company and user units to the general public. The artist would transfer a master mix to the record company who would store it, having processed it if necessary, and recall it, when necessary for sale to the general public via their user units. By arranging for the data to be encoded/encrypted uniquely for each user unit, the borrowing or unlawful copying of material could be eliminated. This method could also be used to ensure security between all units.

The invention will now be described by way of example with reference to the accompanying drawings in which:-

FIGURE 1 is a block diagram of a possible configuration of the source (artist's) unit,

FIGURE 2 is a block diagram of a possible configuration for the main (database or record company's) unit,

FIGURE 3 is a block diagram of a possible configuration for the user unit, and

FIGURE 4 is a diagram of a parallel transmitter/receiver as a possible means of communication between units.

From Figure 1 it is seen that the source unit, which will be located, for example, at the artist's recording studio, comprises a storage medium 11, a buffer 12, an encoder/decoder 13, a serial/parallel and parallel/serial converter 14, and a parallel transmitter/receiver 15. It is assumed that the artist's material is digitised before it reaches the buffer stage. Although a parallel transmitter/receiver is preferable. However, depending on the type of processor used, for example a transputer, serial to parallel conversion may not be necessary as the data will be available in parallel form. In the case of some transmission media with very hight serial speeds, serial to parallel conversion may also not be necessary.

The database, Figure 2, comprises a parallel transmitter/receiver 20, a serial/parallel and parallel/serial converter 21, an encoder/decoder 22 and a buffer store 23. Conversion of data may take place at the record company for in-house audio or visual reproduction by means of a conversion system 24.

The user unit, Figure 3, comprises a parallel receiver/transmitter 30, a serial/parallel and parallel/serial converter 31, a storage medium 32 such as video tape or optical disk, a decoder 33 and suitable conversion apparatus 34 for audio and/or visual reproduction.

It is assumed that recorded material may be sent and received by both the source unit and the database and that the user unit may only receive recorded material. Decoding (if applicable) should preferably be actuated between the storage medium and conversion thus eliminating the possibility of material being usefully borrowed or copied.

By means of the parallel/receiver transmitter the artist can transmit a newly recorded work direct to the record company. The user on the other hand can log on to the data base and make her/his selection according to a supplied menu. Suitable security coding may be provided between the source unit and the data base and likewise between the data base and the user unit and between data bases.

At present all transfer of data between remote systems is done serially or by phase/amplitude modulation. In the preferred arrangement the parallel transmitter/receiver allows parallel transmission of data words using a form of frequency shift keying described below.

The parallel transmitter/receiver of each of the source unit, database and user unit comprises the same components. However, as an example there is shown in Figure 4 the transmitter/receiver (15,20,30 respectively of Figures 1, 2 and 3) of which the components for transmission are shown to the left of the diagram and the components for receiving are shown to the right. In the transmitter portion the outputs 35 (most significant bit to least significant bit) or the serial/parallel and parallel/serial converter 14 are connected to the inputs of a series of frequency

multipliers 36 fed respectively by preselected frequencies 40. The outputs of the multipliers 40 are fed to a mixer 41 in which the individual frequencies are summed as a single analog signal for serial transmission.

In use a word or frame of recorded data is clocked onto the multiplying lines where each individual bit is multiplied by its own unique frequency (f1, f2 --- fn). The individual frequencies are chosen so that addition of all possible combinations will not result in an arror. For example, if most significant bit (M.S.B.) is 'hi' then the frequency f1 will be fed to a mixer 41, if it is 'lo' then f1 will not appear and no combination of the other frequencies f2-fn will result in f1 being apparent. Clock pulses of frequency fsc form a system clock 37 which clocks the data out from the converter 14 can also be multiplied by a frequency fs and transmitted as a frequency and recovered at the receiving end (e.g. by phase lock looping) for use in synchronisation.

The frequencies which are mixed in the mixer 41 are then sent as an analog signal over the transmission medium where the signal is received by a spectrum analyser 42 forming part of parallel transmitter receiver (21 of Figure 2).

If the transmission medium is an ordinary telephone system then the bandwidth is restricted to 3 kHz. Therefore, depending on the number of bits used per word, the frequencies used to represent the bits will have to be within this bandwidth. For example if the lowest frequency to be used is 200 Hz—which will represent the L.S.B. then if 16 bits are used per word, the difference between each frequency could be $\frac{3000 - 200}{16} = 175$Hz i.e. the frequency used to represent the L.S.B. + 1 would be 200 + 175 = 375 Hz etc. British Telecom protocols would not be broken due to the system clock frequency being continuously present during data transfers. It must be noted however, that current technology requires at least 2 cycles of a frequency to be transmitted in order for that frequency to be recognised by receiver circuitry. The rate of transmission is therefore determined by the lowest frequency used so normal telephone links would seem impractical for this purpose, and the above serves only as an example.

If the transmission medium is one in which modulation is used (either AM, FM, PCM or PM [Phase modulation]) then the output from the mixer stage could be modulated in the same way as ordinary speech and demodulated at the receiving end (in this example at the database) the received word or frame must be filtered for each individual frequency and this is carried out by the spectrum analyser 42 having either separate filters for each frequency or a carrier sweep filter which would detect whether the frequencies are present or not. If a frequency is present the filter will give an output voltage to represent that bit; if not there will be a zero.

To synchronise the system, the system clock, which has been sent along with the bit frequencies can be recovered and used as a READ clock. This clock could be sent at a lower frequency than the L.S.B. for example. The voltages then have to be 'squared off' and converted into suitable digital levels by an analog to digital convertor 43 which can then be stored.

The recorded data transfer system of the present invention affords the following advantages:

a) For the company;

1) The elimination of supply and demand problems.

2) The elimination of production costs.

3) The elimination of distribution costs.

4) The elimination of sales force.

5) Built-in stock control.

6) The elimination of piracy within the recorded data system.

7) The immediate transfer of master information inland and overseas.

8) Vast reduction in storage space.

b) For the artist;

1) Immediate and secure transfer of master mix information to the company.

2) Immediate access to master mix information from any territory.

3) An enhanced royalty accounting system due to the built-in stock control.

4) Increased promotion on product due to aforementioned reduction in costs.

c) For the consumer;

1) Master mix quality of recorded material.

2) Greatly increased choice of material irrespective of territory.

3) Home-buying of material.

4) Immediate access to material.

5) The opportunity to refurbish collection irrespective of deletions.

CLAIMS

1. A recorded data transfer system comprising

a) a database having a main computer, a caller/called interface, a transmitter/receiver interface, a data storage and processing system, means for controlling the storage and processing of data, means for controlling the process of being called by one or more user units or another database, and

b) at least one user unit having means for communication with said database including a transmitter/receiver interface and means for storing/recalling and/or processing data received from the database.

2. A data transfer system as claimed in Claim 1, including at least one source unit having a means for communications with said database including a transmitter/receiver interface, and means for the storage and processing of data.

3. A data transfer system as claimed in Claim 1 or 2, wherein said transmitter/receiver interface is in the form of a parallel/serial device.

4. A data transfer system as claimed in Claim 3, wherein said parallel/serial transmitter/receiver comprises a plurality of frequency multipliers arranged in an array to receive a parallel word or frame input, means for supplying to said multipliers with signals of different frequencies so that each individual bit of the word or frame is multiplied by its own unique frequency, and means for summing the frequencies at the output of the multipliers to provide an analog signal for serial transmission.

5. A data transfer system as claimed in Claim 4, wherein said transmitter/receiver includes a spectrum analyser for receiving serial analog signals, an analog to digital converter and a data buffer store.

6. A data transfer system as claimed in Claim 5,

wherein a further multiplier is provided for receiving the system clock pulses which are multiplied by a unique frequency and summed with the multiplied frequencies representing the word or frame, said clock pulses being recovered by said spectrum analyser for the purpose of synchronisation.

7. A parallel/serial transmitter/receiver for a data transfer system comprising a plurality of frequency multipliers arranged in an array to receive a parallel word or frame input, means for supplying to said multipliers with signals of different frequencies so that each individual bit of the word or frame is multiplied by its own unique frequency, and means for summing the frequencies at the output of the multipliers to provide an analog signal for serial transmission.

8. A parallel/serial transmitter/receiver as claimed in Claim 7, including a spectrum analyser for receiving serial analog signals, an analog to digital converter and a data buffer store.

9. A recorded data transfer system as claimed in Claim 1, substantially as described by way of example with reference to Figures 1 and 2.

10. A parallel/serial transmitter/receiver as claimed in Claim 7, substantially as described by way of example with reference to Figure 4.

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⑫公開特許公報（A）　昭62－284496

⑤1Int.Cl.⁴　識別記号　庁内整理番号　⑬公開　昭和62年(1987)12月10日
G 07 F 17/00　7347－3E

審査請求　未請求　発明の数 1　（全3頁）

⑤4発明の名称　レコード音楽の自動販売システム

⑳特　願　昭61－127327
㉒出　願　昭61(1986)6月3日

⑦2発明者　明石　久信　東京都杉並区西荻北2－5－20－505
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明　細　書

1．発明の名称

レコード音楽の自動販売システム

2．特許請求の範囲

コンピュータ通信手段を内蔵した録音再生装置と、レコード音楽データ及びそのレコードリストと作曲家、曲目、演奏者等のレコード情報を蓄積したホストコンピュータとを電話回線で連絡し、上記録音再生装置からのアクセスによって上記のレコード音楽データを上記ホストコンピュータから上記録音再生装置へ送信することを特徴とするレコード音楽の自動販売システム。

3．発明の詳細な説明

(1)　産業上の利用分野

この発明はレコード音楽を電話回線を介して自動販売するシステムに関する。

(2)　従来の技術

従来のレコード音楽の販売システムは，レコード会社が録音された音楽をＬＰレコード又はデジタル・オーディオ・ディスク（コンパクト・ディスク）として製造し、レコード販売店等を介して消費者に販売提供していた。

(3)　発明が解決しようとする問題点

上記の従来のレコードディスク販売システムでは、ディスク製造に多大な設備と費用を要し、更に流通から販売までの経路における商品管理等に多大の費用と手数を要する。また、レコード会社によるレコードディスクの廃盤という事態もしばしば起こり、音楽愛好家が欲しいレコードを買えないという事態を招いていた。

(4)　問題点を解決するための手段

以上のような問題点を解決するために、デジタル録音された音楽及び従来のアナログ録音された音楽をデジタル化して利用することを前提に、この発明は次のような構成をとっている。すなわち、コンピュータ通信手段を内蔵した録音再生装置と、レコード音楽データ及びそのレコードリストと作曲家、曲目、演奏者等のレコード情報を蓄積したホストコンピュータとを電話回線で連絡し、上記

録音再生装置からのアクセスによって上記のレコード音楽データを上記ホストコンピュータから上記録音再生装置へ送信するように構成されている。

(5) 作　用

レコード音楽データとそのレコードリスト及び作曲家、曲目、演奏者等のレコード情報を集めたホストコンピュータの総合データベースに、コンピュータ通信手段を内蔵した録音再生装置によってアクセスし、接続したＴＶモニター、もしくは専用モニターを用いて、目的のリスト等の音楽情報を検索し、検索できたら録音再生装置からレコード音楽データ送信希望の信号を発信し、タイムシェアリング方式もしくはパケット交換方式などによって、この発信信号をホストコンピュータで処理し送信し、録音装置内のＲＡＭにダウンロードし、レコード音楽データをデジタル録音する。

(6) 実施例

第１図は、この発明のレコード音楽の自動販売システムに使用されるコンピュータ通信手段を内蔵した録音再生装置の一実施例を示す概略構成図、第２図はレコード音楽の自動販売システムのネットワークを示す概略構成図である。

録音再生装置１は書き込み後すぐに読み出せる追記型の光ディスクを用いるコンパクト・ディスク・デッキもしくはデジタル・オーディオ・テープレコーダーのどちらでもよく、一例としてコンパクト・ディスク・デッキによって説明する。

録音再生装置１には、コンピュータ通信手段であるＮＣＵ（電話網制御ユニット）２、モデム３、通信ＬＳＩ４、ＣＰＵ５、出力フレームバッファ６、映像信号発生装置７が組み込まれている。ＮＣＵ２は外部の電話線８に接続され、ＮＣＵ２とモデム３の間に電話機９が接続されている。ＣＰＵ５は書き込み可能な追記型の光ディスク録音再生装置10に接続されているとともに、外部のコントロールユニット11にも接続されている。映像信号発生装置７は外部のモニター12に接続されている。

上記の録音再生装置１は、第２図に示す自動販売システムのネットワークに接続される。この自動販売システムは、上記の録音再生装置１と、この録音再生装置１に接続されたモニター12とを各家庭の端末として構成され、タイムシェアリング方式もしくはパケット交換方式で録音再生装置１が通信回線網13に接続されている。この通信回線網13は公衆通信回線または光ケーブル専用通信回線であって、望ましくは光ケーブル専用通信回線を使用する。録音再生装置１は通信回線網13を介してホストコンピュータ14のデータベースに接続されている。ホストコンピュータ14のデータベースには，レコード会社15の保有するデジタル録音またはアナログ録音をデジタル化したレコード音楽データＡと、そのレコードリストＢと、作曲家、曲目、演奏者等に関するレコード情報Ｃが蓄積保存されている。

以上のように構成されたネットワークシステムは、双方向通信システムであり、このシステムの伝送制御方式は有手順方式のベーシック手順もしくはＨＤＬＣ手順などが用いられる。

次にこの発明のレコード音楽の自動販売システムの操作手順を説明する。

イ．コントロールユニット11によって送信（アクセス）信号を発する。

ロ．このアクセス信号が通信ＬＳＩ４によって制御されているＣＰＵ５で処理され、モデム３に送られる。このモデム３でデジタル信号がアナログ信号に変換される。ここでＮＣＵ２によって電話線８が電話機９からコンピュータに切り換えられ、ホストコンピュータ14にアクセスする。

ハ．アクセスされたホストコンピュータ14から返信信号（メニュー画面データ）が送られ、録音再生装置１側から送信した時と逆の手順で録音再生装置１内で処理される。

ニ．モニター12の画面によって確認しながら、コントロールユニット11によって任意のデータを選択し、初期の送信手順と同様に、ＣＰＵ５⟶通信ＬＳＩ４⟶モデム３⟶ＮＣＵ２⟶電話機８の順で、順次選択の信号を送信する。

ホ．これらの相互通信によって目的のデータが発見できた時、ユーザーはそのデータをホストコン

ピュータ14から電話線8→ＮＣＵ2→モデム3→通信ＬＳＩ4←→ＣＰＵ5の順で処理し、レコード音楽データをＲＡＭにダウンロードし、光ディスク録音再生装置10によって書き込み可能な光ディスクに書き込む。

(7) 発明の効果

この発明のレコード音楽の自動販売システムによれば，現在のレコード流通経路が不必要となり、レコード会社はレコード音楽のデータだけを保有すればよく、レコードの大幅なコストダウンがはかれる。また、ユーザーは家庭にいながら大量のレコードリストの中から、希望のレコード音楽を自由に、しかも容易に検索し、購入できる。さらに、レコーディング・データそのものが商品であるため、従来の販売システムのような廃盤はなくなり、未開拓のユーザーの開拓が低コストで可能となる。

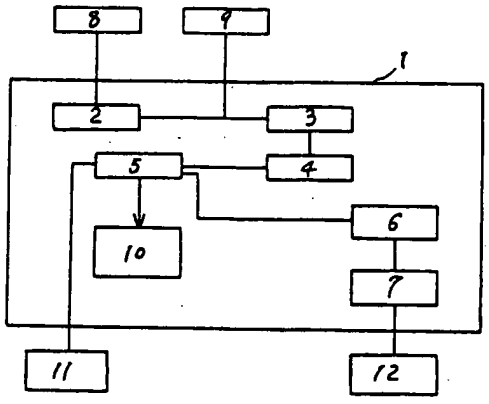
4. 図面の簡単な説明

第１図は、この発明のレコード音楽の自動販売システムに使用される録音再生装置の実施例を示す概略構成図、第２図は、レコード音楽の自動販売システムのネットワークを示す概略構成図である。

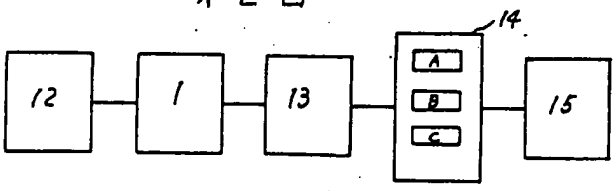
1…録音再生装置　2…ＮＣＵ　3…モデム
4…通信ＬＳＩ　5…ＣＰＵ
6…出力フレームバッファ
7…映像信号発生装置　8…電話線
9…電話機．10…光ディスク録音再生装置
11…コントロールユニット　12…モニター
13…通信回線網　14…ホストコンピュータ
15…レコード会社

特許出願人　　明石久信

第１図



第２図



(19) Japan Patent Office (JP)
(12) Unexamined Patent Applications Publication (A)

(11) Japanese Patent Application Kokai Publication: S62-284496
(43) Kokai Publication Date: December 10, 1987

[English] Int.Cl.	Identification Symbol	JPO File Number
G 07 F 17/00		7347-3E

Request for Examination: Not Yet Requested
Number of Inventions: 1
Number of Pages: 3

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(54) Name of invention: Automated Music Purchasing System

(21) Application Number: S61-127327
(22) Date Filed: June 3, 1986
(72) Inventor: Hisanobu Akashi
2-5-20 Nishiogikita #505 Suginami-ku, Tokyo

(71) Applicant: Hisanobu Akashi
155-2 Heiraku #801, Minami-ku, Yokohama-shi

Specification

1. Title of the Invention: Automated Music Purchasing System

2. Claims:

The present invention is an Automated Music Purchasing System which enables users to access recorded music data from a host computer, which stores recording information, such as recorded music data, record lists, composers, titles, performers, etc. The system utilizes a personal computer recording/recording reproduction devise which communicates via telephone lines.

3. Detailed Explanation of the Invention:

(1) Industrial Field of Application

The present invention pertains to a system which automatically sells recorded music via the

telephone line.

(2) Prior Art

The conventional system of selling recorded music is that a record company manufactures an LP record or digital audio disc (compact disc) of recoded music which it sells to consumers by way of music sales outlets, etc.

(3) Problem to be solved by the invention

The above-mentioned conventional method for selling recorded music entails considerable costs and facilities to manufacture music discs, as well as the cost and time involved for merchandise management, etc. in the distribution to sales process. In addition, record companies often discontinue record discs, resulting in a situation whereby music consumers are not able to purchase the record they want.

(4) Means for Solving the Problems

In order to address the above problems, the present invention, which is based on the utilizing of digital music as well as analog-recorded conventional music which has been put into a digitalized format, is made up as follows:

The present invention is an Automated Music Purchasing System which utilizes telephone lines to transmit recorded music data from a host computer, which stores recording information, such as recorded music data, record lists, composers, titles, performers, etc., to the said recording/recording reproduction devise installed in a personal computer.

(5) Operation

Utilizing a music recording/reproducing device which can access the host computer's comprehensive database of information on musical recordings (such as recorded music data, record lists, composers, titles, performers, etc.) the system allows a search for the desired music recording information, such as a recording list, utilizing TV monitors connected to the system or the dedicated computer monitor to display the information. When the desired music information is found by the system, the recording/reproducing device sends a signal notifying to the host computer that it wants to download the recorded music data. The host computer then sends the data to the recording device utilizing a timesharing or a packet switching method thereby enabling the data to be downloaded to the recording device RAM to be digitally recorded.

(6) Embodiment

Figure 1 shows a simple block diagram of the embodiment of the present invention's recording/reproducing device which transmits data via personal computers. Figure 2 is a simple block diagram which shows the Automated Music Purchasing System network.

Though the recording/reproducing device (1) can be used employing recordable optical discs

which can read immediately after writing, or employing a digital audio tape recorder. For the purpose if simplicity, the following section is explained using compact disc recorder:

In the recording/reproducing device (1), NCU (telephone network control unit) (2) is employed as the computer communication method; using modem (3), communication LSI (4), CPU (5), output frame buffer (6) and picture signal generator (7) .

NCU (2) is connected to the external telephone line (8), with telephone (9) connecting the NCU (2) and the modem (3). CPU (5) is connected to the recordable- optical disk recording/reproducing device (10), as well as to the external control unit (11). The image signal transmission devise is connected to the external monitor (12).

The said recording/reproducing device (1) is connected to the Automated Music Purchasing System Network as shown in Figure 2. This Automatic Music Purchasing System is made up of the said recording/reproducing device (1) and the monitor (12), which is connected to the recording/reproducing device (1), which are set up as terminals in each user's household with the recording/reproducing device (1) connected to the communications line network (13) utilizing a timesharing or packet switching method. The communications line network (13) can employ either a public telephone company service or an optical cable-dedicated communication line (though preferably it should be an optical cable-dedicated communication line). The recording/reproducing device (1) is connected to the host computer's data base (14) via the communications line network (13). The host computer data base (14) stores record company (15) record music data of digitally recorded or digitally recoded analog music A, its record list B and record information on composers, names of music and performers, etc.

The network system, made up in the above-described manner, is a two-way communication system and transmission control system as well as a transmission control system that employs either basic control mode procedure or HDLC procedure for the network system.

Operation procedures for this invention are outlined as follows:

a) Control unit (11) sends an access signal
b) The access signal is processed by the communication LSI(4)'s CPU (5) and is sent to modem (3). The digital signal is converted to analog by modem (3); then, via the NCU (2), telephone line (8) is changed from telephone devise (9) to computer which then accesses host computer (14).
c) The accessed host computer (14) sends a response signal (menu screen data) which is

processed via the recording/reproducing device (1) in a set of procedures which are the reverse of those employed when the recording/reproducing device (1) sent the original signal.

d) Using the monitor screen (12), user chooses desired data using control unit (11) sending selection data in the same order of the initial transmission procedures as shown below:
CPU (5) ⇔ communication LSI (4) ⇒ modem (3) ⇒ NUC (2) ⇒ telephone line (8)

e) When the desired data has been found, user accesses and processes the data from the host computer (14) via telephone line (8) ⇒ NUC (2) ⇒ modem (3) ⇒communication LSI (4) ⇔ CPU (5) and then downloads the record music data to RAM which records data onto recordable optical disc using the optical disk recording/reproducing device.

(7) Effect of the invention

With this invention, a record company need only to maintain the data of recorded music and would therefore not require the current distribution channels which would result in considerable cost reduction. In addition, user would be able to easily as well as freely search for and purchase desired music from home. Furthermore, since the recording data becomes the merchandize itself, discontinuing music will not become necessary as it does in the conventional selling system. New users can also be easily drawn in to the system at little cost.

4. Brief Description of the Drawings:

Figure 1 is a simple block diagram of an embodiment of the recording/reproducing device used in this invention, and Figure 2 is a simple block diagram which shows the Automated Music Purchasing System Network.

Patent Applicant: Hisanobu Akashi

1: Recording/reproducing device
2: NCU
3: Modem
4: Communication LSI
5: CPU
6: Output frame buffer
7: Picture signal generator
8: Telephone line
9: Telephone devise
10: Optical disk recording/reproducing device

11: Control unit

12: Monitor

13: Communications line network

14: Host computer

15: Record company

Figure 1

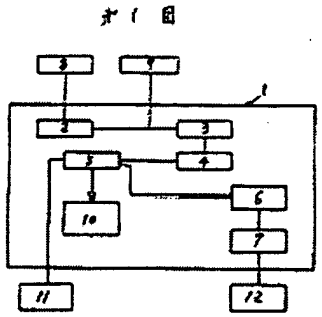
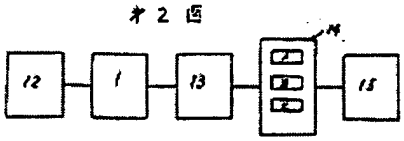


Figure 2



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Bib Data Sheet

CONFIRMATION NO. 4782

SERIAL NUMBER	FILING OR 371(c) DATE	CLASS	GROUP ART UNIT	ATTORNEY DOCKET NO.
90/007,407	01/31/2005 RULE	705	3625	NAPSP003

APPLICANTS

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Albert S Penilla(3rd. Pty. Req.), Sunnyvale, CA;
Albert S Penilla, Sunnyvale, CA

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

This application is a REX of 08/471,964 06/06/1995 PAT 5,966,440
which is a CON of 08/023,398 02/26/1993 ABN
which is a CON of 07/586,391 09/18/1990 PAT 5,191,573
which is a CON of 07/206,497 06/13/1988 ABN

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

Foreign Priority claimed	STATE OR COUNTRY	SHEETS DRAWING	TOTAL CLAIMS	INDEPENDENT CLAIMS
☐ yes ☐ no			63	14
35 USC 119 (a-d) conditions met ☐ yes ☐ no ☐ Met after Allowance				
Verified and Acknowledged Examiner's Signature Initials				

ADDRESS

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Attorney At Law
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201 North Craig Street, Suite 304
Pittsburgh ,PA 15213

TITLE

SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS

FILING FEE RECEIVED		
2520	FEES: Authority has been given in Paper No. _____ to charge/credit DEPOSIT ACCOUNT No. _____ for following:	☐ All Fees ☐ 1.16 Fees (Filing) ☐ 1.17 Fees (Processing Ext. of time) ☐ 1.18 Fees (Issue) ☐ Other _____ ☐ Credit

Application Number	Application No.	Applicant(s)	
	90/007,407	5966440	
	Examiner	Art Unit	
		3625	

Index of Claims

Application No.	Applicant(s)	
90/007,407	5966440	
Examiner	Art Unit	
	3625	

√	Rejected	–	(Through numeral) Cancelled	N	Non-Elected	A	Appeal
=	Allowed	÷	Restricted	I	Interference	O	Objected

Claim		Date								
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Issue Classification	Application No.	Applicant(s)	
	90/007,407	5966440	
	Examiner	Art Unit	
		3625	

ISSUE CLASSIFICATION

ORIGINAL			CROSS REFERENCE(S)
CLASS	SUBCLASS	CLASS	SUBCLASS (ONE SUBCLASS PER BLOCK)
705	26		
INTERNATIONAL CLASSIFICATION			
/			
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(Assistant Examiner) (Date)		Total Claims Allowed:
(Legal Instruments Examiner) (Date)	(Primary Examiner) (Date)	O.G. Print Claim(s) / O.G. Print Fig.

☐ Claims renumbered in the same order as presented by applicant ☐ CPA ☐ T.D. ☐ R.1.47

Final	Original	Final	Original	Final	Original	Final	Original	Final	Original	Final	Original	Final	Original
	1		31		61		91		121		151		181
	2		32		62		92		122		152		182
	3		33		63		93		123		153		183
	4		34		64		94		124		154		184
	5		35		65		95		125		155		185
	6		36		66		96		126		156		186
	7		37		67		97		127		157		187
	8		38		68		98		128		158		188
	9		39		69		99		129		159		189
	10		40		70		100		130		160		190
	11		41		71		101		131		161		191
	12		42		72		102		132		162		192
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	14		44		74		104		134		164		194
	15		45		75		105		135		165		195
	16		46		76		106		136		166		196
	17		47		77		107		137		167		197
	18		48		78		108		138		168		198
	19		49		79		109		139		169		199
	20		50		80		110		140		170		200
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	22		52		82		112		142		172		202
	23		53		83		113		143		173		203
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	25		55		85		115		145		175		205
	26		56		86		116		146		176		206
	27		57		87		117		147		177		207
	28		58		88		118		148		178		208
	29		59		89		119		149		179		209
	30		60		90		120		150		180		210

Search Notes	Application No.	Applicant(s)	
	90/007,407	5966440	
	Examiner	Art Unit	
		3625	

SEARCHED			
Class	Subclass	Date	Examiner

INTERFERENCE SEARCHED			
Class	Subclass	Date	Examiner

SEARCH NOTES (INCLUDING SEARCH STRATEGY)		
	DATE	EXMR

Reexamination	Control No. 90/007,407	Applicant(s)
	Certificate Date	Certificate Number

Requester Correspondence Address:	☐ Patent Owner	☒ Third Party

Albert S. Penilla
MARTINE PENILLA & GENCARELLA LLP
710 Lakeway Drive, Suite 200
Sunnyvale, CA 94085

LITIGATION REVIEW ☐	(examiner initials)	(date)
Case Name		Director Initials

COPENDING OFFICE PROCEEDINGS	
TYPE OF PROCEEDING	NUMBER
1.	
2.	
3.	
4.	

Patent Assignment Abstract of Title

Total Assignments: 2

Application #: 08471964 **Filing Dt:** 06/06/1995 **Patent #:** 5966440 **Issue Dt:** 10/12/1999

PCT #: NONE **Publication #:** NONE **Pub Dt:**

Inventor: ARTHUR R. HAIR

Title: A SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS

Assignment: 1

Reel/Frame:	Received:	Recorded:	Mailed:	Pages:
010776/0703	05/16/2000	05/03/2000	07/14/2000	16

Conveyance: CHANGE OF NAME (SEE DOCUMENT FOR DETAILS).

Assignor: PARSEC SIGHT/SOUND, INC. **Exec Dt:** 04/26/2000

Assignee: SIGHTSOUND.COM INCORPORATED
733 WASHINGTON ROAD, SUITE 400
MT. LEBANON, PENNSYLVANIA 15228

Correspondent: ANSEL M. SCHWARTZ
ONE STERLING PLAZA
201 N. CRAIG STREET, SUITE 304
PITTSBURGH, PA 15213

Assignment: 2

Reel/Frame:	Received:	Recorded:	Mailed:	Pages:
012506/0415	01/30/2002	10/24/2001	04/25/2002	6

Conveyance: NOTICE OF GRANT OF SECURITY INTEREST

Assignor: SIGHTSOUND TECHNOLOGIES, INC. **Exec Dt:** 10/01/2001

Assignees: 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

Correspondent: PAUL, WEISS, RIFKIND, WHARTON & GARRISON
DEBORAH HARTNETT
1285 AVENUE OF THE AMERICAS
NEW YORK, NY 10019

Search Results as of: 2/8/2005 4:42:27 P.M.

UNITED STATES PATENT AND TRADEMARK OFFICE

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

REEXAM CONTROL NUMBER	FILING OR 371 (c) DATE	PATENT NUMBER
90/007,407	01/31/2005	5966440

CONFIRMATION NO. 4782

OC000000015184348

Albert S Penilla
MARTINE PENILLA & GENCARELLA LLP
710 Lakeway Drive, Suite 200
Sunnyvale, CA 94085

Date Mailed: 02/15/2005

NOTICE OF REEXAMINATION REQUEST FILING DATE

(Third Party Requester)

Requester is hereby notified that the filing date of the request for reexamination is 01/31/2005, the date the required fee of $2,520 was received.

A decision on the request for reexamination will be mailed within three months from the filing date of the request for reexamination. (See 37 CFR 1.515(a)).

A copy of the Notice is being sent to the person identified by the requester as the patent owner. Further patent owner correspondence will be the latest attorney or agent of record in the patent file. (See 37 CFR 1.33). Any paper filed should include a reference to the present request for reexamination (by Reexamination Control Number).

cc: Patent Owner

Ansel M. Schwartz
Attorney At Law
One Sterling Plaza
201 North Craig Street, Suite 304
Pittsburgh, PA 15213

Office of Patent Legal Administration
Central Reexamination Unit (571) 272-7740; FAX (571) 273-0100

PART 3 - OFFICE COPY

UNITED STATES PATENT AND TRADEMARK OFFICE

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

REEXAM CONTROL NUMBER	FILING OR 371 (c) DATE	PATENT NUMBER
90/007,407	01/31/2005	5966440

CONFIRMATION NO. 4782

REEXAM ASSIGNMENT NOTICE

OC000000015184349

Ansel M. Schwartz
Attorney At Law
One Sterling Plaza
201 North Craig Street, Suite 304
Pittsburgh, PA 15213

Date Mailed: 02/15/2005

NOTICE OF ASSIGNMENT OF REEXAMINATION REQUEST

The above-identified request for reexamination has been assigned to Art Unit 3625. All future correspondence to the proceeding should be identified by the control number listed above and directed to the assigned Art Unit.

A copy of this Notice is being sent to the latest attorney or agent of record in the patent file or to all owners of record. (See 37 CFR 1.33(c)). If the addressee is not, or does not represent, the current owner, he or she is required to forward all communications regarding this proceeding to the current owner(s). An attorney or agent receiving this communication who does not represent the current owner(s) may wish to seek to withdraw pursuant to 37 CFR 1.36 in order to avoid receiving future communications. If the address of the current owner(s) is unknown, this communication should be returned within the request to withdraw pursuant to Section 1.36.

cc: Third Party Requester(if any)

Albert S Penilla
MARTINE PENILLA & GENCARELLA LLP
710 Lakeway Drive, Suite 200
Sunnyvale, CA 94085

Office of Patent Legal Administration
Central Reexamination Unit ((571) 272-7740; FAX (571) 273-0100

PART 3 - OFFICE COPY

Access DB# 142699

SEARCH REQUEST FORM

Scientific and Technical Information Center

Requester's Full Name: Pinchus Laufer Examiner # : 73139 Date: 2/28/05
Art Unit: 2100 Phone Number 272-3599 Serial Number: 90/007,407
Mail Box Location: 1C81 Results Format Preferred (circle): PAPER DISK E-MAIL

If more than one search is submitted, please prioritize searches in order of need.

****

Please provide a detailed statement of the search topic, and describe as specifically as possible the subject matter to be searched. Include the elected species or structures, keywords, synonyms, acronyms, and registry numbers, and combine with the concept or utility of the invention. Define any terms that may have a special meaning. Give examples or relevant citations, authors, etc, if known. Please attach a copy of the cover sheet, pertinent claims, and abstract.

Title of Invention: _____

Inventors (please provide full names): _____

_____

Earliest Priority Filing Date: _____

**For Sequence Searches Only* Please include all pertinent information (parent, child, divisional, or issued patent numbers) along with the appropriate serial number.*

Litigation
5,966,440

Inventor: Arthur R. Hair O.G. Date March 29, 2005

****

STAFF USE ONLY	Type of Search	Vendors and cost where applicable
Searcher: Shirelle Green	Sequence (#)_____	STN _____
Searcher Phone #: 306-4767	AA Sequence (#)_____	Dialog _____
Searcher Location: 4B40	Structure (#) _____	Questel/Orbit _____
Date Searcher Picked Up: _____	Bibliographic _____	Dr.Link _____
Date Completed: _____	Litigation _____	Lexis/Nexis _____
Searcher Prep & Review Time: _____	Fulltext _____	Sequence Systems _____
Clerical Prep Time: _____	Patent Family _____	WWW/Internet _____
Online Time: _____	Other _____	Other (specify)_____

1 of 1 DOCUMENT

UNITED STATES PATENT AND TRADEMARK OFFICE GRANTED PATENT

5966440

Link to Claims Section

October 12, 1999

System and method for transmitting desired digital video or digital audio signals

REEXAM-LITIGATE:

NOTICE OF LITIGATION

Sightsound Technologies, Inc., a Delaware corporation v. Roxio, Inc., a Delaware corporation, et al, Filed October 8, 2004, D.C. W.D. Pennsylvania (Pittsburgh), Doc. No. 04-CV-1549

INVENTOR: Hair, Arthur R. - Pittsburgh, Pennsylvania, United States (US)

APPL-NO: 471964 (08)

FILED-DATE: June 6, 1995

GRANTED-DATE: October 12, 1999

ASSIGNEE-AT-ISSUE: Parsec Sight/Sound, Inc., Mt. Lebanon, Pennsylvania, United States (US), 02

ASSIGNEE-AFTER-ISSUE: 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: 10776/0703
October 24, 2001 - NOTICE OF GRANT OF SECURITY INTEREST, D&DF WATERVIEW PARTNERS, L.P. ONE STERLING PLAZA 152 WEST 57TH STREET, 46TH FLOOR NEW YORK NEW YORK 10019; 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, Reel and Frame Number: 12506/0415

ENGLISH-ABST:

A method for transferring desired digital video or audio signals. The method comprises the steps of forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party. The first memory has the desired digital video or audio signals. Then, there is the step of selling electronically by the first party to the second party through telecommunications lines, the desired digital video or audio signals in the first memory. Then, there is the step of transferring the desired digital video or audio signals from the first memory of the first party to the second memory of the second party through the telecommunications lines while the second memory is in possession and control of the second party. Additionally, there is a system for transferring digital video or audio signals.

1 of 2 DOCUMENTS

Sightsound.com, Inc. v. N2K, Inc.

Civil Action No. 98-0118

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA

2003 U.S. Dist. LEXIS 25503

October 23, 2003, Decided

DISPOSITION: **[*1]** Defendants' motion for summary judgment denied. Plaintiff's motion for summary judgment dismissing defendants' affirmative defenses and counterclaims granted.

OPINION:

... **[*4]** Patent to a company he co-founded, known as Parsec Sight/Sound, Inc. ("Parsec.") He also assigned to Parsec two other patents, No. 5,675,734, issued on October 7, 1997 ("the '734 Patent"), and No. 5,966,440, issued on October 12, 1999 ("the '440 Patent). The '734 and '440 Patents are claimed to be continuations of '573 Patent. (Amended Complaint, Docket No. 39, "Am. compl.," PP 14 and 17.) All three patents ("the Sightsound ...

... **[*114]** phrase *"has* licensed" and provides a copy of the executed agreement dated October 1, 1997. (Joint Exhibits re: Claim Construction Briefs, Vol. 3, Patent File History for U.S. Patent *5,966,440*, "Claim Const. Jt. Exhs.," Docket No. 72, Exh. 19 at 2, emphasis added.) A patent examiner presented with the exhibits to Mr. Schwartz' Appeal Brief would understand that the reference to a "license ...

2 of 2 DOCUMENTS

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

DISPOSITION: **[**1]** Defendants' objection overruled and exhibit admitted into evidence.

OPINION:

... **[*453]** **[**3]** N2K, Inc. ("N2K"), CDnow, Inc., and CDnow Online, Inc. (collectively referred to as "CDnow" or "defendants") of infringing multiple claims of U. **[**4]** S. Patent Nos. 5,191,573 ("the '573 Patent"), 5,675,734 ("the '734 Patent"), and 5,966,440 ("the '440 Patent") through the practice of downloading digital music over the internet. n1

n1 Of course, the court is not concerned with the accused product or practice at this point. Claim construction is accomplished "independent of the accused ...

No Documents Found!

No documents were found for your search (**5966440 or 5,966,440**). Click the "Edit Search" button below to try again. You may want to try one or more of the following:

- Check for spelling errors.
- Remove some search terms.
- Use a less restrictive date range.
- Use more common search terms. "Suggested Words and Concepts" are displayed on the search form when you click on Edit Search.

Edit Search

LEXIS-NEXIS
Library: PATENTS
File: JNLS

1 of 5 DOCUMENTS

April 8, 2004

SECTION: Ap 8'04

CBCA-ACC-NO: 5966440

LENGTH: 300 words

HEADLINE: Belinda Stronach committed to politics, denies Magna return in works

2 of 5 DOCUMENTS

Intellectual Property Today

April, 2004

SECTION: INTERNETINFO.COLUMN; Pg. 49

LENGTH: 718 words

HEADLINE: Will the Price of Music Downloads Include Patent License Fees?

BYLINE: 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.

BODY:

...CDNow, Inc. and CDNow Online, Inc. (collectively "CDNow") to the pending patent infringement action, based on allegations of infringement of the original patents-in-suit and an additional patent, U.S. Patent No. **5,966,440,** which issued to SightSound after the start of the litigation. This tangled web of patent infringement claims eventually extended to Bertelsmann AG, which acquired CDNow in connection with BMG's on-line music operations.

3 of 5 DOCUMENTS

E-Commerce

August 2000

SECTION: PATENT PROFILES; Vol. 17; No. 4; Pg. 5

LENGTH: 1369 words

HEADLINE: Rountable Discussion Debates Computer Implemented Business Method Patents

BYLINE: BY MATTHEW KAUFMAN AND KATRINE A. LEVIN; Matthew Kaufman and Katrine Levin are associates with Brown Raysman Millstein Felder &Steiner LLPin New York.

BODY:

...com's "one click" patent (U.S. Patent No. 5,960,411) and SightSound.com's patent titled "System and Method for Transmitting Desired Digital Video or Digital Audio Signals" (U.S. Patent No. **5,966,440)**.

In response to the growing public concern over the manner in which business method patents are examined and issued, the U.S. Patent and Trademark Office (PTO) organized a roundtable discussion July 27 to debate the ...

4 of 5 DOCUMENTS

New York Law Journal

May 24, 2000 Wednesday

SECTION: PATENT AND TRADEMARK LAW; Pg. 3

LENGTH: 2493 words

HEADLINE: What Internet Start-Ups Should Know About "Patents"

BYLINE: By Robert C. Scheinfeld and Parker H. Bagley; Robert C. Scheinfeld and Parker H. Bagley are partners in the intellectual property group and the New York office of Baker & Botts LLP.

BODY:

...Cybergold Inc. 5,794,210; 5,855,008; Affinity Technology 5,870,721; 5,940,811; Intuit 5,903,881; LoanMarket 5,940,812; Flash Communications 5,943,478; Double Click Inc. 5,948,061; 5,943,378; Amazon.com 5,960,411; 6,029,141; Sightsound **5,966,440;** Gemstar 5,988,078; LinkShare Corp. 5,991,740; and InfoSpace.com 6,016,504

As an example, the Netcentives '870 patent includes the following claim:

A system for an incentive award program, including a ...

5 of 5 DOCUMENTS

Business Wire

October 12, 1999, Tuesday

DISTRIBUTION: Business/Entertainment Editors & High-Tech Writers

LENGTH: 469 words

HEADLINE: SIGHTSOUND.COM Receives Additional Patent Protection; Industry Veteran Frank Biondi Joins Board

DATELINE: MOUNT LEBANON, Pa.

BODY:

Oct. 12, 1999-- SIGHTSOUND.COM (www.sightsound.com) today received United States Patent **5,966,440.**

"This is an important addition to our growing portfolio of patents and intellectual property," said Scott Sander, President and CEO of SIGHTSOUND.COM. "As the Internet matures, we will continue to lead the effort to respect the intellectual property rights of ...

us5966440/pn

** SS 1: Results 1

Search statement 2

?prt full nonstop legalall

1/1 PLUSPAT - (C) QUESTEL-ORBIT- image
PN - US5966440 A 19991012 [US5966440]
TI - (A) System and method for transmitting desired digital video or digital audio signals
PA - (A) PARSEC SIGHT SOUND INC (US)
PA0 - Parsec Sight/Sound, Inc., Mt. Lebanon PA [US]
IN - (A) HAIR ARTHUR R (US)
AP - US47196495 19950606 [1995US-0471964]
FD - Cont. of US023398 19930226 [1993US-0023398]
- Cont. of US586391 19900918 [1990US-0586391]
- Cont. of US206497 19880613 [1988US-0206497] (Abandoned)
- Continuation of: US5191573 - 19930302
PR - US47196495 19950606 [1995US-0471964]
- US2339893 19930226 [1993US-0023398]
- US58639190 19900918 [1990US-0586391]
- US20649788 19880613 [1988US-0206497]
IC - (A) G11B-005/86 H04L-009/00
EC - G07F-017/16
- G11B-020/00P
- G11B-027/00V
- G11B-027/034
- G11B-027/10A1
- G11B-027/34
PCL - ORIGINAL (O) : 705026000; CROSS-REFERENCE (X) : 360015000 705052000 705057000
DT - Basic
CT - US3718906; US3990710; US4124773; US4506387; US4521806; US4528643; US4538176; US4567359; US4647989; US4654799; US4789863; US4789868; US5191193; US5191573
- "Teledelivery Business Quantified: Would You Believe $20 Billion?" VideoPrint, v4, n12, p1-4; Jun. 22, 1983; ISSN: 0271-0951 (Abstract is Attached).

Scott Mace, "Electronic Orchestras in Your Living Room; Midi Could Make the Biggest Year Yet for Computer Musicians" InfoWorld, Mar. 25, 1985.

"Rock around the Data Base" by Lydia Dotto, Information Technology, Sep. 1984.

Jimmy Bowen: Music Row's Prophet of Change, Chappell, Lindsay, 1986.
STG - (A) United States patent
AB - A method for transferring desired digital video or audio signals. The method comprises the steps of forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party. The first memory has the desired digital video or audio signals. Then, there is the step of selling electronically by the first party to the second party through telecommunications lines, the desired digital video or audio signals in the first memory. Then, there is the step of transferring the desired digital video or audio signals from the first memory of the first party to the second memory of the second party through the telecommunications lines while the second memory is in possession and control of the second party. Additionally, there is a system for

transferring digital video or audio signals.

1/1 LGST - (C) EPO
PN - US5966440 A 19991012 [US5966440]
AP - US47196495 19950606 [1995US-0471964]
ACT - 20000503 US/AS-A
ASSIGNMENT
OWNER: SIGHTSOUND.COM INCORPORATED 733 WASHINGTON ROAD, S; EFFECTIVE DATE: 20000426
CHANGE OF NAME;ASSIGNOR:PARSEC SIGHT/SOUND, INC.;REEL/FRAME:010776/0703
- 20011024 US/AS-A
ASSIGNMENT
OWNER: KENYON & KENYON ONE BROADWAY NEW YORK NEW YORK 100; EFFECTIVE DATE: 20011001
NOTICE OF GRANT OF SECURITY INTEREST;ASSIGNOR:SIGHTSOUND TECHNOLOGIES, INC.;REEL/FRAME:012506/0415
- 20011024 US/AS-A
ASSIGNMENT
OWNER: SCHWARTZ, ANSEL M. ONE STERLING PLAZA 201 N. CRAIG; EFFECTIVE DATE: 20011001
NOTICE OF GRANT OF SECURITY INTEREST;ASSIGNOR:SIGHTSOUND TECHNOLOGIES, INC.;REEL/FRAME:012506/0415
- 20011024 US/AS-A
ASSIGNMENT
OWNER: WATERVIEW PARTNERS, LLP ONE STERLING PLAZA 152 WES; EFFECTIVE DATE: 20011001
NOTICE OF GRANT OF SECURITY INTEREST;ASSIGNOR:SIGHTSOUND TECHNOLOGIES, INC.;REEL/FRAME:012506/0415
- 20011024 US/AS-A
ASSIGNMENT
OWNER: D&DF WATERVIEW PARTNERS, L.P. ONE STERLING PLAZA 1; EFFECTIVE DATE: 20011001
NOTICE OF GRANT OF SECURITY INTEREST;ASSIGNOR:SIGHTSOUND TECHNOLOGIES, INC.;REEL/FRAME:012506/0415
UP - 2004-38

1/1 CRXX - (C) CLAIMS/RRX
PN - 5,966,440 A 19991012 [US5966440]
PA - Parsec Sight Sound Inc
ACT - 20000503 REASSIGNED
CHANGE OF NAME

Assignor: PARSEC SIGHT/SOUND, INC., DATE SIGNED: 04/26/2000

Assignee: SIGHTSOUND.COM INCORPORATED, 733 WASHINGTON ROAD, SUITE 400, MT. LEBANON, PENNSYLVANIA, 15228

Reel 010776/Frame 0703

Contact: ANSEL M. SCHWARTZ, ONE STERLING PLAZA, 201 N. CRAIG STREET, SUITE 304, PITTSBURGH, PA 15213

- 20011024 REASSIGNED
NOTICE OF GRANT OF SECURITY INTEREST

Assignor: SIGHTSOUND TECHNOLOGIES, INC., DATE SIGNED: 10/01/2001

Assignee: 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 012506/Frame 0415

Contact: PAUL, WEISS, RIFKIND, WHARTON & GARRISON, DEBORAH HARTNETT, 1285 AVENUE OF THE AMERICAS, NEW YORK, NY 10019

Reexamination	Control No.	Applicant(s)
	90/007,407	
	Certificate Date	Certificate Number

Requester Correspondence Address: ☐ Patent Owner ☒ Third Party
Albert S. Penilla MARTINE PENILLA & GENCARELLA LLP 710 Lakeway Drive, Suite 200 Sunnyvale, CA 94085

LITIGATION REVIEW ☐	BL (examiner initials)	3/16/05 (date)
Case Name		Director Initials
Sightsound Technologies, Inc. v Roxio 10/8/04 D. C. W. D. Pennsylvania (Pitts) Doc. No 04-CV-1544		

COPENDING OFFICE PROCEEDINGS	
TYPE OF PROCEEDING	NUMBER
1. Reexam	90/007,402
2. Reexam	90/007,403
3. ~~Pending~~ Pending Application	09/286,892
4.	

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

7590 03/18/2005

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EXAMINER	
Lanier, Benjamin	
ART UNIT	PAPER NUMBER
2132	

DATE MAILED: 03/18/2005

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

UNITED STATES DEPARTMENT OF COMMERCE
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Washington, D.C. 20231

APPLICATION NO./ CONTROL NO.	FILING DATE	FIRST NAMED INVENTOR / PATENT IN REEXAMINATION	ATTORNEY DOCKET NO.
90/007,407	01/31/2005	5966440	NAPSP003

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EXAMINER	
Lanier, Benjamin	
ART UNIT	**PAPER**
2132	

DATE MAILED: 03/18/05

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Commissioner of Patents and Trademarks

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Pittsburgh, PA 15213

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EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. *90/007,407*.

PATENT NO. *5,966,440*.

ART UNIT *2132*.

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)).

Order Granting / Denying Request For Ex Parte Reexamination	Control No.	Patent Under Reexamination	
	90/007,407	5966440	
	Examiner	Art Unit	
	Benjamin E Lanier	2132	

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

The request for *ex parte* reexamination filed *31 January 2005* has been considered and a determination has been made. An identification of the claims, the references relied upon, and the rationale supporting the determination are attached.

Attachments: a)☐ PTO-892, b)☐ PTO-1449, c)☐ Other: _____

1. ☒ The request for *ex parte* reexamination is GRANTED.

RESPONSE TIMES ARE SET AS FOLLOWS:

For Patent Owner's Statement (Optional): TWO MONTHS from the mailing date of this communication (37 CFR 1.530 (b)). **EXTENSIONS OF TIME ARE GOVERNED BY 37 CFR 1.550(c).**

For Requester's Reply (optional): TWO MONTHS from the **date of service** of any timely filed Patent Owner's Statement (37 CFR 1.535). **NO EXTENSION OF THIS TIME PERIOD IS PERMITTED.** If Patent Owner does not file a timely statement under 37 CFR 1.530(b), then no reply by requester is permitted.

2. ☐ The request for *ex parte* reexamination is DENIED.

This decision is not appealable (35 U.S.C. 303(c)). Requester may seek review by petition to the Commissioner under 37 CFR 1.181 within ONE MONTH from the mailing date of this communication (37 CFR 1.515(c)). **EXTENSION OF TIME TO FILE SUCH A PETITION UNDER 37 CFR 1.181 ARE AVAILABLE ONLY BY PETITION TO SUSPEND OR WAIVE THE REGULATIONS UNDER 37 CFR 1.183.**

In due course, a refund under 37 CFR 1.26 (c) will be made to requester:

a) ☐ by Treasury check or,

b) ☐ by credit to Deposit Account No. _____, or

c) ☐ by credit to a credit card account, unless otherwise notified (35 U.S.C. 303(c)).

cc:Requester (if third party requester)

DETAILED ACTION

Reexamination

1. The patent owner is reminded of the continuing responsibility under 37 CFR 1.565(a) to apprise the Office of any litigation activity, or other prior or concurrent proceeding, involving Patent No. 5,966,440 throughout the course of this reexamination proceeding. The third party requester is also reminded of the ability to similarly apprise the Office of any such activity or proceeding throughout the course of this reexamination proceeding. See MPEP §§ 2207, 2282 and 2286.

2. A substantial new question of patentability affecting claims 1-63 of United States Patent Number 5,966,440 ("the '440 patent") is raised by the request for *ex parte* reexamination.

3. The prior art cited by the third party, specifically Gallagher (GB 2,178,275 A) and Gremillet (U.S. Patent No. 4,499,568), were not previously cited or considered by the Examiner during the prosecution of the '440 patent or its parent application. Gallagher teaches a method, system and apparatus for transferring recorded digital audio and video data between a source unit, a database housed by a record company and end user units. Gremillet discloses a process and system for vending digital audio and video information over telecommunication lines between a first memory of a first party and second memory of a second party. A reasonable examiner would consider the Gallagher and Gremillet references important in deciding whether or not the claims are patentable.

4. The Freeny (U.S. Patent No. 4,528,643) prior art reference raises a substantial new question of patentability based on an intervening decision by the Federal Circuit reversing the claim construction of Freeny which cause the Freeny reference to be viewed in a new light as

compared with its use in the earlier concluded examinations. A reasonable examiner would consider the Freeny reference, in view of the new light, important in deciding whether or not the claims are patentable.

5. Extensions of time under 37 CFR 1.136(a) will not be permitted in these proceedings because the provisions of 37 CFR 1.136 apply only to "an applicant" and not to parties in a reexamination proceeding. Additionally, 35 U.S.C. 305 requires that *ex parte* reexamination proceedings "will be conducted with special dispatch" (37 CFR 1.550(a)). Extensions of time in *ex parte* reexamination proceedings are provided for in 37 CFR 1.550(c).

6. In order to ensure full consideration of any amendments, affidavits or declarations, or other documents as evidence of patentability, such documents must be submitted in response to this Office action. Submissions after the next Office action, which is intended to be a final action, will be governed by the requirements of 37 CFR 1.116, which will be strictly enforced.

7. The request for *Ex Parte* Reexamination of U.S. Patent No. 5,966,440 is **GRANTED.**

8. All claims 1-63 will be examined in this reexamination proceeding.

Conclusion

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Benjamin E Lanier whose telephone number is 571-272-3805. The examiner can normally be reached on M-Th0 7:30am-5:00pm, F 7:30am-4pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Gilberto Barron can be reached on 571-272-3799. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Benjamin E. Lanier

GILBERTO BARRON JR.
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 2100

PINCHUS M. LAUFER, PH.D., J.D.
SPECIAL PROGRAM EXAMINER
TECHNOLOGY CENTER 2100

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

7590 06/21/2005

EXAMINER	

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ART UNIT	PAPER NUMBER

DATE MAILED: 06/21/2005

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

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Sunnyvale, CA 94085

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. *90/007,407*.

PATENT NO. *5966440*.

ART UNIT *2132*.

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)).

Office Action in Ex Parte Reexamination	Control No. 90/007,407	Patent Under Reexamination 5966440	
	Examiner Benjamin E. Lanier	Art Unit 2132	

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

a☐ Responsive to the communication(s) filed on _____. b☐ This action is made FINAL.
c☒ A statement under 37 CFR 1.530 has not been received from the patent owner.

A shortened statutory period for response to this action is set to expire 2 month(s) from the mailing date of this letter. Failure to respond within the period for response will result in termination of the proceeding and issuance of an *ex parte* reexamination certificate in accordance with this action. 37 CFR 1.550(d). **EXTENSIONS OF TIME ARE GOVERNED BY 37 CFR 1.550(c).** If the period for response specified above is less than thirty (30) days, a response within the statutory minimum of thirty (30) days will be considered timely.

Part I THE FOLLOWING ATTACHMENT(S) ARE PART OF THIS ACTION:

1. ☐ Notice of References Cited by Examiner, PTO-892.
2. ☑ Information Disclosure Statement, PTO-1449.
3. ☐ Interview Summary, PTO-474.
4. ☐ _____.

Part II SUMMARY OF ACTION

1a. ☒ Claims 1-63 are subject to reexamination.
1b. ☐ Claims _____ are not subject to reexamination.
2. ☐ Claims _____ have been canceled in the present reexamination proceeding.
3. ☐ Claims _____ are patentable and/or confirmed.
4. ☒ Claims 1-63 are rejected.
5. ☐ Claims _____ are objected to.
6. ☒ The drawings, filed on 10 December 1998 are acceptable.
7. ☐ The proposed drawing correction, filed on _____ has been (7a)☐ approved (7b)☐ disapproved.
8. ☐ Acknowledgment is made of the priority claim under 35 U.S.C. § 119(a)-(d) or (f).
   a)☐ All b)☐ Some* c)☐ None of the certified copies have
   1☐ been received.
   2☐ not been received.
   3☐ been filed in Application No. _____.
   4☐ been filed in reexamination Control No. _____.
   5☐ been received by the International Bureau in PCT application No. _____.
   * See the attached detailed Office action for a list of the certified copies not received.
9. ☐ Since the proceeding appears to be in condition for issuance of an *ex parte* reexamination certificate except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte* Quayle, 1935 C.D. 11, 453 O.G. 213.
10. ☐ Other: _____

cc: Requester (if third party requester)

DETAILED ACTION

Claim Rejections - 35 USC § 102

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

> A person shall be entitled to a patent unless –
>
> (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

2. Claims 1, 2, 11-13, 19, 22, 29, 36, 37, 41-43, 46-49, 55, 58, 59, 62, 63 are rejected under 35 U.S.C. 102(b) as being anticipated by Gallagher GB 2,178,275 A. Referring to claim 1, Gallagher discloses a recorded data transfer system is provided for use in the entertainment industry where digital data is transferred between a source unit that stores the digital data in a database and individual user units (Abstract) that contain a means for storage the digital data and a transmitter/receiver interface for conducting the transfer (Page 1, lines 19-22), which meets the limitation of forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals. To further meet the above mentioned limitation, Gallagher discloses that the medium of data transfer is preferably high speed telephone links by way of modems, however, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used (Page 1, line 85). Gallagher also discloses that the digital data is of an audio or visual nature (Page 1, lines 85). Once the source unit receives the digital data from the recording artists, the source unit stores the digital data and makes it available for sale to the general public via their user units (Page 1, lines 44-50), which meets the limitation of selling electronically by the first party to the second party through

telecommunications lines, the desired digital video or digital audio signals in the first memory. Once the user receives and stores the digital data, the user can recall the digital data (Page 1, line 21) and playback the digital data on the user unit by way of a playback apparatus (Abstract), which meets the limitation of transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party and playing through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connection with the second memory of the second party control unit.

Referring to claim 2, Gallagher discloses that once the source unit receives the digital data from the recording artists, the source unit stores the digital data and makes it available for sale to the general public via their user units (Page 1, lines 44-50), which meets the limitation of wherein the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

Referring to claims 11, 12, Gallagher discloses a recorded data transfer system is provided for use in the entertainment industry where digital data is transferred between a source unit that stores the digital data in a database and individual user units (Abstract) that contain a means for storage the digital data and a transmitter/receiver interface for conducting the transfer (Page 1, lines 19-22), which meets the limitation of forming a connection through telecommunication lines between a first memory of the first party and a second memory of the

second party control unit, said first memory having desired digital video or digital audio signals. The source unit contains a processor (Page 1, line 22), which meets the limitation of placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party. The keyboard of the source unit would meet the limitation of entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desire digital video or digital audio signals from a first party. Gallagher discloses that the medium of data transfer is preferably high speed telephone links by way of modems, however, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used (Page 1, line 85), which meets the limitation of transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party, telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals a are sold to the second party by the first party. Gallagher also discloses that the digital data is of an audio or visual nature (Page 1, lines 85). Once the source unit receives the digital data from the recording artists, the source unit stores the digital data and makes it available for sale to the general public via their user units (Page 1, lines 44-50), which meets the limitation of selling electronically by the first party to the second party through telecommunications lines, the desired

digital video or digital audio signals in the first memory, a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals. Once the user receives and stores the digital data, the user can recall the digital data (Page 1, line 21) and playback the digital data on the user unit by way of a playback apparatus (Abstract), which meets the limitation of entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit, playing the desired digital video or digital audio signals with the second party control unit, means or a mechanism for playing the desire digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party.

Referring to claim 13, Gallagher discloses that the source unit comprises a storage medium, which can be a hard drive (Page 1, lines 32-33), and a buffer (Page 1, lines 66-69). The data is stored on the storage medium and processed before being sent to the buffer where it is then subsequently transmitted (Page 1, lines 71-80 & Figure 1), which meets the limitation of wherein the first party control unit includes a first party hard disk having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party's hard disk.

Referring to claim 19, Gallagher discloses that once the source unit receives the digital data from the recording artists, the source unit stores the digital data and makes it available for sale to the general public via their user units (Page 1, lines 44-50), which meets the limitation of means or mechanism for electronically selling includes means or a mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

Referring to claims 22, 42, Gallagher discloses a recorded data transfer system is provided for use in the entertainment industry where digital data is transferred between a source unit that stores the digital data in a database and individual user units (Abstract) that contain a means for storage the digital data and a transmitter/receiver interface for conducting the transfer (Page 1, lines 19-22), which meets the limitation of placing a second party control unit having a receiver and the second memory connected to the receiver by the second party at a desired location determined by the second party. Gallagher discloses that the medium of data transfer is preferably high speed telephone links by way of modems, however, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used (Page 1, line 85), which meets the limitation of connecting electronically via telecommunications lines the first memory of a first party with the second memory of a second party such that the desired digital video or digital audio signals can pass there between, said first memory having said desired digital video or digital audio signals. Gallagher also discloses that the digital data is of an audio or visual nature (Page 1, lines 85). Once the source unit receives the digital data from the recording artists, the source unit stores the digital data and makes it available for sale to the general public via their user units (Page 1, lines 44-50), which meets the limitation of selling

electronically via telecommunications lines to the second party at a location remote from the first memory by the first party controlling use of the first memory, said second party financially distinct from the first party, said second party in control and in possession of the second memory, selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, incurring a fee by the second party to the first party for the use of telecommunications lines, the desired digital video or digital audio signals in the first memory. Once the user receives and stores the digital data, the user can recall the digital data (Page 1, line 21) and playback the digital data on the user unit by way of a playback apparatus (Abstract), which meets the limitation of transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party control unit having the second memory at the location determined by the second party while said receiver and second memory is in possession and control of the second party through telecommunications lines, storing the digital video or digital audio signals in the second memory and playing the digital video or digital audio signals in the second memory with the second party control unit.

Referring to claim 29, Gallagher discloses a recorded data transfer system is provided for use in the entertainment industry where digital data is transferred between a source unit that stores the digital data in a database and individual user units (Abstract) that contain a means for storage the digital data and a transmitter/receiver interface for conducting the transfer (Page 1, lines 19-22), which meets the limitation of means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass there between, said connecting means or

mechanism in electrical communication with the transferring means or mechanism. Gallagher discloses that the medium of data transfer is preferably high speed telephone links by way of modems, however, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used (Page 1, line 85). Gallagher also discloses that the digital data is of an audio or visual nature (Page 1, lines 85). Once the source unit receives the digital data from the recording artists, the source unit stores the digital data and makes it available for sale to the general public via their user units (Page 1, lines 44-50), which meets the limitation of means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said first party controlling use of the first memory, said second party controlling use and in possession of the second memory. Once the user receives and stores the digital data, the user can recall the digital data (Page 1, line 21) and playback the digital data on the user unit by way of a playback apparatus (Abstract), which meets the limitation of means or mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party control unit having the second memory at the location determined by the second party while said receiver is in possession and control of the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism, means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism, and means or mechanism for playing the digital video or digital audio signals in the second memory with the second party control unit, said playing means or mechanism connected to the second memory.

Referring to claim 36, Gallagher discloses a recorded data transfer system is provided for use in the entertainment industry where digital data is transferred between a source unit that stores the digital data in a database and individual user units (Abstract) that contain a means for storage the digital data and a transmitter/receiver interface for conducting the transfer (Page 1, lines 19-22), which meets the limitation of placing a second party control unit having a receiver and the second memory connected to the receiver by the second party at a desired location determined by the second party. Gallagher discloses that the medium of data transfer is preferably high speed telephone links by way of modems, however, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used (Page 1, line 85), which meets the limitation of connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass there between. Gallagher also discloses that the digital data is of an audio or visual nature (Page 1, lines 85). Once the source unit receives the digital data from the recording artists, the source unit stores the digital data and makes it available for sale to the general public via their user units (Page 1, lines 44-50), which meets the limitation of charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines. Once the user receives and stores the digital data, the user can recall the digital data (Page 1, line 21) and playback the digital data on the user unit by way of a playback apparatus (Abstract), which meets the limitation of transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party

location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines, storing the digital video or digital audio signals in the second memory and playing the digital video or digital audio signals in the second memory with the second party control unit.

Referring to claims 37, 43, Gallagher discloses that once the source unit receives the digital data from the recording artists, the source unit stores the digital data and makes it available for sale to the general public via their user units (Page 1, lines 44-50), which meets the limitation of wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.

Referring to claim 41, Gallagher discloses a recorded data transfer system is provided for use in the entertainment industry where digital data is transferred between a source unit that stores the digital data in a database and individual user units (Abstract) that contain a means for storage the digital data and a transmitter/receiver interface for conducting the transfer (Page 1, lines 19-22), which meets the limitation of connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass there between. Gallagher discloses that the medium of data transfer is preferably high speed telephone links by way of modems, however, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used (Page 1, line 85). Gallagher also discloses that the digital data is of an audio or visual nature (Page 1, lines 85). Once the source unit receives the digital data from the recording artists, the source unit stores the

digital data and makes it available for sale to the general public via their user units (Page 1, lines 44-50), which meets the limitation of selling electronically via telecommunications lines to the second party at a location remote from the first memory by the first party controlling use of the first memory, said second party financially distinct from the first party, said second party in control and in possession of a second party control unit having a receiver and the second memory connected to the receiver. Once the user receives and stores the digital data, the user can recall the digital data (Page 1, line 21) and playback the digital data on the user unit by way of a playback apparatus (Abstract), which meets the limitation of transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver connected to the second memory of the second party control unit at the location determined by the second party while said second party control unit is in possession and control of the second party, storing the digital video or digital audio signals in the second memory and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

Referring to claims 47, 48, 55, 62, Gallagher discloses a recorded data transfer system is provided for use in the entertainment industry where digital data is transferred between a source unit that stores the digital data in a database and individual user units (Abstract) that contain a means for storage the digital data and a transmitter/receiver interface for conducting the transfer (Page 1, lines 19-22), which meets the limitation of telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals

are sold to the second party by the first party. The source unit contains a processor (Page 1, line 22) and would contain a keyboard, which meets the limitation of a second party control unit having a second party control panel, a receiver and a video display for playing the desired digital video signals received by the receiver. The monitor of the source unit meets the limitation of said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit place by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel. Gallagher discloses that the medium of data transfer is preferably high speed telephone links by way of modems, however, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used (Page 1, line 85). Gallagher also discloses that the digital data is of an audio or visual nature (Page 1, lines 85). Once the source unit receives the digital data from the recording artists, the source unit stores the digital data and makes it available for sale to the general public via their user units (Page 1, lines 44-50), which meets the limitation of a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location. Once the user receives and stores the digital data, the user can recall the digital data (Page 1, line 21) and playback the digital data on the user unit by way of a playback apparatus (Abstract), which meets the limitation of the second party control unit includes a second memory which is connected to

the receiver and the video display, said second memory storing the digital video signals that are received by the receiver to provide the video display with the digital video signals.

Referring to claim 49, Gallagher discloses that the source unit comprises a storage medium, which can be a hard drive (Page 1, lines 32-33), and a buffer (Page 1, lines 66-69). The data is stored on the storage medium and processed before being sent to the buffer where it is then subsequently transmitted (Page 1, lines 71-80 & Figure 1), which meets the limitation of wherein the first party control unit includes a first party hard disk having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party's hard disk.

Referring to claims 58, 59, 63, Gallagher discloses a recorded data transfer system is provided for use in the entertainment industry where digital data is transferred between a source unit that stores the digital data in a database and individual user units (Abstract) that contain a means for storage the digital data and a transmitter/receiver interface for conducting the transfer (Page 1, lines 19-22), which meets the limitation of choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected, transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party. The user unit would have a monitor, which meets the limitation of placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location, connecting

electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party. Gallagher discloses that the medium of data transfer is preferably high speed telephone links by way of modems, however, normal telephone links, fibre optic links, electro-magnetic waves or any other suitable medium may be used (Page 1, line 85). Gallagher also discloses that the digital data is of an audio or visual nature (Page 1, lines 85). Once the source unit receives the digital data from the recording artists, the source unit stores the digital data and makes it available for sale to the general public via their user units (Page 1, lines 44-50), which meets the limitation of charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals, the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory. Once the user receives and stores the digital data, the user can recall the digital data (Page 1, line 21) and playback the digital data on the user unit by way of a playback apparatus (Abstract), which meets the limitation of displaying the desired video signals received by the receiver on the video display in possession and control of the second party.

Claim Rejections - 35 USC § 103

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

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

4. The factual inquiries set forth in *Graham* **v.** *John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

5. Claims 3-10, 14-18, 20, 21, 23-28, 30-35, 38-40, 44, 45, 50-54, 56, 57, 60, 61 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gallagher GB 2,178,275 A, in view of Freeny, U.S. Patent No. 4,528,643. Referring to claims 3, 20, 21, 23, 24, 30, 31, 38, 39, 44, 45, 56, 57, 60, 61, Gallagher discloses a recorded data transfer system is provided for use in the entertainment industry where digital data is transferred between a source unit that stores the digital data in a database and individual user units (Abstract) that contain a means for storage the digital data and a transmitter/receiver interface for conducting the transfer (Page 1, lines 19-22), which meets the limitation of means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass there between, said connecting means or mechanism in electrical communication with the transferring means or mechanism, comprising a first control unit in possession and control of the first party and a second control unit possession and control of the second party. Once the source unit receives the digital data from the recording artists, the source unit stores the digital data and makes it available for sale to the general public via their user units (Page 1, lines 44-50), which meets the limitation of means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a

transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism, the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party. The user units contain a means for storing/recalling data received from the database (Page 1, lines 19-22), which meets the limitation of means or mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism. Once the user receives and stores the digital data, the user can recall the digital data (Page 1, line 21) and playback the digital data on the user unit by way of a playback apparatus (Abstract), which meets the limitation of means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory. Gallagher does not go into specific detail about how this electronic sale of the digital data is made to the general public via their user units. Freeny 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 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party, means or mechanism for transferring money electronically via telecommunications lines from the second party to the first

party controlling use of the first memory, at a location remote from the second memory, said second party controlling use and in possession of the second memory. 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 Gallagher 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 because this method of electronic sale allows the owner of the information to receive directly the compensation for sale of a recording and such compensation is received before the reproduction is authorized as taught in Freeny (Col. 13, lines 36-39).

Referring to claims 4, 26, 33, Gallagher discloses that the medium of data transfer is preferably high speed telephone links by way of modems or normal telephone links (Page 1, line 85), which meets the limitation of wherein the step of charging the account of the second party 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 charge money.

Referring to claim 5, Gallagher discloses that individual user units that contain a means for storage of the digital data after they are received (Page 1, lines 19-22).

Referring to claim 6, Gallagher discloses that the system may incorporate anti-piracy methods such as the encryption or encoding of data either generally or uniquely (Page 1, lines 36-39), which meets the limitation of before the transferring step, electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.

Referring to claim 7, Gallagher discloses a recorded data transfer system for use in the entertainment industry where digital data is transferred between a source unit that stores digital data in a database and individual user units (Abstract) that contain a means for storing the digital data and a transmitter/receiver interface for conducting the transfer (Page 1, lines 19-22). The source unit comprises a storage medium, which can be a hard drive (Page 1, lines 32-33), and a buffer (Page 1, lines 66-69). The data is stored on the storage medium and processed before being sent to the buffer where it is then subsequently transmitted (Page 1, lines 71-80 & Figure 1), which meets the limitation of the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party and including before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the hard disk into the sales random access memory chip.

Referring to claim 8, the processor of the user units would meet the limitation of the second party control unit that includes an integrated circuit for executing commands from the second party and the keyboard of the user unit would meet the limitation of second party control panel that commands the second party integrated circuit to purchase the desired digital video or desired digital audio signals from the first party.

Referring to claims 9, 14, 16, 17, 25, 32, 50-53, Gallagher discloses a recorded data transfer system for use in the entertainment industry where digital data is transferred between a source unit that stores digital data in a database and individual user units (Abstract) that contain a

means for storing the digital data and a transmitter/receiver interface for conducting the transfer (Page 1, lines 19-22), which meets the limitation of the first control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video signals. The user units contain a means for storing/recalling data received from the database (Page 1, lines 19-22), wherein the media for storage of data could be a hard disk (Page 1, lines 32-33), which meets the limitation of a second party hard disk for storing the desire digital video or digital audio signals, storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals, the second party control unit includes a second party control integrated circuit which controls and executes commands of the second party and is connected to the second party hard disk, and the first party control integrated circuit through the telecommunications lines. The user unit would have keyboard, which meets the limitation of a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit. Gallagher discloses that the source unit and the database have an input means (Figure 1), which meets the limitation of a first control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit, and a buffer stores/RAM located adjacent to the encoder/decoder (Figs. 1-3), but does not disclose that the user unit contains a buffer store/RAM

adjacent to the encoder/decoder. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include a buffer store/RAM adjacent to the decoder of the user unit in order to provide for faster access to the digital audio data, because the Examiner takes official notice that accessing a buffer store/RAM would be significantly faster than constantly accessing the hard disk. This further meets the limitation of the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip, and a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback, and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback.

Referring to claim 10, any time that the user wished to playback the digital data the commanding, playing, and transferring steps would be repeated.

Referring to claim 15, Gallagher discloses a recorded data transfer system for use in the entertainment industry where digital data is transferred between a source unit that stores digital data in a database and individual user units (Abstract) that contain a means for storing the digital data and a transmitter/receiver interface for conducting the transfer (Page 1, lines 19-22). The source unit comprises a storage medium, which can be a hard drive (Page 1, lines 32-33), and a buffer (Page 1, lines 66-69). The data is stored on the storage medium and processed before

being sent to the buffer where it is then subsequently transmitted (Page 1, lines 71-80 & Figure 1), which meets the limitation of the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals. Figure 1 discloses a source unit input means that meets the limitation of a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

Referring to claims 18, 54, the monitor of the user unit would meet the limitation of the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.

Referring to claims 27, 34, Gallagher discloses that the storage means can be hard drives (Page 1, lines 32-33).

Referring to claims 28, 35, Gallagher discloses that once the user receives and stores the digital data, the user can recall the digital data (Page 1, line 21) and playback the digital data on the user unit by way of a playback apparatus (Abstract), which meets the limitation of speakers in possession and control of the second party. The monitor of the user unit would meet the limitation of the video display.

Referring to claim 40, in the system of Gallagher the process of charging a fee, connecting, and transferring data would be repeated after a subsequent purchase.

Conclusion

6. A shortened statutory period for response is set for **two month** from the mailing date of this Office Action.

In order to ensure full consideration of any amendments, affidavits or declarations, or other documents as evidence of patentability, such documents must be submitted in response to this Office action. Submissions after the next Office action, which is intended to be a final action, will be governed by the requirements of 37 DFR 1.116, which will be strictly enforced.

The patent owner is reminded of the continuing responsibility under 37 CFR 1.565(a), to apprise the Office of any litigation activity, or other prior or concurrent proceeding, involving Patent No. 5,966,440 throughout the course of this reexamination proceeding. See MPEP §§ 2207, 2282 and 2286.

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Benjamin E. Lanier whose telephone number is 571-272-3805. The examiner can normally be reached on M-Th0 7:30am-5:00pm, F 7:30am-4pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Gilberto Barron can be reached on 571-272-3799. The fax phone number for the Central Reexamination Unit where this application or proceeding is assigned is 571-273-0100. All papers should be addressed to Box Ex Parte Reexamination.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Benjamin E. Lanier

GILBERTO BARRON JR.
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 2100

VINCENT N. TRANS
SPECIAL PROGRAM EXAMINER
TECHNOLOGY CENTER 2100

Reexam 90/007,407

Form 1449 (Modified) **Information Disclosure Statement By Applicant** (Use Several Sheets if Necessary)	Atty Docket No: NAPSP003 Applicant: Arthur R. Hair Issue Date: October 12, 1999	U.S. Patent No. 5,966,440 Group: 2132

U.S. Patent Documents

Examiner Initial	No.	Patent No.	Date	Patentee	Class	Sub-class
BL	A	4,499,568	2/1985	Gremillet		
BL	B	4,528,643	7/1985	Freeny, Jr.		
BL	C	4,636,876	1/1987	Schwartz		
BL	D	4,658,093	4/1987	Hellman		
	E					
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	J					
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Foreign Patent or Published Foreign Patent Application

Examiner Initial	No.	Document No.	Publication Date	Country or Patent Office	Class	Sub-class	Translation Yes	Translation No
BL	L	GB 2 178 275 A	2/1987	United Kingdom				
BL	M	62-284496	12/1987	Japan			X	
	N							
	O							
	P							

Other Documents

Examiner Initial	No.	Author, Title, Date, Place (e.g. Journal) of Publication
BL	Q	Jordan, Larry E. and Churchill, Bruce, *Communications and Networking for the IBM PC*, Robert J. Brady Co., Bowie, MD (1983).
BL	R	W. Rosch, "ComNet for the PC," *PC Magazine*, August 1983, pp. 225-228.
BL	S	E. Ferrarini, "Direct Connections for Software Selections," *Business Computer Systems*, February 1984, pp. 35+ (4 pages total).
BL	T	P. McDonnell, "AT&T Breaks the Speed Barrier," *Computers & Electronics*, September 1984.

Examiner	Date Considered 6/16/05

Examiner: Initial citation considered. Draw line through citation if not in conformance and not considered. Include copy of this form with next communication to applicant.

Index of Claims

Application/Control No.	Applicant(s)/Patent under Reexamination
90/007,407	5966440
Examiner	**Art Unit**
Benjamin E. Lanier	2132

√	Rejected	–	(Through numeral) Cancelled	N	Non-Elected	A	Appeal
=	Allowed	÷	Restricted	I	Interference	O	Objected

Claim		Date
Final	Original	9/10/05
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Bib Data Sheet

CONFIRMATION NO. 4782

SERIAL NUMBER	FILING OR 371(c) DATE	CLASS	GROUP ART UNIT	ATTORNEY DOCKET NO.
90/007,407	01/31/2005 RULE	705	3625	NAPSP003

APPLICANTS

5966440, Residence Not Provided;
Sightsound.Com Incorporated(Owner), Mt. Lebanon, PA;
Albert S Penilla(3rd. Pty. Req.), Sunnyvale, CA;
Albert S Penilla, Sunnyvale, CA

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

This application is a REX of 08/471,964 06/06/1995 PAT 5,966,440
which is a CON of 08/023,398 02/26/1993 ABN
which is a CON of 07/586,391 09/18/1990 PAT 5,191,573
which is a CON of 07/206,497 06/13/1988 ABN

**** FOREIGN APPLICATIONS ******************** NONE BL

Foreign Priority claimed ☐ yes ☐ no 35 USC 119 (a-d) conditions ☐ yes ☐ no ☐ Met after Allowance met Verified and Acknowledged Examiner's Signature Initials	STATE OR COUNTRY	SHEETS DRAWING	TOTAL CLAIMS	INDEPENDENT CLAIMS
			63	14

ADDRESS

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One Sterling Plaza
201 North Craig Street, Suite 304
Pittsburgh ,PA 15213

TITLE

SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS

FILING FEE RECEIVED	FEES: Authority has been given in Paper	
2520	No. _____ to charge/credit DEPOSIT ACCOUNT No. _____ for following:	☐ All Fees ☐ 1.16 Fees (Filing) ☐ 1.17 Fees (Processing Ext. of time) ☐ 1.18 Fees (Issue) ☐ Other _____ ☐ Credit

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

7590 07/13/2005

Ansel M. Schwartz
Attorney At Law
One Sterling Plaza
201 North Craig Street, Suite 304
Pittsburgh, PA 15213

EXAMINER	
Gilberto Barron, Jr.	
ART UNIT	PAPER NUMBER
2132	

DATE MAILED: 07/13/2005

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

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

Albert S. Penilla
MARTINE PENILLA & GENCARELLA, LLP
710 Lakeway Drive, Suite 200
Sunnyvale, CA 94085

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. *90/007,407*.

PATENT NO. *5966440*.

ART UNIT *2132*.

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 Interview Summary	Control No.	Patent Under Reexamination	
	90/007,407	5966440	
	Examiner	Art Unit	
	Gilberto Barron Jr.	2132	

All participants (USPTO personnel, patent owner, patent owner's representative):

(1) *Gilberto Barron Jr.*

(2) *Benjamin E. Lanier*

(3) *Ansel Schwartz*

(4) *Arthur Hair*

Date of Interview: *13 July 2005*

Type: a)☐ Telephonic b)☐ Video Conference
c)☒ Personal (copy given to: 1)☐ patent owner 2)☐ patent owner's representative)

Exhibit shown or demonstration conducted: d)☐ Yes e)☒ No.
If Yes, brief description: _____

Agreement with respect to the claims f)☐ was reached. g)☐ was not reached. h)☒ N/A.
Any other agreement(s) are set forth below under "Description of the general nature of what was agreed to..."

Claim(s) discussed: *11*.

Identification of prior art discussed: *Gallagher,Ffreeny*.

Description of the general nature of what was agreed to if an agreement was reached, or any other comments:
Mr. Schwartz discussed claim 11 with respect to the electronic selling feature in view of previous court decisions. Inherency issues in Gallagher, and arguments with respect to the Freeny reference in view of the previous court decisions were also discussed.

(A fuller description, if necessary, and a copy of the amendments which the examiner agreed would render the claims patentable, if available, must be attached. Also, where no copy of the amendments that would render the claims patentable is available, a summary thereof must be attached.)

A FORMAL WRITTEN RESPONSE TO THE LAST OFFICE ACTION MUST INCLUDE PATENT OWNER'S STATEMENT OF THE SUBSTANCE OF THE INTERVIEW. (See MPEP § 2281). IF A RESPONSE TO THE LAST OFFICE ACTION HAS ALREADY BEEN FILED, THEN PATENT OWNER IS GIVEN **ONE MONTH** FROM THIS INTERVIEW DATE TO PROVIDE THE MANDATORY STATEMENT OF THE SUBSTANCE OF THE INTERVIEW (37 CFR 1.560(b)). THE REQUIREMENT FOR PATENT OWNER'S STATEMENT CAN NOT BE WAIVED. **EXTENSIONS OF TIME ARE GOVERNED BY 37 CFR 1.550(c).**

Gilberto Barron Jr.
GILBERTO BARRON JR.
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 2100

cc: Requester (if third party requester)

Examiner's signature, if required

Practitioner's Docket No. HAIR-1 CONT III - ***PATENT***

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

U.S. Patent No. 5,966,440
In re application of: Arthur R. Hair
Reexamination Control No.: 90/007,407 Group No.: 2132
Reexamination Filed: 01/31/2005 Examiner: Benjamin E. Lanier
For: SYSTEM FOR TRANSMITTING DESIRED DIGITAL VIDEO OR AUDIO SIGNALS

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

AMENDMENT TRANSMITTAL

1. Transmitted herewith is an amendment for this application.

STATUS

2. Applicant is a small entity. A statement was already filed.

CERTIFICATION UNDER 37 C.F.R. §§ 1.8(a) and 1.10*
(When using Express Mail, the Express Mail label number is ***mandatory;***
Express Mail certification is optional.)

I hereby certify that, on the date shown below, this correspondence is being:

MAILING

X deposited with the United States Postal Service in an envelope addressed to the Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

37 C.F.R. § 1.8(a)
☐ with sufficient postage as first class mail.

37 C.F.R. § 1.10*
X as "Express Mail Post Office to Addressee"
Mailing Label No. **EL700964247US (mandatory)**

TRANSMISSION

☐ facsimile transmitted to the Patent and Trademark Office, (703) _____ - _____.

Tracey L. Klaas
Signature

Date: 7/21/05

Tracey L. Klaas
(type or print name of person certifying)

** Only the date of filing (§ 1.6) will be the date used in a patent term adjustment calculation, although the date on any certificate of mailing or transmission under § 1.8 continues to be taken into account in determining timeliness. See § 1.703(f). Consider "Express Mail Post Office to Addressee" (§ 1.10) or facsimile transmission (§ 1.6(d)) for the reply to be accorded the earliest possible filing date for patent term adjustment calculations.*

EXTENSION OF TERM

3. The proceedings herein are for a patent application and the provisions of 37 C.F.R. 1.136 apply. Applicant believes that no extension of term is required. However, this conditional petition is being made to provide for the possibility that applicant has inadvertently overlooked the need for a petition for extension of time.

FEE FOR CLAIMS

4. The fee for claims (37 C.F.R. 1.16(b)-(d)) has been calculated as shown below:

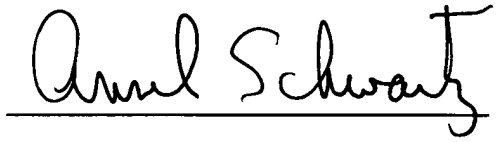
	(Col. 1)		(Col. 2)		(Col. 3)		SMALL ENTITY				
	CLAIMS REMAINING AFTER AMENDMENT		HIGHEST NO PREVIOUSLY PAID FOR		PRESENT EXTRA		RATE			ADDIT. FEE	
TOTAL	53	–	63	=	0	x	$	25.00	=	$	0.00
INDEP.	10	–	14	=	0	x	$	100.00	=	$	0.00
FIRST PRESENTATION OF MULTIPLE DEPENDENT CLAIM						+	$	0.00	=	$	0.00
								TOTAL ADDIT. FEE		$	0.00

No additional fee for claims is required.

FEE DEFICIENCY

5. If an additional extension and/or fee is required, charge Account No. 19-0737.

If an additional fee for claims is required, charge Account No. 19-0737.



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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)
	)
ARTHUR R. HAIR	)
	)
Reexamination Control No. 90/007,407	)
	)
Reexamination Filed: January 31, 2005	) A SYSTEM FOR TRANSMITTING
	) DESIRED DIGITAL VIDEO OR
Patent Number: 5,966,440	) AUDIO SIGNALS
	)
Examiner: Benjamin E. Lanier	

Pittsburgh, Pennsylvania 15213

July 21, 2005

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

Sir:

AMENDMENT

In response to the Office Action for the above-identified reexamination dated June 21, 2005, please enter the following amendments.

Claim Amendments

Claim 1 (currently amended): A method for transferring desired digital video or digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party; and

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; and playing through speakers of the

second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit.

Claims 2 and 3 (canceled)

Claim 4 (currently amended): A method as described in Claim **[[3]]** 1 wherein the step of charging the account of the second party 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.

Claim 5 (original): A method as described in Claim 4 including after the transferring step, the step of storing the desired digital video or digital audio signals in the second memory.

Claim 6 (original): A method as described in Claim 5 including before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.

Claim 7 (original): A method as described in Claim 6 wherein the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and including before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the hard disk into the sales random access memory chip.

Claim 8 (original): A method as described in Claim 7 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.

Claim 9 (original): A method as described in Claim 5 wherein the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip, a second party hard disk for storing the desired digital video or digital audio signals, and a playback random access memory chip for temporarily

storing the desired digital video or digital audio signals for sequential playback; and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback.

Claim 10 (original): A method as described in Claim 9 including after the transferring step, there is the step of repeating the commanding, playing, and transferring a replica steps.

Claim 11 (original): A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party;

entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party;

forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party;

entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit; and

playing the desired digital video or digital audio signals with the second party control unit.

Claim 12 (original): A system for transferring digital video or digital audio signals comprising:

a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals;

a second party control unit having a second party control panel, a second memory connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and

telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital

audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party.

Claim 13 (original): A system as described in Claim 12 wherein the first party control unit includes a first party hard disk having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party's hard disk.

Claim 14 (original): A system as described in Claim 13 wherein the second party control unit includes a second party hard disk which stores a plurality of digital video or digital audio signals, and a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.

Claim 15 (currently amended): A system as described in Claim 14 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of

the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

Claim 16 (currently amended): A system as described in Claim 15 wherein the ~~second party control unit includes a~~ second party control integrated circuit ~~which~~ controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

Claim 17 (original): A system as described in Claim 16 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit

through the telecommunications lines for temporarily storing the desired digital video or digital audio signals received from the first party's control unit for subsequent storage to the second party hard disk.

Claim 18 (original): A system as described in Claim 17 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.

Claim 19 (original): A system as described in Claim 12 wherein the means or mechanism for electronically selling includes means or a mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

Claim 20 (original): A system as described in Claim 19 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

Claim 21 (original): A system as described in Claim 20 wherein the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party.

Claim 22 (canceled)

Claim 23 (original): A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising:

means or a mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

Claim 24 (original): A system as described in Claim 23 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

Claim 25 (original): A system as described in Claim 18 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical

communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

Claim 26 (original): A system as described in Claim 25 wherein the telecommunications lines include telephone lines.

Claim 27 (original): A system as described in Claim 26 wherein the first memory comprises a first hard disk and the second memory comprises a second hard disk.

Claim 28 (original): A system as described in Claim 27 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

Claim 29 (original): A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising:

means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said first party controlling use of the first memory, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or

digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

Claim 30 (original): A system as described in Claim 29 wherein the means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location.

Claim 31 (original): A system as described in Claim 30 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

Claim 32 (original): A system as described in Claim 31 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

Claim 33 (original): A system as described in Claim 32 wherein the telecommunications lines include telephone lines.

Claim 34 (original): A system as described in Claim 33 wherein the first memory comprises a first hard disk and the second memory comprises a second hard disk.

Claim 35 (original): A system as described in Claim 34 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

Claim 36 (currently amended): A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising the steps of:

placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital

audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines, the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines;

storing the digital video or digital audio signals in the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

Claims 37 and 38 (canceled)

Claim 39 (currently amended): A method as described in Claim **[[**38**]]** 36 wherein the step of charging the account of the second party 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.

Claim 40 (original): A method as described in Claim 39 including after the transferring step, there is the step of repeating the charging a fee, connecting, and transferring steps.

Claim 41 (canceled)

Claim 42 (currently amended): A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

Claims 43 and 44 (canceled)

Claim 45 (currently amended): A method as described in Claim [[44]] 42 wherein the step of charging the account of the second party 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.

Claim 46 (original): A method for transferring desired digital video or digital audio signals comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired second party location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of a second party, said first memory having said desired digital video or digital audio signals;

incurring a fee by the second party to the first party for the use of telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second

party; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

Claim 47 (original): A system for transferring digital video signals from a first party to a second party at a second party location comprising:

a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location;

a second party control unit having a second party control panel, a receiver and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and

telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party.

Claim 48 (original): A system as described in Claim 47 wherein the second party control unit includes a second memory which is connected to the receiver and the video display, said second memory storing the digital video signals that are received by the receiver to provide the video display with the digital video signals.

Claim 49 (original): A system as described in Claim 48 wherein the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired digital video signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video signals of the first party's hard disk.

Claim 50 (original): A system as described in Claim 49 wherein the second party control unit includes a second party hard disk which stores a plurality of digital video signals, and a playback random access memory chip electronically connected to the second

party hard disk for storing a replica of the desired digital video signals as a temporary staging area for playback.

Claim 51 (currently amended): A system as described in Claim 50 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

Claim 52 (currently amended): A system as described in Claim 51 wherein the ~~second party control unit includes a~~ second party control integrated circuit ~~which~~ controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video signals; and a second

party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

Claim 53 (original): A system as described in Claim 52 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party's control unit for subsequent storage to the second party hard disk.

Claim 54 (original): A system as described in Claim 53 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video signals.

Claim 55 (original): A system as described in Claim 47 wherein the means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.

Claim 56 (original): A system as described in Claim 55 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

Claim 57 (original): A system as described in Claim 56 wherein the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party.

Claim 58 (original): A method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second party at a second party location so the second party can view the desired digital video signals comprising the steps of:

placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals;

connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;

choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected;

transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party; and

displaying the desired video signals received by the receiver on the video display in possession and control of the second party.

Claim 59 (original): A method as described in Claim 58 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory.

Claim 60 (original): A method as described in Claim 59 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

Claim 61 (original): A method as described in Claim 60 wherein the step of charging the account of the second party 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.

Claims 62 and 63 (canceled)

REMARKS

Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 are currently active.

Claims 15, 16, 51 and 52 have been amended because "second party integrated circuit" did not have proper antecedent basis.

No new claims have been added. All amendments to the claims are dependent claims rewritten as independent claims with all the limitations of their base claim and any intervening claims.

Claims 2, 3, 22, 37, 38, 41, 43, 44, 62 and 63 have been canceled.

In regard to the following discussion concerning the prior art rejections under 35 U.S.C. §§102 and 103 that the Examiner has raised, it must be stressed and pointed out that the claims are to be considered from the viewpoint of one skilled in the art as of the priority date of **June 13, 1988**, and not what one skilled in the art would consider from today's viewpoint. This is black letter law and was so stated by the U.S. District Court for the Western District of Pennsylvania in its Order of Court in Sightsound.com, Inc. v. N2K, dated October 23, 2003.

Furthermore, as is more fully discussed below, generally Patentee's claim limitations are not found in the Gallagher reference the Examiner uses as a basis for his anticipation rejection. Instead, it is respectfully submitted the Examiner has used the doctrine of inherency to find anticipation. As is black letter law and as the U.S. District Court for the Western District of Pennsylvania in its Order of Court in Sightsound.com, Inc. v. N2K, dated October 23, 2003, (a copy of which was submitted to the Patent Office in an Information Disclosure Statement to U.S. patent application serial number 09/286,892) beginning on the bottom of page 30 through the middle of page 31, stated, inherency requires that the missing descriptive material in the reference is necessarily present, not nearly probably or possibly present, in the prior art. If an alternative can be presented to an interpretation of a teaching the Examiner relies on for anticipation based on inherency, then the missing descriptive material in the reference is **not** necessarily present and the limitation is not taught, and thus, the claim is not anticipated. The Examiner will find as he reviews this Patentee's response that alternatives are presented.

Patentee includes with this response a Declaration by Kenneth Pohlmann who has been Director of Music Engineering of the University of Miami since 1983, a tenured Professor of Music since 1987 at the University of Miami, and Assistant Director of Music Engineering of the University of Miami between 1977 and 1983. Kenneth Pohlmann is an expert in regard to the art at issue here. His background of his many years of experience of

teaching, employment and papers he has written in the art are attached as Exhibit A to his Declaration.

The Examiner has rejected Claims 1, 2, 11-13, 19, 22, 29, 36, 37, 41-43, 46-49, 55, 58, 59, 62 and 63 as being anticipated by Gallagher. Patentee respectfully traverses this rejection.

In regard to Claims 1 and 2, Claim 1 now has the limitations of Claim 3 with all the limitations of its base claim and any intervening claims.

In regard to Claim 11, there is the limitation of "entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party". It is respectfully submitted the Examiner is reading this limitation into the teachings of Gallagher when it simply is not there. The language of "entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party" is not present in Gallagher.

As expert Kenneth Pohlmann states, the Examiner assumes that Gallagher teaches a means for sale using the music transmission system itself. The Gallagher reference

only briefly mentions a sale. Specifically, Gallagher says, "for sale to the general public via their user units." (See p. 1, line 50.) As further mention of a sale, Gallagher lists, "The elimination of sales force," as an advantage to the record company. (See p. 2, line 72.) Gallagher also lists as one of the advantages of his invention to the consumer: "Home-buying of material." (See p. 2, line 92.) Importantly, Gallagher makes no other statement regarding sale. Reading Gallagher, as expert Kenneth Pohlmann believes an ordinary engineer would in early 1988, it is not clear how Gallagher envisioned that a sale of recorded digital data would take place. Certainly, Gallagher does not describe any particular implementation of a sale.

Furthermore, regarding the Examiner's entire statement on the matter in the Office Action, Gallagher teaches that "The artist would transfer a master mix to the record company who would store it, having processed it if necessary, and recall it, when necessary for sale to the general public via their user units." (See p. 1, lines 46-50.) Expert Kenneth Pohlmann submits that this assumes a complexity that was not easily envisioned in 1988 and is not taught anywhere by Gallagher. In particular, the Examiner assumes that the user unit is the device used to make the purchase. That is not Gallagher's teaching. In his statement, he is carefully describing the path that the data signals take from the artist's studio, to the record label, to the user. He is thus teaching that the data will be downloaded to the user unit through this signal path. He does not also say that the same signal chain can be used in reverse from the user to the record label. He simply says that the user can receive signals

from the database. Nowhere does he say that the user unit will be used to make the purchase. Rather, one can imagine many other alternative interpretations that would have been much more apparent in 1988. For example, the user could simply place a call with a telephone handset to provide a credit card number or subscription number, after the billing information is provided over the phone, then the source unit is connected to the user device for the download of the audio signal. This method of purchasing digital music was envisioned at the time of Gallagher; for example, it is the teaching of Schwartz, as found in Exhibit B. This simpler method of selling music is more akin to that envisioned by Gallagher; it can be accomplished without the need of a computer, and follows the design of Gallagher's user unit as being a low-cost, mass-market device readily affordable to consumers in 1988. Another method includes sending a check by mail to the distributor to pay for the download of audio signals.

Furthermore, regarding this rejection, the U.S. District Court for the Western District of Pennsylvania in its Markman Decision on claim construction in Sightsound.com, Inc. v. N2K (a copy of which was submitted to the Patent Office in an Information Disclosure Statement in U.S. patent application serial number 09/286,892), has made it clear that an electronic sale requires both a purchase component and a delivery component. Gallagher includes no discussion that relates to the way a user would be able to purchase a recorded digital file. Therefore, Gallagher may be understood as involving the user unit only in the

delivery aspect of a sale and therefore fails to disclose an electronic sale as defined by the Patentee. In part, because Gallagher does not discuss how a user would purchase a recorded digital file, Gallagher necessarily does not describe any single means or mechanism by which a digital music file may be purchased, downloaded, and played. Furthermore, Gallagher does not disclose a user unit having an integrated circuit configured to effect the purchase, download, or playback of the digital music.

In fact, Gallagher specifically teaches "the user unit may only receive recorded material" although "the recorded material may be sent and received by both the source unit and the database". (See p.1, lines 93-96.) Expert Kenneth Pohlmann states this teaching further supports his conclusion that the user unit is not used to make the purchase because Gallagher is requiring the user unit to only be a receiver and actually teaches away from the user unit being used for "entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party", as found in Claim 11.

It must be further emphasized that a review of the Office Action on page 4 reveals that the Examiner states that the source unit contains a processor (see page 1, line 22), which meets the limitation of placing a second party control unit in possession and control of the second party at the desired location by the second party. The keyboard of the source unit

would meet the limitation of entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party. It is respectfully submitted that the source unit is taught by Gallagher to belong to a recording artist. The recording artist would transfer a master mix to the record company who would store and recall it, when necessary for sale to the general public via their user units. See page 1, lines 44-50 of Gallagher. The source unit would never purchase digital audio signals from the data base because as Gallagher teaches, the recording artist provides the data base with the content for the data base to sell. It is very clear that to the extent that Gallagher teaches any type of sale, the sale is with respect to the user unit and not to the source unit. Accordingly, this statement by the Examiner is respectfully completely wrong in that the source unit cannot represent the second party control unit through which commands are entered by the second party to purchase desired digital video or digital audio signals from the first party.

Similarly, it is respectfully submitted that the Examiner is improperly citing Gallagher on the bottom of page 4 when he states that the source unit receives digital data from recording artists, the source unit stores the digital data and makes available for sale to the general public via their user units. This is not what Gallagher is teaching. Referring to lines 44-50 of page 1, it states that the source unit could belong to a recording artist, the main unit to a major record company and user units to the general public. The artist would transfer a

master mix (with the source unit) to the record company who would store it, having processed it if necessary, and recall it, when necessary (the main unit or data base) for sale to the general public via their user units. The source unit does not make any type of sale to the general public. The source unit is only taught to be used by the recording artist to provide the songs to the main unit. Accordingly, Claim 11 is patentable over Gallagher.

In regard to Claim 12, the comments in the previous two paragraphs are also applicable, since they were made by the Examiner against Claims 11 and 12.

In regard to Claim 12, there is the limitation of "a second party control unit having a second party control panel, . . . , and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel". Referring to the Markman Decision in Sightsound, supra, the court determined that the term "means or a mechanism for playing the desired digital video or digital audio signals" is an appropriately configured control integrated circuit, connected by a hard-wire electrical connection to a video display and/or stereo speakers" [first report at 74]. It is respectfully submitted the Examiner is reading this limitation into the teachings of Gallagher when it simply is not there. The language of a "second party integrated circuit" with respect to the second party control unit is not taught or suggested by Gallagher. First, as mentioned

in the preceding two paragraphs, the Examiner's statement on page 4 that the source unit contains a processor is, respectfully, incorrect to be applied to the second party control unit because the source unit does not do any type of purchasing as taught by Gallagher.

As expert Kenneth Pohlmann states in his Declaration, the Examiner concludes that the processing system or the means for processing data cited in Gallagher meets the limitation of a second party integrated circuit for executing commands from the second party, as found in Claim 12. However, Gallagher states that the user unit comprises a parallel receiver/transmitter, serial/parallel and parallel/serial converters, storage medium, decoder, and conversion for reproduction. (See p. 1, lines 87-92.) Expert Kenneth Pohlmann states this is a simple device. In any consumer electronics market, it is important to design the consumer product to be as low-cost as possible to promote the widest possible sales. This is what Gallagher has done. When Gallagher refers to processing of data, it is expert Kenneth Pohlmann's opinion that he is referring to the elaborate means used to recover the data following transmission. (See p. 1, lines 108-125, p. 2, lines 1-64.) Thus, his processing of data refers to the serial/parallel and parallel/serial converters of the user unit shown in Figure 3.

In the Gallagher invention, the fact that there is means for processing does not require there to be a second party integrated circuit for executing commands from the second

party, or even a computer. The only place Gallagher recognizes the presence of a computer is in regard to the database. Thus, since Gallagher mentioned a computer with the database, he would have mentioned a computer with the user unit if he felt a computer was needed. Whatever processing is going on at the user unit taught by Gallagher, it is not executing commands by the second party. Expert Kenneth Pohlmann further states he believes that in 1988, Gallagher envisioned a low-cost, mass-market device that did not have a processor, and would not need a processor to download the audio signal to an optical disk or a tape. Rather, his invention is akin to a tape recorder, a simple hard-wired device that would use simple buttons to control recording and playback.

Furthermore, regarding the rejection of Claim 12, Gallagher's comment, "The user on the other hand can log on to the database and make her/his selection according to a supplied menu." (see p. 1, lines 102-103) should be considered. Expert Kenneth Pohlmann states, viewed with today's mind set, it is easy to assume this means an Internet connection via a personal computer. However, in 1988, and even today, there were and are alternative means instead that have been widely used and are currently widely in use. For example, a user could use a telephone to punch in numbers to request a download. A voice menu would state, for example - press 1 to receive the Top 10 songs of the week - press 2 to receive The Rolling Stones, etc. In this way, a user could receive music. There is ample precedent for this method. For example, in the article dated prior to the priority date of the above-identified

patent application describing Schwartz and Compusonics attached as Exhibit B (a copy of which had also previously been submitted in an IDS to the PTO in U.S. patent application serial number 09/286,892), the writer tells how "Consumers would be able to call in an order to a distributor, then connect a modem to the phone line so the distributor could ship out an album." Thus, there are many means that fit Gallagher's description of accessing a music database, but there is no teaching or suggestion of a second party integrated circuit for executing commands from the second party through the second party control panel, as found in Claim 12.

It should also be stressed that in regard to the processing language that the Examiner relies upon to show that Gallagher teaches the second party integrated circuit, the actual language taught by Gallagher on page 1, lines 21 and 22, for the user unit is "means for processing data". The only actual processing component taught for the user unit by Gallagher is found in figure 3 and page 1, lines 87-89, where only a parallel receiver/transmitter 30 and a serial/parallel and parallel/serial converters 31 are taught. Since Gallagher used means plus function language, means for processing data, in regard to the user unit, U.S. law dictates that this means plus function language is defined by 35 U.S.C. 112, paragraph 6. This statute requires that the means plus function language is defined by the actual teachings of the means plus function language in the specification. Consequently, the only definition that the Examiner can use for the means for processing data in Gallagher is the parallel

receiver/transmitter 30, and the serial/parallel and parallel/serial converters 31. For this reason alone, Gallagher does not teach or suggest a second party integrated circuit, and Claim 12 is patentable over Gallagher.

Claims 13 and 19 are dependent to Claim 12 and are patentable for the reasons Claim 12 is patentable.

Claim 22 has been canceled.

Referring to Claim 29, there is the limitation of "means or a mechanism for storing digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory". The Court in its Markman Decision in Sightsound, supra, defined "means or a mechanism for storing the desired digital video or digital audio signals as a "control integrated circuit, which has been configured to effect the storing of the digital signals into the memory." [1st report at 75]. The court defined the "means or a mechanism for playing the desired digital video or digital audio signals" as "an appropriately configured control integrated circuit, connected by a hard-wire electrical connection to a video display and/or stereo

speakers". [1st report at 74]. For the reasons explained above in regard to Claim 12, Claim 29 is patentable over Gallagher.

Claim 36 now has the limitations of Claim 38 with all of the limitations of its base claim (Claim 36) and any intervening claims (Claim 37).

Claim 41 has been canceled.

Claim 42 now has the limitations of Claim 44 with all of the limitations of its base claim (Claim 42) and any intervening claims (Claim 43).

Claim 46 has been canceled.

Claim 47 has the limitation of "individual video selections as desired digital video signals", and has the limitation of "the second party control unit having . . . a video display for playing the desired digital video signals". In other words, Claim 47 has the limitation of "video signals" throughout. Gallagher does not teach or suggest this limitation.

As expert Kenneth Pohlmann states, the Examiner assumes that Gallagher teaches a means to sell digital video signals. Gallagher only briefly mentions "visual

reproduction" in the user unit (see p. 1, lines 91-92.) This reference to visual reproduction does not necessarily connote the display of digital video signals including programs such as movies. The visual reproduction could also be a visual diagnostic means such as a "line busy signal." It is also important to note that Gallagher's mention of video tape as a user storage medium certainly does not necessarily imply that video signals will be recorded by the user. It was a common practice in the early days of digital audio to use video tape as a storage means for digital audio signals. This is because video recorders efficiently provided the high bandwidth needed to store the digital audio data. The famous Sony F1 and PCM-1610 systems are examples of using video tape recorders to store digital audio signals. Indeed, digital audio tape recorders still in use today, such as the DAT and ADAT formats, are based on video tape recorder technology such as helical scan heads. Gallagher only teaches content originating in record companies. He does not teach television stations or movie studios as content providers. Thus, Gallagher does not teach the sale of digital video signals, and no where does he mention the sale of movies in particular. Accordingly, Claim 47 is patentable over Gallagher.

Claim 47 also has the limitation of a video display connected to the input device for displaying an indication of the digital audio signals selected for recall and a playback. It is respectfully submitted the Examiner is reading this limitation into the teachings of Gallagher when it simply is not there. The language of a "video display" is not present in Gallagher.

As expert Kenneth Pohlmann states in paragraph 17 of his Declaration, the Examiner assumes that the user unit has a video display that shows specific information. Gallagher cites "audio and/or visual reproduction." (See p. 1, lines 91-92.) Figure 3 shows an "audio/visual conversion" means with an audio output in the user unit, but as expert Kenneth Pohlmann states, this does not imply the specific limitation. Furthermore, Figure 3 shows an "audio out" but does not show a visual or video output. As noted, the Gallagher user unit is a simple playback device with button control. There would be no need to use a monitor/display to display the user commands. Rather, a "visual conversion" means might be used to simply illuminate an "in use" light, a kind of busy signal alerting the user that a download is in progress, and the user should not attempt to make a phone call. It should be noted that engineers draw a distinction between a visual display and a video display. A visual display might be a simple pilot light whereas a video display is a specific display of a video signal. The fact that Gallagher teaches an "audio/visual" conversion rather than an "audio/video" conversion suggests to me that he did not envision use of a video display.

For this reason alone, that Gallagher does not teach or suggest a video display, Claim 47 is not anticipated by Gallagher and is patentable over Gallagher.

Claims 48, 49 and 55 are dependent to Claim 47 and are patentable for the reasons Claim 47 is patentable.

Claim 58 has the limitation of "video signals" and "video display". Claim 58 is patentable for the reasons Claim 47 is patentable in regard to these limitations.

Claim 59 is dependent to Claim 58 and is patentable for the reasons Claim 58 is patentable.

Claim 62 has been canceled.

Claim 63 has been canceled.

The Examiner has rejected Claims 3-10, 14-18, 20, 21, 23-28, 30-35, 38-40, 44, 45, 50-54, 56, 57, 60 and 61 as being unpatentable over Gallagher and in view of Freeny. Patentee respectfully traverses this rejection. The teachings of Freeny cannot be combined with the teachings of Gallagher to arrive at Patentee's claimed invention.

In SightSound v. N2K, the District Court in its Order on page 53, discussed the decision by the Federal Circuit of the Interactive Gift Express Inc. v. Compuserve, Inc., 256 F.3D 1323, 1334 (Fed. Cir. 2001). The District Court stated that the court in Interactive Gift Express affirmed the lower court's construction of the term "material object" in the Freeny patent to be (a) separate and distinct from the IMM, (b) removed from the IMM after

purchase, and (c) intended for use away from the point-of-sale location. Id. at 1336. The Federal Circuit Court stated, "these three conditions . . . are fundamental to the meaning of a material object as clearly and consistently specified in the patent description." Id. at 1337. The Court explicitly noted that the (material object) is on which the information is recorded (does not encompass a hard disk component of a home personal computer) and the material object (must be offered for sale, and be purchasable, at [the] point-of-sale location []." Id. at 1338. Since one using the Hair invention purchases only the signals, not the material object on which they are stored, and since the Sightsound Patents specifically reference the consumers system as incorporating a hard disk, the Freeny patent, as construed by the Federal Circuit Court in Interactive Gift Express arguably teaches away from the Hair invention in at least two ways. (See, e.g., Claims 13 and 14 of the '440 patent as discussed in the Magistrate's Report at 65.)

In other words, the Court held that Freeny was teaching a vending machine, for instance, inside the user's living room where the user would have to pay for the tape to be dispensed.

Accordingly, there is a legal holding from the District Court in Sightsound, supra, that Freeny teaches away from Patentee's claimed invention.

As the Examiner is aware, teachings cannot be taken out the context in which they are found. For the Examiner to apply the teachings of Freeny in regard to the use of a credit card and an account would be to ignore the clear context of Freeny which is to teach away from Patentee's claimed invention.

Taking the position that the videotape and optical disk of the user unit taught by Gallagher is in possession and control of the second party. Such teaching by Gallagher is in direct conflict with the teachings of Freeny that the second memory is in possession and control of the first party. For this reason alone, that the context of the teachings of Freeny and the teachings of Gallagher are in conflict in a material aspect of their systems, these references cannot be combined. It should be noted that the second party is in possession and control of the second memory is a key limitation that is found in every claim of Patentee.

The Declaration of Kenneth Pohlmann states in paragraph 21 that he reviewed the Freeny Patent and the Order of the Court and its statement regarding the Freeny Patent. It is expert Kenneth Pohlmann's opinion that he would not consider using any of the information from the Freeny Patent in any way with the information provided in the Gallagher patent because the Freeny Patent focuses on the Kiosk sales model where the material object is in possession and control of the seller or first party and must be purchased from the Kiosk. This is significantly different from the approach of the '440 Patent which claims the second memory

is in possession and control of the second party. It is Kenneth Pohlmann's opinion the obviousness rejection of Gallagher and Freeny is not appropriate.

This position regarding the inappropriateness by law of combining the teachings of Freeny and Gallagher is applied to all the claims discussed below.

In regard to Claim 3, now Claim 1, there is the limitation that the second party has an account and the step of charging a fee includes the step of charging the account of the second party. The Examiner, on page 16 of the Office Action, recognizes that Gallagher does not go into specific detail about how this electronic sale of the digital data is made to the general public by their user units. The Examiner cites Freeny for teaching 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 requests for the audio and video data. The Examiner states that this allows the owner of the data to approve the sale and charge the sale to the consumer credit-card number, which meets the limitation of wherein the second party has an account and the step of charging a fee includes the step for charging the account of a second party.

However, as explained above, Freeny teaches away from the claimed invention. The context of the teaching the Examiner relies upon with respect to the limitation in amended

Claim 1 of charging the account of the second party is in regard to the overall system taught by Freeny which is distinct and different, and teaches away from the claimed invention. Accordingly, because Freeny requires the point of sale to be at the MMI (which is the second party location), and requires the material object itself to be purchasable at the point-of-sale, which dictates and requires that the first party is in possession and control of the second memory, the teachings of Freeny cannot be combined with the teachings of Gallagher to arrive at amended Claim 1.

Claims 4-10 are dependent to amended Claim 1, and are patentable for the reasons amended Claim 1 is patentable over the applied art of record.

Moreover, Claim 8 has the limitation that the second party control unit has a second party integrated circuit which controls and executes commands of the second party. As explained above in regard to Claim 12 and the discussion concerning the second party integrated circuit, Claim 8 is separately patentable for this reason.

Furthermore, Claim 8 has the limitation of "commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video and digital audio signals from the first party." As explained above in regard to Claim 11, Claim 8 is separately patentable for this reason.

Claim 9 has the limitation "a second party hard disk". Freeny specifically teaches away from a second party hard disk. Gallagher does not teach or suggest the limitation the second party control unit includes a hard disk.

As the Declaration of Kenneth Pohlmann states in paragraph 13, Gallagher teaches "a storage medium" such as "video tape or optical disk" as the device for storing recorded material on the user unit. (See p. 1, lines 89-90.) Gallagher indicates in another part of the reference that "the media for storage of data would be floppy disk, hard disk, optical or laser disk, magnetic tape, integrated circuit memory or any other suitable medium." (See p. 1, lines 32-35.) As expert Kenneth Pohlmann states, in early 1988, an ordinary engineer would understand this description of Gallagher to be directed to the source unit and not to the user unit because this description immediately follows the description of the source unit (see p.1, lines 24-27) and elaborates on the specific elements identified therein for the source unit. Therefore, the storage media for the user unit would be as Gallagher listed specifically (that is, video tape or optical disk). Expert Kenneth Pohlmann's reasoning on this point is based on the following observations:

(1) Gallagher's only use of the term "computer" is in the context of the database.

(2) The list of elements that make up the user unit indicate that Gallagher intended it to be a special-purpose device.

(3) Throughout Gallagher's description, he uses the term "storage medium" to indicate the kind of storage available to the source unit and the user unit, and the term "store" to indicate database storage. His care in using this terminology is also shown in his figures. Figure 1 refers to a "storage medium 11" in the artist's source unit, a "store 23" in the database, and a "storage medium 32" in the user unit. This tells me that Gallagher clearly intended to distinguish between the two types of storage.

(4) In referring to a "storage medium" at the user unit, Gallagher lists only video tape and optical disk, and does not refer to a hard disk.

In short, nothing in Gallagher's description requires, or even suggests, that the user unit (or the source unit) have a hard disk. This clearly shows Gallagher's view that in 1988, hard-disk technology was expensive with respect to storage capacity, thus disk capacity was used sparingly. Audio files, particularly uncompressed files, consume large amounts of data; a single 3-minute song requires storage of 31.7 Mbytes. In 1988, the entire capacity of consumer hard-disk drives was often far less than this. Clearly, because of cost/capacity constraints, Gallagher did not expect that either artists or users would store music data on hard disk. Rather, at this time, his language shows that Gallagher felt that it was best to place large files (such as music) on optical disk or video tape. This is the precisely the teaching of a

"storage medium" by Gallagher. Furthermore, in 1988, Gallagher observed that most hard disk drives were not portable. He believed that many users would require portability of data; this was most easily accomplished with optical disc or video tape media. Thus, Gallagher omitted hard-disk drives from his user unit because he did not believe that hard-disk drives could be efficiently used for music storage by consumers.

In addition, under patent law, a more specific detail teaching is always controlling over a more general teaching. In Gallagher, the teaching regarding the storage medium 32 being specifically videotape or optical disk is in the same paragraph that describes the user unit and figure 3. See page 1, lines 87-92. The more general teaching regarding the media for storage of data with the floppy disk, hard disk, optical or laser disk, magnetic tape, integrated circuit memory or any other suitable medium is found on page 1, lines 28-35. This general teaching regarding the storage media in fact follows Gallagher's specific teaching of the source unit of the transfer system. In column 1, lines 23-27 Gallagher teaches the transfer system includes at least one source unit having a means for communication with said database. This means for communication with said database is then elaborated upon in the immediately following lines at page 1, lines 28-31, where Gallagher teaches "the media for data transfer is preferably high-speed telephone links by way of modems. However, normal telephone links, fiber optic links, electro-magnetic waves or any other suitable medium may be used." Gallagher also teaches on page 1, lines 26 and 27 that the source unit includes means for the

storage and processing of data. The general teaching regarding the media for storage of data immediately follows the reference to the means for the storage and processing of data limitation of the source unit at page 1, lines 26 and 27, with the description in column 1, lines 32-35, where Gallagher teaches the media for storage of data would be floppy disk, hard disk, optical and laser disk, magnetic tape, integrated circuit memory or any other suitable medium. Accordingly, it is clear from the location of this general teaching on page 1, lines 32-35, that it is in reference to a description of the source unit that occurs immediately above this general description of the media for storage on page 1, lines 23-27. For this reason alone, Claim 9 is not anticipated by Gallagher and is patentable over Gallagher.

Claims 14-18, 20 and 21 are dependent to Claim 12, and are patentable for the reasons Claim 12 is patentable over the applied art of record.

Claim 14 has the limitation "a second party hard disk". Claim 14 is separately patentable over the applied art of record for the reasons Claim 9 is patentable over the applied art of record.

Claim 15 has the limitation "a second party control integrated circuit". Claim 15 is separately patentable over the applied art of record for the reasons Claim 8 is patentable over the applied art of record regarding this limitation.

Claim 16 has the limitation "a second party control panel through which the second party control integrated circuit is programmed and is sent commands". As Expert Kenneth Pohlmann states, the Examiner assumes that the user unit contain a typewriter keyboard. Gallagher envisioned a low-cost device that would not require processing or a computer. Thus, a more sophisticated computer input device such as a keyboard would not be needed. Figure 3 does not show a typewriter keyboard, and Gallagher does not teach the means to type commands into the user unit. As noted above, his user device is akin to a tape recorder. Such a device would use simple buttons to control recording and playback. Claim 16 is separately patentable for the aforementioned reasons.

Claim 18 has the limitation that the "second party control unit includes a video display unit". Claim 18 is separately patentable over the applied art of record for the reasons Claim 47 is patentable over the applied art of record in regard to this limitation.

Claim 20 has the limitation "the second party has an account". Claim 20 is separately patentable over the applied art of record for the reasons Claim 3 is patentable over the applied art of record.

Claim 23 has the limitation of "means or mechanism for storing the digital video or digital audio signals in the second memory . . . and means or mechanism for playing

the digital video or digital audio signals". Claim 23 is separately patentable over the applied art of record for the reasons Claim 29 is patentable over the applied art of record.

Claims 24-28 are dependent to Claim 23, and are patentable for the reasons Claim 23 is patentable over the applied art of record.

Claim 25 has the limitation "a second party control integrated circuit". Claim 25 is separately patentable over the applied art of record for the reasons Claim 8 is patentable over the applied art of record regarding this limitation.

Claim 27 has the limitation "a second party hard disk". Claim 27 is separately patentable over the applied art of record for the reasons Claim 9 is patentable over the applied art of record.

Claim 28 has the limitation of "a video display unit". Claim 28 is separately patentable over the applied art of record for the reasons Claim 47 is patentable over the applied art of record in regard to this limitation.

Claims 30-35 are dependent to Claim 29, and are patentable for the reasons Claim 29 is patentable over the applied art of record.

Claim 32 has the limitation "a second party control integrated circuit". Claim 32 is separately patentable over the applied art of record for the reasons Claim 8 is patentable over the applied art of record regarding this limitation.

Claim 34 has the limitation "a second party hard disk". Claim 34 is separately patentable over the applied art of record for the reasons Claim 9 is patentable over the applied art of record.

Claim 35 has the limitation of "a video display unit". Claim 35 is separately patentable over the applied art of record for the reasons Claim 47 is patentable over the applied art of record in regard to this limitation.

Amended Claim 36 has the limitation "the second party has an account". Claim 36 is separately patentable over the applied art of record for the reasons Claim 3 is patentable over the applied art of record.

Claims 39 and 40 are dependent to Claim 36, and are patentable for the reasons Claim 36 is patentable over the applied art of record.

Amended Claim 42 has the limitation "the second party has an account". Claim 42 is separately patentable over the applied art of record for the reasons Claim 3 is patentable over the applied art of record.

Claim 45 is dependent to Claim 42, and is patentable for the reasons Claim 42 is patentable over the applied art of record.

Claims 50-54, 56 and 57 are dependent to Claim 47, and are patentable for the reasons Claim 47 is patentable over the applied art of record.

Claim 50 has the limitation "a second party hard disk". Claim 50 is separately patentable over the applied art of record for the reasons Claim 9 is patentable over the applied art of record, except there are only digital video signals.

Claim 51 has the limitation "a second party control integrated circuit". Claim 51 is separately patentable over the applied art of record for the reasons Claim 8 is patentable over the applied art of record regarding this limitation, except there are only digital video signals.

Claim 52 has the limitation "a second party control panel through which the second party control integrated circuit is programmed and is sent commands". Claim 52 is separately patentable over the applied art of record for the reasons Claim 16 is patentable over the applied art of record regarding this limitation, except there are only digital video signals.

Claim 54 has the limitation of "a video display unit". Claim 54 is separately patentable over the applied art of record for the reasons Claim 47 is patentable over the applied art of record in regard to this limitation, except there are only digital video signals.

Claim 56 has the limitation "the second party has an account". Claim 56 is separately patentable over the applied art of record for the reasons Claim 3 is patentable over the applied art of record, except there are only digital video signals.

Claims 60 and 61 are dependent to Claim 58, and are patentable for the reasons Claim 58 is patentable over the applied art of record.

Claim 60 has the limitation "the second party has an account". Claim 60 is separately patentable over the applied art of record for the reasons Claim 3 is patentable over the applied art of record, except there are only digital video signals.

Patentee also brings to the attention of the Examiner that the U.S. District Court for the Western District of Pennsylvania in its Order of Court Decision dated October 23, 2003, in Sightsound.com, Inc. v. N2K, on page 58, found that secondary considerations of copying, skepticism on the part of those skilled in the art as to the viability of such a system, long-felt but unsatisfied needs, and unsuccessful attempts by others to solve the problem underlying the claimed invention existed. Enclosed with this Amendment as Attachment A are the relevant pages provided to the court to establish the secondary considerations of patentability titled "Secondary Considerations of Patentability Evidence".

This evidence shows that there was a long-felt need for a simple system for electronically distributing digital audio. Despite the number of efforts displayed by the prior art presented by defendants, none of the prior art systems ever survived as a consumer-oriented mass-market distribution system for digital music distribution. See Tygar rebuttal report at page 80. The only solutions including all of the magic ingredients for a viable system are the claims presented in the Hair patents. The Hair claimed invention offers the advantages of allowing consumers to use their home computers to purchase, download and play back the desired digital audio music using a single device. See Tygar rebuttal report at page 80. Furthermore, the major record labels and other major companies have formed a series of joint ventures introducing online services to electronically sell digital audio for download to customers over the Internet, such as MusicNet (owned by Bertelsmann, EMI,

AOL Time Warner and RealNetworks), ITunes (owned by Apple Computer Company), and PressPlay, (owned by Vivandi Universal and Sony). The services are offering downloading of digital audio music for sale over the Internet to consumers who will use their home computers to purchase and play music. See Exhibit P of Attachment A (tab 1, showing PC software implementing copy protection; tabs 2-6, showing representative on line digital audio providers). Such recognition by the music industry of the advantages of electronic sales of digital audio is further secondary evidence of non-obviousness. Included with this Attachment A is also the Settlement Agreement between the parties in the Sightsound.com, Inc. v. N2K lawsuit, wherein $3.3 million dollars was paid to Sightsound by N2K as part of the settlement, and the Final Order by the District Court in this lawsuit dated February 20, 2004, holding that the Hair patents are valid. The Settlement Agreement and the Final Order is additional secondary evidence of patentability.

It should be noted that the Requester did not inform the U.S. Patent and Trademark Office of the secondary evidence of the Settlement Agreement and the associated $3.3 million payment, nor of the Final Order by the District Court holding the three Hair patents were valid. Furthermore, the District Court was aware, specifically considered and even discussed the Freeny reference and the Federal Court's decision that occurred after the issuance of the last of the three Hair patents (discussed above herein) that Freeny taught away from the Hair claimed invention. It is respectfully submitted that Requester should have

specifically informed the U.S. Patent and Trademark Office of these very relevant facts, just as an applicant or Patentee has a duty of disclosure with the U.S. Patent and Trademark Office.

It should also be noted that it is common knowledge of the success of Apple Computer Company with its download business, ITunes, and the current lawsuit for patent infringement of Napster by the real party in interest of the subject patent. The pleadings of this lawsuit have recently been provided to the Examiner in an Information Disclosure Statement in U.S. patent application serial number 09/286,892. A printout of the web page of ITunes of Apple Computer showing over 500 million downloads is included with Attachment A, which further updates the information identified by the District Court in Sightsound, supra.

If there is any document that is mentioned by Patentee which would be easier for the Examiner to review by requesting Patentee for it rather then having to go through all the Information Disclosure Statements submitted, Patentee would be glad to provide it to the Examiner.

Lastly, expert Kenneth Pohlmann states that as an electrical engineer who was active in the field of digital audio in 1988 (and before and since then), he respectfully submits that an engineer in 1988 skilled in the art would not have arrived at the invention as described

in the claims of this application. The emphasis of the Gallagher patent application concerns technical methods such as serial/parallel conversion that could be used to distribute data over communications lines. Looking back through a contemporary lens, to suggest that Gallagher's patent application contains details of a wider business model or more modern techniques is to unfairly elaborate on his invention. In view of the above, he respectfully suggests that the claims in this application meet the conditions for allowance.

Accordingly, it is respectfully submitted that the Examiner is taking the broad ambiguous teachings of Gallagher and improperly finding Patentee's claim limitations where in fact all of the limitations of Patentee's independent or dependant claims are not taught or suggested, and Patentee's claims are patentable over Gallagher.

A copy of this entire response has also been mailed to the Requester.

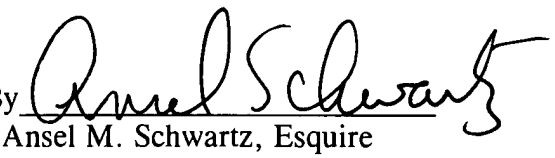
An Information Disclosure Statement is enclosed. Copies of all non-U.S. patent references identified in the Information Disclosure Statement can be found in U.S. patent application serial number 09/286,892.

In view of the foregoing amendments and remarks, it is respectfully requested that the outstanding rejections and objections to this application be reconsidered and

withdrawn, and Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61, now in this application be allowed.

Respectfully submitted,

ARTHUR R. HAIR

By 

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Amendment was mailed via first class, United States Mail, postage prepaid, this 21st day of July, 2005, to the following:

Mr. Albert S. Penilla
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By: Ansel Schwartz
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Practitioner's Docket No. HAIR-1 CONT III *PATENT*

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

U.S. Patent No. 5,966,440
In re application of: Hair, Arthur R.
Reexamination Control No.: 90/007,407 Group No.: 2132
Reexamination Filed: January 31, 2005 Examiner: Benjamin E. Lanier
For: SYSTEM FOR TRANSMITTING DESIRED DIGITAL VIDEO OR AUDIO SIGNALS

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

TRANSMITTAL OF INFORMATION DISCLOSURE STATEMENT BEFORE MAILING DATE OF EITHER A FINAL ACTION OR NOTICE OF ALLOWANCE (37 C.F.R. § 1.97(c))

TIME OF TRANSMITTAL OF ACCOMPANYING INFORMATION DISCLOSURE STATEMENT

1. The information disclosure statement transmitted herewith is being filed ***after*** three months of the filing date of this national application or the date of entry of the national stage as set forth in Section 1.491 in an international application or after the mailing date of the first Office action on the merits, whichever event occurred last but ***before*** the mailing date of either

   (1) a final action under § 1.113 or
   (2) a notice of allowance under § 1.311

CERTIFICATION UNDER 37 C.F.R. §§ 1.8(a) and 1.10*

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TRANSMISSION

☐ facsimile transmitted to the Patent and Trademark Office, (703) _____ - _____

07/16/2005 JPREDDIE 00000001 90007440.00 OP

Tracey L. Klaas
Signature

Date: 7/21/05

Tracey L. Klaas
(type or print name of person certifying)

** Only the date of filing (§ 1.6) will be the date used in a patent term adjustment calculation, although the date on any certificate of mailing or transmission under § 1.8 continues to be taken into account in determining timeliness. See § 1.703(f). Consider "Express Mail Post Office to Addressee" (§ 1.10) or facsimile transmission (§ 1.6(d)) for the reply to be accorded the earliest possible filing date for patent term adjustment calculations.*

whichever occurs first.

FEE

2. Accompanying this transmittal is the fee for submission of an information disclosure statement under section 1.97(c). ($180.00)

FEE PAYMENT

3. Applicant elects the option to pay the fee set forth in 37 C.F.R. § 1.17(p) for submission of an information disclosure statement under § 1.97(c) ($180.00).

Fee due $180.00

METHOD OF PAYMENT OF FEE

4. Attached is a check in the amount of $180.00.

A duplicate of this paper is attached.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

7590 10/26/2005

EXAMINER	

Ansel M. Schwartz
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ART UNIT	PAPER NUMBER

DATE MAILED: 10/26/2005

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

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MARTINE PENILLA & GENCARELLA, LLP
710 Lakeway Drive, Suite 200
Sunnyvale, CA 94085

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. *90/007,407*.

PATENT NO. *5966440*.

ART UNIT *2132*.

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)).

PTOL-465 (Rev.07-04)

Office Action in Ex Parte Reexamination	Control No. 90/007,407	Patent Under Reexamination 5966440	
	Examiner Benjamin E. Lanier	Art Unit 2132	

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

a☒ Responsive to the communication(s) filed on *21 July 2005*. b☐ This action is made FINAL.
c☐ A statement under 37 CFR 1.530 has not been received from the patent owner.

A shortened statutory period for response to this action is set to expire 2 month(s) from the mailing date of this letter. Failure to respond within the period for response will result in termination of the proceeding and issuance of an *ex parte* reexamination certificate in accordance with this action. 37 CFR 1.550(d). **EXTENSIONS OF TIME ARE GOVERNED BY 37 CFR 1.550(c).** If the period for response specified above is less than thirty (30) days, a response within the statutory minimum of thirty (30) days will be considered timely.

Part I THE FOLLOWING ATTACHMENT(S) ARE PART OF THIS ACTION:

1. ☐ Notice of References Cited by Examiner, PTO-892.
2. ☒ Information Disclosure Statement, PTO-1449. modified (4 sheets)
3. ☐ Interview Summary, PTO-474.
4. ☐ _____.

Part II SUMMARY OF ACTION

1a. ☒ Claims *1,4-21,23-36,39,40,42 and 45-61* are subject to reexamination.

1b. ☐ Claims _____ are not subject to reexamination.

2. ☒ Claims *2,3,22,37,38,41,43,44,62 and 63* have been canceled in the present reexamination proceeding.

3. ☐ Claims _____ are patentable and/or confirmed.

4. ☒ Claims *1,4-21,23-36,39,40,42 and 45-61* are rejected.

5. ☐ Claims _____ are objected to.

6. ☒ The drawings, filed on *10 December 1998* are acceptable.

7. ☐ The proposed drawing correction, filed on _____ has been (7a)☐ approved (7b)☐ disapproved.

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

a)☐ All b)☐ Some* c)☐ None of the certified copies have

1☐ been received.

2☐ not been received.

3☐ been filed in Application No. _____.

4☐ been filed in reexamination Control No. _____.

5☐ been received by the International Bureau in PCT application No. _____.

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

9. ☐ Since the proceeding appears to be in condition for issuance of an *ex parte* reexamination certificate except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte* Quayle, 1935 C.D. 11, 453 O.G. 213.

10. ☐ Other: _____

cc: Requester (if third party requester)

DETAILED ACTION

Response to Amendment

1. Applicant's amendment filed 21 July 2005 amends claims 1, 4, 15, 16, 36, 39, 42, 45, 51, 52, and cancels claims 2, 3, 22, 37, 38, 41, 43, 44, 62, 63. Applicant's amendment has been fully considered and is entered.

Response to Arguments

2. Applicant's arguments filed 21 July 2005 have been fully considered but they are not persuasive. Applicant's argument that the Freeny reference cannot be used because of a District Court decision stating that Freeny teaches away from the Applicant's claimed invention is not persuasive because that District Court decision was an analysis of Freeny as a 102 reference and not as a secondary reference.

3. Applicant's argument that none of the prior art systems survived as a consumer-oriented mass-market distribution system for digital music distribution because they lacked all of the magic ingredients present in the Hair patents is not persuasive because Applicant has not provided proof that the claimed features were responsible for the commercial success of the mentioned distribution systems (i.e. Itunes). 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). Applicant has also failed to provide proof of why previous attempts failed. Mr. Hair stated in a personal interview on 18 May 2005 that his company, Sightsound, attempted to implement the claimed invention but ultimately failed because the RIAA and MPAA would not license their music and movies for distribution on their

system. In fact, only after the proliferation of illegal music downloads in the late 90's did the RIAA agree to license their artists' music for electronic distribution through systems such as Apple's ITunes, which was first launched in April of 2003. Therefore, Applicant cannot provide any proof of why ITunes has been successful and why others have failed because the prior art systems, as discovered by Mr. Hair himself, had nothing to sell.

4. Commercial success may have been attributable to extensive advertising and position as a market leader before the introduction of the patented product, Pentec, Inc. v. Graphic Controls Corp., 776 F.2d 309, 227 USPQ 766 (Fed. Cir. 1985). Apple has not only been a market leader in computer technology for over two decades but became a market leader in the digital music realm after their IPod release in October 2001. Therefore, Applicant cannot attribute the commercial success of Apple's ITunes system to the alleged use of their claimed invention when Apple was already a market leader before the system was launched.

5. Success of invention could be due to recent changes in related technology or consumer demand, In re Fielder, 471 F.2d 690, 176 USPQ 300 (CCPA 1973). The existence and profitability of the systems mentioned by Applicant are due to the advances in recent technology and not Applicant's claimed invention. If the latter was responsible for the success, then it stands to reason that the existence of a profitable system would have occurred earlier since Applicant's first application directed to the claimed subject matter was filed in June of 1988. At the time of Apple's ITunes launch, personal computer storage capacities were significantly larger than they were at the time of the prior art systems. Hard drives routinely come in capacities of 20 gigabytes or higher, whereas in 1988 the capacity was around 40 megabytes. Not to mention the fact that when ITunes was launched, audio file compression was advanced to the point where a file could

be compressed to a third of the size with little observable quality loss. Add to that the proliferation of broadband Internet that simply did not exist at the time of prior art systems and what you have is the ability to store a significantly larger amount of music because of file size and storage capacity, and the ability to acquire this music much faster. Therefore, Applicant cannot attribute the commercial success of Apple's ITunes system to the alleged use of their claimed invention when there is no reason to suggest that any of the prior art distribution system would not have been just as successful given these same advances in technology.

6. Applicant's arguments with respect to the inherency issues of Gallagher have been fully considered and are persuasive. Therefore, the rejection has been withdrawn. However, upon further consideration, a new ground(s) of rejection is made in view of Akashi.

Double Patenting

7. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

8. Claims 1, 4-21, 23-36, 39, 40, 42, 45-61 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-34 of U.S. Patent No. 5,675,734. Although the conflicting claims are not identical, they are not patentably distinct from each other because the current claims and claims 1-34 of the '734 patent essentially claim

the same invention of a method/system for distributing digital audio or digital video signals to a second party having a control unit, an integrated circuit, a control panel, an incoming memory for receiving the digital audio or digital video signals, a hard disk for storage of the digital audio or digital video signals subsequent the their reception at the incoming memory, a playback memory for storing the digital audio or digital video prior to playback , but after storage at the hard drive. The second party receives the digital audio or digital video from a first party having a control unit, an integrated circuit, a control panel, hard disk for storing digital audio or digital video, a sales random access memory for temporarily storing the digital audio or digital video from the hard disk, prior to distribution. The digital audio or digital video signals are distributed through telecommunications lines between the sales memory of the first party and the incoming memory of the second party. Prior to distribution, the digital audio or digital video signals are electronically sold to the second party by the first party by providing a connection between the two parties and providing a credit card number of the second party by the second party to the first party, and charging a fee for the digital audio or digital video by the first party to the provided credit card account of the second party. Prior to distribution, electronically coding the digital audio or digital video in order to prevent unauthorized reproduction of the digital audio or digital video signals. The purchase being initiated by the second party control panel and second party integrated circuit. For example, current claims 1 and 4 are not patentable distinct from claims 1, 3, 14, and 16 of the '734 patent because claim 1 of the '734 patent includes: forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals. Claim 1 of the '734 patent also includes:

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second part. Claims 3 and 14 of the '734 patent include: playing the digital video or digital audio signals through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit. Claims 1 and 16 of the '734 patent include: selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

9. Claims 1, 4-21, 23-36, 39, 40, 42, 45-61 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-6 of U.S. Patent No. 5,191,573. Although the conflicting claims are not identical, they are not patentably distinct from each other because claim 1 of the '573 patent recites a method for transmitting a digital audio signals stored on a first memory of a first party to a second memory of a second party. As claimed, the first party is at a location that is remote from the second memory and the second party is distinct from the first party. The method comprises the step of transferring money to the first party from the second party, connecting the first and second memories electronically, transmitting the digital audio signal from the first memory to the second memory, and storing the

digital audio signal in the second memory. Claim 4 of the '573 patent provides a method similar to the above mentioned with respect to digital video signals. The only differences between the claims is the recitation of a "second party control unit", in current claim 1, which would have been obvious to one of ordinary skill in the art at the time the invention was made in light of specification for the '573 patent where the second party is shown to have a control unit ('573, Col. 3, lines 52-56).

Claim Rejections - 35 USC § 103

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

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

11. The factual inquiries set forth in *Graham* **v.** *John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

12. Claims 47, 48 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643. Referring to claim 47, Akashi discloses a system for automatically selling recorded music via telecommunication lines using a personal computer (Page 1 through line 1 of Page 2). 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 a first party control unit having a first memory having a plurality of desired individual selections as selections as described digital signals, a second party control unit having a second party control panel, a receiver and a video display for playing the desired the desired digital signals received by the receiver, said second party control panel connected to the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel. When the desired data has been found, the host computer transmits it to the personal computer where it is stored on the computer RAM (Page 4 Paragraph 1), which meets the limitation of telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital signals are sold to the second party by the first party, the second party control unit includes a second memory which is connected to the receiver and the video display, said second memory storing the digital signals that are received by the receiver to provide the video display with the digital signals. Akashi does not disclose that the digital data is

video data. Freeny 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). It would have been obvious to one of ordinary skill in the art at the time the invention was made to distribute video data using the system of Akashi because distributors of video data would benefit from the cost reduction that would occur when eliminating manufacturing facilities for reproducing the information in material objects and a distribution network for distributing the material objects to the various points of sale locations for sale to the consumer as taught in Freeny (Col. 1, lines 10-26). Akashi discloses automated purchasing of the digital music is conducted between the host computer and the user personal computer (Page 2 Section 4), and is further detailed on page 3, paragraph 6, through Page 4, paragraph 1. Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location, the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party, charging the account includes means or mechanism for charging a credit card number of the second party. 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 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 (Col. 13, lines 36-39).

13. Claim 49 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, as applied to claims 47, 48, and in view of Gallagher, in view of Ohta, U.S. Patent No. 4,896,237. Referring to claim 49, Gallagher discloses that the host computer storage means is a hard disk (Col. 1, lines 13-18, 32-33), which is not expressly disclosed in Akashi. Akashi also does not disclose that the personal computer stores the digital music data on a hard disk. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the host computer storage means of Akashi and the personal computer storage means of Akashi to be a hard drives because of the vast speed and because general computer configurations employ disk-based storage systems such as hard disk as taught in Ohta (Col. 1, lines 21-26). The source unit of Gallagher discloses having a buffer store RAM (Figures 1-2) between the transmitter and the storage means. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include RAM in the host computer of Akashi in order to speed up the transmission process by allowing the transmitter to access data in RAM as opposed to a permanent storage device which is significantly slower, which meets the limitation of a sales random access memory. This meets the limitation of the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired video signals,

and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video signals of the first party's hard disk.

14. Claims 50-57 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Gallagher, in view of Ohta, U.S. Patent No. 4,896,237, as applied to claims 47-49, and further in view of Eggers, U.S. Patent No. 4,920,432, in view of Thomas, U.S. Patent No. 4,739,398. Referring to claims 50-57, Akashi also does not disclose that the personal computer stores the digital music data on a hard disk. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the host computer storage means of Akashi and the personal computer storage means of Akashi to be a hard drives because of the vast speed and because general computer configurations employ disk-based storage systems such as hard disk as taught in Ohta (Col. 1, lines 21-26), which meets the limitation of the second party control unit includes a second party hard disk which stores a plurality of digital video signals. Akashi does not expressly disclose that the personal computer that receives the digital music data plays the digital music data back after it has been stored on the storage medium of the personal computer. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of a mechanism for playing the digital video signals stored in the second memory, said playing mechanism connected to the second memory. It would have been obvious to one of ordinary skill in the art at the time the invention was made

for the personal computer of Akashi to retrieve the digital music data from storage upon a user request in order for the user access a large amount of digital music data without having to utilize the traditional equipment used to playback those files as taught in Eggers (Col. 14, line 67 – Col. 15, line 5). Eggers does not disclose that the personal computers used for playback contain a playback RAM. Thomas discloses an audio and video playback workstation computer that contains a processor, hard drive, monitor, audio output device, video playback memory, and audio playback memory (Col. 19, lines 36-50), which meets the limitation of a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video signals as a temporary staging area for playback. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include an additional RAM in the personal computers of Eggers for playback purposes in order to reduce the amount of space taken up in system RAM by playback, which would allow more RAM space for resident programs.

15. Claims 11, 12, 19-21, 23, 24, 29-31, 36, 39, 40, 42, 45, 46 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432. Referring to claim 11, Akashi discloses a system for automatically selling recorded music via telecommunication lines using a personal computer (Page 1 through line 1 of Page 2). Akashi discloses that personal computer contains a CPU (Figure 1), which meets the limitation of placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party. 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 entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party. When the desired data has been found, the host computer transmits it to the personal computer where it is stored on the computer RAM (Page 4 Paragraph 1), which meets the limitation of forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having desired digital video or digital audio signals, transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party. Akashi discloses automated purchasing of the digital music is conducted between the host computer and the user personal computer (Page 2 Section 4), and is further detailed on page 3, paragraph 6, through Page 4, paragraph 1. Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the

first memory. 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 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 (Col. 13, lines 36-39). Akashi does not expressly disclose that the personal computer that receives the digital music data plays the digital music data back after it has been stored on the storage medium of the personal computer. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit, playing the desired digital video or digital audio signals with the second party control unit. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the personal computer of Akashi to retrieve the digital music data from storage upon a user request in order for the user access a large amount of digital music data without having to utilize the traditional equipment used to playback those files as taught in Eggers (Col. 14, line 67 – Col. 15, line 5).

Referring to claims 12, 19-21, Akashi discloses a system for automatically selling recorded music via telecommunication lines using a personal computer (Page 1 through line 1 of Page 2). This system utilizes the telecommunications lines to transmit the recorded music data, stored on a host computer database (Page 3 Paragraph 4), from a host computer that stores the recorded music data to a personal computer RAM (Page 2 Sections 4-5), which meets the limitation of a first party control unit having a first memory having desired digital video or digital audio signals, telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after desired digital video or digital audio signals are sold to the second party by the first party. Akashi discloses automated purchasing of the digital music is conducted between the host computer and the user personal computer (Page 2 Section 4), and is further detailed on page 3, paragraph 6, through Page 4, paragraph 1. Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 means or a mechanism for electronically selling the desired digital video or digital audio signals. 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 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 (Col. 13, lines 36-39). 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. When the desired data has been found, the host computer transmits it to the personal computer where it is stored on the computer RAM (Page 4 Paragraph 1), which meets the limitation of a second party control unit having a second party control panel, a second memory connected to the second party control panel, said second party control unit remote from the first party control unit, said second party control placed by the second party at a location determined by the second party. Akashi does not expressly disclose that the personal computer that receives the digital music data plays the digital music data back after it has been stored on the storage medium of the personal computer. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of means or a mechanism for playing the desired digital video or digital audio

signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the personal computer of Akashi to retrieve the digital music data from storage upon a user request in order for the user access a large amount of digital music data without having to utilize the traditional equipment used to playback those files as taught in Eggers (Col. 14, line 67 – Col. 15, line 5).

Referring to claims 19-21, Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 means or mechanism for electronically selling includes means or a mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party, the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party. 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 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 (Col. 13, lines 36-39).

Referring to claims 23, 24, 29-31, Akashi discloses a system for automatically billing recorded music via telecommunication lines using a personal computer (Page 1 through line 1 of Page 2). 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), which meets the limitation of connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party. 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). When the desired data has been found, the host computer transmits it to the personal computer where it is stored on the computer RAM (Page 4 Paragraph 1), which meets the limitation of means of a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass there between, said connecting means or mechanism in electrical communication with the transferring means or mechanism, means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver place at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism, means or a mechanism for

storing the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism. Akashi discloses automated purchasing of the digital music is conducted between the host computer and the user personal computer (Page 2 Section 4), and is further detailed on page 3, paragraph 6, through Page 4, paragraph 1. Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 means or a mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory, said second party controlling use and in possession of the second memory, means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location. 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 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 (Col. 13, lines 36-39). Akashi does not expressly

disclose that the personal computer that receives the digital music data plays the digital music data back after it has been stored on the storage medium of the personal computer. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the personal computer of Akashi to retrieve the digital music data from storage upon a user request in order for the user access a large amount of digital music data without having to utilize the traditional equipment used to playback those files as taught in Eggers (Col. 14, line 67 – Col. 15, line 5).

Referring to claims 36, 39, 40, 42, 45, 46, Akashi discloses a system for automatically billing recorded music via telecommunication lines using a personal computer (Page 1 through line 1 of Page 2). 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), which meets the limitation of placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location. 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).

When the desired data has been found, the host computer transmits it to the personal computer where it is stored on the computer RAM (Page 4 Paragraph 1), which meets the limitation of connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass there between, transferring electronically via telecommunications lines the desired digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines, storing the digital video or digital audio signals in the second memory. Akashi discloses automated purchasing of the digital music is conducted between the host computer and the user personal computer (Page 2 Section 4), and is further detailed on page 3, paragraph 6, through Page 4, paragraph 1. Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals processed by the first party, said first party and said second party in communication via said telecommunications lines, the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a

location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party, the step of charging the account of the second party 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, repeating the charging a fee, connecting, and transferring stesp. 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 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 (Col. 13, lines 36-39). Akashi does not expressly disclose that the personal computer that receives the digital music data plays the digital music data back after it has been stored on the storage medium of the personal computer. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of playing the digital video or digital audio signals stored in the second memory with the second party control unit. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the personal computer of Akashi to retrieve the digital music data from storage upon a user request in order

for the user access a large amount of digital music data without having to utilize the traditional equipment used to playback those files as taught in Eggers (Col. 14, line 67 – Col. 15, line 5).

16. Claims 58-61 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432. Referring to claims 58-61, Akashi discloses a system for automatically selling recorded music via telecommunication lines using a personal computer (Page 1 through line 1 of Page 2). 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 placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location. When the desired data has been found, the host computer transmits it to the personal computer where it is stored on the computer RAM (Page 4 Paragraph 1), which meets the limitation of connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party, choosing the desired digital signals by the second party from the first memory of the first party so desired selections are selected, transmitting the desired digital from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party. Akashi does not

disclose that the digital data is video data. Freeny 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). It would have been obvious to one of ordinary skill in the art at the time the invention was made to distribute video data using the system of Akashi because distributors of video data would benefit from the cost reduction that would occur when eliminating manufacturing facilities for reproducing the information in material objects and a distribution network for distributing the material objects to the various points of sale locations for sale to the consumer as taught in Freeny (Col. 1, lines 10-26). Akashi discloses automated purchasing of the digital music is conducted between the host computer and the user personal computer (Page 2 Section 4), and is further detailed on page 3, paragraph 6, through Page 4, paragraph 1. Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals, charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory, the second party has an account and the step of charging a fee includes the step of charging the account of the second

party, charging the account of the second party includes the steps of telephoning the first party controlling the 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. 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 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 (Col. 13, lines 36-39). Akashi does not expressly disclose that the personal computer that receives the digital music data plays the digital music data back after it has been stored on the storage medium of the personal computer. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of displaying the desired video signals received by the receiver on the video display in possession and control of the second party. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the personal computer of Akashi to retrieve the digital music data from storage upon a user request in order for the user access a large amount of digital music data without having to utilize the traditional equipment used to playback those files as taught in Eggers (Col. 14, line 67 – Col. 15, line 5).

17. Claims 1, 4, 5 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, in view of Chace, U.S. Patent No. 4,792,974. Referring to claim 1, 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, stored on a host computer database (Page 3 Paragraph 4), from a host computer that stores the recorded music data to a personal computer RAM (Page 2 Sections 4-5), which meets the limitation of forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals. The CPU of the user personal computer (Page 3 Paragraph 6 & Figure 1) meets the limitation of the second party control unit. Akashi discloses automated purchasing of the digital music is conducted between the host computer and the user personal computer (Page 2 Section 4), and is further detailed on page 3, paragraph 6, through Page 4, paragraph 1. Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second

party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party. 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 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 (Col. 13, lines 36-39). Akashi discloses that the host computer then sends the data to the user personal computer RAM (Page 2 Section 5), which meets the limitation of transferring the desired digital video or digital audio signals from the first memory of the first party tot the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party. Once stored the personal computer reads the stored digital audio files, or plays the digital audio file (Pages 3-4 Section 6). Akashi does not expressly disclose that the personal computer that receives the digital music data plays the digital music data back after it has been stored on the storage medium of the personal computer. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for

playback (Col. 6, lines 16-39 & Col. 7, lines 1-5). It would have been obvious to one of ordinary skill in the art at the time the invention was made for the personal computer of Akashi to retrieve the digital music data from storage upon a user request in order for the user access a large amount of digital music data without having to utilize the traditional equipment used to playback those files as taught in Eggers (Col. 14, line 67 – Col. 15, line 5). Eggers discloses that the personal computer has a monitor for video output/playback (Col. 4, lines 54) but does not expressly disclose the form for the audio output/playback. Chace discloses a system for audiovisual playback using a personal computer (Col. 5, lines 64-65) wherein the audio output comprises stereo speakers (Col. 7, line 39), which meets the limitation of playing through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit. It would have been obvious to one of ordinary skill in the art at the time the invention was made to use stereo speakers as the audio output in the playback system of Eggers in order to provide a more realistic and more pleasing sound to the ear as taught in Chace (Col. 1, lines 32-33).

Referring to claim 4, Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 the step of charging the account of the second party 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. 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 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 (Col. 13, lines 36-39).

Referring to claim 5, Akashi discloses that the host computer then sends the data to the user personal computer RAM (Page 2 Section 5), which meets the limitation of after the transferring step, the step of storing the desired digital video or digital audio signals in the second memory.

18. Claim 6 is rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, in view of Chace, U.S. Patent No. 4,792,974 as applied to claims 1, 4, 5 above, and further in view of Gallagher. Referring to claim 6, Akashi does not disclose that the host computer encodes the digital music data to prevent unauthorized reproduction. Gallagher discloses a system for the transfer of recorded data wherein a host computer transmits digital audio data to user units (Col. 1, lines 13-27). The host computer provides means for anti-piracy encoding or encrypting the data either generally or uniquely (Col. 1, lines 36-38), which meets the limitation of before the transferring step, the step of

electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals. It would have been obvious to one of ordinary skill in the art at the time the invention was made to encode or encrypt the recorded music data of Akashi in order to provide a possible means for eliminating borrowing or unlawful copying of the digital music data as taught in Gallagher (Col. 1, lines 51-53).

19. Claim 13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, as applied to claim 12, and in view of Gallagher, in view of Ohta, U.S. Patent No. 4,896,237. Referring to claim 13, Gallagher discloses that the host computer storage means is a hard disk (Col. 1, lines 13-18, 32-33), which is not expressly disclosed in Akashi. Akashi also does not disclose that the personal computer stores the digital music data on a hard disk. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the host computer storage means of Akashi and the personal computer storage means of Akashi to be a hard drives because of the vast speed and because general computer configurations employ disk-based storage systems such as hard disk as taught in Ohta (Col. 1, lines 21-26). The source unit of Gallagher discloses having a buffer store RAM (Figures 1-2) between the transmitter and the storage means. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include RAM in the host computer of Akashi in order to speed up the transmission process by allowing the transmitter to access data in RAM as opposed to a permanent storage device which is significantly slower, which meets the limitation of a sales random access memory. This meets the limitation of the

first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and includes before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the hard disk into the sales random access memory chip.

20. Claims 7, 8, are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, in view of Chace, U.S. Patent No. 4,792,974, in view of Gallagher as applied to claims 1, 4-6 above, and further in view of Ohta, U.S. Patent No. 4,896,237. Referring to claims 7, 13, Gallagher discloses that the host computer storage means is a hard disk (Col. 1, lines 13-18, 32-33), which is not expressly disclosed in Akashi. Akashi also does not disclose that the personal computer stores the digital music data on a hard disk. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the host computer storage means of Akashi and the personal computer storage means of Akashi to be a hard drives because of the vast speed and because general computer configurations employ disk-based storage systems such as hard disk as taught in Ohta (Col. 1, lines 21-26). The source unit of Gallagher discloses having a buffer store RAM (Figures 1-2) between the transmitter and the storage means. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include RAM in the host computer of Akashi in order to speed up the transmission process by allowing the transmitter to access data in RAM as opposed to a permanent storage device which is significantly slower, which meets the limitation of a sales

random access memory. This meets the limitation of the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and includes before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the hard disk into the sales random access memory chip.

Referring to claim 8, Akashi discloses that personal computer contains a CPU (Figure 1), which meets the limitation of the second party control unit has a second party integrated circuit which controls and executes commands of the second party. 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 a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.

21. Claims 14-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432 as applied to claims 12, 13 above, and further in view of Ohta, U.S. Patent No. 4,896,237, in view of Thomas, U.S. Patent No. 4,739,398. Referring to

claims 14-17, Akashi discloses that the host computer then sends the data to the user personal computer RAM (Page 2 Section 5), which meets the limitation of the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip, storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip. Akashi also does not disclose that the personal computer stores the digital music data on a hard disk. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the host computer storage means of Akashi and the personal computer storage means of Akashi to be a hard drives because of the vast speed and because general computer configurations employ disk-based storage systems such as hard disk as taught in Ohta (Col. 1, lines 21-26), which meets the limitation of a second party hard disk for storing the desired digital video or digital audio signals, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of repeating the commanding, playing, and transferring a replica steps. Eggers does not disclose that the personal computers used for playback contain a playback RAM. Thomas discloses an audio and video playback workstation computer that contains a processor, hard drive, monitor, audio output

device, video playback memory, and audio playback memory (Col. 19, lines 36-50), which meets the limitation of a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback; commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include an additional RAM in the personal computers of Eggers for playback purposes in order to reduce the amount of space taken up in system RAM by playback, which would allow more RAM space for resident programs.

Referring to claim 18, Akashi discloses that the personal computer has a monitor (Page 4, Paragraph 1 & Figure 1).

22. Claims 9, 10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, in view of Chace, U.S. Patent No. 4,792,974 as applied to claims 1, 4, 5, above, and further in view of Ohta, U.S. Patent No. 4,896,237, in view of Thomas, U.S. Patent No. 4,739,398. Referring to claims 9, 10, Akashi discloses that the host computer then sends the data to the user personal computer RAM (Page 2 Section 5), which meets the limitation of the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip, storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip.

Akashi also does not disclose that the personal computer stores the digital music data on a hard disk. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the host computer storage means of Akashi and the personal computer storage means of Akashi to be a hard drives because of the vast speed and because general computer configurations employ disk-based storage systems such as hard disk as taught in Ohta (Col. 1, lines 21-26), which meets the limitation of a second party hard disk for storing the desired digital video or digital audio signals, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of repeating the commanding, playing, and transferring a replica steps. Eggers does not disclose that the personal computers used for playback contain a playback RAM. Thomas discloses an audio and video playback workstation computer that contains a processor, hard drive, monitor, audio output device, video playback memory, and audio playback memory (Col. 19, lines 36-50), which meets the limitation of a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback; commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory

chip for playback. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include an additional RAM in the personal computers of Eggers for playback purposes in order to reduce the amount of space taken up in system RAM by playback, which would allow more RAM space for resident programs.

23. Claims 25-27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, in view Ohta, U.S. Patent No. 4,896,237 as applied to claim 12-18 above, and further in view of Gallagher, in view of Thomas, U.S. Patent No. 4,739,398. Referring to claims 25, 27, the source unit of Gallagher discloses having a buffer store RAM (Figures 1-2) between the transmitter and the storage means. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include RAM in the host computer of Akashi in order to speed up the transmission process by allowing the transmitter to access data in RAM as opposed to a permanent storage device which is significantly slower, which meets the limitation of a sales random access memory and first control panel in electrical communication with said first control integrated circuit. Akashi discloses that the host computer then sends the data to the user personal computer RAM (Page 2 Section 5), which meets the limitation of a second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-

5), which meets the limitation of repeating the commanding, playing, and transferring a replica steps. Eggers does not disclose that the personal computers used for playback contain a playback RAM. Thomas discloses an audio and video playback workstation computer that contains a processor, hard drive, monitor, audio output device, video playback memory, and audio playback memory (Col. 19, lines 36-50), which meets the limitation of a playback random access memory chip in electrical communication with said second control integrated circuit. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include an additional RAM in the personal computers of Eggers for playback purposes in order to reduce the amount of space taken up in system RAM by playback, which would allow more RAM space for resident programs.

Referring to claim 26, Akashi discloses that the telecommunication lines are telephone lines (Page 4, Paragraph 1).

24. Claim 28 is rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, in view Ohta, U.S. Patent No. 4,896,237, in view of Gallagher, in view of Thomas, U.S. Patent No. 4,739,398 as applied to claims 12-18, 25-27 above, and further in view of Chace, U.S. Patent No. 4,792,974. Referring to claim 28, Akashi discloses that the personal computer has a monitor (Page 4, Paragraph 1 & Figure 1). Eggers discloses that the personal computer has a monitor for video output/playback (Col. 4, lines 54) but does not expressly disclose the form for the audio output/playback. Chace discloses a system for audiovisual playback using a personal computer (Col. 5, lines 64-65) wherein the audio output comprises stereo speakers (Col. 7, line 39), which meets the limitation of speakers in

electrical communication with said second control integrated circuit. It would have been obvious to one of ordinary skill in the art at the time the invention was made to use stereo speakers as the audio output in the playback system of Eggers in order to provide a more realistic and more pleasing sound to the ear as taught in Chace (Col. 1, lines 32-33).

25. Claims 32, 33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, as applied to claim 29-31 above, and further in view of Gallagher, in view of Thomas, U.S. Patent No. 4,739,398. Referring to claim 32, the source unit of Gallagher discloses having a buffer store RAM (Figures 1-2) between the transmitter and the storage means. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include RAM in the host computer of Akashi in order to speed up the transmission process by allowing the transmitter to access data in RAM as opposed to a permanent storage device which is significantly slower, which meets the limitation of a sales random access memory and first control panel in electrical communication with said first control integrated circuit. Akashi discloses that the host computer then sends the data to the user personal computer RAM (Page 2 Section 5), which meets the limitation of a second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of repeating the

commanding, playing, and transferring a replica steps. Eggers does not disclose that the personal computers used for playback contain a playback RAM. Thomas discloses an audio and video playback workstation computer that contains a processor, hard drive, monitor, audio output device, video playback memory, and audio playback memory (Col. 19, lines 36-50), which meets the limitation of a playback random access memory chip in electrical communication with said second control integrated circuit. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include an additional RAM in the personal computers of Eggers for playback purposes in order to reduce the amount of space taken up in system RAM by playback, which would allow more RAM space for resident programs.

Referring to claim 33, Akashi discloses that the telecommunication lines are telephone lines (Page 4, Paragraph 1).

26. Claims 34 is rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, in view of Gallagher, in view of Thomas, U.S. Patent No. 4,739,398 as applied to claims 29-33 above, and further in view of Ohta, U.S. Patent No. 4,896,237. Referring to claim 34, Gallagher discloses that the source unit stores the data files in a hard drive (Col. 1, lines 32-35), which meets the limitation of the first memory comprises a first hard disk. Akashi also does not disclose that the personal computer stores the digital music data on a hard disk. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the host computer storage means of Akashi and the personal computer storage means of Akashi to be a hard drives because of the vast speed and because general

computer configurations employ disk-based storage systems such as hard disk as taught in Ohta (Col. 1, lines 21-26).

27. Claim 35 is rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, in view of Gallagher, in view of Thomas, U.S. Patent No. 4,739,398, in view Ohta, U.S. Patent No. 4,896,237 as applied to claims 29-34 above, and further in view of Chace, U.S. Patent No. 4,792,974. Referring to claim 35, Akashi discloses that the personal computer has a monitor (Page 4, Paragraph 1 & Figure 1). Eggers discloses that the personal computer has a monitor for video output/playback (Col. 4, lines 54) but does not expressly disclose the form for the audio output/playback. Chace discloses a system for audiovisual playback using a personal computer (Col. 5, lines 64-65) wherein the audio output comprises stereo speakers (Col. 7, line 39), which meets the limitation of speakers in electrical communication with said second control integrated circuit. It would have been obvious to one of ordinary skill in the art at the time the invention was made to use stereo speakers as the audio output in the playback system of Eggers in order to provide a more realistic and more pleasing sound to the ear as taught in Chace (Col. 1, lines 32-33).

Conclusion

28. A shortened statutory period for response is set for **two month** from the mailing date of this Office Action.

In order to ensure full consideration of any amendments, affidavits or declarations, or other documents as evidence of patentability, such documents must be submitted in response to

this Office action. Submissions after the next Office action, which is intended to be a final action, will be governed by the requirements of 37 DFR 1.116, which will be strictly enforced.

29. The patent owner is reminded of the continuing responsibility under 37 CFR 1.565(a), to apprise the Office of any litigation activity, or other prior or concurrent proceeding, involving Patent No. 5,966,440 throughout the course of this reexamination proceeding. See MPEP §§ 2207, 2282 and 2286.

30. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Benjamin E. Lanier whose telephone number is 571-272-3805. The examiner can normally be reached on M-Th 7:30am-5:00pm, F 7:30am-4pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Gilberto Barron can be reached on 571-272-3799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Benjamin E. Lanier

GILBERTO BARRON JR.
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 2100

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Index of Prior Art

Examiner's Initials	TAB NO.	PATENT NO.	INVENTOR	FILING DATE	DESCRIPTION
	1	5,428,606	Muskowitz	June 30, 1993	Invention relating to an info. network and to a digital info exchange system
	2	5,132,992	Yurt et al.	January 7, 1991	Audio/video transmission and receiving system
	3	5,130,792	Tindell et al.	February 1, 1990	Store and forward video system
	4	5,191,573	Hair	September 18, 1990	Method for transmitting a digital audio/video signal
	5	5,675,734	Hair	February 27, 1996	System for transmitting digital video/audio signals
	6	5,966,440	Hair	June 6, 1995 System and method for transmitting desired digital video/audio signals	
	7	4,999,806	Chernow et al.	September 4, 1987 Software distribution system	
	8	Re: 35,184	Walker	October 17, 1986 Remote transaction	

Examiner's Initials	TAB NO.	PATENT NO.	INVENTOR	FILING DATE	DESCRIPTION
				system	
	9	3,244,809	Fuller et al.	February 26, 1962 Signal distribution systems	
	10	3,696,297	Otero	September 1, 1970 Broadcast communications system including a plurality of subscriber stations for selection receiving and replacing	
	11	3,718,906	Lightner	June 1, 1971 Vending system for remotely accessible store information	
	12	3,824,597	Berg	November 9, 1970 Data transmission network	
	13	3,947,882	Lightner	November 29, 1972	Vending system for remotely accessible stored information
	14	3,990,710	Hughes	March 1, 1971	Coin-operated recording machine
	15	4,028,733	Ulicki	July 7, 1973	Pictorial info retrieval system

Examiner's Initials	TAB NO.	PATENT NO.	INVENTOR	FILING DATE	DESCRIPTION
	16	4,045,776	Wheelwright et al.	April 19, 1976	Electronic phonograph selector and memory system
	17	4,108,365	Hughes	January 15, 1976	Coin-operated recording machine
	18	4,124,773	Elkins	November 26, 1976	Audio storage and distribution system
	19	4,300,040	Gould et al.	November 13, 1979	Ordering terminal
	20	4,335,809	Wain	January 29, 1980	Entertainment machines
	21	4,370,649	Fuerle	May 19, 1981	Payment responsive data network display
	22	4,422,093	Pargee	January 27,1983	Television burst service
	23	4,499,568	Gremiller	December 13, 1982	Process for tele-distribution of recorded info and system for it
	24	4,506,387	Walter	May 25, 1983	Process for tele-distribution of recorded info and system for it
	25	4,520,404	Von Kohorn	August 23, 1982	System apparatus and method for recordings and editing broadcast transmissions
	26	4,521,806	Abraham	August 19, 1982	Recording program communication system
	27	4,521,857	Reynolds, III	May 17, 1982	Aviation weather information dissemination system
	28	4,586,430	Freeny	January 19, 1985	System for reproducing info in material objects eta paint

Examiner's Initials	TAB NO.	PATENT NO.	INVENTOR	FILING DATE	DESCRIPTION
					of sale location
	29	4,533,948	McNamara et al.	April 30, 1982	CATV Communications system
	30	4,536,856	Hirosishi	September 20, 1980	Method of and apparatus for controlling the display of video signal information
	31	4,538,176	Nakjimo et al	November 26, 1979	Buffer memory dispersion type video/audio transmission system
	32	4,567,359	Lockwood	May 24, 1984	Automatic info goods and services dispensing
	33	4,567,512	Abraham	September 28, 1983	Recorded program communication system
	34	4,605,973	Von Kohorn	March 25, 1985	System apparatus and method for recordings and editing broadcast transmission
	35	4,647,989	Geddes	March 18, 1983	Videocassette selection machine
	36	4,648,037	Valentino	March 15, 1984	Method and apparatus for benefit and financial communciation
	37	4,658,093	Hellman	July 11, 1983	Software distribution system
	38	4,667,802	Verduin et al.	October 1, 1984	Video jukebox
	39	4,672,613	Foxworthy et al.	November 1, 1985	System for transferring digital data bet. A hot device and a recording medium
	40	4,674,055	Ogaki	May 29, 1984	Software vending system

Examiner's Initials	TAB NO.	PATENT NO.	INVENTOR	FILING DATE	DESCRIPTION
	41	4,688,105	Bloch et al	May 10, 1985	Video recording system
	42	4,703,465	Parker	December 14, 1985	Method and apparatus for producing and audio magnetic tape recording from a preselected music library
	43	4,725,977	Izumi et al	February 28, 1986	Cartridge programming system and method with a central and local program library
	44	4,739,510	Jetters et al	April 2, 1982	Direct broadcast satellite signal transmission system
	45	4,754,483	Weaver	August 25, 1987	Data compression system and method for audio signals
	46	4,755,872	Bestler et al.	July 29, 1985	Impulse pay per view system and method
	47	4,759,060	Hayashi et al.	October 31, 1985	Decoder for a pay t.v. system
	48	4,761,684	Clark et al.	November 14, 1986	Telephone access display system
	49	4,763,317	Lehman et al	December 13, 1985	Digital communications network architecture for providing universal info services
	50	4,766,581	Lorn et al.	August 7, 1984	Info retrieval system an method using independent user stations
	51	4,787,050	Suzuki	November 12, 1986	Apparatus For Managing Software Bending Machine
	52	4,789,863	Bush	January 13, 1988	Pay per view entertainment system

Examiner's Initials	TAB NO.	PATENT NO	INVENTOR	FILING DATE	DESCRIPTION
	53	4,792,849	McCalley et al.	August 4, 1987	Digital interactive communication system
	54	4,797,918	Lee et al.	April 15, 1987	Subscription controller t.v. programming
	55	4,829,372	McCalley et al.	August 20, 1987	Presentation player
	56	4,894,789	Yee	February 22, 1988	TV Data capture device
	57	4,918,588	Barrett et al.	December 31, 1986	Office automation system w/ integrated image management
	58	4,949,187	Cohen	December 16, 1988	Video communication system having a remotely controlled control sources of video/audio data
	59	5,003,384	Durdan et al	April 1, 1988	Set top interface transactions in an impulse pay per view t.v. system
	60	5,019,900	Clark et al.	August 1, 1988	Telephone access display system
	61	5,041,921	Schettler	December 17, 1987	System for recording custom albums from a library of pre-recorded items
	62	5,089,885	Clark	August 1, 1988	Telephone Access Display System With Remote Monitoring
	63	5,099,422	Foresman et al.	March 17, 1989	Compiling system method of producing individually customized recording media
	64	5,191,410	McCalley et al.	February 5, 1991	Interactive multimedia presentation and communication system

Examiner's Initials	TABS	TITLE	AUTHOR	SOURCE
	65	From the newS desk	D. Needle	Info World, May 11, 1984
	66	Computer system organization: Problems of the 1980's	H. Apfelbaum, et al.	Computer Sept. 1978, Vol. II, No. 9
	67	System for capturing, storing and playing back large data bases at home	D.C. Gazis S.S. Soo	IBM Technical Disclosure Bulletin, Vol. 23, No. 2, p. 856, July 1980
	68	Jimmy Bowen: Music Row's Prophet of change	L. Chappell	Advantage, Vol.9, No. 10, p.38, October 1986
	69	Rock Around the Database	L. Dotto	Information Technal., Vol. 57, No. 9, pp. 128-135, September 1984
	70	Home (computer) terminal musical program selection	P.L. Rosenfeld	IBM Technical Disclosure Bulletin, Vol. 23, NO. 78, p 3440
	71	A Harmonious Musical Interface	S. Cunningham	Network World, Inc., September 8, 1986
	72	Electronic Orchestra in your livingroom	S. Mace	InfoWorld, March 25, 1985, p. 29
Examiner's Initials	TABS	TITLE	AUTHOR	SOURCE
	74	Cable Scan	No Author	, October 1983
	75	A review of digital audio techniques	M. Willcocks	Journal of the Audio Engineering Society, Vol. 26, No. 12, pp. 56, 58, 60, 62, 64, Jan-Feb 1978

	76	Digital Music Will Launch the Home Music Store	G. Gulick	Satellite News, 81-11-09, pp. 7
	77	Telecommunications in the coming decades	S.B.Weinstein	IEE Spectrum, Nov 19??, p. 62
	78	Electronic Banking Goes to Market	T.S. Perry	IEE Spectrum, Feb 19??., p. 46
	79	Gordon Bell calls for a U.S. Research Network	G. Gordon Bell	IEEE Spectrum p. 54
	80	As Patents Multiply, Web Sites Find Lawsuits Are a Click Away	S. Hansell	New York Times, Dec. 11, 1999, A1
	81	The Tony Basile Home Page	The PAN NETWORK	The PAN Network, Dec 12, 1999
	82	Tele computing - Direct Connections for Software Selections	E. Ferrarini	Business computer systems, Feb. 1984
	83	Young Arcadians Come Home	D.N.	Info.World, Vol. 5, Number 27
	84	Two way Cable System Using Residential CATV Facilities	Semir Sirazi, et al	ICCE 84, June 7, 1984, LaSalle III - Digest of Technical Papers.
	85	News	D. Caruso	InfoWorld, April 16, 1984
	86	Pay Per View Entertainment System	PTO	US Patent and Trademark Office, Patent Bibliographic Database, 1/26/00

	87	Software Distribution System	PTO	US Patent and Trademark Office, patent Bibliographic Database, 1/26/00
	88	Dig-Music: An On Demand Digital Music Selection System utilizing CATV Facilities	Y. Want G.M. Campbell	IEEE Transactions on Consumer Electronics, Vol. CE 28, No. 3, August 1982, p. xvii
	89	Transmission of Musical Info. in a teletext multiplexed broadcasting system	Y. Sugimori, et al.	IEEE International Conference on Consumer Electronics, 1985 - Digest of Technical Papers.
	90	An Encrypted Digital Audio System for Conventional Cable System	K. Kitagawa, et al.	IEEE International Conference on Consumer Electronics, 1985 - Digest of Technical Papers
	91	Telephone computers - a look at the one per Desk Telecomputer	D. Pountain	BYTE U.K., June 1985
	92	Music Software for the Apple Macintosh	C. Yavelow	Computer Music Journal, Vol. 9, No. 3, Fall 1985
	93	NAPLPS Videotex Frame Creation System with Automatic Encoding of Input Images	T. Fujimori	IEEE Transactions on Consumer Electronics, Vol. CE-31, No. 3, August 1985
	94	Picture Transmission for Videotex	K. Ngan, et al.	IEEE Transactions on Consumer Electronics, Vol. CE-31, No. 3, August 1985
	95	A System for	N. Kihara, et al.	IEEE Transactions on Consumer electronics, Vol. CE-

		Transmitting Electronic Photographs		28, No. 3, August 1982
	96	A Low cost High Performance Picture Display for Photovideotex	G.P. Hudson C.P. Arbuthnot	IEEE Transactions on Consumer Electronics, Vol. CE-32, August 1986
	97	The Coding of Graphics Animation in a Videotext Terminal	C. Pabousctsidis	1986 IEEE International Conference on Consumer Electronics, Digest of technical Papers, June 1986
	98	Videotext Programs Videorecorder (VPV)	U. Bensch	1984, IEEE International Conference on Consumer Electronics, Digest of technical Papers June 1984
	99	Picture Transmission for Videotex	H. Weng Cheong N. King Ngi	1988, IEEE International Conference on Consumer Electronics, Digest of technical Papers June 1988Digital Still Picture Recorder Utilizing an Ordinary Audio Cassette DeckS. Kageyama, et al.1985 IEEE International Conference on Consumer Electronics, Digest of technical Papers, June 1985
	100	Digital Still Picture Recorder Utilizing an Ordinary Audio Cassette Deck	S. Kageyama, et al.	1985 IEEE International Conference on Consumer Electronics, Digest of Technical Papers, June 1985
	101	A New digital Audio and Data Transmission System Using the CATV Network	Y. Kojima, et al.	IEEE Trqansactions on Consumer Electronics, Vol. CE-30, No. 3, August 1984
		A Simple Technique for	N.D. Jotwani	IEEE Transactions on Consumer Electronics, Vol. CE-

	102	Video Image Transmission	K.L. Mong	33, No. 1, February 1987
	103	Third Party Profile: Control Video Corporation	no author	Control Video Corp. Web Site
	104	Dial-A-Game-GameLine module links WCS With Game Bank	D. Burns	Digital Antic, Vol. 2, No. 4, July 1983, p. 82
	105	Remembering the Gameline	D. Skelton	http;//ccwf.ccutexas.edu
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	108	A Packet Video/Audio System Using the Asynchronous Transfer Mode Technique	H.J. Chao, et al	IEEE Transactions on Consumer Electronics, Vol. 35, No. 2, May 1989
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	113	Prestel - the World's First Public View data Service	R.D. Bright, et al.	IEEE Transactions on Consumer Electronics, Vol. CE-25, No. 3, July
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	115	Telidon - A Review	H. Brown W. Sawchuk	IEEE Communications Magazine, Jan 1981
	116	Videotex Services: Network and Terminal Alternatives	J.M. Costa A.M. Chitnis	IEEE Transactions on Consumer Electronics, Vol. CE-25, No. 3, July1979
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	118	Profile - Career Update		Key board News, April 1985
	119	Telecommunications - Let Your Telephone Do the Sampling	B. Tolinski	KSC, April 1986
	120	PAN: Meeting Place for the Industry	P. Leopold	Electronic Musician, Sept. 1986

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	122	Teaching Computers to Emulate Bach	J.S. Newton	The New York Times, Sunday, March 1, 1987
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	124	MIDI By Modem: The Future in Now	P. Leopold	Conference Paper - Music and Digital Technology
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	127	MIND Over MIDI - Diary of a Mad MIDI Specialist	J. Cooper	Keyboard Magazine, June 1986
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	129	What is Musical Property? - The Ethics of Sampling	S. Alvaro	Keyboard Magazine, October 1986

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	131	In the Public Eye: Free Atari Software	J. Johnson	Electronic Musician, Vol. 5, No. 10, October 1989
	132	Going Online - A Guide to elec. Bulletin board System	M. Rivers	Electronic Musician, Vol. 6, No. 11, November 1990
	133	*Page of EM Classifieds		Electronic Musician, November 1989
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	137	Start Me Up? - the Music Biz Meets the personal computer	B. Krepack R. Firestone	Published by Medioc Press, Copyright 1986
	138	A Harmonious Musical Interface	S. Cunningham	1986 Network world, September 8, 1986
	139	Synth - Bank	USPTO	USPTO -Trademark Text and Database
	140	Managing the Intellectual Property Lifecycle	B. Bell A. Brown, Jr.	A excerpt from an article available at Synthbank.com 1998, Synthbank. Inc.
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	142	An Upbeat Way to Order; worth watching	G. Charlish	1988 The Financial Times (Lexis-Nexis)

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	145	Data Highways... Can we get there from here?	J. Burgess	The Washington Post, May 2, 1993 (Lexis-Nexis)
	146	MNI Interactive to Revolutionize the Way Consumers Select and Purchase Entertainment Products		PR Newswire Association, Jan 17, 1994
	147	The Interactive Age - Can The Exalted Vision Become a Reality?	M. W. Miller	The Wall Street Journal, Thursday, Oct 14, 1993
	148	Music Net Let's Consumer's Fingers do the Walking	J. McCullaugh	Billboard, Saturday, October 16, 1993 (Westlaw)
	149	"Rolling Stone" Takes Music to The Phone	S. Donaton A. Z. Cuneo	Advertising Age, July 11, 1994 (Lexis-Nexis)
	150	Most Silicon Valley Ventures Beat the Odds	S. Herhold	Knight - Ridder Tribune Business News, Feb. 14, 1999
	151	*Entire September Issue		Electronic Musician, Sept. 1986
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		Facilities at an Online Music Retail Site		
	153	US Patent No. 4, 999,806	Software distribution system	USPTO
	154	US Patent No. 4,359,223	Interactive video playback system	USPTO
	155	USPTO Certificate of Correction - Patent No. 4,528,643	System for Reproducing information in material objects at a point at sale location	USPTO
	156	The Telharmonium: An Early Breakthrough in Electronic Music	T. Holmes	Gyrofrog Communications Electronic and Experimental Music 1996
	157	Free Music Downloads	CDNow	CDNow Web Site (CDN 000078-85)
	158	Gameline - the Incredible New Way to Play Video Games		Gameline brochure
	159	Downloading and Tele-delivery of Computer Software, Music and Video		International Resource Development, Inc. (DN 021217-021432)
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		delivery of Computer Software, Music and Video		Development, Inc. July 1983 (CDN 021433-021664)
	161	The Development of a Commercial Tele software Service	A. Sweet	Tele software Cavendish Conference Center 27-28 Sept. 1984. Publication No. 60 [61] Institution of Electronic and Radio Engineers
	162	Tele software - The Computer in Your TV set	J. Hedger	New Electronics, Vol. 13, No. 245, December 9, 1980
	163	Tele Software: Adding Intelligence to Teletext	R. Eason J. Hedger	Proceedings IEEE, Vol. 126, No. 12, December 1979
	164	Receving Tele Software With CCT	J.R. Kinghorn	Tele software Cavendish Conference Center 27-28 Sept. 1984. Publication No. 60 [61] Institution of Electronic and Radio Engineers
	165	Games Tele Software on Cable	T.J Havelock	Tele software Cavendish Conference Center 27-28 Sept. 1984. Publication No. 60 [61] Institution of Electronic and Radio Engineers
	166	Broadcast Tele Software Experience With ORACLE	J. Hedges	View data and Videotext, 1980-1981: A Worldwide Report
	167	The UK Teletext Standard for Tele Software Transmissions	D.J. Rayer	View data and Videotext, 1980-1981: A Worldwide Report
	168	Music from the skies promised by firm serving	S. Chase	The Washington Post, October 19, 1981

		cable users		
	169	Abstract -	L. Landro	The Wall Street Journal, October 14, 1981
	170	Abstract -	No author listed	UPI - October 13, 1981
	171	Hi-Tech *do-Dads* for the man of the house	No author listed	Trends
	172	New Products Programmed for Consumers	No author listed	Computer Report
	173	Electronics show had variety of new home equipment	No author listed	Hi-Fi News and Record Reviews, 1985
	174	New Telerecording Method for Audio	No author listed	BM/E, October 1985
	175	Cable TV Moves To The Music	A.L. Yarrow	NY Times, July 4, 1982
	176	What is Stalling the Record Business?	No author listed	Business Week, November 30, 1981
	177	Labels Gear Up For Home Music Store	No author listed	Billboard Magazine, April 6, 1991
	178	The Record Shop of the Future May Be In Your Parlour	Hans Fantel	NY Times, November 22, 1981
	179	The Latest Technology	R. Harrington	Washington Post, June 28, 1981
	180	Thaddeus Cahill and the	No author listed	http://nicemusic4.music.niu.edu

		Telharmonium (electric instrument)		
	181	Thaddeus Cahill's Dynamophone\Telharmonium (1897)	No author listed	http://www.obsolete.com
	182	Book Review: Magic Music From The Telharmonium	P. Hertz	http://www.obsolete.com
	183	Telharmonium	No author listed	http://www.britannica.com
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	185	No Time To Shop For Software	J. Paioff	Infoworld, August 20, 1984
	186	Warner Amex QUBE Cable Communications	No author listed	http://www.electricblue.com
	187	A Blast From The Past	P. Conger	http://www.cableworld.com, March 28, 1998
	188	Where Is Everyone Now	No author listed	http://www.electricblue.com
	189	Juke Box History 1934 thru 1951	Gert Almind	http://wwwl.jukebox.dk
	190	The Shyvers Multiphone	No author listed	http://www.dyz.com
	191	Dead Medium: Telephonic Jukeboxes: The Shyvers Multiphone...	B. Sterling	http://www.wps.com

	192	Downloading and Teledelivery of computer software, games, music, and video	Int'l. Resource Dev. Inc.	US Copyright Application, Registration 1-243-407
	193	Compusonics Digitizes Phone Lines	No author listed	Digital Audio, September 1985
	194	AT&T Demo	No author listed	Pro Sound News, September 9, 1985
	195	Videogames and Electronic Toys		Int'l Resources Dev. Inc., May 1983
	196	Compusonics Eyes Options; Will Flagship Computer Make Direct CD Copies?	M. Harrington	Information Access Co., March 30, 1987
	197	Direct Broadcast's Potential For Delivering Data Service	E. Holmes	Data Communications, September 1984
	198	Sonus Music Products	C. Roads	Computer Music Journal, Spring 1987
	199	Advertisement: Gameline package		http://www.geocities.com
	200	Computer Music Networks	C. Roads	Computer Music Journal, Fall 1986
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	202	CVC Gameline Master Module	No author listed	http://ccwf.cc.utexas.edu

	203	Oregon Corporate Records	Re: Synth-Bank	Oregon Secretary of State
	204	Lexis Search Manual (Entire Manual)		
	205	Affidavit of Edgar Magnin and Exhibits		US Dist Ct for the Southern Dist. Of New York
	206	Transcript: Max Conference		02/27/93
	207	Exhibits To Compuserve's Brief On Claim Interpretation	Jones, Day, Reavis & Pogue	Filed in US Dist. Ct. For The Southern Dist. Of New York

Examiner's Initials	TAB NO.	PATENT NO.	INVENTOR	FILING DATE	DESCRIPTION
	208	4,359,223	Baer et al.	November 1, 1979	Interactive Video Playback System
	209	4,636,876	Schwartz	September 17, 1984	Audio Digital Recording and Playback System
	210	4,755,889	Schwartz	August 12, 1986	Audio and Video Digital Recording and Playback System
	211	4,559,570	Schwartz	May 14, 1984	Magnetic Storage System
	212	4,758,908	James	September 12, 1986	Method and Apparatus For Substituting A Higher Quality Audio Soundtrack For A Lesser Quality Audio Soundtrack During Reproduction Of The Lesser Quality Audio Soundtrack And A Corresponding Visual Picture

Examiner's Initials	TAB NO.	PATENT NO.	INVENTOR	FILING DATE	DESCRIPTION
	213	5,307,456	Mackay	January 28, 1992	Integrated Multi-Media Production And Authoring System
	214	4,675,904	Silverman	August 11, 1983	Method For Detecting Suicidal Predisposition
	215	4,682,248	Schwartz	September 17, 1985	Audio and Video Digital Recording Playback System
	216	4,472,747	Schwartz	April 19, 1983	Audio-Digital Recording And Playback System

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	217	AES Presentations		AES Preprints
	218	Brochure; Overview articles, etc on PAN	PAN Network	
	219	Brochure: NERAC		
	220	CompuSonics DSP-1000 World's First DARPS		CompuSonics Advertisement
	221	We Mean Business	C.S. Kaplan	Con. Elec. Daily, May 10, 1984
	222	Letter to Shareholders	D. Schwartz	CompuSound, Inc. January 6, 1984
	223	Letter to Shareholders	D. Schwartz	CompuSound, Inc., April 6, 1984
	224	Letter to Shareholders	D. Schwartz	CompuSound, Inc., July 16, 1984
	225	Letter to Shareholders	D. Schwartz	CompuSound, Inc., May 31, 1985

Examiner's Initials	TAB NO	DESCRIPTION	AUTHOR	PUBLICATION
	226	Manufacturing Update		Audio Video Inter. June 1984
	227	CompuSonics Fuses Computer, Audio Into "Worlds First" HDR	M. Golden	CES Trade News Daily, June 4, 1984
	228	Digital Sound Now on Computer Disks	S. Booth	Consumer Elec. Daily, June 3, 1984
	229	CompuSonics Readies Floppy disc to record.....		HFS Newspaper, June 4, 1984
	230	Floppy disc may be the next music Makers		Business Week, May 28, 1984
	231	CompuSonics: Another Digital Audio Std	N. Weinstock	MIX, August 1984
	232	The State of RCA		TV Digest, May 21, 1984
	233	CompuSonics DSP-1000....		CES Exhibition - D&E, 1984
	234	Optical -Disk based Digital Audio System	B. Robinson	Electronic Engineering Times, September 1, 1986
	235	Brochure - CompuSonics DSP-1000		CompuSonics Corp.
	236	Business Plan Overview		CompuSonics, Corp., June 14, 1984
	237	Compusonics Corp. Corporate Profile		Audio Video International
	238	Toward Electronic Delivery of Music	J.P. Stautner	CompuSonics Corp.
	239	Company sees Future in Digital	J. Hendon	Rocky MountainNews, July 22, 1984
	240	Floppy-Disck Audio System	A. Mereson	Science Digest, November 1984
	241	Recording Music on Flopyy Discs	A. Zuckerman	High Technology, May 1984

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	242	Digital Recording System Uses floppy - discs		Audio Times, May 1984
	243	Brochure		Compusonics Corp.
	244	Hi-Fi Floppy	CADES	P.C. World, April 1985
	245	New Hi-Fi Horizons	D. Canada	Stereo Review, December 1984
	246	Specs. And Implem.of computer Audio console for Digital Mixing and Recording	D. Schwartz	AES 76th Convention, NYC, June 20, 1984
	247	A High Speed Telecommunications Interface for Digital Audio Transmission and Reception	H. H. Sohn	Compusonics Corp.
	248	The Audio Computer and its applications	Schwartz & Stautner	Compusonics Corp.
	249	Engineering Your Own Digital Audio Broadcast System	D. Schwartz	Compusonics Corp.
	250	Memo: To Mr. Kapp; from D. Schwartz	D. Schwartz	CompuSonics Corp., April 26, 1990
	251	CompuSonics DSP 2002 - Preliminary User Manual		CES, June 1984
	252	Digital Mark. Corp. Video Real Estate System	JPS	CompuSonics Corporation
	253	Memo: to Holmbraker et al.	D. Schwartz	CompuSonics Corporation
	254	Assembly Procedure for DS 1500		CompuSonics Corporation

Examiner's Initials	TAB NO	DESCRIPTION	AUTHOR	PUBLICATION
	255	Application Notes: CSX Digital Signaling Processing		CompuSonics Corporation
	256	DMS Lecture		Compusonics Corporation, 1991
	257	Application Notes: DSP 1000 Digital Audio Disc Recorder		Compusonics Corporation
	258	Automated Merchandising System for Computer Software, Patent #4,949,257	Orbach	USPTO
	259	Letter to E. Kraeutler, Esq. Re: CDNews/Liquid Audio	I. Gross	Wilson, Sonsini, Goodrich and Rosati - April 14, 2000
	260	Patent License Agreement	Schoen & Hooban	Ergon Technology Associates Corp.
	261	The Home Terminal		IRD, Inc., August 1978
	262	Rolm Plugs CBX Into		EMMS - May 2, 1983
	263	Employee Non-Competition Agreement		CDNow, Inc.
	264	Letter to D. Berl, Esq.	K.J. Choi	Lucent Technologies
	265	Video Explosion on the way for buyers	M. Galligan	US News and World Report, June 18, 1984
	266	Hi-Fi in the '80's : Not only Alive and well.....	L. Feldman	Information Access Co., July 1984
	267	The Search for the Digital Recorder	B. Dumaine	Time, Inc., November 12, 1984
	268	Ultimate Integration: Putting Software theory into.....	J. Balga	Information Access Co., February 12, 1985

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	269	Technology Review	R. Welch	The American Banker, December 12, 1986
	270	Remembering the Gameline	D. Skelton	www.mindspring.com
	271	Gameline Module links with game bank	D. Burns	www.atarimagazines.com
	272	Allison 7 Video	Allison	EE 380 2/18/87
	273	Telesoftware - Value Added Teletext	J. Hedger	IEEE Transactions on Consumer Electronics; Feb 1980, Volume CE-26
	274	Telesoftware: Home Computing Via Broadcast Teletext	J. Hedger	IEEE Transactions on Consumer Electronics; July 1999, Volume CE-25, No. 3
	275	The Future of Television as The Home Communications Terminal		International Resource Development Inc., August 1981 (CDN 23101 - 23109)
	276	Videogames & Electronic Toys	**note**	International Resource Development., INC May 1983 (CDN 023054)
	277	Telepay vs. Videodisc		International Resource Development INC., September 1982 (CDN 023068)
	278	Health, Wealth & Self-Improvement Home Software		International Resource Development INC., September 1985 (CDN 023091)
	279	Telecommunications Market Opportunities		International Resource Development INC., November 1985 (CDN 023110-023138
	280	VideoPrint (Contents)		June 22,1983 (CDN 023139-23142)

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	281	CompSonics/Carts		September 9,1985 (CDN 023143)
	282	Current Samples (Compusonics Digitizes Phone Lines)		September 1985 (CDN 023144)
	283	(BME) Station Automation (New Telerecording Method for Audio		October 1985 (CDN 023145-23146)
	284	High-Tech do-Dads for the man of the house (Sound Investments)		(CDN 023147-23150)
	285	New Software (Delivery over the phone)		Telephone Software Connection INC. October, 1982 (CDN023151)
	286	Communications (No time to shop for software)	Jessica Paioff	August 20, 1984 (CDN023152)
	287	Warner Amex QUBE Cable Communications	Peggy Conger	(CDN 023153-023157)
	288	Warner Amex QUBE Cable Communications (Articles)		(CDN 023158)
	289	QUBE-ists (Where is everyone now?)		(CDN 023159-23160)
	290	THE SHYVERS MULTIPHONE		(CDN023161-23162)
	291	Dead medium:Telephonic Jukeboxes: The Shyvers Multiphone (MULTIPHONE)		(CDN 023163-23166)

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	292	Jukebox History 1934-1951		(CDN 023167-23173)
	293	New Music Box (Keyboard and Tactile Interfaces)		October 1999 (CDN 023174-23180)
	294	Britannica.com (telharmonium)		(CDN 023181)
	295	Book Review (Magic Music from the Telharmonium)	Paul Hertz	The Scarecrow Press. Inc.,(CDN 023182)
	296	Thaddeus Cahill (Dynamophone/Telharmonium) 1897		(CDN 023183-23186)
	297	Thaddeus Cahill and the Telharmonium (electric instrument)		(CDN 023187-23189)
	298	Style (The Latest Technology)	Richard Harrington	June 28,1981 (CDN 023190-23191)
	299	Financial		October 13,1981 (Tuesday) (CDN 023192)
	300	Labels Gear Up For "Home Music Store"	Earl Paige Ken Terry Bill Holland	April 6, 1991 (CDN 023193-23194)
	301	ABSTRACT (Home Music Store)	Laura Landro	October 14,1981 (Wednesday) (CDN 023195)
	302	Washington Business (Music From the Skies Promised By Firm Serving Cable Users)	Scott Chase	October 19,1981 (Monday) (CDN 023196)
	303	Arts and Leisure Desk (Sounds:The Record	Hans Fantel	November 22, 1981 (Sunday) (CDN

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
		Shop Of The Future May In Your Parlor)		023197-23199)
	304	MEDIA & ADVERTISING (What is stalling the record business)		November 30,1981. (Industrial Edition) (CDN 023200-23202)
	305	Financial Desk (CABLE TV MOVES TO THE MUSIC	Andrew L. Yarrow	July 4, 1982 (L.City Final Edition) (CDN 023203-23204
	306	TSC WRITE-UPS		(CDN 023552)
	307	Telphone Software Connection, Inc. (The Hayes Micromodem II)		(CDN 023553-23554
	308	TSC Bibliography (CALL-APPLE)		(CDN 023556-23567)
	309	COMPUTERS (TELEPHONE SOFTWARE CONNECTION)		(CDN 023559)
	310	ARTICLE REFERENCES (NOW YOUR HOME)		POPULAR MECHANICS, March 1981. (CDN 023555-23568)
	311	Buyers Guide (BRANCH CENTERS)		(CDN 023569-23570)
	312	News Link (Software delivery now at 2400 baud)		December 1985. (CDN 023571)
	313	TELEPHONE SOFTWARE CONNECTION		(CDN 023572-23573)
	314	Software (Online Tip)		(CDN 023574)
	315	TELECOMMUNICATING (PC-TALK.III)		(CDN 023575)
	316	POLL(Adults believe children know more	Lawrence	October 16,1985. (CDN 023576)

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		about computers)	Kilman	
	317	Electronic Mall (TELEPHONE SOFTWARE CONNECTION)		(CDN 023577)
	318	Data Communications (PROTECTING YOUR NETWORK DATA)	Elisabeth Horwitt	(CDN 023578)
	319	To Catch A Thief (Microcomputer)		July 1985.(CDN 023579-23583)
	320	Caller Response (Services) (Shopping for software at home, by phone)		(CDN 023584)
	321	ON LINE CONSULTING (PLANNING, PROGRAMMING & TRAINING)		(CDN 023585)
	322	Entry (Entry goes on line!)		(CDN 023586)
	323	UNIQUE (2000 New Articles Screened Each Day)		(CDN 023587)
	324	Entry (Entry Magazine)		(CDN 023588)
	325	Satin and lace, and a message base (A board is a board)	Dru Simon	(CDN 023589)
	326	REFLECTIONS (on the videotex industry)	Carole Houze Gerber	(CDN 023590)
	327	SOFTWARE ONLINE (HELP FOR DISABLED COMPUTER USERS)		(CDN 023591)
	328	Telescan Analyzer & Telescan Database		December 1984. (CDN 023592)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
	329	Reader Service (Phone secretary II)		December 1984. (CDN 023593-23595)
	330	Communications Software (Software Communications Inc.)		November 1984 (CDN 023596-023601)
	331	COMMUNICATIONS (No time to shop for software?)	Jessica Paioff	August 20,1984 (023602)
	332	Link (Telephone Software)		May 1984. (CDN 023603-23621)
	333	Sample of Available Graphics Programs (Manufacturer)		October 1984 (CDN 023607)
	334	RAM Required		October 1984 (CDN 023608)
	335	TELECOMMUNICATING	Art Kleiner	Spring 1984 (CDN 023610-23611)
	336	WHOLE EARTH RECOMMENDED TELECOMMUNICATION TOOLS (TERMINAL PROGRAMS)		February 1984 (CDN 023612-23613)
	337	MITE (Finding MITE)		Spring 1984 (CDN 023614-23618)
	338	ELECTRONIC MAIL PROGRAMS (MCI Mail)		Spring 1984 (CDN 023619)
	339	COMPUTER CONFERENCING SYSTEMS (CompuServe Special Interest Groups (SIGs)		Spring 1984 (CDN 023620)
	340	UNCORRECTED PAGE PROOF (HOW RO GET FREE SOFTWARE)	Alfred Glossbrenner	(CDN 023622)
		The Treasure Trove (Comments;Diversi-		

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	341	DOS)		DSR,INC (CDN 023623-23630)
	342	In Search of the Consummate Time Manager (Effective Management)	Margaret P. Ezell	(CDN 023631-23632)
	343	Display (meet, report,sell, plan)		(CDN 023633)
	344	TURNING POINT (TIME IS MONEY)		(CDN 023634)
	345	LECTION		May 1984 (CDN 023635-23636)
	346	GETTING ON COMMUNI (PROVEDERS AND CONSUMERS)	Ed Magnin	Telephone Software Connection, Inc. March 1984 (CDN 023637-23638)
	347	Telecommunications (A Software Vending Machine)	Ed Magnin	Telephone Software Connection, Inc. March 1984 (CDN 023639)
	348	Teleconnunications (Auto Modem)	Michael J.O'Neil	March 1984 (CDN023640)
	349	Micro Software Distribution (Now,Software Is Distributed By Wire	Ronald R. Cooke	November 1983 (CDN 023642)
	350	References :Offices and Numbers.		1984 (CDN 023643-23660)
	351	SOFTALK (SubLogic)		December 1983 (CDN 023661-23676)
	352	THE TRS CONNECTION		November 1983 9CDN 023677-023679)
	353	Display (THE ACCESS UNLIMITED MICRO SHOPPING CENTER)		November 1983 (CDN 023680)
	354	Telecommunications (Telecommunications Adviser)	Ed Magnin	Telephone Software Connection Inc. November 1983 (CDN 023681-23682)

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	355	Communications (Special Delivery Software)	Lisa B. Stahr	October 1983 (CDN 023683-23686)
	356	PLUMB (EMPLOYMENT WANT ADS GO ONLINE)		June 1983 (CDN 23688-23695)
	357	Apple's New Image		(CDN 023696)
	358	Tech (Lisa And Software Writers- No Love At First Byte?)	Jessica Schwartz	(CDN 023697-23698)
	359	Display (DATAMOST)		(CDN 023699)
	360	Cider (What's New This Month)		June 1983 (CDN 023700-23701)
	361	Display (2ND Generation Spreadsheet)		(CDN 023702)
	362	Telecommunications (Telecommunications Adviser)	Ed Magnin	Telephone Software Connection Inc. June 1983 (CDN 023703-23704)
	363	Cider BOOK SHELF		June 1983 (CDN 023705-23706)
	364	Telecommunications (Telecommunications Adviser) "Acoustic"	Ed Magnin	Telephone Software Connection Inc. June 1983 (CDN 023707-23709)
	365	Downloader's Supermarket		June 1983 (CDN 023710)
	366	LETTERS (Krell Responds to review of LOGO)		(CDN 023711)
	367	Display (Apple Orchard) Peelings II responds.		November 2 1983 (CDN 023712-23713)

Examiner's Initials	TAB NO	DESCRIPTION	AUTHOR	PUBLICATION
	368	Display (NIBBLE IS TERRIFIC)		(CDN 023714)
	369	TECHNOLOGY (Electronic Software Delivery Threatens Mail And Store Sales)	William M.. Bulkeley	April 11,1983 (CDN 023716-23717) THE WALL STREET JOURNAL
	370	ET PHONES OFFICE (Electronic Transfer)		April 1983 (CDN 023718-23721) The Digest
	371	Western Union's Easylink Gets Direct Telex-To-PC Connection		March 21,1983 (CDN 023722)Information System News
	372	The Book Of Software		1983 (CDN 02723-23725)
	373	SOFTALK CLASSIFIED ADVERTISING (THE PREDICTOR)		April 1983 (CDN023726-23729 SOFTALK
	374	Programs boogie with-o-tech (Sales styles and marking strategies: A hard look at software)	Joanne Cleaver	(CDN023730-23731) HOME COMPUTER
	375	MARKETING MOVES (Information services move modems)	Deborah de Peyster	March 7 1983 (CDN 023733) ISO WORLD
	376	Computer-Based Business Files (Availiable file transfer software)		March/April 1983 (CDN 023734-23735)
	377	CHAPTER II USING YOUR THUNDERCLOCK PLUS (APPLICATIONS SOFTWARE PACKAGES SUPPORTING THE THUNDERLOCK PLUS)		(CDN 023736)
	378	THUNDERCLOCK PLUS (USER'S		(CDN 023737)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
		GUIDE)		
	379	Pinball wizardry's gone electronic (the home computer)	Duane Sandul	(CDN 023738)
	380	Programmed to trim that waistline (the home computer)	Duane Sandul	February 5,1983 (CDN 023739)
	381	High adventure (the home computer)	Duane Sandul	(CDN 023740)
	382	VARIATION ON A THEME		December 1982 (CDN 023742)
	383	PROGRAMMERS LIBRARY	Paul Leighton	December 1982 (CDN 023743-23744)
	384	THE ARCADE MACHINE (INTRODUCTION)	Chris Jochumson Doug Carlston	(CDN 023745)
	385	Telephone Transfer II (INTRODUCTION)	Leifhton Paul Ed Magnin	November 1982 (CDN 023746)
	386	PRINTOGRAPHER (INTRODUCTION)	Stephen Billard	(CDN023747)
	387	CONNECTING YOUR COMPUTER TO A MODEM: WHERE TO START	Bill Chalgren	(CDN 023748-23756)
	388	L.I.S.A. (LASER SYSTEMS INTERACTIVE SYBOLIC ASSEMBLER) V. 1.5		(CDN 023757-23758)
	389	RECENT COMPUTER SCIENCE BOOKS		(CDN 023759-23763)
		MODIFYING YOUR MONITOR		

Examiner's Initials	TAB NO	DESCRIPTION	AUTHOR	PUBLICATION
	390	PROGRAM	Leighton Paul	(CDN023764-23765)
	391	Modems: Hooking your Computer to the World	Stan Miastkowski George Stewart	December 1982 (CDN 023766-23772)
	392	BUSINESS (Telephone Software Connection)		December 1982 (CDN 023774-23787
	393	Displays (COOSOL COMPUTER PRODUCTS)		December 1982 (CDN 023788)
	394	Displays: APPLE (Amper-Magic)		December 1982 (CDN 023789)
	395	TOMORROW'S APPLES TODAY (TELEPHONE TRANSFER II)		November 1982 (CDN 023790-23792)
	396	Display: (Music Maker ETC.)		(CDN 023793)
	397	A GUIDE TO COMMUNICATION SOFTWARE PACKAGES (Cutting line cost)		October 1982 CDN 023794-23807)
	398	DATA COMMUNICATION PROFESSIONALS:(ENGINEERING DEPARTMENT MANAGER-SOFTWARE		October 1982 (CDN 023808)
	399	MODEMS AND THE MICROMODEM II	Athol H. Cohen	(CDN 023809-23818
	400	SOFTWARE (Arcade Math)		September/October 1982 (CDN 023819-23821)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
	401	MARKETING (Makers Transform the Ways Computer Programs Are Sold)	Susan Chace	August 26,1982 (CDN 023822)
	402	LETTER PERFECT DATA PERFECT EDIT 6502 (LETTER PERFECT)		(CDN023823-23826)
	403	PATCHING DOS THE EASY WAY	Leighton Paul	(CDN 023827)
	404	Display: TOGETHER,LOCKSMITH, THE INSPECTOR AND WATSON		(CDN 023828)
	405	ELECTRONIC MAIL SYSTEM ENHANCES DELPHI METHOD	Bernard S. Husbands	1982 (CDN 023829-23832)
	406	NEW PRODUCTS (Save Civilization in Your Spare Time)		May 1982 (CDN 023833-23843)
	407	JUST A CALL AWAY (Dial Up Software Service)		(CDN 023844)
	408	Display: RADIO & RECORDS		(CDN 023845)
	409	Display: SHE'S NO STRANGER NOW		(CDN 023846)
	410	Radio & Records: Letter to ED Magnin	Pam Bellamy	April 22, 1982 (CDN 023847)
	411	How to buy a personal computer (Here We Go Again)		(CDN 023849-23850)
	412	What's New? (Overlay Compller		March 1982 (CDN 023851-23852)
	413	Display: PURE POWER		February 1982 (CDN 023854)

Examiner's Initials	TAB NO:	DESCRIPTION	AUTHOR	PUBLICATION
	414	NEW PRODUCTS: Not Just Another Chess Game (Championship chess)		February 1982 (CDN 023855)
	415	NEW ELECTRONIC MAIL SERVICE ON-LINE		(CDN 023856)
	416	Display: Arithmetic Teacher (Problems for Solving Fractions)		(CDN 023857)
	417	A Guide to Personal Computers (PERSONAL-COMPUTER HARDWARE)	Steve Ditlea	December 14,1981 CDN 02386223870) NEW YORK
	418	A Line On Friendly Utilities	Theron Fuller	(CDN 023871-23874)
	419	Conferences Goes On-Line (Ethernet Online)		(CDN 023875-23881)
	420	TERMINAL DATA	Jeffrey Mazur	September 1981 (CDN 023882-23885)
	421	DATALOOP: Smartmodem announced at NCC '81		July 2,1981 (CDN 023886-23893)
	422	RESEARCH:	George Bond	July 7,1981 (CDN 023894-23896)
	423	MARKET CHARTER		June 1981 (CDN 023897-23901)
	424	TELEPHONE SOFTWARE CONNECTION (Phone Log)		February 1981 (CDN 023902)
	425	Display: FASTER THAN A SPEEDING TYPIST		(CDN 023903)
	426	MARKETALK NEWS (Multi-Media		January 1981 (CDN 023904-23905)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
		Video)		
	427	DIAL-YO DIRECTORY (Talking Terminals	Frank J. Derfler. Jr.	January 1981 (CDN 023906-23907)
	428	APPLE CART (Books)	Chuck Carpenter	(CDN 023908-23910)
	429	Display: SPACE WAR AND INVASION		(CDN 023911)
	430	MARKETALK NEWS (Hardhat Software)		November 1980 (CDN 023912-23913)
	431	ADMIN.:HELLO CBS NEWS (Letter to Ed)		(CDN 023915-23916)
	432	Display: ADVANCED ELECTRONICS		(CDN 023918)
	433	NOVATION PREMIERES NEW EXHIBIT AT TWO LOS ANGELES SHOWS		(CDN 023919-23923)
	434	MICROPROCESSOR NEWSLETTER : Microprocessor Training Center		June 5, 1980 (CDN 023924-23932)
	435	THE TELEPHONE SOFTWARE EXPERIENCE A REVIEW (OF SORTS)	Val J. Golding	May 1980 (CDN 023933-23935)
	436	BIBLIOGRAPHY (hand notes)		(CDN 023917-23732)
	437	Display ;Our Records of Growth		May 1979 (CDN 023937)
	438	Display: PURCHASE AND RECEIVE SOFTWARE		(CDN 023953)
	439	Letter from License Department to		July 19, 1979 (CDN 023938)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
		Edgar&Marilyn Magnin		
	440	COPY OF BUSINESS LICENSE (BUSINESS LICENSE APPLICATION)	Edgar & Marilyn Magnin	(CDN 023939-23940)
	441	Letter from J. Walker Owens RE: NEW BUSINESS OPERATOR (WELCOME)	J. Walker Owens	August 9, 1979 (CDN 023941-23944)
	442	Software for the Apple II (DYNAMAZE ,ULTRA BLOCKADE) GAMES)		(CDN 023945-23946)
	443	Display : Telephone Software Connection (MANY THANKS FOR YOUR RECENT ORDER)		(CDN 023947)
	444	Price Log (ANSWERING MACHINES, WRITE-EDIT& SEND)		(CDN 023951-23952)
	445	Display : ADVERTISEMENT (DESK CALCULATOR II)		July 1980 (CDN 023950)
	446	Instructions: Computer with header		(CDN 023954)
	447	MICROSOFT CONSUMER PRODUCTS CONTINUING THE MICROSOFT TRADITION (ANNOUNCING MICR OSOFT CONSUMER PRODUCTS)		(CDN 023955)
	448	THE APPLE ORCHARD (COMPUTERWORLD PRINTER INIT ROUTINE)		March/April 1980 (CDN 023956)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
	449	VOLUME TABLE OF CONTENTS ($11,0)		July/August 1980 (CDN 023957-23959)
	450	SUP'R'TERMINAL (SPECIFICATIONS)		(CDN 023960)
	451	CALL-APPLE (functions, remin.)		March/April 1980 (CDN 023961)
	452	CALL-APPLE (STOCK MARKET DATA RETRIEVAL ONE THE SOURCE)	Hersch Pilloff	March/April 1980 (CDN 023962)
	453	CBS NEWS CREW FROM WALTER CRONKITE	David Dow	September 9, 1980 (CDN 023963-23965)
	454	Telephone Software Connection (PHONE LOG)		(CDN 023966-23969)
	455	Advertising for quicker shopping over computer (GO-MOKU)		(CDN 023970-23971)
	456	Advertising for Pet and Apple II Users (PASCAL)		November/December 1980 (CDN 023973)
	457	Letter from Telephone software Connection (REGARDING THE ELECTRONIC COMMUNICATION SERVICE)		March (CDN 023977)
	458	Letter (OFFERING INTRODUCTION)		(CDN 023979-23983)
	459	Letter from Ed Magnin REF: TSC/ TELEMAIL USER)	Ed Magnin	February 8, 1982 (CDN 023984)
	460	NOW YOUR HOME COMPUTER CAN CALL OTHER COMPUTERS ONE THE	Neil Shapiro	March 1981 (CDN 023985-23987)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
		TELEPHONE		
BL	461	Advertising (SHAPE BUILDER, TERMINAL PROGRAMS, DOUBLE DOS , MATH TUTOR)		March 1981 (CDN 023988-23990)
BL	462	SOFTALK (MICROMATE'S MICRONET-IT PLUGS IN THE GAME PORT)		May (CDN 023991)
BL	463	VOIDED BLANK CHECK #1513		May (CDN 023998)
BL	464	CORVUS CONTROLLING 3 APPLES (WE HAVE NEW PHONE NUMBERS)		May 18,1981 (CDN 023999)
BL	465	PREDICTING THE FUTURE WITH ELECTRONIC MAIL (THE TELENET WAY)	Bernard S. Husbands	October 1981 (CDN 024000-24001)
BL	466	PROGRAM SHOPPING BY PHONE : SOFTWARE CO. DOWNLOADS PROGRAMS	Michael Swaine	October 19, 1981 (CDN 024002)
BL	467	TELEPHONE SOFTWARE CONNECTION, INC. (THE HAYES MICROMODEM II : IV'E NEVER BROUGHT A BETTER SLAVE		July 1981 (CDN 024003
BL	468	ADVERTISING (SHAPE BUILDER)		CDN 024006-24008)
BL	469	ADVERTISING (TELEPHONE TRANSFER II)		(CDN 024009)
BL	**470??**			

Examiner's Initials	TAB NO	DESCRIPTION	AUTHOR	PUBLICATION
	471	Display: THE FP REPORT		(CDN 024018) TELEPHONE SOFTWARE CONNECTION. INC.
	472	Display: ORDER VIA MODEM		(CDN 024019)
	473	PRICE LOG		June 2,1982 (CDN 02492023422)
	474	PRICE LOG CONT.)		October 21,1982 (CDN 024023)
	475	Display: TELEPHONE SOFTWARE CONNECTION (ADDRESS POSTAGE)		(CDN 024024-24025)
	476	TELEPHONE SOFTWARE CONNECTION (Letter to Apple Dealer)	Ed Magnin	(CDN 024026)
	477	Display (MR. SMARTYPANTS)		(CDN 024028-24030)
	478	Display (DISK-CRYPTION)		(CDN 024031-24032)
	479	Display (VIDEO LIBRARIAN		(CDN 024033-24035)
	480	Display (WORLD CURRENCY TRADER)		(CDN 024036-24037)
	481	Display (WORKING MODEL OF TELEPHONE SOFTWARE)		(CDN 024038)
	482	TELEPHONE SOFTWARE CONNECTION (Letter to AppleCat Owner)	Ed Magnin	(CDN 024039-24040)
	483	TELEPHONE SOFTWARE CONNECTION : THE HAYES MICROMODEM II (I've never bought		May 1980 (CDN 024041-24042)

Examiner's Initials	TAB NO	DESCRIPTION	AUTHOR	PUBLICATION
		better slave)		
	484	SPECIAL MEMO TO EDUCATORS	Ed Magnin	(CDN 024043-24044)
	485	TELEPHONE SOFTWARE CONNECTION (BACKGROUNG PIECE		(CDN 024045-24049)
	486	Display : VEND-O-DISK		(CDN 024050-24052)
	487	Letter to Programmer	Ed Magnin	(CDN 024053-24054)
	488	NEWS FROM T.S.C.		April 1983 (CDN 024055-24058)
	489	NEWS FROM T.S.C.		June 1983 (CDN 024059-24062)
	490	WHAT IS VOICEMAIL?		(CDN 024063-24065)
	491	TELEPHONE SOFTWARE CONNECTION (INTRODUCTION)	ED Magnin	(CDN 024066-24067)
	492	NEWS FROM T.S.C.		October 1983 (CDN 024068-24071)
	493	HOW TO ORDER : MODEM		024072-24077)
	494	Telecommunication (TELEDELIVERY)		(CDN 024084)
	495	NEWS FROM T.S.C.		June 1984 (CDN 024085-24088)
	496	PlumbLine (BASE COMPUTERS)		(CDN 024089-24090)
	497	NEWS FROM T.S.C.		December 1984 (CDN 024091-24094)
	498	NEWS FROM T.S.C.		March 1985 (CDN 024095-24098)
	499	Display: PHONE SECRETARY		(CDN 024099-24100)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
	500	TELEPHONE SOFTWARE CONNECTION (BACKGROUND PIECES)		(CDN 024101-24106)
	501	TELEPHONE SOFTWARE CONNECTION (TOP SECRET) Displays		(CDN 02410724113)
	502	Display (Before 1984)		(CDN 024114)
	503	Display: IF YOU HAVE AN APPLE (phone list)		(CDN 024115-24117)
	504	Display (THE FP REPORT)		(CDN 024118-24119)
	505	THE HAYE'S MICROMODEM II		CDN 024120-24121)
	506	PRICE LOG		(CDN 024122-24123)
	507	NEWS FROM T.S.C.		October 1983 (CDN 024124)
	508	Display: Instructions on Software Delevery)		(CDN 024125)
	509	PRICE LOG		(CDN 024126-24127)
	510	NEWS FROM T.S.C.		June 1983 (CDN 024128-24129
	511	PRICE LOG		(CDN 024130-24131)
	512	NEWS FROM T.S.C.		(CDN 024132-24133)
	513	Display (PHONE SECRETARY II (54)		CDN 024134)
	514	Letter to Programmer	Ed Magnin	(CDN 024135)

Examiner's Initials	TAB NO	DESCRIPTION	AUTHOR	PUBLICATION
	515	PROGRAMMERS' PIPELINE(DESCRIPTION SLIP)		(CDN 024136-24137)
	516	Display: WORLD CURRENCY TRADER		(CDN 024138)
	517	PRICE LOG		(CDN 024139-24140)
	518	Display: ORDER VIA MODEM		(CDN 024141)
	519	Display: SIX GREAT WAYS TO ADD TO YOUR SUMMER FUN!		CDN 024142)
	520	PHONE LOG		(CDN 024143-24144)
	521	NEWS FROM T.S.C. (RECENT OFFERINGS)		March 1985 (CDN 024145)
	522	SPOTLIGHT ON GRAPHICS (SHAPE BUILDER)		CDN 024146-24148)
	523	DISK. LABELMAKER (#73)		CDN 024149)
	524	NEWS FROM T.S.C. (TERNINAL PROGRAM II)		(CDN 024150-24152)
	525	FREE UPDATE TO DESK CALENDAR II		(CDN 024153)
	526	NEWS FROM T.S.C.		June 1984 (CDN 024154-24156)
	527	Display : (DISK-CRYPTION)		(CDN 024157-24158)
	528	Display: (PHONE SECRETARY) (#54)		(CDN 024159-24160)
	529	COMMUNICATION (TERMINAL		(CDN 024161-24168)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
		PROGRAM)		
	530	DIALING INSTRUCTIONS		(CDN 024169)
	531	Telecommunications Adviser	Ed Magnin	November 1983 (CDN 024170-24171)
	532	GETTING ON COMMUNI ((PROVIDERS AND CONSUMERS)	Ed Magnin	March 1984 (CDN 021417224173)
	533	ONLINE TIPS		(CDN 024174)
	534	Display: List (SOFTWARE SALES)		April 11,1983 (CDN 024175)
	535	A SOFTWARE VENDING MACHINE	Ed Magnin	March 1984 (CDN 024176)
	536	MARKETING (Makers Transform the Ways Computer Programs Are Sold)	Susan Chace	August 26,1982 (CDN 024177) THE WALL STREET JOURNAL
	537	TECHNOLOGY (Electronic Software Delivery Threatens Mail and Store Sales)		May 6,1983 (CDN 024178)
	538	Western Union: Mailgram (Letter to Microcomputer User)		(CDN 024179)
	539	Apple//c Baud Rate Problem (Dialing Instructions)		(CDN 024180)
	540	Display: Recent Offerings		March 1985 (CDN 024181-24184)
	541	Letter ti Prometheus Modem Owner	Ed Magnin	(CDN 024185)
	542	Display: PHONE SECRETARY// (54)		(CDN 024186-24187)
	543	FUTURE DEVELOPMENTS IN		(CDN 024188)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
		TELECOMMUNICATION		
	544	RESPONSES (FUTURE DEVELOPMENTS IN TELECOMMUNICATION)		(CDN 024189)
	545	CHARTS (USES FOR TELECOMMUNICATION LINKS)		(CDN 024190-24192)
	546	PROLOGUE (THE COMMUNICATION SATELLITE)		(CDN 024193-24194)
	547	ANALOG VERSUS DIGITAL TRANSMISSION		(CDN 024195-24206)
	548	CABLE TELEVISION AND ITS POTENTIAL		(CDN 024207-24209)
	549	Display : Qube gets you into the action		(CDN 024210)
	550	TERMINALS IN THE HOME		(CDN 024211-24223)
	551	A FUTURE SCENARIO		(CDN 024224-24246)
	552	SIGNAL COMPRESSION		(CDN 024247-24261)
	553	Letter from Ed Magnin (MONTHLY RENTAL)	Ed Magnin	(CDN 024262-24264)
	554	JITTERS		July 29,1996 (CDN 024265) Business Week
	555	E-COMMERCE: WHO OWNS THE		July 29 1996(CDN 02466-24267)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
		RIGHTS?		
	556	"A pilot has to believe in his equipment. (ROLEX)		(CDN 024268)
	557	Retailers cheer end of patent challenge	Dan Goodin	April 2, 1999 (CDN 024269-24271)
	558	Patently Offensive	Shoshana Berger	(CDN 024272)
	559	Magnin & Associates (Video Game, Film & TV)		(CDN 024273-24274)
	560	Documents (Appendix F: Decimal Tokens for Keywords)		(CDN 024275-24276)
	561	Appendix F: Decimal Tokens For Key words		(CDN 024277)
	562	PRIVATE PEOPLE (Easing the way for libel suits)		(CDN 024278)
	563	MAY THE SOURCE BE WITH YOU	Christopher Byron	(CDN 024279)
	564	INFORMATION SERVICES: MODEMS		(CDN 024280)
	565	A SOURCE OF RICHES	Alfred Glossbrenner	August 1983 (CDN 024281-24284)
	566	ELECTRONIC JACKPOT	Alfred Glossbrenner	September 1983 (CDN 024285-24287)
		CONSUMER AND SPECIALIZED ON-		

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
	567	LINE SERVICES		(CDN 024288-24290)
	568	CALCULATION PROGRAMS		(CDN 024291-24293)
	569	WHAT IS VIEWDATA		CDN 024294-24302)
	570	PM ELECTRONICS MONITOR	Neil Shapiro	(CDN 024303)
	571	DIAL-UP SOFTWARE NETWORKS	Jules H. Gilder	May 1980 (CDN 024304-24306)
	572	SOFTWARE AND DATA VIA TELEPHONE		October 1980 (CDN 024307-24310)
	573	DIAL-UP SOFTWARE NETWORKS	Herb Friedman	October 1992 (024311-24314)
	574	Documents (Ticketmaster to Lick Competition by Buying It)		(CDN 024315-24316)
	575	TICKETMASTER (memo)	Alan Citron Michael Cieply	February 26,1991 (CDN 024317-24318) Los Angeles Times
	576	TICKETMASTER: 20 Years (INDUSTRY'S #1 HAS A TICKET TO RULE)	Adam Sandler	(CDN 024319-24321)
	577	ELECTRONIC LIFE	Michael Crichto	1983 (CDN 024322)
	578	THE NAKED COMPUTER (Telesoftware ?)	Rochester, Gantz, William Marrow + Co.	(CDN 024323)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
	579	COMPUTERS FOR EVERYBODY (Downloading Programs)	Jerry Willis	1984 (CDN 024324-24328)
	580	TELECOMMUNICATIONS IN THE INFORMATION AGE (Videotext Chapter 12)	Singleton	1983 (CDN 024329-24340)
	581	UNITED STATES PATENT (LOCKWOOD)		May 3,1994 (CDN 024341-24343)
	582	UNITED STATES PATENT (YURIS, et. al.)		January 27, 1981 (CDN 024344)
	583	UNITED STATES PATENT (KELLY, et. al.)		May 15, 1984 (CDN 024345)
	584	UNITED STATES PATENT (HELLMAN)		April 14,1987 (CDN 024346-24347)
	585	Documents (THE WIRED SOCIETY)	James Martin	(CDN 02434824349)
	586	NEW USE OF TELEVISON (VIEWDATA)		(CDN 024350)
	587	NEWS (DO-IT-YOURSELF NEWSPAPERS)		(CDN 024351)
	588	SPIDERWEBS (PIERRE TEILHARD de CHARDIN		(CDN 024352-24353)
	589	INSTANT MAIL (DIGITIZED MESSAGES)		(CDN 024354)
	590	INFORMATION DELUGE		(CDN 024355)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
	591	SATELLITE AGE (Chapter Fourteen HOME)		CDN 024356-24366)
	592	James Martin & Co. Executive Profiles (James Martin		October 25,1996 (CDN 024367-24368) JM & Co.
	593	2. NEWS (Dow Jones News/ Retrieval's Free-Text Search)		1985 (CDN 024369-24383)
	594	COMPUTERS (TELESUN)		(CDN 024384-24387)
	595	16 FULL-SERVICE (THE SOURCE)		(CDN 024388-24408)
	596	Article 49 of 88 PATNEWS : Another reason why the E-Data patent is invalid	Gregory Atharonian	October 16,1996 (CDN 024409-24410) Deja News
	597	Article 1 of 25 PATNEWS: Mor PTO gossip on Zache,Edata, Hyatt	Gregory Atharonian	October 18,1996 (CDN 024411-24412)
	598	Display: TSC Rreview		(CDN 024413)
	599	UNITED STATES POSTAL SERVICE (Documents & Letters)		(CDN 024414-24423)
	600	THE HOME ACCOUNTANT, REVISITED (Responds to reviews)		(CDN 024424-24426)
	601	DFX (Introductions)	Graeme Scott	(CDN 024427-24442)
	602	PEELINGS REVIEW (Introductions)		November 12, 1982 (CDN 024443
	603	PELLINGS II (Programmers Library)		NOVEMBER 10,1982 (CDN 024444-24454)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
	604	Letter (TRIAL TERMIAL)	K.F. MOSELEY	March 10,1981 (CDN 024455)
	605	K.F. MOSELEY'S TVINERFACE 8 EVALUATION (TIME AND MONEY METER	Ed Magnin	(CDN 024456-24457)
	606	A.D.A.M. II NEWSLETTER (ACKNOWLEDGEMENT)		May 13,1981 (CDN 024458-24465)
	607	PEELINGS II (Publication of Apple Software Reviews)		August 6, 1980 (CDN 024467-24500)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
	608	Apple-Cart (Input From Readers)	Chuck Carpenter	(CDN 024501-24503) CREATIVE COMPUTING
	609	CALL-APPLE (THE TELEPHONE SOFTWARE EXPRIENCE A REVIEW (OF SORT)	Val Golding	(CDN 024504)
	610	SOFTALK (Peachy Writer)		September 1982 (CDN 024505)
	611	SOFTALK (Preformer Printer Format Board)		(CDN 024506)
	612	Extra Copy RE: KM		(CDN 024507-24508)
	613	MARKETING (Makers Transform Ways Computer Programs Are Sold)	Susan Chace	August 26, 1982 (CDN 024509) THE WALL STREET JOURNAL

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
	614	MARKETING (SOME COMPUTER JUNKIES)	Susan Chace	August 26,1982 (CDN 024510) THE WALL STREET JOURNAL
	615	EXTRA		(CDN 024511)
	616	New Products (Save Civilization in Your Spare Time)		May 1982 (CDN 024512) POPULAR COMPUTING
	617	EXTRA		(CDN 024513)
	618	What's New? (Overlay Compiler)		March 1982 (CDN 024514)
	619	The Information Directory Says It All! (SUBJECT INDEX)		(CDN 024515)
	620	Tap New Markets! (Information Directory)		(CDN 024516)
	621	THE 21ST CENTURY LIBRARY (Information Directory)	Anne M. Helfrich	March 16,1982 (CDN 024517-24524)
	622	ELECTRONIC MAIL (APPLICATIONS FOR MANAGEMENT)		(CDN 024525-24534)
	623	InfoWorld (AVL Eagle)		October 19, 1981
	624	TSC (MICROCOMPUTING)		October 15,1981 CDN 024536)
	625	ELECTRONIC DISTRIBUTION (Trial Builder)		(CDN 024537-24546)
	626	MUSIC (Honey. They're Downloading Our Song)	Patrick M. Reilly	(CDN 024547-24548)

Examiner's Initials	TAB NO:	DESCRIPTION	AUTHOR	PUBLICATION
	627	WHO'S NEWS (Foundation Health Names Malik Hasan As CEO and President)		May 13,1997 (CDN 024549)
	628	INDUSTRY FOCUS (Middlemen Find Ways to Survive Cyberspace Shopping)	David Bank	December 12,1996 (CDN 024550)
	629	Egghead Inc. Ships Software Over Internet (Ingram Micro Inc.)	David Bannk	November 8,1996 (CDN 024551)
	630	Tom Clancy, Virtus Start Firm for On-Line Games		November 13,1996 (CDN 024552)
	631	N2K Hires Phil Ramone to Start Up A Music Label Linked to the Internet	Patrick M. Reilly	November 18,1996 (CDN 024553))
	632	BUSINESS BRIEFS (AT&T UNVEILS A SERVICES TO HELP BUSINESSES SET UP SHOP ON INTERNET)	JamesSanberg	October 9,1996 (CDN 024554)
	633	TECHNOLOGY & HEALTH (Industry. Net Customers to Be Offered On-Line Payment Services From PNC)	Raju Narisetti	September 25,1996 (CDN024555)
	634	Vague New World (Digital Media Business Takes Form as a Battle Of Complex Alliances)		(CDN 024556-24558)
	635	Music Firms Vow to Block New CD System	Meg Cox	May 14,1993 (CDN 024559-24560)
	636	BUSINESS (Blockbuster plans to stock CDs electronically		May 12, 1993 (CDN 024561)

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	637	TECHNOLOGY&HEALTH (Bellcore to Demonstrate System For Delivering Movies By Phone	Mary Lu Carnevale	November 9, 1992 (CDN 024562)
	638	TECHNOLOGY (IBM COMMITS MORE THAN $100 MILLION ON VENTURE TO RELAY VIDEO, OTHER DATA)	Michael W, Miller	September 16, 1992 (CDN 024563-24564)
	639	IBM TO UNVEIL PLAN TO SKIP DISKS, SEND SOFTWARE BY SATELLITE (GM's Hughes Network Joins Big Blue Alliance to Serve Retailers and Corporations)	Bart Ziegler	November 1, 1994 (CDN 024565-24566)
	640	Software Industry Bulletin (SIB THIRD QUARTER 1985 SOFTWARE EMPLOYMENT SURVEY)		October 14, 1985 (CDN 024567-24568)
	641	DOWNLOAD (VENDORS KICK OFF FALL SEASON WITH TELEDELIVERY VENTURES		September 1985 (CDN 024569-24583)
	642	SPEED>S (ELECTRONIC DELIVERY OF SOFTWARE)		(CDN 024584-24595)
	643	PHONE MEMO		April 19, 1985 (CDN 024596-24600)
	644	Letter to Nathaniel Forbes (MCI MAIL LETTER)	Ed Magnin	April 8, 1985 (CDN 024601-24607)
	645	SPEED>S (THE INSIDE STORY)		April 8, 1985 (CDN 024608-24623)
		Document: Letter to Nathaniel Forbes		

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
	646	(EXPRESS MAIL)	Ed Magnin	March 29,1985 (CDN 024624-24630)
	647	GIMCRAX, INC (The leader in electronic delivery of software)		December 5, 1984 (CDN024631-24636)
	648	SPEED>S (New Edition of SPEED>S disk Now Available)		(CDN 024637)
	649	SPEED>S (Postage)		(CDN 024638)
	650	SPEED>S (Over 50 Lotus 1-2-3 templates to be available exclusively on SPEED>S!		(CDN 024639)
	651	SPEED>S (Postage)		(CDN 024640)
	652	SPEED>S (Open An Electronic Library for Your Company Software)		(CDN 024641)
	653	SPEED>S (Postage)		January 27,1986 (CDN 024642)
	654	GIMCRAX LAUNCHES FILE DELIVERY SERVICE		December 23,1985 (CDN 24643)
	655	SPEED>S (WHAT MODEM SHOULD I BUY)		November 22,1985 (CDN 024644)
	656	Display (SPEED>S)		December 2,1985 (CDN 024645)
	657	SPEED>S (NOW! Try SPEED>S Electronic Delivery!)		October 21,1985 (CDN 024646)
	658	SPEED>S (YOUR FIRST ISSUE ON THE SPEED>S PASSWORD!)		(CDN 024647)

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	659	INTERNATIONAL VIDEOTEX TELETEXT NEWS (GIMCRAX TO DOWNLOAD)		August 1984 (CDN 024648)
	660	SPEED>S (SPEED>S MEAN BUSINESS)		(CDN 024649-24652)
	661	NEWS FROM THE SOURCE (NAT FORBES PROMOTED TO DIRECTOR OF SALES FOR STC)		(CDN 024653-24654)
	662	SPEED>S (SPEED>S MEAN BUSINESS		(CDN 024655-24658)
	663	HANDWRITTEN NOTES		(CDN 024659-24665)
	664	HANDWRITTEN NOTES (NAT FORBES)		March 28,1985 (CDN 24666-24668)
	665	NET TO TRANSMIT VIDEOTEX, GAMES TO 12 MILLION USER	Jim Bartimo	June 13,1983 (CDN 024669) COMPUTER WORLD
	666	Vending machines for software: What will Japan think up next? (Games only)		June 1985 (CDN 024670) Data Communications
	667	Electronic Software Distributor To Show System to Retailers	Rory J. O'Connor	May 30,1983 (CDN 024671)
	668	Software Industry Bulletin (ELECTRONIC SOFTWARE DISTRIBUTORS)		(CDN 024672-24675)
	669	SOFTWARE (Why try to stock software like physical goods? Why not just reproduce it as needed)		(CDN 0924676-24683)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
	670	Mr. Download: An Interview with William von Meister		(CDN 024684-24693)
	671	Letter to Bob Peyser (Telephone Software Connections)	Ed Magnin	March 25, 1985 (CDN 02469424700)
	672	DIRECT -NET (Micro Marketworld Readers)	Bill James	February 1, 1985 (CDN 024701-24702)
	673	Cutting Out the Middleman (Looking to expand their customer base)	Myron Berger	(CDN 024703-24708)
	674	SHOP BY MODEM (Software Without Manuals)		(CDN 024709)
	675	Speak the Universal Lanaguage (POWERHOUSE)		(CDN 024710)
	676	Letter to Ed Magnin (SOFTWARE AUTHOR ROYALTY AGREEMENT)	Fonnie Clifton	October 17, 1983 (CDN 024711-24733)
	677	BUY SOFTWARE VIA MODEM (DEFINE THE NEED)	Elizabeth Ferrarini	(CDN 024734-24745)
	678	ABC VIDEO ENTERPRISES TELEFIRST PROJECT HAD BOOSTERS & DOUBTERS		May 1, 1984 (CDN 024746)
	679	DOWNLOAD (MICRPRO & ADAPSO SUE AMERICAN BRANDS, ALLEGE SOFTWARE PIRACY)		February 1985 (CDN 024747-24762)
	680	Coleco, AT&T Unit to Form Joint Venture	Bob Davis	(CDN 024763)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
		To Distribute Video Games By Telephone		
	681	ELECTRONIC(PULLING THE PLUG ON ELECTRONIC PUBLISHING)		(CDN 024764-24766)
	682	SOFTWARE (SOFTWARE DIRECTORIES GO ON-LINE	Joanne Gamlin	(CDN 024767-24780)
	683	SAY IT WITH REMOTE ROM SOFTWARE DELIVERY (Looking Ahead With Software News)		(CDN 024781)
	684	IT'S NOT THE SAME OLD 'HELP' ANYMORE (Buzz Word)	Mary-Beth Santarelli	(CDN 024782)
	685	ARE YOU GETTING READY FOR ELECTRONIC SOFTWARE DELIVERY?	Richard Lewis	February 1984 (CDN 024783-24788)
	686	Hammerly files suit against PC Telelmart		(CDN 024789)
	687	MICRO SOFTWARE TODAY (EDUCATION: ENTERTAINMENT)		(CDN 024790)
	688	DISTRIBUTION & RETAILING (XANTE TO DISTRIBUTE SOFTWARE ELECTRONICALLY TO MASS MERCHANDISERS)		(CDN 024791)
	689	SYSTEMS : Software Engineering (Letter from Phil Klamm)	Phil Klamm	January 20,1984 (CDN 024792)
	690	ROM-LABS (ELECTRONIC SOFTWARE DISTRIBUTION SYSTEM)		January 3,1984 (CDN 024793-24802)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
	691	VAN DIVER'S (The Most Resourceful Directories for the IBM PC		(CDN 024803)
	692	SOFTWARE DISTRIBUTION: SMOOTH GOING NOW : ROCKY ROAD AHEAD	Steve Burke	(CDN 024804)
	693	Romox is hoping to have system in 3,000 stores by end of '84		(CDN 024805)
	694	Display (SOFT TOUCH)		January 12,1984 (CDN 024806)
	695	BUGS IN ELECTRONIC SOFTWARE DISTRIBUTION NOT WORKED OUT (ELECTRONIC DISTRIBUTION)	Lisa Raleigh	(CDN 024807-24809)
	696	ANNOUNCING A NEW IN-DEPTH STUDY AND ANALYSIS OF (Downloading & Teledelivery of Computer Software, Music &Video)	Nancy L. Stocker	March 11, 1986 (CDN 024810-24824)
	697	CERTIFICATE OF COPY REGISTRATION (TIME AND MONEY METER)	Edgar J. Magnin	March 8, 1982 (CDN 024825-24840)
	698	CERTIFICATE OF COPY REGISTRATION (QUICK CLOCK ADJUST)	Edgar J. Magnin	(CDN 024841-24847)
	699	CERTIFICATE OF COPY REGISTRATION (MATH TUTOR)	Edgar J. Magnin	July 18, 1981 (CDN 024848-24864)
	700	Document: DELIVERY NOTICE (		(CDN 024865

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
		CERTIFIED)		
	701	Document: POSTAL RECEIPT (CERTIFIED) From : Ed & Marilyn Magnin		March 27, 1981 (CDN 024866)
	702	RECEIPT FOR CERTIFIED MAIL #288727		March 6, 1981 (CDN 024867)
	703	INSTRUCTIONS :CERTIFIED MAIL FEE, OPTIONAL SERVICES		(CDN 024868)
	704	Letter from Edgar J. Magnin (COPYRIGHTS REGISTRATION: TERMINAL PROGRAMS	Edgar J. Magnin	March 5, 1981 (CDN 024869-24889)
	705	RECEIPT (REGISTER OF COPYRIGHTS)		November 4,1980 (CDN 024890-24905
	706	RECEIPT (REGISTER OF COPYRIGHTS: LIBRARY OF CONGRESS		September 3,1980 (CDN 024906-24927)
	707	CERTIFICATE OF COPYRIGHT REGISTRATION (PHONE SECRETARY)	Edgar J.Magnin	November 4,1980 (CDN 024929-24934)
	708	Letter from Edgar J. Magnin (COPYRIGHT REGISTRATION: PHONE SECRETARY)	Edgar J. Magnin	August 27, 1980 (CDN 024935-24946)
	709	Letter from Edgar J. Magnin (CALL TSC, PICTURE TRANSFER, GO-MOKU, CHESS CONNECTION	Edgar J. Magnin	May 30,1980 (CDN 024947-24951)
	710	CERTIFICATE OF COPYRIGHT REGISTRATION (GO-MOKU)	Edgar J. Magnin	June 9,1980 (CDN 024952-24960)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
	711	CERTIFICATE OF COPYRIGHT REGISTRATION (CHESS CONNECTION)	Craig Crossman	(CDN 024961-24971)
	712	CERTIFICATE OF COPYRIGHT REGISTRATION (GO-MOKU)	Edgar J. Magnin	(CDN 024972-24981)
	713	CERTIFICATE OF COPYRIGHT REGISTRATION (CALL TSC)	Edgar J. Magnin	(CDN 024982-24986)
	714	CERTIFICATE OF COPYRIGHT REGISTRATION (PICTURE TRANSFER PROGRAM)	Edgar J, Magnin	(CDN 024987-25002) April 1980
	715	Letter from Edgar J. Magnin :APPLICATIONS FOR COPYRIGHT (ANSWERING MACHINE, WRITE- EDIT & SEND, TELEPHONE TRANSFER PROGRAM	Edgar J. Magnin	March 28, 1980 (CDN 025003-25007)
	716	CERTIFICATE OF COPYRIGHT REGISTRATION (WRITE- EDIT & SEND	Edgar J. Magnin	(CDN 025008-25018)
	717	CERTIFICATE OF COPYRIGHT REGISTRATION (TELEPHONE TRANSFER PROGRAM)	Edgar J. Magnin	(CDN 025019-25033)
	718	CERTIFICATE OF COPYRIGHT REGISTRATION (ANSWERING MACHINE)	Edgar J. Magnin	(CDN 025035-25046)
	719	CERTIFIED RECEIPTS: CERTIFICATE	Leighton Paul	October (CDN 025047-25095)

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		OF COPYRIGHT REGISTRATION (TELEPHONE TRANSFER II		
	720	CERTIFICATE OF COPYRIGHT REGISTRATION (TELEGAMMON)	Anton Dahbura, JR.	(CDN 025096-25139)
	721	Letter to Mr. Ledbetter RE: Correspondence of 3/12/82 control # 2-054-0414(M)	Edgar J. Magnin	October 4, 1982 (CDN 025140-25212)
	722	CERTIFICATE OF COPYRIGHT REGISTRATION (PHONE SECRETARY II)	Edgar J. Magnin	September 6,1983 (CDN 025213-25253)
	723	CERTIFICATE OF COPYRIGHT REGISTRATION (FIFTEEN. PUZZLE)	Edgar J. Magnin	7,1985 (CDN 025254-25313)
	724	Letter to Mr. Magnin: RE: FRACTION TUTOR (TX 1 384 355) sand TYPING SPEED BUILDER (CERTIFICATE OF COPYRIGHT REGISTRATION (FRACTION TUTOR)	Edgar J. Magnin Larry M. Schultz	January 4,1985 (CDN 025314-25344)
	725	RECEIPT FOR CERTIFIED MAIL (CERTIFICATE OF COPYRIGHT REGISTRATION (PICTURE PUZZLE PROGRAMS)	Edgar J. Magnin	(CDN 25345-25380)
	726	CERTIFICATE OF COPYRIGHT REGISTRATION (QUICK COMPARE)	Leighton Paul	(CDN 025381-25405
	727	Telephone Software Connection, Inc.(PROGRAM LISTING)		(CDN 025406-25408)

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	728	SERIAL LISTING		(CDN 025409)
	729	SERIAL LISTING (CON'T)		(CDN 025410)
	730	COPYRIGHT STATUS (PROGRAMS,COPYRIGHT NOTICE ETC.)		(CDN 02541125412731
	731	RECEIPTS FOR CERTIFIED MAIL : Letter from Edgar J. Magnin to Register of Copyrights (INSTANT MENU) CERTIFIED OF COPYRIGHT REGISTRATION	Edgar J. Magnin	June 6/11 1985 (CDN 025413-25448)
	732	RECEIPTS FOR CERTIFIED MAIL: Letter from Edgar J. Magnin toRegister of Coping (CERTIFIED OF COPYRIGHT REGISTRATION) : MORTGAGE ANALYZER	Eagar J. Magnin	(CDN 025449-25475)
	733	CompuSonics Version 1.05 (THE DRIVE EVENT CONTROL LOOP FOR THE DSP-1000)		July 17, 1987 (CDN 025476-255545)
	734	Documents (ROUTING FOR THE MACHINE, ROUTINES REQUIRED TO READ AND TO THE FRONT PANES)``		March 11, 1987 (CDN 025546-25667)
	735	CompuSonics D S P 2002 version 1.00 (PRELIMINARY USER MANUAL		August 28,1985 (CDN 025668-25707
	736	AUDIO COMPUTER OWNERS GUIDE		(CDN 025708)

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		(ADVERTISING)		
	737	QUICK REFERENCE CARD (OPERATIONS)		(CDN 025709-25767)
	738	AN ALGORITHM AND ARCHITECTURE FOR CONSTANT-Q SPECTRUM ANALYSIS (ABSTRACT)	Gary W. Schwede	April 1983 (CDN 025768-25771)
	739	AES (PRESENTED AT THE 76th CONVENTION 1984 OCTOBER 8-11 NEW YORK		(CDN 025772-025775
	740	COMMAND AND STATUS REGISTERS (RECEIVE DATA COUNT REGISTER)		CDN 025776-25786)
	741	Letter to David M. Schwartz (RE: THE PREPRINTS FROM THE AES 78th CONVENTION)	Patricia M. Maclonald	November 18,1985 (CDN 25787-25817
	742	EFFICIENT DATA REDUCTION FOR DIGITAL AUDIO USING A DIGITAL FILTER ARRAY (PURPOSE)	John P. Stautner David M. Horowitz	1986 (CDN 025818-25821)
	743	AES (PRESENTED AT THE 83rd CONVENTION 1987 OCTOBER 16-19 NEW YORK)	David M. Schwartz	(CDN 025822-25829)
	744	AES (PRESENTED AT THE 83rd CONVENTION 1987 OCTOBER 16-19 NEW YORK	John Stautner Sriram Jayasimba	(CDN 025830-25836)

Examiner's Initials	TAB NO.	DESCRIPTION	AUTHOR	PUBLICATION
	745	AES (PRESENTED AT THE 84th CONVENTION 1988 MARCH 1-4 PARIS	J.P. Stautner	(CDN 025837-25854)
	746	THE DIGITAL AUDIO CARTRIDGE DISK RECORDER, REPRODUCER AND EDITOR FOR BROADCAST USE	David M. Schwartz	(CDN 025855-25866)
	747	TOWARDS ELECTRONIC DELIVERY OF MUSIC(1.0 INTRODUCTION	John P. Stautner	(CDN 025867-25873)
	748	ARCHITECTURE OF A REAL TIME DIGITAL FILTERBANK PROCESSOR FOR TEMPERED, AUDITORY, AND CRITICAL-BAND ANALYSIS/SYNTHESIS	Gary W. Schwede	(CDN 025874-25875)
	749	A FUNCTIONAL OVERVIEW OF THE COMPUSONICS DSP-2000 SERIES		(CDN 025876-25877)
	750	MUSICAL RECORDING, EDITING AND PRODUCTION USING THE COMPUSONICS DSP-2004	John P. Stautner	(CDN 025878-258790)
	751	STRATEGIES FOR THE REPRESENTATION AND DATA REDUCTION OF DIGITAL MUSIC SIGNALS (WORK PERFORMED AND METHODS EMPLOYED	John P. Stautner	June 20, 1984 (CDN 025880-25881
	752	ANALYSIS AND SYNTHESIS OF MUSIC USING THE AUDITORY TRANSFORM	J. Stautner	Submitted to Dept. of Electrical Engineering and Computer Science, Massachusetts Institute of Technology

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				May, 1983 CDN025895
	753	ALGORITHMS AND ARCHITECTURES FOR CONSTANT-Q FOURIER SPECTRUM ANALYSIS	G. Schwede	Dissertation submitted to University of California, Berkeley November 28, 1983 CDN026097
	754	Letter to Shareholders	D. Schwartz	CompuSonics CDN026261
	755	From the News Desk		InfoWorld Newsweekly, June 4, 1984 Volume 6, Issue 23 CDN026263
	756	Manufacturing Update		International Audio Video, June 1984 CDN026264
	757	Compusonics Pro Equipment & Services		Cover of Billboard Newspaper CDN026265
	758	Compusonics Fuses Computer, Audio Into "World's First" Home Digital Recorder	M. Golden	CES Trade News Daily, p. 10 June 4, 1984 CDN026266
	759	Digital Sound Now On Computer Disks	S. Booth	Consumer Electronics Show Daily June 3, 1984 CDN026267
	760	CompuSonics Readies Floppy Disk to Record and Play Back Music		HFD - The Weekly Home Furnishings Newspaper June 4, 1984

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				CDN026268
	761	Technology Awards to CompuSonics		CDN026269
	762	CompuSonics DSP 1000 Digital Audio Disk Recorder Specifications		CompuSonics Corporation CDN026270
	763	CompuSonic Bows Totally Digital		Pro Sound News, New York, NY June 8, 1984
	764	Floppy Disks May Be the Next Music Makers		Business Week May 28, 1984 CDN026272
	765	Studio Design Special		Mix - The Recording Industry Magazine August 1984
	766	CompuSonics: Another Digital Audio Standard	N. Weinstock	Mix, Vol. 8, No. 8, p. 24 CDN026274
	767	CompuSonics: Another Digital Audio Standard	N. Weinstock	Mix, Vol. 8, No. 8, p. 26 CDN026275
	768	CompuSonics Readies Floppy Disk to Record and Play Back Music		HFD, Electronics, Section 1 June 4, 1984 CDN026276
	769	The State of RCA		TV Digest, p. 14 May 21, 1984 CDN026277
	770	Display - CompuSonics Photographs		CDN026278

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	771	Display - CES Exhibition Design and Engineering 1984		CDN026280
	772	Specifications - CompuSonics DSP 1000 Digital Disk Recorder/Player		CompuSonics Corporation CDN026281
	773	Article - Watch Out Digital Discs: Here Comes Floppy Audio		Unknown
	774	Specifications - CompuSonics DSP 1000 Digital Disk Recorder/Player		CompuSonics Corporation
	775	Optical-Disk-Digital Audio System Premieres	B. Robinson	Electronic Engineering Times, Issue 397 September 1, 1986 CDN026284
	776	Specifications - CompuSonics DSP 1000 Digital Disk Recorder/Player		CompuSonics Corporation
	777	CompuSonics Business Plan Overview		June 14, 1984 CDN026286
	778	Cover - Fortune Magazine		November 12, 1984 CDN026289
	779	Advertisement - CompuSonics Corporate Profile	D. Schwartz	AudioVideo International CDN026290
	780	Toward Electronic Delivery of Music: Sending and Receiving High Fidelity Digital Music	J. Stautner	CompuSonics Corporation CDN026291
	781	Company Sees Future in Digital Recorders	J. Hendon	Rocky Mountain News

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				July 22, 1984
	782	Floppy-Disk Audio System	A. Mereson	Science Digest November, 1984 CDN026299
	783	Recording Music on Floppy Disks	A. Zuckerman	High Technology May 1986 CDN026300
	784	Article - Sound is Big at Consumer Show	L. Mortwaki	Seattle Washington Times June 8, 1984 CDN026301
	785	Digital Recording System Uses Floppy Disks		Audio Times, Vol. 26, No. 5 May, 1984 CDN026302
	786	CompuSonics Advertisement		CDN026304
	787	Advertisement - MicroPro's WordStar 2000		CDN026305
	788	Hi-Fi Floppy	K. Yates	PC World, Vol. 3, Issue 4 CDN026306
	789	The Digitization of Music	K. Yates	PC World, Vol. 3, Issue 4 CDN026308
	790	A Sonic Glossary	K. Yates	PC World, Vol. 3, Issue 4 CDN026311
	791	New Hi-Fi Horizons	D. Ranada	Stereo Review, December 1984 CDN026313

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	792	Specifications and Implementation of a Computer Audio Console for Digital Mixing and Recording	D. Schwartz	AES 76th Convention, NYC June 20, 1984 CDN026317
	793	A High Speed Telecommunications Interface for Digital Audio Transmission and Reception	H. Sohn	Abstract CDN026319
	794	The Audio Computer and Its Applications	D. Schwartz; J. Stautner	CompuSonics Corporation CDN026332
	795	Engineering Your Own Digital Audio Broadcast System	D. Schwartz	CompuSonics Corporation CDN026343
	796	Tab - Pay 2 Tape '90		CDN026362
	797	Fax Cover Sheet to Michael Kapp from D. Schwartz	D. Schwartz	April 26, 1990 CDN026363
	798	Fax Memo to Michael Kapp from D. Schwartz	D. Schwartz	April 26, 1990
	799	Pay Per Listen Cable Audio System - Notes to Viewgraph Presentation	CompuSonics	CDN026365
	800	Pay Per Listen Cable Audio System - System Payback Analysis	CompuSonics	CDN026366
	801	Pay Per Listen Cable Audio System - Provide the In-Home Music Taper with a Wide Variety of Source Material	CompuSonics	CDN026367
		Pay Per Listen Cable Audio System -		

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	802	Provide the In-Home Music Taper with a Wide Variety of Source Material	CompuSonics	CDN026368
	803	Pay Per Listen Cable Audio System - Audio Database Format Options	CompuSonics	CDN026374
	804	Pay Per Listen Cable Audio System - Billboard Top 100 LPS Format	CompuSonics	CDN026375
	805	Pay Per Listen Cable Audio System - Program Publication Options	CompuSonics	CDN026379
	806	Letter to Shareholder from D. Schwartz	D. Schwartz	November 21, 1984 CDN026381
	807	Letter to Shareholder from D. Schwartz	D. Schwartz	October 10, 1985 CDN026382
	808	Display Photograph		CDN026384
	809	Display Photograph		CDN026385
	810	CompuSonics DSP2002 Preliminary User Manual		CDN026386
	811	Display - Hardware Spec		CDN026387
	812	Internal Data		CDN026388
	813	DSP-1000 Series		CDN026389
	814	Digital Marketing Corporation Video Real Estate System		June 7, 1986 CDN026390

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	815	Agenda for June 7, 1988 Meeting		CDN026393
	816	Agenda for May 31, 1988 Meeting	CompuSonics	CDN026394
	817	Advertisement - Digilist Video Multiple Listing Service	Digital Marketing Corporation	CDN026395
	818	Advertisement - Digilist Video Multiple Listing Service	Digital Marketing Corporation	CDN026396
	819	Advertisement - Digilist Video Multiple Listing Service	Digital Marketing Corporation	CDN026398
	820	Memo to B. Holmbraker, B. Alderfer, R. Dahl, H. Fong from D. Schwartz	D. Schwartz	CompuSonics Financial/Technical Status January 12, 1987 CDN026399
	821	Manual - Assembly Procedure for the DSP1500		CDN026401
	822	Specifications - CompuSonic DSP 1000		CDN026440
	823	DSP 1000 Digital Audio Disk Recorder Application Notes		CDN026489
	824	The Home Terminal		International Resource Development, pp. 149-158 August 1978 CDN026745

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	825	ROLM PLUGS CBX INTO IBM WORLD		Electronic Mail & Message Systems Vol. 7, No. 9 May 2, 1983 CDN026768
	826	CONTROL VIDEO ENTERS DOWNLINE LOADING BUSINESS		Electronic Mail & Message Systems Vol. 7, No. 11 June 1, 1983 CDN026771
	827	EMMS Article		Electronic Mail & Message Systems Vol. 7, No. 14, p. 17 July 15, 1983 CDN026775
	828	THE OTHER HALF OF THE IBM PC		Electronic Mail & Message Systems Vol. 7, No. 16 August 15, 1983 CDN026776
	829	ELECTRONIC MESSAGE SYSTEMS AND THE HOME TERMINAL		Electronic Mail & Message Systems Vol. 3, No. 12 June 15, 1979 CDN026779
	830	EMMS Article		Electronic Mail & Message Systems Vol. 3, No. 15, p. 13 August 1, 1979 CDN026784
	831	EMMS Article		Electronic Mail & Message Systems Vol. 6, No. 11, p. 20

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				June 1, 1982 CDN026785
	832	EMMS Article		Electronic Mail & Message Systems Vol. 6, No. 15, p. 14 August 2, 1982 CDN026786
	833	EMMS Article		Electronic Mail & Message Systems Vol. 6, No. 23 December 1, 1982 CDN026789
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	839	HOME TELECOMMUNICATIONS IN THE 1980's		International Resource Development, Inc. April 1980, Report 150 CDN026812
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	856	LARGE SCALE ACOUSTICS	D. Hawkins	Studio Sound and Broadcast Engineering March, 1985
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64660 U.S. PTO 12/27/05

CERTIFICATE OF MAILING BY "EXPRESS MAIL" (37 CFR 1.10) Applicant(s): Arthur R. Hair			Docket No. 219099/440
Serial No. 90/007,407	Filing Date 31 January 2005	Examiner Benjamin E. Lanier	Group Art Unit 2132

Invention: A System and Method for Transmitting Desired Digital Video or Digital Audio Signals

CUSTOMER NUMBER: 23973

I hereby certify that the following correspondence:

Revocation/New POA with Statement under 3.73b with copies of assignment documents; New Assignment Change of Entity Status; Response to Office Action with Exhibits A-E; Check for $1,100.00 Return Receipt Postcard

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AMENDMENT TRANSMITTAL LETTER (Large Entity) Applicant(s): **Arthur R. Hair**	Docket No. **219099/440**

Serial No.	Filing Date	Examiner	Group Art Unit
90//007,407	**31 January 2005**	**Benjamin E. Lanier**	**2132**

Invention: **A System and Method for Transmitting Desired Digital Video or Digital Audio Signals**

CUSTOMER NUMBER: 23973

TO THE ASSISTANT COMMISSIONER FOR PATENTS:

Transmitted herewith is an amendment in the above-identified application.

The fee has been calculated and is transmitted as shown below.

CLAIMS AS AMENDED

	CLAIMS REMAINING AFTER AMENDMENT		HIGHEST # PREV. PAID FOR		NUMBER EXTRA CLAIMS PRESENT	RATE	ADDITIONAL FEE
TOTAL CLAIMS	69	-	63	=	6	x $50.00	$300.00
INDEP. CLAIMS	14	-	10	=	4	x $200.00	$800.00
Multiple Dependent Claims (check if applicable) ☐							$0.00
TOTAL ADDITIONAL FEE FOR THIS AMENDMENT							$1,100.00

☐ No additional fee is required for amendment.

☐ Please charge Deposit Account No. in the amount of
A duplicate copy of this sheet is enclosed.

☒ A check in the amount of **$1,100.00** to cover the filing fee is enclosed.

☒ The Commissioner is hereby authorized to charge payment of the following fees associated with this communication or credit any overpayment to Deposit Account No. **50-0573**
A duplicate copy of this sheet is enclosed.

☒ Any additional filing fees required under 37 C.F.R. 1.16.

☐ Any patent application processing fees under 37 CFR 1.17.

Signature

Dated: **27 December 2005**

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02 FC:1821 800.00 OP

I certify that this document and fee is being deposited on with the U.S. Postal Service as first class mail under 37 C.F.R. 1.8 and is addressed to the Assistant Commissioner for Patents, Washington, D.C. 20231.

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ATTORNEY DOCKET NO. GE 219099

Change of Entity Status

US 5,966,440	5985	2132
US PATENT NUMBER	CONFIRMATION NO.	ART UNIT

90/007,407	31 January 2005
RE-EXAM CONTROL NO.	FILING DATE

A System and Method for Transmitting Desired Digital Video or Digital Audio Signals
TITLE OF INVENTION

Arthur R. Hair
INVENTOR

CERTIFICATION UNDER 37 C.F.R. § 1.10

I hereby certify that this paper, along with any documents referred to as being enclosed therewith, is being deposited with the United States Postal Service on **27 December 2005** in an envelope as "Express Mail Post Office to Addressee," Mailing Label No. **EV 299885362 US**, addressed to Mail Stop Ex Parte ReExam, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

JANE D. ROBERTS

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

Dear Sir or Madam:

We respectfully request that the Entity status for the subject patent be changed to reflect **Large Entity**. Due to a recent change of ownership, the Small Entity status under 37 C.F.R. 1.27, can no longer be claimed for the subject patent.

Please contact me if further clarification is needed.

Respectfully submitted,

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

Date: **December 27, 2005**
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)	
	)	
ARTHUR R. HAIR	)	
	)	
Reexamination Control No. 90/007,407	)	
	)	
Reexamination Filed: January 31, 2005	)	SYSTEM AND METHOD FOR
	)	TRANSMITTING DESIRED
	)	DIGITAL VIDEO OR DIGITAL
Patent Number: 5,966,440	)	AUDIO SIGNALS
	)	
Examiner: Benjamin E. Lanier		

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 October 26, 2005, please enter the following amendments and remarks.

Amendments to the Claims begin on page **2** of this paper.

Remarks begin on page **27** of this paper.

Claim Amendments

Please amend the claims as follows

1. (previously presented) A method for transferring desired digital video or digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party; and

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; and playing through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit.

2 and 3 (canceled)

4. (previously presented) A method as described in Claim 1 wherein the step of charging the account of the second party 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.

5. (original) A method as described in Claim 4 including after the transferring step, the step of storing the desired digital video or digital audio signals in the second memory.

6. (original) A method as described in Claim 5 including before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.

7. (original) A method as described in Claim 6 wherein the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and including before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the hard disk into the sales random access memory chip.

8. (original) A method as described in Claim 7 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a

second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.

9. (original) A method as described in Claim 5 wherein the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip, a second party hard disk for storing the desired digital video or digital audio signals, and a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback; and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback.

10. (original) A method as described in Claim 9 including after the transferring step, there is the step of repeating the commanding, playing, and transferring a replica steps.

11. (original) A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party;

entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party;

forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party;

entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit; and

playing the desired digital video or digital audio signals with the second party control unit.

12. (original) A system for transferring digital video or digital audio signals comprising:

a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals;

a second party control unit having a second party control panel, a second memory connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and

telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party.

13. (original) A system as described in Claim 12 wherein the first party control unit includes a first party hard disk having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party's hard disk.

14. (original) A system as described in Claim 13 wherein the second party control unit includes a second party hard disk which stores a plurality of digital video or digital audio signals, and a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.

15. (previously presented) A system as described in Claim 14 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

16. (previously presented) A system as described in Claim 15 wherein the second party control integrated circuit controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a second party control panel through which the second party

control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

17. (original) A system as described in Claim 16 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video or digital audio signals received from the first party's control unit for subsequent storage to the second party hard disk.

18. (original) A system as described in Claim 17 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.

19. (original) A system as described in Claim 12 wherein the means or mechanism for electronically selling includes means or a mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

20. (original) A system as described in Claim 19 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

21. (original) A system as described in Claim 20 wherein the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party.

22. (canceled)

23. (original) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising:

means or a mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said

transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

24. (original) A system as described in Claim 23 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

25. (original) A system as described in Claim 18 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

26. (original) A system as described in Claim 25 wherein the telecommunications lines include telephone lines.

27. (original) A system as described in Claim 26 wherein the first memory comprises a first hard disk and the second memory comprises a second hard disk.

28. (original) A system as described in Claim 27 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

29. (original) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising:

means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said first party controlling use of the first memory, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said

transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

30. (original) A system as described in Claim 29 wherein the means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location.

31. (original) A system as described in Claim 30 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

32. (original) A system as described in Claim 31 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

33. (original) A system as described in Claim 32 wherein the telecommunications lines include telephone lines.

34 (original) A system as described in Claim 33 wherein the first memory comprises a first hard disk and the second memory comprises a second hard disk.

35. (original) A system as described in Claim 34 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

36. (previously presented) A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising the steps of:

placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines, the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines;

storing the digital video or digital audio signals in the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

37 and 38 (canceled)

39. (previously presented) A method as described in Claim 36 wherein the step of charging the account of the second party 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.

40. (original) A method as described in Claim 39 including after the transferring step, there is the step of repeating the charging a fee, connecting, and transferring steps.

41. (canceled)

42. (previously presented) A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

43 and 44 (canceled)

45. (previously presented) A method as described in Claim 42 wherein the step of charging the account of the second party 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.

46. (original) A method for transferring desired digital video or digital audio signals comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired second party location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of a second party, said first memory having said desired digital video or digital audio signals;

incurring a fee by the second party to the first party for the use of telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

47. (original) A system for transferring digital video signals from a first party to a second party at a second party location comprising:

a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals, and means or a mechanism for the

first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location;

a second party control unit having a second party control panel, a receiver and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and

telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party.

48. (original) A system as described in Claim 47 wherein the second party control unit includes a second memory which is connected to the receiver and the video display, said second memory storing the digital video signals that are received by the receiver to provide the video display with the digital video signals.

49. (original) A system as described in Claim 48 wherein the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired digital

video signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video signals of the first party's hard disk.

50. (original) A system as described in Claim 49 wherein the second party control unit includes a second party hard disk which stores a plurality of digital video signals, and a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video signals as a temporary staging area for playback.

51. (previously presented) A system as described in Claim 50 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

52. (previously presented) A system as described in Claim 51 wherein the second party control integrated circuit controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital

video signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

53. (original) A system as described in Claim 52 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party's control unit for subsequent storage to the second party hard disk.

54. (original) A system as described in Claim 53 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video signals.

55. (original) A system as described in Claim 47 wherein the means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.

56. (original) A system as described in Claim 55 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

57. (original) A system as described in Claim 56 wherein the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party.

58. (original) A method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second party at a second party location so the second party can view the desired digital video signals comprising the steps of:

placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals;

connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;

choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected;

transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party; and

displaying the desired video signals received by the receiver on the video display in possession and control of the second party.

59. (original) A method as described in Claim 58 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory.

60. (original) A method as described in Claim 59 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

61. (original) A method as described in Claim 60 wherein the step of charging the account of the second party 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.

62 and 63 (canceled)

64. (new) A method for transferring desired digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital audio signals in the first memory; and

transferring the desired digital audio signals from the first memory of the first party to the

second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party;

tagging electronically digital audio signals from the second memory; and

playing through speakers of the second party control unit the tagged digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit.

65. (new) A method as described in claim 64 wherein the tagging step includes the step of tagging electronically as favorites the digital audio signals from the second memory.

66. (new) A method as described in Claim 65 including before the transferring step, the step of electronically coding the desired digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital audio signals.

67. (new) A method as described in Claim 66 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital audio signals from the first party.

68. (new) A method as described in claim 67 including the step of randomly selecting the tagged digital audio signals from the second memory by the second party integrated circuit of a second

party control unit.

69. (new) A method for transferring desired digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital audio signals in the first memory; and

transferring the desired digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party;

randomly selecting digital audio signals by a single artist from the second memory by a second party integrated circuit of a second party control unit; and

playing through speakers of the second party control unit the digital audio signals by the single artist in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit.

70. (new) A method as described in Claim 69 including before the transferring step, the step of electronically coding the desired digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital audio signals.

71. (new) A method as described in Claim 70 wherein the second party control unit has a second

party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital audio signals from the first party.

72. (new) A method for transferring desired digital video signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video signals in the first memory; and

transferring the desired digital video signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party;

tagging electronically digital video signals from the second memory; and

playing through a video display of the second party control unit the tagged digital video signals in the second memory, said video display of the second party control unit connected with the second memory of the second party control unit.

73. (new) A method as described in claim 72 wherein the tagging step includes the step of tagging electronically as favorites the digital video signals from the second memory.

74. (new) A method as described in Claim 73 including before the transferring step, the step of electronically coding the desired digital video signals into a configuration which would prevent unauthorized reproduction of the desired digital video signals.

75. (new) A method as described in Claim 74 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video signals from the first party.

76. (new) A method as described in claim 75 including the step of randomly selecting the tagged digital video signals from the second memory by a second party integrated circuit of a second party control unit.

77. (new) A method for transferring desired digital video signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video signals in the first memory; and

transferring the desired digital video signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of

the second party;

randomly selecting digital video signals by a single artist from the second memory by a second party integrated circuit of a second party control unit; and

playing through a video display of the second party control unit the tagged digital video signals by the single artist in the second memory, said video display of the second party control unit connected with the second memory of the second party control unit.

78. (new) A method as described in Claim 77 including before the transferring step, the step of electronically coding the desired digital video signals into a configuration which would prevent unauthorized reproduction of the desired digital video signals.

79. (new) A method as described in Claim 78 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video signals from the first party.

REMARKS

Claims 1, 4-21, 23-36, 39, 40, 42, 45-61 and 64-79 are currently active.

Claims Amendments

Applicant has added new claims 64-79. Support for these new claims is found *inter alia* at column 2, lines 52-59 and in Claims 1, 6, 8 and 58 of the '440 Patent as issued. No new matter has been added.

Rejection For Non-Statutory Obviousness-Type Double-Patenting

In the most recent Office Action in reexamination 90/007,407 (the "'407 Reexam"), Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 of U.S. Patent Number 5,966,440 (the "'440 Patent") have been rejected under the judicially created doctrine of obviousness-type double-patenting over Claims 1-6 of U.S. Patent Number 5,191,573 (the "'573 Patent"), which is co-pending reexamination 90/007,402 (the "'402 Reexam") alone, and separately over Claims 1-34 of U.S. Patent Number 5,675,734 (the "734 Patent"), which is co-pending reexamination 90/007,403 (the "'403 Reexam") alone.

Applicant submits that these double-patenting rejections are improper as applied to the instant claims for the reasons set forth below. Applicant therefore respectfully requests that the rejections be withdrawn.

Obviousness-Type Double-Patenting Is Not A New Issue Related To Patentability And Is Therefore Inappropriate In The Instant Reexamination

Applicant respectfully submits that it is not appropriate to consider and assert obviousness-type double-patenting in the present reexamination because it does not present a "substantial new question of patentability."

During the prosecution of the applications that eventually resulted in the '440 and '734 Patents, both applications were co-pending before the same Examiner. Indeed, the same Examiner who issued the subject '440 Patent and '734 Patent also issued the '573 Patent. The Examiner in each case therefore was well aware of the scope of the claims in each application and the patents that issued from those applications. This by itself indicates the issue of double-patenting was before the Examiner in the original examination of the subject '440 Patent, and therefore does not present a "substantial new question of patentability."

35 U.S.C. § 303 permits the Director to "determine whether a substantial new question of patentability is raised." While the fact that a patent or printed publication was previously cited or considered may not preclude the existence of a substantial new question of patentability in some circumstances, the plain language of the statute nonetheless requires that the *question of patentability* raised must be new. Applicant therefore believes it is improper on reexamination to re-raise a ground for rejection that was already addressed by the Examiner in the original examination of the patent(s) at issue. Moreover, Applicant believes the case law squarely support's Applicant's position on this point. See *In re Recreative Technologies Corp.*, 83 F.3d 1394, 1398 (Fed. Cir. 1996) ("Reexamination is barred for questions of patentability that were decided in the original examination.")

In the present case, the prosecution history of the '440 Patent shows unequivocally that Applicant's attorney *specifically requested* that the Examiner consider any issues of double-

patenting that may result from the issuance of the '440 Patent. The Applicant's attorney expressly stated to the Examiner:

> ***"Applicant reminds the Examiner of related continuation application 08/607,648 and asks the Examiner to review whether there is any double patenting issue with regard to this application 08/607,648 or parent patent, U.S. Patent No. 5,191,573."***
> (Response to Office Action filed by Ansel Schwartz July 3, 1996)

This was in fact the *second time* that Applicant had brought the issue of double-patenting to the attention of the Examiner. The prosecution history of the related '734 Patent shows that Applicant's attorney has previously requested that the Examiner consider the '573 Patent and the application that became the '734 Patent regarding this very issue of double-patenting. The Applicant's attorney expressly stated to the Examiner:

> ***"Applicant requests the Examiner to review any double patenting possibility of the above-identified patent application in regard to U.S. Patent 5,191,573. If the Examiner determines there is no need for any double patenting concern, the applicant requests that the Examiner deem this request to consider double patenting as moot."***
> (Response to Office Action filed by Ansel Schwartz July 13, 1994).

Notwithstanding this express raising of the question ***twice*** by Applicant, the Examiner in subsequent Office Actions did not find an issue of double-patenting in the application that resulted in the issuance of the '440 Patent with respect to the '573 Patent or the application that ultimately resulted in the '734 Patent. Thus, the Examiner plainly had the impetus and opportunity to make a double-patenting rejection had the Examiner felt it was warranted. It therefore follows, *a fortiori*, that the question of double-patenting cannot, as a matter of law and fact, present a "substantial new question of patentability" in the present proceedings.

Applicant respectfully submits that Applicant was and is entitled to rely on the Examiner's declining to make a rejection for double-patenting in response to the Applicant's

specific request to consider the issue. Applicant should not now be forced to face that same issue in the instant reexamination. That is exactly what 35 U.S.C. § 303 is intended to avoid. Indeed, as stated by the Court of Appeals for the Federal Circuit ("CAFC") in *Recreative Technologies*, the "substantial new question requirement would protect patentees from having to respond to, or participate in unjustified reexaminations. Further, it would act to bar reconsideration of any argument already decided by the Office" and, as a result, "the statute [35 U.S.C. § 303] guarded against simply repeating the prior examination on the same issues and arguments." *Id.* at 1397.

Applicant therefore respectfully submits that the issue of double-patenting over the '573 and '734 Patents was properly before the Examiner and passed on by the Examiner during the original prosecution of the '440 Patent. Applicant submits that, under the plain meaning of the statute, and the CAFC's holding in *Recreative Technologies*, double-patenting in the present circumstances is not a "substantial new question of patentability" within 35 U.S.C. § 303, and therefore is not a proper issue to be considered in this reexamination. Applicant therefore respectfully requests that the rejection of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 for obviousness-type double-patenting over Claims 1-6 of the '573 Patent, and over Claims 1-34 of the '734 Patent, be withdrawn.

The Rejection Of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 Over Claims 1-6 Of The '573 Patent Or Claims 1-34 Of The '734 Patent Alone Is Improper In An Obviousness-Type Double-Patenting Rejection

Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 of the '440 Patent have been rejected over Claims 1-6 of the '573 Patent and Claims 1-34 of the '734 Patent without any citation to prior art or the knowledge of those having ordinary skill in the art. Applicant respectfully traverses these

rejections, on the grounds that a rejection for obviousness-type double-patenting that is unsupported by some suggestion in the prior art, or the knowledge of one having ordinary skill in the art, is improper.

The Board of Patent Appeals and Interferences (the "Board") dealt with this very same issue in *Ex parte Schmit*, 64 USPQ.2d, 1723. In *Schmit*, the Board reversed a rejection under the doctrine of obviousness-type double-patenting, where the Examiner had relied on a combination of "references" both of which were parents of the application at issue. In its opinion, the Board interpreted its own precedent in *Ex parte Oetiker*, 23 USPQ2d 1651 (Bd. App. 1990), and the precedent of the CAFC, *In re Longi*, 774 F.2d 1100, 225 USPQ 645 (Fed. Cir. 1985). The Board recognized this precedent to "stand for the proposition *that prior art must be cited* to support an obviousness-type double-patenting rejection." *Schmit*, at 1725. (emphasis added) The Board therefore properly held that, "[a]bsent citation of prior art in addition to the base patent, there is no factual basis for the [obviousness-type double-patenting] rejection." *Id.* As a result, in the present reexamination, although the claims of the '573 and '734 Patents can be asserted by the Examiner as a partial basis for an obviousness-type double patenting rejection, the '573 and '734 Patents cannot *by themselves* support such a rejection. See *Ex parte Schmit*, 64 USPQ.2d, 1723; *In re White and Langer*, 405 F.2d 904, 160 USPQ 417 (CCPA 1969) ("Having been copending with the application at bar, appellants' own patent is not prior art although it is the basis of the double patenting rejection."); *Research Corporation Technologies, Inc. v. Gensia Laboratories, Inc.*, 10 Fed.Appx. 856, 2001 WL 287093 (Fed. Cir. 2001) ("In considering the question [double-patenting], the patent disclosure may not be used as prior art.")

The instant obviousness-type double-patenting rejections implicitly acknowledge that Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 are not co-extensive with Claims 1-6 of the '573

Patent or Claims 1-34 of the '734 Patent. Therefore, Applicant respectfully submits that, under *Oetiker* and *Longi*, as adopted by the Board in *Schmit*, it was necessary to show some rationale, either in the prior art, or the knowledge of one having ordinary skill in the art, as to why Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 are obvious over Claims 1-6 of the '573 Patent or Claims 1-34 of the '734 Patent. Since this rationale does not appear of record, Applicant respectfully submits that the instant double-patenting rejections over Claims 1-6 of the '573 Patent and Claims 1-34 of the '734 Patent should be withdrawn.[1]

Referencing The Specification Of The '573 Patent To Support An Obviousness-Type Double-Patenting Rejection Of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 Over Claims 1-6 Of The '573 Patent Is Improper

In rejecting Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 for obviousness-type double-patenting of over Claims 1-6 of the '573 Patent, the Examiner has referenced the specification of the '573 Patent to support the rejection. Applicant respectfully submits that this is clearly improper under *White and Langer* and *Research Corporation Technologies*. "In considering the question [double-patenting], the patent disclosure may not be used as prior art." *Research Corporation Technologies*, 10 Fed.Appx. 856. Applicant therefore submits that the instant rejection of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 for obviousness-type double-patenting of over Claims 1-6 of the '573 Patent should be withdrawn.

[1] Parenthetically, Applicant notes that *Schmit* was not published as binding precedent of the Board. Nonetheless, for the reasons set forth above, Applicant believes it is abundantly clear that *Schmit* was correctly decided and is supported by the precedent of the CCPA and CAFC. Applicant therefore respectfully suggests that the Examiner should follow the Board's holding in the present reexamination.

The Rejection Of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 Over The Claims Of The '573 Patent Alone In The Obviousness-Type Double-Patenting Rejection Is Inconsistent With Other Positions Taken By The Examiner

The Examiner has rejected Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 over Claims 1-6 of the '573 Patent. Applicant respectfully traverses this rejection, on the grounds that the rejection for obviousness-type double-patenting is inconsistent with positions taken by the Examiner in his Section 103(a) rejections of the claims, and is nonetheless unsupported by the prior art cited by the Examiner.

Applicant respectfully submits that Claims 1-6 of the '573 Patent are insufficient to render Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 obvious. Applicant bases this position in part on the inconsistency in the arguments made in the Section 103(a) rejections of Claims 1-6 of the '573 Patent in the co-pending '402 Reexam and Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 in the instant reexamination. To clarify this point, Applicant refers to the chart of the rejections of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 under Section 103(a), attached as Exhibit A. That chart shows the following.

- Claims 1, 4 and 5 are rejected over the combination of four references: Akashi, Freeny, Eggers and Chace.
- Claim 6 is rejected over the combination of Akashi, Freeny, Gallagher, Eggers and Chace.
- Claims 7 and 8 are rejected over the combination of Akashi, Freeny, Eggers, Gallagher, Ohta and Chace.
- Claims 9 and 10 are rejected over the combination of Akashi, Freeny, Ohta, Eggers, Thomas and Chace.
- Claims 11, 12, 19-21, 23, 24, 29-31, 36, 39, 40, 42, 45, 46 and 58-61 are rejected over the combination of Akashi and Freeny and Eggers.
- Claim 13 is rejected over the combination of to Akashi, Freeny, Gallagher, Ohta and Eggers.

- Claims 14-18 are rejected over the combination of Akashi, Freeny, Ohta Eggers and Thomas.
- Claims 25-27, 34 and 50-57 are rejected over the combination of Akashi, Freeny, Gallagher, Ohta, Eggers and Thomas.
- Claim 28 and 35 are rejected over the combination of Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas and Chace.
- Claims 32 and 33 are rejected over the combination of to Akashi, Freeny, Gallagher, Eggers and Thomas.
- Claims 47 and 48 are rejected over the combination of Akashi and Freeny.
- Claim 49 is rejected over the combination of Akashi, Freeny, Gallagher and Ohta.

In rejecting Claims 1-6 of the '573 Patent as obvious under Section 103(a), it was determined that only *two* prior art references were necessary: Akashi and Freeny. However, in rejecting all Claims of the '440 Patent as obvious under Section 103(a), the Examiner determined it was necessary to cite additional references as detailed above, except with respect to Claims 47 and 48. Applicant therefore respectfully submits that, implicit in these Section 103(a) rejections, is the determination that Claims 1, 4-21, 23-36, 39, 40, 42, 45, 46, and 49-61 must recite elements not taught in Claims 1-6 of the '573 Patent.

Applicant submits this inconsistency is fundamentally unfair to Applicant since it is unclear as to just what prior art is necessary to render Claims 1, 4-21, 23-36, 39, 40, 42, 46 and 49-61 obvious. Applicant respectfully submits that, if various combinations of up to six references are necessary to render the majority of Claims 1, 4-21, 23-36, 39, 40, 42, 46 and 49-61 obvious under Section 103(a), then, logically, the double-patenting rejection over *only* Claims 1-6 of the '573 Patent alone cannot be appropriate.

Notwithstanding The Inconsistency Of The Rejections, The Art Of Record In Combination With Claims 1-6 Of the '573 Patent Is Insufficient To Render Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 Obvious

Notwithstanding the above cited inconsistencies, Applicant submits that, as a matter of fact and law, Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 are not obvious over Claims 1-6 of the '573 Patent, either alone or in combination with any of the other art cited.

With respect to Claims 1, 4-21, 23-36, 39, 40, 42, 45, 46, and 49-61, if the rejections for obviousness-type double-patenting had been consistent with the rejections under section 103(a) -- which they are not as discussed above -- then Applicant's arguments at pages 35 to 54, *infra*, regarding the insufficiency of the various combinations of Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas and Chace with respect to the Section 103(a) rejections apply equally to the double-patenting rejections. Applicant therefore incorporates herein by reference, as if repeated in their entirety, those arguments regarding the insufficiency of the various combinations of Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas and Chace with respect to the Section 103(a) rejections. As a result, Applicant respectfully submits that Claims 1, 4-21, 23-36, 39, 40, 42, 45, 46, and 49-61 cannot be obvious over Claims 1-6 of the '573 Patent in combination with any of these references, as the combination is improper.

Rejections Under 35 U.S.C. § 103(a)

As demonstrated in Exhibit A, with the exception of Claims 47 and 48, the Examiner has cited a minimum of three references (for Claims 1, 4-21, 23-27, 29-34, 36, 39, 40, 42, 45, 46 and 49-61) and up to seven references (for Claims 28 and 35) in various combinations, in an effort to make out a *prima facie* case of obviousness under 35 U.S.C. § 103(a) of the claims under reexamination. A large number of the rejections under Section 103(a) (for Claims 6-10, 13-18, 25-28, 32-35 and 50-57) rely on no less than five references. Additionally, the Examiner has

grouped various of the seven cited references in twelve separate permutations. Applicant respectfully submits that this large number of cited references and variety of combinations required to encompass the claims, is in and of itself, indicative of the non-obviousness of the invention.

Comments On Examiner's Response To Arguments

In the Office Action dated October 26, 2005, the Examiner states in his *Response to Arguments* that the "District Court decision was an analysis of Freeny as a section 102 reference and not as a secondary reference." Applicant respectfully disagrees with this characterization of the District Court's opinion. Applicant maintains that a thorough review of the Opinion and Order of Court dated October 23, 2003 (the "Opinion") in the Sightsound v. N2K et al. litigation demonstrates that the District Court analyzed Freeny as a Section 103 reference. Applicant respectfully directs the Examiner to section 2 of the Opinion and Order beginning on page 45, titled "*Defendants' Examples of Prior Art giving Rise to Obviousness*" (emphasis added), attached hereto as Exhibit B. The District Court Judge goes on to analyze the Section 103 references cited by the defendants, including specifically "The Freeny Patent" at page 52 of the Opinion. Accordingly, Applicant respectfully disagrees with the Examiner's position that Freeny was not analyzed as a secondary reference in an obviousness context. Moreover, Applicant submits that, not only did the District Court consider Freeny as a secondary reference, but the Court also reasoned that Freeny *teaches away* from Applicant's claimed invention. See Opinion, page 52-53.

Applicant also respectfully points out that the District Court specifically considered the Examiner's primary reference, Akashi, in regard to obviousness in its Opinion. See Opinion, page 50. Although not binding on the Examiner in this proceeding, Applicant respectfully

submits that a reasoned analysis by a competent Court should be regarded as strongly persuasive against the suggested combination of Freeny with Akashi and other references in the present Section 103(a) rejections.

A Prima Facie Case Of Obviousness Under 35 U.S.C. § 103(a) Over The Cited References Has Not Been Established In The Instant Office Action

MPEP 2144 explicitly requires the presentation of a rationale found "expressly or impliedly in the prior art or drawn from a convincing line of reasoning based on established scientific principles or legal precedent" in order to combine references under Section 103. Further, MPEP 2142 states that, "[t]o reach a proper determination under 35 U.S.C. 103, the examiner must step backward in time and into the shoes worn by the hypothetical 'person of ordinary skill in the art' when the invention was unknown and just before it was made." These dual requirements ensure that an examiner does not fall into the trap of using hindsight based on his own knowledge of the Applicant's disclosure to reconstruct the claimed invention from the prior art.

To avoid such hindsight reconstruction, the CAFC requires "a rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references." *In re Beasley* 117 Fed.Appx. 739, 742 (Fed. Cir. 2004). "This is consonant with the obligation of the Board [of Patent Appeals and Interferences] to develop an evidentiary basis for its factual findings to allow for judicial review under the substantial evidence standard that is both deferential and meaningful." *Id.* at 742-43. Neither an examiner nor the Board is entitled rely only on their own knowledge as skilled artisans. *Id.* at 743.

Applicant respectfully submits that, even assuming each and every element of Claims 1, 4-21, 23-36, 39, 40, 42, 45-61 has been located in this large number of varied references, there

nonetheless has been no showing that one having ordinary skill in the art at the time of Applicant's invention, over 17 years ago, would have found the requisite motivation and reasonable expectation of success in combining the various references.[2] Because a rigorous showing of teaching or motivation to combine the numerous cited references has not been provided as required by the CAFC, a *prima facie* case of obviousness has not been established.

Turning now to the cited references, Applicant will discuss each and the combinations proposed by the Examiner. Applicant will demonstrate that the references, individually, or in combination, do not establish a *prima facie* case of obviousness. For convenience, Applicant refers the Examiner to the chart of the claims and the references applied in each rejection, attached as Exhibit A. For clarity of presentation, Applicant will discuss the combinations of references proposed and the deficiencies of those combinations by referencing the attached chart for the claims affected.

a) Combination Of Akashi With Freeny

The combination of Akashi with Freeny is cited against all of Claims 1, 4-21, 23-36, 39, 40, 42, 45-61. Akashi discloses an automated sales system for music on record albums. Akashi teaches a recording reproducing apparatus with a built-in computer communication means which is connected by a telephone line to a host computer storing data representing music on record albums or similar information such as the composers, list of music stores, musicians and the like. The data representing music on record albums is sent from the aforesaid host computer to the recording reproducing apparatus when the host computer is accessed by the aforesaid recording reproducing apparatus. See Akashi para. 4. The recording reproducing apparatus may be either

[2] The '440 Patent has a priority date of June 13, 1988. Thus, Applicant's invention was made at least as early as that date.

a digital audio tape recorder or a compact disk deck that employs a write-once, read-many recordable optical disk that allows data to be read immediately after the data is written. See Akashi para. 6.

As set forth in the Declaration of Kenneth Pohlmann, attached as Exhibit C, Akashi does not teach any playback capability. Akashi is a simple inexpensive digital audio tape recorder or compact disk device that has the ability to communicate with a host computer to download music from the host computer onto an audio tape or an optical disk. It is submitted that once the music is stored on the tape or the optical disk, the tape or optical disk is then removed and carried away by the purchaser to be listened to on a completely distinct playback device separate and remote from the tape recorder or compact disk device. See Pohlmann Dec. para. 14.

As recognized by the Examiner, Akashi discloses no means or method whatsoever of effecting payment. Moreover, although the Examiner makes a statement at page 18 of the Office Action that "Akashi discloses a system for automatically billing recorded music via telecommunication lines", Applicant respectfully submits that it is clear from the disclosure of Akashi that it does not disclose automatic billing. See Pohlmann Dec. para. 13. As further recognized by the Examiner, Akashi does not teach or suggest a hard disk used by the purchaser to store the data.

The Examiner cites Freeny for the provision of video data and the element of making a payment by electronic means. Applicant submits that Freeny is non-analogous to, and plainly teaches away from, Akashi. Freeny discloses a material object offered for sale and purchasable at a point-of-sale location. As disclosed in Freeny, the information used to manufacture a material object is stored locally at the point of sale, such as a kiosk. Only the authorization to make a copy is obtained from a remote location by a communication link at the time of the sale.

Freeny, col. 5, ln. 32 to col. 6, ln. 11. This is directly contrary to Akashi, which teaches acquiring a recording from a remote location at the time of the sale. It is well established that, "[i]f the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the reference are insufficient to render the claims *prima facie* obvious." *In re Ratti*, 270 F.2d 810, 123 USPQ 349 (CCPA 1959). Thus, on this basis alone, the teachings of Freeny cannot be combined with Akashi because Freeny teaches a system that operates in a fundamentally different way than Akashi.

Moreover, Applicant submits that the rationale provided for combining selected elements of Freeny with Akashi is inadequate to make out a *prima facie* case of obviousness. As held by the CAFC in *Beasley*, "***conclusory*** statements of generalized advantages and convenient ***assumptions*** about skilled artisans...are ***inadequate*** to support a finding of motivation, which is a factual question that cannot be resolved on subjective belief and unknown authority." *Id.* at 744. (emphasis added) In the first instance, Applicant respectfully submits that the motivation asserted by the Examiner in Freeny to modify Akashi for the sale of video information is precisely the type of conclusory and generalized statements of advantage that the CAFC has determined are inadequate to show obviousness. The portion of Freeny cited by the Examiner is notably from the Background section of the patent, which states, unsurprisingly, that manufacturing facilities and distribution systems are expensive. From this general statement in Freeny, the Examiner concludes it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Akashi to provide video in addition to audio information to take advantage of cost savings from eliminating manufacturing facilities and distribution systems. Applicant submits this is not the necessary motivation to combine that

must be found in the prior art or knowledge of one of ordinary skill in the art, as required by *In re Vaeck*, 947 F.2d 488, 493, 20 USPQ2d 1438, 1442 (Fed. Cir. 1991). Applicant respectfully submits that, instead, this is the type of hindsight reconstruction, based on the Applicant's disclosure, that the CAFC has repeatedly held to be improper. See *Teleflex, Inc. v. KSR International Co.*, 119 Fed.Appx. 282, 285-86 (Fed. Cir. 2005) ("Combining prior art references without evidence of...a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability--the essence of hindsight.")

What has not been shown is some teaching in either Akashi or Freeny, or the knowledge generally available to one of ordinary skill in the art at the time of Applicant's invention, which would lead a person without knowledge of the claimed invention, to modify Akashi to provide video rather than audio information from a remote system via communication lines. Further, the Examiner has provided no showing of the required reasonable expectation of success in thus modifying Akashi.

With respect to the teaching in Freeny of an electronic payment, the cited section of Freeny refers to a process whereby an authorization to manufacture a material object is received from a remote location. The information from which the material object is manufactured is stored locally at the point of sale. There is no suggestion in Freeny or Akashi that transmission of audio or video information from a remote location can be triggered by providing credit card account information at the point of sale. Again, no prior art or knowledge generally available to one of skill in the art has been pointed to that would lead a person of skill in the art at the time of Applicant's invention to that conclusion. Applicant therefore respectfully requests that Akashi and Freeny be withdrawn as references in the present case.

The combination of Akashi and Freeny is applied to all of Claims 1, 4-21, 23-36, 39, 40, 42, 45-61 with at least one additional references in each instance, except in the case of Claims 47 and 48. On the above bases alone, Applicant respectfully submits that the combination of Freeny and Akashi cannot, by itself, or in combination with other art, support a *prima facie* case of obviousness of any of Claims 1, 4-21, 23-36, 39, 40, 42, 45-61. This is because any further combination asserted by the Examiner includes the improper combination of Akashi with Freeny. In other words, any further combination of references that includes the failed subcombination of Akashi and Freeny respectively has its chain of references "broken," and therefore cannot stand. Nonetheless, since the Examiner has cited additional art to allege *prima facie* obviousness for all claims except Claims 47 and 48, Applicant will for the sake of completeness address such additional references below.

b) Combination Of Gallagher And/Or Ohta With Akashi And Freeny

Gallagher and Ohta are cited by the Examiner for the element of a hard disk as a storage means. The Examiner cites Gallagher to cure the deficiency of Akashi, which does not disclose a hard disk storage for the source of music to be sold. Ohta's disclosure of a personal computer is used to cure the deficiency of Akashi not disclosing a hard disk for storage of music after it is purchased. Gallagher is also cited for the element of a RAM buffer storage and encryption or encoding. Gallagher and/or Ohta are applied to Claims 6-10, 13-18, 25-28, 32-35 and 49-57. See the chart attached as Exhibit A. Applicant respectfully submits that the combination of Gallagher and/or Ohta with Akashi and Freeny is insufficient to establish a *prima facie* case of obviousness of any of the foregoing Claims 6-10, 13-18, 25-28, 32-35 and 49-57.

With respect to Ohta, that reference discloses a magnetic tape cartridge compatible with a disk drive. As set forth in the Declaration of Kenneth Pohlmann, Ohta has no relevant disclosure other than a single sentence stating that some computers have hard drives. See Pohlmann Dec. para 34. From this statement, the Examiner concludes that it would have been obvious to modify Akashi to provide a hard drive for storage of music purchased using the system of Akashi. This analysis does not take account of the fact that the very purpose of the system of Akashi is to provide a means of selling copies of music in the form of CDs or tapes, which can be removed and are portable. Providing a hard drive in the system of Akashi would be contrary to, and in fact defeat, this purpose. The analysis also ignores the requisite inclusion of Freeny in combination with Akashi. Including Freeny with a system as taught in Akaski that has been modified to include a hard disk for storage of purchased music and video would lead to an incongruous result. Freeny explicitly teaches the manufacturing and selling of material objects such as tapes, CDs, greeting cards, maps and sheet music. Freeny, col. 4, lns. 36-55. The use of a hard drive to store the purchased information is wholly unrelated to the goal of manufacturing and selling material objects and is thus contrary to the teaching of Freeny, which requires sale of a material object, purchasable and removable from the point of manufacture. See Pohlmann Dec. para. 15.

With respect to Gallagher, the analysis still does not take account of the fact that Freeny is included in any combination that includes Gallagher. The reference teaches a system for supplying music from a central storage unit to at least one user unit. Individual users produce copies on optical disks or tape at the individual user units. In the first instance, Applicant respectfully submits that Gallagher does not disclose the use of a hard disk to store music at a central storage unit. It also does not teach the user unit has a hard disk. See Pohlmann Dec.

para. 19. Instead, Gallagher discloses a system with three distinct units; (1) a source unit, which is in the control of a musician, (2) a central storage unit in the control of a music company, and (3) at least one user unit in the control of a user. A close reading of Gallagher reveals that it is the source unit which is disclosed as potentially having a hard disk storage, not the central storage unit, from which users acquire music.

Significantly, Freeny discloses a system where information to be copied at the time of the sale is stored at the point of sale location, not at a remote central database. This is contrary to the concept of both Akashi and Gallagher.

"[It] is impermissible within the framework of section 103 to pick and choose from any one reference only so much of it as will support a given position to the exclusion of what other parts necessary to the full appreciation of what such reference fairly suggests to one skilled in the art." *Bausch & Lomb, Inc. v. Barnes-Hind/Hydrocurve, Inc.*, 796 F.2d 443, 448 230 USPQ 416, 419 (Fed. Cir. 1986). While an examiner is free to combine as many references as he/she wishes, he/she is not free to simply pluck individual elements from these references, while ignoring their full teachings. See *In re Fritch*, 972 F.2d 1260, 1266, 23 USPQ.2d 1780, 1784 (Fed. Cir. 1992) ("[An examiner] cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention.") With respect to the combination of Gallagher with Ohta, as discussed above, Ohta contains no teaching whatsoever regarding the recording of audio or video information. As no other prior art reference or knowledge available to one having skill in the art at the time of Applicant's invention has been cited, no motivation for combining Gallagher and Ohta, much less with Akashi and Freeney, has been established. Applicant therefore respectfully submits that Gallagher and Ohta should be withdrawn as references in the present case.

c) Combination Of Eggers, Thomas And/Or Chace With Akashi, Freeny, Gallagher And/Or Ohta

Eggers and Thomas are cited by the Examiner for features of video playback. Specifically, Eggers is cited for the playback of video on a "computer" monitor, and Thomas is cited for a playback RAM. Chace is cited for the use of a speaker or speakers in conjunction with a personal computer. Eggers, Thomas and/or Chace are applied to Claims 1, 4-18, 32-35 and 50-57 in combination with Akashi and Freeny, either with or without Gallagher and/or Ohta.

Eggers, Thomas and Chace all relate to playback of audio and video information. It is asserted by the Examiner that it would be obvious to combine the teachings of these several references with Akashi, Freeny, Gallagher and Ohta. Applicant respectfully submits that this analysis again simply plucks individual elements out of the cited references without regard to the fundamental incompatibility of their teachings with the other applied art. Akashi, Freeny and Gallagher all relate to making recorded copies of information. In Akashi and Gallagher, that information is limited to audio information. None of these references discusses the playing of audio information as it is sent from a central location. In fact, in the case of Freeny, this would interfere with the intended purpose as commercial outlets to sell multiple copies of information, since each customer would be forced to wait as a previous customer viewed or listened to video or audio information.

Eggers is devoted primarily to viewing of video information played from a central library in response to a request from a hotel guest or hospital patient. See Pohlmann Dec. para. 28. Eggers is completely silent as to the permanent copying of the video information by a user for later playback. The reference discloses a system for random access to an audio video data library with independent selection and display at each of a plurality of remote locations. Eggers

teaches there is a need for selective access to pre-recorded audio-video data from a common library in which selection and display may be at any of a plurality of remote locations for providing information and entertainment to occupants of hotels, hospitals, and the like. See Pohlmann Dec. para. 29-30. The primary purpose of the system in Eggers is to provide access to a library of recorded audio or video information, which can be accessed for viewing, but not copying. See Pohlmann Dec. para. 31.

In contrast, Akashi and Freeny are exclusively devoted to recording of information for later playback on a separate system. Although Gallagher does disclose recording and playback, Gallagher still has recording as its primary teaching. No explanation has been provided as to how one having ordinary skill in the art over 17 years ago, at the time of Applicant's invention, would be motivated to combine the teachings of Eggers with any of Akashi, Freeny or Gallagher. Indeed, Applicant respectfully submits that it is not possible to show such a motivation from the prior art, because the immediate play teaching of Eggers is incompatible with the later playback technology of Akashi, Freeny and Gallagher. The only possible source of motivation to combine these references is Applicant's own disclosure, the use of which to provide motivation is improper.

Similarly, there is no motivation presented to combine Thomas with any of Akashi, Freeny or Gallagher. Thomas discloses a method, apparatus and a system for recognizing broadcast segments. Thomas teaches that the method, apparatus and system relate to the automatic recognition of broadcast segments, particularly commercial advertisements broadcast by television stations. The reference also teaches that its object is to provide an automated method, apparatus and system for logging commercial broadcast data which does not rely for recognition on the insertion of special codes or run cues occurring in the signal. Real time

continuous pattern recognition of broadcast segments is accomplished by constructing a digital signature from a known specimen of a segment which is to be recognized. See Pohlmann Dec. para. 32. Thomas is completely silent with respect to producing copies from recorded audio or video information in the form of a tape or optical disk. Similarly, it is silent as to playing of audio or video information from a central library in response to a request, as taught by Eggers. See Pohlmann Dec. para. 33.

Finally, Applicant respectfully submits there is no suggestion or teaching in any of the prior art to support the use of Chace. Chace discloses an automated stereo synthesizer for audiovisual programs. See Pohlmann Dec. para. 25. Chace further teaches a method and apparatus for converting the monaural audio tracks of audiovisual programs into surround stereo signal which are mono-compatible and storable and which are synchronized with the video portion of the program. The reference teaches a conventional television monitor receives the video signals from a VCR and displays the video program on the monitor display screen. A video time code is also displayed in a code display region of the monitor's screen. The working cassette is played by the VCR in order to program the sound cues. The sound cues are a series of commands which are selected and programmed into a system computer by an operator who watches the video program being displayed on the monitor. These sound cues are used during a playback mode of operation to alter the signals which are produced by a monaural sound track and thus create stereo sound signals. There is no teaching or suggestion whatsoever in Chace regarding the copying of audio or video information, as disclosed in Akashi, Freeny and Gallagher. As a result, Chace has nothing at all to do with the distribution or recording of video or audio information. See Pohlmann Dec. para. 26.

Chace is also unrelated to the system for random access to an audio video data library with independent selection and display at each of a plurality of remote locations taught in Eggers. Likewise, Chace is unrelated to the method, apparatus and system for automatic recognition of broadcast segments, particularly commercial advertisements broadcast by television stations taught by Thomas. As a result, there is no motivation to combine Chace with either of Eggers or Thomas.

Regarding the possibility of combining Ohta with any of Eggers, Thomas or Chace, Applicant again points out that Ohta contains no relevant teachings other than a single sentence stating that some computers have hard disks. See Pohlmann Dec. para. 34. As Ohta is not related to any of the systems taught by Eggers, Thomas or Chace, there would be no motivation to combine Ohta with any of these references.

Again, Applicant respectfully submits that the Examiner has simply pulled single elements out of wholly unrelated references and combined them based on his own knowledge of the invention recited in Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61. For a Section 103 rejection to stand it must be based on an analysis of what the relevant prior art would teach to one having ordinary skill in the art at the time of Applicant's invention. See MPEP 2142, *supra*. Because this analysis is missing from the suggested combination of Eggers, Thomas and Chace with the other cited art, a *prima facie* case of obviousness has not been established. Applicant therefore respectfully requests that Eggers, Thomas and Chace be withdrawn as references.

d) *The Multiple Combinations Of References Cited By The Examiner Do Not Render Any Of The Claims Obvious*

As described above, a large number of various combinations of the cited references has been used in an attempt to make out a *prima facie* case of obviousness for each claim. Applicant

believes that the previous discussion has demonstrated it is improper to combine any of the ited references, and thus Applicant has shown that a *prima facie* case of obviousness has not been established with respect to any of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61. Nonetheless, for certainty and clarity, Applicant will now address each rejection made by the Examiner.

The Examiner has rejected Claims 47 and 48 over the combination of Akashi and Freeny. As shown in subsection (a), *supra*, the combination of Akashi and Freeny is not proper for several reasons. First, Akashi and Freeny function in fundamentally different ways: Akashi transferring audio information from a host computer to a second memory in possession and control of the second party and Freeny providing for copying of information stored locally to a second memory in possession and control of the first party at the time of the sale. Second, no motivation or reasonable expectation of success has been shown for modifying Akashi by adding the element of providing video information as taught in Freeny. Finally, no motivation or reasonable expectation of success has been shown for modifying Akashi by adding the element of a credit card payment as taught in Freeny. For these reasons, Applicant respectfully submits that Claims 47 and 48 are not obvious over the combination of Akashi and Freeny.

Claim 49 was rejected over the combination of Akashi, Freeny, Gallagher and Ohta. Applicant respectfully submits that, based on the improper combination of Akashi and Freeny alone, Claim 49 cannot be obvious. However, additionally, as discussed in subsection (b), *supra*, the combination of Gallagher with Freeny is improper for the same reason that it is improper to combine Akashi with Freeny. Additionally, Ohta contains no relevant disclosure other than that some computers have hard disks. As a result, it is not possible to show a motivation to combine Ohta with any of Akashi, Freeny or Gallagher, none of which discloses a user unit with a hard

drive. For these reasons, Applicant respectfully submits that Claim 49 is not obvious over the combination of Akashi, Freeny, Gallagher and Ohta.

Claims 11, 12, 19-21, 23, 24, 29-31, 36, 39, 40, 42, 45, 46 and 58-61 were rejected over the combination of Akashi, Freeny and Eggers. Applicant again respectfully submits that, based on the improper combination of Akashi and Freeny alone, Claims 11, 12, 19-21, 23, 24, 29-31, 36, 39, 40, 42, 45, 46 and 58-61 cannot be obvious. In addition, as discussed in subsection (c), *supra*, it is improper to combine Eggers with either of Akashi or Freeny as there is no motivation in any of the references to combine their teachings. In fact, as shown above, the system taught in Eggers is inconsistent the distribution of audio or video information for the purpose of making permanent copies as taught by Akashi and Freeny. For these reasons, Applicant respectfully submits that Claims 11, 12, 19-21, 23, 24, 29-31, 36, 39, 40, 42, 45, 46 and 58-61 are not obvious over the combination of Akashi, Freeny and Eggers.

Claims 1, 4 and 5 were rejected over the combination of Akashi, Freeny, Eggers and Chace. Applicant again respectfully submits that, based on the improper combination of Akashi and Freeny either with or without Eggers, Claims 1, 4 and 5 cannot be obvious. Nonetheless, as discussed above in subsection (c), *supra*, it further is improper to combine Chace with any of Akashi, Freeny and Eggers. This is because Chace has nothing at all to do with the distribution or recording of video or audio information as disclosed by Akashi and Freeny. Chace is likewise unrelated to the system disclosed by Eggers. As a result, there would have been no motivation by one having ordinary skill in the art at the time of Applicant's invention to combine any of the teachings of Chace with Akashi, Freeny or Eggers. For these reasons, Applicant respectfully submits that Claims 1, 4 and 5 are not obvious over the combination of Akashi, Freeny, Eggers and Chace.

Claim 6 was rejected over the Akashi, Freeny, Gallagher, Eggers and Chace. Applicant respectfully submits that, based on the improper combination of Akashi and Freeny, either with or without the improper combinations with any of Gallagher, Eggers or Chace, Claim 6 cannot be obvious. Applicant further respectfully submits that, as discussed in subsection (c), *supra*, it further is improper to combine Chace with Gallagher. Chace has nothing at all to do with the distribution or recording of audio information as disclosed by Gallagher. Therefore, there would have been no motivation by one having ordinary skill in the art at the time of Applicant's invention to combine any of the teachings of Chace with Gallagher. It is also improper to combine Gallagher with Eggers for the same reasons discussed with respect to combining Eggers with Akashi and Freeny. For these reasons, Applicant respectfully submits that Claim 6 is not obvious over the combination of Akashi, Freeny, Gallagher, Eggers and Chace.

Claim 13 was rejected over the combination of Akashi, Freeny, Gallagher, Ohta and Eggers. Applicant again respectfully submits that, based on the improper combination of Akashi and Freeny, either with or without the improper combinations with any of Gallagher, Ohta or Eggers, Claim 13 cannot be obvious. Applicant further respectfully submits that, for the reasons stated in subsection (c), *supra*, it further is improper to combine Ohta with Eggers. As discussed above, Ohta contains no relevant disclosure other than an isolated statement that some computers have hard disks. There is no disclosure in Ohta or Eggers that would have led one having ordinary skill in the art at the time of Applicant's invention to combine Ohta with Eggers. For these reasons, Applicant respectfully submits that Claim 13 is not obvious over the combination of Akashi, Freeny, Gallagher, Ohta and Eggers.

Claims 7 and 8 were rejected over the combination of Akashi, Freeny, Gallagher, Ohta, Eggers and Chace. Applicant again respectfully submits that, based on the improper

combination of Akashi and Freeny, either with or without the improper combinations with any of Gallagher, Ohta , Eggers or Chace, Claims 7 and 8 cannot be obvious. Applicant further respectfully submits that, for the reasons set forth in subsection (c), *supra*, it is improper to combine Ohta with Chace. As discussed above, Ohta contains no relevant disclosure other than an isolated statement that some computers have hard disks. There is no disclosure in Ohta or Chace that would have led one having ordinary skill in the art at the time of Applicant's invention to combine Ohta with Chace. For these reasons, Applicant respectfully submits that Claims 7 and 8 are not obvious over the combination of Akashi, Freeny, Gallagher, Ohta, Eggers and Chace.

Claims 14-18 were rejected over the combination of Akashi, Freeny, Ohta, Eggers and Thomas. Applicant again respectfully submits that, based on the improper combination of Akashi and Freeny, either with or without the improper combinations with either of Ohta or Eggers, Claims 14-18 cannot be obvious. Applicant further respectfully submits that, for the reasons set forth in subsection (c), *supra*, it is improper to combine Thomas with any of Akashi, Freeny, Ohta or Eggers. As discussed above, Thomas discloses a method, apparatus and a system for recognizing broadcast segments. Thomas is completely silent with respect to producing copies from recorded audio or video information in the form of a tape or optical disk. As a result, there would have been no motivation by a person skilled in the art at the time of Applicant's invention to combine the teachings of Akashi, Freeny, or Thomas. Further, Thomas is wholly unrelated to Eggers, which is devoted primarily to viewing of video information played from a central library in response to a request from a hotel guest or hospital patient. As a further result, there would have been no motivation in either of Eggers or Thomas to combine their teachings. Finally, as discussed above, Ohta has no relevant teaching other than that some

computers have hard drives. As a further result, there would have been no motivation in either of Ohta or Thomas to combine their teachings. For these reasons, Applicant respectfully submits that Claims 14-18 are not obvious over the combination of Akashi, Freeny, Ohta, Eggers and Thomas.

Claims 9 and 10 were rejected over the combination of Akashi, Freeny, Ohta, Eggers, Thomas and Chace. Applicant again respectfully submits that, based on the improper combination of Akashi and Freeny, either with or without the improper combinations with any of Ohta , Eggers, Thomas or Chace, Claims 9 and 10 cannot be obvious. Applicant further respectfully submits that, for the reasons set forth in subsection (c), *supra*, it is improper to combine Thomas and Chace. Thomas discloses a method, apparatus and a system for recognizing broadcast segments. Chace teaches a method and apparatus for converting the monaural audio tracks of audiovisual programs into surround stereo signal which are mono-compatible and storable and which are synchronized with the video portion of the program. Because these disclosures are wholly unrelated to each other, there is would be no motivation by someone having orginary skill in the art at the time of Applicant's invention to combine the references. For these reasons, Applicant respectfully submits that Claims 9 and 10 are not obvious over the combination of Akashi, Freeny, Ohta, Eggers, Thomas and Chace.

Claims 25-27, 34 and 50-57 were rejected over the combination of Akashi, Freeny, Gallagher, Ohta, Eggers and Thomas. Applicant again respectfully submits that, based on the improper combination of Akashi and Freeny, either with or without the improper combinations with any of Gallagher, Ohta , Eggers or Thomas, Claims 25-27, 34 and 50-57 cannot be obvious. Applicant further respectfully submits that, for the reasons set forth in subsections (b) and (c), *supra*, it is improper to combine Gallagher and Thomas. As set forth above, Thomas is

completely silent with respect to producing copies from recorded audio information in the form of a tape or optical disk. In contrast, Gallagher is devoted making copies of audio, but has no disclosure regarding video. As a result, there would have been no motivation in either Gallagher or Thomas by someone having ordinary skill in the art at the time of Applicant's invention to combine the references' teachings. For these reasons, Applicant respectfully submits that Claims 25-27, 34 and 50-57 are not obvious over the combination of Akashi, Freeny, Gallagher, Ohta, Eggers and Thomas.

Claims 32 and 33 were rejected over the combination of Akashi, Freeny, Gallagher, Eggers and Thomas. For the reasons set forth above, Applicant respectfully submits that, based on the improper combination of Akashi and Freeny, either with or without the improper combinations with any of Gallagher, Eggers and Thomas, Claims 32 and 33 cannot be obvious.

Claim 28 and 35 were rejected over the combination of Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas and Chace. For the reasons set forth above, Applicant respectfully submits that, based on the improper combination of Akashi and Freeny, either with or without the improper combinations with any of Gallagher, Ohta, Eggers, Thomas and Chace, Claims 28 and 35 cannot be obvious.

In view of the improper combinations of Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas and/or Chace, Applicant submits that a *prima facie* case of obviousness has not been established with respect to any of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61. Rather, it appears the Examiner has surveyed multiple disparate references in the prior art to find individual elements which the Examiner believes correspond to the elements recited in the claims, without regard to demonstrating some rational line of reasoning as to why it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to combine the numerous

references' divergent teachings. Indeed, the Examiner has in several instances apparently overlooked teachings of the references that demonstrate their incompatibility with each other and thus militate *against* their combination.

Applicant respectfully submits this is precisely the type of hindsight reconstruction that the CAFC has proscribed. See *In re Fritch*; *Teleflex*, *supra*. To avoid hindsight reconstruction, Examiners are required to apply a rigorous "showing of the teaching or motivation to combine prior art references." *In re Beasley*. Applicant does not believe the Examiner has met the foregoing burden in the current case. Applicant therefore respectfully requests reconsideration and withdrawal of the rejections of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 under 35 U.S.C. § 103(a).

Secondary Considerations Of Non-Obviousness

In the Office Action response filed on July 21, 2005, Applicant provided evidence of secondary considerations of non-obviousness, including evidence of commercial success of distribution systems employing the claimed invention. The Examiner has indicated that he did not find the secondary evidence provided by Applicant persuasive. In support of his conclusion, the Examiner stated that "Applicant has not provided proof that the claimed features were responsible for the commercial success of the mentioned distribution systems (i.e., ITunes)." See Office Action, para. 3. The Examiner cites to *Ex parte Remark*, 15 USPQ2d 1498, 1502 for the proposition that merely showing that there was commercial success of an article which

embodied the invention is not sufficient to provide a secondary consideration of non-obviousness.[3]

In view of Applicant's arguments refuting the rejection of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 under 35 U.S.C. § 103(a), presented above, Applicant respectfully submits that a showing of secondary considerations is not strictly necessary to establish the non-obviousness of Applicant's invention. However, further in view of the fact that such secondary considerations in fact do exist, Applicant feels compelled to at least set forth below a summary of such indicia.

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. *Remark* at 1502. 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 Company v. Dresser Industries, Inc.* 816 F.2d 1549, 1556 (Fed. Cir. 1987). Moreover, it is well established that copying of a patented

[3] Additionally, the Examiner cites to certain comments the Examiner believes were made by the Inventor during an Examiner's Interview concerning the unavailability of content for sale via his invention. Applicant believes that the Examiner misunderstood the comments made by the Inventor during the Interview and respectfully disagrees with the Examiner's recollection of those comments. Nonetheless, in view of the additional ample evidence of secondary indicia submitted with the current response, including the Declaration by Arthur R. Hair attached hereto as Exhibit D, Applicant believes it unnecessary to pursue this issue here.

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

The Present Invention Has Been Copied By Others With Commercial Success

The invention recited in Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 generally comprises transferring digital video or digital audio signals "for pay" between a first memory controlled by a seller and a second memory at a remote location controlled by a buyer over a telecommunication line. As set forth in the Declaration of Arthur R. Hair attached hereto as Exhibit D, the invention has in the past achieved significant commercial success.

Moreover, the invention continues to have 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, 4-21, 23-40, 42, and 45-61 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 is a commercially successful system that embodies the features of the claimed invention. Applicant's assertion that Napster is commercially successful and has copied the claimed invention is supported by the Declaration of Justin Douglas Tygar, Ph.D., is attached to this response as Exhibit E. Dr. Tygar is a professor at the University of California, Berkley with a joint appointment in the Department of Electrical Engineering and Computer Science and the School of Information Management and Systems. See Tygar Dec., para. 1. Dr. Tygar is an expert in the field of computer science with significant experience in the field of electronic commerce. See Tygar Dec., para. 2-4.

Dr. Tygar has determined that Napster has achieved a level of commercial success. See Tygar Dec., para. 6. Further, Dr. Tygar compared Napster to the invention recited in Claims 1, 4-21, 23-40, 42, and 45-61 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., para. 10. The buyer using Napster has a computer at a home, office, or other location remote from Napster. See Tygar Dec., 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 Napter's server to the buyer's computer. The buyer can then play the file using his or her computer system. See Tygar Dec., 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., para. 19.

Additionally, Applicant respectfully points out that Napster does not copy the closest prior art cited by the Examiner, i.e., Freeney and Akashi. Freeney teaches a point-of-sale device (e.g., a kiosk) that dispenses a material object (e.g., tape) containing the music purchased. See Freeney, col. 1, line 64 to col. 2, line 12. These features of Freeny are plainly not found in Napster. See Tygar Dec., para. 17. 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. para. 18.

Therefore, it is apparent that Napster chose to copy the system taught by the '440 patent. See Tygar Dec. para. 19. It is also apparent that Napster choose *not* to copy the prior art systems of Freeny and Akashi. See Tygar Dec. para. 20 and 21. Applicant submits that this selective copying by Napster of the invention recited in Claims 1, 4-21, 23-40, 42, and 45-61, while

Napster ignored the systems of Freeny and Akashi, provides a sound basis upon which the required nexus between commercial success and Applicant's claimed invention can be found. See *Hughes Tool,* 816 F.2d at 1556. Additionally, Napster's selective copying of Applicant'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.

Applicant therefore respectfully submits that the foregoing remarks and the attached Declaration, have established the requisite nexus between the commercial success of Napster and Applicant's claimed invention. Applicant also respectfully submits that these remarks and the attached Declaration similarly have established copying by Napster as a secondary indicia of non-obviousness.

Newly Added Claims Are Not Taught by the Prior Art

It is well established that, in order to establish a *prima facie* case of obviousness of a claimed invention, all limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974), MPEP §2143.03. The elements added via newly presented Claims 64-79 are not taught or suggested in the cited prior art, i.e., Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas and Chace, or in any other art cited in the related co-pending reexaminations for U.S. Patent No. 5,191,573 and U.S. Patent No. 5,675,734. The newly added claims comprise various combinations of the following limitations, as applied to both digital audio signals and digital video signals:

a) tagging electronically digital audio or video signals from the second memory, and playing through speakers of the second party control unit the tagged digital audio signals. (Claims 64 and 72)

b) tagging electronically as favorites the digital audio or video signals from the second memory. (Claims 65-67 and 73-75)

c) randomly selecting the tagged digital audio or video signals from the second memory by a second party integrated circuit of a second party control unit. (Claims 68 and 76)

d) randomly selecting digital audio or video signals by a single artist from the second memory by a second party integrated circuit of a second party control unit, and playing through speakers of the second party control unit the digital audio or video signals by the single artist in the second memory. (Claims 69-71 and 77-79)

All of the limitations set forth above with respect to the newly added claims involve features surrounding tagging of digital audio or video and playback of the tagged digital audio or video from the second memory, none of which is taught in Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas and Chace.

More specifically, limitation (a) set forth above is tagging the digital signals from the second memory. Akashi teaches a recording reproducing apparatus which may be either a digital audio tape recorder or a compact disk deck that employs a write-once, read-many recordable optical disk. Akashi does not teach any tagging feature of a second memory. Freeny teaches using information stored locally at the point of sale (e.g., kiosk) to manufacture a material object. There is no teaching of tagging digital signals from the second memory in Freeny. Gallagher teaches a system for supplying music from a central storage unit to at least one user unit. Individual users produce copies on optical disks or tape at the individual user units. There is no teaching of tagging digital signals from the second memory in Gallagher. Ohta merely teaches

that some computers has hard disks. There is no teaching of tagging digital signals from the second memory in Ohta. Eggers is devoted primarily to viewing of video information played from a central library in response to a request from a hotel guest or hospital patient. Eggers is completely silent as to the permanent copying of the video information by a user for later playback. There is no teaching of tagging digital signals from the second memory in Eggers. Thomas discloses a method, apparatus and a system for recognizing broadcast segments. There is no teaching of tagging digital signals from the second memory in Thomas. Chace discloses an automated stereo synthesizer for audiovisual programs. Chace further teaches a method and apparatus for converting the monaural audio tracks of audiovisual programs into surround stereo signal which are mono-compatible and storable and which are synchronized with the video portion of the program. There is no teaching of tagging digital signals from the second memory in Chace.

Limitation (b) set forth above provides tagging digital audio or video signal in the second memory as favorites. As none of Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas or Chace discloses tagging, it follows they also do not disclose tagging as favorites.

Limitations (c) and (d) set forth above provide for random playback of the tagged digital audio or video information. Specifically, randomly playing tagged audio or video, possibly by a single artist. Neither Akashi nor Freeny addresses playback, and therefore do not teach or disclose random playback. Gallagher does address playback, but does not teach or disclose random playback. Ohta does not address digital audio or video signals at all and therefore does not teach or suggest random playback. The system of Eggers relates to viewing audio or video information specifically requested from a library. Eggers does not teach or suggest random playback. Thomas discloses recognition of broadcast segments, but does not teach or suggest

random playback. The system of Chace is related to a method and apparatus for converting the monaural audio tracks of audiovisual programs into surround stereo signal which are mono-compatible and storable and which are synchronized with the video portion of the program. As a result, the synchronized system of Chace is antithetical to random playback.

Since none of Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas or Chace discloses tagging of audio or video signals, or random selection of the digital audio or video signals, it follows they also do not disclose random playback of tagged digital audio or video signals. Further, since none of the references teaches or suggests these features, they similarly do not teach or suggest random playback of tagged favorites or tagged digital audio or video of a single artist.

As a result, in addition to being allowable for all of the reasons set forth above concerning Claims 1, 4-21, 23-40, 42, and 45-61, Applicant respectfully submit that the newly added claims also are allowable for the reason that the limitations found in the newly presented claims are not taught or suggested by the prior art.

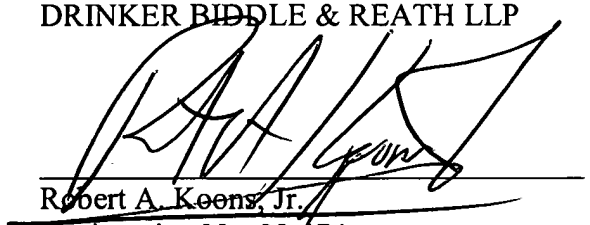
CONCLUSION

Applicant believes the foregoing remarks have overcome or rendered moot all grounds for rejection of Claims 1, 4-21, 23-40, 42, and 45-61 and any potential grounds of rejection for newly added Claims 64-79. Applicant therefore respectfully submits that all such claims are patentable over the art cited by the Examiner. There being no other rejections or objections of record, Applicant believes that the application is in condition for allowance.

Applicant understands, however, that the Examiner may have additional questions or concerns prior to allowing Applicant's claims. Applicant therefore respectfully requests that the Examiner contact Applicant's undersigned attorney directly to schedule an Interview before the Examiner takes any further action in this case.

Respectfully submitted,

DRINKER BIDDLE & REATH LLP



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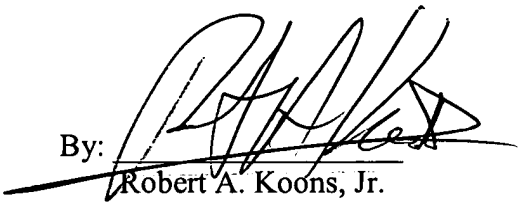
CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Response in Reexamination No. 90/007,407 was served via First Class United States Mail, postage prepaid, this 27th day of December, 2005, 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 Patentee

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)	
	)	
ARTHUR R. HAIR	)	
	)	
Reexamination Control No. 90/007,407	)	
	)	
Reexamination Filed: January 31, 2005	)	A SYSTEM FOR TRANSMITTING
	)	DESIRED DIGITAL VIDEO OR
Patent Number: 5,966,440	)	AUDIO SIGNALS
	)	
Examiner: Benjamin E. Lanier		

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 known as Napster Light[1] (hereinafter "Napster Light"), with the teachings of U.S. Patent 5,966,440 (the "'440 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 '440 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

[1] It should be noted that the Napster Light service offered by the entity known currently as Napster, Inc. at 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 '440 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;

- Selling electronically, by the seller to the buyer, through telecommunication lines a digital audio or video signal;

- Transferring the digital audio or video signals from seller's memory to the buyer while the buyer is in possession of and control over his or her computer memory; and

- Playing the digital audio or video signals with the buyer's computer system.

9. I have accessed Napster Light for the purpose of comparing the it to the '440 patent. Based on my review of Napster's web site, I have determined the following facts set forth in paragraphs 10 through 21 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 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 wishes to purchase.

14. Napster Light prompts the online buyer to provide credit card information to pay for the digital music file he or she wishes to purchase. The buyer enters the credit card information into appropriate fields on a Napster Light's pop-up window. The credit card information is sent to Napster Light via the Internet so the credit card can be charged for the purchase price of the selected digital music file.

15. 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.

16. The digital music can be played using the buyer's computer system by entering commands into the computer system.

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 write 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 '440 Patent. As a result, it can be concluded that Napster has copied the teachings of the '440 Patent.

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

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

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)
	)
ARTHUR R. HAIR	)
	)
Reexamination Control No. 90/007,407	)
	)
Reexamination Filed: January 31, 2005	) A SYSTEM FOR TRANSMITTING
	) DESIRED DIGITAL VIDEO OR
Patent Number: 5,966,440	) AUDIO SIGNALS
	)
Examiner: Benjamin E. Lanier	

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

"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

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)
ARTHUR R. HAIR	)
Reexamination Control No. 90/007,407	)
Reexamination Filed: January 31, 2005	) SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS
Patent Number: 5,966,440	)
Examiner: Benjamin E. Lanier	)

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

Sir:

DECLARATION UNDER 37 C.F.R. § 1.132

I, Kenneth C. Pohlmann declare that,

1. I am a tenured Professor at the University of Miami in Coral Gables, Florida, and the director of the Music Engineering Technology program at the University's Frost School of Music. I have been a faculty member at the University of Miami since 1977.

2. I hold Bachelor of Science and Master of Science degrees in Electrical Engineering from the University of Illinois in Urbana–Champaign. My master's thesis was completed in 1976 and described the use of a digital computer to enter, store and play back digitally synthesized music. I have been continuously involved in digital audio

technology since that time, and have a good personal knowledge of the progress of the state of the art over the intervening years.

3. In 1986 I founded the first Masters degree program in Music Engineering Technology in the United States. I have initiated new undergraduate and graduate courses in digital audio, advanced digital audio, Internet audio, acoustics and psychoacoustics, and studio production.

4. I have written or co-authored several books, including "Principles of Digital Audio" (McGraw-Hill), "The Compact Disc Handbook" (A-R Editions), and "Advanced Digital Audio" (Howard W. Sams). My books have been translated into Dutch, German, Spanish, and Chinese.

5. Since 1982, I have written numerous articles for publications including Audio magazine, dB magazine, Handbook for Sound Engineers, IEEE Spectrum, Journal of the Audio Engineering Society, National Association of Broadcasters Handbook, PC magazine, Scientific American, and World Book Encyclopedia. Additionally, I am a contributing technical editor and columnist for Sound & Vision magazine.

6. I chaired the Audio Engineering Society's International Conference on Digital Audio in Toronto in 1989 and co-chaired the Society's International Conference on Internet Audio in Seattle in 1997. I was presented two AES Board of Governor's Awards (1989 and 1998) and an AES Fellowship Award (1990) by the Audio Engineering Society for my work as an educator and author in the field of audio engineering. In 1991, I was elected to serve on the AES Board of Governors, and in 1993 to serve as the AES Vice President of the Eastern U.S. and Canada Region.

7. I serve as a consultant in the design of digital audio systems, the development of sound systems for automobile manufacturers, and as a consultant and expert witness in music technology and related patent litigation. I have attached a copy of a recent *curriculum vitae* to this declaration as Exhibit A.

8. Sightsound's counsel requested that I evaluate Great Britain Patent App. No. 2-178-275-A, filed by Bernard Gallagher ("Gallagher"), U.S. Patent 4,528,643 ("Freeny"), Japanese Patent No. 62-284496 ("Akashi"), U.S. Patent 4,896,2327 ("Ohta"), U.S. Patent 4,920,432 ("Eggers"), U.S. Patent 4,792,974 ("Chace"), and U.S. Patent 4,739,398 ("Thomas") separately and in combination in the context of whether their respective disclosures are compatible, and whether there is some teaching in their disclosures that would suggest combining them.

9. In the context of my work on this matter, I have drawn on my experience and knowledge as a researcher and professor of music engineering, digital audio and studio production. As an electrical engineer, for many years I have kept abreast of developments in electronics and audio, including reading technical magazines, journals, and research papers on the topics of recorded music and audio systems.

10. In preparation for my evaluation regarding the Gallagher, Freeny, Akashi, Thomas, Eggers, Chace, and Ohta documents, I familiarized myself with the following materials: Preliminary and Supplemental Amendments of the Hair application (serial no. 09/286,892) and the Patent Office Detailed Action dated April 5, 2005 for that application; U.K. patent application 2-178-275-A ('Gallagher"); U.S. Patent 4,528,643 ("Freeny"); Japanese Patent No. 62-284496 ("Akashi"); U.S. Patent 4,896,2327 ("Ohta"), U.S. Patent

4,920,432 ("Eggers"); U.S. Patent 4,792,974 ("Chace"); U.S. Patent 4,739,398 ("Thomas"); as well as U.S. Patent No. 5,191,573 ("the '573 Patent"), U.S. Patent No. 5,675,734 ("the '734 Patent") and U.S. Patent No. 5,966,440 ("the '440 Patent") (collectively, the "Hair Patents"); and the Patent Office Detailed Action October 26, 2005 for the Reexamination of the '440 Patent, the Patent Office Detailed Action October 26, 2005 for the Reexamination of the '734 Patent, and the Patent Office Detailed Action October 26, 2005 for the Reexamination of the '573 Patent.

11. The following discussions present the results of my review of the Gallagher, Akashi, Eggers, Thomas, Chace, Ohta, and Freeny references in the context described above. This discussion also draws upon my general knowledge, information and belief as an expert in music engineering, digital audio and studio production.

EVALUATION OF THE REFERENCES

12. I have reviewed the reference referred to as Akashi. In Akashi, there is disclosed an automated sales system for music on record albums. Akashi teaches a recording reproducing apparatus with a built-in computer communication means connected by a telephone line to a host computer storing data representing music on record albums and other information on the record albums such as the composers, list of music stores, musicians and the like. The data representing the music on record albums is sent from the host computer to the recording reproducing apparatus when the host computer is accessed by the recording reproducing apparatus. See paragraph 4 of Akashi. The recording reproducing apparatus may be either a digital audio tape recorder or a compact disk deck that employs a write-once, read-many recordable optical disk that allows data to be read immediately after the data is written. See paragraph 6 of Akashi.

13. On reviewing Akashi, I find that Akashi reveals no means or method whatsoever of effecting payment. Further, I find that Akashi does not discuss any method or structure for playback of the downloaded music. Akashi also does not teach or suggest a hard disk used by the purchaser to store the digital signals. Akashi further does not teach or suggest digital video signals.

14. Akashi is an inexpensive digital audio tape recorder or compact disk device that has the ability to communicate with a host computer to download music from the host computer onto an audio tape or an optical disk. It is further apparent from the disclosure of Akashi that once the music is stored on the tape or the optical disk, the tape or optical disk is then removed and carried away by the purchaser to be listened to on a completely distinct playback device separate and remote from the tape recorder or compact disk device.

15. I have reviewed the reference referred to as Freeny. Freeny discloses sale of a material object, purchasable at a point-of-sale location. This is contrary to the teaching of Akashi, which discloses sending data representing music on record albums from a host computer to a recording reproducing apparatus when the host computer is accessed by the recording reproducing apparatus.

16. Freeny contains no disclosure that would lead one to believe that its method of credit card payment would be applicable to any other system than the one disclosed in Freeny. The system disclosed by Freeny simply requires obtaining a credit card authorization from a remote location. Once the authorization is obtained, all copying of audio and video is from information stored locally at the point of sale.

17. I have reviewed the reference referred to as Gallagher. Gallagher discloses a recorded data transfer system. The system taught by Gallagher comprises a data base, user units and a source unit. The data is transferred from the source unit to the data base where it is processed for storage in library form whereby selected data can be transmitted to any user and/or source unit in national or foreign territories. See column 1, lines 39-43 of Gallagher. The source unit could belong to a recording artist, the main unit to a major record company and user units to the general public. The artist would transfer the master mix to the record company who would store it, having processed it if necessary, and recall it, when necessary for sale to the general public via their user units. See lines 39-50 of page 1 of Gallagher.

18. Gallagher teaches the user unit comprises a parallel receiver/transmitter 30, a serial/parallel and parallel/serial converter 31, a storage medium 32 such as videotape or optical disk, a decoder 33 and suitable conversion apparatus 34 for audio and/or visual reproduction, means for storing/recalling and/or processing data received from the data banks. See lines 19-23 and 87-92 of page 1 of Gallagher. A playback apparatus is also taught to be part of the user unit. See the abstract of Gallagher.

19. Similar to Akashi, Gallagher does not teach a hard disk associated with the user unit, digital video signals, any way of effecting payment, or an integrated circuit with the user unit. Gallagher also does not teach a video display.

20. Gallagher is a data transfer system with a simple inexpensive user unit that can receive encrypted recorded music and store it on a videotape or optical disk. The user unit can then listen to the music that has been downloaded from the data base with means

for storing/recalling the received data of a playback apparatus, but because of the concerns regarding piracy which dictate the encryption of the music, the user unit may only receive the recorded material.

21. In order to combine the teachings of Gallagher with Akashi would dictate a wholesale conversion and redesign of the recording reproducing apparatus of Akashi to a single unit recording reproducing apparatus and audio playback device as taught by Gallagher. It requires that Akashi be somehow or other redesigned to include audio playback components. This would not be obvious to one skilled in the art.

22. This encryption teaching also dictates the further teaching in the context of Gallagher that the user unit may only receive recorded material, (page 1, lines 95 and 96 of Gallagher- in contrast the source unit and the database can both also send recorded material) and for the teaching of eliminating the possibility of material being used to be borrowed or copied (page 1, lines 98 and 99 of Gallagher). The teaching of encryption and the specific teachings to eliminate material being borrowed or copied, completely precludes the commercial operability of the recording reproducing apparatus of Akashi if the teachings of Gallagher were applied to Akashi. This is because Akashi does not teach or suggest the playback to occur in the recording reproducing apparatus itself, but the optical disk or the tape be carried away from the recording reproducing apparatus and played somewhere else. For the optical disk or the tape to be carried away from the recording reproducing apparatus, as found in Akashi, directly conflicts with the teachings of Gallagher that the user unit may only receive information and play it at the user unit, and that the possibility of the received material being usefully borrowed or copied is eliminated. Carrying the optical disk or tape away from the recording reproducing

apparatus to be played someplace else means that the tape or disk can be copied or is being borrowed and that the received information is not just being received and played at the user unit. Thus, the teachings of Gallagher cannot be combined with the teachings of Akashi because the recording reproducing apparatus taught by Akashi would be commercially unusable since the purchaser could then not carry the tape or optical disk away from the recording reproducing apparatus and play it someplace else so it could be listened to.

23. Similar to my analysis of Akashi, there is no indication in either of Gallagher or Freeny that the credit card payment method of Freeny would be applicable to the system of Gallagher.

24. There is no teaching or suggestion in Akashi, Freeny or Gallagher to combine their teachings. Akashi and Gallagher both teach specifically designed simple devices for their respective purpose. Nowhere does Akashi teach or suggest the need, or the desire to be modified to include playback capabilities. In fact, this would add substantial relative cost to the device taught by Akashi which would be a deterrent to add or redesign the recording reproducing apparatus taught by Akashi. Similarly, there is no teaching or suggestion anywhere in Gallagher that the user units be simply a receiver. To redesign the recording reproducing apparatus of Akashi into a player would also be contrary to the operation of the apparatus taught by Akashi, which is to take the audio tape or optical disk to a separate device for playback. Also, as noted above, the acquisition of audio information from a separate remote database in Akashi and Gallagher is fundamentally different from the copying of information stored at a point of sale location as in Freeny. There is no indication that the credit card payment method in Freeny could be modified to work with either Akashi or Gallagher.

25. I have reviewed the reference referred to as Chace. Chace discloses an automated stereo synthesizer for audiovisual programs. Chace teaches a method and apparatus for converting the monaural audio tracks of audiovisual programs into surround stereo signal which are mono-compatible and storable and which are synchronized with the video portion of the program. See column 1, lines 5-12. Chace teaches a conventional television monitor 12 receives the video signals from a VCR 10 and displays the video program on the monitor display screen. A video time code is also displayed in a code display region 14 of the monitor's screen. The working cassette is played by the VCR 10 in order to program the sound cues. The sound cues are a series of commands which are selected and programmed into a system computer 16 by an operator who watches the video program being displayed on the monitor 12. These sound cues are used during a play back mode of operation to alter the signals which are produced by a monaural sound track and thus create stereo sound signals. See column 5, lines 50-69.

26. Chace teaches a system that does not address distribution of audio and/or video information as in Akashi, Freeny and Gallagher. There is no teaching or suggestion whatsoever regarding the transfer of audio or video digital signals between a first party and a second party. The architecture that is involved with the method and apparatus taught by Chace is basically a television, a VCR connected to the television and a computer 16 for programming the sound cues. It is therefore apparent that Chace has nothing at all to do with the systems disclosed by Akashi, Freeny and Gallagher.

27. There is no reason to combine the teachings of Chace with the teachings of the other references for the reason stated above. Further, neither Akashi nor Freeny teach or suggest playback of the recording produced. Thus, Akashi and Freeny not only do

not teach or suggest combining their teachings with Chace, but have no need or desire for being able to play stereo from a monaural sound track.

28. I have reviewed the reference referred to as Eggers. Eggers discloses a system for random access to an audio/video data library with independent selection and display at each of a plurality of remote locations. Eggers teaches a modified vendor model. A second party is given the privilege of using the audio/video data library when the second party views or listens to the video or audio data in the hotel room or in the hospital room in which the second party resides.

29. Eggers teaches there is a need for selective access to pre-recorded audio-video data from a common library in which selection and display may be at any of a plurality of remote locations for providing information and entertainment to occupants of hotels, hospitals, and the like. See column 1, lines 35-42. Eggers teaches that in a hotel that devices such as message monitors 7 may inform room service that a guest has placed a food order. See column 4, lines 51 and 52.

30. Eggers teaches that the common library of audio and video titles is stored as a collection of video tape cartridges. See abstract and column 3, line 38. The collection is accessed using a mechanical retrieval filer that transports the discrete tape cartridges to playback devices. See column 3, lines 36-40. The audio and video information itself is not distributed remotely or stored remotely. Further, Eggers does not discuss the production of copies of the audio or video information. In both of these respects, Eggers is in contrast to Akashi and Gallagher which distribute copies audio information from a remote location.

Eggers is also contrary to Freeny, which leaves a purchaser in possession of a material object embodying the audio and/or video information.

31. On reviewing Eggers, it is apparent that its primary purpose is to provide access to a library of recorded audio or video information, which can be accesses for viewing, but not copying. There is no indication in Eggers of the desirability of allowing a user to produce a copy of the audio or video information. In contrast, the main purpose of Akashi, Freeny and Gallagher is to allow a user to make a copy of desired audio and/or video information.

32. I have reviewed the reference referred to as Thomas. Thomas discloses a method, apparatus and a system for recognizing broadcast segments. Thomas teaches that the method, apparatus and system relate to the automatic recognition of broadcast segments, particularly commercial advertisements broadcast by television stations. Thomas teaches that it is an object to provide an automated method, apparatus and system for logging commercial broadcast data which does not rely for recognition on the insertion of special codes or run cues occurring in the signal. Real time continuous pattern recognition of broadcast segment is accomplished by constructing a digital signature from a known specimen of a segment which is to be recognized. See column 1, lines 6-9 and 27-43.

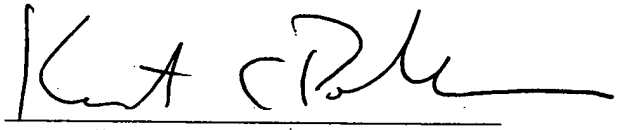
33. Thomas uses a workstation to construct a digital signal from a known specimen of a segment which is to be recognized, which is the key to achieving the object of the method, apparatus and system taught by Thomas. Thomas is totally silent in regard

to the commercial distribution of audio or video information. The disclosure of Thomas is simply unrelated to any of Akashi, Freeny, Gallagher, Eggers or Chace.

34. I have reviewed the reference referred to by the examiner as Ohta. Ohta, discloses a magnetic tape cartridge compatible with a disk drive and tape drive mechanism therefore. On reviewing Ohta, it is completely silent regarding the download of audio or video digital signals between a first party and a second party. Ohta is drawn solely to a particular design for a removable magnetic tape cartridge. There is no indication in Ohta that its teaching that some computers have hard drives would be particularly valuable to one having knowledge of any of Akashi, Freeny, Gallagher, Eggers, Thomas or Chace.

35. 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 in 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.

Dated: 12/23/2005

By: 

Kenneth C. Pohlmann

EXHIBIT A

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HIGHER EDUCATION

Master of Science in Electrical Engineering, 1976

University of Illinois in Urbana-Champaign, Illinois

Bachelor of Science in Electrical Engineering, 1974

University of Illinois in Urbana-Champaign, Illinois

ACADEMIC EMPLOYMENT

Professor of Music (tenured), University of Miami, School of Music, 1987 -

Director of Music Engineering, University of Miami, School of Music, 1983 -

Department Chairman, Music Media and Industry, University of Miami, School of Music, 1993-1998

Assistant Director of Music Engineering, University of Miami,School of Music, 1977-83

PUBLICATIONS

BOOKS

Principles of Digital Audio, McGraw-Hill, Inc., 5th edition, March, 2005

Principles of Digital Audio, McGraw-Hill, Inc., 4th edition, 2002 (Chinese translation)

Principles of Digital Audio, McGraw-Hill, Inc., 4th edition, 2002 (Spanish translation)

Principles of Digital Audio, McGraw-Hill, Inc., 4th edition, 2000

Writing for New Media: The Essential Guide to Writing for Interactive Media, CD-ROMs, and the Web, John Wiley & Sons, Inc., 1998 (co-author)

Compact Disc Handbuch, International Thompson Publishing, 1994 (German translation)

The Compact Disc Handbook, A-R Editions, Inc., Oxford University Press, 1989, 2nd edition, 1992

Advanced Digital Audio, Howard W. Sams & Co., Inc., 1991 (editor, co-author)

Digitale Audio Principes, Registratie En Opslag, Kluwer Technische Boeken, 1988. (Dutch translation)

ARTICLES/PAPERS

"Audio Compression using Repetitive Structures," co-inventor, Patent application filed USPTO, February 3, 2005

"High Frequency Effects on Localization and Sound Perception in a Small Acoustic Space," presented to the Society of Automotive Engineers. 2002 (co-author)

"Compact Discs, SACD and DVD," Handbook for Sound Engineers, Focal Press,, 3rd edition, 2002

"Music Wars," Scientific American, November, 2000

"Compact Disk," McGraw-Hill Encyclopedia of Science & Technology, 9th edition, 2000

"Compact Disk," McGraw-Hill Yearbook of Science & Technology, 1999

http://www.music.miami.edu, 1995 (co-author)

"Digital Audio Technology," National Association of Broadcasters Handbook, 8th Edition, 1992

"Compact Discs," Handbook for Sound Engineers, Howard W. Sams & Co., Inc., 2nd edition, 1991

"Residue Method for the Objective Evaluation of Digital Program

Degradation," AES Convention, October, 1991 (co-author)

"The Compact Disc," NARAS Journal, 1990

"Compact Disc Recording Technologies: State of the Art," The CD-ROM Yearbook, 1989

"Preface and Conference Opening Remarks," Proceedings of the AES 7th International Conference - Audio in Digital Times, May 14-17, 1989

"The Compact Disc Formats: Technology and Applications," Journal of the Audio Engineering Society, April, 1988

"Technical Overview of the CD-I Format," The Proceedings of the AES 5th International Conference, May 1-3, 1987

OTHER PUBLICATIONS

Author of more than 2,200 published articles for periodicals including:

Audio, Billboard, Car Stereo Review, dB, Digital Audio and Compact Disc

Review, Digital Recording Report, Electronics Australia, IEEE Spectrum,

Journal of the Audio Engineering Society, Laserdisk Professional, Mix,

Mobile Entertainment, PC Magazine, Scientific American, Sound and Image, Sound and Vision, Spektrum der Wissenschaft, Stereo Review, and Video Magazine, World Book Encyclopedia

Editorial responsibilities include:

Contributing technical editor, regular columnist for Sound and Vision Magazine

Contributing technical editor, regular columnist for Mobile Entertainment Magazine

ENGINEERING EXPERIENCE

Vice President, Infotainment Ltd., 1991-95

Vice President, U.S. Digital Disc Corporation, 1986-88

Independent audio engineering consultant, 1983 -

partial client list: Alpine Electronics, Analog Devices, Blockbuster Entertainment, DaimlerChrysler, Eclipse, Ford Motor Company, Fujitsu Ten, Harman International, Hughes Electronics, Hyundai Motors, IBM, Kia Motors, Lexus Division, Lucent Technologies, Microsoft Corporation, Mitsubishi Electronics, Motorola, Onkyo, Philips, RealNetworks, Samsung, Sensormatic, Sony Classical, Sony Corporation, TDK, Time Warner, Toyota Motors, United Technologies, Urocket

Research and development engineer, International Business

Information Systems, Inc., Miami, 1980-83

Research and development engineer, Microcomputer Arts, Inc., Miami, 1979-81

Chief Audio Engineer, Greater Miami Opera, 1979-89

Circuit designer, Sal Mar Construction, Urbana, 1976-78

Design engineer, minicomputer music system, Master's thesis project,

Experimental Music Studios, University of Illinois, Urbana, 1974-76

TEACHING EXPERIENCE

Founded Bachelor of Science degree in Electrical Engineering with Audio Emphasis, 1992

Founded Master of Science degree in Music Engineering, 1986

Master of Science Research Project Thesis Advisor 1988 -

partial list: Kirk Lampert, Robert Dunn, Matt Fellers, Thomas Zudock, John Anthony, Ricardo Garcia, Ted Tanner, William Johnson, Marc Bavay, Frank Filipanits, Michael Ballman, Jayant Datta, Aurika Hays, Brent Karley, Glenn Josefiak, Timothy Onders, Luis Martinez, Ali Habashi, Eduardo Trama, Vishweshwara Rao, Jonathon Boley, Robert Burke, Chhabra Vaibhav.

Lecturer on audio topics for educational and corporate institutions, 1978 -

partial client list: Canadian Broadcasting Corporation, Conde Nast, Hogskolan I Lulea, Recording Industry Association of America, Times Mirror, Tweeter, Inc., U.S. Justice Department Anti-Trust Division, Yamaha Corporation.

Initiated new undergraduate and graduate courses in acoustics, digital audio, recording techniques, studio production, Internet audio 1977 -

BUSINESS EXPERIENCE

Co-Founder of Infotainment, Ltd., CD-I publishing company, New York, 1991 -

Consultant or Expert Witness on copyright, patent infringement and other issues, 1989 - partial client list: Arnold & Porter (Recording Industry Association of America); Baker & McKenzie (Microsoft); Christie Parker & Hale (Kawai); Cushman Darby & Cushman (MCA Discovision); Dewey Ballantine (Apple Computer), Fish & Richardson (Microsoft), Greenberg, Glusker, Fields, Claman, Machtinger & Kinsella (Pueblo Films); Darby & Darby (Nice Systems); Firmstone & Feil (K-Mart Australia); Fish & Neave (Time Warner et al); Herman Roof Borgognoni & Moore (Elk Industries); Hunton & Williams (Sonopress); Paul, Weiss, Rifkind, Wharton & Garrison (Time-Warner); Barnes & Thornburg (Sanyo Laser Products, Inc.); Young & Thompson (Nippon Columbia).

Co-Founder of U.S. Digital Disc Corporation, Compact Disc consulting,

New York, 1986-88

Director of Gusman Concert Hall recording services, University of Miami, 1980-82

Co-Founder and Vice President of International Business Information Systems, computer wholesalers, Miami, 1980-83

Co-Founder and Vice President of Microcomputer Arts, audio synthesis design and development, Miami, 1979-81

Independent consultant for acoustics, audio engineering, 1976 -

HONORS, GRANTS AND SERVICE

Member of the Board of Directors of the New World Symphony, 2000 -

Non-Board Member of the National Public Radio Distribution/Interconnection Committee, 2000 - 03

Audio Engineering Society Board of Governors Award, 1998

Co-Chairman, AES 14th International Conference, Internet Audio, 1997

Audio Engineering Society Vice President Eastern Region U.S and Canada, 1993

Audio Engineering Society Convention Papers Co-Chairman 1993

Phillip Frost Award for Excellence in Teaching and Scholarship 1991-92

Audio Engineering Society Fellowship Award 1991

Audio Engineering Society Board of Governors 1991

Chairman, AES 7th International Conference, Digital Audio, 1989

Audio Engineering Society Board of Governors Award 1989

Audio Engineering Society Convention Seminars Chairman 1985

Audio Engineering Society Convention Papers Chairman 1984

University of Miami Research Grant 1984

School of Music Most Meritorious Faculty Member 1983-84

University of Miami Honors Lecturer 1980

University of Miami Academic Computing Grant 1979

Thomas Organ Company Financial Fellowship 1976

Eta Kappa Nu Electrical Engineering Award 1974

James Scholar Award 1974

parameters of the patented invention, [rather] there must be a teaching or suggestion within the prior art, within the nature of the problem to be solved, or within the general knowledge of a person of ordinary skill in the field of the invention, to look to particular sources, to select particular elements, and to combine them as combined by the inventor." Crown Operations, 289 F.3d at 1376. What the prior art teaches and whether it teaches away from the claimed invention are questions of fact. In re Bell, 991 F.2d 781, 784 (Fed. Cir. 1993).

At the summary judgment stage, the party claiming obviousness must come forward with clear and convincing evidence to satisfy the first three prongs of the test set out in Graham, i.e., (1) the scope and content of the prior art, (2) differences between the prior art and the allegedly infringed claims, and (3) the level of ordinary skill in the pertinent art. Id., 383 U.S. at 17; see also Winner Int'l Royalty Corp. v. Wang, 202 F.3d 1340, 1350 (Fed. Cir. 2000). If the defendant satisfies the *prima facie* showing of obviousness, the burden shifts to the patent owner to come forward with objective evidence demonstrating secondary considerations of non-obviousness, i.e., the fourth Graham factor. Winner Int'l, id.

2. Defendants' Examples of Prior Art Giving Rise to Obviousness:

Defendants argue that the Asserted Claims would have been obvious to a person of ordinary skill in the art because the subject matter of those claims consists "of an utterly conventional implementation of two technologies: the absolute basics of the download of digital audio and the absolute basics of electronic sales." (Defs.' Brief at 37.) They claim that "there are so many routes to demonstrating the

obviousness of the enabled Asserted Claims that it would be extremely redundant to go through a detailed analysis for all prior art references." (Id. at 38.) They concentrate on four single references – Akashi and PAN (discussed above), a non-technical article published in 1986, and descriptions of technology developed in the mid-1980s by Compusonics Corporation. The arguments with regard to Akashi and PAN are parallel, i.e., that each discloses the identical subject matter as the Sightsound Patents and that any differences in implementation of particular functions between Akashi or PAN and the Sightsound Patents are so insignificant that someone with a working knowledge of Akashi or PAN would find everything in the Sightsound Patents to be obvious and would learn nothing new from reading them. (Id. at 39-41.) Rather than review the arguments with regard to Akashi and PAN in detail, I will concentrate on the other prior art references[24] which Defendants argue would have allowed one skilled in the art to find the Sightsound Patents obvious.

Defendants argue that the essence of the entire Hair invention is encapsulated in an interview with Jimmy Bowen, president of the Nashville Division of MCA Records, published in October 1986.[25] In that interview, Bowen stated:

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[24] Defendants also summarize two other instances of alleged prior art, specifically a company called Telephone Software Connection, founded in 1979, by which consumers could purchase and download software via telephone connections, and a patent issued in 1978 to Robin Elkins for an "Audio Storage and Distribution System" which allowed selection and transmission of digital signals over a telecommunications line. (Defs.' Brief at 11-12.) These are not used by Defendants as examples of prior art references in either the anticipation or obviousness arguments and thus I do not consider them herein.

[25] Plaintiff points out that the Bowen Article was considered by the Patent and Trademark Office during prosecution of the '440 Patent. (Plf.'s Brief in Opp. at 19, n.12.) When the prior art was before the PTO examiner during prosecution, the burden of the party alleging invalidity is

> I see the time down the road, probably 10 years, when you'll be able to dial a series of numbers on your telephone and get a digital album over the phone line into your incoder [sic] in your home. In five minutes, you can have a new album. It's on your telephone bill or it's on your credit card or whatever.

(Exhibits to the Declaration of Michael I. Shamos, Docket No. 165, Exh. 1, "the Bowen Article.")

Defendants contend that this description by Bowen "includes all of the aspects of the asserted claims except for the copy prevention feature. . . . A straightforward and completely conventional implementation [of the method described in the Bowen Article] by one of ordinary skill in the art would yield the same invention that the Hair patents assert." (Defs.' Brief at 38.)

Defendants offer another indication of obviousness arising from the fact that by 1984, Compusonics Corporation had developed a system that incorporated all the necessary hardware components for transmission and downloading of digital audio signals over telecommunications lines between two computers for storage and playback. (Defs.' Brief at 41-42; see also Hayes Decl. Exh. 18.) Compusonics publicly demonstrated its system in 1985 and "expressly contemplated the application of their system to the sale and teledelivery of digital audio music into the consumer's home." (Hayes Decl. Exhs. 19-21; 35.) According to Defendants, the Compusonics system exactly corresponded to the claims of Sightsound Patents, and any differences in implementation between the two were "so trivial" that one of ordinary skill in the art who was familiar with the Compusonics system would find

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"especially difficult." Hewlett-Packard Co. v. Bausch & Lomb, 909 F.2d 1464, 1467 (Fed. Cir. 1990).

the Sightsound Patents obvious. (Defs.' Brief at 41-42.)

Finally, Defendants argue that someone familiar with the art of digital audio transmission in 1988 would also be familiar with the concept of copy prevention as applied to the arts of digital download and electronic sales. (Defs.' Brief at 43-44.) Therefore, any elements of copy protection derived from the Sightsound Patents would have been obvious from prior art suggested by (1) a patent issued to Charles Freeny in 1985 ("the Freeny Patent"), (2) reports published in 1983 and 1986 ("the IRD Reports"); and (3) a patent issued to Martin Hellman in 1987. When the prior art of copy protection suggested by these references is combined with Akashi, PAN, Compusonics or Bowen, the invention claimed in the Sightsound Patents would have been obvious to a person of ordinary skill in the art in June 1988. (Id. at 44.)

3. Plaintiff's Arguments in Opposition to the Obviousness Claims:

In response, Plaintiff makes three arguments. First, Sightsound argues that Defendants have not presented "a rigorous comparison" of the claims to the prior art references, but offer "little more than the unsupported accusation that Mr. Hair's claimed invention is so simple that it does not deserve a patent." (Plf.'s Brief in Opp. at 16-18.) Sightsound contends that summary judgment must be denied because Defendants have failed to establish the scope and content of the prior art, the level of ordinary skill in the art, and differences between the Hair invention and the prior art. Second, Defendants have also failed to show that there was "a suggestion or motivation to modify the prior art teaching to obtain the claimed invention." (Id. at 17, quoting Beckson Marine, *supra*, 292 F.3d at 727.) Particularly, with regard to

the copy protection elements, Plaintiff contends that it has presented evidence contradicting the contention that one skilled in the art would have combined the cited references to arrive at the Sightsound Patents and that references cannot be combined when a reference teaches away[16] from the combination. Finally, Plaintiff points out that Defendants have entirely omitted any discussion of secondary considerations of non-obviousness. (Plf.'s Brief in Opp. at 31-36.)

4. Analysis:

I agree with Plaintiff that there are questions of material fact with regard to the obviousness claims sufficient to preclude summary judgment. Although Defendants have outlined numerous ways in which they argue one or more of the prior art references would render the Sightsound Patents obvious, those arguments are rebutted by Plaintiff. I mention only a few examples.

a. **The Bowen Article:**

As Plaintiff's expert, Dr. Tygar, points out, the Bowen reference provides no indication of how dialing a series of numbers on a telephone in order to get a digital album via a telephone line into an "incoder" in the purchaser's home would actually be accomplished. (Tygar Rebuttal at 55.) He then lists six points which are not addressed in the Bowen Article and notes as well that nothing in this reference

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[16] "Teaching away" describes a situation in which a person of ordinary skill who read the reference would be discouraged from following the reference, would be led in a direction different from that taken by the patentee, or would believe that the result of following the reference's disclosure would not be likely to produce the result sought by the patentee. Furthermore, if combining references would produce a seemingly inoperative device, they teach away from their combination. Tec Air, Inc. v. Denso Mfg. Mich., Inc., 192 F.3d 1353,1360-61 (Fed. Cir. 1999) (internal quotations and citations omitted).

addresses in any way the electronic sales aspect of the Sightsound Patents. His conclusion is that because the Bowen Article not only fails to supply answers to the questions, but also fails to suggest any means by which the questions would be answered, nothing in this prior reference would make the Asserted Claims obvious. (Id. at 56.)

b. The Akashi Patent:

As discussed above, this prior art reference incorporates no means for electronic sale of the desired digital signals, playback capacity, integrated speakers, or copy protection. There is also, at a minimum, a question of fact whether it teaches removable media or hard disk storage of the downloaded signals. (Plf.'s Brief in Opp. at 32.)

c. PAN:

As Dr. Tygar points out, one skilled in the art would not be motivated to augment the PAN system with a means to prevent unauthorized reproduction of the downloaded signals because the purpose of PAN was to provide "access to a free and unrestrained exchange of information." (Tygar Rebuttal at 78.) When coupled with the fact that the PAN system provided only incidentally for the electronic sale of digital signals (as discussed above), PAN thus teaches away from the Hair invention. (Plf.'s Brief in Opp. at 22;32.)

d. Compusonics:

Plaintiff points out that Dr. Moorer, one of Defendants' experts, admitted at his deposition that although developers of the Compusonics system "had the intent

and desire to offer music in the form of digital audio for pay," the system did not incorporate certain elements that would make obvious the Asserted Claims regarding electronic sales using the control units of the buyer's and seller's computers. That is, Dr. Moorer admitted that the Compusonics system was not configured to accept credit card information and transmit it to the seller's mainframe as a preliminary step to downloading the signals. (Plf.'s Brief in Opp. at 23, citing Moorer Depo. at 146-149.) Moreover, the Compusonics system could be expected to teach away from integrating a means of copy protection since its entire purpose was to allow the consumer to edit the signals he received.

e. **The IRD Reports:**

These reports, published by International Resource Development between 1982 and 1986, addressed such topics as downloading and teledelivery of music, video and software over telecommunications lines, generally on a pay-per-use basis. At least two IRD Reports, numbers 588 and 684, discuss the problem of illegal copying. (Defs.' Brief at 12-13.) Plaintiff's expert offers numerous reasons why none of the IRD Reports renders the Sightsound Patents obvious. (Tygar Rebuttal at 61-67.) For example, IRD 684 is silent regarding the fee aspect of downloading digital music files. While IRD 588 discusses the problem of illegal copying of music, there is no corresponding discussion of potential or actual solutions, and it concentrates on legal rather than technological means to prevent such copying. IRD 510 describes a music service similar to current cable television services with some pre-programmed channels and others available on a pay-per-view basis, a system which

is entirely inconsistent with the Hair invention. On the other hand, Dr. Tygar considered IRD 684 valuable because it reflects the perception among those skilled in the art that the companies which dominated the music distribution business in 1986 had no incentive to support teledelivery systems of digital music and were in fact actively refusing to cooperate with companies which attempted to do so. (Tygar Rebuttal at 62-63.) In his opinion, "IRD 684 makes it clear that one of ordinary skill in the art in 1986 would not be encouraged to develop music teledelivery systems and might very well be led away from that goal." (Id. at 63.)

f. The Freeny Patent:

Charles Freeny, Jr., received a patent in July 1985 for a "System for Reproducing Information in Material Objects at a Point of Sale Location." (Hayes Decl. Exh. 22, U.S. Patent No. 4,528,643.) Briefly stated, the Freeny Patent describes a "point-of-sale kiosk" that delivers information on demand. A consumer selects the desired information from a catalog, enters a computer code, and, when the sale is approved, the part of the kiosk known as the information manufacturing machine ("IMM") copies the information onto a "material object," i.e., a portable medium which is delivered to the consumer. (Tygar Rebuttal at 73-76; Defs.' Brief at 10.) In Dr. Tygar's opinion, the Freeny Patent teaches away from the Hair invention, primarily because the device to which the information is downloaded is not the device on which the consumer plays back the recording, an element which is critical to the Asserted Claims of the Sightsound Patents. Dr. Tygar also concluded from the Freeny Patent that the "point of sale kiosk" was located in a public place such as a

store, where the consumer would not have "possession and control" over the device, as required by the Hair Invention. (Tygar Rebuttal at 75-76.)

Defendants correctly point out that in Interactive Gift Express, Inc. v. Compuserve, Inc., 256 F.3d 1323, 1334 (Fed. Cir. 2001), the Court construed "point of sale kiosk" to include a location in a consumer's home, contrary to Dr. Tygar's conclusion that it was limited to a business location. However, the Court in Interactive Gift Express affirmed the lower court's construction of the term "material object" in the Freeny Patent to be (a) separate and distinct from the IMM, (b) removed from the IMM after purchase, and (c) intended for use away from the point-of-sale location. Id. at 1336. The Federal Circuit Court stated, "These three conditions. . . are fundamental to the meaning of a material object as clearly and consistently specified in the patent description." Id. at 1337. The Court explicitly noted that the "material object" on which the information is recorded "does not encompass the hard disk component of a home personal computer" and the material object "must be offered for sale, and be purchasable, at [the] point of sale location[ ]." Id. at 1338. Since one using the Hair Invention purchases only the signals, not the material object on which they are stored, and since the Sightsound Patents specifically reference the consumer's system as incorporating a hard disk, the Freeny Patent, as construed by the Federal Circuit Court in Interactive Gift Express, arguably teaches away from the Hair Invention in at least two ways. (See, e.g., Claims 13 and 14 of the '440 Patent as discussed in the Magistrate's Report at 65.)

g. The Hellman Patent:

This patent was issued in April 1987 and describes a "software distribution system." (Hayes Decl. Exh. 24, U.S. Patent No. 4,658,093, "the Hellman Patent.") The patent description concentrates on a mechanical means of preventing unauthorized copying. That is, the digital signal downloaded to the customer is never encrypted, per se; instead, the consumer must purchase a specially manufactured base unit which has a built-in decoder key. (Hellman Patent, col. 4, lines 37-63.) In order to playback the software, music or movie the consumer has purchased and downloaded, he initiates another contact to the seller who sends a signal to "unlock" the playback mechanism. In this sense, the Hellman Patent envisions a system more like "pay per view" television in that the copyright holder controls playback, not the consumer. (Defs.' Brief at 12.) As Dr. Tygar points out, the need for a special base unit (as compared to a personal computer) and the lack of control by the consumer both teach away from the Hair invention. (Tygar Rebuttal at 79.)

In sum, Dr. Tygar offers precise reasons why the prior art referenced by Defendants both fails to disclose the elements of the Sightsound Patents and fails to render the Asserted Claims obvious. Some prior art – for instance, the IRD Reports and the Hellman Patent – actually teach away from the Sightsound Patents and would thus discourage one skilled in the art in 1988 from attempting to develop a system or methodology comparable to the Hair invention.

There is another question to be considered, however, and that is whether one skilled in the art would be motivated to combine the teachings of Akashi, PAN, Compusonics and/or other prior art to arrive at the Hair invention. The Federal

Circuit has stated:

> Evidence of a suggestion, teaching, or motivation to combine prior art references may flow, inter alia, from the references themselves, the knowledge of one of ordinary skill in the art, or from the nature of the problem to be solved. Although a reference need not expressly teach that the disclosure contained therein should be combined with another, the showing of combinability, in whatever form, must nevertheless be clear and particular.

Winner Int'l, 202 F.3d at 1348-49 (citations omitted).

As noted above, the purpose of the "motivation to combine" requirement is to prevent the use of hindsight based on the invention to defeat its patentability. "In other words, the [party opposing the patent] must show reasons that the skilled artisan, confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed." In re Rouffet, 149 F.3d 1350, 1357 (Fed. Cir. 1998).

Dr. Tygar has offered his views as to why none of the prior art references, read in combination with other prior art, would render the Asserted Claims obvious. Moreover, he has put forth several arguments to support the conclusion that some prior art references actually teach away from certain Sightsound elements such as copy protection or a single unit to control all aspects of the consumer's use of the invention. (See, e.g., Tygar Rebuttal at 54-55 (Bowen Article); 64, 66, 67 (IRD Reports); 75-76 (Freeny Patent); 76-78 (Akashi Patent); 78 (PAN); 78 (Compusonics); and 79 (Hellman).) These reasons are sufficiently cogent and well-reasoned that a factfinder could conclude the Sightsound Patents were not obvious.

Furthermore, I find that summary judgment must be denied because there are underlying unresolved questions of fact with regard to evidence of secondary considerations of non-obviousness. Secondary considerations can "provide objective evidence of how the patented device is viewed in the marketplace, by those directly interested in the product." Demaco Corp. v. F. Von Langsdorff Licensing Ltd., 851 F.2d 1387, 1391 (Fed. Cir. 1988). Secondary considerations include (1) long-felt but unsolved need; (2) commercial success of the invention; (3) failed efforts of others; (4) copying by others; (5) praise for the invention; (7) unexpected results; (8) disbelief of experts; (9) general skepticism of those in the art; (10) commercial acquiescence; and (11) simultaneous development. See Nat'l Steel Car, Ltd. v. Canadian Pac. Ry. Co., 254 F. Supp.2d 527, 570 (E.D. Pa. 2003), and cases cited therein. "Evidence of secondary considerations may often be the most probative and cogent evidence in the record. It may often establish that an invention appearing to have been obvious in light of the prior art was not. It is to be considered as part of all the evidence, not just when the decisionmaker remains in doubt after reviewing the art." Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530, 1538-39 (Fed. Cir. 1983). However, "there must be a nexus between the claimed invention and the secondary considerations before the evidence is relevant to the question of obviousness." Nat'l Steel Car, Id., citing SIBIA Neurosciences, 225 F.3d at 1358-59.

Plaintiff has presented evidence showing that not later than 1987, Compusonics had abandoned its efforts to commercialize the music downloading

industry[27] and, in fact, Dr. Tygar opined that none of the systems incorporating prior art survived as a consumer oriented mass market distribution system for digital music distribution. (Tygar Rebuttal at 80.) As he also noted, the IRD Reports reflected a general skepticism in 1986 for the viability of a teledelivery system for digital audio signals. At the same time, numerous articles dating from the 1990s show an ongoing interest in such services, establishing the fact that there was a long-felt need for the invention. (Plf.'s Exh. C, Rebuttal Report of Frederic R. Miller, "Miller Rebuttal," at 5.) We also know from the history of this case that while the '440 Patent application was still pending, Sightsound accused N2K of illegally copying technology covered by its earlier Patents.

On the other hand, Defendants essentially omit any discussion of secondary considerations from their Brief in Support of the Motion for Summary Judgment. In their Reply Brief, their argument on this point is limited to a conclusory statement: "Sightsound has not presented relevant evidence of secondary considerations because it failed to establish a nexus between the merits of the claimed invention and the evidence offered." (Defs.' Reply Brief at 6, citing Cable Electric Prods., Inc., v. Genmark, Inc., 770 F.2d 1015, 1027 (Fed. Cir. 1985);[28] Sjolund v Musland, 847 F.2d 1573 (Fed. Cir. 1988); Windsurfing Int'l Inc., *supra*.) I have reviewed

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[27] A former principal in Compusonics, David Schwartz, testified at his deposition that sometime in 1986 or 1987, his company "gave up on trying to commercialize" telerecording (which he defined as buying, selling and databasing music libraries for sale on demand.) (Plf.'s Exh. M, Deposition of David Schwartz, at 97.) He explained that record companies in the United States, Europe and Japan "were not receptive to the concept in any way, shape, or form." (Id. at 142.)

[28] Overruled on other grounds by Midwest Indus., Inc. v. Karavan Trailers, Inc., 175 F.3d 1356, 1358 (Fed. Cir. 1999).

the cited cases, despite not having a clear idea of how Defendants' single-sentence argument relates to them, and find that all three concentrate on commercial success, only one of many secondary considerations which may be offered by a patentee. See Cable Electric, id. at 1027, holding that for commercial success to have "true relevance" to the question of nonobviousness, that success must be shown to be due to the nature of the patented subject matter, rather than to economic and commercial factors unrelated to the technical quality of the patented subject matter; Sjolund, id. at 1582, concluding that evidence of commercial success was irrelevant because the aspect of the invention to which its success was attributed was not part of the claimed invention. Windsurfing Int'l, which also discusses commercial success, focuses on the weight a district court may properly give to secondary considerations, concluding that the weight should correlate to the objective evidence provided to support them. 782 F.2d at 1000.

Here, I have noted Plaintiff's arguments that at the time the Sightsound Patents were issued, there were numerous examples of secondary considerations: copying, skepticism on the part of those skilled in the art as to the viability of such a system, long-felt but unsatisfied needs, and unsuccessful attempts by others to solve the problem underlying the claimed invention. Given nothing substantive from Defendants in their Reply Brief to refute these claims, I accept them as presented by Plaintiff for purposes of deciding this summary judgment motion.

5. Conclusion

Conflicts in the evidence on factual issues are not to be resolved on summary

judgment, particularly where those conflicts arise from competing expert opinions, the resolution of which is a matter reserved to the jury. See Liberty Lobby, 477 U.S. 242 at 255 ("Credibility determinations, the weighing of the evidence, and the drawing of legitimate inferences from the facts are jury functions, not those of a judge, whether he is ruling on a motion for summary judgment or for a directed verdict.") Here, numerous disputed questions of fact exist, not the least of which are the teachings of prior art references, what one skilled in the art in 1988 would be motivated to combine, and the weight to be given to secondary considerations. As a result, Defendants' Motion for Summary Judgment is denied with regard to its argument that the Sightsound Patents are invalid due to obviousness.

D. Did Plaintiff Calculate Its Alleged Damages Using a Method Invalid as a Matter of Law?

Defendants argue that the methodology used by Sightsound for calculating its alleged damages against CDNow is invalid as a matter of law.[29] (Defs.' Motion at 1-2.) They seek partial summary judgment on the grounds that there is no factual or legal basis for calculating a "reasonable royalty" that includes a sixteen million dollar up-front royalty payment. (Id. at 2.)

The parties agree that Plaintiff's choice to calculate its damages from the alleged infringement is based on the acceptable theory of "reasonable royalty," one method by which compensatory damages may be measured. They further agree that a reasonable royalty is assumed to be that which would have resulted from a

[29] This argument does not apply to the alleged damages claimed against Defendant N2K.

CHART OF CLAIMS REJECTIONS
FOR REEXAMINATION 90/007,407

Claims Rejected	Akashi	Freeny	Gallagher	Ohta	Eggers	Thomas	Chace
1, 4, 5	X	X			X		X
6	X	X	X		X		X
7, 8	X	X	X	X	X		X
9, 10	X	X		X	X	X	X
11, 12, 19-21, 23, 24, 29-31, 36, 39, 40, 42, 45, 46, 58-61	X	X			X		
13	X	X	X	X	X		
14-18	X	X		X	X	X	
25-27, 34, 50-57	X	X	X	X	X	X	
28, 35	X	X	X	X	X	X	X
32-33	X	X	X		X	X	
47-48	X	X					
49	X	X	X	X			

"X" indicates that a reference was applied in rejecting a group of Claims.

01-30-2002

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(Rev. 03/01)
OMB NO. 0651-0027 (exp. 5/31/2002)
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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

SightSound Technologies, Inc.

10-24-01

Additional name(s) of conveying party(ies) attached? ☐ Yes ☑ No

2. Name and address of receiving party(ies)

Name: Kenyon & Kenyon

Internal Address:

Street Address: One Broadway

City: New York State: N.Y.. Zip: 10004

Additional name(s) & address(es) attached? ☑ Yes ☐ No

3. Nature of conveyance:

☐ Assignment ☐ Merger

☐ Security Agreement ☐ Change of Name

☑ Other Notice of Grant of Security Interest

Execution Date: October 1, 2001

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s) 09/286,892
09/469,802 09/256,432 09/706,048
09/710,380

B. Patent No.(s) 5,191,573 5,675,734
5,966,440 6,014,491

Additional numbers attached? ☐ Yes ☑ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Deborah Hartnett, Esq.

Internal Address: Paul, Weiss, Rifkind, Wharton & Garrison

Street Address: 1285 Avenue of the Americas

City: New York State: NY Zip: 10019

6. Total number of applications and patents involved: 9

7. Total fee (37 CFR 3.41) $ 360.00

☑ Enclosed

☐ Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

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9. Statement and signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Minter Krotzer — Name of Person Signing

[signature] — Signature

10/24/01 — Date

Total number of pages including cover sheet, attachments, and documents: 6

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

Doc#: NY6: 61198.1

Additional Receiving Parties

1. Ansel M. Schwartz
One Sterling Plaza
201 N. Craig Street, Suite 304
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2. Waterview Partners, LLP
152 West 57th Street, 46th Floor
New York, NY 10019

3. D&DF Waterview Partners, L.P.
152 West 57th Street, 46th Floor
New York, NY 10019

NOTICE OF GRANT OF SECURITY INTEREST IN PATENTS (the "Notice"), dated as of October 1, 2001, made by SIGHTSOUND TECHNOLOGIES, INC., a Delaware corporation ("Pledgor"), in favor of KENYON & KENYON ("KK"), Ansel M. Schwartz ("Schwartz"), Waterview Partners, LLP ("WPL") and D&DF Waterview Partners, L.P. ("DWPL"), (each, a "Secured Parties" and collectively, the "Secured Parties").

WHEREAS, Pledgor is the owner of certain patents and patent applications as set forth in Schedule 1 attached hereto (collectively, the "Patents"); and

WHEREAS, pursuant to the Security Agreement, dated as of the date hereof, between Pledgor and Secured Parties (the "Security Agreement"), Pledgor granted to Secured Parties a security interest in, and lien on, certain intellectual property of Pledgor, including (a) all letters patent of the United States or any other country and all reissues and extensions thereof, including, without limitation, the Patents, and the inventions and improvements described and claimed therein, if any, and patentable inventions, (b) the reissues, divisions, continuations, renewals, extensions, reexaminations and continuations-in-part of any of the foregoing, (c) all applications for any of the foregoing in the United States or any other country and (d) all agreements, whether written or oral, providing for the grant by or to Pledgor of any right to manufacture, use or sell any invention covered by a Patent, including, without limitation, any thereof referred to in Schedule 1 ("Patent Licenses"), in each case, now owned or hereafter acquired or in which Pledgor now has or at any time in the future may acquire any right, title or interest (collectively, the "Patent Collateral").

WHEREAS, pursuant to the Security Agreement, Pledgor agreed to execute and deliver to Secured Parties this Notice for purposes of filing the same with the United States Patent and Trademark Office (the "PTO") to confirm, evidence and perfect the security interest in the Patent Collateral granted pursuant to the Security Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions of the Security Agreement (as the same may be from time to time amended, restated or supplemented), the terms of which are incorporated by reference herein, Pledgor hereby grants to Secured Parties a security interest in, and lien, on the Patent Collateral.

Pledgor hereby acknowledges the sufficiency and completeness of this Notice to create the security interest in the Patent Collateral and to grant the same to Secured Parties, and Pledgor hereby requests the PTO to file and record the same together with the annexed Schedule 1.

Pledgor and Secured Parties hereby acknowledge and agree that the security interest in the Patent Collateral may only be terminated, and Secured Parties

rights as secured parties may only be exercised, in accordance with the terms of the Security Agreement.

IN WITNESS WHEREOF, the undersigned has caused this Notice to be duly executed and delivered as of the date first above written.

SIGHTSOUND TECHNOLOGIES, INC.

By: _____

Name: SCOTT C. SANDER

Title: PRESIDENT & CEO

Doc#: NY6: 44648.1

STATE OF Pennsylvania
: ss.:
COUNTY OF Allegheny)

On the 15 day of October, 2001, before me the undersigned, personally appeared Scott C. Sander, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Eleanor A Carpenter
Notary Public

Notarial Seal
Eleanor A. Carpenter, Notary Public
Mt. Lebanon Twp., Allegheny County
My Commission Expires May 2, 2005
Member, Pennsylvania Association of Notaries

Doc#: NY6: 44648.1

Patents

A. Issued Patents

Description	Patent No.
Title: Method for Transmitting a Desired Digital Video or Audio Signal	5,191,573
Title: System for Transmitting Desired Digital Video or Audio Signals	5,675,734
Title: System and Method for Transmitting Desired Digital Video or Audio Signals	5,966,440
Title: Method and System for Manipulation of Audio or Video Signals	6,014,491

B. Patent Applications

Patent No.	Application No.
	09/286,892
	09/469,802
	09/256,432
	09/706,048
	09/710,380

Patent Licenses

There was a license with Henry R. Moore, an individual doing business as Moore Multimedia Publishing, dated March 25, 1999. Under the terms of the license, it has expired. However, Mr. Moore and SightSound have expressed an interest in renewing the license.

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(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)

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RECORD SHEET

05-16-2000

101357242

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

To the Honorable Commissioner of Patents ar. riginal documents or copy thereof.

1. Name of conveying party(ies): MLD 53.00
Parsec Sight/Sound, Inc.

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

2. Name and address of receiving party(ies)

Name: SightSound.com Incorporated

Internal Address:

Street Address: 733 Washington Road,
Suite 400

City: Mt. Lebanon State: PA ZIP: 15228

Additional name(s) & address(es) attached? ☐ Yes ☒ No

3. Nature of conveyance:

☐ Assignment ☐ Merger
☐ Security Agreement ☒ Change of Name
☐ Other

Execution Date:

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

08/023,398 09/469,802
09/286,892 09/256,432

B. Patent No.(s)

5,191,573 5,966,440
5,675,734 6,014,491

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Ansel M. Schwartz

Internal Address:

Street Address: One Sterling Plaza,
201 N. Craig Street, Suite 304

City: Pittsburgh State: PA ZIP: 15213

6. Total number of applications and patents involved: 8

7. Total fee (37 CFR 3.41).....$ 320.00

☒ Enclosed

☐ Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

05/16/2000 DNGUYEN 00000054 08023398
01 FC:581 320.00 OP

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9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Ansel M. Schwartz — Name of Person Signing

Signature

4/28/00 — Date

Total number of pages including cover sheet, attachments, and document: 18

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

CHANGE OF NAME IN RECORDED ASSIGNMENTS

1. Particulars of assignments

A list of assignments recorded against patent applications and/or patents is set forth on the attached page.

2. Old name of assignee

The old name for the assignee as shown for the assignments on the attached page is:

Parsec Sight/Sound, Inc.

(type or print old name of Assignee)

3. New name of assignee

The new name of the assignee is

SightSound.com Incorporated

(type or print new name of Assignee)

4. Proof of name change

Proof of assignee's change of name is established by the attached

☒ certificate of the Secretary of State of Pennsylvania, showing the name change. *(type name of state)*

☐ certificate of name change from: _____. *(type or print name of authority)*

(check, if applicable)

☐ Because the certificate or the certified copy of the name change is not in the English language, it is accompanied by a verified translation signed by the translator.

5. Change of address for patent maintenance fees

(complete, if applicable)

☐ A change of address to which correspondence is to be sent regarding patent maintenance fees for each patent listed is being sent separately.

COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF STATE

APRIL 26, 2000

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

SIGHTSOUND.COM INCORPORATED

I, Kim Pizzingrilli, Secretary of the Commonwealth of Pennsylvania do hereby certify that the foregoing and annexed is a true and correct photocopy of Articles of Incorporation and all Amendments

which appear of record in this department

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed, the day and year above written.

Kim Pizzingrilli

Secretary of the Commonwealth

JSOW

198:198166

Microfilm Number_______

Entity Number 2449623

Filed with the Department of State on AUG 01 1995

Secretary of the Commonwealth

ARTICLES OF INCORPORATION-FOR PROFIT

DSCB:15-1306/2102/2303/2702/2903/7102A (Rev 90)

Indicate type of domestic corporation (check one):

- X Business-stock (15 Pa.C.S. § 1306)
- ___ Management (15 Pa.C.S. § 2702)
- ___ Business-nonstock (15 Pa.C.S. § 2102)
- ___ Professional (15 Pa.C.S. § 2903)
- ___ Business-statutory close (15 Pa.C.S. § 2303)
- ___ Cooperative (15 Pa.C.S. § 7102A)

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations) the undersigned, desiring to incorporate a corporation for profit hereby state(s) that:

1. The name of the corporation is: Parsec Sight/Sound, Inc.

2. The (a) address of this corporation's initial registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

	Number and Street	City	State	Zipcode	County
(a)	1518 Allison Drive	Upper St. Clair	PA	15241	Allegheny

(b) c/o: N/A
Name of Commercial Registered Office Provider ___ County

For a corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

3. The corporation is incorporated under the provisions of the Business Corporation Law of 1988.

4. The aggregate number of shares authorized is: 100,000 (other provisions, if any, attach 8 1/2 x 11 sheet)

5. The name and address, including street and number, if any, of each incorporator is:

Name	Address
Joan E. Marshall	1300 Oliver Building Pittsburgh, PA 15222

AUG -1 95

PA Dept. of State

198:198166

6. The specified effective date, if any, is:

N/A
month day year hour, if any

7. Any additional provisions of the articles, if any, attach an 8 1/2 x 11 sheet.

8. **Statutory close corporation only:** Neither the corporation nor any shareholder shall make an offering of any of its shares of any class that would constitute a "Public Offering" within the meaning of the Securities Act of 1933 (15 U.S.C. § 77A et seq.).

9. **Cooperative corporations only:** (Complete and strike out inapplicable term) The common bond of membership among its members/shareholders is: N/A

IN TESTIMONY WHEREOCF, the incorporator has signed these Articles of Incorporation this 1st day of August, 1995.

John E. Marshall
John E. Marshall

162160A

Microfilm Number _____

Filed with the Department of State on APR 03 1996

Entity Number 2649623

Secretary of the Commonwealth

ARTICLES OF AMENDMENT-DOMESTIC BUSINESS CORPORATION
DSCB:15-1915 (Rev 90)

In compliance with the requirements of 15 Pa.C.S. § 1915 (relating to articles of amendment), the undersigned business corporation, desiring to amend its Articles, hereby states that:

1. The name of the corporation is: PARSEC SIGHT/SOUND, INC.

2. The address of this corporation's current (a) registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following address to conform to the records of the Department):

(a)	1618 Allison Drive	Upper St. Clair	PA	15241	Allegheny
	Number and Street	City	State	Zip	County

(b) c/o: N/A
Name of Commercial Registered Office Provider County

For a corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

3. The statute by or under which it was incorporated is: Business Corporation Law of 1988, Act of December 21, 1988, P.L. 1444, as amended

4. The date of its incorporation is: August 1, 1995

5. (Check, and if appropriate complete, one of the following):

X The amendment shall be effective upon filing these Articles of Amendment in the Department of State.

____ The amendment shall be effective on: _____
Date
at _____
Hour

6. (Check one of the following):

X The amendment was adopted by the shareholders pursuant to 15 Pa.C.S. §1914(a) and (b).

APR-3 96

PA Dept. of State

162160A

____ The amendment was adopted by the board of directors pursuant to 15 Pa.C.S. §1914 (c).

7. (Check, and if appropriate complete, one of the following):

_X_ The amendment adopted by the corporation, set forth in full, is as follows:

Paragraph 4 of the Articles of Incorporation shall be amended to read as follows:

4. The aggregate number of shares authorized is 1,000,000, each share having a par value of .1¢ per share.

A new Paragraph 10 shall be added to the Articles of Incorporation which shall read as follows:

10. The shareholders of the Corporation shall not be entitled to cumulate their votes for the election of directors or for any other purpose.

____ The amendment adopted by the corporation is set forth in full in Exhibit A, attached hereto and made a part hereof.

8. (Check if the amendment restates the Articles):

____ The restated Articles of Incorporation supersede the original Articles and all amendments thereto.

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer thereof this 2ND day of APRIL, 1996.

/s/ Arthur R. Hair
Arthur R. Hair

PHONE#: 73331 9764-1192

Filed with the Department of State

Microfilm Number _____ on AUG 25 1997

Entity Number 2649623

Secretary of the Commonwealth

ARTICLES OF AMENDMENT-DOMESTIC BUSINESS CORPORATION
DSCB:15-1915 (Rev 90)

In compliance with the requirements of 15 Pa.C.S. § 1915 (relating to articles of amendment), the undersigned business corporation, desiring to amend its Articles, hereby states that:

1. The name of the corporation is: PARSEC SIGHT/SOUND, INC.

2. The address of this corporation's current (a) registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following address to conform to the records of the Department):

(a) 1518 Allison Drive (Number and Street) Upper St. Clair (City) PA (State) 15241 (Zip) Allegheny (County)

(b) c/o: N/A (Name of Commercial Registered Office Provider) (County)

For a corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

3. The statute by or under which it was incorporated is: Pennsylvania Business Corporation Law of 1988, Act of December 21, 1988, P.L. 1444, as amended

4. The date of its incorporation is: August 1, 1995

5. (Check, and if appropriate complete, one of the following):

X The amendment shall be effective upon filing these Articles of Amendment in the Department of State.

___ The amendment shall be effective on: _____ (Date) at _____ (Hour)

AUG 25 97
PA Dept. of State

SENT BY:C T SYSTEM/PITTSBURGH ; 8-25-97 ; 15:24 ;CT SYSTEM PITTSBURGH- CT HARRISBURG:# 3/15
PCDOCUS: 13333 9704-1195

6. **(Check one of the following):**

_X_ The amendment was adopted by the shareholders pursuant to 15 Pa.C.S. §1914(a) and (b).

___ The amendment was adopted by the board of directors pursuant to 15 Pa.C.S. §1914 (c).

7. **(Check, and if appropriate complete, one of the following):**

_X_ The amendment adopted by the corporation, set forth in full, is as follows:

Paragraph 4 of the Articles of Incorporation shall be amended to read as follows:

4. The aggregate number of shares authorized is 100,000,000, each share having a par value of .001¢

___ The amendment adopted by the corporation is set forth in full in Exhibit A, attached hereto and made a part hereof.

8. **(Check if the amendment restates the Articles):**

___ The restated Articles of Incorporation supersede the original Articles and all amendments thereto.

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer thereof this 15th day of August 1997.

PARSEC SIGHT/SOUND, INC.

BY: [signature]
Arthur R. Hair

TITLE: Authorized Officer

PCDOCS#: 96304

9808-947

Microfilm Number_____

Filed with the Department of State
on FEB 05 1998

Entity Number 2649623

Secretary of the Commonwealth

STATEMENT OF CHANGE OF REGISTERED OFFICE
DSCB:15-1507/4144/5507/6144/8506 (Rev 90)

Indicate type of entity (check one):

X **Domestic Business Corporation** (15 Pa.C.S. § 1507)

___ **Foreign Business Corporation** (15 Pa.C.S. § 4144)

___ **Domestic Nonprofit Corporation** (15 Pa.C.S. § 5507)

___ **Foreign Nonprofit Corporation** (15 Pa.C.S. § 6144)

___ **Domestic Limited Partnership** (15 Pa.C.S. § 8506)

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations) the undersigned corporation or limited partnership, desiring to effect a change of registered office, hereby states that:

1. The **name** of the corporation or limited partnership is: Parsec Sight/Sound, Inc.

2. The (a) **address** of this corporation's or limited partnership's current registered office in this Commonwealth or (b) **name** of its commercial registered office provider and the county of venue is: (the Department is hereby authorized to correct the following address to conform to the records of the Department):

(a) 1518 Allison Drive (Number and Street) | Upper St. Clair (City) | PA (State) | 15241 (Zip) | Allegheny (County)

(b) c/o: N/A (Name of Commercial Registered Office Provider) (County)

For a corporation or a limited partnership represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation or limited partnership is located for venue and official publication purposes.

3. **(Complete part (a) or (b))**:

PA DEPT. OF STATE

FEB 05 1998

PCDOCS#: 96304

(a) The **address** to which the registered office of the **corporation** or limited partnership in this Commonwealth is to be changed is:

733 Washington Road	Mt. Lebanon	PA	15228	Allegheny
Number and Street	City	State	Zip	County

(b) The registered office of the corporation or limited partnership shall be provided by:

c/o: N/A
Name of Commercial Registered Office Provider — County

For a corporation or a limited partnership represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation or limited partnership is located for venue and official publication purposes.

4. **(Strike out if a limited partnership):** Such change was authorized by the Board of Directors of the corporation.

IN TESTIMONY WHEREOF, the undersigned corporation or limited partnership has caused this statement to be signed by a duly authorized officer this 19th day of January, 1998.

Parsec Sight/Sound, Inc.

BY: _____
Arthur R. Hair, Chairman

PCDOCS# 139018

Filed with the Department of State

Microfilm Number _____ on _____

Entity Number 74-1996-23

ACTING Secretary of the Commonwealth

ARTICLES OF MERGER-DOMESTIC BUSINESS CORPORATION
DSCB:15-1926 (Rev 90)

In compliance with the requirements of 15 Pa.C.S. §1926 (relating to articles of merger or consolidation), the undersigned business corporations, desiring to effect a merger, hereby state that:

1. The name of the corporation surviving the merger is: Parsec Sight/Sound, Inc.

2. (Check and complete one of the following):

X The surviving corporation is a domestic business corporation and the (a) address of its current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following address to conform to the records of the Department):

(a) 733 Washington Road Mt. Lebanon PA 15228 Allegheny
Number and Street City State ZipCode County

(b) c/o: N/A
Name of Commercial Registered Office Provider County

For a corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

N/A The surviving corporation is a qualified foreign business corporation incorporated under the laws of, and the (a) address of its current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following address to conform to the records of the Department):

(a) N/A
Number and Street City State Zip County

PCDOCS#: 139856

4. Upon said merger becoming effective, each share of common capital stock of Digital shall be converted into one share of common capital stock of the Surviving Corporation. A Certificate for the appropriate number of shares of the common capital stock of the Surviving Corporation shall be delivered by the Surviving Corporation to each shareholder of Digital on or after the Effective Date, upon such shareholder's delivery to the Surviving Corporation of the certificates representing all of such shareholder's shares of common capital stock of Digital. The shares of common capital stock of the Surviving Corporation presently outstanding shall remain outstanding.

5. Each share of common capital stock of Digital outstanding prior to the Effective Date shall after the Effective Date represent only the right to receive one validly issued, fully paid and non-assessable share of common capital stock of the Surviving Corporation. As of the Effective Date, the equity interest of each shareholder of Digital as a shareholder of Digital shall be extinguished.

6. This Agreement and Plan of Merger shall be submitted to the shareholders of each of the Corporations for approval by unanimous written consent and agreement pursuant to and in accordance with §1924(a) of the Business Corporation Law of 1988.

7. At any time prior to the Effective Date, this Agreement and Plan of Merger may be terminated by the board of directors of either of the Corporations.

IN WITNESS WHEREOF, the parties hereto, with the intent to be legally bound hereby, have entered into this Agreement and Plan of Merger and have duly authorized their respective officers to execute the same in their respective corporate names, the day and year first above written.

PARSEC SIGHT/SOUND, INC.

By: _____
Scott C. Sander, President

DIGITAL SIGHT/SOUND, INC.

By: _____
Scott C. Sander, President

PCDOCS#: 138856

Exhibit "A"

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement and Plan of Merger") made this 22nd day of September, 1998, by and between **PARSEC SIGHT/SOUND, INC.** ("Parsec"), a Pennsylvania corporation with its registered office located at 733 Washington Road, Suite 212, Mt. Lebanon, Pennsylvania 15228, and **DIGITAL SIGHT/SOUND, INC.** ("Digital"), a Pennsylvania corporation with its registered office located at 733 Washington Road, Suite 212, Mt. Lebanon, Pennsylvania 15228. Parsec and Digital are also herein referred to collectively as the "Corporations".

WHEREAS, Parsec and Digital are corporations duly organized and validly existing under the laws of the Commonwealth of Pennsylvania, having both been incorporated on August 1, 1995, under and in accordance with the provisions of the Pennsylvania Business Corporation Law of 1988, Act of December 21, 1988, P.L. 1144, as amended (the "Business Corporation Law of 1988"); and

WHEREAS, the Corporations desire to merge Digital into Parsec under and in accordance with the provisions of the Business Corporation Law of 1988.

NOW, THEREFORE, in consideration of the premises and of the terms and conditions hereinafter set forth, the parties hereto, with the intent to be legally bound hereby, mutually agree to merge the Corporations upon the following terms and conditions:

1. Upon compliance with the applicable provisions of the Business Corporation Law of 1988, on the Effective Date (as defined herein), Digital shall be merged with and into Parsec and thereupon the separate existence of Digital shall cease. Parsec, as it shall exist after the Effective Date, is hereinafter referred to as the "Surviving Corporation".

2. Articles of Merger shall be filed with the Department of State of the Commonwealth of Pennsylvania, and the merger shall be effective as of the date of filing of said Articles of Merger (the "Effective Date").

3. The Articles of Incorporation and By-laws of Parsec, as amended through the Effective Date, shall continue to be the Articles of Incorporation and By-laws of the Surviving Corporation and shall not be amended or otherwise affected by the merger provided for herein except as follows:

a. Article 1 of the Articles of Incorporation and Section 1.1 of the By-laws shall both read as follows: The name of the Corporation is SIGHTSOUND.COM INCORPORATED.

b. Article 2 of the Articles of Incorporation shall read as follows: The address of this corporation's registered office in this Commonwealth and the county of venue is 733 Washington Road, Suite 400, Mt. Lebanon, Pennsylvania 15228, Allegheny.

PGDOCS#: 139018

Digital Sight/Sound, Inc. — Adopted by the directors and shareholders pursuant to 15 Pa.C.S. § 1924(a)

6. (Strike out this paragraph if no foreign corporation is a party to the merger). ~~The plan was authorized, adopted or approved, as the case may be, by the foreign business corporation (or each of the foreign business corporations) party to the plan in accordance with the laws of the jurisdiction in which it is incorporated.~~

7. (Check, and if appropriate complete, one of the following):

X The plan of merger is set forth in full in Exhibit A attached hereto and made a part hereof.

___ Pursuant to 15 Pa.C.S. §1901 (relating to omission of certain provisions from filed plans) the provisions of the plan of merger that amend or constitute the operative Articles of Incorporation of the surviving corporation as in effect subsequent to the effective date of the plan are set forth in full in Exhibit A, attached hereto and made a part hereof. The full text of the plan of merger is on file at the principal place of business of the surviving corporation, the address of which is:

N/A
Number and Street City State Zip County

IN TESTIMONY WHEREOF, each undersigned corporation has caused these Articles of Merger to be signed by a duly authorized officer thereof this 31st day of March, 1999.

PARSEC SIGHT/SOUND, INC.

BY: _____
Scott C. Sander, President

DIGITAL SIGHT/SOUND, INC.

BY: _____
Scott C. Sander, President

APR. 1.1999 2:54PM ...

PCDOCS#: 139018

(b) c/o ________________________________
Name of Commercial Registered Office Provider County

For a corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

N/A The surviving corporation is a nonqualified foreign business corporation incorporated under the laws of and the address of its principal office under the laws of such domiciliary jurisdiction is:

N/A ________________________________
Number and Street City State Zip County

3. The name and the address of the registered office in this Commonwealth or name of its commercial registered office provider and the county of venue of each other domestic business corporation and qualified foreign business corporation which is a party to the plan of merger are as follows:

Name of Corporation	Address of Registered Office or Name of Commercial Registered Office Provider	County
Digital Sight/Sound, Inc.	733 Washington Road Mt. Lebanon, PA 15228	Allegheny

4. (Check, and if appropriate complete, one of the following):

X The plan of merger shall be effective upon filing these Articles of Merger in the Department of State.

___ The plan of merger shall be effective on :

____
Date at Hour

5. The manner in which the plan of merger was adopted by each domestic corporation is as follows:

Name of Corporation	Manner of adoption
Parsec Sight/Sound, Inc.	Adopted by the directors and shareholders pursuant to 15 Pa.C.S. § 1924(a)

FORM PTO-1595
(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)

RECORDATIC
PAT

10-20-1995

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

Tab settings ▼ ▼ ▼ ▼ ▼ ▼

To the Honorable Commissioner of Patents and Trad

100079959

ocuments or copy thereof.

1. Name of conveying party(ies):
Arthur R. Hair

mrd 10-2-95

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

2. Name and address of receiving party(ies)
Name: Parsec Sight/Sound, Inc.
Internal Address:
Street Address: 1518 Allison Drive
City: Upper St. Clair State: PA ZIP: 15241

Additional name(s) & address(es) attached? ☐ Yes ☒ No

3. Nature of conveyance:
☒ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
☐ Other

Execution Date: September 20, 1995

4. Application number(s) or patent number(s):
If this document is being filed together with a new application, the execution date of the application is:

A. Patent Application No.(s)

B. Patent No.(s)
5,191,573

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Ansel M. Schwartz
Internal Address:
Street Address: 425 N. Craig Street, Suite 301
City: Pittsburgh State: PA ZIP: 15213

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 3.41).....$ 40.00
☒ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

050 MH 10/16/95 5191573
1-5A 40.00 CK

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Ansel M. Schwartz
Name of Person Signing

Ansel M. Schwartz
Signature

9/21/95
Date

Total number of pages including cover sheet, attachments, and document: 4

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

PATENT
REEL: 7656 FRAME: 0701

Attorney's Docket No. HAIR **PATENT**

For: ☒ U.S. and/or ☐ Foreign Rights
For: ☐ U.S. Application or
☐ U.S. Provisional Application
For: ☒ U.S. Patent
For: ☐ PCT Application
By: ☒ Inventor(s) or ☐ Present Owner

ASSIGNMENT OF INVENTION

In consideration of the payment by ASSIGNEE to ASSIGNOR of the sum of One Dollar ($1.00), the receipt of which is hereby acknowledged, and for other good and valuable consideration,

ASSIGNOR:

(inventor(s) or person(s) or entity(ies) who own the invention)

Arthur R. Hair
(type or print name(s) of ASSIGNOR(S))

1518 Allison Drive
Address

Upper St. Clair, PA 15241

Nationality

(if assignment is by person or entity to whom invention was previously assigned and this was recorded in PTO, add the following)

Recorded on _____ **Reel** _____

Frame _____

hereby sells, assigns and transfers to

ASSIGNEE:

Parsec Sight/Sound, Inc.
(type or print name(s) of ASSIGNEE(S))

1518 Allison Drive
Address

Upper St. Clair, PA 15241

Nationality

and the successors, assigns and legal representatives of the ASSIGNEE

(complete one of the following)

☒ the entire right, title and interest

☐ an undivided _____ percent (_____%) interest

for the United States and its territorial possessions

(check the following box, if foreign rights are also to be assigned)

☐ and in all foreign countries, including all rights to claim priority,

in and to any and all improvements which are disclosed in the invention entitled:

METHOD FOR TRANSMITTING A DESIRED DIGITAL VIDEO OR AUDIO SIGNAL

Name of inventor(s) Arthur R. Hair

(check and complete (a), (b), (c), (d), (e), (f) or (g))

and which is found in

(a) ☐ U.S. patent application executed on even date herewith

(b) ☐ U.S. patent application executed on _____

(c) ☐ U.S. provisional application naming the above inventor(s) for the above-entitled invention.

☐ Express mail label no.: _____

Mailed: _____

☐ To comply with 37 CFR 3.21 for recordal of this assignment, I, an ASSIGNOR signing below, hereby authorize and request my attorney to insert below the filing date and application number when they become known.

(d) ☐ U.S. application no. /_____

filed on _____

(e) ☐ International appliciation no. PCT/ _____ /_____

(f) ☒ U.S. patent no. 5,191,573 issued March 2, 1993

☐ A change of address to which correspondence is to be sent regarding patent maintenance fees is being sent separately.

(also check (g), if foreign application(s) is also being assigned)

(g) ☐ and any legal equivalent thereof in a foreign country, including the right to claim priority.

and, in and to, all Letters Patent to be obtained for said invention by the above application or any continuation, division, renewal, or substitute thereof, and as to letters patent any reissue or re-examination thereof

ASSIGNOR hereby covenants that no assignment, sale, agreement or encumbrance has been or will be made or entered into which would conflict with this assignment;

ASSIGNOR further covenants that ASSIGNEE will, upon its request, be provided promptly with all pertinent facts and documents relating to said invention and said Letters Patent and legal equivalents as may be known and accessible to ASSIGNOR and will testify as to the same in any interference, litigation or proceeding related thereto and will promptly execute and deliver to ASSIGNEE or its legal representatives any and all papers, instruments or affidavits required to apply for, obtain, maintain, issue and enforce said application, said invention and said Letters Patent and said equivalents thereof which may be necessary or desirable to carry out the purposes thereof.

IN WITNESS WHEREOF, I/We have hereunto set hand and seal this

20th day of Sept. 1995 (Date of signing).

WARNING: *The date of signing must be the same as the date of execution of the application, if item (a) was checked above.*

Date: 9/20/1995 _____

Signature of ASSIGNOR(S)

Date: _____

Date: _____

Date: _____

(if ASSIGNOR is a legal entity, complete the following information)

_____

(type or print the name of the above person authorized to sign on behalf of ASSIGNOR)

_____

Title

NOTE: No witnessing, notarization or legalization is necessary. If the assignment is notarized or legalized, then it will only be prima facie evidence of execution. 35 USC 261. Use next page if notarization is desired.

☐ Notarization or Legalization Page Added.

Form PTO-1595 (Rev. 08/05)
OMB No. 0651-0027 (exp. 6/30/2008)

Docket Number: GE219099

U.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office

RECORDATION FORM COVER SHEET
PATENTS ONLY

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):

SightSound Technologies, Inc. (Delaware Corp)

Execution Date(s) 10 November 2005

Additional name(s) of conveying party(ies) attached? ☐ Yes ☑ No

2. Name and address of receiving party(ies)

Name: DMT Licensing, LLC (Delaware LLC)

Internal Address:

Street Address: One Independence Way

City: Princeton

State: New Jersey

Country: US Zip: 08540

Additional name(s) & address(es) attached? ☐ Yes ☑ No

3. Nature of conveyance:

☑ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
☐ Government Interest Assignment
☐ Executive Order 9424, Confirmatory License
☐ Other

4. Application or patent number(s):

☐ This document is being filed together with a new application.

A. Patent Application No.(s)

09/286,892
10/820,995
10/632,166

B. Patent No.(s)

5,191,573 6,721,491
5,675,734 6,615,349
5,966,440 6,014,491

Additional numbers attached? ☐ Yes ☑ No

5. Name and address to whom correspondence concerning document should be mailed:

Name: Matthew P. McWilliams

Internal Address: Drinker Biddle & Reath LLP

Street Address: One Logan Square
18th and Cherry Streets

City: Philadelphia

State: Pennsylvania Zip: 19103-6996

Phone Number: 215.988.3381

Fax Number: 215.988.2757

Email Address: matthew.mcwilliams@dbr.com

6. Total number of applications and patents involved: 9

7. Total fee (37 CFR 1.21(h) & 3.41) $ 360.00

☐ Authorized to be charged by credit card
☐ Authorized to be charged to deposit account
☑ Enclosed
☐ None required (government interest not affecting title)

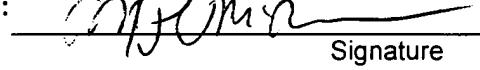
8. Payment Information

a. Credit Card Last 4 Numbers
Expiration Date

b. Deposit Account Number

Authorized User Name

9. Signature:



Signature

December 26, 2005
Date

Matthew P. McWilliams, Reg. No. 46,922
Name of Person Signing

Total number of pages including cover sheet, attachments, and documents: 6

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

PATENT ASSIGNMENT AGREEMENT

THIS PATENT ASSIGNMENT AGREEMENT (this "Agreement"), is made as of this 10th day of November, 2005 by and between SightSound Technologies, Inc., a Delaware corporation ("Assignor"), and DMT Licensing, LLC, a Delaware limited liability company ("Assignee"). Assignor and Assignee are sometimes referred to herein as a "Party" or collectively as the "Parties."

WITNESSETH:

WHEREAS, Assignor is the owner of the entire right, title and interest in and to all of the patents and patent applications (including any and all inventions and improvements disclosed and described therein) set forth on Exhibit A hereto (the "Patents"); and

WHEREAS, Assignee desires to obtain all of Assignor's right, title and interest in, to and under the Patents.

NOW THEREFORE, in consideration of the premises and mutual covenants contained in this Agreement and in the Asset Purchase Agreement between Assignor and Assignee, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Assignor hereby conveys, assigns, sells, transfers and delivers to Assignee, its successors and assigns, all of its right, title and interest throughout the world in, to and under the Patents, including the underlying inventions described therein and any and all United States or foreign reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof and substitutes therefor, all letters patent of the United States which have been or may be granted thereof and all foreign counterparts thereof, including any reissues or extensions of letters patent granted thereon and any and all rights corresponding to any of the foregoing throughout the world, all priority rights under the International Convention for the Protection of Industrial Property for every member country (and any other international convention or treaty), any and all accounts, contract rights, warranties, litigation claims and rights, including the right to sue for and collect upon all claims for profits and damages as a result of future or past infringement, and other general intangibles of Assignor related to any of the foregoing, in each case whether now existing or hereafter acquired or created, whether owned, leased or licensed beneficially or of record and whether owned, leased or licensed individually, jointly or otherwise, together with the products and proceeds thereof (including license royalties and the proceeds of infringement suits from the date of this Agreement forward), all payments and other distributions with respect thereto from the date of this Agreement forward, and the right to fully and entirely stand in the place of Assignor in all matters related thereto.

2. Assignor hereby conveys, assigns, transfers and delivers to Assignee, its successors and assigns, all of its right, title and interest throughout the world in and to any and all lab notes, prototypes, draft patent applications, correspondence with the United States Patent and Trademark Office or any foreign patent office, nondisclosure agreements, invention agreements and noncompete agreements, to the extent such materials relate to the Patents.

3. Assignor hereby requests the Commissioner for Patents (the "Commissioner") to record this assignment of the Patents to Assignee. Assignor hereby further requests the

Commissioner to issue any and all letters patent of the United States resulting from applications among the Patents or derived therefrom to Assignee as assignee of the entire interest. Assignor hereby covenants that the Commissioner has full right to convey the entire interest herein assigned, and that Assignor has not executed, and will not execute, any agreements inconsistent herewith.

4. Assignor further agrees that it shall on the date hereof and from time to time thereafter, at the request of Assignee, perform or cause to be performed such acts and execute, acknowledge and deliver at the request of Assignee, such documents as may reasonably be required to evidence or effectuate the sale, conveyance, assignment, transfer and delivery to Assignee of the Patents or for the performance by Assignor of any of its obligations hereunder.

5. This Agreement will be binding upon and will inure to the benefit of the parties hereto and their successors and assigns, and no person other than Assignor, Assignee or their respective successors and assigns shall have any rights under this Agreement or the provisions contained herein.

6. An executed copy of this Agreement may be filed with the proper governmental or regulatory authority or public body by Assignee at any time.

7. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard for the conflicts of laws principles thereof, except that if it is necessary in any other jurisdiction to have the law of such other jurisdiction govern this Agreement in order for this Agreement to be effective in any respect, then the laws of such other jurisdiction shall govern this Agreement but only to such extent.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed, as of the date first above written.

ASSIGNEE

By: _____
Name: Peter Moller
Title: Vice President
Date: November 10, 2005

ASSIGNOR

By: _____
Name: Scott C. Sander
Title: President and Chief Executive Officer
Date: November 10, 2005

Commonwealth of Pennsylvania
County of Allegheny ss.:

On the 10th day of November, 2005, before me personally came Scott C. Sander, to me known (or satisfactorily proven), who being by me duly sworn, did depose and say that he is the President and CEO of Assignor, the corporation described in, and which executed the foregoing instrument, and that he was fully authorized to execute this Patent Assignment Agreement on behalf of said corporation.

_____
Notary Public

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Kendra J. Jenkins, Notary Public
City Of Pittsburgh, Allegheny County
My Commission Expires Jan. 12, 2008
Member, Pennsylvania Association Of Notaries

EXHIBIT A

PATENTS AND PATENT APPLICATIONS

A/V eCommerce Patents:

	Country	Number	Issued
01]	United States	5,191,573	Issued
02]	United States	5,675,734	Issued
03]	United States	5,966,440	Issued
04]	United States	09/286,892	Application In Process

A/V Compression Patents:

01]	United States	6,014,491	Issued
02]	Singapore	67158	Issued
03]	New Zealand	337344	Issued
04]	Australia	752057	Issued
05]	China	1252917	Issued
06]	United States	6,721,491	Issued
07]	Hong Kong	1025208	Issued
08]	Australia	6341198	Application In Process
09]	Brazil	9811455	Application In Process
10]	Canada	2279853	Application In Process
11]	China	1121124C	Application In Process
12]	European Patent Office	0965128	Application In Process
13]	Japan	2002508850T	Application In Process
14]	United States	2005038535	Application In Process
15]	World Intellectual Property Organization	9843405	Application In Process

Applied Encryption Patents:

01]	New Zealand	502871	Issued
02]	United States	6,615,349	Issued
03]	Taiwan	574641	Issued
04]	Singapore	93860	Issued
05]	Australia	776005	Issued
06]	Austria	EP2000300727	Pending
07]	Belgium	EP2000300727	Pending
08]	Cypress	EP2000300727	Pending
09]	Denmark	EP2000300727	Pending
10]	Finland	EP2000300727	Pending
11]	France	EP2000300727	Pending
12]	Germany	EP2000300727	Pending
13]	Greece	EP2000300727	Pending
14]	Ireland	EP2000300727	Pending
15]	Italy	EP2000300727	Pending
16]	Lichtenstein	EP2000300727	Pending
17]	Luxembourg	EP2000300727	Pending
18]	Monaco	EP2000300727	Pending

19]	Netherlands	EP2000300727	Pending
20]	Portugal	EP2000300727	Pending
21]	Sweden	EP2000300727	Pending
22]	Spain	EP2000300727	Pending
23]	Switzerland	EP2000300727	Pending
24]	United Kingdom	EP2000300727	Pending
25]	China	CN1269549	Pending
26]	Hong Kong	HK1028466	Pending
27]	Australia	1481000	Application In Process
28]	Brazil	0000702	Application In Process
29]	Canada	2299056	Application In Process
30]	Japan	2000259478	Application In Process
31]	United States	2004025037	Application In Process

***Peer-to-Peer Patents*:**

01]	European Patent Office	1332428	Application In Process
02]	Japan	JP2004513453T	Application In Process
03]	World Intellectual Property Organization	239253	Application In Process

All Intellectual Property to be free of any liens or encumbrances.

70053 U.S. PTO

12/27/05
Doc Code:

PTO/SB/82 (04-05)
Approved for use through 11/30/2005. OMB 0651-0035
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

REVOCATION OF POWER OF ATTORNEY WITH NEW POWER OF ATTORNEY AND CHANGE OF CORRESPONDENCE ADDRESS

Application Number	5,966,440 90/007407
Filing Date	10/12/1999
First Named Inventor	Arthur R. Hair
Art Unit	2132
Examiner Name	Benjamin E. Lanier
Attorney Docket Number	47274-219099-3

I hereby revoke all previous powers of attorney given in the above-identified application:

☐ A Power of Attorney is submitted herewith.

OR

☑ I hereby appoint the practitioners associated with the Customer Number: 23973

☑ Please change the correspondence address for the above-identified application to:

☑ The address associated with Customer Number: 23973

OR

☑ Firm *or* Individual Name	Robert A. Koons, Jr.				
Address	Drinker Biddle & Reath LLP One Logan Square 18th & Cherry Streets				
City	Philadelphia	State	PA	ZIP	19103-6996
Country	United States of America				
Telephone	(215) 988-3392	Email	robert.koons@dbr.com		

I am the:

☐ Applicant/Inventor.

☑ Assignee of record of the entire interest. See 37 CFR 3.71
Statement under 37CFR 3.73(b) is enclosed. (Form PTO/SB/96)

SIGNATURE of Applicant or Assignee of Record

Signature			
Name	Kenneth Glick, Assistant Secretary DMT Licensing, LLC		
Date	12/22/2005	Telephone	609-734-9562

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below*.

☐ *Total of _____ forms are submitted.

This collection of information is required by 37 CFR 1.36. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 3 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending on 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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Doc Code:

PTO/SB/96 (09-04)
Approved for use through 07/31/2006. 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.

STATEMENT UNDER 37 CFR 3.73(b)

Applicant/Patent Owner: **DMT Licensing, LLC**

Application No./Patent No.: **5,966,440** Filed/Issue Date: **10/12/1999**

Entitled: **System and Method for Transmitting Desired Ditigal Video or Digital Audio Signals**

DMT Licensing, LLC , a **Delaware Limited Liability Company**

(Name of Assignee) (Type of Assignee, e.g., corporation, partnership, university, government agency, etc.)

states that it is:

1. [☑] the assignee of the entire right, title, and interest; or

2. [ ] an assignee of less than the entire right, title and interest.
The extent (by percentage) of its ownership interest is _____ %

in the patent application/patent identified above by virtue of either:

A. [ ] An assignment from the inventor(s) of the patent application/patent identified above. The assignment was recorded in the United States Patent and Trademark Office at Reel _____ , Frame _____ , or for which a copy thereof is attached.

OR

B. [ ] A chain of title from the inventor(s), of the patent application/patent identified above, to the current assignee as shown below:

1. From: _____ To: _____
The document was recorded in the United States Patent and Trademark Office at
Reel _____ , Frame _____ , or for which a copy thereof is attached.

2. From: _____ To: _____
The document was recorded in the United States Patent and Trademark Office at
Reel _____ , Frame _____ , or for which a copy thereof is attached.

3. From: _____ To: _____
The document was recorded in the United States Patent and Trademark Office at
Reel _____ , Frame _____ , or for which a copy thereof is attached.

[ ] Additional documents in the chain of title are listed on a supplemental sheet.

[☑] Copies of assignments or other documents in the chain of title are attached.
[NOTE: A separate copy (*i.e.*, a true copy of the original assignment document (s)) must be submitted to Assignment Division in accordance with 37 CFR Part 3, if the assignment is to be recorded in the records of the USPTO. See MPEP 302.08]

The undersigned (whose title is supplied below) is authorized to act on behalf of the assignee.

Signature	12/22/2005 Date
Kenneth Glick Printed or Typed Name	609-734-9562 Telephone number
Assistant Secretary, DMT Licensing, LLC Title	

This collection of information is required by 37 CFR 3.73(b). The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETE D FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.

UNITED STATES PATENT AND TRADEMARK OFFICE

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

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

7590 01/19/2006

Ansel M. Schwartz
Attorney At Law
One Sterling Plaza
201 North Craig Street, Suite 304
Pittsburgh, PA 15213

EXAMINER	
ART UNIT	PAPER NUMBER

DATE MAILED: 01/19/2006

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

UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

Albert S. Penilla
MARTINE PENILLA & GENCARELLA, LLP
710 Lakeway Drive, Suite 200
Sunnyvale, CA 94085

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. 90/007,407.

PATENT NO. 5966440.

ART UNIT 2132.

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)).

PTOL-465 (Rev.07-04)

Notice Of Defective Paper In Ex Parte Reexamination	Control Number	Patent Under Reexamination	
	90/007,407	5966440	
	Examiner	Art Unit	
	Benjamin E. Lanier	2132	

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

1. ☐ Since no proof of service was included with the paper filed on _____ , it fails to comply with 37 CFR 1.248 and 1.540. Proof of service is required within ONE (1) MONTH or THIRTY (30) DAYS from the mailing date of this letter, whichever is longer. Failure to provide proof of service may result in a refusal to consider the paper. If the failure to comply with this requirement results in a patent owner failure to file a timely and appropriate response to any Office action or any written statement of an interview required under 37 CFR 1.560(b), the prosecution of the reexamination proceeding will be terminated under 37 CFR 1.550(d).

2. ☐ The paper filed on _____ is unsigned. A duplicate paper or ratification, properly signed, is required within ONE (1) MONTH or THIRTY (30) DAYS from the mailing date of this letter, whichever is longer. Failure to comply with this requirement will result in the paper not being considered. If the failure to comply results in a patent owner failure to file a timely and appropriate response to any Office action or any written statement of an interview required under 37 CFR 1.560(b), the prosecution of the reexamination proceeding will be terminated under 37 CFR 1.550(d).

3. ☐ The paper filed on _____ is signed by _____ , who is not of record. A duplicate paper or ratification signed by a person of record, a person made of record by way of a new power of attorney, is required within ONE (1) MONTH or THIRTY (30) DAYS from the mailing date of this letter, whichever is longer. Failure to comply with this requirement will result in the paper not being considered. If the failure to comply results in a patent owner failure to file a timely and appropriate response to any Office action or any written statement of an interview required under § 1.560(b), the prosecution of the reexamination proceeding will be terminated under 37 CFR 1.550(d).

4. ☒ The Amendment filed on *27 December 2005* does not comply with 37 CFR 1.530(d)-(j). Patent owner is given ONE (1) MONTH or THIRTY (30) DAYS from the mailing date of this letter, whichever is longer to correct this informality; otherwise, the prosecution of the the reexamination proceeding will be terminated under (37 CFR 1.550(d)).

5. ☐ The amendment filed by patent owner on _____, does not comply with 37 CFR ☐1.20(c)(3) and/or ☐1.20(c)(4), as to excess claim fees. Patent owner is given a time period of ONE (1) MONTH or THIRTY (30) DAYS from the mailing date of this letter, whichever is longer, to correct this fee deficiency, or the prosecution of the reexamination proceeding will be terminated under 37 CFR 1.550(d), to effect the "abandonment" set forth in 37 CFR 1.20(c)(5).

6. ☐ Other :

Gilberto Barron Jr.

GILBERTO BARRON JR.
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 2100

NOTE: EXTENSION OF TIME ARE GOVERNED BY 37 CFR 1.550(c). If the period for response specified above is less than thirty (30) days, a response within the statutory minimum of thirty (30) days will be considered timely.

cc: Requester (if third party requester)

WIRED NEWS

Napster Is Alive, Alive

By Brad King Brad King | Also by this reporter
2001-06-26 11:40:00.0

Napster is nothing if not resilient.
Despite receiving another apparent death blow on Monday, the file-trading company managed another nice rebound on Tuesday, even as a potential rival made some noise of its own.

Napster and FLIPR, a Canadian startup, have both reached agreements that will allow European organizations to distribute music separately on their networks.

Napster, whose request for a rehearing of its court trial was denied on Monday, signed a deal with the Association of Independent Music, a group of 400 independent labels including Beggars Banquet and Ministry of Sound. AIM tried to develop licensing parameters for Internet radio stations last August.

"This is nothing short of a global revolution for musicians and music lovers," said AIM's CEO, Alison Wenham. "It proves that the independent record labels of Europe mean business and helps secure Napster's future at the forefront of the digital distribution of music. It means that anyone, anywhere in the world with access to a computer and a phone line can legitimately enjoy the most exciting music around."

The deal gives Napster access to hundreds of thousands of tracks in Europe, with plans to expand the rights worldwide.

However, FLIPR managed to accomplish something that few organizations -- peer-to-peer or not -- have been able to pull off: to convince a music publisher to sign off on a deal.

Hoping to build a service that focuses on hip-hop and electronica, FLIPR signed a deal with SODRAC, which handles licensing rights in Canada for the likes of Cherry Lane, Editorial Avenue and many more. The rights organization represents millions of international titles.

"The goal is to establish a relationship with the independent music culture," said Daniel Webster, FLIPR's executive director of product development. "Our belief is that file-sharing is going to develop into the same kind of service as radio."

They even control Canadian rights for music from Sony and Universal, two major labels that recently created a music subscription service called PressPlay. PressPlay will be distributed through Yahoo when it goes live later this year.

More impressive is the fact that this network won't be bogged down with digital rights management systems that American record labels have demanded.

"We don't believe that the behavior over the last year indicates that DRM is how the public is going to use these types of file-trading services," Webster said.

That doesn't mean that users will be trading their music in complete anonymity, though. Each song being traded on the network will be marked with a unique ID so that it can be tracked as it is distributed from person to person, allowing music labels to know exactly who is listening to their music.

The concept is called super distribution and has been championed by such digital rights management companies as InterTrust and Microsoft as a way to get music fans to market their favorite artists.

In the DRM version of super distribution, files are wrapped with a digital lock that can only be opened once the content has been paid

for. If the first user then allows the song to be downloaded by someone else, the recipient would also have to pay. That would be done by logging on to a retail site that provides the file's key, for a price.

The FLIPR system won't force music consumers to pay for music that they have downloaded from other people on the file-trading network. Instead, the company hopes to make money by charging subscriptions, pulling in advertising and sharing revenues with online retailers.

Although still in a semi-private beta-testing period, the Canadian company will start paying 4 cents per song download beginning next month, split equally between the songwriters and music labels.

Industry pundits have scoffed at many publishing licensing deals signed by companies like Musicbank, claiming the costs of paying for the licenses would far exceed any actual revenues that could be generated by such services.

Investors have been shy about throwing money towards such systems as well, forcing Musicbank to shutter its service while still in beta testing when it failed to raise enough funding to continue operations.

At its height, Napster had 70 million unique users who were estimated to have traded over 3 billion files a month. If Napster had paid out on a similar scale, they would have faced a $120 million bill just for the publishing rights. If the FLIPR network takes off, it could face staggering operation costs.

Webster said that its subscription service would run somewhere between $3-$20 per month.

Rants & Raves **refresh all | expand all | collapse all**

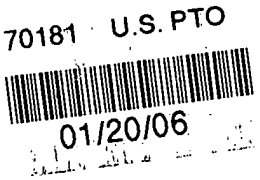
Want to start a new thread or reply to a post? Login / Register and start talking!

Frequently Asked Questions

CERTIFICATE UNDER 37 C.F.R. 1.10

In Re: Arthur R. Hair

Docket No.: 219099/440
Patent No.: 5,966,440
Re-Examination Control No.: 90/007,407
Re-Examination Filing Date: January 31, 2005
Examiner: Benjamin E. Lanier



EXPRESS MAIL: EV 299885328 US

DATE OF DEPOSIT: January 20, 2006

I hereby certify that the following correspondence

Letter notifying Office of real party interest, and
Return receipt postcard

are being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 on the date indicated above and is addressed to Mail Stop Ex Parte Re-Examination, Commissioner for Patents, PO Box 1450, Alexandria, VA 22313-1450.

Jane D. Roberts
(Typed or printed name of person mailing paper)

Jane D. Roberts
(Signature of person mailing paper or fee)

Drinker Biddle & Reath LLP
One Logan Square
18th and Cherry Streets
Philadelphia, PA 19103-6996

Customer No. 23973

PHIP\449843\1

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)
	)
ARTHUR R. HAIR	)
	)
Reexamination Control No.: 90/007,407	)
	)
Reexamination Filed: January 31, 2005	) SYSTEM AND METHOD FOR
	) TRANSMITTING DESIRED
Patent Number: 5,966,440	) DIGITAL VIDEO OR DIGITAL
	) AUDIO SIGNALS
Examiner: Benjamin E. Lanier	)

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

Sir:

In compliance with the duty of candor and good faith to the Office, Applicant wishes to notify the Office of the recent assignment of the subject Patent No. 5,966,440, in Reexamination Control Number 90/007,407 to DMT Licensing, LLC, whose owner, and therefore the real party in interest is the General Electric Company. Further, Applicant wishes to notify the Office that DMT Licensing, LLC and the real party in interest, the General Electric Company, have also received by assignment the ownership of U.S. Patent Nos. 5,191,573 and 5,675,734, which are currently the subject of Reexamination Control Nos. 90/007,402; and 90/007,403 respectively, and Patent Application Control No. 09/286,892.

Respectfully submitted,

DRINKER, BIDDLE & REATH LLP

Robert A. Koons, Jr.
Reg. No. 32,474
Attorney for Patentee

DRINKER, BIDDLE & REATH LLP
One Logan Square
18th and Cherry Streets
Philadelphia, PA 19103

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document was served via First Class United States Mail, postage prepaid, this 20th day of January, 2006, 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 Patentee

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
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APPLICATION NUMBER	FILING OR 371 (c) DATE	FIRST NAMED APPLICANT	ATTY. DOCKET NO./TITLE
90/007,407	01/31/2005	5966440	NAPSP003

CONFIRMATION NO. 4782

OC000000017902213

23973
DRINKER BIDDLE & REATH
ATTN: INTELLECTUAL PROPERTY GROUP
ONE LOGAN SQUARE
18TH AND CHERRY STREETS
PHILADELPHIA, PA 19103-6996

Date Mailed: 01/24/2006

NOTICE OF ACCEPTANCE OF POWER OF ATTORNEY

This is in response to the Power of Attorney filed 12/27/2005.

The Power of Attorney in this application is accepted. Correspondence in this application will be mailed to the above address as provided by 37 CFR 1.33.

Michelle R Eason

MICHELLE R EASON
3921 (571) 272-4231

OFFICE COPY

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APPLICATION NUMBER	FILING OR 371 (c) DATE	FIRST NAMED APPLICANT	ATTY. DOCKET NO./TITLE
90/007,407	01/31/2005	5966440	NAPSP003

CONFIRMATION NO. 4782

Ansel M. Schwartz
Attorney At Law
One Sterling Plaza
201 North Craig Street, Suite 304
Pittsburgh, PA 15213

OC000000017902201

Date Mailed: 01/24/2006

NOTICE REGARDING CHANGE OF POWER OF ATTORNEY

This is in response to the Power of Attorney filed 12/27/2005.

- The Power of Attorney to you in this application has been revoked by the assignee who has intervened as provided by 37 CFR 3.71. Future correspondence will be mailed to the new address of record(37 CFR 1.33).

Michelle R. Eason

MICHELLE R EASON
3921 (571) 272-4231

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UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

23973 7590 01/27/2006

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: 01/27/2006

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United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
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Albert S. Penilla
MARTINE PENILLA & GENCARELLA, LLP
710 Lakeway Drive, Suite 200
Sunnyvale, CA 94085

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. *90/007,407*.

PATENT NO. *5966440*.

ART UNIT *2132*.

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)).

PTOL-465 (Rev.07-04)

Notice Of Defective Paper In Ex Parte Reexamination	Control Number	Patent Under Reexamination	
	90/007,407	5966440	
	Examiner	Art Unit	
	Benjamin E. Lanier	2132	

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

1. ☐ Since no proof of service was included with the paper filed on _____ , it fails to comply with 37 CFR 1.248 and 1.540. Proof of service is required within ONE (1) MONTH or THIRTY (30) DAYS from the mailing date of this letter, whichever is longer. Failure to provide proof of service may result in a refusal to consider the paper. If the failure to comply with this requirement results in a patent owner failure to file a timely and appropriate response to any Office action or any written statement of an interview required under 37 CFR 1.560(b), the prosecution of the reexamination proceeding will be terminated under 37 CFR 1.550(d).

2. ☐ The paper filed on _____ is unsigned. A duplicate paper or ratification, properly signed, is required within ONE (1) MONTH or THIRTY (30) DAYS from the mailing date of this letter, whichever is longer. Failure to comply with this requirement will result in the paper not being considered. If the failure to comply results in a patent owner failure to file a timely and appropriate response to any Office action or any written statement of an interview required under 37 CFR 1.560(b), the prosecution of the reexamination proceeding will be terminated under 37 CFR 1.550(d).

3. ☐ The paper filed on _____ is signed by _____ , who is not of record. A duplicate paper or ratification signed by a person of record, a person made of record by way of a new power of attorney, is required within ONE (1) MONTH or THIRTY (30) DAYS from the mailing date of this letter, whichever is longer. Failure to comply with this requirement will result in the paper not being considered. If the failure to comply results in a patent owner failure to file a timely and appropriate response to any Office action or any written statement of an interview required under § 1.560(b), the prosecution of the reexamination proceeding will be terminated under 37 CFR 1.550(d).

4. ☒ The Amendment filed on *27 December 2005* does not comply with 37 CFR 1.530(d)-(j). Patent owner is given ONE (1) MONTH or THIRTY (30) DAYS from the mailing date of this letter, whichever is longer to correct this informality; otherwise, the prosecution of the the reexamination proceeding will be terminated under (37 CFR 1.550(d)).

5. ☐ The amendment filed by patent owner on _____, does not comply with 37 CFR ☐1.20(c)(3) and/or ☐1.20(c)(4), as to excess claim fees. Patent owner is given a time period of ONE (1) MONTH or THIRTY (30) DAYS from the mailing date of this letter, whichever is longer, to correct this fee deficiency, or the prosecution of the reexamination proceeding will be terminated under 37 CFR 1.550(d), to effect the "abandonment" set forth in 37 CFR 1.20(c)(5).

6. ☐ Other :

Gilberto Barron Jr.

GILBERTO BARRON JR.
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 2100

NOTE: EXTENSION OF TIME ARE GOVERNED BY 37 CFR 1.550(c). If the period for response specified above is less than thirty (30) days, a response within the statutory minimum of thirty (30) days will be considered timely.

cc: Requester (if third party requester)

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document was served via First Class United States Mail, postage prepaid, this 6th day of February, 2006, 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 Patentee

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)
	)
ARTHUR R. HAIR	)
	)
Reexamination Control No. 90/007,407	)
	)
Reexamination Filed: January 31, 2005	) SYSTEM AND METHOD FOR
	) TRANSMITTING DESIRED
	) DIGITAL VIDEO OR DIGITAL
Patent Number: 5,966,440	) AUDIO SIGNALS
	)
Examiner: Benjamin E. Lanier	

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

RESPONSE TO NOTICE OF DEFECTIVE PAPER
IN EX PARTE REEXAMINATION

Sir:

In response to the Notice of Defective Paper in *Ex Parte* Reexamination mailed January 27, 2006, Applicant respectfully submits herewith a corrected Response under 37 C.F.R. § 1.530 in *Ex Parte* Reexamination.

1. Pursuant to 37 C.F.R. § 1.530(d)(2), Applicant has listed the entire text of all claims proposed to be changed or added by the instant amendment. Applicant respectfully points out that the instant amendment only proposes to add claims 64 to 79. No changes to existing claims are proposed in the instant amendment.

2. Pursuant to 37 C.F.R. § 1.530(e), Applicant has provided on a separate sheet from the amendments a listing of the status of each claim in the reexamination as of the date of the instant amendment, as either pending or canceled.

3. Pursuant to 37 C.F.R. § 1.530(f)(2), Applicant has underlined the new text of the claims being added by amendment.

4. Pursuant to 37 C.F.R. § 1.530(g), Applicant has preserved the numbering of the claims in the instant amendment.

5. The terms used in the newly added claims correspond to terms appearing in the specification of U.S. Patent Serial Number 5,966,440 as issued. Applicant therefore believes that no amendment of the disclosure pursuant to 37 C.F.R. § 1.530(h) is necessary.

6. Pursuant to 37 C.F.R. § 1.530(i), all amendments have been made relative to the patent specification, including claims and drawings in effect as of the date of filing the request for reexamination.

7. Pursuant to 37 C.F.R. § 1.530(j), the scope of the claims has not been enlarged by the instant amendments, as noted at page 8 of the response.

Applicant respectfully submits that the amended response filed herewith complies with all of the requirements of 37 C.F.R. § 1.530(d)-(j). If the Office believes that any portion of the response does not comply with the requirements of 37 C.F.R. § 1.530(d)-(j), the Office is hereby requested to contact the Applicant's undersigned attorney directly.

Respectfully submitted,

DRINKER BIDDLE & REATH LLP

Robert A. Koons, Jr.
Registration No. 32,474
Attorney for Patentee

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February 6, 2006

Doc

PTO/SB/21 (09-04)
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TRANSMITTAL FORM

(to be used for all correspondence after initial filing)

Total Number of Pages in This Submission

Application Number	5,966,440
Filing Date	January 31, 2005
First Named Inventor	Arthur R. Hair
Art Unit	
Examiner Name	Benjamin E. Lanier
Attorney Docket Number	NAPSP003

ENCLOSURES *(Check all that apply)*

- ☐ Fee Transmittal Form
- ☐ Fee Attached
- ☒ Amendment / Reply
- ☐ After Final
- ☐ Affidavits/declaration(s)
- ☐ Extension of Time Request
- ☐ Express Abandonment Request
- ☐ Information Disclosure Statement
- ☐ Certified Copy of Priority Document(s)
- ☐ Response to Missing Parts/ Incomplete Application
- ☐ Reply to Missing Parts under 37 CFR 1.52 or 1.53
- ☐ Drawing(s)
- ☐ Licensing-related Papers
- ☐ Petition
- ☐ Petition to Convert to a Provisional Application
- ☐ Power of Attorney, Revocation Change of Correspondence Address
- ☐ Terminal Disclaimer
- ☐ Request for Refund
- ☐ CD, Number of CD(s) _____
- ☐ Landscape Table on CD
- ☐ After Allowance Communication to TC
- ☐ Appeal Communication to Board of Appeals and Interferences
- ☐ Appeal Communication to TC (Appeal Notice, Brief, Reply Brief)
- ☐ Proprietary Information
- ☐ Status Letter
- ☒ Other Enclosure(s) (please identify below):

Remarks

Reexamination Control No. 90/007,407

Response to Notice of Defective Paper in ExParte Reexamination;
Response
Post Card

SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT

Firm Name	Drinker Biddle & Reath LLP		
Signature			
Printed name	Robert A. Koons, Jr.		
Date	February 6, 2006	Reg. No.	32,474

CERTIFICATE OF TRANSMISSION/MAILING

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 on the date shown below:

Signature			
Typed or printed name		Date	

This collection of information is required by 37 CFR 1.5. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to 2 hours to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.

CERTIFICATE UNDER 37 C.F.R. 1.10

In Re: Patent Application of Arthur R. Hair	)	
	)	
Docket No.: NAPSP003	)	
Reexamination Control No. 90/007,407	)	**SYSTEM AND METHOD FOR**
Reexamination Filed: January 31, 2005	)	**TRANSMITTING DESIRED**
Patent Number: 5,966,440	)	**DIGITAL VIDEO OR DIGITAL**
Examiner: Benjamin E. Lanier	)	**AUDIO SIGNALS**

EXPRESS MAIL – EV 547110625 US

Date of Deposit: February 6, 2006

I hereby certify that the following correspondence

Response to Notice of Defective Paper in Ex Parte Reexamination; Response; Transmittal; return postcard

is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 on the date indicated above and is addressed to Mail Stop *Ex Parte* Reexamination, Commissioner for Patents, PO Box 1450, Alexandria, VA 22313-1450.

Katherine V. Hilbert
(Typed or printed name of person mailing paper)

Katherine V Hilbert
(Signature of person mailing paper or fee)

Drinker Biddle & Reath LLP
One Logan Square
18th and Cherry Streets
Philadelphia, PA 19103

PHIP\492110\1

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)
	)
ARTHUR R. HAIR	)
	)
Reexamination Control No. 90/007,407	)
	)
Reexamination Filed: January 31, 2005	) SYSTEM AND METHOD FOR
	) TRANSMITTING DESIRED
	) DIGITAL VIDEO OR DIGITAL
Patent Number: 5,966,440	) AUDIO SIGNALS
	)
Examiner: Benjamin E. Lanier	

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 October 26, 2005, please enter the following amendments and remarks.

Amendments to the Claims begin on page **2** of this paper.

Remarks begin on page **8** of this paper.

Claim Amendments

Please add new claims 64 to 79 as follows:

64. (New) A method for transferring desired digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital audio signals in the first memory; and

transferring the desired digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party;

tagging electronically digital audio signals from the second memory; and

playing through speakers of the second party control unit the tagged digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit.

65. (New) A method as described in claim 64 wherein the tagging step includes the step of tagging electronically as favorites the digital audio signals from the second memory.

66. (New) A method as described in Claim 65 including before the transferring step, the step of electronically coding the desired digital audio signals into a configuration which would prevent

unauthorized reproduction of the desired digital audio signals.

67. (New) A method as described in Claim 66 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital audio signals from the first party.

68. (New) A method as described in claim 67 including the step of randomly selecting the tagged digital audio signals from the second memory by the second party integrated circuit of a second party control unit.

69. (New) A method for transferring desired digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital audio signals in the first memory; and

transferring the desired digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party;

randomly selecting digital audio signals by a single artist from the second memory by a

second party integrated circuit of a second party control unit; and

playing through speakers of the second party control unit the digital audio signals by the single artist in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit.

70. (New) A method as described in Claim 69 including before the transferring step, the step of electronically coding the desired digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital audio signals.

71. (New) A method as described in Claim 70 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital audio signals from the first party.

72. (New) A method for transferring desired digital video signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video signals in the first memory; and

transferring the desired digital video signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications

lines while the second party control unit with the second memory is in possession and control of the second party;

tagging electronically digital video signals from the second memory; and

playing through a video display of the second party control unit the tagged digital video signals in the second memory, said video display of the second party control unit connected with the second memory of the second party control unit.

73. (New) A method as described in claim 72 wherein the tagging step includes the step of tagging electronically as favorites the digital video signals from the second memory.

74. (New) A method as described in Claim 73 including before the transferring step, the step of electronically coding the desired digital video signals into a configuration which would prevent unauthorized reproduction of the desired digital video signals.

75. (New) A method as described in Claim 74 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video signals from the first party.

76. (New) A method as described in claim 75 including the step of randomly selecting the tagged digital video signals from the second memory by a second party integrated circuit of a second party control unit.

77. (New) A method for transferring desired digital video signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video signals in the first memory; and

transferring the desired digital video signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party;

randomly selecting digital video signals by a single artist from the second memory by a second party integrated circuit of a second party control unit; and

playing through a video display of the second party control unit the tagged digital video signals by the single artist in the second memory, said video display of the second party control unit connected with the second memory of the second party control unit.

78. (New) A method as described in Claim 77 including before the transferring step, the step of electronically coding the desired digital video signals into a configuration which would prevent unauthorized reproduction of the desired digital video signals.

79. (New) A method as described in Claim 78 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second

party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video signals from the first party.

REMARKS

Status of Claims

Claims 1, 4-21, 23-36, 39, 40, 42, 45-61 and 64-79 are currently pending. Claims 2, 3, 22, 37, 38, 41, 43, 44, 62 and 63 have been canceled.

Amendments to the Claims

Applicant has added new claims 64-79. Support for these new claims is found *inter alia* at column 2, lines 52-59 and in Claims 1, 6, 8 and 58 of the '440 Patent as issued. No new matter has been added. Further, Applicant respectfully submits that because the newly presented claims place additional limitations on existing claim elements, the scope of the claims has not been enlarged.

Rejection For Non-Statutory Obviousness-Type Double-Patenting

In the most recent Office Action in reexamination 90/007,407 (the "'407 Reexam"), Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 of U.S. Patent Number 5,966,440 (the "'440 Patent") have been rejected under the judicially created doctrine of obviousness-type double-patenting over Claims 1-6 of U.S. Patent Number 5,191,573 (the "'573 Patent"), which is co-pending reexamination 90/007,402 (the "'402 Reexam") alone, and separately over Claims 1-34 of U.S. Patent Number 5,675,734 (the "734 Patent"), which is co-pending reexamination 90/007,403 (the "'403 Reexam") alone.

Applicant submits that these double-patenting rejections are improper as applied to the instant claims for the reasons set forth below. Applicant therefore respectfully requests that the rejections be withdrawn.

Obviousness-Type Double-Patenting Is Not A New Issue Related To Patentability And Is Therefore Inappropriate In The Instant Reexamination

Applicant respectfully submits that it is not appropriate to consider and assert obviousness-type double-patenting in the present reexamination because it does not present a "substantial new question of patentability."

During the prosecution of the applications that eventually resulted in the '440 and '734 Patents, both applications were co-pending before the same Examiner. Indeed, the same Examiner who issued the subject '440 Patent and '734 Patent also issued the '573 Patent. The Examiner in each case therefore was well aware of the scope of the claims in each application and the patents that issued from those applications. This by itself indicates the issue of double-patenting was before the Examiner in the original examination of the subject '440 Patent, and therefore does not present a "substantial new question of patentability."

35 U.S.C. § 303 permits the Director to "determine whether a substantial new question of patentability is raised." While the fact that a patent or printed publication was previously cited or considered may not preclude the existence of a substantial new question of patentability in some circumstances, the plain language of the statute nonetheless requires that the *question of patentability* raised must be new. Applicant therefore believes it is improper on reexamination to re-raise a ground for rejection that was already addressed by the Examiner in the original examination of the patent(s) at issue. Moreover, Applicant believes the case law squarely support's Applicant's position on this point. See *In re Recreative Technologies Corp.*, 83 F.3d 1394, 1398 (Fed. Cir. 1996) ("Reexamination is barred for questions of patentability that were decided in the original examination.")

In the present case, the prosecution history of the '440 Patent shows unequivocally that

Applicant's attorney *specifically requested* that the Examiner consider any issues of double-patenting that may result from the issuance of the '440 Patent. The Applicant's attorney expressly stated to the Examiner:

> ***"Applicant reminds the Examiner of related continuation application 08/607,648 and asks the Examiner to review whether there is any double patenting issue with regard to this application 08/607,648 or parent patent, U.S. Patent No. 5,191,573."***
> (Response to Office Action filed by Ansel Schwartz July 3, 1996)

This was in fact the *second time* that Applicant had brought the issue of double-patenting to the attention of the Examiner. The prosecution history of the related '734 Patent shows that Applicant's attorney has previously requested that the Examiner consider the '573 Patent and the application that became the '734 Patent regarding this very issue of double-patenting. The Applicant's attorney expressly stated to the Examiner:

> ***"Applicant requests the Examiner to review any double patenting possibility of the above-identified patent application in regard to U.S. Patent 5,191,573. If the Examiner determines there is no need for any double patenting concern, the applicant requests that the Examiner deem this request to consider double patenting as moot."***
> (Response to Office Action filed by Ansel Schwartz July 13, 1994).

Notwithstanding this express raising of the question ***twice*** by Applicant, the Examiner in subsequent Office Actions did not find an issue of double-patenting in the application that resulted in the issuance of the '440 Patent with respect to the '573 Patent or the application that ultimately resulted in the '734 Patent. Thus, the Examiner plainly had the impetus and opportunity to make a double-patenting rejection had the Examiner felt it was warranted. It therefore follows, *a fortiori*, that the question of double-patenting cannot, as a matter of law and fact, present a "substantial new question of patentability" in the present proceedings.

Applicant respectfully submits that Applicant was and is entitled to rely on the

Examiner's declining to make a rejection for double-patenting in response to the Applicant's specific request to consider the issue. Applicant should not now be forced to face that same issue in the instant reexamination. That is exactly what 35 U.S.C. § 303 is intended to avoid. Indeed, as stated by the Court of Appeals for the Federal Circuit ("CAFC") in *Recreative Technologies*, the "substantial new question requirement would protect patentees from having to respond to, or participate in unjustified reexaminations. Further, it would act to bar reconsideration of any argument already decided by the Office" and, as a result, "the statute [35 U.S.C. § 303] guarded against simply repeating the prior examination on the same issues and arguments." *Id.* at 1397.

Applicant therefore respectfully submits that the issue of double-patenting over the '573 and '734 Patents was properly before the Examiner and passed on by the Examiner during the original prosecution of the '440 Patent. Applicant submits that, under the plain meaning of the statute, and the CAFC's holding in *Recreative Technologies*, double-patenting in the present circumstances is not a "substantial new question of patentability" within 35 U.S.C. § 303, and therefore is not a proper issue to be considered in this reexamination. Applicant therefore respectfully requests that the rejection of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 for obviousness-type double-patenting over Claims 1-6 of the '573 Patent, and over Claims 1-34 of the '734 Patent, be withdrawn.

The Rejection Of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 Over Claims 1-6 Of The '573 Patent Or Claims 1-34 Of The '734 Patent Alone Is Improper In An Obviousness-Type Double-Patenting Rejection

Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 of the '440 Patent have been rejected over Claims 1-6 of the '573 Patent and Claims 1-34 of the '734 Patent without any citation to prior art or the knowledge of those having ordinary skill in the art. Applicant respectfully traverses these rejections, on the grounds that a rejection for obviousness-type double-patenting that is

unsupported by some suggestion in the prior art, or the knowledge of one having ordinary skill in the art, is improper.

The Board of Patent Appeals and Interferences (the "Board") dealt with this very same issue in *Ex parte Schmit*, 64 USPQ.2d, 1723. In *Schmit*, the Board reversed a rejection under the doctrine of obviousness-type double-patenting, where the Examiner had relied on a combination of "references" both of which were parents of the application at issue. In its opinion, the Board interpreted its own precedent in *Ex parte Oetiker*, 23 USPQ2d 1651 (Bd. App. 1990), and the precedent of the CAFC, *In re Longi*, 774 F.2d 1100, 225 USPQ 645 (Fed. Cir. 1985). The Board recognized this precedent to "stand for the proposition *that prior art must be cited* to support an obviousness-type double-patenting rejection." *Schmit*, at 1725. (emphasis added) The Board therefore properly held that, "[a]bsent citation of prior art in addition to the base patent, there is no factual basis for the [obviousness-type double-patenting] rejection." *Id.* As a result, in the present reexamination, although the claims of the '573 and '734 Patents can be asserted by the Examiner as a partial basis for an obviousness-type double patenting rejection, the '573 and '734 Patents cannot *by themselves* support such a rejection. See *Ex parte Schmit*, 64 USPQ.2d, 1723; *In re White and Langer*, 405 F.2d 904, 160 USPQ 417 (CCPA 1969) ("Having been copending with the application at bar, appellants' own patent is not prior art although it is the basis of the double patenting rejection."); *Research Corporation Technologies, Inc. v. Gensia Laboratories, Inc.*, 10 Fed.Appx. 856, 2001 WL 287093 (Fed. Cir. 2001) ("In considering the question [double-patenting], the patent disclosure may not be used as prior art.")

The instant obviousness-type double-patenting rejections implicitly acknowledge that Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 are not co-extensive with Claims 1-6 of the '573 Patent or Claims 1-34 of the '734 Patent. Therefore, Applicant respectfully submits that, under

Oetiker and *Longi*, as adopted by the Board in *Schmit*, it was necessary to show some rationale, either in the prior art, or the knowledge of one having ordinary skill in the art, as to why Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 are obvious over Claims 1-6 of the '573 Patent or Claims 1-34 of the '734 Patent. Since this rationale does not appear of record, Applicant respectfully submits that the instant double-patenting rejections over Claims 1-6 of the '573 Patent and Claims 1-34 of the '734 Patent should be withdrawn.[1]

Referencing The Specification Of The '573 Patent To Support An Obviousness-Type Double-Patenting Rejection Of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 Over Claims 1-6 Of The '573 Patent Is Improper

In rejecting Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 for obviousness-type double-patenting of over Claims 1-6 of the '573 Patent, the Examiner has referenced the specification of the '573 Patent to support the rejection. Applicant respectfully submits that this is clearly improper under *White and Langer* and *Research Corporation Technologies*. "In considering the question [double-patenting], the patent disclosure may not be used as prior art." *Research Corporation Technologies*, 10 Fed.Appx. 856. Applicant therefore submits that the instant rejection of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 for obviousness-type double-patenting of over Claims 1-6 of the '573 Patent should be withdrawn.

The Rejection Of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 Over The Claims Of The '573 Patent Alone In The Obviousness-Type Double-Patenting Rejection Is Inconsistent With Other Positions Taken By The Examiner

The Examiner has rejected Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 over Claims 1-6 of the '573 Patent. Applicant respectfully traverses this rejection, on the grounds that the rejection for obviousness-type double-patenting is inconsistent with positions taken by the

[1] Parenthetically, Applicant notes that *Schmit* was not published as binding precedent of the Board. Nonetheless, for the reasons set forth above, Applicant believes it is abundantly clear that *Schmit* was correctly decided and is supported by the precedent of the CCPA and CAFC. Applicant therefore respectfully suggests that the Examiner

Examiner in his Section 103(a) rejections of the claims, and is nonetheless unsupported by the prior art cited by the Examiner.

Applicant respectfully submits that Claims 1-6 of the '573 Patent are insufficient to render Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 obvious. Applicant bases this position in part on the inconsistency in the arguments made in the Section 103(a) rejections of Claims 1-6 of the '573 Patent in the co-pending '402 Reexam and Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 in the instant reexamination. To clarify this point, Applicant refers to the chart of the rejections of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 under Section 103(a), attached as Exhibit A. That chart shows the following.

- Claims 1, 4 and 5 are rejected over the combination of four references: Akashi, Freeny, Eggers and Chace.
- Claim 6 is rejected over the combination of Akashi, Freeny, Gallagher, Eggers and Chace.
- Claims 7 and 8 are rejected over the combination of Akashi, Freeny, Eggers, Gallagher, Ohta and Chace.
- Claims 9 and 10 are rejected over the combination of Akashi, Freeny, Ohta, Eggers, Thomas and Chace.
- Claims 11, 12, 19-21, 23, 24, 29-31, 36, 39, 40, 42, 45, 46 and 58-61 are rejected over the combination of Akashi and Freeny and Eggers.
- Claim 13 is rejected over the combination of to Akashi, Freeny, Gallagher, Ohta and Eggers.
- Claims 14-18 are rejected over the combination of Akashi, Freeny, Ohta Eggers and Thomas.
- Claims 25-27, 34 and 50-57 are rejected over the combination of Akashi, Freeny, Gallagher, Ohta, Eggers and Thomas.
- Claim 28 and 35 are rejected over the combination of Akashi, Freeny, Gallagher,

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should follow the Board's holding in the present reexamination.

Ohta, Eggers, Thomas and Chace.

- Claims 32 and 33 are rejected over the combination of to Akashi, Freeny, Gallagher, Eggers and Thomas.
- Claims 47 and 48 are rejected over the combination of Akashi and Freeny.
- Claim 49 is rejected over the combination of Akashi, Freeny, Gallagher and Ohta.

In rejecting Claims 1-6 of the '573 Patent as obvious under Section 103(a), it was determined that only *two* prior art references were necessary: Akashi and Freeny. However, in rejecting all Claims of the '440 Patent as obvious under Section 103(a), the Examiner determined it was necessary to cite additional references as detailed above, except with respect to Claims 47 and 48. Applicant therefore respectfully submits that, implicit in these Section 103(a) rejections, is the determination that Claims 1, 4-21, 23-36, 39, 40, 42, 45, 46, and 49-61 must recite elements not taught in Claims 1-6 of the '573 Patent.

Applicant submits this inconsistency is fundamentally unfair to Applicant since it is unclear as to just what prior art is necessary to render Claims 1, 4-21, 23-36, 39, 40, 42, 46 and 49-61 obvious. Applicant respectfully submits that, if various combinations of up to six references are necessary to render the majority of Claims 1, 4-21, 23-36, 39, 40, 42, 46 and 49-61 obvious under Section 103(a), then, logically, the double-patenting rejection over *only* Claims 1-6 of the '573 Patent alone cannot be appropriate.

Notwithstanding The Inconsistency Of The Rejections, The Art Of Record In Combination With Claims 1-6 Of the '573 Patent Is Insufficient To Render Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 Obvious

Notwithstanding the above cited inconsistencies, Applicant submits that, as a matter of fact and law, Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 are not obvious over Claims 1-6 of the '573 Patent, either alone or in combination with any of the other art cited.

With respect to Claims 1, 4-21, 23-36, 39, 40, 42, 45, 46, and 49-61, if the rejections for obviousness-type double-patenting had been consistent with the rejections under section 103(a) -- which they are not as discussed above -- then Applicant's arguments at pages 35 to 54, *infra*, regarding the insufficiency of the various combinations of Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas and Chace with respect to the Section 103(a) rejections apply equally to the double-patenting rejections. Applicant therefore incorporates herein by reference, as if repeated in their entirety, those arguments regarding the insufficiency of the various combinations of Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas and Chace with respect to the Section 103(a) rejections. As a result, Applicant respectfully submits that Claims 1, 4-21, 23-36, 39, 40, 42, 45, 46, and 49-61 cannot be obvious over Claims 1-6 of the '573 Patent in combination with any of these references, as the combination is improper.

Rejections Under 35 U.S.C. § 103(a)

As demonstrated in Exhibit A, with the exception of Claims 47 and 48, the Examiner has cited a minimum of three references (for Claims 1, 4-21, 23-27, 29-34, 36, 39, 40, 42, 45, 46 and 49-61) and up to seven references (for Claims 28 and 35) in various combinations, in an effort to make out a *prima facie* case of obviousness under 35 U.S.C. § 103(a) of the claims under reexamination. A large number of the rejections under Section 103(a) (for Claims 6-10, 13-18, 25-28, 32-35 and 50-57) rely on no less than five references. Additionally, the Examiner has grouped various of the seven cited references in twelve separate permutations. Applicant respectfully submits that this large number of cited references and variety of combinations required to encompass the claims, is in and of itself, indicative of the non-obviousness of the invention.

Comments On Examiner's Response To Arguments

In the Office Action dated October 26, 2005, the Examiner states in his *Response to Arguments* that the "District Court decision was an analysis of Freeny as a section 102 reference and not as a secondary reference." Applicant respectfully disagrees with this characterization of the District Court's opinion. Applicant maintains that a thorough review of the Opinion and Order of Court dated October 23, 2003 (the "Opinion") in the Sightsound v. N2K et al. litigation demonstrates that the District Court analyzed Freeny as a Section 103 reference. Applicant respectfully directs the Examiner to section 2 of the Opinion and Order beginning on page 45, titled "*Defendants' Examples of Prior Art giving Rise to Obviousness*" (emphasis added), attached hereto as Exhibit B. The District Court Judge goes on to analyze the Section 103 references cited by the defendants, including specifically "The Freeny Patent" at page 52 of the Opinion. Accordingly, Applicant respectfully disagrees with the Examiner's position that Freeny was not analyzed as a secondary reference in an obviousness context. Moreover, Applicant submits that, not only did the District Court consider Freeny as a secondary reference, but the Court also reasoned that Freeny *teaches away* from Applicant's claimed invention. See Opinion, page 52-53.

Applicant also respectfully points out that the District Court specifically considered the Examiner's primary reference, Akashi, in regard to obviousness in its Opinion. See Opinion, page 50. Although not binding on the Examiner in this proceeding, Applicant respectfully submits that a reasoned analysis by a competent Court should be regarded as strongly persuasive against the suggested combination of Freeny with Akashi and other references in the present Section 103(a) rejections.

A Prima Facie Case Of Obviousness Under 35 U.S.C. § 103(a) Over The Cited References Has Not Been Established In The Instant Office Action

MPEP 2144 explicitly requires the presentation of a rationale found "expressly or impliedly in the prior art or drawn from a convincing line of reasoning based on established scientific principles or legal precedent" in order to combine references under Section 103. Further, MPEP 2142 states that, "[t]o reach a proper determination under 35 U.S.C. 103, the examiner must step backward in time and into the shoes worn by the hypothetical 'person of ordinary skill in the art' when the invention was unknown and just before it was made." These dual requirements ensure that an examiner does not fall into the trap of using hindsight based on his own knowledge of the Applicant's disclosure to reconstruct the claimed invention from the prior art.

To avoid such hindsight reconstruction, the CAFC requires "a rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references." *In re Beasley* 117 Fed.Appx. 739, 742 (Fed. Cir. 2004). "This is consonant with the obligation of the Board [of Patent Appeals and Interferences] to develop an evidentiary basis for its factual findings to allow for judicial review under the substantial evidence standard that is both deferential and meaningful." *Id.* at 742-43. Neither an examiner nor the Board is entitled rely only on their own knowledge as skilled artisans. *Id.* at 743.

Applicant respectfully submits that, even assuming each and every element of Claims 1, 4-21, 23-36, 39, 40, 42, 45-61 has been located in this large number of varied references, there nonetheless has been no showing that one having ordinary skill in the art at the time of Applicant's invention, over 17 years ago, would have found the requisite motivation and

reasonable expectation of success in combining the various references.[2] Because a rigorous showing of teaching or motivation to combine the numerous cited references has not been provided as required by the CAFC, a *prima facie* case of obviousness has not been established.

Turning now to the cited references, Applicant will discuss each and the combinations proposed by the Examiner. Applicant will demonstrate that the references, individually, or in combination, do not establish a *prima facie* case of obviousness. For convenience, Applicant refers the Examiner to the chart of the claims and the references applied in each rejection, attached as Exhibit A. For clarity of presentation, Applicant will discuss the combinations of references proposed and the deficiencies of those combinations by referencing the attached chart for the claims affected.

a) Combination Of Akashi With Freeny

The combination of Akashi with Freeny is cited against all of Claims 1, 4-21, 23-36, 39, 40, 42, 45-61. Akashi discloses an automated sales system for music on record albums. Akashi teaches a recording reproducing apparatus with a built-in computer communication means which is connected by a telephone line to a host computer storing data representing music on record albums or similar information such as the composers, list of music stores, musicians and the like. The data representing music on record albums is sent from the aforesaid host computer to the recording reproducing apparatus when the host computer is accessed by the aforesaid recording reproducing apparatus. See Akashi para. 4. The recording reproducing apparatus may be either a digital audio tape recorder or a compact disk deck that employs a write-once, read-many

[2] The '440 Patent has a priority date of June 13, 1988. Thus, Applicant's invention was made at least as early as that date.

recordable optical disk that allows data to be read immediately after the data is written. See Akashi para. 6.

As set forth in the Declaration of Kenneth Pohlmann, attached as Exhibit C, Akashi does not teach any playback capability. Akashi is a simple inexpensive digital audio tape recorder or compact disk device that has the ability to communicate with a host computer to download music from the host computer onto an audio tape or an optical disk. It is submitted that once the music is stored on the tape or the optical disk, the tape or optical disk is then removed and carried away by the purchaser to be listened to on a completely distinct playback device separate and remote from the tape recorder or compact disk device. See Pohlmann Dec. para. 14.

As recognized by the Examiner, Akashi discloses no means or method whatsoever of effecting payment. Moreover, although the Examiner makes a statement at page 18 of the Office Action that "Akashi discloses a system for automatically billing recorded music via telecommunication lines", Applicant respectfully submits that it is clear from the disclosure of Akashi that it does not disclose automatic billing. See Pohlmann Dec. para. 13. As further recognized by the Examiner, Akashi does not teach or suggest a hard disk used by the purchaser to store the data.

The Examiner cites Freeny for the provision of video data and the element of making a payment by electronic means. Applicant submits that Freeny is non-analogous to, and plainly teaches away from, Akashi. Freeny discloses a material object offered for sale and purchasable at a point-of-sale location. As disclosed in Freeny, the information used to manufacture a material object is stored locally at the point of sale, such as a kiosk. Only the authorization to make a copy is obtained from a remote location by a communication link at the time of the sale. Freeny, col. 5, ln. 32 to col. 6, ln. 11. This is directly contrary to Akashi, which teaches

acquiring a recording from a remote location at the time of the sale. It is well established that, "[i]f the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the reference are insufficient to render the claims *prima facie* obvious." *In re Ratti*, 270 F.2d 810, 123 USPQ 349 (CCPA 1959). Thus, on this basis alone, the teachings of Freeny cannot be combined with Akashi because Freeny teaches a system that operates in a fundamentally different way than Akashi.

Moreover, Applicant submits that the rationale provided for combining selected elements of Freeny with Akashi is inadequate to make out a *prima facie* case of obviousness. As held by the CAFC in *Beasley*, "***conclusory*** statements of generalized advantages and convenient ***assumptions*** about skilled artisans...are ***inadequate*** to support a finding of motivation, which is a factual question that cannot be resolved on subjective belief and unknown authority." *Id.* at 744. (emphasis added) In the first instance, Applicant respectfully submits that the motivation asserted by the Examiner in Freeny to modify Akashi for the sale of video information is precisely the type of conclusory and generalized statements of advantage that the CAFC has determined are inadequate to show obviousness. The portion of Freeny cited by the Examiner is notably from the Background section of the patent, which states, unsurprisingly, that manufacturing facilities and distribution systems are expensive. From this general statement in Freeny, the Examiner concludes it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Akashi to provide video in addition to audio information to take advantage of cost savings from eliminating manufacturing facilities and distribution systems. Applicant submits this is not the necessary motivation to combine that must be found in the prior art or knowledge of one of ordinary skill in the art, as required by *In*

re Vaeck, 947 F.2d 488, 493, 20 USPQ2d 1438, 1442 (Fed. Cir. 1991). Applicant respectfully submits that, instead, this is the type of hindsight reconstruction, based on the Applicant's disclosure, that the CAFC has repeatedly held to be improper. See *Teleflex, Inc. v. KSR International Co.*, 119 Fed.Appx. 282, 285-86 (Fed. Cir. 2005) ("Combining prior art references without evidence of...a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability--the essence of hindsight.")

What has not been shown is some teaching in either Akashi or Freeny, or the knowledge generally available to one of ordinary skill in the art at the time of Applicant's invention, which would lead a person without knowledge of the claimed invention, to modify Akashi to provide video rather than audio information from a remote system via communication lines. Further, the Examiner has provided no showing of the required reasonable expectation of success in thus modifying Akashi.

With respect to the teaching in Freeny of an electronic payment, the cited section of Freeny refers to a process whereby an authorization to manufacture a material object is received from a remote location. The information from which the material object is manufactured is stored locally at the point of sale. There is no suggestion in Freeny or Akashi that transmission of audio or video information from a remote location can be triggered by providing credit card account information at the point of sale. Again, no prior art or knowledge generally available to one of skill in the art has been pointed to that would lead a person of skill in the art at the time of Applicant's invention to that conclusion. Applicant therefore respectfully requests that Akashi and Freeny be withdrawn as references in the present case.

The combination of Akashi and Freeny is applied to all of Claims 1, 4-21, 23-36, 39, 40, 42, 45-61 with at least one additional references in each instance, except in the case of Claims 47 and 48. On the above bases alone, Applicant respectfully submits that the combination of Freeny and Akashi cannot, by itself, or in combination with other art, support a *prima facie* case of obviousness of any of Claims 1, 4-21, 23-36, 39, 40, 42, 45-61. This is because any further combination asserted by the Examiner includes the improper combination of Akashi with Freeny. In other words, any further combination of references that includes the failed subcombination of Akashi and Freeny respectively has its chain of references "broken," and therefore cannot stand. Nonetheless, since the Examiner has cited additional art to allege *prima facie* obviousness for all claims except Claims 47 and 48, Applicant will for the sake of completeness address such additional references below.

b) Combination Of Gallagher And/Or Ohta With Akashi And Freeny

Gallagher and Ohta are cited by the Examiner for the element of a hard disk as a storage means. The Examiner cites Gallagher to cure the deficiency of Akashi, which does not disclose a hard disk storage for the source of music to be sold. Ohta's disclosure of a personal computer is used to cure the deficiency of Akashi not disclosing a hard disk for storage of music after it is purchased. Gallagher is also cited for the element of a RAM buffer storage and encryption or encoding. Gallagher and/or Ohta are applied to Claims 6-10, 13-18, 25-28, 32-35 and 49-57. See the chart attached as Exhibit A. Applicant respectfully submits that the combination of Gallagher and/or Ohta with Akashi and Freeny is insufficient to establish a *prima facie* case of obviousness of any of the foregoing Claims 6-10, 13-18, 25-28, 32-35 and 49-57.

With respect to Ohta, that reference discloses a magnetic tape cartridge compatible with a disk drive. As set forth in the Declaration of Kenneth Pohlmann, Ohta has no relevant disclosure

other than a single sentence stating that some computers have hard drives. See Pohlmann Dec. para 34. From this statement, the Examiner concludes that it would have been obvious to modify Akashi to provide a hard drive for storage of music purchased using the system of Akashi. This analysis does not take account of the fact that the very purpose of the system of Akashi is to provide a means of selling copies of music in the form of CDs or tapes, which can be removed and are portable. Providing a hard drive in the system of Akashi would be contrary to, and in fact defeat, this purpose. The analysis also ignores the requisite inclusion of Freeny in combination with Akashi. Including Freeny with a system as taught in Akaski that has been modified to include a hard disk for storage of purchased music and video would lead to an incongruous result. Freeny explicitly teaches the manufacturing and selling of material objects such as tapes, CDs, greeting cards, maps and sheet music. Freeny, col. 4, lns. 36-55. The use of a hard drive to store the purchased information is wholly unrelated to the goal of manufacturing and selling material objects and is thus contrary to the teaching of Freeny, which requires sale of a material object, purchasable and removable from the point of manufacture. See Pohlmann Dec. para. 15.

With respect to Gallagher, the analysis still does not take account of the fact that Freeny is included in any combination that includes Gallagher. The reference teaches a system for supplying music from a central storage unit to at least one user unit. Individual users produce copies on optical disks or tape at the individual user units. In the first instance, Applicant respectfully submits that Gallagher does not disclose the use of a hard disk to store music at a central storage unit. It also does not teach the user unit has a hard disk. See Pohlmann Dec. para. 19. Instead, Gallagher discloses a system with three distinct units; (1) a source unit, which is in the control of a musician, (2) a central storage unit in the control of a music company, and

(3) at least one user unit in the control of a user. A close reading of Gallagher reveals that it is the source unit which is disclosed as potentially having a hard disk storage, not the central storage unit, from which users acquire music.

Significantly, Freeny discloses a system where information to be copied at the time of the sale is stored at the point of sale location, not at a remote central database. This is contrary to the concept of both Akashi and Gallagher.

"[It] is impermissible within the framework of section 103 to pick and choose from any one reference only so much of it as will support a given position to the exclusion of what other parts necessary to the full appreciation of what such reference fairly suggests to one skilled in the art." *Bausch & Lomb, Inc. v. Barnes-Hind/Hydrocurve, Inc.*, 796 F.2d 443, 448 230 USPQ 416, 419 (Fed. Cir. 1986). While an examiner is free to combine as many references as he/she wishes, he/she is not free to simply pluck individual elements from these references, while ignoring their full teachings. See *In re Fritch*, 972 F.2d 1260, 1266, 23 USPQ.2d 1780, 1784 (Fed. Cir. 1992) ("[An examiner] cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention.") With respect to the combination of Gallagher with Ohta, as discussed above, Ohta contains no teaching whatsoever regarding the recording of audio or video information. As no other prior art reference or knowledge available to one having skill in the art at the time of Applicant's invention has been cited, no motivation for combining Gallagher and Ohta, much less with Akashi and Freeney, has been established. Applicant therefore respectfully submits that Gallagher and Ohta should be withdrawn as references in the present case.

c) Combination Of Eggers, Thomas And/Or Chace With Akashi, Freeny, Gallagher And/Or Ohta

Eggers and Thomas are cited by the Examiner for features of video playback. Specifically, Eggers is cited for the playback of video on a "computer" monitor, and Thomas is cited for a playback RAM. Chace is cited for the use of a speaker or speakers in conjunction with a personal computer. Eggers, Thomas and/or Chace are applied to Claims 1, 4-18, 32-35 and 50-57 in combination with Akashi and Freeny, either with or without Gallagher and/or Ohta.

Eggers, Thomas and Chace all relate to playback of audio and video information. It is asserted by the Examiner that it would be obvious to combine the teachings of these several references with Akashi, Freeny, Gallagher and Ohta. Applicant respectfully submits that this analysis again simply plucks individual elements out of the cited references without regard to the fundamental incompatibility of their teachings with the other applied art. Akashi, Freeny and Gallagher all relate to making recorded copies of information. In Akashi and Gallagher, that information is limited to audio information. None of these references discusses the playing of audio information as it is sent from a central location. In fact, in the case of Freeny, this would interfere with the intended purpose as commercial outlets to sell multiple copies of information, since each customer would be forced to wait as a previous customer viewed or listened to video or audio information.

Eggers is devoted primarily to viewing of video information played from a central library in response to a request from a hotel guest or hospital patient. See Pohlmann Dec. para. 28. Eggers is completely silent as to the permanent copying of the video information by a user for later playback. The reference discloses a system for random access to an audio video data library with independent selection and display at each of a plurality of remote locations. Eggers

teaches there is a need for selective access to pre-recorded audio-video data from a common library in which selection and display may be at any of a plurality of remote locations for providing information and entertainment to occupants of hotels, hospitals, and the like. See Pohlmann Dec. para. 29-30. The primary purpose of the system in Eggers is to provide access to a library of recorded audio or video information, which can be accessed for viewing, but not copying. See Pohlmann Dec. para. 31.

In contrast, Akashi and Freeny are exclusively devoted to recording of information for later playback on a separate system. Although Gallagher does disclose recording and playback, Gallagher still has recording as its primary teaching. No explanation has been provided as to how one having ordinary skill in the art over 17 years ago, at the time of Applicant's invention, would be motivated to combine the teachings of Eggers with any of Akashi, Freeny or Gallagher. Indeed, Applicant respectfully submits that it is not possible to show such a motivation from the prior art, because the immediate play teaching of Eggers is incompatible with the later playback technology of Akashi, Freeny and Gallagher. The only possible source of motivation to combine these references is Applicant's own disclosure, the use of which to provide motivation is improper.

Similarly, there is no motivation presented to combine Thomas with any of Akashi, Freeny or Gallagher. Thomas discloses a method, apparatus and a system for recognizing broadcast segments. Thomas teaches that the method, apparatus and system relate to the automatic recognition of broadcast segments, particularly commercial advertisements broadcast by television stations. The reference also teaches that its object is to provide an automated method, apparatus and system for logging commercial broadcast data which does not rely for recognition on the insertion of special codes or run cues occurring in the signal. Real time

continuous pattern recognition of broadcast segments is accomplished by constructing a digital signature from a known specimen of a segment which is to be recognized. See Pohlmann Dec. para. 32. Thomas is completely silent with respect to producing copies from recorded audio or video information in the form of a tape or optical disk. Similarly, it is silent as to playing of audio or video information from a central library in response to a request, as taught by Eggers. See Pohlmann Dec. para. 33.

Finally, Applicant respectfully submits there is no suggestion or teaching in any of the prior art to support the use of Chace. Chace discloses an automated stereo synthesizer for audiovisual programs. See Pohlmann Dec. para. 25. Chace further teaches a method and apparatus for converting the monaural audio tracks of audiovisual programs into surround stereo signal which are mono-compatible and storable and which are synchronized with the video portion of the program. The reference teaches a conventional television monitor receives the video signals from a VCR and displays the video program on the monitor display screen. A video time code is also displayed in a code display region of the monitor's screen. The working cassette is played by the VCR in order to program the sound cues. The sound cues are a series of commands which are selected and programmed into a system computer by an operator who watches the video program being displayed on the monitor. These sound cues are used during a playback mode of operation to alter the signals which are produced by a monaural sound track and thus create stereo sound signals. There is no teaching or suggestion whatsoever in Chace regarding the copying of audio or video information, as disclosed in Akashi, Freeny and Gallagher. As a result, Chace has nothing at all to do with the distribution or recording of video or audio information. See Pohlmann Dec. para. 26.

Chace is also unrelated to the system for random access to an audio video data library with independent selection and display at each of a plurality of remote locations taught in Eggers. Likewise, Chace is unrelated to the method, apparatus and system for automatic recognition of broadcast segments, particularly commercial advertisements broadcast by television stations taught by Thomas. As a result, there is no motivation to combine Chace with either of Eggers or Thomas.

Regarding the possibility of combining Ohta with any of Eggers, Thomas or Chace, Applicant again points out that Ohta contains no relevant teachings other than a single sentence stating that some computers have hard disks. See Pohlmann Dec. para. 34. As Ohta is not related to any of the systems taught by Eggers, Thomas or Chace, there would be no motivation to combine Ohta with any of these references.

Again, Applicant respectfully submits that the Examiner has simply pulled single elements out of wholly unrelated references and combined them based on his own knowledge of the invention recited in Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61. For a Section 103 rejection to stand it must be based on an analysis of what the relevant prior art would teach to one having ordinary skill in the art at the time of Applicant's invention. See MPEP 2142, *supra*. Because this analysis is missing from the suggested combination of Eggers, Thomas and Chace with the other cited art, a *prima facie* case of obviousness has not been established. Applicant therefore respectfully requests that Eggers, Thomas and Chace be withdrawn as references.

d) *The Multiple Combinations Of References Cited By The Examiner Do Not Render Any Of The Claims Obvious*

As described above, a large number of various combinations of the cited references has been used in an attempt to make out a *prima facie* case of obviousness for each claim. Applicant

believes that the previous discussion has demonstrated it is improper to combine any of the ited references, and thus Applicant has shown that a *prima facie* case of obviousness has not been established with respect to any of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61. Nonetheless, for certainty and clarity, Applicant will now address each rejection made by the Examiner.

The Examiner has rejected Claims 47 and 48 over the combination of Akashi and Freeny. As shown in subsection (a), *supra*, the combination of Akashi and Freeny is not proper for several reasons. First, Akashi and Freeny function in fundamentally different ways: Akashi transferring audio information from a host computer to a second memory in possession and control of the second party and Freeny providing for copying of information stored locally to a second memory in possession and control of the first party at the time of the sale. Second, no motivation or reasonable expectation of success has been shown for modifying Akashi by adding the element of providing video information as taught in Freeny. Finally, no motivation or reasonable expectation of success has been shown for modifying Akashi by adding the element of a credit card payment as taught in Freeny. For these reasons, Applicant respectfully submits that Claims 47 and 48 are not obvious over the combination of Akashi and Freeny.

Claim 49 was rejected over the combination of Akashi, Freeny, Gallagher and Ohta. Applicant respectfully submits that, based on the improper combination of Akashi and Freeny alone, Claim 49 cannot be obvious. However, additionally, as discussed in subsection (b), *supra*, the combination of Gallagher with Freeny is improper for the same reason that it is improper to combine Akashi with Freeny. Additionally, Ohta contains no relevant disclosure other than that some computers have hard disks. As a result, it is not possible to show a motivation to combine Ohta with any of Akashi, Freeny or Gallagher, none of which discloses a user unit with a hard

drive. For these reasons, Applicant respectfully submits that Claim 49 is not obvious over the combination of Akashi, Freeny, Gallagher and Ohta.

Claims 11, 12, 19-21, 23, 24, 29-31, 36, 39, 40, 42, 45, 46 and 58-61 were rejected over the combination of Akashi, Freeny and Eggers. Applicant again respectfully submits that, based on the improper combination of Akashi and Freeny alone, Claims 11, 12, 19-21, 23, 24, 29-31, 36, 39, 40, 42, 45, 46 and 58-61 cannot be obvious. In addition, as discussed in subsection (c), *supra*, it is improper to combine Eggers with either of Akashi or Freeny as there is no motivation in any of the references to combine their teachings. In fact, as shown above, the system taught in Eggers is inconsistent the distribution of audio or video information for the purpose of making permanent copies as taught by Akashi and Freeny. For these reasons, Applicant respectfully submits that Claims 11, 12, 19-21, 23, 24, 29-31, 36, 39, 40, 42, 45, 46 and 58-61 are not obvious over the combination of Akashi, Freeny and Eggers.

Claims 1, 4 and 5 were rejected over the combination of Akashi, Freeny, Eggers and Chace. Applicant again respectfully submits that, based on the improper combination of Akashi and Freeny either with or without Eggers, Claims 1, 4 and 5 cannot be obvious. Nonetheless, as discussed above in subsection (c), *supra*, it further is improper to combine Chace with any of Akashi, Freeny and Eggers. This is because Chace has nothing at all to do with the distribution or recording of video or audio information as disclosed by Akashi and Freeny. Chace is likewise unrelated to the system disclosed by Eggers. As a result, there would have been no motivation by one having ordinary skill in the art at the time of Applicant's invention to combine any of the teachings of Chace with Akashi, Freeny or Eggers. For these reasons, Applicant respectfully submits that Claims 1, 4 and 5 are not obvious over the combination of Akashi, Freeny, Eggers and Chace.

Claim 6 was rejected over the Akashi, Freeny, Gallagher, Eggers and Chace. Applicant respectfully submits that, based on the improper combination of Akashi and Freeny, either with or without the improper combinations with any of Gallagher, Eggers or Chace, Claim 6 cannot be obvious. Applicant further respectfully submits that, as discussed in subsection (c), *supra*, it further is improper to combine Chace with Gallagher. Chace has nothing at all to do with the distribution or recording of audio information as disclosed by Gallagher. Therefore, there would have been no motivation by one having ordinary skill in the art at the time of Applicant's invention to combine any of the teachings of Chace with Gallagher. It is also improper to combine Gallagher with Eggers for the same reasons discussed with respect to combining Eggers with Akashi and Freeny. For these reasons, Applicant respectfully submits that Claim 6 is not obvious over the combination of Akashi, Freeny, Gallagher, Eggers and Chace.

Claim 13 was rejected over the combination of Akashi, Freeny, Gallagher, Ohta and Eggers. Applicant again respectfully submits that, based on the improper combination of Akashi and Freeny, either with or without the improper combinations with any of Gallagher, Ohta or Eggers, Claim 13 cannot be obvious. Applicant further respectfully submits that, for the reasons stated in subsection (c), *supra*, it further is improper to combine Ohta with Eggers. As discussed above, Ohta contains no relevant disclosure other than an isolated statement that some computers have hard disks. There is no disclosure in Ohta or Eggers that would have led one having ordinary skill in the art at the time of Applicant's invention to combine Ohta with Eggers. For these reasons, Applicant respectfully submits that Claim 13 is not obvious over the combination of Akashi, Freeny, Gallagher, Ohta and Eggers.

Claims 7 and 8 were rejected over the combination of Akashi, Freeny, Gallagher, Ohta, Eggers and Chace. Applicant again respectfully submits that, based on the improper

combination of Akashi and Freeny, either with or without the improper combinations with any of Gallagher, Ohta , Eggers or Chace, Claims 7 and 8 cannot be obvious. Applicant further respectfully submits that, for the reasons set forth in subsection (c), *supra*, it is improper to combine Ohta with Chace. As discussed above, Ohta contains no relevant disclosure other than an isolated statement that some computers have hard disks. There is no disclosure in Ohta or Chace that would have led one having ordinary skill in the art at the time of Applicant's invention to combine Ohta with Chace. For these reasons, Applicant respectfully submits that Claims 7 and 8 are not obvious over the combination of Akashi, Freeny, Gallagher, Ohta, Eggers and Chace.

Claims 14-18 were rejected over the combination of Akashi, Freeny, Ohta, Eggers and Thomas. Applicant again respectfully submits that, based on the improper combination of Akashi and Freeny, either with or without the improper combinations with either of Ohta or Eggers, Claims 14-18 cannot be obvious. Applicant further respectfully submits that, for the reasons set forth in subsection (c), *supra*, it is improper to combine Thomas with any of Akashi, Freeny, Ohta or Eggers. As discussed above, Thomas discloses a method, apparatus and a system for recognizing broadcast segments. Thomas is completely silent with respect to producing copies from recorded audio or video information in the form of a tape or optical disk. As a result, there would have been no motivation by a person skilled in the art at the time of Applicant's invention to combine the teachings of Akashi, Freeny, or Thomas. Further, Thomas is wholly unrelated to Eggers, which is devoted primarily to viewing of video information played from a central library in response to a request from a hotel guest or hospital patient. As a further result, there would have been no motivation in either of Eggers or Thomas to combine their teachings. Finally, as discussed above, Ohta has no relevant teaching other than that some

computers have hard drives. As a further result, there would have been no motivation in either of Ohta or Thomas to combine their teachings. For these reasons, Applicant respectfully submits that Claims 14-18 are not obvious over the combination of Akashi, Freeny, Ohta, Eggers and Thomas.

Claims 9 and 10 were rejected over the combination of Akashi, Freeny, Ohta, Eggers, Thomas and Chace. Applicant again respectfully submits that, based on the improper combination of Akashi and Freeny, either with or without the improper combinations with any of Ohta , Eggers, Thomas or Chace, Claims 9 and 10 cannot be obvious. Applicant further respectfully submits that, for the reasons set forth in subsection (c), *supra*, it is improper to combine Thomas and Chace. Thomas discloses a method, apparatus and a system for recognizing broadcast segments. Chace teaches a method and apparatus for converting the monaural audio tracks of audiovisual programs into surround stereo signal which are mono-compatible and storable and which are synchronized with the video portion of the program. Because these disclosures are wholly unrelated to each other, there is would be no motivation by someone having ordinary skill in the art at the time of Applicant's invention to combine the references. For these reasons, Applicant respectfully submits that Claims 9 and 10 are not obvious over the combination of Akashi, Freeny, Ohta, Eggers, Thomas and Chace.

Claims 25-27, 34 and 50-57 were rejected over the combination of Akashi, Freeny, Gallagher, Ohta, Eggers and Thomas. Applicant again respectfully submits that, based on the improper combination of Akashi and Freeny, either with or without the improper combinations with any of Gallagher, Ohta , Eggers or Thomas, Claims 25-27, 34 and 50-57 cannot be obvious. Applicant further respectfully submits that, for the reasons set forth in subsections (b) and (c), *supra*, it is improper to combine Gallagher and Thomas. As set forth above, Thomas is

completely silent with respect to producing copies from recorded audio information in the form of a tape or optical disk. In contrast, Gallagher is devoted making copies of audio, but has no disclosure regarding video. As a result, there would have been no motivation in either Gallagher or Thomas by someone having ordinary skill in the art at the time of Applicant's invention to combine the references' teachings. For these reasons, Applicant respectfully submits that Claims 25-27, 34 and 50-57 are not obvious over the combination of Akashi, Freeny, Gallagher, Ohta, Eggers and Thomas.

Claims 32 and 33 were rejected over the combination of Akashi, Freeny, Gallagher, Eggers and Thomas. For the reasons set forth above, Applicant respectfully submits that, based on the improper combination of Akashi and Freeny, either with or without the improper combinations with any of Gallagher, Eggers and Thomas, Claims 32 and 33 cannot be obvious.

Claim 28 and 35 were rejected over the combination of Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas and Chace. For the reasons set forth above, Applicant respectfully submits that, based on the improper combination of Akashi and Freeny, either with or without the improper combinations with any of Gallagher, Ohta, Eggers, Thomas and Chace, Claims 28 and 35 cannot be obvious.

In view of the improper combinations of Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas and/or Chace, Applicant submits that a *prima facie* case of obviousness has not been established with respect to any of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61. Rather, it appears the Examiner has surveyed multiple disparate references in the prior art to find individual elements which the Examiner believes correspond to the elements recited in the claims, without regard to demonstrating some rational line of reasoning as to why it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to combine the numerous

references' divergent teachings. Indeed, the Examiner has in several instances apparently overlooked teachings of the references that demonstrate their incompatibility with each other and thus militate *against* their combination.

Applicant respectfully submits this is precisely the type of hindsight reconstruction that the CAFC has proscribed. See *In re Fritch*; *Teleflex*, *supra*. To avoid hindsight reconstruction, Examiners are required to apply a rigorous "showing of the teaching or motivation to combine prior art references." *In re Beasley*. Applicant does not believe the Examiner has met the foregoing burden in the current case. Applicant therefore respectfully requests reconsideration and withdrawal of the rejections of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 under 35 U.S.C. § 103(a).

Secondary Considerations Of Non-Obviousness

In the Office Action response filed on July 21, 2005, Applicant provided evidence of secondary considerations of non-obviousness, including evidence of commercial success of distribution systems employing the claimed invention. The Examiner has indicated that he did not find the secondary evidence provided by Applicant persuasive. In support of his conclusion, the Examiner stated that "Applicant has not provided proof that the claimed features were responsible for the commercial success of the mentioned distribution systems (i.e., ITunes)." See Office Action, para. 3. The Examiner cites to *Ex parte Remark*, 15 USPQ2d 1498, 1502 for the proposition that merely showing that there was commercial success of an article which embodied the invention is not sufficient to provide a secondary consideration of non-obviousness.[3]

[3] Additionally, the Examiner cites to certain comments the Examiner believes were made by the Inventor during an Examiner's Interview concerning the unavailability of content for sale via his invention. Applicant believes that the Examiner misunderstood the comments made by the Inventor during the Interview and respectfully disagrees with

In view of Applicant's arguments refuting the rejection of Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 under 35 U.S.C. § 103(a), presented above, Applicant respectfully submits that a showing of secondary considerations is not strictly necessary to establish the non-obviousness of Applicant's invention. However, further in view of the fact that such secondary considerations in fact do exist, Applicant feels compelled to at least set forth below a summary of such indicia.

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. *Remark* at 1502. 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 Company 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 International Inc., v. AMF, Inc.*, 782 F.2d 995, 1000 (Fed. Cir. 1986).

The Present Invention Has Been Copied By Others With Commercial Success

The invention recited in Claims 1, 4-21, 23-36, 39, 40, 42 and 45-61 generally comprises transferring digital video or digital audio signals "for pay" between a first memory controlled by

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the Examiner's recollection of those comments. Nonetheless, in view of the additional ample evidence of secondary indicia submitted with the current response, including the Declaration by Arthur R. Hair attached hereto as Exhibit D, Applicant believes it unnecessary to pursue this issue here.

a seller and a second memory at a remote location controlled by a buyer over a telecommunication line. As set forth in the Declaration of Arthur R. Hair attached hereto as Exhibit D, the invention has in the past achieved significant commercial success.

Moreover, the invention continues to have 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, 4-21, 23-40, 42, and 45-61 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 is a commercially successful system that embodies the features of the claimed invention. Applicant's assertion that Napster is commercially successful and has copied the claimed invention is supported by the Declaration of Justin Douglas Tygar, Ph.D., is attached to this response as Exhibit E. Dr. Tygar is a professor at the University of California, Berkley with a joint appointment in the Department of Electrical Engineering and Computer Science and the School of Information Management and Systems. See Tygar Dec., para. 1. Dr. Tygar is an expert in the field of computer science with significant experience in the field of electronic commerce. See Tygar Dec., para. 2-4.

Dr. Tygar has determined that Napster has achieved a level of commercial success. See Tygar Dec., para. 6. Further, Dr. Tygar compared Napster to the invention recited in Claims 1, 4-21, 23-40, 42, and 45-61 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., para. 10. The buyer using Napster has a computer at a home, office, or other location remote from Napster. See Tygar Dec., 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 Napter's server to the buyer's computer. The buyer can then play the file using his or her computer system. See Tygar Dec., 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., para. 19.

Additionally, Applicant respectfully points out that Napster does not copy the closest prior art cited by the Examiner, i.e., Freeney and Akashi. Freeney teaches a point-of-sale device (e.g., a kiosk) that dispenses a material object (e.g., tape) containing the music purchased. See Freeney, col. 1, line 64 to col. 2, line 12. These features of Freeny are plainly not found in Napster. See Tygar Dec., para. 17. 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. para. 18.

Therefore, it is apparent that Napster chose to copy the system taught by the '440 patent. See Tygar Dec. para. 19. It is also apparent that Napster choose *not* to copy the prior art systems of Freeny and Akashi. See Tygar Dec. para. 20 and 21. Applicant submits that this selective copying by Napster of the invention recited in Claims 1, 4-21, 23-40, 42, and 45-61, while Napster ignored the systems of Freeny and Akashi, provides a sound basis upon which the required nexus between commercial success and Applicant's claimed invention can be found. See *Hughes Tool,* 816 F.2d at 1556. Additionally, Napster's selective copying of Applicant'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.

Applicant therefore respectfully submits that the foregoing remarks and the attached Declaration, have established the requisite nexus between the commercial success of Napster and Applicant's claimed invention. Applicant also respectfully submits that these remarks and the attached Declaration similarly have established copying by Napster as a secondary indicia of non-obviousness.

Newly Added Claims Are Not Taught by the Prior Art

It is well established that, in order to establish a *prima facie* case of obviousness of a claimed invention, all limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974), MPEP §2143.03. The elements added via newly presented Claims 64-79 are not taught or suggested in the cited prior art, i.e., Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas and Chace, or in any other art cited in the related co-pending reexaminations for U.S. Patent No. 5,191,573 and U.S. Patent No. 5,675,734. The newly added claims comprise various combinations of the following limitations, as applied to both digital audio signals and digital video signals:

a) tagging electronically digital audio or video signals from the second memory, and playing through speakers of the second party control unit the tagged digital audio signals. (Claims 64 and 72)

b) tagging electronically as favorites the digital audio or video signals from the second memory. (Claims 65-67 and 73-75)

c) randomly selecting the tagged digital audio or video signals from the second memory by a second party integrated circuit of a second party control unit.

(Claims 68 and 76)

d) randomly selecting digital audio or video signals by a single artist from the second memory by a second party integrated circuit of a second party control unit, and playing through speakers of the second party control unit the digital audio or video signals by the single artist in the second memory. (Claims 69-71 and 77-79)

All of the limitations set forth above with respect to the newly added claims involve features surrounding tagging of digital audio or video and playback of the tagged digital audio or video from the second memory, none of which is taught in Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas and Chace.

More specifically, limitation (a) set forth above is tagging the digital signals from the second memory. Akashi teaches a recording reproducing apparatus which may be either a digital audio tape recorder or a compact disk deck that employs a write-once, read-many recordable optical disk. Akashi does not teach any tagging feature of a second memory. Freeny teaches using information stored locally at the point of sale (e.g., kiosk) to manufacture a material object. There is no teaching of tagging digital signals from the second memory in Freeny. Gallagher teaches a system for supplying music from a central storage unit to at least one user unit. Individual users produce copies on optical disks or tape at the individual user units. There is no teaching of tagging digital signals from the second memory in Gallagher. Ohta merely teaches that some computers has hard disks. There is no teaching of tagging digital signals from the second memory in Ohta. Eggers is devoted primarily to viewing of video information played from a central library in response to a request from a hotel guest or hospital patient. Eggers is completely silent as to the permanent copying of the video information by a user for later

playback. There is no teaching of tagging digital signals from the second memory in Eggers. Thomas discloses a method, apparatus and a system for recognizing broadcast segments. There is no teaching of tagging digital signals from the second memory in Thomas. Chace discloses an automated stereo synthesizer for audiovisual programs. Chace further teaches a method and apparatus for converting the monaural audio tracks of audiovisual programs into surround stereo signal which are mono-compatible and storable and which are synchronized with the video portion of the program. There is no teaching of tagging digital signals from the second memory in Chace.

Limitation (b) set forth above provides tagging digital audio or video signal in the second memory as favorites. As none of Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas or Chace discloses tagging, it follows they also do not disclose tagging as favorites.

Limitations (c) and (d) set forth above provide for random playback of the tagged digital audio or video information. Specifically, randomly playing tagged audio or video, possibly by a single artist. Neither Akashi nor Freeny addresses playback, and therefore do not teach or disclose random playback. Gallagher does address playback, but does not teach or disclose random playback. Ohta does not address digital audio or video signals at all and therefore does not teach or suggest random playback. The system of Eggers relates to viewing audio or video information specifically requested from a library. Eggers does not teach or suggest random playback. Thomas discloses recognition of broadcast segments, but does not teach or suggest random playback. The system of Chace is related to a method and apparatus for converting the monaural audio tracks of audiovisual programs into surround stereo signal which are mono-compatible and storable and which are synchronized with the video portion of the program. As a result, the synchronized system of Chace is antithetical to random playback.

Since none of Akashi, Freeny, Gallagher, Ohta, Eggers, Thomas or Chace discloses tagging of audio or video signals, or random selection of the digital audio or video signals, it follows they also do not disclose random playback of tagged digital audio or video signals. Further, since none of the references teaches or suggests these features, they similarly do not teach or suggest random playback of tagged favorites or tagged digital audio or video of a single artist.

As a result, in addition to being allowable for all of the reasons set forth above concerning Claims 1, 4-21, 23-40, 42, and 45-61, Applicant respectfully submit that the newly added claims also are allowable for the reason that the limitations found in the newly presented claims are not taught or suggested by the prior art.

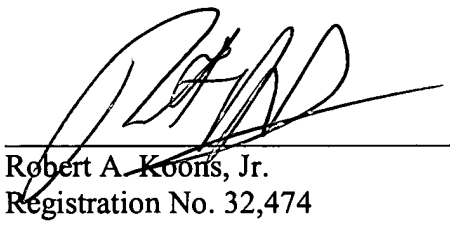
CONCLUSION

Applicant believes the foregoing remarks have overcome or rendered moot all grounds for rejection of Claims 1, 4-21, 23-40, 42, and 45-61 and any potential grounds of rejection for newly added Claims 64-79. Applicant therefore respectfully submits that all such claims are patentable over the art cited by the Examiner. There being no other rejections or objections of record, Applicant believes that the application is in condition for allowance.

Applicant understands, however, that the Examiner may have additional questions or concerns prior to allowing Applicant's claims. Applicant therefore respectfully requests that the Examiner contact Applicant's undersigned attorney directly to schedule an Interview before the Examiner takes any further action in this case.

Respectfully submitted,

DRINKER BIDDLE & REATH LLP



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Advanced Search:

Inspec - 1969 to date (INZZ)

limit

Search history:

No.	Database	Search term	Info added since	Results	
1	INZZ	tag$4 WITH favorit$2 SAME audio NEAR file$2	unrestricted	0	-
2	INZZ	tag$4 WITH favorit$2 SAME audio WITH file$2	unrestricted	0	-
3	INZZ	favorit$2 SAME audio AND computer$2	unrestricted	2	show titles
4	INZZ	favorit$2 SAME audio	unrestricted	7	show titles
5	INZZ	favorit$2 AND audio	unrestricted	15	show titles

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whole document

Information added since: or: none
(YYYYMMDD)

search

Select special search terms from the following list(s):

- Publication year
- Inspec thesaurus - browse headings A-G
- Inspec thesaurus - browse headings H-Q
- Inspec thesaurus - browse headings R-Z
- Inspec thesaurus - enter a term
- Classification codes A: Physics, 0-1
- Classification codes A: Physics, 2-3
- Classification codes A: Physics, 4-5
- Classification codes A: Physics, 6

EAST Search History

Ref #	Hits	Search Query	DBs	Default Operator	Plurals	Time Stamp
L3	204	(personal near1 computer$2) and (favorite$2 with audio)	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/17 08:51
L4	0	l3 and @ad<"19880606"	US-PGPUB; USPAT; EPO; JPO; DERWENT; IBM_TDB	OR	OFF	2006/03/17 08:51
L5	492	(personal near1 computer$2) and (favorite$2 same audio)	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/17 08:52
L6	0	l5 and @ad<"19880606"	US-PGPUB; USPAT; EPO; JPO; DERWENT; IBM_TDB	OR	OFF	2006/03/17 08:52
L7	455	(pc) and (favorite$2 same audio)	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/17 08:52
L8	0	l7 and @ad<"19880606"	US-PGPUB; USPAT; EPO; JPO; DERWENT; IBM_TDB	OR	OFF	2006/03/17 08:52
L9	929	(computer$2) and (favorite$2 same audio)	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/17 09:56
L10	3	l9 and @ad<"19880606"	US-PGPUB; USPAT; EPO; JPO; DERWENT; IBM_TDB	OR	OFF	2006/03/17 09:57
L13	7	(random with playback with artist$2)	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/17 09:57
L14	0	l13 and @ad<"19880606"	US-PGPUB; USPAT; EPO; JPO; DERWENT; IBM_TDB	OR	OFF	2006/03/17 09:58
L15	118	(random with artist$2)	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/17 09:57

EAST Search History

L16	16	l15 and @ad<"19880606"	US-PGPUB; USPAT; EPO; JPO; DERWENT; IBM_TDB	OR	OFF	2006/03/17 09:58
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S110	73400	(pc or (personal near1 computer$2)) and (artist$2 or album$2 or (duration or (time near1 remain$3)))	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/16 09:17
S111	2994	S110 and @ad<"19880606"	US-PGPUB; USPAT; EPO; JPO; DERWENT; IBM_TDB	OR	OFF	2006/03/16 09:17
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S114	2826	S113 and @ad<"19880606"	US-PGPUB; USPAT; EPO; JPO; DERWENT; IBM_TDB	OR	OFF	2006/03/16 09:18
S115	60864	(pc or (personal near1 computer$2)) and (((artist$2 near1 name$2) and (album$2 near1 title$2)) or (duration or (time near1 remain$3)))	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/16 09:18
S116	2824	S115 and @ad<"19880606"	US-PGPUB; USPAT; EPO; JPO; DERWENT; IBM_TDB	OR	OFF	2006/03/16 09:21
S117	60802	(pc or (personal near1 computer$2)) and (((artist$2 near1 name$2) with (album$2 near1 title$2)) or (duration or (time near1 remain$3)))	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/16 09:22

EAST Search History

S118	78	(pc or (personal near1 computer$2)) and (((artist$2 near1 name$2) with (album$2 near1 title$2)) and (duration or (time near1 remain$3)))	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/16 09:19
S119	8	(pc or (personal near1 computer$2)) and (((artist$2 near1 name$2) with (album$2 near1 title$2) with (file near1 name$2)))	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/16 09:21
S120	53	(pc or (personal near1 computer$2)) and (((artist$2 near1 name$2) with (album$2 near1 title$2)) and (file near1 name$2))	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/16 09:21
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S124	2824	S123 and @ad<"19880606"	US-PGPUB; USPAT; EPO; JPO; DERWENT; IBM_TDB	OR	OFF	2006/03/16 09:25
S125	60719	(pc or (personal near1 computer$2)) and (((artist$2 near1 name$2) with (album$2 near1 title$2) with file$2 with audio) or (duration or (time near1 remain$3)))	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/16 09:24
S126	16	(pc or (personal near1 computer$2)) and (((artist$2 near1 name$2) with (album$2 near1 title$2) with file$2) and (audio near1 playback))	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/16 09:25
S127	0	S126 and @ad<"19880606"	US-PGPUB; USPAT; EPO; JPO; DERWENT; IBM_TDB	OR	OFF	2006/03/16 09:25

EAST Search History

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S131	54	(pc or (personal near1 computer$2)) and (((artist$2 near1 name$2) with (album$2 near1 title$2) with display$3))	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/16 09:26
S132	0	S131 and @ad<"19880606"	US-PGPUB; USPAT; EPO; JPO; DERWENT; IBM_TDB	OR	OFF	2006/03/16 09:29
S133	34622	((personal near1 computer$2)) and (((artist$2 near1 name$2) with (album$2 near1 title$2) with file$2) or (duration or (time near1 remain$3)))	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/16 09:36
S134	501	S133 and @ad<"19880606"	US-PGPUB; USPAT; EPO; JPO; DERWENT; IBM_TDB	OR	OFF	2006/03/16 09:36
S135	37	((personal near1 computer$2)) and (((artist$2 near1 name$2) with (album$2 near1 title$2) with file$2))	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/16 09:36
S136	157	((personal near1 computer$2)) and (((artist$2 near1 name$2) with (album$2 near1 title$2)))	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/16 09:37
S137	0	S136 and @ad<"19880606"	US-PGPUB; USPAT; EPO; JPO; DERWENT; IBM_TDB	OR	OFF	2006/03/16 09:37
S138	254	((personal near1 computer$2)) and (((artist$2 near1 name$2) and (album$2 near1 title$2)))	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/16 09:37

EAST Search History

S139	0	S138 and @ad<"19880606"	US-PGPUB; USPAT; EPO; JPO; DERWENT; IBM_TDB	OR	OFF	2006/03/16 09:37
S140	368	((computer$2)) and (((artist$2 near1 name$2) and (album$2 near1 title$2)))	US-PGPUB; USPAT; DERWENT	OR	OFF	2006/03/16 09:37
S141	1	S140 and @ad<"19880606"	US-PGPUB; USPAT; EPO; JPO; DERWENT; IBM_TDB	OR	OFF	2006/03/17 08:51

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

23973 7590 03/27/2006

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EXAMINER	
ART UNIT	PAPER NUMBER

DATE MAILED: 03/27/2006

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. *90/007,407*.

PATENT NO. *5966440*.

ART UNIT *2132*.

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)).

/

PTOL-465 (Rev.07-04)

Office Action in Ex Parte Reexamination	Control No. 90/007,407	Patent Under Reexamination 5966440	
	Examiner Benjamin E. Lanier.	Art Unit 2132	

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

a☒ Responsive to the communication(s) filed on *06 February 2006* . b☒ This action is made FINAL.
c☐ A statement under 37 CFR 1.530 has not been received from the patent owner.

A shortened statutory period for response to this action is set to expire *2* month(s) from the mailing date of this letter. Failure to respond within the period for response will result in termination of the proceeding and issuance of an *ex parte* reexamination certificate in accordance with this action. 37 CFR 1.550(d). **EXTENSIONS OF TIME ARE GOVERNED BY 37 CFR 1.550(c).** If the period for response specified above is less than thirty (30) days, a response within the statutory minimum of thirty (30) days will be considered timely.

Part I THE FOLLOWING ATTACHMENT(S) ARE PART OF THIS ACTION:

1. ☒ Notice of References Cited by Examiner, PTO-892.
2. ☐ Information Disclosure Statement, PTO-1449.
3. ☐ Interview Summary, PTO-474.
4. ☐ _____.

Part II SUMMARY OF ACTION

1a. ☒ Claims *1-79* are subject to reexamination.
1b. ☐ Claims _____ are not subject to reexamination.
2. ☒ Claims *2,3,22,37,38,41,43,44,62 and 63* have been canceled in the present reexamination proceeding.
3. ☒ Claims *69-71 and 77-79* are patentable and/or confirmed.
4. ☒ Claims *1,4-21,23-36,39,40,42,45-61,64 and 72* are rejected.
5. ☒ Claims *65-68 and 73-76* are objected to.
6. ☒ The drawings, filed on *10 December 1998* are acceptable.
7. ☐ The proposed drawing correction, filed on _____ has been (7a)☐ approved (7b)☐ disapproved.
8. ☐ Acknowledgment is made of the priority claim under 35 U.S.C. § 119(a)-(d) or (f).
   a)☐ All b)☐ Some* c)☐ None of the certified copies have
   1☐ been received.
   2☐ not been received.
   3☐ been filed in Application No. _____ .
   4☐ been filed in reexamination Control No. _____.
   5☐ been received by the International Bureau in PCT application No. _____.
   * See the attached detailed Office action for a list of the certified copies not received.
9. ☐ Since the proceeding appears to be in condition for issuance of an *ex parte* reexamination certificate except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte* Quayle, 1935 C.D. 11, 453 O.G. 213.
10. ☐ Other: _____

cc: Requester (if third party requester)

Office Action in Ex Parte Reexamination	Control No. 90/007,407	Patent Under Reexamination 5966440	
	Examiner Benjamin E. Lanier	Art Unit 2132	

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

a☒ Responsive to the communication(s) filed on *06 February 2006* . b☒ This action is made FINAL.
c☐ A statement under 37 CFR 1.530 has not been received from the patent owner.

A shortened statutory period for response to this action is set to expire _____ month(s) from the mailing date of this letter. Failure to respond within the period for response will result in termination of the proceeding and issuance of an *ex parte* reexamination certificate in accordance with this action. 37 CFR 1.550(d). **EXTENSIONS OF TIME ARE GOVERNED BY 37 CFR 1.550(c).** If the period for response specified above is less than thirty (30) days, a response within the statutory minimum of thirty (30) days will be considered timely.

Part I THE FOLLOWING ATTACHMENT(S) ARE PART OF THIS ACTION:

1. ☒ Notice of References Cited by Examiner, PTO-892.
2. ☐ Information Disclosure Statement, PTO-1449.
3. ☐ Interview Summary, PTO-474.
4. ☐ _____.

Part II SUMMARY OF ACTION

1a. ☒ Claims *1,4-21,23-36,39,40,42,45-61 and 64-79* are subject to reexamination.

1b. ☐ Claims _____ are not subject to reexamination.

2. ☒ Claims *2,3,22,37,38,41,43,44,62 and 63* have been canceled in the present reexamination proceeding.

3. ☒ Claims *69-71 and 77-79* are patentable and/or confirmed.

4. ☒ Claims *1,4-21,23-36,39,40,42,45-61,64 and 72* are rejected.

5. ☒ Claims *65-68 and 73-76* are objected to.

6. ☒ The drawings, filed on *10 December 1998* are acceptable.

7. ☐ The proposed drawing correction, filed on _____ has been (7a)☐ approved (7b)☐ disapproved.

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

a)☐ All b)☐ Some* c)☐ None of the certified copies have

1☐ been received.

2☐ not been received.

3☐ been filed in Application No. _____ .

4☐ been filed in reexamination Control No. _____.

5☐ been received by the International Bureau in PCT application No. _____.

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

9. ☐ Since the proceeding appears to be in condition for issuance of an *ex parte* reexamination certificate except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte* Quayle, 1935 C.D. 11, 453 O.G. 213.

10. ☐ Other: _____

cc: Requester (if third party requester)

DETAILED ACTION

Response to Amendment

1. Applicant's amendment filed 06 February 2006 adds claims 64-79. Applicant's amendment has been fully considered and is entered.

Response to Arguments

2. Applicant's arguments filed 06 February 2006 have been fully considered but they are not persuasive. Applicant's argument that obviousness-type double-patenting is not a new issue related to patentability and is therefore inappropriate is not persuasive because double patenting can provide a basis for a reexamination proceeding. *In re Lonardo*, 119 F.3d 960 (Fed. Cir. 1997); MPEP 2217, 2258. In Lonardo, the Federal Circuit reviewed and interpreted the language of 35 U.S.C. 303 and stated that:

> Since the statute in other places refers to prior art in relation to reexamination, see id., it seems apparent that Congress intended that the phrases patents and publications' and other patents or printed publications' in section 303(a) not be limited to prior art patents or printed publications... . Finally, it is reasonable to conclude that Congress intended to include double patenting over a prior patent as a basis for reexamination because maintenance of a patent that creates double patenting is as much of an imposition on the public as maintenance of patent that is unpatentable over prior art. Thus, we conclude that the PTO was authorized during reexamination to consider the question of double patenting based upon the `762 patent.

3. *In re Lonardo*, 119 F.3d at 966, 43 USPQ2d at 1266. Accordingly, the issue of double patenting is appropriate for consideration in reexamination, both as a basis for ordering

reexamination and during subsequent examination on the merits. The issue of double patenting is to be considered by the examiner when making the decision on the request for reexamination. The examiner should determine whether the issue of double patenting raises a substantial new question of patentability. The issue of double patenting is also to be considered during the examination stage of reexamination proceeding. In the examination stage, the examiner should determine whether a rejection based on double patenting is appropriate.

4. Applicant's arguments that the Examiner for the patent applications in question was asked to consider the possibility of double patenting rejections on the co-pending applications and therefore cannot be considered "substantial new question of patentability" is not persuasive because since the application were copending, the corresponding claims could have been at various stages of amendments. Therefore, it is impossible to determine at what state the Examiner considered the claims for a potential double patenting rejection and therefore a substantial new question of patentability exists.

5. Applicant's argument that the obviousness-type double-patenting rejection relies own the patent disclosure is not persuasive because the Examiner was stating that the control unit would have been an inherent feature of the claimed invention. If not for some sort of control unit, then the devices relied upon to perform the claimed functionality would be non-operable.

6. In response to applicant's argument that the examiner has combined an excessive number of references, reliance on a large number of references in a rejection does not, without more, weigh against the obviousness of the claimed invention. See *In re Gorman*, 933 F.2d 982, 18 USPQ2d 1885 (Fed. Cir. 1991).

7. In response to Applicant's arguments with respect to the Freeny reference, the District Court considered the Freeny reference, in the analysis on pages 52-53, with respect to anticipation and obviousness in view of only the teachings within the Freeny reference. Nowhere does the court decision discuss a combination of Akashi and Freeny, as applied in this reexamination proceeding, as being non-obvious.

8. The Examiner disagrees with Applicant's assessment of Akashi as a simple inexpensive digital audio tape recorder because Akashi clearly shows that the user device that communicates with the host computer is a personal computer (paragraph 4). The recording device that Applicant is referring to is a device/module of the personal computer; much the same as a hard drive or a CD-ROM drive is a device/module of a personal computer.

9. In response to applicant's argument that Freeny is nonanalogous art, it has been held that a prior art reference must either be in the field of applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the applicant was concerned, in order to be relied upon as a basis for rejection of the claimed invention. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). In this case, Akashi and Freeny both deal with music purchasing over telecommunication lines that enable users access to requested music (See Akashi page 1 and Freeny Col. 5, line 1 – Col. 6, line 23 & Col. 13, lines 27-31).

10. Applicant argues that the proposed modification of Akashi, in view of Freeny, would change the principle operation of the Akashi is not persuasive because the test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference; nor is it that the claimed invention must be expressly suggested in any one or all of the references. Rather, the test is what the combined teachings of the references

would have suggested to those of ordinary skill in the art. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981). The proposed modification to the automated purchasing component of Akashi, which isn't even described in the Akashi reference, would not change the principle operation of the Akashi reference. Akashi discloses that the digital music data is purchased automatically but does not expressly detail how the purchase is transacted. Freeny 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). 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 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 (Col. 13, lines 36-39). The subsequent transmission of data in Akashi has not been modified, and therefore, suggesting that the modification of the purchasing component of Akashi would change the principle operation of Akashi is simply not true.

11. Applicant's argument that the motivation for the proposed modification of the purchasing component of Akashi with the electronic sales procedure of Freeny is a conclusory statement is not persuasive because the motivation is not a conclusory statement but instead is teaching directly from the Freeny reference. See motivation below:

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 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 (Col. 13, lines 36-39).

This teaching in Freeny would lead one of ordinary skill in the art at the time the invention was made to perform an electronic sale using credit card information so that the seller could receive direct compensation.

12. In response to Applicant's argument that no showing of a reasonable expectation of success has been made, the incorporation of the electronic payment steps of Freeny into the automated purchasing system of Akashi allow for a seller to receive direct compensation for the data that the automated purchasing system of Akashi allows to be sold.

13. Applicant's argument that the combination of Akashi and Freeny do not suggest that transmission of audio or video information from a remote location can be triggered by providing credit card account information is not persuasive because taking into account the above-mentioned modification of Akashi using the electronic payment steps of Freeny, the user's request for the data from the host computer of Akashi would be accompanied with the user's credit card information. At the remote cite, access to the data would be allowed once the credit card information is authorized (See Freeny Col. 13, lines 27-39). In Akashi the access provided to the user is done through telecommunication lines (i.e. data being transmitted from the host

computer to the user's personal computer over telecommunication lines)(See Akashi Page 1 through line 1 of Page 2 & Page 3, lines 3-5 & Page 4 paragraph 1).

14. Applicant's argument that modifying the host computer of Akashi to include a hard drive to store the data files does not take into account the purpose of the system of Akashi is not persuasive because modifying the host computer has nothing to do with the recording phase of the Akashi system. Furthermore, modifying the user personal computer with a hard drive would not be contrary to the purpose of the system of Akashi because if the user of the personal computer intended to have a portable copy of the requested data, a hard drive on the user personal computer would not hinder the recording process. Modifying the user's personal computer with a hard drive would merely give the personal computer a larger and faster storage medium (Ohta, Col. 1, lines 21-25, 38-42) for storage of the requested files before the recording device would record them.

15. Applicant arguments with respect to various elements of Freeny are not persuasive because the test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference; nor is it that the claimed invention must be expressly suggested in any one or all of the references. Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981).

16. Applicant's arguments with respect to the hard drive of Gallagher is not persuasive because the teachings of Gallagher show it would have been obvious for the host computer of Akashi to have a hard drive. The source unit of Gallagher would be analogous to the host computer of Akashi. The teachings of Ohta show that it would have been obvious to one of

ordinary skill in the art at the time the invention was made for the user's personal computer to have a hard drive for the various reasons stated in Ohta. The test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference; nor is it that the claimed invention must be expressly suggested in any one or all of the references. Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981).

17. Applicant's argument that no prior art reference has been cited to show the recording of audio or video information is not persuasive because, as stated on page 19 of the remarks, Gallagher discloses that the source unit, which stores the audio data, stores the data on a hard drive. The motivation to modify the Akashi reference was given as follows:

> It would have been obvious to one of ordinary skill in the art at the time the invention was made for the host computer storage means of Akashi and the personal computer storage means of Akashi to be a hard drives, because of the vast speed and because general computer configurations employ disk-based storage systems such as hard disk as taught in Ohta (Col. 1, lines 21-26).

18. In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392,

170 USPQ 209 (CCPA 1971). Therefore, because the knowledge used for the conclusion of obviousness comes directly from the cited prior art, the reconstruction is proper.

19. Applicant's argument that none of the prior art references cite playing of audio information as it is sent from a central location is not persuasive because it is not a claimed limitation. Applicant claims playing the audio information once it is stored on the user computer.

20. Applicant's argument that the Eggers reference does not disclose permanent copying of video information is not persuasive because one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

21. Applicant contends that the playback features of Eggers cannot be modified to the technology of Akashi because the system of Eggers uses immediate playback. This assessment is improper because the personal computers of Eggers have hard drives (Eggers, Col. 7, line 65), and Eggers discloses that the data transferred between the central device and the user's personal computer is stored in the hard drive of the personal computer (Col. 8, lines 1-3). Therefore, the hard drive of the personal computer is an integral part of the playback process of Eggers. Therefore, the motivation to combine has come fully from the cited prior art and not from Applicant's disclosure.

22. In response to applicant's argument that Thomas is completely silent with respect to producing copies from recorded audio or video information in the form of a tape or optical disk and playing of audio or video information from a central library in response to a request, the test for obviousness is not whether the features of a secondary reference may be bodily incorporated

into the structure of the primary reference; nor is it that the claimed invention must be expressly suggested in any one or all of the references. Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981). Eggers does not disclose that the personal computers used for playback contain a playback RAM. Thomas discloses an audio and video playback workstation computer that contains a processor, hard drive, monitor, audio output device, video playback memory, and audio playback memory (Col. 19, lines 36-50), which meets the limitation of a transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback and playing the desired digital video or digital audio signals from the second party hard disk. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include an additional RAM in the personal computers of Eggers for playback purposes in order to reduce the amount of space taken up in system RAM by playback, which would allow more RAM space for resident programs.

23. In response to applicant's argument that Chace does not disclose the copying of audio or video information and has nothing at all to do with the purchase or recording of video or audio information, the test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference; nor is it that the claimed invention must be expressly suggested in any one or all of the references. Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981). Eggers discloses that the personal computer has a monitor for video output/playback (Col. 4, lines 54) but does not

expressly disclose the form for the audio output/playback. Chace discloses a system for audiovisual playback using a personal computer (Col. 5, lines 64-65) wherein the audio output comprises stereo speakers (Col. 7, line 39), which meets the limitation of speakers in possession and control of the second party and in electrical communication with said second control integrated circuit. It would have been obvious to one of ordinary skill in the art at the time the invention was made to use stereo speakers as the audio output in the playback system of Eggers in order to provide a more realistic and more pleasing sound to the ear as taught in Chace (Col. 1, lines 32-33).

24. All of the Applicant's arguments with the respect to the 103 rejections represent attacks on the references individually where the rejections are based on combinations of references and they represent allegations that various features of the secondary references cannot be bodily incorporated into the structure of the primary reference. These arguments cannot be relied upon to show nonobviousness. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

25. Therefore, the cited prior art references were considered as a whole when making the claim rejections and would have suggested to those of ordinary skill in the art the above-mentioned combinations.

26. Applicant's arguments with respect to commercial success are not persuasive because commercial success may have been attributable to extensive advertising and position as a market leader before the introduction of the patented product, Pentec, Inc. v. Graphic Controls Corp., 776 F.2d 309, 227 USPQ 766 (Fed. Cir. 1985). The Napster name gained worldwide notoriety in the late 1990's because of their software which allowed users to illegally download music. At its

height, Napster had 70 million unique users who were estimated to have traded over 3 billion files a month (See Wired News "Napster is Alive, Alive", Page 3). This would have given Napster's legitimate online music store a starting base of 70 million users who were familiar with Napster products prior to their online music store's launch. Therefore, Applicant has failed to show that the commercial success of the Napster Light software is due to the alleged use of Applicant's claimed invention instead of being a direct result of Napster's prominent name with respect to music downloading.

27. Success of invention could be due to recent changes in related technology or consumer demand, In re Fielder, 471 F.2d 690, 176 USPQ 300 (CCPA 1973). The existence and profitability of the systems mentioned by Applicant are due to the advances in recent technology and not Applicant's claimed invention. If the latter was responsible for the success, then it stands to reason that the existence of a profitable system would have occurred earlier since Applicant's first application directed to the claimed subject matter was filed in June of 1988. At the time of Napster Light's ("Napster") launch, personal computer storage capacities were significantly larger than they were at the time of the prior art systems. Hard drives routinely come in capacities of 20 gigabytes or higher, whereas in 1988 the capacity was around 40 megabytes. Not to mention the fact that when Napster was launched, audio file compression was advanced to the point where a file could be compressed to a third of the size with little observable quality loss. Add to that the proliferation of broadband Internet that simply did not exist at the time of prior art systems and what you have is the ability to store a significantly larger amount of music because of file size and storage capacity, and the ability to acquire this music much faster. Therefore, Applicant cannot attribute the commercial success of Napster's system to the alleged

use of their claimed invention when there is no reason to suggest that any of the prior art distribution system would not have been just as successful given these same advances in technology.

28. Applicant's arguments with respect to the newly added claims, against the cited prior are persuasive. However, after search and consideration of the newly added claims, new grounds of rejection are made in view of the previously references and in further view of Stokes. Some of the newly added claimed subject matter has been indicated as allowable subject matter. Accordingly, **THIS ACTION IS MADE FINAL.**

Double Patenting

29. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

30. Claims 1, 4-21, 23-36, 39, 40, 42, 45-61 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-34 of U.S. Patent No. 5,675,734. Although the conflicting claims are not identical, they are not patentably distinct from each other because the current claims and claims 1-34 of the '734 patent essentially claim the same invention of a method/system for distributing digital audio or digital video signals to a second party having a control unit, an integrated circuit, a control panel, an incoming memory

for receiving the digital audio or digital video signals, a hard disk for storage of the digital audio or digital video signals subsequent the their reception at the incoming memory, a playback memory for storing the digital audio or digital video prior to playback , but after storage at the hard drive. The second party receives the digital audio or digital video from a first party having a control unit, an integrated circuit, a control panel, hard disk for storing digital audio or digital video, a sales random access memory for temporarily storing the digital audio or digital video from the hard disk, prior to distribution. The digital audio or digital video signals are distributed through telecommunications lines between the sales memory of the first party and the incoming memory of the second party. Prior to distribution, the digital audio or digital video signals are electronically sold to the second party by the first party by providing a connection between the two parties and providing a credit card number of the second party by the second party to the first party, and charging a fee for the digital audio or digital video by the first party to the provided credit card account of the second party. Prior to distribution, electronically coding the digital audio or digital video in order to prevent unauthorized reproduction of the digital audio or digital video signals. The purchase being initiated by the second party control panel and second party integrated circuit. For example, current claims 1 and 4 are not patentable distinct from claims 1, 3, 14, and 16 of the '734 patent because claim 1 of the '734 patent includes: forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals. Claim 1 of the '734 patent also includes: transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through

telecommunications lines while the second party control unit with the second memory is in possession and control of the second part. Claims 3 and 14 of the '734 patent include: playing the digital video or digital audio signals through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit. Claims 1 and 16 of the '734 patent include: selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

31. Claims 1, 4-21, 23-36, 39, 40, 42, 45-61 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-6 of U.S. Patent No. 5,191,573. Although the conflicting claims are not identical, they are not patentably distinct from each other because claim 1 of the '573 patent recites a method for transmitting a digital audio signals stored on a first memory of a first party to a second memory of a second party. As claimed, the first party is at a location that is remote from the second memory and the second party is distinct from the first party. The method comprises the step of transferring money to the first party from the second party, connecting the first and second memories electronically, transmitting the digital audio signal from the first memory to the second memory, and storing the digital audio signal in the second memory. Claim 4 of the '573 patent provides a method similar to the above mentioned with respect to digital video signals. The only differences between the

claims is the recitation of a "second party control unit", in current claim 1, which would have been obvious to one of ordinary skill in the art at the time the invention was made in light of specification for the '573 patent where the second party is shown to have a control unit ('573, Col. 3, lines 52-56).

Claim Rejections - 35 USC § 103

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

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

33. The factual inquiries set forth in *Graham* **v.** *John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

34. Claims 47, 48 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643. Referring to claim 47, Akashi discloses a system for automatically selling recorded music via telecommunication lines using a personal computer (Page 1 through line 1 of Page 2 & Page 3, lines 3-5). 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 a first party control unit having a first memory having a plurality of desired individual selections as selections as described digital signals, a second party control unit having a second party control panel, a receiver and a video display for playing the desired the desired digital signals received by the receiver, said second party control panel connected to the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel. When the desired data has been found, the host computer transmits it to the personal computer where it is stored on the computer RAM (Page 4 Paragraph 1), which meets the limitation of telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital signals are sold to the second party by the first party, the second party control unit includes a second memory which is connected to the receiver and the video display, said second memory storing the digital signals that are received by the receiver to provide the video display with the digital signals. Akashi does not disclose that the digital data is video data. Freeny 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). It would have been obvious to one of ordinary skill in the art at the time the invention was made to distribute video data using the system of Akashi because distributors of video data would benefit from the cost reduction that would occur when eliminating manufacturing facilities for reproducing the information in material objects and a distribution network for distributing the material objects to the various points of sale locations for sale to the consumer as taught in Freeny (Col. 1, lines 10-26). Akashi discloses automated purchasing of the digital music is conducted between the host computer and the user personal computer (Page 2 Section 4), and is further detailed on page 3, paragraph 6, through Page 4, paragraph 1. Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location, the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party, charging the account includes means or mechanism for charging a credit card number of the second party. 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 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 (Col. 13, lines 36-39).

35. Claim 49 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, as applied to claims 47, 48, and in view of Gallagher, in view of Ohta, U.S. Patent No. 4,896,237. Referring to claim 49, Gallagher discloses that the host computer storage means is a hard disk (Col. 1, lines 13-18, 32-33), which is not expressly disclosed in Akashi. Akashi also does not disclose that the personal computer stores the digital music data on a hard disk. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the host computer storage means of Akashi and the personal computer storage means of Akashi to be a hard drives because of the vast speed and because general computer configurations employ disk-based storage systems such as hard disk as taught in Ohta (Col. 1, lines 21-26). The source unit of Gallagher discloses having a buffer store RAM (Figures 1-2) between the transmitter and the storage means. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include RAM in the host computer of Akashi in order to speed up the transmission process by allowing the transmitter to access data in RAM as opposed to a permanent storage device which is significantly slower, which meets the limitation of a sales random access memory. This meets the limitation of the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired video signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video signals of the first party's hard disk.

36. Claims 50-57 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Gallagher, in view of Ohta, U.S. Patent No. 4,896,237, as applied to claims 47-49, and further in view of Eggers, U.S. Patent No. 4,920,432, in view of Thomas, U.S. Patent No. 4,739,398. Referring to claims 50-57, Akashi also does not disclose that the personal computer stores the digital music data on a hard disk. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the host computer storage means of Akashi and the personal computer storage means of Akashi to be a hard drives because of the vast speed and because general computer configurations employ disk-based storage systems such as hard disk as taught in Ohta (Col. 1, lines 21-26), which meets the limitation of the second party control unit includes a second party hard disk which stores a plurality of digital video signals. Akashi does not expressly disclose that the personal computer that receives the digital music data plays the digital music data back after it has been stored on the storage medium of the personal computer. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of a mechanism for playing the digital video signals stored in the second memory, said playing mechanism connected to the second memory. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the personal computer of Akashi to retrieve the digital music data from storage upon a user request in order for the user access a large amount of digital music data without having to utilize

the traditional equipment used to playback those files as taught in Eggers (Col. 14, line 67 – Col. 15, line 5). Eggers does not disclose that the personal computers used for playback contain a playback RAM. Thomas discloses an audio and video playback workstation computer that contains a processor, hard drive, monitor, audio output device, video playback memory, and audio playback memory (Col. 19, lines 36-50), which meets the limitation of a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video signals as a temporary staging area for playback. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include an additional RAM in the personal computers of Eggers for playback purposes in order to reduce the amount of space taken up in system RAM by playback, which would allow more RAM space for resident programs.

37. Claims 11, 12, 19-21, 23, 24, 29-31, 36, 39, 40, 42, 45, 46 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432. Referring to claim 11, Akashi discloses a system for automatically selling recorded music via telecommunication lines using a personal computer (Page 1 through line 1 of Page 2 & Page 3, lines 3-5). Akashi discloses that personal computer contains a CPU (Figure 1), which meets the limitation of placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party. 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 entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party. When the desired data has been found, the host computer transmits it to the personal computer where it is stored on the computer RAM (Page 4 Paragraph 1), which meets the limitation of forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having desired digital video or digital audio signals, transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party. Akashi discloses automated purchasing of the digital music is conducted between the host computer and the user personal computer (Page 2 Section 4), and is further detailed on page 3, paragraph 6, through Page 4, paragraph 1. Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory. 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 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 (Col. 13, lines 36-39). Akashi does not expressly disclose that the personal computer that receives the digital music data plays the digital music data back after it has been stored on the storage medium of the personal computer. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit, playing the desired digital video or digital audio signals with the second party control unit. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the personal computer of Akashi to retrieve the digital music data from storage upon a user request in order for the user access a large amount of digital music data without having to utilize the traditional equipment used to playback those files as taught in Eggers (Col. 14, line 67 – Col. 15, line 5).

Referring to claims 12, 19-21, Akashi discloses a system for automatically selling recorded music via telecommunication lines using a personal computer (Page 1 through line 1 of Page 2 & Page 3, lines 3-5). This system utilizes the telecommunications lines to transmit the

recorded music data, stored on a host computer database (Page 3 Paragraph 4), from a host computer that stores the recorded music data to a personal computer RAM (Page 2 Sections 4-5), which meets the limitation of a first party control unit having a first memory having desired digital video or digital audio signals, telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after desired digital video or digital audio signals are sold to the second party by the first party. Akashi discloses automated purchasing of the digital music is conducted between the host computer and the user personal computer (Page 2 Section 4), and is further detailed on page 3, paragraph 6, through Page 4, paragraph 1. Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 means or a mechanism for electronically selling the desired digital video or digital audio signals. 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 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 (Col. 13, lines 36-39). 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. When the desired data has been found, the host computer transmits it to the personal computer where it is stored on the computer RAM (Page 4 Paragraph 1), which meets the limitation of a second party control unit having a second party control panel, a second memory connected to the second party control panel, said second party control unit remote from the first party control unit, said second party control placed by the second party at a location determined by the second party. Akashi does not expressly disclose that the personal computer that receives the digital music data plays the digital music data back after it has been stored on the storage medium of the personal computer. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the personal

computer of Akashi to retrieve the digital music data from storage upon a user request in order for the user access a large amount of digital music data without having to utilize the traditional equipment used to playback those files as taught in Eggers (Col. 14, line 67 – Col. 15, line 5).

Referring to claims 19-21, Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 means or mechanism for electronically selling includes means or a mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party, the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party. 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 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 (Col. 13, lines 36-39).

Referring to claims 23, 24, 29-31, Akashi discloses a system for automatically billing recorded music via telecommunication lines using a personal computer (Page 1 through line 1 of Page 2 & Page 3, lines 3-5). 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), which meets the limitation of connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party. 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). When the desired data has been found, the host computer transmits it to the personal computer where it is stored on the computer RAM (Page 4 Paragraph 1), which meets the limitation of means of a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass there between, said connecting means or mechanism in electrical communication with the transferring means or mechanism, means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver place at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism, means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism. Akashi discloses automated purchasing of the digital music is conducted between the host computer and

the user personal computer (Page 2 Section 4), and is further detailed on page 3, paragraph 6, through Page 4, paragraph 1. Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 means or a mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory, said second party controlling use and in possession of the second memory, means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location. 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 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 (Col. 13, lines 36-39). Akashi does not expressly disclose that the personal computer that receives the digital music data plays the digital music data back after it has been stored on the storage medium of the personal computer. Eggers discloses a system for the playback of audio/video data wherein users operating a personal

computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the personal computer of Akashi to retrieve the digital music data from storage upon a user request in order for the user access a large amount of digital music data without having to utilize the traditional equipment used to playback those files as taught in Eggers (Col. 14, line 67 – Col. 15, line 5).

Referring to claims 36, 39, 40, 42, 45, 46, Akashi discloses a system for automatically billing recorded music via telecommunication lines using a personal computer (Page 1 through line 1 of Page 2 & Page 3, lines 3-5). 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), which meets the limitation of placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location. 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). When the desired data has been found, the host computer transmits it to the personal computer where it is stored on the computer RAM (Page 4 Paragraph 1), which meets the limitation of connecting electronically via telecommunications lines the first memory with

the second memory such that the desired digital video or digital audio signals can pass there between, transferring electronically via telecommunications lines the desired digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines, storing the digital video or digital audio signals in the second memory. Akashi discloses automated purchasing of the digital music is conducted between the host computer and the user personal computer (Page 2 Section 4), and is further detailed on page 3, paragraph 6, through Page 4, paragraph 1. Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals processed by the first party, said first party and said second party in communication via said telecommunications lines, the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party, the step of charging the account of the second party 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, repeating the charging a fee, connecting, and transferring stesp. 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 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 (Col. 13, lines 36-39). Akashi does not expressly disclose that the personal computer that receives the digital music data plays the digital music data back after it has been stored on the storage medium of the personal computer. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of playing the digital video or digital audio signals stored in the second memory with the second party control unit. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the personal computer of Akashi to retrieve the digital music data from storage upon a user request in order for the user access a large amount of digital music data without having to utilize the traditional equipment used to playback those files as taught in Eggers (Col. 14, line 67 – Col. 15, line 5).

38. Claims 58-61 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432. Referring to claims 58-61, Akashi discloses a system for automatically selling recorded music via telecommunication lines using a personal computer (Page 1 through line 1 of Page 2 & Page 3, lines 3-5). 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 placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location. When the desired data has been found, the host computer transmits it to the personal computer where it is stored on the computer RAM (Page 4 Paragraph 1), which meets the limitation of connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party, choosing the desired digital signals by the second party from the first memory of the first party so desired selections are selected, transmitting the desired digital from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party. Akashi does not disclose that the digital data is video data. Freeny 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). It would have been obvious to one of ordinary skill in the art at the time the invention was made to distribute video data using the system of Akashi because distributors of video data would benefit from the cost reduction that would occur when eliminating manufacturing facilities for reproducing the information in material objects and a distribution network for distributing the material objects to the various points of sale locations for sale to the consumer as taught in Freeny (Col. 1, lines 10-26). Akashi discloses automated purchasing of the digital music is conducted between the host computer and the user personal computer (Page 2 Section 4), and is further detailed on page 3, paragraph 6, through Page 4, paragraph 1. Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals, charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory, the second party has an account and the step of charging a fee includes the step of charging the account of the second party, charging the account of the second party includes the steps of telephoning the first party controlling the 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. 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 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 (Col. 13, lines 36-39). Akashi does not expressly disclose that the personal computer that receives the digital music data plays the digital music data back after it has been stored on the storage medium of the personal computer. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of displaying the desired video signals received by the receiver on the video display in possession and control of the second party. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the personal computer of Akashi to retrieve the digital music data from storage upon a user request in order for the user access a large amount of digital music data without having to utilize the traditional equipment used to playback those files as taught in Eggers (Col. 14, line 67 – Col. 15, line 5).

39. Claims 1, 4, 5 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view

of Eggers, U.S. Patent No. 4,920,432, in view of Chace, U.S. Patent No. 4,792,974. Referring to claim 1, Akashi discloses a system for automatically selling recorded music via telecommunication lines (Page 1 through line 1 of Page 2 & Page 3, lines 3-5). This system utilizes the telecommunications lines to transmit the recorded music data, stored on a host computer database (Page 3 Paragraph 4), from a host computer that stores the recorded music data to a personal computer RAM (Page 2 Sections 4-5), which meets the limitation of forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals. The CPU of the user personal computer (Page 3 Paragraph 6 & Figure 1) meets the limitation of the second party control unit. Akashi discloses automated purchasing of the digital music is conducted between the host computer and the user personal computer (Page 2 Section 4), and is further detailed on page 3, paragraph 6, through Page 4, paragraph 1. Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote

from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party. 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 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 (Col. 13, lines 36-39). Akashi discloses that the host computer then sends the data to the user personal computer RAM (Page 2 Section 5), which meets the limitation of transferring the desired digital video or digital audio signals from the first memory of the first party tot the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party. Once stored the personal computer reads the stored digital audio files, or plays the digital audio file (Pages 3-4 Section 6). Akashi does not expressly disclose that the personal computer that receives the digital music data plays the digital music data back after it has been stored on the storage medium of the personal computer. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5). It would have been obvious to one of ordinary skill in the art at the time the invention was made for the personal computer of Akashi to retrieve

the digital music data from storage upon a user request in order for the user access a large amount of digital music data without having to utilize the traditional equipment used to playback those files as taught in Eggers (Col. 14, line 67 – Col. 15, line 5). Eggers discloses that the personal computer has a monitor for video output/playback (Col. 4, lines 54) but does not expressly disclose the form for the audio output/playback. Chace discloses a system for audiovisual playback using a personal computer (Col. 5, lines 64-65) wherein the audio output comprises stereo speakers (Col. 7, line 39), which meets the limitation of playing through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit. It would have been obvious to one of ordinary skill in the art at the time the invention was made to use stereo speakers as the audio output in the playback system of Eggers in order to provide a more realistic and more pleasing sound to the ear as taught in Chace (Col. 1, lines 32-33).

Referring to claim 4, Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 the step of charging the account of the second party 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. 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 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 (Col. 13, lines 36-39).

Referring to claim 5, Akashi discloses that the host computer then sends the data to the user personal computer RAM (Page 2 Section 5), which meets the limitation of after the transferring step, the step of storing the desired digital video or digital audio signals in the second memory.

40. Claim 6 is rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, in view of Chace, U.S. Patent No. 4,792,974 as applied to claims 1, 4, 5 above, and further in view of Gallagher. Referring to claim 6, Akashi does not disclose that the host computer encodes the digital music data to prevent unauthorized reproduction. Gallagher discloses a system for the transfer of recorded data wherein a host computer transmits digital audio data to user units (Col. 1, lines 13-27). The host computer provides means for anti-piracy encoding or encrypting the data either generally or uniquely (Col. 1, lines 36-38), which meets the limitation of before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals. It

would have been obvious to one of ordinary skill in the art at the time the invention was made to encode or encrypt the recorded music data of Akashi in order to provide a possible means for eliminating borrowing or unlawful copying of the digital music data as taught in Gallagher (Col. 1, lines 51-53).

41. Claim 13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, as applied to claim 12, and in view of Gallagher, in view of Ohta, U.S. Patent No. 4,896,237. Referring to claim 13, Gallagher discloses that the host computer storage means is a hard disk (Col. 1, lines 13-18, 32-33), which is not expressly disclosed in Akashi. Akashi also does not disclose that the personal computer stores the digital music data on a hard disk. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the host computer storage means of Akashi and the personal computer storage means of Akashi to be a hard drives because of the vast speed and because general computer configurations employ disk-based storage systems such as hard disk as taught in Ohta (Col. 1, lines 21-26). The source unit of Gallagher discloses having a buffer store RAM (Figures 1-2) between the transmitter and the storage means. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include RAM in the host computer of Akashi in order to speed up the transmission process by allowing the transmitter to access data in RAM as opposed to a permanent storage device which is significantly slower, which meets the limitation of a sales random access memory. This meets the limitation of the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired

digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and includes before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the hard disk into the sales random access memory chip.

42. Claims 7, 8, are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, in view of Chace, U.S. Patent No. 4,792,974, in view of Gallagher as applied to claims 1, 4-6 above, and further in view of Ohta, U.S. Patent No. 4,896,237. Referring to claims 7, 13, Gallagher discloses that the host computer storage means is a hard disk (Col. 1, lines 13-18, 32-33), which is not expressly disclosed in Akashi. Akashi also does not disclose that the personal computer stores the digital music data on a hard disk. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the host computer storage means of Akashi and the personal computer storage means of Akashi to be a hard drives because of the vast speed and because general computer configurations employ disk-based storage systems such as hard disk as taught in Ohta (Col. 1, lines 21-26). The source unit of Gallagher discloses having a buffer store RAM (Figures 1-2) between the transmitter and the storage means. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include RAM in the host computer of Akashi in order to speed up the transmission process by allowing the transmitter to access data in RAM as opposed to a permanent storage device which is significantly slower, which meets the limitation of a sales random access memory. This meets the limitation of the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access

memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and includes before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the hard disk into the sales random access memory chip.

Referring to claim 8, Akashi discloses that personal computer contains a CPU (Figure 1), which meets the limitation of the second party control unit has a second party integrated circuit which controls and executes commands of the second party. 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 a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.

43. Claims 14-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432 as applied to claims 12, 13 above, and further in view of Ohta, U.S. Patent No. 4,896,237, in view of Thomas, U.S. Patent No. 4,739,398. Referring to claims 14-17, Akashi discloses that the host computer then sends the data to the user personal computer RAM (Page 2 Section 5), which meets the limitation of the second memory of the

second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip, storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip. Akashi also does not disclose that the personal computer stores the digital music data on a hard disk. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the host computer storage means of Akashi and the personal computer storage means of Akashi to be a hard drives because of the vast speed and because general computer configurations employ disk-based storage systems such as hard disk as taught in Ohta (Col. 1, lines 21-26), which meets the limitation of a second party hard disk for storing the desired digital video or digital audio signals, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of repeating the commanding, playing, and transferring a replica steps. Eggers does not disclose that the personal computers used for playback contain a playback RAM. Thomas discloses an audio and video playback workstation computer that contains a processor, hard drive, monitor, audio output device, video playback memory, and audio playback memory (Col. 19, lines 36-50), which meets the limitation of a playback random access memory chip for temporarily storing the desired

digital video or digital audio signals for sequential playback; commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include an additional RAM in the personal computers of Eggers for playback purposes in order to reduce the amount of space taken up in system RAM by playback, which would allow more RAM space for resident programs.

Referring to claim 18, Akashi discloses that the personal computer has a monitor (Page 4, Paragraph 1 & Figure 1).

44. Claims 9, 10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, in view of Chace, U.S. Patent No. 4,792,974 as applied to claims 1, 4, 5, above, and further in view of Ohta, U.S. Patent No. 4,896,237, in view of Thomas, U.S. Patent No. 4,739,398. Referring to claims 9, 10, Akashi discloses that the host computer then sends the data to the user personal computer RAM (Page 2 Section 5), which meets the limitation of the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip, storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip. Akashi also does not disclose that the personal computer stores the digital music data on a hard disk. It would have been obvious to one of ordinary skill in the art at the time the invention was

made for the host computer storage means of Akashi and the personal computer storage means of Akashi to be a hard drives because of the vast speed and because general computer configurations employ disk-based storage systems such as hard disk as taught in Ohta (Col. 1, lines 21-26), which meets the limitation of a second party hard disk for storing the desired digital video or digital audio signals, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of repeating the commanding, playing, and transferring a replica steps. Eggers does not disclose that the personal computers used for playback contain a playback RAM. Thomas discloses an audio and video playback workstation computer that contains a processor, hard drive, monitor, audio output device, video playback memory, and audio playback memory (Col. 19, lines 36-50), which meets the limitation of a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback; commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include an additional RAM in the personal computers of Eggers for

playback purposes in order to reduce the amount of space taken up in system RAM by playback, which would allow more RAM space for resident programs.

45. Claims 25-27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, in view Ohta, U.S. Patent No. 4,896,237 as applied to claim 12-18 above, and further in view of Gallagher, in view of Thomas, U.S. Patent No. 4,739,398. Referring to claims 25, 27, the source unit of Gallagher discloses having a buffer store RAM (Figures 1-2) between the transmitter and the storage means. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include RAM in the host computer of Akashi in order to speed up the transmission process by allowing the transmitter to access data in RAM as opposed to a permanent storage device which is significantly slower, which meets the limitation of a sales random access memory and first control panel in electrical communication with said first control integrated circuit. Akashi discloses that the host computer then sends the data to the user personal computer RAM (Page 2 Section 5), which meets the limitation of a second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of repeating the commanding, playing, and transferring a replica steps. Eggers does not disclose that the personal computers used for playback contain a playback

RAM. Thomas discloses an audio and video playback workstation computer that contains a processor, hard drive, monitor, audio output device, video playback memory, and audio playback memory (Col. 19, lines 36-50), which meets the limitation of a playback random access memory chip in electrical communication with said second control integrated circuit. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include an additional RAM in the personal computers of Eggers for playback purposes in order to reduce the amount of space taken up in system RAM by playback, which would allow more RAM space for resident programs.

Referring to claim 26, Akashi discloses that the telecommunication lines are telephone lines (Page 4, Paragraph 1).

46. Claim 28 is rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, in view Ohta, U.S. Patent No. 4,896,237, in view of Gallagher, in view of Thomas, U.S. Patent No. 4,739,398 as applied to claims 12-18, 25-27 above, and further in view of Chace, U.S. Patent No. 4,792,974. Referring to claim 28, Akashi discloses that the personal computer has a monitor (Page 4, Paragraph 1 & Figure 1). Eggers discloses that the personal computer has a monitor for video output/playback (Col. 4, lines 54) but does not expressly disclose the form for the audio output/playback. Chace discloses a system for audiovisual playback using a personal computer (Col. 5, lines 64-65) wherein the audio output comprises stereo speakers (Col. 7, line 39), which meets the limitation of speakers in electrical communication with said second control integrated circuit. It would have been obvious to one of ordinary skill in the art at the time the invention was made to use stereo speakers as the

audio output in the playback system of Eggers in order to provide a more realistic and more pleasing sound to the ear as taught in Chace (Col. 1, lines 32-33).

47. Claims 32, 33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, as applied to claim 29-31 above, and further in view of Gallagher, in view of Thomas, U.S. Patent No. 4,739,398. Referring to claim 32, the source unit of Gallagher discloses having a buffer store RAM (Figures 1-2) between the transmitter and the storage means. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include RAM in the host computer of Akashi in order to speed up the transmission process by allowing the transmitter to access data in RAM as opposed to a permanent storage device which is significantly slower, which meets the limitation of a sales random access memory and first control panel in electrical communication with said first control integrated circuit. Akashi discloses that the host computer then sends the data to the user personal computer RAM (Page 2 Section 5), which meets the limitation of a second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5), which meets the limitation of repeating the commanding, playing, and transferring a replica steps. Eggers does not disclose that the personal computers used for playback contain a playback RAM. Thomas discloses an audio and video

playback workstation computer that contains a processor, hard drive, monitor, audio output device, video playback memory, and audio playback memory (Col. 19, lines 36-50), which meets the limitation of a playback random access memory chip in electrical communication with said second control integrated circuit. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include an additional RAM in the personal computers of Eggers for playback purposes in order to reduce the amount of space taken up in system RAM by playback, which would allow more RAM space for resident programs.

Referring to claim 33, Akashi discloses that the telecommunication lines are telephone lines (Page 4, Paragraph 1).

48. Claims 34 is rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, in view of Gallagher, in view of Thomas, U.S. Patent No. 4,739,398 as applied to claims 29-33 above, and further in view of Ohta, U.S. Patent No. 4,896,237. Referring to claim 34, Gallagher discloses that the source unit stores the data files in a hard drive (Col. 1, lines 32-35), which meets the limitation of the first memory comprises a first hard disk. Akashi also does not disclose that the personal computer stores the digital music data on a hard disk. It would have been obvious to one of ordinary skill in the art at the time the invention was made for the host computer storage means of Akashi and the personal computer storage means of Akashi to be a hard drives because of the vast speed and because general computer configurations employ disk-based storage systems such as hard disk as taught in Ohta (Col. 1, lines 21-26).

49. Claim 35 is rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music Purchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, in view of Gallagher, in view of Thomas, U.S. Patent No. 4,739,398, in view Ohta, U.S. Patent No. 4,896,237 as applied to claims 29-34 above, and further in view of Chace, U.S. Patent No. 4,792,974. Referring to claim 35, Akashi discloses that the personal computer has a monitor (Page 4, Paragraph 1 & Figure 1). Eggers discloses that the personal computer has a monitor for video output/playback (Col. 4, lines 54) but does not expressly disclose the form for the audio output/playback. Chace discloses a system for audiovisual playback using a personal computer (Col. 5, lines 64-65) wherein the audio output comprises stereo speakers (Col. 7, line 39), which meets the limitation of speakers in electrical communication with said second control integrated circuit. It would have been obvious to one of ordinary skill in the art at the time the invention was made to use stereo speakers as the audio output in the playback system of Eggers in order to provide a more realistic and more pleasing sound to the ear as taught in Chace (Col. 1, lines 32-33).

50. Claims 64, 72 are rejected under 35 U.S.C. 103(a) as being unpatentable over Akashi, "Automated Music P3333urchasing System", in view of Freeny, U.S. Patent No. 4,528,643, in view of Eggers, U.S. Patent No. 4,920,432, in view of Chace, U.S. Patent No. 4,792,974, and further in view of Stokes, U.S. Patent No. 4,870,515. Referring to claim 64, Akashi discloses a system for automatically selling recorded music via telecommunication lines (Page 1 through line 1 of Page 2 & Page 3, lines 3-5). This system utilizes the telecommunications lines to transmit the recorded music data, stored on a host computer database (Page 3 Paragraph 4), from a host computer that stores the recorded music data to a personal computer RAM (Page 2

Sections 4-5), which meets the limitation of forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals. The CPU of the user personal computer (Page 3 Paragraph 6 & Figure 1) meets the limitation of the second party control unit. Akashi discloses automated purchasing of the digital music is conducted between the host computer and the user personal computer (Page 2 Section 4), and is further detailed on page 3, paragraph 6, through Page 4, paragraph 1. Akashi does not detail how this automated purchasing procedure is conducted between the host computer and the user personal computer. Freeny 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 selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory. 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 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 (Col. 13, lines 36-39). Akashi discloses that the host computer then sends the data to the user personal computer RAM (Page 2 Section 5), which meets the limitation of transferring the

desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party. Once stored the personal computer reads the stored digital audio files, or plays the digital audio file (Pages 3-4 Section 6). Akashi does not expressly disclose that the personal computer that receives the digital music data plays the digital music data back after it has been stored on the storage medium of the personal computer. Eggers discloses a system for the playback of audio/video data wherein users operating a personal computer (Col. 4, lines 53-56), which contains RAM (Col. 12, lines 30-32), requests a storage device to retrieve a particular audio/video file (Col. 6, lines 8-15). The requested file is then pulled from storage and sent to the requesting personal computer for playback (Col. 6, lines 16-39 & Col. 7, lines 1-5). It would have been obvious to one of ordinary skill in the art at the time the invention was made for the personal computer of Akashi to retrieve the digital music data from storage upon a user request in order for the user access a large amount of digital music data without having to utilize the traditional equipment used to playback those files as taught in Eggers (Col. 14, line 67 – Col. 15, line 5). Eggers discloses that the personal computer has a monitor for video output/playback (Col. 4, lines 54) but does not expressly disclose the form for the audio output/playback. Chace discloses a system for audiovisual playback using a personal computer (Col. 5, lines 64-65) wherein the audio output comprises stereo speakers (Col. 7, line 39), which meets the limitation of playing through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit. It would have been obvious to one of ordinary

skill in the art at the time the invention was made to use stereo speakers as the audio output in the playback system of Eggers in order to provide a more realistic and more pleasing sound to the ear as taught in Chace (Col. 1, lines 32-33). Akashi discloses that the music data is immediately readable after it has been downloaded to the user computer and stored on the storage medium (Page 2, "Operation" section through Page 3, line 1), but does not disclose what type of information is stored with the music data. Stokes discloses a music memory data recording, storage and playback system wherein a computer data terminal (Figure 2, element 42), which has input devices and a monitor (Figure 2), is used along with storage devices and speakers to access storage audio data (Col. 5, lines 11-48). When the audio data is stored in the system, it is stored with information that includes the artists name, title, album, playing time, track (song), and location of the audio data (Col. 1, lines 8-14 & Col. 2, lines 27-20). This information is displayed when the list of audio data is presented to the user for selection (Col. 2, lines 30-38 & Col. 4, line 65 – Col. 5, line 10, 44-48), which meets the limitation of tagging electronically digital signals from the second memory. It would have been obvious to one of ordinary skill in the art at the time the invention was made to provide access/playback system of Stokes in the user personal computer of Akashi in order for the user of the personal computer of Akashi to be choose which musical selections are to be played, and in what order as taught in Stokes (Col. 1, lines 56-59).

Referring to claim 72, and in view of the comments made with respect to claim 64 above, Akashi does not disclose that the digital data is video data. Freeny 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). It would have been obvious to one of ordinary skill in the art at the time

the invention was made to distribute video data using the system of Akashi because distributors of video data would benefit from the cost reduction that would occur when eliminating manufacturing facilities for reproducing the information in material objects and a distribution network for distributing the material objects to the various points of sale locations for sale to the consumer as taught in Freeny (Col. 1, lines 10-26).

Allowable Subject Matter

51. Claims 69-71, 77-79 are allowed.

52. Claims 65-68, 73-76 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

53. The following is a statement of reasons for the indication of allowable subject matter: The prior art does not disclose or make obvious an electronic purchasing and distribution system that allows for user downloaded and stored audio or video files to be tagged as favorite files or for the audio or video files to be randomly played by a certain artist.

Conclusion

54. Patent owner's amendment filed 06 February 2006 necessitated the new grounds of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a).

A shortened statutory period for response to this action is set to expire **two months** from the mailing date of this action.

Extensions of time under 37 CFR 1.136(a) do not apply in reexamination proceedings. The provisions of 37 CFR 1.136 apply only to "an applicant" and not to parties in

a reexamination proceeding. Further, in 35 U.S.C. 305 and in 37 CFR 1.550(a), it is required that reexamination proceedings "will be conducted with special dispatch within the Office."

Extensions of time in reexamination proceedings are provided for in 37 CFR 1.550(c). A request for extension of time must be filed on or before the day on which a response to this action is due, and it must be accompanied by the petition fee set forth in 37 CFR 1.17(g). The mere filing of a request will not effect any extension of time. An extension of time will be granted only for sufficient cause, and for a reasonable time specified.

The filing of a timely first response to this final rejection will be construed as including a request to extend the shortened statutory period for an additional month, which will be granted even if previous extensions have been granted. In no event, however, will the statutory period for response expire later than SIX MONTHS from the mailing date of the final action. See MPEP § 2265.

55. The patent owner is reminded of the continuing responsibility under 37 CFR 1.565(a) to apprise the Office of any litigation activity, or other prior or concurrent proceeding, involving Patent No. 5,966,440 throughout the course of this reexamination proceeding. The third party requester is also reminded of the ability to similarly apprise the Office of any such activity or proceeding throughout the course of this reexamination proceeding. See MPEP §§ 2207, 2282 and 2286.

56. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Benjamin E. Lanier whose telephone number is 571-272-3805. The examiner can normally be reached on M-Th 7:30am-5:00pm, F 7:30am-4pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Gilberto Barron can be reached on 571-272-3799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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- Procedural matters only

Notice of References Cited	Application/Control No. 90/007,407	Applicant(s)/Patent Under Reexamination 5966440	
	Examiner Benjamin E. Lanier	Art Unit 2132	Page 1 of 1

U.S. PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Name	Classification
*	A	US-4,870,515	09-1989	Stokes, Richard A.	360/72.2
	B	US-			
	C	US-			
	D	US-			
	E	US-			
	F	US-			
	G	US-			
	H	US-			
	I	US-			
	J	US-			
	K	US-			
	L	US-			
	M	US-			

FOREIGN PATENT DOCUMENTS

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

NON-PATENT DOCUMENTS

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

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

Search Notes

Application/Control No.	Applicant(s)/Patent under Reexamination
90/007,407	5966440
Examiner	**Art Unit**
Benjamin E. Lanier	2132

SEARCHED			
Class	Subclass	Date	Examiner

INTERFERENCE SEARCHED			
Class	Subclass	Date	Examiner

SEARCH NOTES (INCLUDING SEARCH STRATEGY)		
	DATE	EXMR
East Search See Attachment	3/16/2006	
Inspec Search See Attachment	3/17/2006	

Litigation Search Report CRU 3999

Reexam Control No. 90/007,407

TO: Mark Reinhart **Location: CRU** **Art Unit : 3992** **Date: 04/15/06** **Case Serial Number: 90/007,407**	**From: James R. Matthews** **Location: CRU 3999** **RND 1C79** **Phone: (571) 272-4233** **JamesR.Matthews@uspto.gov**

Search Notes

U.S. Patent No- 5,966,440

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.

Litigation was found

Westlaw

Date of Printing: APR 13,2006

KEYCITE

HUS PAT 5966440 SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS, Assignee: Parsec Sight/Sound, Inc. (Oct 12, 1999)

History
Direct History

H 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)

H 3 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 4 SightSound.Com Inc. v. N2K, Inc., 185 F.Supp.2d 445 (W.D.Pa. Feb 08, 2002) (NO. CIV.A.98-CV-118)

=> 5 **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 6 SightSound.Com Inc. v. N2K, Inc., 185 F.Supp.2d 445 (W.D.Pa. Feb 08, 2002) (NO. CIV.A.98-CV-118)

Related References (U.S.A.)

H 7 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

8 SIGHTSOUND.COM INCORPORATED, a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnow, Inc., a Pennsylvania corporation, and Cdnow Online, Inc., a Pennsylania corporation, Defendants., 1998 WL 34373758 (Expert Report and Affidavit) (W.D.Pa. 1998) **Opening Expert Report of James A. Moorer** (NO. 98-0118)

9 SIGHTSOUND. COM INCORPORATED, A Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation CDNOW, Inc., A Pennsaylvania corporation, and CDNOW Online, Inc., a Pennsylvania corporation, Defendants., 2001 WL 34891529 (Expert Deposition) (W.D.Pa. Apr. 19, 2001) **Proceedings** (NO. 98-118)

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12 SIGHTSOUND.COM INCORPORATED, a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnow, Inc., a Pennsylvania corporation, and Cdnow 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)

13 SIGHTSOUND.COM INCORPORATED a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware Corporation, Cdnow, Inc., a Pennsylvania corporation, and Cdnow Onlline, 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)

14 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)

15 SIGHTSOUND.COM, INC., a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnow, Inc., a Pennsylvania corporation, and Cdnow 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)

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18 ASSIGNEE(S): SIGHTSOUND.COM INCORPORATED 733 WASHINGTON ROAD, SUITE 400 MT. LEBANON PENNSYLVANIA 15228, DATE RECORDED: May 03, 2000

Patent Status Files

.. Request for Re-Examination, (OG date: Mar 29, 2005)

Prior Art

C 20 US PAT 4124773 AUDIO STORAGE AND DISTRIBUTION SYSTEM, (U.S. PTO Utility 1978)

P 21 US PAT 4567359 AUTOMATIC INFORMATION, GOODS AND SERVICES DISPENSING SYSTEM, (U.S. PTO Utility 1986)

C 22 US PAT 4538176 BUFFER MEMORY DISPERSION TYPE VIDEO/AUDIO TRANSMISSION SYSTEM, Assignee: Hitachi, Ltd., (U.S. PTO Utility 1985)

C 23 US PAT 3990710 COIN-OPERATED RECORDING MACHINE, (U.S. PTO Utility 1976)

C 24 US PAT 4789868 MANUFACTURE OF PARABOLIC ANTENNAS, Assignee: Toyo Kasei Kogyo Kabushiki Kaisha, (U.S. PTO Utility 1988)

H 25 US PAT 5191573 METHOD FOR TRANSMITTING A DESIRED DIGITAL VIDEO OR AUDIO SIGNAL, (U.S. PTO Utility 1993)

C 26 US PAT 4789863 PAY PER VIEW ENTERTAINMENT SYSTEM, (U.S. PTO Utility 1988)

C 27 US PAT 4506387 PROGRAMMING-ON-DEMAND CABLE SYSTEM AND METHOD, (U.S. PTO Utility 1985)

C 28 US PAT 4521806 RECORDED PROGRAM COMMUNICATION SYSTEM, Assignee: World Video Library, Inc., (U.S. PTO Utility 1985)
C 29 US PAT 4654799 SOFTWARE VENDING SYSTEM, Assignee: Brother Kogyo Kabushiki Kaisha, (U.S. PTO Utility 1987)
H 30 US PAT 4528643 SYSTEM FOR REPRODUCING INFORMATION IN MATERIAL OBJECTS AT A POINT OF SALE LOCATION, Assignee: FPDC, Inc., (U.S. PTO Utility 1985)
C 31 US PAT 5191193 SYSTEM OF PAYMENT OR INFORMATION TRANSFER BY MONEY CARD WITH ELECTRONIC MEMORY, Assignee: Gemplus Card International, (U.S. PTO Utility 1993)
C 32 US PAT 3718906 VENDING SYSTEM FOR REMOTELY ACCESSIBLE STORED INFORMATION, Assignee: Lightner R, (U.S. PTO Utility 1973)
C 33 US PAT 4647989 VIDEO CASSETTE SELECTION MACHINE, (U.S. PTO Utility 1987)

Docket

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 Monday, April 03, 2006

Date Filed:	**10/08/2004**	Class Code:	
Assigned To:	**Chief Judge Donetta W Ambrose**	Closed:	**no**
Referred To:		Statute:	**35:271**
Nature of suit:	**Patent (830)**	Jury Demand:	**Both**
Cause:	**Patent Infringement**	Demand Amount:	**$0**
Lead Docket:	**None**	NOS Description:	**Patent**
Other Docket:	**Related, 2:98-cv-118**		
Jurisdiction:	**Federal Question**		

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Documents

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☐	Runner	10/08/2004	1	COMPLAINT with summons issued; jury demand Filing Fee $ 150.00 Receipt # 05C 10/08/2004)
☐	Runner	10/08/2004	2	DISCLOSURE statement by SIGHTSOUND TECH (tt) (Entered: 10/08/2004)
☐	Runner	10/08/2004	--	COPY of Complaint and Docket Entries mailed to the Commissioner of Patents and (Entered: 10/08/2004)
☐	Runner	11/08/2004	3	RETURN OF SERVICE executed as to ROXIO, INC. 11/5/04 Answer due on 11/26/0 (tt) (Entered: 11/09/2004)
☐	Runner	11/08/2004	4	RETURN OF SERVICE executed as to NAPSTER, L.L.C. 11/5/04 Answer due on 11/ L.L.C. (tt) (Entered: 11/09/2004)
☐	Runner	11/24/2004	5	ANSWER to Complaint; jury demand and COUNTERCLAIM by ROXIO, INC., NAPSTE William M. Wycoff, Kevin P. Allen, Charles K. Verhoeven, Michael E. Williams) agai TECH (tt) Modified on 03/11/2005 (Entered: 11/24/2004)
☐	Runner	11/24/2004	6	DISCLOSURE statement by ROXIO, INC., NAPSTER, L.L.C. (tt) (Entered: 11/24/20
☐	Runner	11/24/2004	7	NOTICE Opting Out of Arbitration by ROXIO, INC., NAPSTER, L.L.C. (tt) (Entered:
☐	Runner	12/15/2004	8	ANSWER by SIGHTSOUND TECH to [5-2] counterclaims by NAPSTER, L.L.C., ROXI 12/16/2004)
☐	Runner	12/17/2004	9	Case Management Conference set for 9:15 1/11/05 (tt) (Entered: 12/17/2004)
☐	Runner	01/10/2005	10	INITIAL Case Scheduling Conference Statement by ROXIO, INC., NAPSTER, L.L.C. 01/10/2005)
☐	Runner	01/10/2005	11	MOTION by SIGHTSOUND TECH for Preliminary Injunction , with Proposed Order. (01/11/2005)
☐	Runner	01/10/2005	12	EXHIBITS by SIGHTSOUND TECH to [11-1] motion for Preliminary Injunction (tt) (01/11/2005)
☐	Runner	01/10/2005	13	BRIEF by SIGHTSOUND TECH in support of [11-1] motion for Preliminary Injunctio TECH (tt) (Entered: 01/11/2005)
☐	Runner	01/10/2005	14	DECLARATION of Justin Douglas Tygar, Ph.D. concerning the Operation of Roxio/N motion for Preliminary Injunction by SIGHTSOUND TECH (tt) (Entered: 01/11/200
☐	Runner	01/11/2005	15	MOTION by ROXIO, INC., NAPSTER, L.L.C. to Substitute Attorney , with Proposed 01/11/2005)
☐	Runner	01/11/2005	16	MOTION by ROXIO, INC., NAPSTER, L.L.C. for Charles K. Verhoeven to Appear Pro $ 40.00 Receipt # 05001581 , with Proposed Order. (tt) (Entered: 01/11/2005)
☐	Runner	01/11/2005	17	MOTION by ROXIO, INC., NAPSTER, L.L.C. for Tigran Guledjian to Appear Pro Hac 40.00 Receipt # 05001581 , with Proposed Order. (tt) (Entered: 01/11/2005)
☐	Runner	01/11/2005	18	MOTION by ROXIO, INC., NAPSTER, L.L.C. for Michael E. Williams to Appear Pro H 40.00 Receipt # 05001581 , with Proposed Order. (tt) (Entered: 01/11/2005)
☐	Runner	01/11/2005	19	Status Conference held 1/11/05 before Chief Judge Donetta W. Ambrose [Reporte (Entered: 01/11/2005)
☐	Runner	01/11/2005	--	Deadline updated; Response to Motion set to 2/11/05 for [11-1] motion for Prelim Reply to Response to Motion set to 2/21/05 for [11-1] motion for Preliminary Injur Hearing set for 1:30 3/3/05 for [11-1] motion for Preliminary Injunction (tt) (Ente
☐	Runner	01/11/2005	20	RESPONSE by SIGHTSOUND TECH to defts' [10-1] Initial Case Scheduling Confere (Entered: 01/11/2005)
				ORDER upon motion granting [15-1] motion to Substitute Attorney ; terminated at Wycoff for ROXIO, INC., attorney Kevin P. Allen for ROXIO, INC., attorney William

☐	Runner	01/11/2005	--	NAPSTER, L.L.C., attorney Kevin P. Allen for NAPSTER, L.L.C. and added Laurence Kathryn M. Kenyon for defts. (signed by Chief Judge Donetta W. Ambrose on 1/11 of record. (tt) (Entered: 01/12/2005)
☐	Runner	01/11/2005	--	ORDER upon motion granting [16-1] motion for Charles K. Verhoeven to Appear Pi of defts. (signed by Chief Judge Donetta W. Ambrose on 1/11/05) CM all parties ((Entered: 01/12/2005)
☐	Runner	01/11/2005	--	ORDER upon motion granting [17-1] motion for Tigran Guledjian to Appear Pro Ha defts. (signed by Chief Judge Donetta W. Ambrose on 1/11/05) CM all parties of 01/12/2005)
☐	Runner	01/11/2005	--	ORDER upon motion granting [18-1] motion for Michael E. Williams to Appear Pro defts. (signed by Chief Judge Donetta W. Ambrose on 1/11/05) CM all parties of 01/12/2005)
☐	Runner	01/18/2005	21	Status Conference via phone held 1/18/05 before Chief Judge Donetta W. Ambrose Deft wants leave to amend counterclaims related to press release. Pltf doesn't obje leave to amend. Leave granted orally by the Court; Amended counterclaim due 1/ Motion to Stay Case pending outcome of application to Patent & Trademark Office, 10 days. (tt) (Entered: 01/19/2005)
☐	Runner	01/21/2005	22	MOTION by ROXIO, INC., NAPSTER, L.L.C. to Stay Pending Reexamination of Pater Proposed Order. (jsp) (Entered: 01/24/2005)
☐	Runner	01/21/2005	23	BRIEF by ROXIO, INC., NAPSTER, L.L.C. in support of [22-1] motion to Stay Pendi Patents in Suit by NAPSTER, L.L.C., ROXIO, INC. (jsp) (Entered: 01/24/2005)
☐	Runner	01/25/2005	24	FIRST AMENDED ANSWER to Complaint by ROXIO, INC., NAPSTER, L.L.C. amends NAPSTER, L.L.C., ROXIO, INC. and COUNTERCLAIMS against SIGHTSOUND TECH (01/26/2005)
☐	Runner	01/27/2005	25	MOTION by SIGHTSOUND TECH to Extend Time w/in which to respond to defts' mo receipt of defts' request for re-examination of patents and prior art which defts int Patent and Trademark Office , with Proposed Order. (tt) (Entered: 01/28/2005)
☐	Runner	01/28/2005	26	RESPONSE by ROXIO, INC., NAPSTER, L.L.C. to pltf's [25-1] motion to Extend Tim respond to defts' motion to stay (tt) (Entered: 01/28/2005)
☐	Runner	01/28/2005	27	ACCEPTANCE OF SERVICE of First Amended Answer and Counterclaim as to Scott 1/26/05 (tt) (Entered: 01/28/2005)
☐	Runner	01/28/2005	28	BRIEF by SIGHTSOUND TECH in support of [25-1] motion to Extend Time w/in whi defts' motion to stay (tt) (Entered: 01/31/2005)
☐	Runner	02/02/2005	29	Status Conference via phone held 1/31/05 before Chief Judge Donetta W. Ambrose Pltf's response to motion to stay due 2/11/05 ; Defts' reply due 2/16/05 ; Prelimin will be scheduled via order on motion to stay ; Defts do not have to file answer to by March. (tt) (Entered: 02/02/2005)
☐	Runner	02/02/2005	--	ORDER upon motion granting [25-1] motion to Extend Time w/in which to respond stay pending receipt of defts' request for re-examination of patents and prior art w submit to the Patent and Trademark Office. Defts shall serve on counsel for pltf by sent no later than 2/1/05 any request for re-examination of the patents in suit whi with the PTO, including all prior art on which defts plan to rely in such request for Response to Motion set to 2/11/05 for defts' [22-1] motion to Stay Pending Reexa Suit ; Defts' Reply Brief due 2/16/05 ; Defts are not required to file an answer to p preliminary injunction until further order of court. (signed by Chief Judge Donetta 1/31/05) CM all parties of record. (tt) (Entered: 02/02/2005)
☐	Runner	02/03/2005	30	MOTION by SIGHTSOUND TECH for Brian S. Mudge to Appear Pro Hac Vice ; Filing # 05001943 , with Proposed Order. (tt) (Entered: 02/04/2005)
☐	Runner	02/03/2005	31	MOTION by SIGHTSOUND TECH for William K. Wells to Appear Pro Hac Vice ; Filing # 05001943 , with Proposed Order. (tt) (Entered: 02/04/2005)
☐	Runner	02/03/2005	32	MOTION by SIGHTSOUND TECH for Duncan L. Williams to Appear Pro Hac Vice ; Fi Receipt # 05001943 , with Proposed Order. (tt) (Entered: 02/04/2005)
☐	Runner	02/03/2005	33	MOTION by SIGHTSOUND TECH for Clyde E. Findley to Appear Pro Hac Vice ; Filing 05001943 Receipt # 05001943 , with Proposed Order. (tt) (Entered: 02/04/2005)
☐	Runner	02/04/2005	34	NOTICE of Lodging of Pending Requests for Reexamination by ROXIO, INC., NAPST (Entered: 02/04/2005)
☐	Runner	02/04/2005	35	EXHIBITS (VOLUME I) by ROXIO, INC., NAPSTER, L.L.C. to [34-1] notice of lodgin for reexamination. (tt) (Entered: 02/04/2005)
☐	Runner	02/04/2005	36	EXHIBITS (VOLUME II) by ROXIO, INC., NAPSTER, L.L.C. to [34-1] notice of lodgir requests for reexamination. (tt) (Entered: 02/04/2005)
☐	Runner	02/04/2005	37	EXHIBITS (VOLUME III) by ROXIO, INC., NAPSTER, L.L.C. to [34-1] notice of lodgi requests for reexamination. (tt) (Entered: 02/04/2005)
☐	Runner	02/07/2005	--	ORDER upon motion granting [30-1] motion for Brian S. Mudge to Appear Pro Hac (signed by Chief Judge Donetta W. Ambrose on 2/4/05) CM all parties of record. 02/07/2005)
☐	Runner	02/07/2005	--	ORDER upon motion granting [31-1] motion for William K. Wells to Appear Pro Hac pltf. (signed by Chief Judge Donetta W. Ambrose on 2/4/05) CM all parties of rec

				02/07/2005)
☐	Runner	02/07/2005	--	ORDER upon motion granting [32-1] motion for Duncan L. Williams to Appear Pro pltf. (signed by Chief Judge Donetta W. Ambrose on 2/4/05) CM all parties of rec 02/07/2005)
☐	Runner	02/07/2005	--	ORDER upon motion granting [33-1] motion for Clyde E. Findley to Appear Pro Hac pltf. (signed by Chief Judge Donetta W. Ambrose on 2/4/05) CM all parties of rec 02/07/2005)
☐	Runner	02/11/2005	38	REPLY by SIGHTSOUND TECH to [24-2] First Amended Counterclaims by NAPSTER (tt) (Entered: 02/14/2005)
☐	Runner	02/11/2005	39	BRIEF by SIGHTSOUND TECH in opposition to Napster's [22-1] motion to Stay Pen of Patents in Suit (tt) (Entered: 02/14/2005)
☐	Runner	02/11/2005	40	MOTION by SIGHTSOUND TECH, SCOTT SANDER to Dismiss defts' Amended Couni (Entered: 02/14/2005)
☐	Runner	02/11/2005	41	BRIEF by SIGHTSOUND TECH, SCOTT SANDER in support of their [40-1] motion to Amended Counterclaims 4-9 (tt) (Entered: 02/14/2005)
☐	Runner	02/16/2005	42	REPLY by ROXIO, INC., NAPSTER, L.L.C. in support of their Motion to Stay pending the Patents-In-Suit (tt) (Entered: 02/17/2005)
☐	Runner	02/16/2005	43	DECLARATION of William E. Growney (tt) Modified on 02/18/2005 (Entered: 02/17
☐	Runner	02/16/2005	44	MOTION by ROXIO, INC., NAPSTER, L.L.C. to Seal [43-1] Declaration , with Propos (Entered: 02/17/2005)
☐	Runner	02/17/2005	45	OPPOSITION by SIGHTSOUND TECH to defts' [44-1] motion to Seal [43-1] Declara 02/18/2005)
☐	Runner	02/17/2005	46	NOTICE OF FILING: Supplemental Declaration of Christopher Reese by SIGHTSOUI UNDER SEAL) (tt) Modified on 02/28/2005 (Entered: 02/18/2005)
☐	Runner	02/17/2005	47	REQUEST by SIGHTSOUND TECH for Oral Argument on Motion to Stay . (tt) (Enter
☐	Runner	02/18/2005	--	ORDER upon motion denying [44-1] motion to Seal [43-1] Declaration. The declar. vague, unsuccessful attempts & no dollar values are set forth. I see no risk of conf being disclosed. (signed by Chief Judge Donetta W. Ambrose on 2/18/05) CM all (Entered: 02/18/2005)
☐	Runner	02/18/2005	--	ORDER upon motion denying [47-1] motion for Oral Argument on Motion to Stay. clearly represented their respective positions in the briefs and declarations filed. (Donetta W. Ambrose on 2/18/05) CM all parties of record. (tt) (Entered: 02/18/2(
☐	Runner	02/23/2005	48	MOTION by ROXIO, INC., NAPSTER, L.L.C. to Seal Supplemental Declaration of Ch Proposed Order. (tt) (Entered: 02/23/2005)
☐	Runner	02/23/2005	49	OPPOSITION by SIGHTSOUND TECH to defts' [48-1] motion to Seal Supplemental Christopher Reese (tt) (Entered: 02/24/2005)
☐	Runner	02/28/2005	--	ORDER upon motion granting [48-1] motion to Seal Supplemental Declaration of C The Supplemental Declaration of Christopher Reese filed 2/17/05 shall be placed u Chief Judge Donetta W. Ambrose on 2/28/05) CM all parties of record. (tt) (Enter
☐	Runner	02/28/2005	50	MEMORANDUM OPINION & ORDER granting defts' [22-1] motion to Stay. The defts Court immediately upon receiving any notification from the PTO regarding the outc for Reexamination. The preliminary injunction hearing scheduled for 3/3/05 is canc motion for Preliminary Injunction is denied without prejudice to reassert once the s by Chief Judge Donetta W. Ambrose on 2/28/05) CM all parties of record. (tt) (En
☐	Runner	03/03/2005	51	NOTICE OF APPEAL by SIGHTSOUND TECH from [50-1] memorandum opinion date FEE $ 255 RECEIPT # 2394 TPO issued. (lck) (Entered: 03/07/2005)
☐	Runner	03/03/2005	--	Certified copy of Notice of Appeal [51-1] appeal by SIGHTSOUND TECH , certified c certified copy of order dated 2/28/05 mailed to USCA; copy of Notice of Appeal an ROXIO, INC., NAPSTER, L.L.C. and judge. Copy of information sheet to appellant. (03/07/2005)
☐	Runner	03/11/2005	52	Transcript Purchase order re: [51-1] appeal by SIGHTSOUND TECH indicating that ordered. (tt) (Entered: 03/11/2005)
☐	Runner	03/21/2005	--	Text not available. (Entered: 03/21/2005)
☐	Runner	04/04/2005	53	NOTICE of PTO's Order granting ex parte Reexamination by ROXIO, INC., NAPSTEI (Entered: 04/04/2005)
☐	Online	07/21/2005	54	MOTION for Relief from Stay with Respect to Defamation Counterclaims by SIGHTS TECHNOLOGIES, INC., SCOTT SANDER. (Attachments: # 1 Proposed Order)(jsp) (07/21/2005)
☐	Online	07/21/2005	55	BRIEF in Support re 54 MOTION for Relief from Stay with Respect to Defamation C SIGHTSOUND TECHNOLOGIES, INC., SCOTT SANDER. (Attachments: # 1 Part 2 of 07/21/2005)
☐	Online	07/22/2005	56	NOTICE: re 54 MOTION for Relief from Stay with Respect to Defamation Counterc on or before 8/4/05. (jlh) (Entered: 07/22/2005)
☐	Online	08/04/2005	57	NOTICE by ROXIO, INC., NAPSTER, L.L.C. of PTO's Issuance of Office Actions in Ex

				(Attachments: # 1 # 2 # 3)(Helmsen, Joseph) (Entered: 08/04/2005)
☐	Online	08/04/2005	58	MOTION for attorney Michael T. Zeller to Appear Pro Hac Vice by ROXIO, INC., NAI (Attachments: # 1 Proposed Order)(Kenyon, Kathryn) (Entered: 08/04/2005)
☐	Online	08/04/2005	59	NOTICE by ROXIO, INC., NAPSTER, L.L.C. re 57 Notice (Other) Letter Notice of Pri Kathryn) (Entered: 08/04/2005)
☐	Online	08/04/2005	60	BRIEF in Opposition re 54 MOTION for Relief from Stay with Respect to Defamatior by ROXIO, INC., NAPSTER, L.L.C.. (Attachments: # 1 Exhibit A# 2 Exhibit B# 3 Ex 5 Exhibit E# 6 Exhibit F# 7 Exhibit G# 8 Exhibit H)(Kenyon, Kathryn) (Entered: 0E
☐	Runner	08/04/2005	--	Pro Hac Vice Fees received in the amount of $ 40 receipt # 4877 re 58 Motion to A (ept) (Entered: 08/05/2005)
☐	Online	08/08/2005	61	ORDER granting 58 Motion to Appear Pro Hac Vice . Signed by Judge Donetta W. A (jlh) (Entered: 08/08/2005)
☐	Online	09/01/2005	62	ORDER denying 54 Motion for Relief from Stay . Signed by Judge Donetta W. Ambi (jlh) (Entered: 09/01/2005)
☐	Online	09/06/2005	63	NOTICE by SIGHTSOUND TECHNOLOGIES, INC., SCOTT SANDER NOTICE OF FILIN RECORD (Kerr, Benjamin) (Entered: 09/06/2005)
☐	Online	09/07/2005	64	Minute Entry for proceedings held before Judge Donetta W. Ambrose : Status Conf 9/7/2005. Parties to keep Court informed of PTO Action. (jlh) (Entered: 09/07/20
☐	Online	11/02/2005	65	NOTICE by ROXIO, INC., NAPSTER, L.L.C. of PTO's Issuance of Second Office Actio Reexamination (Attachments: # 1 Exhibit A# 2 Exhibit B# 3 Exhibit C)(Kenyon, Ka 11/02/2005)
☐	Online	11/14/2005	66	MANDATE of USCA for the Federal Circuit as to [51] Notice of Appeal filed by SIGH TECHNOLOGIES, INC., that the appeal is dismissed, with each party to bear its ow (Entered: 11/15/2005)
☐	Online	03/02/2006	67	MOTION by Clyde E. Findley to Withdraw as Attorney by SIGHTSOUND TECHNOLO (Entered: 03/02/2006)

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Terms: **patno=5966440** (Edit Search | Suggest Terms for My Search)

471964 (08) 5966440 October 12, 1999

UNITED STATES PATENT AND TRADEMARK OFFICE GRANTED PATENT

5966440

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Link to Claims Section

October 12, 1999

System and method for transmitting desired digital video or digital audio signals

REEXAM-LITIGATE: January 31, 2005 - Reexamination requested by Napster, Inc.; c/o Albert S. Penilla, Martine, Penilla & Gencarella, LLP, Reexamination No. 90/007,407 (O.G. March 29, 2005) Ex. Gp: 2132

NOTICE OF LITIGATION

Sightsound Technologies, Inc., a Delaware corporation v. Roxio, Inc., a Delaware corporation, et al, Filed October 8, 2004, D.C. W.D. Pennsylvania (Pittsburgh), Doc. No. 04-CV-1549

INVENTOR: Hair, Arthur R. - Pittsburgh, Pennsylvania, United States (US)

APPL-NO: 471964 (08)

FILED-DATE: June 6, 1995

GRANTED-DATE: October 12, 1999

ASSIGNEE-AT-ISSUE: Parsec Sight/Sound, Inc., Mt. Lebanon, Pennsylvania, United States (US), 02

ASSIGNEE-AFTER-ISSUE: 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: 10776/0703
October 24, 2001 - NOTICE OF GRANT OF SECURITY INTEREST, D&DF WATERVIEW PARTNERS, L.P. ONE STERLING PLAZA 152 WEST 57TH STREET, 46TH FLOOR NEW YORK NEW YORK 10019; 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, Reel and Frame Number: 12506/0415

LEGAL-REP: Schwartz, Ansel M.

PUB-TYPE: October 12, 1999 - Utility Patent having no previously published pre-grant publication (A)

PUB-COUNTRY: United States (US)

REL-DATA:
Continuation of Ser. No. 08/023398, February 26, 1993, PENDING
Continuation of Ser. No. 07/586391, September 18, 1990, GRANTED 5191573, March 2, 1993
Continuation of Ser. No. 07/206497, June 13, 1988, ABANDONED

US-MAIN-CL: 705#26

US-ADDL-CL: 360#15, 705#52, 705#57

CL: 705, 360, 705

SEARCH-FLD: 235#381, 235#380, 235#375, 364#479, 364#410, 364#918, 364#918.51, 364#921, 364#926.9, 364#926.91, 364#926.92, 364#926.93, 369#33, 369#34, 369#84, 369#85, 360#15, 380#4

IPC-MAIN-CL: 6H 04L009#0

IPC-ADDL-CL: G 11B005#86

PRIM-EXMR: Nguyen, Hoa T.

REF-CITED:
03718906, February, 1973, Lightner, United States (US), 235381
03990710, November, 1976, Hughes, United States (US), 235381
04124773, November, 1978, Elkins, United States (US), 37910101
04506387, March, 1985, Walter, United States (US), 359118
04521806, June, 1985, Abraham, United States (US), 358086
04528643, July, 1985, Freeny, Jr., United States (US), 364900
04538176, August, 1985, Nakajima et al., United States (US), 358086
04567359, January, 1986, Lockwood, United States (US), 235381
04647989, March, 1987, Geddes, United States (US), 360055
04654799, March, 1987, Ogaki et al., United States (US), 364479
04789863, December, 1988, Bush, United States (US), 34082535
04789868, December, 1988, Bush, United States (US), 34082535
05191193, March, 1993, Le Roux, United States (US), 235379
05191573, March, 1993, Hair, United States (US), 369084

NON-PATENT LITERATURE: "Teledelivery Business Quantified: Would You Believe $20 Billion?" VideoPrint, v4, n12, p1-4; Jun. 22, 1983; ISSN: 0271-0951 (Abstract is Attached).
Scott Mace, "Electronic Orchestras in Your Living Room; Midi Could Make the Biggest Year Yet for Computer Musicians" InfoWorld, Mar. 25, 1985.
"Rock around the Data Base" by Lydia Dotto, Information Technology, Sep. 1984.
Jimmy Bowen: Music Row's Prophet of Change, Chappell, Lindsay, 1986.

CORE TERMS: video, digital, user, memory, electronically, song, receiver, music, hard disk, telecommunications ...

ENGLISH-ABST:

A method for transferring desired digital video or audio signals. The method comprises the steps of forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party. The first memory has the desired digital video or audio signals. Then, there is the step of selling electronically by the first party to the second party through telecommunications lines, the desired digital video or audio signals in the first memory. Then, there is the step of transferring

the desired digital video or audio signals from the first memory of the first party to the second memory of the second party through the telecommunications lines while the second memory is in possession and control of the second party. Additionally, there is a system for transferring digital video or audio signals.

NO-OF-CLAIMS: 63

EXMPL-CLAIM: 1

NO-DRWNG-PP: 2

SUMMARY:

FIELD OF THE INVENTION

The present invention is related to a system and associated method for the electronic sales and distribution of digital audio or video signals, and more particularly, to a system and method which a user may purchase and receive digital audio or video signal from any location which the user has access to telecommunications lines.

BACKGROUND OF THE INVENTION

The three basic mediums (hardware units) of music: records, tapes, and compact discs, greatly restricts the transferability of music and results in a variety of inefficiencies.

CAPACITY: The individual hardware units as cited above are limited as to the amount of music that can be stored on each.

MATERIALS: The materials used to manufacture the hardware units are subject to damage and deterioration during normal operations, handling, and exposure to the elements.

SIZE: The physical size of the hardware units imposes constraints on the quantity of hardware units which can be housed for playback in confined areas such as in automobiles, boats, planes, etc.

RETRIEVAL: Hardware units limit the ability to play, in a sequence selected by the user, songs from different albums. For example, if the user wants to play one song from ten different albums, the user would spend an inordinate amount of time handling, sorting, and cueing the ten different hardware units.

SALES AND DISTRIBUTION: Prior to final purchase, hardware units need to be physically transferred from the manufacturing facility to the wholesale warehouse to the retail warehouse to the retail outlet, resulting in lengthy lag time between music creation and music marketing, as well as incurring unnecessary and inefficient transfer and handling costs. Additionally, tooling costs required for mass production of the hardware units and the material cost of the hardware units themselves, further drives up the cost of music to the end user.

QUALITY: Until the recent invention of Digital Audio Music, as used on Compact Discs, distortion free transfer from the hardware units to the stereo system was virtually impossible. Digital Audio Music is simply music converted into a very basic computer language known as binary. A series of commands known as zeros or ones encode the music for future playback. Use of laser retrieval of the binary commands results in distortion free transfer of the music from the compact disc to the stereo system. Quality Digital Audio Music is defined as the binary structure of the Digital Audio Music. Conventional analog tape recording of Digital Audio Music is not to be considered quality inasmuch as the binary structure itself is not recorded. While Digital Audio Music on compact discs is a technological breakthrough in audio quality, the method by which the

music is sold, distributed, stored, manipulated, retrieved, played and protected from copyright infringements remains as inefficient as with records and tapes.

COPYRIGHT PROTECTION: Since the invention of tape recording devices, strict control and enforcement of copyright laws have proved difficult and impossible with home recorders. Additionally, the recent invention of Digital Audio Tape Recorders now jeopardizes the electronic copyright protection of quality Digital Audio Music on Compact Discs or Digital Audio Tapes. If music exists on hardware units, it can be copied.

Thus, as is apparent from the above discussion, the inflexible form in which the songs are purchased by an end user, and the distribution channels of the songs, requires the end user to go to a location to purchase the songs, and not necessarily be able to purchase only the songs desired to be heard, in a sequence the end user would like to hear them. This is not limited to just songs, but also includes, for example, videos.

Accordingly, it is an objective of this invention is to provide a new and improved methodology/system to electronically sell and distribute Digital Audio Music or digital video.

A further objective of this invention to provide a new and improved methodology/system to electronically store and retrieve Digital Audio Music or digital video.

Another objective of this invention is to provide a new and improved methodology/system to electronically manipulate, i.e., sort, cue, and select, Digital Audio Music or digital video for playback.

Still another objective of this invention is to offer a new and improved methodology/system which can prevent unauthorized electronic copying of quality Digital Audio Music or digital video.

SUMMARY OF THE INVENTION

Briefly, this invention accomplishes the above cited objectives by providing a new and improved methodology/system of electronic sales, distribution, storage, manipulation, retrieval, playback, and copyright protection of Digital Audio Music. The high speed transfer of Digital Audio Music as prescribed by this invention is stored onto one piece of hardware, a hard disk, thus eliminating the need to unnecessarily handle records, tapes, or compact discs on a regular basis. This invention recalls stored music for playback as selected/programmed by the user. This invention can easily and electronically sort stored music based on many different criteria such as, but not limited to, music category, artist, album, user's favorite songs, etc. An additional feature of this invention is the random playback of songs, also based on the user's selection. For example, the user could have this invention randomly play all jazz songs stored on the user's hard disk, or randomly play all songs by a certain artist, or randomly play all of the user's favorite songs which the user previously electronically "tagged" as favorites. Further, being more specific, the user can electronically select a series of individual songs from different albums for sequential playback.

This invention can be configured to either accept direct input of Digital Audio Music from the digital output of a Compact Disc, such transfer would be performed by the private user, or this invention can be configured to accept Digital Audio Music from a source authorized by the copyright holder to sell and distribute the copyrighted materials, thus guaranteeing the protection of such copyrighted materials. Either method of electronically transferring Digital Audio Music by means of this invention is intended to comply with all copyright laws and restrictions and any such transfer is subject to the appropriate authorization by the copyright holder. Inasmuch as Digital Audio Music is software and this invention electronically transfers and stores such music, electronic sales and distribution of the music can take place via telephone lines onto a hard disk. This new methodology/system of music sales and distribution will greatly reduce the cost of goods sold and will reduce the lag time between music creation and music marketing from

weeks down to hours.

The present invention is a system for transmitting desired digital video or audio signals stored on a first memory of a first party to preferably a second memory of a second party. The system comprises means or mechanism for electronically selling the desired digital video or digital audio signals preferably via telecommunications lines to the first party from the second party. Moreover, the system preferably comprises means or mechanism for connecting electronically via telecommunications lines the first memory preferably with the second memory such that the desired digital video or digital audio signals can pass therebetween. Additionally, the system comprises means or mechanism for transmitting the desired digital video or audio signals from the first memory with a transmitter in control and in possession of the first party to a receiver preferably having the second memory. While the receiver is in possession and in control of the second party. The receiver is placed at a second party location determined by the second party. Preferably, there is also means or mechanism for storing the digital video or digital audio signal in the second memory.

Further objectives and advantages of this invention will become apparent as the following description proceeds and the particular features of novelty which characterize this invention will be pointed out in the claims annexed to and forming a part of this declaration.

DRWDESC:

BRIEF DESCRIPTION OF THE DRAWINGS

For a better understanding of this invention, reference should be made to the following detailed description, taken in conjunction with the accompanying drawings, in which:

FIG. 1 is a pictorial flow chart which may be used in carrying out the teachings of this invention for the purposes of electronic sales, distribution, storage, manipulation, retrieval, playback, and copyright protection of Digital Audio Music; and

FIG. 2 is a pictorial flow chart which may be used in carrying out the teachings of this invention for the purposes of electronic storage, manipulation, retrieval, and playback of Digital Audio Music.

DETDESC:

DESCRIPTION OF THE PREFERRED EMBODIMENT

Referring now to the drawings wherein like reference numerals refer to similar or identical parts throughout the several views, and more specifically to figure thereof, there is shown.

Referring now to the FIG. 1, this invention preferably is comprised of the following:

10 Hard Disk of the copyright holder

20 Control Unit of the copyright holder

20a Control Panel

20b Control Integrated Circuit

20c Sales Random Access Memory Chip

30 Telephone Lines/Input Transfer

50 Control Unit of the user

50a Control Panel

50b Control Integrated Circuit

50c Incoming Random Access Memory Chip

50d Play Back Random Access Memory Chip

60 Hard Disk of the user

70 Video Display Unit

80 Stereo Speakers

The Hard Disk 10 of the first party or agent authorized to electronically sell and distribute the copyrighted Digital Audio Music is the originating source of music in the configuration as outlined in FIG. 1. The Control Unit 20 of the authorized agent is the means by which the electronic transfer of the Digital Audio Music from the agent's Hard Disk 10 via the Telephone Lines 30 to the user's or second party's Control Unit 50 is possible. The user's Control Unit is comprised of a Control Panel 50a, a Control Integrated Circuit 50b, an Incoming Random Access Memory Chip 50c, and a Play Back Random Access Memory Chip 50d. Similarly, the authorized agent's Control Unit 20 has a control panel and control integrated circuit similar to that of the user's Control Unit 50. The authorized agent's Control Unit 20, however, only requires the Sales Random Access Memory Chip 20c. The other components in FIG. 1 include a Hard Disk 60, a Video Display Unit 70, and a set of Stereo Speakers 80.

Referring now to FIG. 2, with the exception of a substitution of a Compact Disc Player 40 (as the initial source of Digital Audio Music) for the agent's Hard Disk 10, the agent's Control Unit 20, and the Telephone Lines 30 in FIG. 1, FIG. 2 is the same as FIG. 1.

In FIG. 1 and FIG. 2, the following components are already commercially available: the agent's Hard Disk 10, the Telephone Lines 30, the Compact Disc Player 40, the user's Hard Disk 60, the Video Display Unit 70, and the Stereo Speakers 80. The Control Units 20 and 50, however, would be designed specifically to meet the teachings of this invention. The design of the control units would incorporate the following functional features:

1) the Control Panels 20a and 50a would be designed to permit the agent and user to program the respective Control Integrated Circuits 20b and 50b,

2) the Control Integrated Circuits 20b and 50b would be designed to control and execute the respective commands of the agent and user and regulate the electronic transfer of Digital Audio Music throughout the system, additionally, the sales Control Integrated Circuit 20b could electronically code the Digital Audio Music in a configuration which would prevent unauthorized reproductions of the copyrighted material,

3) the Sales Random Access Memory Chip 20c would be designed to temporarily store user purchased Digital Audio Music for subsequent electronic transfer via telephone lines to the user's Control Unit 50,

4) the Incoming Random Access Memory Chip 50c would be designed to temporarily store Digital Audio Music for subsequent electronic storage to the user's Hard Disk 60,

5) the Play Back Random Access Memory Chip 50d would be designed to temporarily store Digital Audio Music for sequential playback.

The foregoing description of the Control Units 20 and 50 is intended as an example only and thereby is not restrictive with respect to the exact number of components and/or its actual design.

Once the Digital Audio Music has been electronically stored onto the user's Hard Disk 60, having the potential to store literally thousands of songs, the user is free to perform the many functions of this invention. To play a stored song, the user types in the appropriate commands on the Control Panel 50a, and those commands are relayed to the Control Integrated Circuit 50b which retrieves the selected song from the Hard Disk 60. When a song is retrieved from the Hard Disk 60 only a replica of the permanently stored song is retrieved. The permanently stored song remains intact on the Hard Disk 60, thus allowing repeated playback. The Control Integrated Circuit 50b stores the replica onto the Play Back Random Access Memory Chip 50d at a high transfer rate. The Control Integrated Circuit 50b then sends the electronic output to the Stereo Speakers 80 at a controlled rate using the Play Back Random Access Memory Chip 50d as a temporary staging point for the Digital Audio Music.

Unique to this invention is that the Control Unit 50 also serves as the user's personal disk jockey. The user may request specific songs to be electronically cued for playback, or may request the Control Unit 50 to randomly select songs based on the user's criteria. All of these commands are electronically stored in random access memory enabling the control unit to remember prior commands while simultaneously performing other tasks requested by the user and, at the same time, continuing to play songs previously cued.

Offering a convenient visual display of the user's library of songs is but one more new and improved aspect of this invention. As the Control Unit 50 is executing the user's commands to electronically sort, select, randomly play, etc., the Video Display Screen 70 is continually providing feedback to the user. The Video Display Screen 70 can list/scroll all songs stored on the Hard Disk 60, list/scroll all cued songs, display the current command function selected by the user, etc. Further expanding upon the improvements this invention has to offer, the Video Display Screen 70 can display the lyrics of the song being played, as well as the name of the song, album, artist, recording company, date of recording, duration of song, etc. This is possible if the lyrics and other incidental information are electronically stored to the Hard Disk 60 with the Digital Audio Music.

The present invention is a method for transmitting desired digital video or digital audio signals stored on a first memory of a first party preferably to a second memory of a second party. The method comprises the steps of transferring money via telecommunications lines to the first party from the second party or electronically selling to the second party by the first party. Additionally, the method comprises the step of then connecting electronically via telecommunications lines the first memory preferably with the second memory such that the desired digital video or digital audio signals can pass therebetween. Next, there is the step of transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and in possession of the first party to a receiver preferably having the second memory. While the receiver is in possession and in control of the second party. The receiver is placed by the second party at a second party location determined by the second party. There preferably is also the step of then storing the desired digital video or digital audio signals in the second memory.

In summary, there has been disclosed a new and improved methodology/system by which Digital Audio Music or digital video can be electronically sold, distributed, transferred, and stored. Further, there has been disclosed a new and improved methodology/system by which Digital Audio Music or digital video can be electronically manipulated, i.e., sorted, cued, and selected for playback. Further still, there has been disclosed a new and improved methodology/system by which the electronic manipulation of Digital Audio Music can be visually displayed for the convenience of the user. Additionally, there has been disclosed a new and improved methodology/system by which electronic copyright protection of quality Digital Audio Music is possible through use of this invention.

Since numerous changes may be made in the above described process and apparatus and different embodiments of the invention may be made without departing from the spirit thereof, it is intended that all matter contained in the foregoing description or shown in the accompanying drawings shall be interpreted as illustrative, and not in a limiting sense. Further, it is intended that this invention is not to be limited to Digital Audio Music and can include Digital Video, Digital Commercials, and other applications of digital information.

For instance, the present invention is a system 100 for transferring digital video signals from a first party to a second party. The system 100 comprises a first party control unit 20 having a first memory having a plurality of desired individual video selections as desired digital video signals. The first party control unit 20 also has means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals. The system 100 also comprises a second party control unit 50 having a second party control panel 50a, a receiver and a video display for playing the desired digital video or digital audio signals received by the receiver. The second party control panel 50a is connected to the video display and the receiver. The receiver and the video display is operatively controlled by the second party control panel 50a. The second party control unit 50 is remote from the first party control unit 20. The second party control unit 50 is placed by the second party at a second party location determined by the second party which is remote from the first party control unit 20. The second party chooses the desired digital video signals from the first memory with the second party control panel 20a. The system 100 is also comprised of telecommunications lines connected to the first party control unit 20 and the second party control unit 50 through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit 50 is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party.

Preferably, the second party control unit 50 includes a second memory which is connected to the receiver and the video display. The second memory stores the digital video signals that are received by the receiver for providing them to the video display. The second party control unit 50 preferably includes a second party hard disk 60 which stores a plurality of digital video signals, and a playback random access memory chip 50d electronically connected to the second party hard disk 60 for storing a replica of the desired digital video signals as a temporary staging area for playback. The second party control unit 50 includes a second party control integrated circuit 50b which controls and executes commands of the second party and is connected to the second party hard disk 60, the playback random access memory 50d, and the first party control integrated circuit 20b through the telecommunications lines. The second party control integrated circuit 50b preferably includes the receiver. Additionally, the second party control unit 50 includes a second party control panel 20a through which the second party control integrated circuit 20b is programmed and is sent commands and which is connected to the second party integrated circuit 50b. Preferably, the second party control unit 50 includes an incoming random access memory chip 50c connected to the second party hard drive 60 and the second party control integrated circuit 50b, and the first party control unit 20 through the telecommunications lines for temporarily storing the desired digital video signals received from the first party's control unit 20 for subsequent storage to the second party hard disk 60. Preferably, the video display includes a video display unit connected to the playback random access memory chip 5Oc and to the second party integrated circuit 50b for displaying the desired digital video signals.

The first party control unit 20 preferably includes a first party hard disk 10 having a plurality of digital video signals which include the desired digital video signals, and a sales random access memory chip 20c electronically connected to the first party hard disk 10 for storing a replica of the desired digital video signals of the first party's hard disk 10. The first party control unit 20 preferably includes a first party control integrated circuit 20b which controls and executes commands of the first party and is connected to the first party hard disk 10, the first party sales random access memory 20c, and the second party control integrated circuit 20b through the telecommunications lines. The first party control integrated circuit 20b and the second party control integrated circuit 50b regulate the

transfer of the desired digital video signals. The first party control unit 20 preferably also includes a first party control panel 20a through which the first party control integrated circuit 20b is programmed and is sent commands and which is connected to the first party control integrated circuit 20b.

The means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location. Preferably, the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party. Preferably, the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party. Preferably, the means or mechanism for electronically selling includes means or a mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location. Preferably, the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party. Preferably, the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party. The means or mechanism for receiving a credit card number preferably is part of the control integrated circuit 20b. The telecommunications lines are preferably telephone lines 30.

The present invention also pertains to a method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second party at a second party location so the second party can view the desired digital video signals. The method comprises the steps of placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location. Next, there is the step of charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals. Then, there is the step of connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party. Next, there is the step of choosing the desired digital video signals by the second party from the first memory of the first party so desired digital video selections are selected. Next, there is the step of transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party. Next, there is the step of displaying the desired video signals received by the receiver on a video display in possession and control of the second party. The video display is connected with the receiver.

Preferably, the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory. Preferably, the second party has an account and the step of charging a fee includes the step of charging the account of the second party. Preferably, the step of charging the account of the second party includes the steps of telephoning the first party controlling use of the first memory by the second party. Then, there is the step of 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. Preferably, the means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location.

Although the invention has been described in detail in the foregoing embodiments for the purpose of illustration, it is to be understood that such detail is solely for that purpose and that variations can be made therein by those skilled in the art without departing from the spirit and scope of the invention except as it may be described by the following

claims.

ENGLISH-CLAIMS:
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What is claimed is:

1. A method for transferring desired digital video or digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory; and

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; and playing through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit.

2. A method as described in claim 1 wherein the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

3. A method as described in claim 2 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

4. A method as described in claim 3 wherein the step of charging the account of the second party 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.

5. A method as described in claim 4 including after the transferring step, the step of storing the desired digital video or digital audio signals in the second memory.

6. A method as described in claim 5 including before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.

7. A method as described in claim 6 wherein the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and including before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the hard disk into the sales random access memory chip.

8. A method as described in claim 7 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with

the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.

9. A method as described in claim 5 wherein the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip, a second party hard disk for storing the desired digital video or digital audio signals, and a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback; and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback.

10. A method as described in claim 9 including after the transferring step, there is the step of repeating the commanding, playing, and transferring a replica steps.

11. A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party;

entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party;

forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party;

entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit; and

playing the desired digital video or digital audio signals with the second party control unit.

12. A system for transferring digital video or digital audio signals comprising:

a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals;

a second party control unit having a second party control panel, a second memory connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and

telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party.

13. A system as described in claim 12 wherein the first party control unit includes a first party hard disk having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party's hard disk.

14. A system as described in claim 13 wherein the second party control unit includes a second party hard disk which stores a plurality of digital video or digital audio signals, and a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.

15. A system as described in claim 14 wherein the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

16. A system as described in claim 15 wherein the second party control unit includes a second party control integrated circuit which controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

17. A system as described in claim 16 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video or digital audio signals received from the first party's control unit for subsequent storage to the second party hard disk.

18. A system as described in claim 17 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.

19. A system as described in claim 12 wherein the means or mechanism for electronically selling includes means or a mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

20. A system as described in claim 19 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

21. A system as described in claim 20 wherein the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party.

22. A method for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising the steps of:

placing a second party control unit having a receiver and the second memory connected to the receiver by the second party at a desired location determined by the second party;

selling electronically via telecommunications lines to the second party at a location remote from the first memory by the first party controlling use of the first memory, said second party financially distinct from the first party, said second party in control and in possession of the second memory;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party control unit having the second memory at the location determined by the second party while said receiver is in possession and control of the second party;

storing the digital video or digital audio signals in the second memory; and playing the digital video or digital audio signals in the second memory with the second party control unit.

23. A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising:

means or mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

24. A system as described in claim 23 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

25. A system as described in claim 18 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said

sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

26. A system as described in claim 25 wherein the telecommunications lines include telephone lines.

27. A system as described in claim 26 wherein the first memory comprises a first hard disk and the second memory comprises a second hard disk.

28. A system as described in claim 27 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

29. A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising:

means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said first party controlling use of the first memory, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

30. A system as described in claim 29 wherein the means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location.

31. A system as described in claim 30 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

32. A system as described in claim 31 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication

with said second control integrated circuit.

33. A system as described in claim 32 wherein the telecommunications lines include telephone lines.

34. A system as described in claim 33 wherein the first memory comprises a first hard disk and the second memory comprises a second hard disk.

35. A system as described in claim 34 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

36. A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising the steps of:

placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines;

storing the digital video or digital audio signals in the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

37. A method as described in claim 36 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.

38. A method as described in claim 37 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

39. A method as described in claim 38 wherein the step of charging the account of the second party 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.

40. A method as described in claim 39 including after the transferring step, there is the step of repeating the charging a fee, connecting, and transferring steps.

41. A method for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising the steps of:

selling electronically via telecommunications lines to the second party at a location remote from the first memory by the first party controlling use of the first memory, said second

party financially distinct from the first party, said second party in control and in possession of a second party control unit having a receiver and the second memory connected to the receiver;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver connected to the second memory of the second party control unit at the location determined by the second party while said second party control unit is in possession and control of the second party;

storing the digital video or digital audio signals in the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

42. A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

43. A method as described in claim 42 wherein the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

44. A method as described in claim 43 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

45. A method as described in claim 44 wherein the step of charging the account of the second party 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.

46. A method for transferring desired digital video or digital audio signals comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired second party location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of a second party, said first memory having said desired digital video or digital audio signals;

incurring a fee by the second party to the first party for the use of telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

47. A system for transferring digital video signals from a first party to a second party at a second party location comprising:

a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location;

a second party control unit having a second party control panel, a receiver and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and

telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party.

48. A system as described in claim 47 wherein the second party control unit includes a second memory which is connected to the receiver and the video display, said second memory storing the digital video signals that are received by the receiver to provide the video display with the digital video signals.

49. A system as described in claim 48 wherein the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired digital video signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video signals of the first party's hard disk.

50. A system as described in claim 49 wherein the second party control unit includes a second party hard disk which stores a plurality of digital video signals, and a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video signals as a temporary staging area for playback.

51. A system as described in claim 50 wherein the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

52. A system as described in claim 51 wherein the second party control unit includes a second party control integrated circuit which controls and executes commands of the

second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

53. A system as described in claim 52 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party's control unit for subsequent storage to the second party hard disk.

54. A system as described in claim 53 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video signals.

55. A system as described in claim 47 wherein the means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.

56. A system as described in claim 55 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

57. A system as described in claim 56 wherein the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party.

58. A method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second party at a second party location so the second party can view the desired digital video signals comprising the steps of:

placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals;

connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;

choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected;

transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party; and

displaying the desired video signals received by the receiver on the video display in possession and control of the second party.

59. A method as described in claim 58 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory.

60. A method as described in claim 59 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

61. A method as described in claim 60 wherein the step of charging the account of the second party 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.

62. A system for transferring digital audio signals from a first party to a second party at a second party location comprising:

a first party control unit having a first memory having a plurality of desired individual songs as desired digital audio signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital audio signals at a location remote from the second party location;

a second party control unit having a second party control panel, a receiver and speakers for playing the desired digital audio signals received by the receiver, said second party control panel connected to the speakers and the receiver, said receiver and speakers operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital audio signals from the first memory with said second party control panel; and

telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital audio signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital audio signals are sold to the second party by the first party.

63. A method for transmitting desired digital audio signals stored in a first memory having a plurality of individual songs as digital audio signals of a first party at a first party location to a second party at a second party location so the second party can listen to the desired digital audio signals comprising the steps of:

placing by the second party a receiver, and speakers connected to the receiver at the second party location determined by the second party which is remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital audio signals;

connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;

choosing the desired digital audio signals by the second party from the first memory of the first party so desired songs are selected;

transmitting the desired digital audio signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party; and

playing the desired audio signals received by the receiver on the speakers in possession and control of the second party.

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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, signal, invention, music, summary judgment, license, audio, sightsound, consumer ...

   ... 734 Patent"), and No. **5,966,440**, issued on October 12, ...
   ... for U.S. Patent **5,966,440,** "Claim Const. Jt. ...

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, patent, memory, signal, telecommunication, audio, electronically, specification, desired, telephone ...

   ... 5,675,734 ("the '734 Patent"), and **5,966,440** ("the '440 Patent") through the ...

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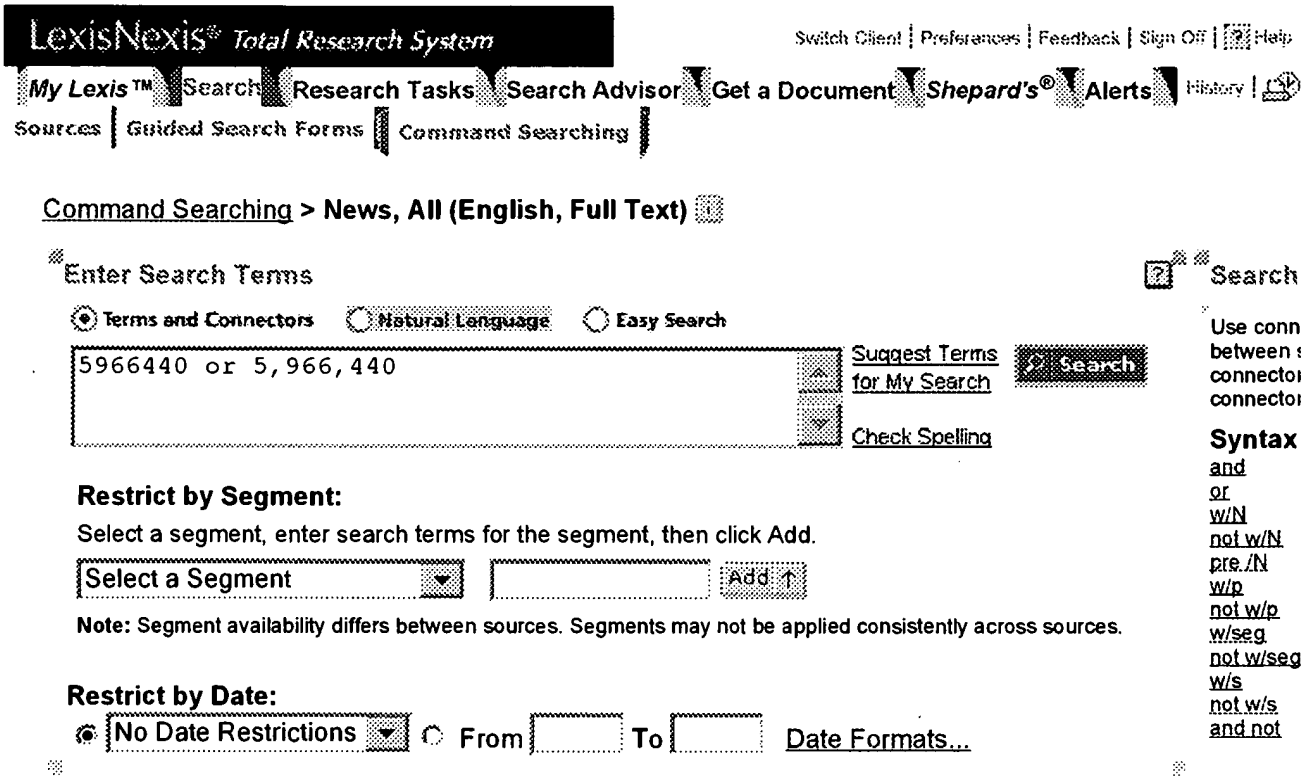

Source: Command Searching > **News, All (English, Full Text)**
Terms: **5966440 or 5,966,440** (Edit Search | Suggest Terms for My Search)

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1. Canadian Press Newswire, April 8, 2004, Ap 8'04, 5966440, 300 words, Belinda Stronach committed to politics, denies Magna return in works

2. 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.
... U.S. Patent No. **5,966,440,** which issued to SightSound after the ...

3. E-Commerce, August 2000, PATENT PROFILES; Vol. 17; No. 4; Pg. 5, 1369 words, Rountable Discussion Debates Computer Implemented Business Method Patents, BY MATTHEW KAUFMAN AND KATRINE A. LEVIN; Matthew Kaufman and Katrine Levin are associates with Brown Raysman Millstein Felder &Steiner LLPin New York.
... U.S. Patent No. **5,966,440).** In response to the growing ...

4. New York Law Journal, May 24, 2000 Wednesday, PATENT AND TRADEMARK LAW; Pg. 3, 2493 words, What Internet Start-Ups Should Know About "Patents", By Robert C. Scheinfeld and Parker H. Bagley; Robert C. Scheinfeld and Parker H. Bagley are partners in the intellectual property group and the New York office of Baker & Botts LLP.
... 5,960,411; 6,029,141; Sightsound **5,966,440;** Gemstar 5,988,078; LinkShare ...

5. Business Wire, October 12, 1999, Tuesday, 469 words, SIGHTSOUND.COM Receives Additional Patent Protection; Industry Veteran Frank Biondi Joins Board, MOUNT LEBANON, Pa.
... United States Patent **5,966,440.** "This is an important addition to our ...

Source: Command Searching > **News, All (English, Full Text)**
Terms: **5966440 or 5,966,440** (Edit Search | Suggest Terms for My Search)
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PTOL-413A (09-04)
Approved for use through 07/31/2006. OMB 0651-0031
U.S. Patent and Trademark Office: U.S. DEPARTMENT OF COMMERCE

Applicant Initiated Interview Request Form

Application No.: 90,007,402; 90/007,403; 90/007,407 First Named Applicant: Arthur Hair
Examiner: Benjamin Lanier Art Unit: _____ Status of Application: Reexamination

Tentative Participants:
(1) Kenneth Glick (2) ~~James DiGiorgio~~ Michael R. Casey
(3) Robert Koons (4) Examiner Lanier

Proposed Date of Interview: April 19, 2006 **Proposed Time:** 2:00PM (AM/PM)

Type of Interview Requested:
(1) [ ] Telephonic (2) [X] Personal (3) [ ] Video Conference

Exhibit To Be Shown or Demonstrated: [ ] YES [X] NO
If yes, provide brief description: _____

Issues To Be Discussed

Issues (Rej., Obj., etc)	Claims/ Fig. #s	Prior Art	Discussed	Agreed	Not Agreed
(1) Allowed	69-71 77-79 65-68	N/A	[ ]	[ ]	[ ]
(2) Obj.	73-76	N/A	[ ]	[ ]	[ ]
(3) Rej.	All	All	[ ]	[ ]	[ ]
(4) Proposed	New Claims		[ ]	[ ]	[ ]

[ ] Continuation Sheet Attached

Brief Description of Arguments to be Presented:
See attached

An interview was conducted on the above-identified application on 4/19/06.
NOTE: This form should be completed by applicant and submitted to the examiner in advance of the interview (see MPEP § 713.01).
This application will not be delayed from issue because of applicant's failure to submit a written record of this interview. Therefore, applicant is advised to file a statement of the substance of this interview (37 CFR 1.133(b)) as soon as possible.

Applicant/Applicant's Representative Signature — Examiner/SPE Signature

Robert A. Koons, Jr.
Typed/Printed Name of Applicant or Representative

32,474
Registration Number, if applicable

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

23973 7590 04/21/2006

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EXAMINER	
ART UNIT	PAPER NUMBER

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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. *90/007,407*.

PATENT NO. *5966440*.

ART UNIT *2132*.

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)).

/

PTOL-465 (Rev.07-04)

Ex Parte Reexamination Interview Summary	Control No.	Patent Under Reexamination	
	90/007,407	5966440	
	Examiner	Art Unit	
	Benjamin E. Lanier	2132	

All participants (USPTO personnel, patent owner, patent owner's representative):

(1) *Benjamin E. Lanier*

(2) *Kenneth Glick*

(3) *Robert Koons*

(4) *Michael R. Casey*

Date of Interview: *19 April 2006*

Type: a)☐ Telephonic b)☐ Video Conference
c)☒ Personal (copy given to: 1)☐ patent owner 2)☐ patent owner's representative)

Exhibit shown or demonstration conducted: d)☐ Yes e)☒ No.
If Yes, brief description: _____

Agreement with respect to the claims f)☐ was reached. g)☐ was not reached. h)☒ N/A.
Any other agreement(s) are set forth below under "Description of the general nature of what was agreed to..."

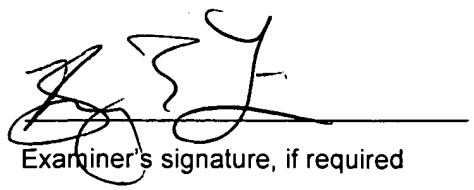
Claim(s) discussed: *1,64,65 and 69*.

Identification of prior art discussed: *Mr. Koons discussed the claim limitations that were previously indicated as allowable and asked Examiner to explain the rationale behind the indication of allowability. Examiner provided rationale for the indication and Mr. Koons discusses possible amending the claims to include the allowable subject matter*.

Description of the general nature of what was agreed to if an agreement was reached, or any other comments:
_____.

(A fuller description, if necessary, and a copy of the amendments which the examiner agreed would render the claims patentable, if available, must be attached. Also, where no copy of the amendments that would render the claims patentable is available, a summary thereof must be attached.)

A FORMAL WRITTEN RESPONSE TO THE LAST OFFICE ACTION MUST INCLUDE PATENT OWNER'S STATEMENT OF THE SUBSTANCE OF THE INTERVIEW. (See MPEP § 2281). IF A RESPONSE TO THE LAST OFFICE ACTION HAS ALREADY BEEN FILED, THEN PATENT OWNER IS GIVEN **ONE MONTH** FROM THIS INTERVIEW DATE TO PROVIDE THE MANDATORY STATEMENT OF THE SUBSTANCE OF THE INTERVIEW (37 CFR 1.560(b)). THE REQUIREMENT FOR PATENT OWNER'S STATEMENT CAN NOT BE WAIVED. **EXTENSIONS OF TIME ARE GOVERNED BY 37 CFR 1.550(c).**



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Examiner's signature, if required

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(For Patent Owner)

Albert S. Panilla
MARTINE PENILLA & GENCARELLA, LLP
710 Lakeway Drive, Suite 200
Sunnyvale, CA 94085

(For Requester)

DECISION, *SUA SPONTE*,
TO VACATE
REEXAMINATION OFFICE
ACTION

In re Arthur R. Hair
Ex Parte Reexamination Proceeding
Control No. 90/007,407
Filed: January 31, 2005
For: US Patent No. 5,966,440

The above captioned reexamination is before the Central Reexamination Unit for Consideration, *sua sponte*, whether to vacate the Office action made Final dated March 27, 2006.

REVIEW OF FACTS

1. U. S. Patent No. 5,966,440 issued on October 12, 1999.

2. A request was filed by a third party requester for reexamination of US Patent No. 5,966,440 on January 31, 2005.

3. The Order granting reexamination is dated March 18, 2005.

4. Non-final Office actions were mailed on June 21, 2005 and October 26, 2005. respectively.

6. A final Office action was mailed on March 27, 2006.

DISCUSSION REGARDING VACATING THE FINAL ACTION

MPEP 2271 is directed to final Office actions in *ex parte* reexamination proceedings and states as follows:

> Before a final action is in order, a clear issue should be developed between the examiner and the patent owner. To bring the prosecution to a speedy conclusion and at the same time deal justly with the patent owner and the public, the examiner will twice provide the patent owner with such information and references as may be useful in defining the position of the Office as to unpatentability before the action is made final. Initially, the decision ordering reexamination of the patent will contain an identification of the new questions of patentability that the examiner considers to be raised by the prior art considered. In addition, the first Office action will reflect the consideration of any arguments and/or amendments contained in the request, the owner's statement filed pursuant to 37 CFR 1.530, and any reply thereto by the requester, and should fully apply all relevant grounds of rejection to the claims.
>
> ...
>
> In making the final rejection, all outstanding grounds of rejection of record should be carefully reviewed and any grounds or rejection relied on should be reiterated. The grounds of rejection must (in the final rejection) be clearly developed to such an extent that the patent owner may readily judge the advisability of an appeal. However, where a single previous Office action contains a complete statement of a ground of rejection, the final rejection may refer to such a statement and also should include a rebuttal of anyarguments raised in the patent owner's response.

DECISION TO VACATE THE FINAL OFFICE ACTION

All pending reexamination proceedings which remained assigned to the USPTO Technology Centers were transferred from the USPTO Technology Centers into the Central Reexamination Unit (CRU) by May 2006.

As a result of the reassignment of the present proceeding to the CRU, and the facts specific to this proceeding, the Office is vacating the final Office action mailed on March 20, 2006 to permit a CRU panel review and further analysis of the issues. The newly assigned CRU examiner in charge will, in conjunction with a panel review, issue a new Office action .

The patent owner is relieved of the requirement to respond to the final Office action mailed on March 27, 2006, in view of that Office action being vacated.

CONCLUSION

1. By way of instant decision, the Office action mailed in reexamination proceeding 90/007,403 mailed March 27, 2006 is hereby *sua sponte* **vacated.**

2. Jurisdiction over the present proceeding is now forwarded to the newly assigned CRU examiner who is directed to issue a new Office action in due course.

3. No response is required on the part of the Patent Owner, either to the decision or the final Office action mailed on March 27, 2006, which has now been vacated.

4. Correspondence may be submitted as follows:

By Mail to: Mail Stop *Ex Parte* Reexam
Central Reexamination Unit
Commissioner for Patents
United States Patent & Trademark Office
P. O. Box 1450
Alexandria, VA 22313-1450

By Fax to: (571) 273-9900
Central Reexamination Unit

By Hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

5. Telephone inquiries with regard to this decision should be directed to Mark Reinhart, Special Program Examiner in the Central Reexamination Unit, Art Unit 3992, at (571) 272-1611.

MReinhart SPRE. CRU - 3992 for
Lissi M. Marquis,
Director,
Central Reexamination Unit

5/9/06

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)	
	)	
ARTHUR R. HAIR	)	
	)	
Reexamination Control No. 90/007,407	)	
	)	
Reexamination Filed: January 31, 2005	)	SYSTEM AND METHOD FOR
	)	TRANSMITTING DESIRED DIGITAL
	)	VIDEO OR DIGITAL AUDIO SIGNALS
Patent Number: 5,966,440	)	
	)	
Examiner: Roland G. Foster	)	

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

Sir:

STATEMENT UNDER 37 C.F.R. §1.560(b)

At the Interview with Examiner Lanier on April 19, 2006, in Reexamination Control Nos. 90/007,402, 90/007,403 and 90/007,407, Applicant's counsel presented the following reasons as warranting favorable action in the pending Reexamination applications:

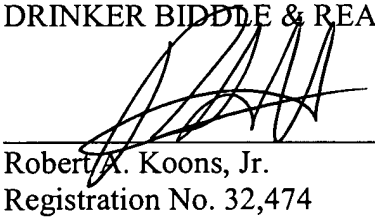
1. The rejections of the pending claims in all three Reexaminations under Section 103 are improper and should be withdrawn because the multiple references cited against those claims are not properly combinable, for all the reasons set forth in Applicant's response to the second office actions filed on December 27, 2005. For the same reasons, the objections to claims in Reexamination Control No. 90/007,407 also are improper.

2. In Reexamination Control No. 90/007,407, if Applicant were to add claims having limitations directed to specific types of tagging, those claims should be allowable to the extent such types of tagging are not shown or suggested by the prior art; and

3. Further in Reexamination Control No. 90/007,407, if Applicant were to add claims having a limitation directed to executing a command on audio or video signals stored in the second memory of Applicant's invention, those claims should be allowable to the extent the execution of such a command is not shown or suggested by the prior art.

Respectfully submitted,

DRINKER BIDDLE & REATH LLP



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

DRINKER BIDDLE & REATH LLP
One Logan Square
18th & Cherry Streets
Philadelphia, PA 19103-6996
Telephone: (215) 988-3392
Facsimile: (215) 988-2757

CERTIFICATE OF MAILING BY "EXPRESS MAIL" (37 CFR 1.10) Applicant(s): **Arthur R. Hair**			Docket No. **NAPSP003**	
Application No. **90/007,407**	Filing Date **January 31, 2005**	Examiner **Roland G. Foster**	Customer No. **023973**	Group Art Unit

Invention: **SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS**

I hereby certify that the following correspondence:

Statement Under 37 C.F.R. Section 1.560(b); Post Card

(Identify type of correspondence)

is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 in an envelope addressed to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on

May 16, 2006
(Date)

Lisa Richardson
(Typed or Printed Name of Person Mailing Correspondence)

Lisa Richardson
(Signature of Person Mailing Correspondence)

EV299884565US
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Note: Each paper must have its own certificate of mailing.

Drinker Biddle & Reath LLP
One Logan Square
18th & Cherry Streets
Philadelphia, PA 19103

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document was served via First Class United States Mail, postage prepaid, this 16th day of May, 2006, 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 Patentee

05-25-06

Reexam $

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)	
ARTHUR R. HAIR	)	
Reexamination Control No. 90/007,407	)	
Reexamination Filed: January 31, 2005	)	SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS
Patent Number: 5,966,440	)	
Examiner: Roland G. Foster	)	

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

Sir:

STATEMENT UNDER 37 C.F.R. §1.560(b)

On July 13, 2005, then counsel of record for Patentee, Ansel M. Schwartz, conducted an in person Interview with the then examiner of record, Examiner Benjamin Lanier, in Reexamination Control Nos. 90/007,402, 90/007,403 and 90/007,407. Following the Interview, Mr. Schwartz did not file a formal Summary of Interview pursuant to 37 C.F.R. § 1.560(b), which summary is now submitted herewith. Mr. Schwartz, as former counsel of record for Patentee, hereby declares that the entire delay in filing the current Summary of Interview was unintentional, and submits the following statement concerning the reasons presented to Examiner Lanier as warranting favorable action in the pending Reexaminations.

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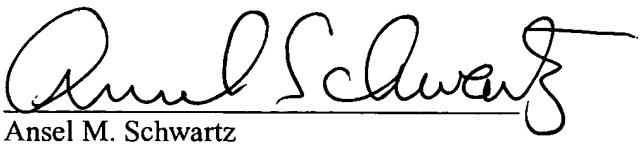
01 FC:1453 1560.00 OP

1. Patentee stated that favorable action to Claim 11 of Reexam 90/007407, as well as all the active claims in Reexam 90/007403 and 90/007402 was warranted.

This is because neither of the references Freeny or Gallagher anticipated any of the claims, and in view of the secondary evidence of patentability presented, the claims were allowable.

Respectfully submitted,



Ansel M. Schwartz
Registration No. 30,587

PHIP\517740\1

CERTIFICATE OF MAILING BY "EXPRESS MAIL" (37 CFR 1.10) Applicant(s): **Arthur R. Hair**			Docket No. **NAPSP003**	
Application No. **90/007,407**	Filing Date **01/31/2005**	Examiner **Roland G. Foster**	Customer No. **23973**	Group Art Unit

Invention: **System and Method for Transmitting Desired Digital Video or Digital Audio Signals**

I hereby certify that the following correspondence:

Petition Under 37 C.F.R. 1.137(b), Statement Under 37 C.F.R. 1.560(b), Transmittal Letter, Check for $1,500.00, Post Card.

(Identify type of correspondence)

is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 in an envelope addressed to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on

May 24, 2006
(Date)

Lorraine T. Lewis
(Typed or Printed Name of Person Mailing Correspondence)

Lorraine T. Lewis
(Signature of Person Mailing Correspondence)

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Note: Each paper must have its own certificate of mailing.

DRINKER BIDDLE & REATH LLP
One Logan Square
18th & Cherry Streets
Philadelphia, PA 19103-6996
Telephone (215) 988-3392
Facimile: (215) 988-2757

TRANSMITTAL LETTER (General - Patent Pending)	Docket No. NAPSP003

In Re Application Of: **Arthur R. Hair**
Patent No. 5,966,440

Application No.	Filing Date	Examiner	Customer No.	Group Art Unit	Confirmation No.
90/007,407	**01/31/2005**	**Roland G. Foster**	**23973**		**4782**

Title: **System and Method for Transmitting Desired Digital Video or Digital Audio Signals**

COMMISSIONER FOR PATENTS:

Transmitted herewith is:

Petition Under 37 C.F.R. 1.137(b)
Statement Under 37 C.F.R. 1.560(b)
Check for $1,500.00 (Petition Fee)
Post Card

in the above identified application.

- ☐ No additional fee is required.
- ☒ A check in the amount of **$1,500.00** is attached.
- ☒ The Director is hereby authorized to charge and credit Deposit Account No. **50-0573** as described below.
  - ☐ Charge the amount of
  - ☒ Credit any overpayment.
  - ☒ Charge any additional fee required.
- ☐ Payment by credit card. Form PTO-2038 is attached.

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.

Signature

Dated: 5/24/06

Robert A. Koons, Jr., Reg. No. 32,474
DRINKER BIDDLE & REATH LLP
One Logan Square
18th & Cherry Streets
Philadelphia, PA 19103-6996
Telephone (215) 988-3392
Facimile: (215) 988-2757

I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to the "Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450" [37 CFR 1.8(a)] on

______________.
(Date)

Signature of Person Mailing Correspondence

Typed or Printed Name of Person Mailing Correspondence

cc:

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)	
	)	
ARTHUR R. HAIR	)	
	)	
Reexamination Control No. 90/007,407	)	
	)	
Reexamination Filed: January 31, 2005	)	SYSTEM AND METHOD FOR
	)	TRANSMITTING DESIRED DIGITAL
Patent Number: 5,966,440	)	VIDEO OR DIGITAL AUDIO SIGNALS
	)	
Examiner: Roland G. Foster	)	

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

Sir:

PETITION UNDER 37 C.F.R. §1.137(b)

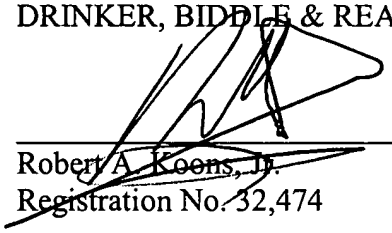
On July 13, 2005, then counsel of record for Patentee, Ansel M. Schwartz, conducted an in person Interview with the then examiner of record, Examiner Benjamin Lanier, in Reexamination Control Nos. 90/007,402, 90/007,403 and 90/007,407. Following the Interview, Mr. Schwartz did not file a formal Summary of Interview pursuant to 37 C.F.R. § 1.560(b). Current counsel of record for Patentee now submits the Summary of Interview along with the required fee under 37 C.F.R. § 1.137(b), and hereby respectfully petitions, as provided by 37 C.F.R. § 1.550(e)(2), to have the Office accept the Summary of Interview as having been unintentionally delayed after the period provided under 37 C.F.R. § 1.560(b).

In support of the instant Petition, current counsel of record for Patentee, after having made reasonable inquiry, hereby states that the entire delay in filing the Summary of Interview was unintentional.

In support of the instant Petition, current counsel of record for Patentee, after having made reasonable inquiry, hereby states that the entire delay in filing the Summary of Interview was unintentional.

Respectfully submitted,

DRINKER, BIDDLE & REATH LLP



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

DRINKER BIDDLE & REATH LLP
One Logan Square
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Philadelphia, PA 19103-6996
Telephone: (215) 988-3392
Facsimile: (215) 988-2757

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Petition Under 37 C.F.R. § 1.137(b) with the attached Statement Under 37 C.F.R. § 1.560(b) was served, via First Class United States Mail, postage prepaid, this 24th day of May, 2006, 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 Patentee

PHIP\517812\1

UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
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6/19/06

THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS

ALBERT S. PENILA

MARTINE PENILLA & GENCARELLA LLP

710 LAKEWAY DRIVE, SUITE 200

SUNNYVALE, CA 94085

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO 90/007407

PATENT NO. 5,966,440

ART UNI 3993

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 replly has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

23973 7590 06/19/2006

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: 06/19/2006

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

UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
www.uspto.gov

DRINKER, BIDDLE & REATH, LLP (For Patent Owner)
Attn: Intellectual Property Group
One Logan Square
18th and Cherry Streets
Philadelphia Pa 19103-6996

Albert S. Penilla (For Third Party Requester)
Martine, Penilla & Gencarcella, LLP
710 Lakeway Drive, Suite 200
Sunnyvale, CA 94085

In re Reexamination Proceeding :
Arthur R. Hair :
Control No. 90/007,407 : DECISION GRANTING PETITION
Filed: January 31, 2005 :
U.S. Patent No. 5,966,440 :
Attorney Docket No. NAPSP003 :

This is a decision on the petition under 37 CFR 1.137(b) filed by the patent owner on May 24, 2006, for entry of late papers based upon unintentional delay.

The petition is before the Office of Patent Legal Administration (OPLA) for decision.

37 CFR 1.137(b) states:

> *"Unintentional.* If the delay in reply by applicant or patent owner was unintentional, a petition may be filed pursuant to this paragraph to revive an abandoned application, a reexamination proceeding terminated under §§ 1.550(d) or 1.957(b) or (c), or a lapsed patent. A grantable petition pursuant to this paragraph must be accompanied by: (1) The reply required to the outstanding Office action or notice, unless previously filed; (2) The petition fee as set forth in § 1.17(m); (3) A statement that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unintentional. The Director may require additional information where there is a question whether the delay was unintentional; and (4) Any terminal disclaimer (and fee as set forth in § 1.20(d)) required pursuant to paragraph (d) of this section."

§ 1.560 Interviews in ex parte reexamination proceedings.

> (a) Interviews in ex parte reexamination proceedings pending before the Office between examiners and the owners of such patents or their attorneys or agents of record must be conducted in the Office at such times, within Office hours, as the respective examiners may designate. Interviews will not be permitted at any other time or place without the authority of the Director. Interviews for the discussion of the patentability of claims in patents involved in ex parte reexamination proceedings will not be conducted prior to the first official

> action. Interviews should be arranged in advance. Requests that reexamination requesters participate in interviews with examiners will not be granted.
>
> (b) In every instance of an interview with an examiner in an ex parte reexamination proceeding, a complete written statement of the reasons presented at the interview as warranting favorable action must be filed by the patent owner. An interview does not remove the necessity for response to Office actions as specified in § 1.111. Patent owner's response to an outstanding Office action after the interview does not remove the necessity for filing the written statement. The written statement must be filed as a separate part of a response to an Office action outstanding at the time of the interview, or as a separate paper within one month from the date of the interview, whichever is later.

The present petition under 37 CFR 1.137(b) includes the requisite response (written statement)(item 1), a $1500.00 petition fee under 37 CFR 1.17(m) (item 2) and the requisite statement (item 3).

The petition for entry of the late papers is granted.

Jurisdiction over the reexamination proceeding is being returned to Technology Center Art Unit 3992 for further examination and consideration of the written statement filed May 24, 2006, along with the present petition, in due course.

Any further communications as to the merits of the reexamination proceeding should be directed to the primary examiner, Roland Foster, in Technology Center Art Unit 3992, who can be reached at 571-272-7538.

Telephone inquiries related to this decision should be directed to Fred A. Silverberg at 571-272-7719.

Fred A. Silverberg
Senior Legal Advisor
Office of Patent Legal Administration
Office of the Deputy Commissioner for Patent Examination Policy

Conferee: Kenneth M. Schor

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

23973 7590 09/29/2006

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: 09/29/2006

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

UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
www.uspto.gov

9/29/06

THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS

ALBERT S. PENILA

MARTINE PENILLA & GENCARELLA LLP

710 LAKEWAY DRIVE, SUITE 200

SUNNYVALE, CA 94085

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO 90/007407

PATENT NO. 5,966,440

ART UNI 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 replly has passed, no submission on behalf of the ex parte reexamination requester will be acknowledged or considered (37 CFR 1.550(g)).

Office Action in Ex Parte Reexamination	Control No. 90/007,407	Patent Under Reexamination 5966440	
	Examiner Roland G. Foster	Art Unit 3992	

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

a☒ Responsive to the communication(s) filed on *06 February 2006* . b☐ This action is made FINAL.
c☐ A statement under 37 CFR 1.530 has not been received from the patent owner.

A shortened statutory period for response to this action is set to expire 2 month(s) from the mailing date of this letter. Failure to respond within the period for response will result in termination of the proceeding and issuance of an *ex parte* reexamination certificate in accordance with this action. 37 CFR 1.550(d). **EXTENSIONS OF TIME ARE GOVERNED BY 37 CFR 1.550(c).** If the period for response specified above is less than thirty (30) days, a response within the statutory minimum of thirty (30) days will be considered timely.

Part I THE FOLLOWING ATTACHMENT(S) ARE PART OF THIS ACTION:

1. ☒ Notice of References Cited by Examiner, PTO-892.
2. ☐ Information Disclosure Statement, PTO/SB/08.
3. ☐ Interview Summary, PTO-474.
4. ☐ _____.

Part II SUMMARY OF ACTION

1a. ☒ Claims *1,4-21,23-36,39,40,42,45-61 and 64-79* are subject to reexamination.
1b. ☐ Claims _____ are not subject to reexamination.
2. ☐ Claims _____ have been canceled in the present reexamination proceeding.
3. ☐ Claims _____ are patentable and/or confirmed.
4. ☒ Claims *1,4-21,23-36,39,40,42,45-61 and 64-79* are rejected.
5. ☐ Claims _____ are objected to.
6. ☐ The drawings, filed on _____ are acceptable.
7. ☐ The proposed drawing correction, filed on _____ has been (7a)☐ approved (7b)☐ disapproved.
8. ☐ Acknowledgment is made of the priority claim under 35 U.S.C. § 119(a)-(d) or (f).
   a)☐ All b)☐ Some* c)☐ None of the certified copies have
   1☐ been received.
   2☐ not been received.
   3☐ been filed in Application No. _____ .
   4☐ been filed in reexamination Control No. _____.
   5☐ been received by the International Bureau in PCT application No. _____.
   * See the attached detailed Office action for a list of the certified copies not received.
9. ☐ Since the proceeding appears to be in condition for issuance of an *ex parte* reexamination certificate except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte* Quayle, 1935 C.D. 11, 453 O.G. 213.
10. ☐ Other: _____

cc: Requester (if third party requester)

DETAILED ACTION

Response to Arguments

The Patent Owner submitted various responses to the Final Rejection, mailed on March 27, 2006, rejecting certain claims of the instant U.S. Patent No. 5,966,440 patent under reexamination (the "'440 Patent").

Patent Owner arguments were considered, but deemed moot in view new issues concerning the earliest effective filing date of the '440 Patent, which as discussed below is June 6, 1995 (at the earliest) with respect to the original claims, and concerning 35 U.S.C. 112 issues with respect to the new and amended claims. Thus, new grounds of rejection are set forth below.

Benefit of Earlier Filing Date Regarding Original Claims

As an initial matter, the instant '440 Patent and the earlier filed applications are related as follows. The '440 Patent under reexamination issued from U.S. Application No. 08/471,964 (hereinafter the "Child Application"), which was filed on June 6, 1995. The parent application to the Child Application is U.S. Application No. 08/023,398, filed on February 26, 1993 (hereinafter the "Parent Application"). The grandparent application to Child Application is U.S. Application No. 07/586,391 (hereinafter the "Grandparent Application"), filed September 18, 1990. . Finally, the great-grandparent application to the Child Application is U.S. Application No. 07/206,497, filed June 13, 1988 (hereinafter the "Great Grandparent Application). All of the above cases are alleged to be related as "continuation" applications (i.e., no new matter was

introduced, thus the applications allegedly share a common specification, see MPEP § 201.06(c).III).[1] However, the specifications of these applications are not common, as discussed below.

The prosecution history of the Child Application (issuing as the '440 Patent under reexamination) does not show that the examiner had reason to consider the propriety of the benefit (continuation) claim set forth in the patent. In addition, the prosecution history of the Child patent does not contain any substantive, written discussion between the applicant and the examiner regarding such a claim.

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).

[1] Note that all the applications above were filed under the old "file wrapper continuation" procedures, except for the Child

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 originally filed specification must support the invention claimed in the later application. See 35 U.S.C. 120.

The Claims of the Child Patent Under Reexamination Lack Priority Under 35 U.S.C. 120 Because the Written Description of the Parent, Grandparent, and Great Grandparent Applications Fail 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) and added by a series of amendments is not found in the original Great-Grandparent Application.

Application, which was filed as a "continuation" under the old 37 CFR 1.60 continuation procedure, see MPEP § 201.06(a).

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). "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 aded). 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.

For example, a significant amount of unsupported, new text was added by amendment to the Grandparent Application, where this new text was neither required nor necessarily present in the original specification. Thus, this new text was new matter. Thus, the Grandparent Application only has an effective filing date of September 18, 1990, at the earliest. Thus, the Child Application, which is alleged to be related via continuation applications to the GrandParent Application, would also only have an effective filing date of September 18, 1990, at the earliest. The reasons for the above conclusion were extensively discussed in the "Benefit of Earlier Filing Date" section in the non-final Office action for related reexamination 90/007,402 (regarding the

parent U.S. patent 5,191,573, which issued from the Grandparent Application), where this section is hereby incorporated into this Office action in its entirety. For the reasons below however, the priority chain for the Child Application is also broken at a later date.

A significant amount of new text was also added by amendment to the Child Application. Consider for example the amendment of July 8, 1996. For example, the amendment added the following new text on pages 8 and 9 of the amendment (emphasis added):

> The second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party. Preferably, the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party.

The originally disclosed specification in the Great-Grandparent application only disclosed "electronic sales and distribution of music" (see page 2 of the originally filed specification), which does not require any of the above new text, including charging the account of the second party. First, the originally disclosed electronic sale does not require charging the second party. For example, during the originally disclosed electronic sale, money could instead be charged from a third party buyer, such as a advertiser, local network provider, local retail store, friend etc. Furthermore, a fee would not necessarily be charged upfront during a sale (e.g., a free preview or trial period). An account is also neither required nor necessarily present during the electronic sale of music. For example, the electronic music could be sold on a cash basis, such as at a local retail store that downloads the music for the buyer, where the buyer provides no account information whatsoever to the seller. Finally, digital content would not necessarily

be purchased using a credit card (e.g., person downloading the content could receive the bill in the mail). The amendment also contains other new text, such as directed to possession and control, that is also is neither required nor necessarily present in the original disclosure. For additional details, see the "Benefit of Earlier Filing Date" section in the non-final Office action for related reexamination 90/007,402, which addresses similar new text (except for the above "account" text) and which, as discussed above, is incorporated into this Office action in its entirety.

Furthermore, a very large amount of the new text in the July 8, 1996 amendment appears to be focused on introducing specific video download, processing, and display procedures that are not found in original specification of the Great-Grandparent Application. Although the original specification contains 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....", this is a broad, one-sentence, generic statement.[2] Thus, much of the new text added by the amendment of January 3, 1994 is in the nature of additional, narrowing video limitations and elements undisclosed by a generic video statement in the original disclosure of the Great-Grandparent Application, and thus these additional specific video limitations must be shown to be required or necessarily present in the original disclosure, as required by case law and as discussed above.

[2] 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 information to the user regarding downloaded audio content, and not directed to the actual download, processing, and display of video content.

In the instant case, it is clear that the many explicit and specific video limitations missing from the original written description are not required by nor necessarily present the generic video disclosure at end of the original written description. 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 applicant simply chose one possible (but not required) way to integrate video features into the originally disclosed audio system.[3] Indeed, the applicant added specific, video download and transmission procedures not found in the original specification during the prosecution of Grandparent application, see the 90/007,402 reexamination.[4] Thus, the original, one sentence generic statement does not require all the many instances of undisclosed, specific details later added by the applicant.

Furthermore, transmission and storage of digital video content significantly differs from 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 typical video signal. In the mid 1980(s), at

[3] See, for example, the amendment January 3, 1994.
[4] 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 during cannot be simply replaced with the word video. For example, applicant waited until the Grandparent Application to add new text directed toward displaying downloaded video, see page 10 of the amendment, filed January 3, 1994.

the time of the original Great-Grandparent Application, only compact audio disks players were routinely available.[5] 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.[6] 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[7], 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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[5] 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, 2nd Edition," by Ken C. Pohlmann, retrieved from http://www.oneoffcd.com/info/hisotrycd.cfm on September 19, 2006.

[6] 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, 2nd Edition," by Ken C. Pohlmann, retrieved from http://www.oneoffcd.com/info/hisotrycd.cfm on September 19, 2006.

[7] See "IBM HDD Evolution" chart, by Ed Grochowski at Almaden, retrieved from http://www.soragereview.com/guideImages/z_ibm_sorageevolution.gif" on September 19, 2006.

1988.[8] 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.[9] 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, such as the Internet, 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.[10] Thus, undisclosed devices capable of coding, transmitting, and decoding video digital data would not have been

[8] 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.
[9] IBM HDD Evolution chart, *supra*.
[10] History of MPEG, *supra*.

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.

Applicant 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. Regarding the July 8, 1996 amendment to the specification as discussed above, the applicant stated that "specification has been amended to be consistent with the changes and additions to the claims. For instance, the addition to page 11 is essentially new Claims 43 and 51 written out in more customary grammatical form with reference to the figures." The "addition to page 11 of the Child specification" however, is almost five, full pages of new text. Thus, it is not clear how all of this new text is tied to "essentially" new claims 43 and 51. Thus, the support statement provided by the applicant is very broad, and does not specifically point out where in the original disclosure (not the new claims) the added features are found. Even if the new claims are considered, rather than the original disclosure, the applicant still only addresses the issue of support of approximately 30 new claims in brief, general, and vague language. The few specific examples of support provided by the applicant are unpersuasive. The "charging of a fee", the "using of an 'account'", and the using of a "credit card" are certainly not required nor necessarily present in the originally disclosed "electronic sale", as extensively discussed above. The "nature of the description" (a very broad and vague term) also does not require the receiver or the second memory to be in "possession" of the second party. See the "Benefit of Earlier Filing Date"

section in the non-final Office action for related reexamination 90/007,402, which addresses this new text and which, as discussed above, is incorporated into this Office action in its entirety. The "individual video selection" apparently refers to only one new, video limitation, and not the many, detailed video downloading, processing, and display features added as new text by the applicant and as discussed extensively above is not supported by the original specification in the Great-Grandparent application. Furthermore, the cited section in the original specification refers to the display of category information regarding downloaded audio files, not downloaded video files.

In view of the above, all of the new text introduced by amendment into the Child Application (as identified above) is considered new matter to the original Great-Grandparent Application for the purposes of this reexamination. Thus, the previously filed specification of the Great-Grandparent Application fail to support the invention claimed in the Child Application and thus the Child Application is not entitled to priority under 35 U.S.C. 120, See 35 U.S.C. 120. Thus, the effective filing date (priority) of the instant '440 Patent under reexamination is latest date at which time the priority chain was broken, namely June 6, 1995 (at the earliest), which is also the filing date of the Child Application.

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, 4-8, 15-21, 36, 39, 40, 42, 45, 51-54, and 64-79 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement.

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 and amended 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 application was filed, had possession of the claimed invention.

"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 '734 Patent under reexamination claims benefit under 35 U.S.C. 120 to the earlier filing dates of the Parent, Grandparent, and Great-Grandparent Applications.

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.

> 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.

In the amendments of July 21, 2005, the Patent Owner has not pointed out where the new and amended claims are supported, nor does there appear to be a written description of the claim limitations in the specification as filed. Applicant 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. Neither are these limitations implicit or inherent to the originally filed disclosure in the Great-Grandparent Application, as extensively discussed in the "Benefit of Earlier Filing Date Regarding the Original Claims" section above.

In the amendment of February 6, 2006, the Patent Owner, on page 8, points to col. 2, ll. 52-59 of the '440 Patent and claims 1, 6, 8, and 50 of the '440 Patent as issued. However, this section fails to provide support for the extensive set of limitations introduced by new claims, such as those limitations directed to a first party controlling use of the first memory, a second

party controlling use and in possession of the second memory, transmitting the desired signal to a second memory at a location determined by the second party, a transmitter in control and possession of the first party, a receiver in possession and control of the second party, charging a fee from an account of the second party, and providing a credit card number. Neither are these limitations implicit or inherent to the originally filed disclosure in the Great-Grandparent Application, as extensively discussed in the "Benefit of Earlier Filing Date Regarding the Original Claims" section above.

Claims 1, 4-10, 15-18, 36, 39, 40, 42, 45, 51-54, and 64-79 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement.

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 and amended 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 application was filed, had possession of the claimed invention.

"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 '734 Patent under

reexamination claims benefit under 35 U.S.C. 120 to the earlier filing dates of the Parent, Grandparent, and Great-Grandparent Applications.

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.

> 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.

In the amendments of July 21, 2005 and February 6, 2006, the Patent Owner has not pointed out where the new and amended claims are supported, nor does there appear to be a written description of the claim limitations in the specification as filed. Applicant 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. Neither are these limitations implicit or inherent to the originally filed disclosure in the Great-Grandparent Application, as extensively discussed in the "Benefit of Earlier Filing Date Regarding the Original Claims" section above.

Claims 1, 4-8, 15-21, 36, 39, 40, 42, 45, 51-54, and 72-79 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.

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 the original Great-Grandparent 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 Great-Grandparent 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....", however this broad, generic statement fails to enable specifically claimed video download and processing procedures.[11]

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

[11] 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 information to the user regarding downloaded audio content, and not directed to the actual download of video content.

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 Great-Grandparent Application was June 13, 1988. In the mid 1980(s) however, only compact audio disks players were just becoming popular.[12] 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. [13] 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[14], 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

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[12] 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, 2nd Edition," by Ken C. Pohlmann, retrieved from http://www.oneoffcd.com/info/hisotrycd.cfm on September 19, 2006.

[13] 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, 2nd Edition," by Ken C. Pohlmann, retrieved from http://www.oneoffcd.com/info/hisotrycd.cfm on September 19, 2006.

[14] See "IBM HDD Evolution" chart, by Ed Grochowski at Almaden, retrieved from http://www.soragereview.com/guideImages/z_ibm_sorageevolution.gif" on September 19, 2006.

Experts Group Standard "1" ("MPEG-1") video compression technology not even available in 1988.[15] Thus, it is not clear how a 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.

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.[16] 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, such as the Internet, 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

[15] 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.
[16] IBM HDD Evolution chart, *supra*.

digital video information and to transmit the video via a telephone (telecommunications) network in NTSC (broadcast) quality for archiving, was only established in 1992.[17]

Thus, based on the evidence regarding each of the above factors, the specification, at the time the Great-Grandparent 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.

Claim Rejections - 35 USC § 102

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

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

The publication date of the Yurt patent is July 21, 1992. The earliest priority date of the '440 Patent under reexamination however is June 65, 1995, as discussed extensively above in the Priority section. Thus, Yurt is available as both 102(b) and 102(e) type prior art.

[17] History of MPEG, *supra*.

Claims 1, 11-13, 23, 24, 29-33, 34-36, 42, 46-49, 58, 64-67, and 72-75 are rejected under 35 U.S.C. 102(b) and under 35 U.S.C. 102(e) as being anticipated by U.S. Patent No. 5,132,992 ("Yurt"), of record.

Regarding **claim 1:**

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals;

Yurt teaches that a second party (user) connects electronically via an IDSN line (or the like) (telecommunications line), such that a desired audio/video signal passes between a first and second memory. Specifically, Yurt teaches video/audio signals are stored on a first memory of a first party (library provider) (Fig. 2a, source material library, pre-compression data processing storages 130 and 131, compressed data formatting storage, and compressed data libraries) and transmitted to a remote, second memory for storage (Fig. 6, reception system 200 storage 203). The reception system is associated with a second party, namely the customer or "user" (Figs. 1d, 1e, 1f, 1g, and col. 5, ll. 10-33). Yurt teaches that a reception system 200 associated with the user or customer supports a terminal interface based on a personal computer (Fig. 6 and col. 14, l. 64 – col. 15, l. 21), where a personal computer includes a control unit (e.g., CPU) and control panel (e.g., keyboard). Yurt also teaches of control unit and control panel in the form of a telephonic interface (e.g., telephone and keypad) (co. 13, ll. 61 – 68).

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory; and

The second party (customer) is informed regarding the price of the audio or video selection (Fig. 3, step 3070 and col. 14, ll. 23-28), after which the audio/video download (transmission) occurs. When the download successfully completes, a "billing program...updates the account of the user" (Fig. 5, step 5090 and col. 17, ll. 9-11). Thus, money is transferred form the second party (user) to the first party (library provider). Both the digital signal and money are transferred via an ISDN (or the like) telecommunications line (Fig. 1a, col. 16, ll. 4-15 and ll. 53-68), which also separates the second party (user) from the remote first party (library provider). Thus, money is transferred electronically to the first party (library provider) from the second party (customer) via a telecommunications line (ISDN or the like) to the second party in order to download the video/audio signals (i.e., selling electronically the desired digital video or digital audio signals through the telecommunications line).

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; and playing through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit.

Regarding "second memory is in possession and control of the second party", the second party (user) also controls the use and also possesses the second memory (storage 203), such as by

the ability to determine what contents are stored in the second memory and what audio/video is played back from the second memory (col. 5, ll. 10-33 and col. 17, ll. 35-53). Regarding "playing through speakers of the second party control unit the digital video or digital audio signals in the second memory", Yurt teaches playing back the video and audio over a television (col. 18, ll. 36-37). A television inherently includes a speaker. The remaining limitations recited functions that have been clearly addressed above regarding the teachings of Yurt.

Claim 11 differs substantively from claim 1 in that claim 11 recites the following additional limitations directed to the second party control unit "in possession and control of the second party by the second party at a desired location determined by the second party." The second party (user) controls the use and also possesses the second party control unit (reception system 200 and its associated personal computer, as discussed in the claim 1 rejection above), such as by the ability to enter commands into the personal computer to specify what contents are downloaded and stored, and what audio/video is played back (col. 5, ll. 10-33 and col. 17, ll. 35-53). The second party (user) determines the location to which the audio/video data is transmitted, such as the user calling from work and having the "movie sent to their house to be played back after dinner or at any later time of their choosing" (col. 5, ll. 18-21).

Claim 11 also recites limitations directed to entering commands into the second party control panel to purchase the desired digital signals and to play the purchased signals. Commands are entered into the control panel associated with the personal computer interface or telephonic interface, as discussed in the claim 1 rejection above. Yurt teaches that a reception

system 200 associated with the user or customer supports a terminal interface based on a personal computer (Fig. 6 and col. 14, l. 64 – col. 15, l. 21), where a personal computer includes a control unit and control panel (e.g., keyboard). Yurt also teaches of control unit and control panel in the form of a telephonic interface (e.g., telephone and keypad) (co. 13, ll. 61 – 68). The user enters commands through the control unit in order to purchase and download the desired digital video and audio files (Fig. 3) and playing back the purchased files (col. 17, ll. 35-43).

Claims 12 and 23 do not substantively differ from claims 1 and 11 above. Therefore, see the claims 1 and 11 rejections for additional details.

Claim 29 differs substantively from claims 1 and 11 above in that claim 29 recites the limitation "said first party controlling use of the first memory." The first memory is in control and possession of the first party, such as when the first party (library provider) determines what contents are stored in the first memory (col. 6, ll. 8-54) and thus the type of content that will transmitted.

Claim 36 differs substantively from claims addressed above in that claim 36 recites the limitation "the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location." The second party (customer) is informed regarding the price of the audio or video selection (Fig. 3, step 3070 and col. 14, ll. 23-28), after which the audio/video download (transmission) occurs. When the download

successfully completes, a "billing program...updates the account of the user" (Fig. 5, step 5090 and col. 17, ll. 9-11). Thus, money is transferred form the second party (user) to the first party (library provider). Both the digital signal and money are transferred via an ISDN (or the like) telecommunications line (Fig. 1a, col. 16, ll. 4-15 and ll. 53-68), which also separates the second party (user) from the remote first party (library provider). Thus, money is transferred electronically to the first party (library provider) from the second party (customer) via a telecommunications line (ISDN or the like) to a location from the second party.

Claims 42, 46, does not substantively differ from claims 1, 11, and 36 above. Therefore, see these claims rejections for additional details.

Claim 47 differs substantively from claims 1 and 11 in that claim 47 recites the limitations "second party control unit having a...receiver and a video display for playing the desired digital video signals received by the receiver." A "receiver" reads on the reception system 200 (Fig. 6) (receiver) that includes receiver circuitry (e.g., the transceiver 201). A "video display" reads on the television display (col. 18, ll. 36-37). See the claim 1 rejection for additional details.

Claim 58 does not substantively differ from claim 47 above. Therefore, see the claim 11 rejection for additional details.

Claims 64 and 72 differ substantively from claims 1 and 11 in that claim 64 recites the limitations "tagging electronically digital audio signals from the second memory." Yurt teaches of several ways in which the digital audio and/or video signals are tagged. For example, Yurt teaches that some audio/video files are stored in storage 203 (second memory) temporarily until a playback is requested (col. 18, ll. 20-26). Yurt also teaches that audio/video files available at the local libraries are tagged for display in a single list as well as those files available at remote libraries (col. 17, ll. 44-53).

Regarding **claim 13**, Yurt teaches that the library system control computer 1123 (control unit) executes a "queue manager program" (col. 15, ll. 33-37). The "queue manager program" temporarily stores a replica of the digital video or audio signals for subsequent transfer via the telecommunications line (Fig. 2b, col. 15, ll. 33-54 and col. 16, ll. 29-52). Thus, the computer is a digital computer. A digital computer inherently includes a random access memory associated with readable/writable register content, system cache, etc. The digital computer also includes a "chip', whether the random access memory in the computer is entirely implemented on a single processing unit (e.g., CPU) or whether implemented in a discrete component. Thus, the queue manager program requires a "random access memory chip."

The library system control computer 1123, comprising a random access memory chip, that executes the queue manager (as discussed above), also supports a sale, such as controlling the transfer of user (customer) requested audio and video content from the compressed data library 118 to the transmission format conversion CPU(s) (Fig. 2b, 5, and 7, col. 11, ll. 54-65,

and col. 12, ll. 21-27). For example, when the download successfully completes, a "billing program...updates the account of the user" (Fig. 5, step 5090 and col. 17, ll. 9-11). Thus, money is transferred form the second party (user) to the first party (library provider) and a "sale" occurs. Thus, the random access memory chip associated with the library control computer 1123 is a "sales" chip and furthermore supports a "means for electronically selling."

Regarding **claim 24**, regarding a first control unit in possession of the first party, Yurt teaches of a library system control computer 1123 (first party control unit) comprising a hard disk (compressed data library 118) storing a plurality of digital video or audio signals (Fig. 2b and col. 6, ll. 19-22 and col. 12, ll. 42-47). This control unit is clearly in the possession and control of the first party (library provider), such as when the first party (library provider) determines what contents are stored in the library, which is under control of the control unit (col. 6, ll. 8-54). Regarding the second control unit, see the claim 11 rejection.

Regarding **claim 30**, see the claims 1 and 36 rejections for additional details.

Regarding **claim 31**, see the claim 24 rejection for additional details.

Regarding **claim 32**, see the claims 14 and 15 rejections above. Note that the triple buffer (playback random access memory) both plays back and stores data onto the hard disk, and thus can be considered a "playback random access memory" and an "incoming random access memory"

Regarding **claim 33**, the "telecommunications lines include telephone lines" clearly reads on Yurt, for example, ISDN lines are voice grade telephone lines.

Regarding **claim 34**, Yurt fails to teach that the storage 203 (second memory) includes a "hard disk."

Yurt however teaches that another video and audio storage device, specifically the library system control computer 1123, comprising the compressed data library 118 (Fig. 2b) and the first memory (as discussed above), uses a hard disk (col. 6, ll. 19-22 and col. 12, ll. 42-47). Thus, Yurt teaches that the first memory comprises a first hard disk.

Yurt also teaches that adding a hard disk to a video and audio storage device would have increased the speed and reliability of video and audio access (col. 12, ll. 42-47).

Thus 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 the audio/video storage device of Yurt to the storage 203 (second memory) of Yurt, which is also a video and audio storage device.

Regarding **claim 35**, Yurt teaches playing back the video and audio over a television (col. 18, ll. 36-37). A television inherently includes a speaker. The television is clearly in control and

possession of the second party (user). See also the claims 1, 11, and 47 rejections above for additional details.

Regarding **claim 48**, see the claim 1 rejection for additional details.

Regarding **claim 49**, see the claim 13 rejection for additional details.

Regarding **claim 65**, the audio and video files that the user has saved for later playback (i.e., "tagged" as discussed in the claim 64 rejection) can also be considered "favorites" of the user.

Regarding **claim 66**, Yurt teaches electronically coding the digital or audio signals (e.g., digital encoding, compression, col. 6, ll. 35-68 and copy protection, col. 5, ll. 34-57). Copy protections, as taught by Yurt, prevents unauthorized reproduction of the desired video or audio signals.

Regarding **claim 67**, see the claim 8 rejection for additional details.

Regarding **claim 73**, see the claim 65 rejection above for additional details.

Regarding **claim 74**, see the claim 66 rejection above for additional details.

Regarding **claim 75**, see the claim 8 rejection for additional details.

Claim Rejections - 35 USC § 103

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

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

Claims 69-71 and 77-79 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yurt in view of U.S. Patent No. 4,787,073 ("Masaki"), newly cited.

Regarding **claims 69 and 77**, Yurt teaches all within the claims (see the claims 1, 11, and 36 rejections for additional details) including a digital reception system 200 with a storage system 203 (second memory) that stores and plays back digital audio and video files using random access commands such as play, fast forward, rewind, stop, pause, and play slow (col. 17, ll. 35-43) and that can directly access stored content (col. 18, ll. 17-26). Yurt however fails to teach limitation "randomly selecting digital audio signals by a single artist" from the second memory by a second party integrated circuit of a second party control unit."

Masaki (similarly to Yurt) teaches of a digital playback system (col. 1, ll. 5-12) that randomly plays back audio files from a storage system (col. 3, ll. 40-67).

The suggestion/motivation for combining the random playback teachings of Masaki with Yurt would have been to increase user-friendliness and the effectiveness and enjoyment of the stored content by avoiding the situation where "order of playing back the musical pieces [is]...known beforehand, which spoils the enjoyment" (Masaki, col. 1, ll. 25-27).

Therefore, to one of ordinary skill in the art at the time the invention was made, it would have been obvious to add the random playback from digital storage as taught by Masaki to the playback device using digital storage as taught by Yurt.

Regarding **claim 70**, see the claim 66 rejection above for additional details.

Regarding **claim 71**, see the claim 8 rejection above for additional details.

Regarding **claim 78**, see the claim 66 rejection above for additional details.

Regarding **claim 79**, see the claim 8 rejection above for additional details.

Claims 4-8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yurt, as applied to the claims above, and further in view of U.S. Patent No. 4,789,863 ("Bush"), of record.

Regarding **claim 4**, Yurt teaches of telephoning the first party controlling use of the first memory (library provider) (Fig. 3 and col. 13, l. 61 – col. 14, l. 13) and transferring money (as discussed above in the claim 1 rejection). Yurt however fails to teach providing a credit card number of the second party.

Bush teaches (similarly to Yurt) 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 music download system of Bush to the music download of Yurt, which teaches that the user pays for the download.

Regarding **claim 5**, Yurt clearly teaches storing the video and audio signals (col. 17, ll. 35-53 and col. 18, ll. 14-26)

Regarding **claim 6**, see the claim 66 rejection above for additional details.

Regarding **claim 7**, see the claim 13 rejection for additional details.

Regarding **claim 8**, Yurt teaches that a reception system 200 associated with the user or customer supports a terminal interface based on a personal computer (Fig. 6 and col. 14, l. 64 – col. 15, l. 21), where a personal computer includes a control unit (e.g., CPU) and control panel (e.g., keyboard). Yurt also teaches of control unit and control panel in the form of a telephonic interface (e.g., telephone and keypad) (co. 13, ll. 61 – 68). Yurt clearly teaches that the purchase occurs before the download.

Claims 9, 10, 14-20, 25-28, 50-56, 59, and 60 are rejected under 35 U.S.C. 103(a) as unpatentable over Yurt in view of Bush (where Bush was applied to the parent claims) as applied above, and further in view of U.S. Patent No. 5,241,428 ("Goldwasser"), newly cited.

Regarding **claim 9**:

> **A method as described in claim 5 wherein the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received**

from the sales random access memory chip

Although Yurt teaches of a storage 203 (second memory), Yurt fails to specifically teaches of a "playback random access memory chip" that temporarily stores the received digital video or audio signals. Yurt however teaches that second party, when entering playback commands, has "random access" to video and audio signals stored in the reception system 200 (second party control unit), such as by entering forward and rewinding commands (col. 17, ll. 35-43).

Similarly to Yurt as discussed above, Goldwasser teaches of a device for recording video and audio signals onto a hard disk and playing back those signals (abstract and col. 3, ll. 6-13), where the user, when entering playback commands, has random access to the video and audio signals stored in the device, such as by entering play, forward, and rewind commands (col. 1, ll. 62-68). Furthermore, the Goldwasser device implements said random access, playback feature by using a record and playback buffer random access memory ("RAM") electronically connected to video and audio input for temporarily storing the downloaded, received signal in order to support a simultaneous record and playback feature (abstract, Fig. 3, RAM 53, col. 3, ll. 14-20, and col. 7, ll. 59-68). Goldwasser also teaches that the playback buffer RAM is in the form of discrete electronic components interconnected by control and data buses, thus the playback RAM can properly be interpreted as part of a "chip" (i.e., a playback RAM chip). Thus, Goldwasser teaches of a recording and playback RAM chip electrically connected to a hard disk for buffering during recording for later or simultaneous playback, i.e., temporarily storing the video and audio signal downloaded from the remote, sales random access memory chip .

The suggestion/motivation for adding the playback RAM chip as taught by Goldwasser would have been to increase the convenience, flexibility, and efficiency of the video and audio recording/playback device (with rewind capability) of Yurt. Specifically, the addition of Goldwasser would have allowed "one to view material as it is being recorded," which avoids "many inconveniences" (Goldwasser, col. 1, ll. 30-33). For example, consider the following specific advantages:

> For example, often one will anticipate arriving home at a particular hour, sometime after the commencement of a particular broadcast program one desires to watch. One must therefore set one's VCR to commence recording at the beginning of the program. If one then arrives a few minutes after the beginning of the program, one can watch the end of the program in real time, but cannot see its beginning [i.e., rewind and playback] until after the entire program has been recorded.
>
> Similarly, often one will be watching a particular program when one must temporarily cease watching it, for example, to take a telephone call or the like. It would obviously be convenient to be able to record the program from that point forward, complete the telephone call, and simply watch [i.e., playback] the remainder delayed by the length of time of the interruption. However, no devices are now available which permit this facility. It also is not possible to employ two separate videocassette recorders to overcome these inconveniences.

Goldwasser, col. 1, ll. 34-52.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to add the playback RAM chip electrically connected to a hard disk for buffering (and thus temporarily storing the video and audio signal downloaded from the remote, sales random access memory chip) as taught by Goldwasser (directed to a device for recording

and playing back audio and video stored on a hard disk, where the user enters random access commands during playback, such as rewind and play) to Yurt (also directed to a device for recording and playing back audio and video stored on a hard disk, where the user enters random access commands during playback, such as rewind and play).

a second party hard disk for storing the desired digital video or digital audio signals

Although Yurt teaches that the second memory (storage 203) stores the desired digital video or audio signals transferred from the library control computer 1123 (comprising a sales random access memory chip, as discussed above) via a telecommunications link (Fig. 1a, col. 17, ll. 35-53, col. 18, ll. 19-21, and col. 19, ll. 30-36). Yurt however fails to teach that the storage 203 (second memory) includes a "hard disk."

Yurt however teaches that another video and audio storage device, specifically the library system control computer 1123, comprising the compressed data library 118 (Fig. 2b), uses a hard disk (col. 6, ll. 19-22 and col. 12, ll. 42-47).

Yurt also teaches that adding a hard disk to a video and audio storage device would have increased the speed and reliability of video and audio access (col. 12, ll. 42-47).

Thus 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 Yurt as it relates to an audio/video storage device to the storage 203 (second memory), which is also a video and audio storage device.

and a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback;

As discussed immediately above, a playback random access memory chip (with a triple buffer) was added for temporarily storing the desired signal for playback, which includes sequential playback (e.g., entering the "play" command).

and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk

The sales random access memory chip added above also supports input buffering of the downloaded video and audio signal, as discussed extensively above (Goldwasser, Fig. 3, RAM 53).

storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback.

Yurt teaches of a reception system 200 associated with the user or customer having a control unit and control panel associated with a user terminal interface based on a personal computer (Fig. 6 and col. 14, l. 64 – col. 15, l. 21) and also associated with a telephonic interface (e.g., telephone tone keypad) (co. 13, ll. 61 – 68). As discussed immediately above, a playback random access memory chip (with a triple buffer) was added for temporarily storing a replica of the desired signal for playback from the hard disk.

Regarding **claim 10**, the combination of Yurt in view of Goldwasser as discussed in the claim 9 rejection above supports repeating the commanding, playing, and transferring replica steps.

Regarding **claim 14**, see the claim 9 rejection above for additional details.

Regarding **claim 15**, regarding the first party integrated circuit, Yurt teaches a first control circuit (control computer 1123), where the control computer 1123 is a digital computer. A digital computer inherently includes a random access memory associated with readable/writable register content, system cache, etc., which in turn requires integrated circuits. Regarding the second party integrated circuit, Yurt teaches of a second control circuit (user's personal computer), where a personal computer includes integrated circuits. Yurt also teaches that the integrated circuits associated with the control units (control computer 1123 and the user personal computer) regulates transfer of the desired signals (Figs. 2b, 3, 5, 6, and 7). See the claims 1 and 11 rejections for additional details. The claimed "first control panel" reads on

library access interface 121, which includes operator computer terminals (Fig. 2b and col. 14, ll. 52-63).

Regarding **claim 16**, see the claim 9 rejection above for additional details.

Regarding **claim 17,** see the claim 9 rejection above for additional details, where the RAM chip added in the above rejection also supports input buffering (Goldwasser, Fig. 3, RAM 53).

Regarding **claim 18**, see the claim 47 rejection above for additional details.

Regarding **claim 19**, see the claim 36 rejection above for additional details.

Regarding **claim 20**, see Fig. 5, step 5090.

Regarding **claim 25,** see the claim 32 rejection above for additional details.

Regarding **claim 26**, see the claim 33 rejection above for additional details.

Regarding **claim 27**, Yurt teaches of a library system control computer 1123 (first party control unit) comprising a hard disk (compressed data library 118) storing a plurality of digital video or audio signals (Fig. 2b and col. 6, ll. 19-22 and col. 12, ll. 42-47). See the claim 14 rejection for additional details regarding the second hard disk.

Regarding **claim 28,** see the claim 35 rejection above for additional details.

Regarding **claim 50**, see the claim 14 rejection for additional details.

Regarding **claim 51**, see the claim 15 rejection for additional details.

Regarding **claim 52**, see the claim 16 rejection for additional details.

Regarding **claim 53**, see the claim 17 rejection for additional details.

Regarding **claim 54**, see the claim 18 rejection for additional details.

Regarding **claims 55 and 59**, see the claim 19 rejection for additional details.

Regarding **claims 56 and 60**, see the claim 20 rejection for additional details.

Claims 21, 39, 40, 45, 57, and 61 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yurt, as applied to the claims above, and further in view of Bush. See the claim 4 rejection for additional details regarding the obvious addition of the teachings from Bush.

Claims 34 and 35 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yurt, as applied to the claims above, and further in view of Goldwasser.

Regarding **claim 34**, see the claim 14 rejection regarding the obvious addition of a second hard disk and claim 27 rejection above.

Regarding **claim 35**, see the claim 28 rejection for additional details.

Claims 68 and 76 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yurt, as applied to the claims above, in further view of Masaki. See the claim 69 rejection above for further details regarding the obvious addition of the teachings from Masaki.

Double Patenting

The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

Claims 1, 4-21, 23-36, 39, 40, 42, and 45-61 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-34 of U.S. Patent No. 5,675,734. Although the conflicting claims are not identical, they are not patentably distinct from each other because the current claims and claims 1-34 of the '734 patent essentially claim the same invention. For example, current claims 1 and 4 are not patentable distinct from claims 1, 3, 14, and 16 of the '734 patent because claim 1 of the '734 patent includes: forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals. Claim 1 of the '734 patent also includes: transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second part. Claims 3 and 14 of the '734 patent include: playing the digital video or digital audio signals through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit. Claims 1 and 16 of the '734 patent include: selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the

step of charging a fee includes the step of charging the account of the second party. Thus, the claims of the '734 patent are essentially the same as claims 1, 4-21, 23-36, 39, 40, 42, and 45-61 of the '440 Patent under reexamination.

Claims 1, 4-21, 23-36, 39, 40, 42, and 45-61 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-6 of U.S. Patent No. 5,191,573. Although the conflicting claims are not identical, they are not patentably distinct from each other because claim 1 of the '573 patent recites a method for transmitting a digital audio signals stored on a first memory of a first party to a second memory of a second party. As claimed, the first party is at a location that is remote from the second memory and the second party is distinct from the first party. The method comprises the step of transferring money to the first party from the second party, connecting the first and second memories electronically, transmitting the digital audio signal from the first memory to the second memory, and storing the digital audio signal in the second memory. Claim 4 of the '573 patent provides a method similar to the above mentioned with respect to digital video signals. The only differences between the claims is the recitation of a "second party control unit", in current claim 1, which would have been obvious to one of ordinary skill in the art at the time the invention was made in light of specification for the '573 patent where the second party is shown to have a control unit ('573, Col. 3, lines 52-56).

Conclusion

Extensions of time under 37 CFR 1.136(a) do not apply in reexamination proceedings. The provisions of 37 CFR 1.136 apply only to "an applicant" and not to parties in a reexamination proceeding. Further, in 35 U.S.C. 305 and in 37 CFR 1.550(a), it is required that reexamination proceedings "will be conducted with special dispatch within the Office."

Extensions of time in reexamination proceedings are provided for in 37 CFR 1.550(c). A request for extension of time must be filed on or before the day on which a response to this action is due, and it must be accompanied by the petition fee set forth in 37 CFR 1.17(g). The mere filing of a request will not effect any extension of time. An extension of time will be granted only for sufficient cause, and for a reasonable time specified.

The Patent Owner is reminded of the continuing responsibility under 37 CFR 1.565(a) to apprise the Office of any litigation activity, or other prior or concurrent proceeding, involving U.S. Patent No. 5,966,440 throughout the course of this reexamination proceeding. The third party requester is also reminded of the ability to similarly apprise the Office of such activity or proceeding throughout the course of this reexamination proceeding. See MPEP §§ 2207, 2282, and 2286.

A complete response should be made in response to this Office Action since the next Office Action is expected to be a Final Action. Thus, in order to ensure full consideration of any amendments, affidavits or declarations, or other documents as evidence of patentability, such

documents must be submitted in response to this Office Action. Submissions after the next Office Action, which is intended to be a Final Action, will be governed by the requirements of 37 C.F.R. 1.116(b), which will be strictly enforced. Any amendment after a Final Action must include "a showing of good and sufficient reasons why the amendment is necessary and was not earlier presented" in order to be considered. See MPEP § 2260.

All correspondence relating to this ex parte reexamination proceeding should be directed as follows:

By **U.S. Postal Service Mail** to:

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Any inquiry concerning this communication or earlier communications from the Reexamination Legal Advisor or Examiner, or as to the status of this proceeding, should be directed to the Central Reexamination Unit at telephone number (571) 272-7705.

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Search Notes	Application/Control No.	Applicant(s)/Patent under Reexamination	
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	Examiner	Art Unit	
	Roland G. Foster	3992	

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Class	Subclass	Date	Examiner

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Class	Subclass	Date	Examiner

SEARCH NOTES (INCLUDING SEARCH STRATEGY)		
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File 634:San Jose Mercury Jun 1985-2006/Aug 10
(c) 2006 San Jose Mercury News
File 635:Business Dateline(R) 1985-2006/Aug 11
(c) 2006 ProQuest Info&Learning
File 636:Gale Group Newsletter DB(TM) 1987-2006/Aug 10
(c) 2006 The Gale Group
File 647:CMP Computer Fulltext 1988-2006/Sep W3
(c) 2006 CMP Media, LLC
File 696:DIALOG Telecom. Newsletters 1995-2006/Aug 10

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        (c) 2006 Dialog
File 674:Computer News Fulltext 1989-2006/Jul W5
        (c) 2006 IDG Communications
File 810:Business Wire 1986-1999/Feb 28
        (c) 1999 Business Wire
File 813:PR Newswire 1987-1999/Apr 30
        (c) 1999 PR Newswire Association Inc
File 587:Jane`s Defense&Aerospace 2006/Aug W1
        (c) 2006 Jane`s Information Group

Set     Items   Description
S1   11113135   AUDIO? ? OR VIDEO?? OR MUSIC?? OR SONG?? OR MOVIE?? OR FIL-
             M? ?
S2     325971   (DOWNLOAD??? OR DOWN()LOAD???)(7N)S1
S3    1080058   (INTERNET??? OR ONLINE OR ON()LINE OR WEBSITE?? OR WWW OR -
             WEB()SITE??)(7N)S1
S4     727799   (NETWORK? ? OR WAN? ? OR LAN? ? OR NET()WORK?? OR INTRANET-
             ??)(7N)S1
S5     911794   (BUY??? OR PUCHAS??? OR RENT??? OR PAY???? OR SELL??? OR S-
             ALE??? OR BOUGHT?? OR SOLD?? OR SHOPP????)(7N)S1
S6     101248   (CREDIT???? OR CHARG????)(5N)S1
S7    1988516   (STOR??? OR SAV???? OR RECORD???? OR TAP???)(5N)S1
S8   10223577   LIBRARY?? OR SERVER?? OR MEMORY?? OR STORAGE?? OR DATA()(B-
             ASE?? OR BANK??) OR DATABASE?? OR DATABANK?? OR BULLETIN()BOA-
             RD?? OR BBS
S9    1079207   AOL? ? OR COMPUSERV? ? OR COMPU()SERV? ? OR GENIE? ? OR PR-
             ODIGY? ? OR AMERICAN()ONLINE? ? OR EARTHLINK? ? OR EARTH()LIN-
             K?? OR DELPHI??
S10         2   AU=(HAIR A? OR HAIR, A?)
S11      1177   (S2 OR S3 OR S4)(S)(S5 OR S6)(S)(S7 OR S8)(S)S9
S12       667   RD  (unique items)
S13         1   S12 NOT PY>1991
S14     40858   (S2 OR S3 OR S4)(S)(S5 OR S6)(S)(S7 OR S8)
S15     22672   RD  (unique items)
S16       506   S15 NOT PY>1991
S17        29   S16(20N)(S2 OR S3)
S18       467   S16(20N)S5
S19       327   S18(20N)S7
S20       313   S19 NOT S17
S21         1   S20(S)(S2 OR S3)
S22    108579   (S2 OR S3)(30N)S5
S23       126   S22 NOT PY>1991
S24       102   RD  (unique items)
S25        82   S24 NOT (S17 OR S13 OR S21)
S26         5   S25(S)(S7 OR S8)
S27        77   S25 NOT S26
?
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File 344:Chinese Patents Abs Jan 1985-2006/Jan
         (c) 2006 European Patent Office
File 347:JAPIO Dec 1976-2005/Dec(Updated 060404)
         (c) 2006 JPO & JAPIO
File 350:Derwent WPIX 1963-2006/UD=200651
         (c) 2006 The Thomson Corporation

Set     Items   Description
S1    2263545   AUDIO? ? OR VIDEO?? OR MUSIC?? OR SONG?? OR MOVIE?? OR FIL-
              M? ?
S2       2436   (DOWNLOAD??? OR DOWN()LOAD???)(7N)S1
S3       9494   (INTERNET??? OR ONLINE OR ON()LINE OR WEBSITE?? OR WWW OR -
              WEB()SITE??)(7N)S1
S4      16744   (NETWORK? ? OR WAN? ? OR LAN? ? OR NET()WORK?? OR INTRANET-
              ??)(7N)S1
S5      11278   (BUY??? OR PUCHAS??? OR RENT??? OR PAY???? OR SELL??? OR S-
              ALE??? OR BOUGHT?? OR SOLD?? OR SHOPP????)(7N)S1
S6      14071   (CREDIT???? OR CHARG????)(5N)S1
S7     334872   (STOR??? OR SAV???? OR RECORD???? OR TAP???)(5N)S1
S8    2286571   LIBRARY?? OR SERVER?? OR MEMORY?? OR STORAGE?? OR DATA()(B-
              ASE?? OR BANK??) OR DATABASE?? OR DATABANK?? OR BULLETIN()BOA-
              RD?? OR BBS
S9       1256   AOL? ? OR COMPUSERV? ? OR COMPU()SERV? ? OR GENIE? ? OR PR-
              ODIGY? ? OR AMERICAN()ONLINE? ? OR EARTHLINK? ? OR EARTH()LIN-
              K?? OR DELPHI??
S10         9   AU=(HAIR A? OR HAIR, A?)
S11       724   (S2 OR S3) AND S5
S12       714   S11 NOT AD=19911211:19940811/PR
S13       680   S12 NOT AD=19940811:19970811/PR
S14       442   S13 NOT AD=19970811:20000811/PR
S15       120   S14 NOT AD=20000811:20030811/PR
S16         0   S15 NOT AD=20030811:20060811/PR
S17       240   (S2 OR S3 OR S4) AND S6
S18       234   S17 NOT AD=19911211:19940811/PR
S19       205   S18 NOT AD=19940811:19970811/PR
S20       156   S19 NOT AD=19970811:20000811/PR
S21       156   S20 NOT AD=19970811:20000811/PR
S22        39   S21 NOT AD=20000811:20030811/PR
S23        39   S22 NOT AD=20000811:20030811/PR
S24        13   S23 NOT  AD=20030811:20060811/PR
S25         4   S10 AND (S5 OR S6)
S26         4   S25 AND (S1 OR S2 OR S3)
S27       474   S4 AND S5
S28       449   S27 NOT AD=19911211:19940811/PR
S29       395   S28 NOT AD=19940811:19970811/PR
S30       255   S29 NOT AD=19970811:20000811/PR
S31        85   S30 NOT AD=20000811:20030811/PR
S32        27   S31 NOT AD=20030811:20060811/PR
S33        25   S32 NOT (S24 OR S25)
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File 344:Chinese Patents Abs Jan 1985-2006/Jan
         (c) 2006 European Patent Office
File 347:JAPIO Dec 1976-2005/Dec(Updated 060404)
         (c) 2006 JPO & JAPIO
File 350:Derwent WPIX 1963-2006/UD=200651
         (c) 2006 The Thomson Corporation

Set     Items   Description
S1    2263545   AUDIO? ? OR VIDEO?? OR MUSIC?? OR SONG?? OR MOVIE?? OR FIL-
             M? ?
S2       2436   (DOWNLOAD??? OR DOWN()LOAD???)(7N)S1
S3       9494   (INTERNET??? OR ONLINE OR ON()LINE OR WEBSITE?? OR WWW OR -
             WEB()SITE??)(7N)S1
S4      16744   (NETWORK? ? OR WAN? ? OR LAN? ? OR NET()WORK?? OR INTRANET-
             ??)(7N)S1
S5      11278   (BUY??? OR PUCHAS??? OR RENT??? OR PAY???? OR SELL??? OR S-
             ALE??? OR BOUGHT?? OR SOLD?? OR SHOPP????)(7N)S1
S6      14071   (CREDIT???? OR CHARG????)(5N)S1
S7     334872   (STOR??? OR SAV???? OR RECORD???? OR TAP???)(5N)S1
S8    2286571   LIBRARY?? OR SERVER?? OR MEMORY?? OR STORAGE?? OR DATA()(B-
             ASE?? OR BANK??) OR DATABASE?? OR DATABANK?? OR BULLETIN()BOA-
             RD?? OR BBS
S9       1256   AOL? ? OR COMPUSERV? ? OR COMPU()SERV? ? OR GENIE? ? OR PR-
             ODIGY? ? OR AMERICAN()ONLINE? ? OR EARTHLINK? ? OR EARTH()LIN-
             K?? OR DELPHI??
S10         9   AU=(HAIR A? OR HAIR, A?)
S11         1   (S2 OR S3 OR S4) AND (S5 OR S6) AND (S7 OR S8) AND S9
S12       837   (S2 OR S3 OR S4) AND (S5 OR S6) AND (S7 OR S8)
S13       819   S12 NOT AD=19911211:19940811/PR
S14       747   S13 NOT AD=19940811:19970811/PR
S15       515   S14 NOT AD=19970811:20000811/PR
S16       124   S15 NOT AD=20000811:20030811/PR
S17        10   S16 NOT AD=20030811:20060811/PR
S18         1   S10 AND (S2 OR S3 OR S4)
S19         1   S18 NOT (S11 OR S17)
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File   2:INSPEC 1898-2006/Jul W5
         (c) 2006 Institution of Electrical Engineers
File   6:NTIS 1964-2006/Jul W5
         (c) 2006 NTIS, Intl Cpyrght All Rights Res
File   8:Ei Compendex(R) 1970-2006/Jul W5
         (c) 2006 Elsevier Eng.  Info. Inc.
File  34:SciSearch(R) Cited Ref Sci 1990-2006/Aug W1
         (c) 2006 The Thomson Corp
File  35:Dissertation Abs Online 1861-2006/Jun
         (c) 2006 ProQuest Info&Learning
File  56:Computer and Information Systems Abstracts 1966-2006/Jul
         (c) 2006 CSA.
File  57:Electronics & Communications Abstracts 1966-2006/Jul
         (c) 2006 CSA.
File  65:Inside Conferences 1993-2006/Aug 11
         (c) 2006 BLDSC all rts. reserv.
File  94:JICST-EPlus 1985-2006/Apr W5
         (c)2006 Japan Science and Tech Corp(JST)
File  95:TEME-Technology & Management 1989-2006/Aug W1
         (c) 2006 FIZ TECHNIK
File  99:Wilson Appl. Sci & Tech Abs 1983-2006/Jul
         (c) 2006 The HW Wilson Co.
File 144:Pascal 1973-2006/Jul W3
         (c) 2006 INIST/CNRS
File 239:Mathsci 1940-2006/Sep
         (c) 2006 American Mathematical Society
File 434:SciSearch(R) Cited Ref Sci 1974-1989/Dec
         (c) 2006 The Thomson Corp
File 583:Gale Group Globalbase(TM) 1986-2002/Dec 13
         (c) 2002 The Gale Group
File 603:Newspaper Abstracts 1984-1988
         (c)2001 ProQuest Info&Learning
File 483:Newspaper Abs Daily 1986-2006/Aug 09
         (c) 2006 ProQuest Info&Learning
File 248:PIRA 1975-2006/Jul W4
         (c) 2006 Pira International

Set     Items   Description
S1    3886257   AUDIO? ? OR VIDEO?? OR MUSIC?? OR SONG?? OR MOVIE?? OR FIL-
              M? ?
S2       3697   (DOWNLOAD??? OR DOWN()LOAD???)(7N)S1
S3      25646   (INTERNET??? OR ONLINE OR ON()LINE OR WEBSITE?? OR WWW OR -
              WEB()SITE??)(7N)S1
S4      48990   (NETWORK? ? OR WAN? ? OR LAN? ? OR NET()WORK?? OR INTRANET-
              ??)(7N)S1
S5      32572   (BUY??? OR PUCHAS??? OR RENT??? OR PAY???? OR SELL??? OR S-
              ALE??? OR BOUGHT?? OR SOLD?? OR SHOPP????)(7N)S1
S6      34810   (CREDIT???? OR CHARG????)(5N)S1
S7     255889   (STOR??? OR SAV???? OR RECORD???? OR TAP???)(5N)S1
S8    2985962   LIBRARY?? OR SERVER?? OR MEMORY?? OR STORAGE?? OR DATA()(B-
              ASE?? OR BANK??) OR DATABASE?? OR DATABANK?? OR BULLETIN()BOA-
              RD?? OR BBS
S9     222805   AOL? ? OR COMPUSERV? ? OR COMPU()SERV? ? OR GENIE? ? OR PR-
              ODIGY? ? OR AMERICAN()ONLINE? ? OR EARTHLINK? ? OR EARTH()LIN-
              K?? OR DELPHI??
S10        40   AU=(HAIR A? OR HAIR, A?)
S11        67   (S2 OR S3 OR S4) AND (S5 OR S6) AND (S7 OR S8) AND S9
S12        67   RD  (unique items)
S13         1   S12 NOT PY>1991
S14      1506   (S2 OR S3 OR S4) AND (S5 OR S6) AND (S7 OR S8)
S15      1449   RD  (unique items)
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S16	37	S15 NOT PY>1991
S17	36	S16 NOT S13
S18	2643	(S2 OR S3) AND S5
S19	2575	RD (unique items)
S20	7	S19 NOT PY>1991
S21	3	S20 NOT (S17 OR S13)
S22	0	S10 AND (S5 OR S6)

EAST R.C.F.

EAST Search History

Ref #	Hits	Search Query	DBs	Default Operator	Plurals	Time Stamp
L1	0	(704/104.1).CCLS.	US-PGPUB; USPAT	OR	OFF	2006/08/15 13:01
L2	5335	(707/104.1).CCLS.	US-PGPUB; USPAT	OR	OFF	2006/08/15 13:01
L3	107	2 and @ad<="19920101"	US-PGPUB; USPAT	OR	ON	2006/08/15 13:02
L4	991	2 and @ad<="19980101"	US-PGPUB; USPAT	OR	ON	2006/08/15 13:50
L5	378	4 and (voice or audio or movies or music)	US-PGPUB; USPAT	OR	ON	2006/08/15 13:51
L6	7290	(709/217,219).CCLS.	US-PGPUB; USPAT	OR	OFF	2006/08/15 13:50
L7	1038	6 and @ad<="19980101"	US-PGPUB; USPAT	OR	ON	2006/08/15 13:50
L8	530	7 and (voice or audio or movies or music)	US-PGPUB; USPAT	OR	ON	2006/08/15 13:51
L9	254	8 and (download$ or (down adj load))	US-PGPUB; USPAT	OR	ON	2006/08/15 13:51
S1	1	("5191573").PN.	US-PGPUB; USPAT	OR	OFF	2006/04/24 08:02
S2	1	("4528643").PN.	US-PGPUB; USPAT	OR	OFF	2006/04/20 11:59
S3	2	(("5675734") or ("5996440")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/20 12:00
S4	2	(("5675734") or ("5966440")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/20 12:00
S5	1	("4499568").PN.	US-PGPUB; USPAT	OR	OFF	2006/04/20 14:50
S19	54273	"379"/$.ccls.	US-PGPUB; USPAT	OR	ON	2006/04/24 08:17
S20	12829	S19 and (audio or (voice adj message))	US-PGPUB; USPAT	OR	ON	2006/04/24 08:17
S21	2884	S20 and (subscribe or subscription or buy or (credit adj card))	US-PGPUB; USPAT	OR	ON	2006/04/24 09:30
S22	267	S21 and @pn < "5300000"	US-PGPUB; USPAT	OR	ON	2006/04/24 08:44
S23	3895	"pay-per-view" or (pay adj3 view) and "379"/$.ccls.	US-PGPUB; USPAT	OR	ON	2006/04/24 09:08
S24	164	S23 and @pn < "5300000"	US-PGPUB; USPAT	OR	ON	2006/04/24 09:08
S25	4008	"pay-per-view" or (pay adj3 view) and isdn	US-PGPUB; USPAT	OR	ON	2006/04/24 09:08

EAST Search History

S26	705	("pay-per-view" or (pay adj3 view)) and isdn	US-PGPUB; USPAT	OR	ON	2006/04/24 09:09
S27	707	("pay-per-view" or (pay adj3 view)) and (isdn or idsn)	US-PGPUB; USPAT	OR	ON	2006/04/24 09:11
S28	6	S27 and @pn < "5300000"	US-PGPUB; USPAT	OR	ON	2006/04/24 09:09
S29	2964	music and (isdn or idsn)	US-PGPUB; USPAT	OR	ON	2006/04/24 09:11
S30	34	S29 and @pn < "5300000"	US-PGPUB; USPAT	OR	ON	2006/04/24 09:11
S31	23	("3766324" | "4332980" | "4381522" | "4506387" | "4654866" | "4755872" | "4761684" | "4763191" | "4792849" | "4797913" | "4807023" | "4829372" | "4849811" | "4852154" | "4890320" | "4897867" | "4949187" | "4995078" | "5010399" | "5014125" | "5130792" | "5132992" | "5133079").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:21
S32	572	(videotex or videotext or (video adj tex) or (video adj text)) and isdn	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:22
S33	23	S32 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:24
S34	652	((bulletin or Bulletin) adj board) and modem and music and (buy or order or credit)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:26
S35	1	S34 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:25
S36	1973	((bulletin or Bulletin) adj board) and modem and video and (buy or order or credit)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:27
S39	12	S36 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:28
S40	2126	((bulletin or Bulletin) adj board) and modem and video	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:27
S41	14	S40 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:29
S42	16087	isdn and video	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:30

EAST Search History

S43	329	S42 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:30
S44	42	S43 and (subscribe or subscription or buy or (credit adj card))	US-PGPUB; USPAT	OR	ON	2006/04/24 09:30
S45	18	(US-3718906-$ or US-4071697-$ or US-4500751-$ or US-4567359-$ or US-4649533-$ or US-4694490-$ or US-4789863-$ or US-4792849-$ or US-4837797-$ or US-4852154-$ or US-4665516-$ or US-4710955-$ or US-4829569-$ or US-4890319-$ or US-4893248-$ or US-5130792-$ or US-4849811-$ or US-4924492-$).did.	USPAT	OR	ON	2006/04/24 10:59
S46	1	("4789868").PN.	US-PGPUB; USPAT	OR	OFF	2006/04/24 11:00
S47	18	(US-4694490-$ or US-4649533-$ or US-4567359-$ or US-4500751-$ or US-4893248-$ or US-4890319-$ or US-4789863-$ or US-4852154-$ or US-4837797-$ or US-4792849-$ or US-4071697-$ or US-3718906-$ or US-4710955-$ or US-4665516-$ or US-4829569-$ or US-4849811-$ or US-4924492-$ or US-5130792-$).did.	USPAT	OR	ON	2006/04/24 12:39
S48	15	("3718906" | "4163254" | "4272791" | "4300040" | "4359631" | "4433207" | "4471379" | "4506387" | "4513315" | "4538176" | "4567512" | "4590516" | "4685131" | "4700386" | "Re31639"). PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 12:50
S49	45	("4789863").URPN.	USPAT	OR	ON	2006/04/24 13:43
S50	3	(("5191573") or ("5966440") or ("5675734")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/24 13:44
S51	14	("3718906" | "3990710" | "4124773" | "4506387" | "4521806" | "4528643" | "4538176" | "4567359" | "4647989" | "4654799" | "4789863" | "4789868" | "5191193" | "5191573").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 13:44
S52	44	("4124773").URPN.	USPAT	OR	ON	2006/04/24 13:50
S53	1070	(455/412.1).CCLS.	US-PGPUB; USPAT	OR	OFF	2006/04/24 13:50
S54	0	("7and@pn<5200000").PN.	US-PGPUB; USPAT	OR	OFF	2006/04/24 13:51
S55	11	S53 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 13:53
S56	593	(379/88.13).CCLS.	US-PGPUB; USPAT	OR	OFF	2006/04/24 14:03

EAST Search History

S57	27	S56 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 14:04
S58	740	(379/88.17).CCLS.	US-PGPUB; USPAT	OR	OFF	2006/04/24 14:03
S59	6	S58 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 14:04
S60	10567	(video and (charge or buy or credit)) and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 14:05
S61	430	(video and (credit adj card)) and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 15:36
S62	181	S61 and network	US-PGPUB; USPAT	OR	ON	2006/04/24 14:06
S63	243	(video and audio and (download$ or (down adj load$))) and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 14:13
S64	157	S63 and network	US-PGPUB; USPAT	OR	ON	2006/04/24 14:13
S65	209	S63 and (network or communication)	US-PGPUB; USPAT	OR	ON	2006/04/24 14:14
S66	38	("3599178" | "3746780" | "4009344" | "4009346" | "4028733" | "4062043" | "4071697" | "4122299" | "4381522" | "4400717" | "4450477" | "4506387" | "4518989" | "4521806" | "4533936" | "4538176" | "4567512" | "4590516" | "4679079" | "4688246" | "4734765" | "4755872" | "4763191" | "4785349" | "4807023" | "4833710" | "4847677" | "4868653" | "4890320" | "4907081" | "4914508" | "4920432" | "4937821" | "4947244" | "4949169" | "4949187" | "4963995" | "5032927").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 15:30
S67	4	(("4963995") or ("5995705") or ("5057932") or ("5164839")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/24 15:32
S68	9	("4179709" | "4400717" | "4516156" | "4698664" | "4709418" | "4724491" | "4768110" | "4774574" | "4851931"). PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 15:35
S69	29448	audio and video and (hard adj (drive or disk)) and network	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 15:36
S70	104	S69 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 16:28
S71	4959	music same download$	US-PGPUB; USPAT	OR	ON	2006/04/24 16:28
S72	7	S71 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 16:32

EAST Search History

S73	1	("4949187").PN.	US-PGPUB; USPAT	OR	OFF	2006/04/24 16:30
S74	7	("3718906" | "3990710" | "4232295" | "4597058" | "4597098" | "4769833" | "4789961").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 16:30
S75	261	("4949187").URPN.	USPAT	OR	ON	2006/04/24 16:32
S76	1372	music and isdn	USPAT	OR	ON	2006/04/24 16:32
S77	27	S76 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 16:45
S78	394	audio and music and (download$ or (down adj load$))	EPO; JPO; DERWENT; IBM_TDB	OR	ON	2006/04/24 16:40
S79	24	audio and music and isdn	EPO; JPO; DERWENT; IBM_TDB	OR	ON	2006/04/24 16:41
S80	341	audio and video and isdn	EPO; JPO; DERWENT; IBM_TDB	OR	ON	2006/04/24 16:42
S81	690	audio and video and (charge or buy or (credit adj card))	EPO; JPO; DERWENT; IBM_TDB	OR	ON	2006/04/24 16:43
S82	192	audio and video and (charge or buy or (credit adj card)) and (communications or network)	EPO; JPO; DERWENT; IBM_TDB	OR	ON	2006/04/24 16:44
S83	56788	(digital adj3 (audio or video)) and (network or communication)	US-PGPUB; USPAT	OR	ON	2006/04/24 16:45
S84	2209	S83 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 16:45
S85	12261	(digital adj3 (audio or video)) and (network or communication) and (buy or charge or (credit adj card))	US-PGPUB; USPAT	OR	ON	2006/04/24 17:06
S86	448	S85 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 17:06
S87	5130	(digital adj3 (audio or video)) and (network or communication) and (buy or (credit adj card))	US-PGPUB; USPAT	OR	ON	2006/04/24 17:06
S88	9207	(digital adj3 (audio or video)) and (network or communication) and (buy or purchase or (credit adj card))	US-PGPUB; USPAT	OR	ON	2006/04/24 17:06
S89	105	S88 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 17:40
S90	41	(real adj audio) and (bulletin adj board)	US-PGPUB; USPAT	OR	ON	2006/04/24 17:40
S91	41	(real adj audio) and (bullet$1n adj board)	US-PGPUB; USPAT	OR	ON	2006/04/24 17:40

EAST Search History

S92	41	(real adj audio) and (bull$1tin adj board)	US-PGPUB; USPAT	OR	ON	2006/04/24 17:41
S94	104	(bull$1tin adj board) and (download$ near3 audio)	US-PGPUB; USPAT	OR	ON	2006/04/24 17:42
S95	13	(bull$1tin adj board) and kermit	US-PGPUB; USPAT	OR	ON	2006/04/24 17:44
S96	3548	(bull$1tin adj board) and (audio or video)	US-PGPUB; USPAT	OR	ON	2006/04/24 17:43
S97	204	(computer adj bull$1tin adj board)	US-PGPUB; USPAT	OR	ON	2006/04/24 17:44
S98	116	(computer adj bull$1tin adj board) and (audio and video)	US-PGPUB; USPAT	OR	ON	2006/04/25 13:12
S99	101	zmodem	US-PGPUB; USPAT	OR	ON	2006/04/25 13:12
S100	33	zmodem and audio	US-PGPUB; USPAT	OR	ON	2006/04/25 13:13
S101	41	zmodem and video	US-PGPUB; USPAT	OR	ON	2006/04/25 13:14
S102	46	ymodem	US-PGPUB; USPAT	OR	ON	2006/04/25 13:14
S103	33	S102 and (audio or video)	US-PGPUB; USPAT	OR	ON	2006/04/25 13:15
S104	159	xmodem	US-PGPUB; USPAT	OR	ON	2006/04/25 13:15
S105	82	S104 and (audio or video)	US-PGPUB; USPAT	OR	ON	2006/04/25 13:17
S106	4094	download$ adj5 (audio or video)	US-PGPUB; USPAT	OR	ON	2006/04/25 13:17
S107	39	S106 and @pn < "5300000"	US-PGPUB; USPAT	OR	ON	2006/04/25 13:17
S108	32	("3263158" | "4529870" | "4658093" | "4924378" | "4932054" | "4937863" | "4953209" | "4961142" | "4977594" | "5010571" | "5014234" | "5023907" | "5047928" | "5050213" | "5058164" | "5103476" | "5113519" | "5146499" | "5159182" | "5191193" | "5204897" | "5235642" | "5247575" | "5260999" | "5263157" | "5291596" | "5339091" | "5432849" | "5438508" | "5504814" | "5530235").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/25 14:11
S109	1	("4636876").PN.	US-PGPUB; USPAT	OR	OFF	2006/04/25 14:44
S110	5	(("5428606") or ("5132992") or ("5130792") or ("4999806") or ("re35184")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/25 14:49

EAST Search History

S11 1	7	(("3244809") or ("3696297") or ("3718906") or ("3824597") or ("3947882") or ("3990710") or ("4028733")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/25 14:51
S11 2	11	(("4124773") or ("4300040") or ("4335809") or ("4370649") or ("4422093") or ("4499568") or ("4506387") or ("4520404") or ("4521806") or ("4521857") or ("4586430")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/25 15:04
S11 3	12	(("4533948") or ("4536856") or ("4538176") or ("4567359") or ("4567512") or ("4605973") or ("4647989") or ("4648037") or ("4658093") or ("4667802") or ("4672613") or ("4674055")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/25 15:05
S11 4	12	(("4688105") or ("4703465") or ("4725977") or ("4739510") or ("4754483") or ("4755872") or ("4759060") or ("4761684") or ("4763317") or ("4766581") or ("4787050") or ("4789863")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/25 15:27
S11 5	12	(("4792849") or ("4797918") or ("4829372") or ("4894789") or ("4918588") or ("4949187") or ("5003384") or ("5019900") or ("5041921") or ("5089885") or ("5099422") or ("5191410")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/25 16:20
S11 6	7	compusonic	US-PGPUB; USPAT	OR	ON	2006/04/25 16:22
S11 7	5322	bbs and (audio or video)	US-PGPUB; USPAT	OR	ON	2006/04/25 16:33
S11 8	739	S117 and @pn < "5300000"	US-PGPUB; USPAT	OR	ON	2006/04/25 16:33
S11 9	1661	bbs and (audio and video)	US-PGPUB; USPAT	OR	ON	2006/04/25 16:33
S12 0	95	S119 and @pn < "5300000"	US-PGPUB; USPAT	OR	ON	2006/04/25 17:05
S12 1	2	(("4870515") or ("4528643")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/25 17:05

EAST Search History

S122	40	(US-4694490-$ or US-4649533-$ or US-4567359-$ or US-4500751-$ or US-4893248-$ or US-4890319-$ or US-4789863-$ or US-4852154-$ or US-4837797-$ or US-4792849-$ or US-4071697-$ or US-3718906-$ or US-4710955-$ or US-4665516-$ or US-4829569-$ or US-4849811-$ or US-4924492-$ or US-5130792-$ or US-4538176-$ or US-4300040-$ or US-4521806-$ or US-4124773-$ or US-4829372-$ or US-4916737-$ or US-4623920-$ or US-4866770-$).did. or (US-4956768-$ or US-4949187-$ or US-4920432-$ or US-4894789-$ or US-4839745-$ or US-5113518-$ or US-4872151-$ or US-4724521-$ or US-5083271-$ or US-4658093-$ or US-4499568-$ or US-4422093-$ or US-5003384-$ or US-4935870-$).did.	USPAT	OR	ON	2006/04/26 08:38
S123	56	("3347988" | "3444324" | "3444550" | "3448216" | "3471648" | "3590381" | "3969680").PN. OR ("4124773").URPN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 09:02
S124	14870	music and (hard adj (drive or disk))	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 09:28
S125	165	S124 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 09:29
S126	36749	audio and video and (hard adj (drive or disk))	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:09
S127	373	S126 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 09:29
S128	7619	audio same video same (hard adj (drive or disk))	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 09:54
S129	82	S128 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 09:55
S130	1863	((audio or video) near5 (stored or store or storing)) near5 (hard adj (drive or disk))	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:09
S131	11	S130 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:10
S132	34	(disk adj streamer)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 09:58

EAST Search History

S133	109	(audio and video and (hard adj (drive or disk))).ab.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:10
S134	440	((hard adj (drive or disk)) and (audio or video)).ab.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:11
S135	8	S134 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:21
S136	6078	((hard adj (drive or disk)) and (audio or video)).ab.	EPO; JPO; DERWENT	OR	ON	2006/04/26 10:12
S137	1784	((hard adj (drive or disk)) and (audio and video)).ab.	EPO; JPO; DERWENT	OR	ON	2006/04/26 10:20
S138	327	((hard adj (drive or disk)) near5 (audio and video)).ab.	EPO; JPO; DERWENT	OR	ON	2006/04/26 10:12
S139	2956	media near5 (hard adj (drive or disk))	EPO; JPO; DERWENT	OR	ON	2006/04/26 10:21
S140	2442	media near5 (hard adj (drive or disk)). ab.	EPO; JPO; DERWENT	OR	ON	2006/04/26 10:21
S141	19496	media near5 (hard adj (drive or disk))	USPAT	OR	ON	2006/04/26 10:21
S142	434	S141 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:53
S143	163	S142 and (video or audio)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:50
S144	70	adlib	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:51
S145	90	jukebox and (sound adj card)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:53
S146	1431	library and (sound adj card)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:53
S147	0	S146 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:53
S148	0	".wav" and (sound adj card)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:53
S149	534	"wav" and (sound adj card)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:53

EAST Search History

S150	0	S149 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:57
S151	1269	(digital adj audio) same (hard adj (drive or disk))	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:56
S152	27	S151 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:16
S153	934	(compact adj disc adj player) and (hard adj (drive or disk))	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:18
S154	41	S153 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:21
S155	517	(compact adj disc adj player) and menu	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:21
S156	30	S155 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 14:10
S157	2921	(compact adj disc) and (artist or composer)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:21
S158	192	(compact adj disc) and (search near5 (artist or composer))	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:21
S159	1	S158 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:39
S160	8	("3999050" | "4279022" | "4628193" | "4634845" | "4912640" | "4961158" | "5047614" | "Re32655").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:39
S161	12167	mpeg and (hard adj (disk or drive))	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:39
S162	1	S159 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 12:25
S163	22	"4870515"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 12:25

EAST Search History

S164	52	(US-4694490-$ or US-4649533-$ or US-4567359-$ or US-4500751-$ or US-4893248-$ or US-4890319-$ or US-4789863-$ or US-4852154-$ or US-4837797-$ or US-4792849-$ or US-4071697-$ or US-3718906-$ or US-4710955-$ or US-4665516-$ or US-4829569-$ or US-4849811-$ or US-4924492-$ or US-5130792-$ or US-4538176-$ or US-4300040-$ or US-4521806-$ or US-4124773-$ or US-4829372-$ or US-4916737-$ or US-4623920-$ or US-4866770-$).did. or (US-4956768-$ or US-4949187-$ or US-4920432-$ or US-4894789-$ or US-4839745-$ or US-5113518-$ or US-4872151-$ or US-4724521-$ or US-5083271-$ or US-4658093-$ or US-4499568-$ or US-4422093-$ or US-5003384-$ or US-4935870-$ or US-4864301-$ or US-4905003-$ or US-5065345-$ or US-5041921-$ or US-5040110-$ or US-5034980-$ or US-5012334-$ or US-4974178-$ or US-4851931-$ or US-4763207-$ or US-4527262-$ or US-4873589-$).did.	USPAT	OR	ON	2006/04/26 14:09
S166	8	S164 and record.ab.	USPAT	OR	ON	2006/04/26 12:48
S167	2799	video adj clips	USPAT	OR	ON	2006/04/26 14:09
S168	19	S167 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 14:14
S169	7	((download or downloading) adj3 video) and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 14:13
S170	343	videotext	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 14:13
S171	118	S170 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 14:14
S172	1	("5191573").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/11 11:44

EAST Search History

S173	53	(US-4916737-$ or US-4789863-$ or US-4665516-$ or US-4694490-$ or US-5003384-$ or US-4890319-$ or US-4071697-$ or US-4567359-$ or US-4893248-$ or US-4724521-$ or US-4837797-$ or US-4710955-$ or US-4500751-$ or US-3718906-$ or US-4866770-$ or US-4792849-$ or US-4829569-$ or US-4852154-$ or US-4849811-$ or US-4829372-$ or US-4924492-$ or US-4920432-$ or US-4949187-$ or US-5130792-$ or US-4300040-$ or US-4521806-$).did. or (US-4124773-$ or US-4538176-$ or US-5083271-$ or US-4864301-$ or US-4905003-$ or US-4935870-$ or US-4623920-$ or US-4450477-$ or US-5012334-$ or US-4956768-$ or US-4839745-$ or US-4851931-$ or US-4894789-$ or US-4499568-$ or US-4872151-$ or US-5113518-$ or US-4422093-$ or US-4658093-$ or US-5041921-$ or US-5065345-$ or US-5034980-$ or US-4763207-$ or US-4527262-$ or US-5040110-$ or US-4974178-$ or US-4873589-$ or US-4649533-$).did.	USPAT	OR	ON	2006/08/11 12:35
S174	35	S173 and (buy or pay or credit or purchase)	USPAT	OR	ON	2006/08/11 12:36
S175	22	S173 and (credit)	USPAT	OR	ON	2006/08/11 16:32
S176	1	("4789863").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/11 16:34
S177	1	("4870515").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/11 16:55
S178	1	("4789863").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/14 11:39
S179	1	("4870515").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/14 11:39
S180	1	("4870515").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/15 11:37
S181	1	burks$.in. and boska$.in.	US-PGPUB; USPAT	OR	ON	2006/08/15 12:15
S182	1	("5191573").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/15 12:25
S183	142	itunes	US-PGPUB; USPAT	OR	ON	2006/08/15 12:25

EAST Search History

Ref #	Hits	Search Query	DBs	Default Operator	Plurals	Time Stamp
S1	5	(("5130792") or ("4949187") or ("4920432") or ("4829372") or ("4789863")).PN.	US-PGPUB; USPAT	OR	OFF	2006/08/01 14:09
S2	200	("5130792").URPN.	USPAT	OR	ON	2006/08/01 15:25
S3	1	("4949187").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/01 15:25
S4	278	("4949187").URPN.	USPAT	OR	ON	2006/08/01 15:27
S6	194	S4 not S2	USPAT	OR	ON	2006/08/01 15:27
S7	8	("4506387" | "4709418" | "4949187" | "5144661" | "5172413" | "5216515" | "5218454" | "5229850").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/08/01 17:09
S8	200	("5130792").URPN.	USPAT	OR	ON	2006/08/01 17:40
S9	1	("4920432").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/01 17:40
S10	123	("4920432").URPN.	USPAT	OR	ON	2006/08/03 11:58
S11	1	("4829372").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/03 11:59
S12	112	("4829372").URPN.	USPAT	OR	ON	2006/08/03 12:41
S13	1	("4789863").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/03 13:14
S14	45	("4789863").URPN.	USPAT	OR	ON	2006/08/03 12:44
S15	1	("5721827").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/03 12:44
S16	25	("5966440").URPN.	USPAT	OR	ON	2006/08/03 12:58
S17	1	("5133079").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/03 13:14
S18	204	("5133079").URPN.	USPAT	OR	ON	2006/08/03 13:35
S19	1	("5172413").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/03 13:35
S20	190	("5172413").URPN.	USPAT	OR	ON	2006/08/03 13:40
S21	3	(("5191573") or ("5966440") or ("5675734")).PN.	US-PGPUB; USPAT	OR	OFF	2006/08/03 13:41
S22	76	("5191573").URPN.	USPAT	OR	ON	2006/08/03 13:41
S23	74	("5675734").URPN.	USPAT	OR	ON	2006/08/03 13:43

EAST Search History

S24	31	(US-7017178-$ or US-6463207-$ or US-5717814-$ or US-5544228-$ or US-5528281-$ or US-5253275-$ or US-5132992-$ or US-5133079-$ or US-5172413-$ or US-5696869-$ or US-5550863-$ or US-5790174-$ or US-5594490-$ or US-5247347-$ or US-5220420-$ or US-5181107-$ or US-5119188-$ or US-5014125-$ or US-6609105-$ or US-6496802-$ or US-6072982-$ or US-5966440-$ or US-5745678-$ or US-5636276-$ or US-5555441-$ or US-5390172-$).did. or (US-5497502-$ or US-5410343-$ or US-5394182-$ or US-5371532-$ or US-6002720-$).did.	USPAT	OR	ON	2006/08/03 13:47
S25	93	("20010033659" | "3990710" | "4054911" | "4300040" | "4355338" | "4449198" | "4468751" | "4481412" | "4506387" | "4521806" | "4703456" | "4725977" | "4789863" | "4792849" | "4811325" | "4851931" | "4924303" | "4937807" | "5021893" | "5041921" | "5051822" | "5084768" | "5099422" | "5168481" | "5208665" | "5233477" | "5237157" | "5260778" | "5267351" | "5319707" | "5319774" | "5355302" | "5365381" | "5400401" | "5418654" | "5440637" | "5481296" | "5502601" | "5532920" | "5541638" | "5557541" | "5563665" | "5572442" | "5585866" | "5592511" | "5600573" | "5627867" | "5629733" | "5629867" | "5629980" | "5633839" | "5638443" | "5646992" | "5661787" | "5675734" | "5689648" | "5703795" | "5715403" | "5721827" | "5726909" | "5734961" | "5758257" | "5794217" | "5806068" | "5809246" | "5815471" | "5845262" | "5877755" | "5894119" | "5900830" | "5913204" | "5915090" | "5918213" | "5931901" | "5949411" | "5949476" | "5956491" | "5959944" | "5959945" | "5960411" | "5963916" | "5974004" | "5987525" | "6005597" | "6006251" | "6011758" | "6014184" | "6044403" | "6061680" | "6088455" | "6088710" | "6092105" | "6092197").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/08/03 14:44
S26	45	("4789863").URPN.	USPAT	OR	ON	2006/08/03 14:46
S27	100	("4710921" | "4789863" | "4790010" | "4991207" | "5191611" | "5208665"). PN. OR ("5636276").URPN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/08/03 16:28

EAST Search History

S28	19	("4956768" | "5113496" | "5191410" | "5195092" | "5418713" | "5423003" | "5550577" | "5555441" | "5560038" | "5583763" | "5590282" | "5619247" | "5636276" | "5729281" | "5756280" | "5781889" | "5790423" | "5867155" | "5870553").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/08/03 16:44

EAST Search History

S29	264	("20010002852" | "20010003846" | "20010005906" | "20010010045" | "20010010095" | "20010013037" | "20010013120" | "20010014882" | "20010016836" | "20010017920" | "20010018742" | "20010018858" | "20010023416" | "20010023417" | "20010023428" | "20010024425" | "20010024566" | "20010025259" | "20010025269" | "20010025316" | "20010027561" | "20010027563" | "20010029491" | "20010029538" | "20010029583" | "20010030660" | "20010031066" | "20010032131" | "20010032132" | "20010032133" | "20010032187" | "20010032312" | "20010034635" | "20010034714" | "20010034883" | "20020057799" | "20020062261" | "20020066025" | "20020073038" | "3373517" | "3376465" | "3848193" | "3941926" | "3983317" | "3993955" | "4094010" | "4155042" | "4332022" | "4368485" | "4476488" | "4536791" | "4559480" | "4575750" | "4595950" | "4654482" | "4716410" | "4734779" | "4734858" | "4761641" | "4789863" | "4797913" | "4809325" | "4812843" | "4829569" | "4847825" | "4862268" | "4908713" | "4949187" | "5046090" | "5051822" | "5073925" | "5107107" | "5121430" | "5123046" | "5133079" | "5182669" | "5191573" | "5214793" | "5233423" | "5235587" | "5251193" | "5257017" | "5260778" | "5274762" | "5283731" | "5297204" | "5311423" | "5319735" | "5355302" | "5365282" | "5373330" | "5414756" | "5418713" | "5420647" | "5420923" | "5428606" | "5438355" | "5465291" | "5469020" | "5469206" | "5473584" | "5486819" | "5495283" | "5497186" | "5497479" | "5508815" | "5512935" | "5513260" | "5530751" | "5532920" | "5543856" | "5557541"). PN. OR ("5559549" | "5565909" | "5568272" | "5592511" | "5592551" | "5592626" | "5600839" | "5610653" | "5612741" | "5619247" | "5621840" | "5621863" | "5627895" | "5628050" | "5630067" | "5638113" | "5640453" | "5644859" | "5646603" | "5646997" | "5654747" | "5659366" | "5659613" | "5661516" | "5664018" | "5675734" | "5684918" | "5686954" | "5689799" | "5692214" | "5701161" | "5701383" | "5701397" | "5710869" | "5717814" | "5717832" | "5721827" | "5721951" | "5724062" | "5724091" | "5724525" | "5729214" | "5734413" | "5740326" |	US-PGPUB; USPAT; USOCR	OR	ON	2006/08/04 12:42

EAST Search History

S30	46	(US-7017178-$ or US-6463207-$ or US-5717814-$ or US-5544228-$ or US-5528281-$ or US-5253275-$ or US-5132992-$ or US-5133079-$ or US-5172413-$ or US-5696869-$ or US-5550863-$ or US-5790174-$ or US-5594490-$ or US-5247347-$ or US-5220420-$ or US-5181107-$ or US-5119188-$ or US-5014125-$ or US-6609105-$ or US-6496802-$ or US-6072982-$ or US-5966440-$ or US-5745678-$ or US-5636276-$ or US-5555441-$ or US-5390172-$).did. or (US-5497502-$ or US-5410343-$ or US-5394182-$ or US-5371532-$ or US-6002720-$ or US-5041921-$ or US-5267351-$ or US-5418654-$ or US-5638443-$ or US-5734961-$ or US-4789863-$ or US-6182128-$ or US-4956768-$ or US-5191410-$ or US-5195092-$ or US-5418713-$ or US-5550577-$ or US-5619247-$ or US-5781889-$ or US-5790423-$).did.	USPAT	OR	ON	2006/08/07 15:23
S31	1	("5191573").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/08 11:53
S32	1	("5436960").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/08 11:53

EAST Search History

Ref #	Hits	Search Query	DBs	Default Operator	Plurals	Time Stamp
S1	5	(("5130792") or ("4949187") or ("4920432") or ("4829372") or ("4789863")).PN.	US-PGPUB; USPAT	OR	OFF	2006/08/01 14:09
S2	200	("5130792").URPN.	USPAT	OR	ON	2006/08/01 15:25
S3	1	("4949187").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/01 15:25
S4	278	("4949187").URPN.	USPAT	OR	ON	2006/08/01 15:27
S6	194	S4 not S2	USPAT	OR	ON	2006/08/01 15:27
S7	8	("4506387" | "4709418" | "4949187" | "5144661" | "5172413" | "5216515" | "5218454" | "5229850").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/08/01 17:09
S8	200	("5130792").URPN.	USPAT	OR	ON	2006/08/01 17:40
S9	1	("4920432").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/01 17:40
S10	123	("4920432").URPN.	USPAT	OR	ON	2006/08/03 11:58
S11	1	("4829372").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/03 11:59
S12	112	("4829372").URPN.	USPAT	OR	ON	2006/08/03 12:41
S13	1	("4789863").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/03 13:14
S14	45	("4789863").URPN.	USPAT	OR	ON	2006/08/03 12:44
S15	1	("5721827").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/03 12:44
S16	25	("5966440").URPN.	USPAT	OR	ON	2006/08/03 12:58
S17	1	("5133079").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/03 13:14
S18	204	("5133079").URPN.	USPAT	OR	ON	2006/08/03 13:35
S19	1	("5172413").PN.	US-PGPUB; USPAT	OR	OFF	2006/08/03 13:35
S20	190	("5172413").URPN.	USPAT	OR	ON	2006/08/03 13:40
S21	3	(("5191573") or ("5966440") or ("5675734")).PN.	US-PGPUB; USPAT	OR	OFF	2006/08/03 13:41
S22	76	("5191573").URPN.	USPAT	OR	ON	2006/08/03 13:41
S23	74	("5675734").URPN.	USPAT	OR	ON	2006/08/03 13:43

EAST Search History

S24	31	(US-7017178-$ or US-6463207-$ or US-5717814-$ or US-5544228-$ or US-5528281-$ or US-5253275-$ or US-5132992-$ or US-5133079-$ or US-5172413-$ or US-5696869-$ or US-5550863-$ or US-5790174-$ or US-5594490-$ or US-5247347-$ or US-5220420-$ or US-5181107-$ or US-5119188-$ or US-5014125-$ or US-6609105-$ or US-6496802-$ or US-6072982-$ or US-5966440-$ or US-5745678-$ or US-5636276-$ or US-5555441-$ or US-5390172-$). did. or (US-5497502-$ or US-5410343-$ or US-5394182-$ or US-5371532-$ or US-6002720-$). did.	USPAT	OR	ON	2006/08/03 13:47

EAST Search History

S25	93	("20010033659" | "3990710" | "4054911" | "4300040" | "4355338" | "4449198" | "4468751" | "4481412" | "4506387" | "4521806" | "4703456" | "4725977" | "4789863" | "4792849" | "4811325" | "4851931" | "4924303" | "4937807" | "5021893" | "5041921" | "5051822" | "5084768" | "5099422" | "5168481" | "5208665" | "5233477" | "5237157" | "5260778" | "5267351" | "5319707" | "5319774" | "5355302" | "5365381" | "5400401" | "5418654" | "5440637" | "5481296" | "5502601" | "5532920" | "5541638" | "5557541" | "5563665" | "5572442" | "5585866" | "5592511" | "5600573" | "5627867" | "5629733" | "5629867" | "5629980" | "5633839" | "5638443" | "5646992" | "5661787" | "5675734" | "5689648" | "5703795" | "5715403" | "5721827" | "5726909" | "5734961" | "5758257" | "5794217" | "5806068" | "5809246" | "5815471" | "5845262" | "5877755" | "5894119" | "5900830" | "5913204" | "5915090" | "5918213" | "5931901" | "5949411" | "5949476" | "5956491" | "5959944" | "5959945" | "5960411" | "5963916" | "5974004" | "5987525" | "6005597" | "6006251" | "6011758" | "6014184" | "6044403" | "6061680" | "6088455" | "6088710" | "6092105" | "6092197").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/08/03 14:44
S26	45	("4789863").URPN.	USPAT	OR	ON	2006/08/03 14:46
S27	100	("4710921" | "4789863" | "4790010" | "4991207" | "5191611" | "5208665").PN. OR ("5636276"). URPN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/08/03 16:28
S28	19	("4956768" | "5113496" | "5191410" | "5195092" | "5418713" | "5423003" | "5550577" | "5555441" | "5560038" | "5583763" | "5590282" | "5619247" | "5636276" | "5729281" | "5756280" | "5781889" | "5790423" | "5867155" | "5870553").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/08/03 16:44

EAST Search History

S29	264	("20010002852" | "20010003846" | "20010005906" | "20010010045" | "20010010095" | "20010013037" | "20010013120" | "20010014882" | "20010016836" | "20010017920" | "20010018742" | "20010018858" | "20010023416" | "20010023417" | "20010023428" | "20010024425" | "20010024566" | "20010025259" | "20010025269" | "20010025316" | "20010027561" | "20010027563" | "20010029491" | "20010029538" | "20010029583" | "20010030660" | "20010031066" | "20010032131" | "20010032132" | "20010032133" | "20010032187" | "20010032312" | "20010034635" | "20010034714" | "20010034883" | "20020057799" | "20020062261" | "20020066025" | "20020073038" | "3373517" | "3376465" | "3848193" | "3941926" | "3983317" | "3993955" | "4094010" | "4155042" | "4332022" | "4368485" | "4476488" | "4536791" | "4559480" | "4575750" | "4595950" | "4654482" | "4716410" | "4734779" | "4734858" | "4761641" | "4789863" | "4797913" | "4809325" | "4812843" | "4829569" | "4847825" | "4862268" | "4908713" | "4949187" | "5046090" | "5051822" | "5073925" | "5107107" | "5121430" | "5123046" | "5133079" | "5182669" | "5191573" | "5214793" | "5233423" | "5235587" | "5251193" | "5257017" | "5260778" | "5274762" | "5283731" | "5297204" | "5311423" | "5319735" | "5355302" | "5365282" | "5373330" | "5414756" | "5418713" | "5420647" | "5420923" | "5428606" | "5438355" | "5465291" | "5469020" | "5469206" | "5473584" | "5486819" | "5495283" | "5497186" | "5497479" | "5508815" | "5512935" | "5513260" | "5530751" | "5532920" | "5543856" | "5557541").PN. OR ("5559549" | "5565909" | "5568272" | "5592511" | "5592551" | "5592626" | "5600839" | "5610653" | "5612741" | "5619247" | "5621840" | "5621863" | "5627895" | "5628050" | "5630067" | "5638113" | "5640453" | "5644859" | "5646603" | "5646997" | "5654747" | "5659366" | "5659613" | "5661516" | "5664018"	US-PGPUB; USPAT; USOCR	OR	ON	2006/08/04 12:42

EAST Search History

Ref #	Hits	Search Query	DBs	Default Operator	Plurals	Time Stamp
S1	1	("5191573").PN.	US-PGPUB; USPAT	OR	OFF	2006/04/24 08:02
S2	1	("4528643").PN.	US-PGPUB; USPAT	OR	OFF	2006/04/20 11:59
S3	2	(("5675734") or ("5996440")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/20 12:00
S4	2	(("5675734") or ("5966440")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/20 12:00
S5	1	("4499568").PN.	US-PGPUB; USPAT	OR	OFF	2006/04/20 14:50
S19	54273	"379"/$.ccls.	US-PGPUB; USPAT	OR	ON	2006/04/24 08:17
S20	12829	S19 and (audio or (voice adj message))	US-PGPUB; USPAT	OR	ON	2006/04/24 08:17
S21	2884	S20 and (subscribe or subscription or buy or (credit adj card))	US-PGPUB; USPAT	OR	ON	2006/04/24 09:30
S22	267	S21 and @pn < "5300000"	US-PGPUB; USPAT	OR	ON	2006/04/24 08:44
S23	3895	"pay-per-view" or (pay adj3 view) and "379"/$.ccls.	US-PGPUB; USPAT	OR	ON	2006/04/24 09:08
S24	164	S23 and @pn < "5300000"	US-PGPUB; USPAT	OR	ON	2006/04/24 09:08
S25	4008	"pay-per-view" or (pay adj3 view) and isdn	US-PGPUB; USPAT	OR	ON	2006/04/24 09:08
S26	705	("pay-per-view" or (pay adj3 view)) and isdn	US-PGPUB; USPAT	OR	ON	2006/04/24 09:09
S27	707	("pay-per-view" or (pay adj3 view)) and (isdn or idsn)	US-PGPUB; USPAT	OR	ON	2006/04/24 09:11
S28	6	S27 and @pn < "5300000"	US-PGPUB; USPAT	OR	ON	2006/04/24 09:09
S29	2964	music and (isdn or idsn)	US-PGPUB; USPAT	OR	ON	2006/04/24 09:11
S30	34	S29 and @pn < "5300000"	US-PGPUB; USPAT	OR	ON	2006/04/24 09:11
S31	23	("3766324" | "4332980" | "4381522" | "4506387" | "4654866" | "4755872" | "4761684" | "4763191" | "4792849" | "4797913" | "4807023" | "4829372" | "4849811" | "4852154" | "4890320" | "4897867" | "4949187" | "4995078" | "5010399" | "5014125" | "5130792" | "5132992" | "5133079").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:21

EAST Search History

S32	572	(videotex or videotext or (video adj tex) or (video adj text)) and isdn	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:22
S33	23	S32 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:24
S34	652	((bulletin or Bulletin) adj board) and modem and music and (buy or order or credit)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:26
S35	1	S34 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:25
S36	1973	((bulletin or Bulletin) adj board) and modem and video and (buy or order or credit)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:27
S39	12	S36 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:28
S40	2126	((bulletin or Bulletin) adj board) and modem and video	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:27
S41	14	S40 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:29
S42	16087	isdn and video	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:30
S43	329	S42 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 09:30
S44	42	S43 and (subscribe or subscription or buy or (credit adj card))	US-PGPUB; USPAT	OR	ON	2006/04/24 09:30
S45	18	(US-3718906-$ or US-4071697-$ or US-4500751-$ or US-4567359-$ or US-4649533-$ or US-4694490-$ or US-4789863-$ or US-4792849-$ or US-4837797-$ or US-4852154-$ or US-4665516-$ or US-4710955-$ or US-4829569-$ or US-4890319-$ or US-4893248-$ or US-5130792-$ or US-4849811-$ or US-4924492-$).did.	USPAT	OR	ON	2006/04/24 10:59
S46	1	("4789868").PN.	US-PGPUB; USPAT	OR	OFF	2006/04/24 11:00

EAST Search History

S47	18	(US-4694490-$ or US-4649533-$ or US-4567359-$ or US-4500751-$ or US-4893248-$ or US-4890319-$ or US-4789863-$ or US-4852154-$ or US-4837797-$ or US-4792849-$ or US-4071697-$ or US-3718906-$ or US-4710955-$ or US-4665516-$ or US-4829569-$ or US-4849811-$ or US-4924492-$ or US-5130792-$).did.	USPAT	OR	ON	2006/04/24 12:39
S48	15	("3718906" | "4163254" | "4272791" | "4300040" | "4359631" | "4433207" | "4471379" | "4506387" | "4513315" | "4538176" | "4567512" | "4590516" | "4685131" | "4700386" | "Re31639"). PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 12:50
S49	45	("4789863").URPN.	USPAT	OR	ON	2006/04/24 13:43
S50	3	(("5191573") or ("5966440") or ("5675734")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/24 13:44
S51	14	("3718906" | "3990710" | "4124773" | "4506387" | "4521806" | "4528643" | "4538176" | "4567359" | "4647989" | "4654799" | "4789863" | "4789868" | "5191193" | "5191573").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 13:44
S52	44	("4124773").URPN.	USPAT	OR	ON	2006/04/24 13:50
S53	1070	(455/412.1).CCLS.	US-PGPUB; USPAT	OR	OFF	2006/04/24 13:50
S54	0	("7and@pn<5200000").PN.	US-PGPUB; USPAT	OR	OFF	2006/04/24 13:51
S55	11	S53 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 13:53
S56	593	(379/88.13).CCLS.	US-PGPUB; USPAT	OR	OFF	2006/04/24 14:03
S57	27	S56 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 14:04
S58	740	(379/88.17).CCLS.	US-PGPUB; USPAT	OR	OFF	2006/04/24 14:03
S59	6	S58 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 14:04
S60	10567	(video and (charge or buy or credit)) and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 14:05
S61	430	(video and (credit adj card)) and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 15:36
S62	181	S61 and network	US-PGPUB; USPAT	OR	ON	2006/04/24 14:06
S63	243	(video and audio and (download$ or (down adj load$))) and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 14:13

EAST Search History

S64	157	S63 and network	US-PGPUB; USPAT	OR	ON	2006/04/24 14:13
S65	209	S63 and (network or communication)	US-PGPUB; USPAT	OR	ON	2006/04/24 14:14
S66	38	("3599178" | "3746780" | "4009344" | "4009346" | "4028733" | "4062043" | "4071697" | "4122299" | "4381522" | "4400717" | "4450477" | "4506387" | "4518989" | "4521806" | "4533936" | "4538176" | "4567512" | "4590516" | "4679079" | "4688246" | "4734765" | "4755872" | "4763191" | "4785349" | "4807023" | "4833710" | "4847677" | "4868653" | "4890320" | "4907081" | "4914508" | "4920432" | "4937821" | "4947244" | "4949169" | "4949187" | "4963995" | "5032927").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 15:30
S67	4	(("4963995") or ("5995705") or ("5057932") or ("5164839")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/24 15:32
S68	9	("4179709" | "4400717" | "4516156" | "4698664" | "4709418" | "4724491" | "4768110" | "4774574" | "4851931"). PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 15:35
S69	29448	audio and video and (hard adj (drive or disk)) and network	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 15:36
S70	104	S69 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 16:28
S71	4959	music same download$	US-PGPUB; USPAT	OR	ON	2006/04/24 16:28
S72	7	S71 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 16:32
S73	1	("4949187").PN.	US-PGPUB; USPAT	OR	OFF	2006/04/24 16:30
S74	7	("3718906" | "3990710" | "4232295" | "4597058" | "4597098" | "4769833" | "4789961").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/24 16:30
S75	261	("4949187").URPN.	USPAT	OR	ON	2006/04/24 16:32
S76	1372	music and isdn	USPAT	OR	ON	2006/04/24 16:32
S77	27	S76 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 16:45
S78	394	audio and music and (download$ or (down adj load$))	EPO; JPO; DERWENT; IBM_TDB	OR	ON	2006/04/24 16:40
S79	24	audio and music and isdn	EPO; JPO; DERWENT; IBM_TDB	OR	ON	2006/04/24 16:41

EAST Search History

S80	341	audio and video and isdn	EPO; JPO; DERWENT; IBM_TDB	OR	ON	2006/04/24 16:42
S81	690	audio and video and (charge or buy or (credit adj card))	EPO; JPO; DERWENT; IBM_TDB	OR	ON	2006/04/24 16:43
S82	192	audio and video and (charge or buy or (credit adj card)) and (communications or network)	EPO; JPO; DERWENT; IBM_TDB	OR	ON	2006/04/24 16:44
S83	56788	(digital adj3 (audio or video)) and (network or communication)	US-PGPUB; USPAT	OR	ON	2006/04/24 16:45
S84	2209	S83 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 16:45
S85	12261	(digital adj3 (audio or video)) and (network or communication) and (buy or charge or (credit adj card))	US-PGPUB; USPAT	OR	ON	2006/04/24 17:06
S86	448	S85 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 17:06
S87	5130	(digital adj3 (audio or video)) and (network or communication) and (buy or (credit adj card))	US-PGPUB; USPAT	OR	ON	2006/04/24 17:06
S88	9207	(digital adj3 (audio or video)) and (network or communication) and (buy or purchase or (credit adj card))	US-PGPUB; USPAT	OR	ON	2006/04/24 17:06
S89	105	S88 and (@pn < "5200000")	US-PGPUB; USPAT	OR	ON	2006/04/24 17:40
S90	41	(real adj audio) and (bulletin adj board)	US-PGPUB; USPAT	OR	ON	2006/04/24 17:40
S91	41	(real adj audio) and (bullet$1n adj board)	US-PGPUB; USPAT	OR	ON	2006/04/24 17:40
S92	41	(real adj audio) and (bull$1tin adj board)	US-PGPUB; USPAT	OR	ON	2006/04/24 17:41
S94	104	(bull$1tin adj board) and (download$ near3 audio)	US-PGPUB; USPAT	OR	ON	2006/04/24 17:42
S95	13	(bull$1tin adj board) and kermit	US-PGPUB; USPAT	OR	ON	2006/04/24 17:44
S96	3548	(bull$1tin adj board) and (audio or video)	US-PGPUB; USPAT	OR	ON	2006/04/24 17:43
S97	204	(computer adj bull$1tin adj board)	US-PGPUB; USPAT	OR	ON	2006/04/24 17:44
S98	116	(computer adj bull$1tin adj board) and (audio and video)	US-PGPUB; USPAT	OR	ON	2006/04/25 13:12
S99	101	zmodem	US-PGPUB; USPAT	OR	ON	2006/04/25 13:12

EAST Search History

S100	33	zmodem and audio	US-PGPUB; USPAT	OR	ON	2006/04/25 13:13
S101	41	zmodem and video	US-PGPUB; USPAT	OR	ON	2006/04/25 13:14
S102	46	ymodem	US-PGPUB; USPAT	OR	ON	2006/04/25 13:14
S103	33	S102 and (audio or video)	US-PGPUB; USPAT	OR	ON	2006/04/25 13:15
S104	159	xmodem	US-PGPUB; USPAT	OR	ON	2006/04/25 13:15
S105	82	S104 and (audio or video)	US-PGPUB; USPAT	OR	ON	2006/04/25 13:17
S106	4094	download$ adj5 (audio or video)	US-PGPUB; USPAT	OR	ON	2006/04/25 13:17
S107	39	S106 and @pn < "5300000"	US-PGPUB; USPAT	OR	ON	2006/04/25 13:17
S108	32	("3263158" | "4529870" | "4658093" | "4924378" | "4932054" | "4937863" | "4953209" | "4961142" | "4977594" | "5010571" | "5014234" | "5023907" | "5047928" | "5050213" | "5058164" | "5103476" | "5113519" | "5146499" | "5159182" | "5191193" | "5204897" | "5235642" | "5247575" | "5260999" | "5263157" | "5291596" | "5339091" | "5432849" | "5438508" | "5504814" | "5530235").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/25 14:11
S109	1	("4636876").PN.	US-PGPUB; USPAT	OR	OFF	2006/04/25 14:44
S110	5	(("5428606") or ("5132992") or ("5130792") or ("4999806") or ("re35184")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/25 14:49
S111	7	(("3244809") or ("3696297") or ("3718906") or ("3824597") or ("3947882") or ("3990710") or ("4028733")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/25 14:51
S112	11	(("4124773") or ("4300040") or ("4335809") or ("4370649") or ("4422093") or ("4499568") or ("4506387") or ("4520404") or ("4521806") or ("4521857") or ("4586430")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/25 15:04
S113	12	(("4533948") or ("4536856") or ("4538176") or ("4567359") or ("4567512") or ("4605973") or ("4647989") or ("4648037") or ("4658093") or ("4667802") or ("4672613") or ("4674055")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/25 15:05

EAST Search History

S114	12	(("4688105") or ("4703465") or ("4725977") or ("4739510") or ("4754483") or ("4755872") or ("4759060") or ("4761684") or ("4763317") or ("4766581") or ("4787050") or ("4789863")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/25 15:27
S115	12	(("4792849") or ("4797918") or ("4829372") or ("4894789") or ("4918588") or ("4949187") or ("5003384") or ("5019900") or ("5041921") or ("5089885") or ("5099422") or ("5191410")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/25 16:20
S116	7	compusonic	US-PGPUB; USPAT	OR	ON	2006/04/25 16:22
S117	5322	bbs and (audio or video)	US-PGPUB; USPAT	OR	ON	2006/04/25 16:33
S118	739	S117 and @pn < "5300000"	US-PGPUB; USPAT	OR	ON	2006/04/25 16:33
S119	1661	bbs and (audio and video)	US-PGPUB; USPAT	OR	ON	2006/04/25 16:33
S120	95	S119 and @pn < "5300000"	US-PGPUB; USPAT	OR	ON	2006/04/25 17:05
S121	2	(("4870515") or ("4528643")).PN.	US-PGPUB; USPAT	OR	OFF	2006/04/25 17:05
S122	40	(US-4694490-$ or US-4649533-$ or US-4567359-$ or US-4500751-$ or US-4893248-$ or US-4890319-$ or US-4789863-$ or US-4852154-$ or US-4837797-$ or US-4792849-$ or US-4071697-$ or US-3718906-$ or US-4710955-$ or US-4665516-$ or US-4829569-$ or US-4849811-$ or US-4924492-$ or US-5130792-$ or US-4538176-$ or US-4300040-$ or US-4521806-$ or US-4124773-$ or US-4829372-$ or US-4916737-$ or US-4623920-$ or US-4866770-$).did. or (US-4956768-$ or US-4949187-$ or US-4920432-$ or US-4894789-$ or US-4839745-$ or US-5113518-$ or US-4872151-$ or US-4724521-$ or US-5083271-$ or US-4658093-$ or US-4499568-$ or US-4422093-$ or US-5003384-$ or US-4935870-$).did.	USPAT	OR	ON	2006/04/26 08:38
S123	56	("3347988" | "3444324" | "3444550" | "3448216" | "3471648" | "3590381" | "3969680").PN. OR ("4124773").URPN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 09:02
S124	14870	music and (hard adj (drive or disk))	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 09:28

EAST Search History

S125	165	S124 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 09:29
S126	36749	audio and video and (hard adj (drive or disk))	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:09
S127	373	S126 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 09:29
S128	7619	audio same video same (hard adj (drive or disk))	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 09:54
S129	82	S128 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 09:55
S130	1863	((audio or video) near5 (stored or store or storing)) near5 (hard adj (drive or disk))	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:09
S131	11	S130 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:10
S132	34	(disk adj streamer)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 09:58
S133	109	(audio and video and (hard adj (drive or disk))).ab.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:10
S134	440	((hard adj (drive or disk)) and (audio or video)).ab.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:11
S135	8	S134 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:21
S136	6078	((hard adj (drive or disk)) and (audio or video)).ab.	EPO; JPO; DERWENT	OR	ON	2006/04/26 10:12
S137	1784	((hard adj (drive or disk)) and (audio and video)).ab.	EPO; JPO; DERWENT	OR	ON	2006/04/26 10:20
S138	327	((hard adj (drive or disk)) near5 (audio and video)).ab.	EPO; JPO; DERWENT	OR	ON	2006/04/26 10:12
S139	2956	media near5 (hard adj (drive or disk))	EPO; JPO; DERWENT	OR	ON	2006/04/26 10:21
S140	2442	media near5 (hard adj (drive or disk)).ab.	EPO; JPO; DERWENT	OR	ON	2006/04/26 10:21
S141	19496	media near5 (hard adj (drive or disk))	USPAT	OR	ON	2006/04/26 10:21

EAST Search History

S142	434	S141 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:53
S143	163	S142 and (video or audio)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:50
S144	70	adlib	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:51
S145	90	jukebox and (sound adj card)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:53
S146	1431	library and (sound adj card)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:53
S147	0	S146 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:53
S148	0	".wav" and (sound adj card)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:53
S149	534	"wav" and (sound adj card)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:53
S150	0	S149 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:57
S151	1269	(digital adj audio) same (hard adj (drive or disk))	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 10:56
S152	27	S151 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:16
S153	934	(compact adj disc adj player) and (hard adj (drive or disk))	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:18
S154	41	S153 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:21
S155	517	(compact adj disc adj player) and menu	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:21
S156	30	S155 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 14:10

EAST Search History

S157	2921	(compact adj disc) and (artist or composer)	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:21
S158	192	(compact adj disc) and (search near5 (artist or composer))	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:21
S159	1	S158 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:39
S160	8	("3999050" | "4279022" | "4628193" | "4634845" | "4912640" | "4961158" | "5047614" | "Re32655").PN.	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:39
S161	12167	mpeg and (hard adj (disk or drive))	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 11:39
S162	1	S159 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 12:25
S163	22	"4870515"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 12:25
S164	52	(US-4694490-$ or US-4649533-$ or US-4567359-$ or US-4500751-$ or US-4893248-$ or US-4890319-$ or US-4789863-$ or US-4852154-$ or US-4837797-$ or US-4792849-$ or US-4071697-$ or US-3718906-$ or US-4710955-$ or US-4665516-$ or US-4829569-$ or US-4849811-$ or US-4924492-$ or US-5130792-$ or US-4538176-$ or US-4300040-$ or US-4521806-$ or US-4124773-$ or US-4829372-$ or US-4916737-$ or US-4623920-$ or US-4866770-$).did. or (US-4956768-$ or US-4949187-$ or US-4920432-$ or US-4894789-$ or US-4839745-$ or US-5113518-$ or US-4872151-$ or US-4724521-$ or US-5083271-$ or US-4658093-$ or US-4499568-$ or US-4422093-$ or US-5003384-$ or US-4935870-$ or US-4864301-$ or US-4905003-$ or US-5065345-$ or US-5041921-$ or US-5040110-$ or US-5034980-$ or US-5012334-$ or US-4974178-$ or US-4851931-$ or US-4763207-$ or US-4527262-$ or US-4873589-$).did.	USPAT	OR	ON	2006/04/26 14:09
S166	8	S164 and record.ab.	USPAT	OR	ON	2006/04/26 12:48

EAST Search History

S167	2799	video adj clips	USPAT	OR	ON	2006/04/26 14:09
S168	19	S167 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 14:14
S169	7	((download or downloading) adj3 video) and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 14:13
S170	343	videotext	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 14:13
S171	118	S170 and @pn < "5300000"	US-PGPUB; USPAT; USOCR	OR	ON	2006/04/26 14:14

Reexamination	Application/Control No.	Applicant(s)/Patent Under Reexamination
	90/007,407	5966440
	Certificate Date	Certificate Number

Requester **Correspondence Address:** ☐ **Patent Owner** ☒ **Third Party**

Albert S. Penilla
MARTINE PENILLA & GENCARELLA, LLP
710 Lakeway Drive, Suite 200
Sunnyvale, CA 94085

LITIGATION REVIEW ☒	**r.g.f.** (examiner initials)	**9/5/06** (date)
Case Name		Director Initials
See the litigation searches conducted on 4/15/06 and 3/1/05.		for Lissi Mojica Morgis

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Index of Claims

Application/Control No.	Applicant(s)/Patent under Reexamination
90/007,407	5966440
Examiner	**Art Unit**
Roland G. Foster	3992

√	Rejected	–	(Through numeral) Cancelled	N	Non-Elected	A	Appeal
=	Allowed	÷	Restricted	I	Interference	O	Objected

Claim		Date
Final	Original	9/5/05
	1	✓
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Claim		Date
Final	Original	9/5/05
	51	✓
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Claim		Date
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Notice of References Cited	Application/Control No. 90/007,407	Applicant(s)/Patent Under Reexamination 5966440	
	Examiner Roland G. Foster	Art Unit 3992	Page 1 of 1

U.S. PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Name	Classification
*	A	US-4,787,073	11-1988	Masaki, Naoki	369/178.01
*	B	US-5,535,137	07-1996	Rossmere et al.	358/537
*	C	US-5,241,428	08-1993	Goldwasser et al.	386/109
	D	US-			
	E	US-			
	F	US-			
	G	US-			
	H	US-			
	I	US-			
	J	US-			
	K	US-			
	L	US-			
	M	US-			

FOREIGN PATENT DOCUMENTS

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

NON-PATENT DOCUMENTS

*		Include as applicable: Author, Title Date, Publisher, Edition or Volume, Pertinent Pages)
	U	"The History of Recordings", Recording Industry of Association, retrieved from http://www.riaa.com/issues/audio/hisotry.asp on September 19, 2006.
	V	"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.
	W	"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.
	X	"IBM HDD Evolution" chart, by Ed Grochowski at Almaden, retrieved from http://www.soragereview.com/guideImages/z_ibm_sorageevolution.gif" on September 19, 2006.

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

DRINKER BIDDLE & REATH LLP
One Logan Square
18th and Cherry Streets
Philadelphia, PA 19103
215-988-2700

FACSIMILE INFORMATION SHEET

FROM: Matthew P. McWilliams (215) 988-3381

TO: Examiner Roland Foster

FAX NO: (571) 273-9900

DATE: November 15, 2006

DOCUMENT NAME: Request for Interview

NUMBER OF PAGES (INCLUDING COVER): 3

OUR FILE: 219099

IF YOU DO NOT RECEIVE THIS FAX DOCUMENT IN ITS ENTIRETY, PLEASE CALL THE OPERATOR AT (215-988-2987)
DB&R FACSIMILE MACHINE
215-988-2757 or 2762

MESSAGE:

Dear Examiner Foster

Please find attached a formal Request for Interview for November 16, 2006. If you have any questions whatsoever, please feel free to contact Bob Koons, (215) 988-3392 or myself (215) 988-3381.

Regards, Matthew McWilliams

ORIGINAL WILL: ☐ FOLLOW ☒ NOT FOLLOW

PHIP\295524V4

PTOL-413A (09-04)
Approved for use through 07/31/2006. OMB 0651-0031
U.S. Patent and Trademark Office: U.S. DEPARTMENT OF COMMERCE

Applicant Initiated Interview Request Form

90/007,402; 90/007,403
Application No.: 90/007,407 First Named Applicant: Arthur Hair
Examiner: Roland Foster Art Unit: _____ Status of Application: Reexamination

Tentative Participants:
(1) Robert A. Koons (2) Michael R. Casey
(3) _____ (4) _____

Proposed Date of Interview: 11/16/06 **Proposed Time:** 1:00 **(AM/PM)**

Type of Interview Requested:
(1) [ ] Telephonic (2) [X] Personal (3) [ ] Video Conference

Exhibit To Be Shown or Demonstrated: [X] YES [ ] NO
If yes, provide brief description: See attached

Issues To Be Discussed

Issues (Rej., Obj., etc)	Claims/ Fig. #s	Prior Art	Discussed	Agreed	Not Agreed
(1) Rej.	All	All	[ ]	[ ]	[ ]
(2)			[ ]	[ ]	[ ]
(3)			[ ]	[ ]	[ ]
(4)			[ ]	[ ]	[ ]

[ ] Continuation Sheet Attached

Brief Description of Arguments to be Presented:
All claims are entitled to June 13, 1988 filing date. References that are appropriate prior art do not disclose novel features of invention.

An interview was conducted on the above-identified application on _____.
NOTE: This form should be completed by applicant and submitted to the examiner in advance of the interview (see MPEP § 713.01).
This application will not be delayed from issue because of applicant's failure to submit a written record of this interview. Therefore, applicant is advised to file a statement of the substance of this interview (37 CFR 1.133(b)) as soon as possible.

Applicant/Applicant's Representative Signature — Examiner/SPE Signature

Robert A. Koons
Typed/Printed Name of Applicant or Representative

32,474
Registration Number, if applicable

Attachment to Request f r Interview

Summary of Exhibits to be Presented

- Claim charts demonstrating that the issue of alleged new matter was considered by and passed on by Examiner in original examination of patents in reexamination.
- Claim charts showing that each and every limitation of claims currently in reexamination has support in the specification filed on June 13, 1988.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

23973 7590 11/16/2006

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: 11/16/2006

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

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United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
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11/21/06

THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS

ALBERT S. PENILA

MARTINE PENILLA & GENCARELLA LLP

710 LAKEWAY DRIVE, SUITE 200

SUNNYVALE, CA 94085

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO 90/007407

PATENT NO. 5,966,440

ART UNI 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 replly 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 Interview Summary	Control No. 90/007,403 ; 90/007,407	Patent Under Reexamination 5191570 5615734 5966440
	Examiner: Roland G. Foster	Art Unit: 3992

R.C.F. 11/16/06

All participants (USPTO personnel, patent owner, patent owner's representative):

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Date of Interview: 11/16/06

Type: a)☐ Telephonic b)☐ Video Conference
c)☑ Personal (copy given to: 1)☐ patent owner 2)☑ patent owner's representative)

Exhibit shown or demonstration conducted: d)☐ Yes e)☑ No.
If Yes, brief description: _____

Agreement with respect to the claims f)☐ was reached. g)☐ was not reached. h)☑ N/A.
Any other agreement(s) are set forth below under "Description of the general nature of what was agreed to..."

Claim(s) discussed: N/A

Identification of prior art discussed: N/A

Description of the general nature of what was agreed to if an agreement was reached, or any other comments:
PATENT OWNER'S REPRESENTATIVES DISCUSSED PRIORITY AND 112 ISSUES AND STRATEGIES TO OVERCOME THEM. IN ADDITION, POSSIBLE AMENDMENTS WERE DISCUSSED.
(A fuller description, if necessary, and a copy of the amendments which the examiner agreed would render the claims patentable, if available, must be attached. Also, where no copy of the amendments that would render the claims patentable is available, a summary thereof must be attached.)

SEE THE ATTACHED CHARTS FOR ADDITIONAL DETAILS.

A FORMAL WRITTEN RESPONSE TO THE LAST OFFICE ACTION MUST INCLUDE PATENT OWNER'S STATEMENT OF THE SUBSTANCE OF THE INTERVIEW. (See MPEP § 2281). IF A RESPONSE TO THE LAST OFFICE ACTION HAS ALREADY BEEN FILED, THEN PATENT OWNER IS GIVEN **ONE MONTH** FROM THIS INTERVIEW DATE TO PROVIDE THE MANDATORY STATEMENT OF THE SUBSTANCE OF THE INTERVIEW (37 CFR 1.560(b)). THE REQUIREMENT FOR PATENT OWNER'S STATEMENT CAN NOT BE WAIVED. **EXTENSIONS OF TIME ARE GOVERNED BY 37 CFR 1.550(c).**

cc: Requester (if third party requester)

Examiner's signature, if required

	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 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 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	Objections 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 responded to June 25, 1992	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	Objections responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action

ATTACHMENT TO 90/007,407

36 PAGES

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 specifically responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action

Claim Features f '440 Patent

Feature	Claims Reciting Feature	Written Description of Feature in Original Specificati n	Comments
A method/system for transferring desired digital video or digital audio signals	1-63	p. 1, lns. 13-15 p. 2, lns. 8-10, 20-26 (video) p. 5, lns. 36-43	*ipsis verbis*
forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party	1-22, 25-28, 36-46, 58-63	p. 3, lns. 35-40	*ipsis verbis*
first memory having desired digital video or digital audio signals	1-21, 25-28, 42-57, 62, 63	p. 3, lns. 35-37	*ipsis verbis*
selling electronically by the first party to the second party through telecommunications lines	1-22, 25-28, 40, 42-45	p. 2, lns. 47-52 p. 3, lns. 35-40	*ipsis verbis*
transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines	1-21, 25-28, 36-40, 42-46, 62-63	p. 2, ln. 47-52 p. 3, lns. 35-40 Fig. 1	*ipsis verbis*

the second party control unit with the second memory is in possession and control of the second party	1-41, 46-52, 62	p. 3, lns. 26-33, 40-43	The as filed original specification includes *ipsis verbis* 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.
playing through speakers of the second party control unit the digital video or digital audio signals in the second memory	1-10, 11, 22, 36-46, 63	p. 2, lns. 26-32	*ipsis verbis*
speakers of the second party control unit connected with the second memory of the second party control unit	1-10, 28, 35, 62	p. 3, lns. 25-32 p. 4, lns. 47-50 Fig. 1	*ipsis verbis*

first control unit in possession and control of first party	24, 31-35	p. 2, lns. 38-43 p. 3, lns. 35-49	The as filed original specification includes *ipsis verbis* 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.
second party location remote from the first party location, determined by the second party	2-63	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 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 previously pointed out in the declaration of Arthur Hair submitted May 5, 1992.

charging a fee via telecommunications lines by the first party to the second party	2-10, 19-21, 36-40, 43-45, 47-63	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 implicitly support for selling and thereby charging a fee. This was previously pointed out in the declaration of Arthur Hair submitted December 30, 1993.
second party has an account, charging the account of the second party **Possibly Amend to: "Charging the second party"**	3-10, 20-21, 38-40, 44-45, 56-57, 60-61	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. A skilled artisan would readily recognize that charging a fee via telecommunications lines would include the second party having an account that can be charged. This was previously pointed out in the declaration of Arthur Hair submitted December 30, 1993.
telephoning the first party controlling use of the first memory by the second party **Possibly Amend to: "establishing telephone communications between the first memory and the second memory"**	4-10, 39-40, 45, 57, 61	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 controlling the second memory to the first party controlling the first memory so the second party is charged money	4-10, 21, 39-40, 45, 61	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.
storing the desired digital video or digital audio signals in the second memory	5-10, 22, 36-41	p. 2, lns. 23-27	*ipsis verbis*
electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital audio signals	6-8	p. 2, lns. 17-19 p. 4, lns. 15-20	*ipsis verbis*
first memory includes first party hard disk	7-8, 13, 14, 27-28, 34-35, 49-54	p. 4, lns. 5-6 p. 3, ln. 19 Fig. 1	*ipsis verbis*
second party can view desired digital video signals	58-61	p. 5, lns. 36-43 p. 3, lns. 26-33	The as filed original specification has *ipsis verbis* support for a video display. Since the specification explicitly says that the invention is applicable to video, a skilled artisan would recognize that a user could view the desired video signals on the video display.

second party can listen to the desired digital audio signals	63	p. 4, lns. 27-28, 36-50	*ipsis verbis*
first memory includes a sales random access memory chip	7-8, 13-18, 25-28, 49-54	p. 3, lns. 19-24 Fig. 1	*ipsis verbis*
second party control unit includes second memory	48-54	p. 3, lns. 26-30 Fig. 1	The as filed original specification has *ipsis verbis* support for a second party control unit. A skilled artisan would readily understand that the second party hard disk corresponds to a second memory.
second party control unit has a second party control panel	8, 12-21, 25-28, 32-35, 47-57	p. 3, lns. 26-27 Fig. 1	*ipsis verbis*
second party control panel connected to the second party integrated circuit	8, 16-18, 25-28, 32-35, 52-54	p. 3, lns. 26-28 Fig. 1	*ipsis verbis*
second memory of the second party control unit includes an incoming random access memory chip	9-10, 17-18, 25-28, 32-35, 53-54	p. 3, ln. 26-29 Fig. 1	*ipsis verbis*
second memory of the second party control unit includes a second party hard disk for storing the desired digital video or digital audio signals	9-10, 12-21, 25-28, 34-35, 50-54	p. 3, lns. 26-31 Fig. 1	*ipsis verbis*

second memory of the second party control unit includes a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback	9-10, 25-28 32-35, 50-54	p. 3, lns. 26-30 p. 4, lns. 39-50 Fig. 1	*ipsis verbis*
a first party control unit having a first memory	12-21, 25-28	p. 3, lns. 20-24 Fig. 1	*ipsis verbis*
second party control unit having means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel	12-35	p. 3, lns. 26-33 Fig. 1	The as filed original specification has *ipsis verbis* support for speakers and video display which are means for playing.
first party control integrated circuit connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines	15-18, 25-28, 32-35, 51-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*

second party control integrated circuit connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines	16-18, 25-28, 52-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*
first party control integrated circuit and second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals	13-18, 25-28	p. 4, lns. 15-20	*ipsis verbis*
first party control panel connected to the first party control integrated circuit	15-18, 25-28, 51-54	p. 3, lns. 20-24 Fig. 1	*ipsis verbis*
incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines	17-18, 25-28, 53-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*
second party control unit includes a video display unit and/or speakers	18, 25-28, 35, 47-61	p. 3, lns. 26-33 Fig. 1	*ipsis verbis*

second party control unit having a receiver, second memory connected to the receiver	22, 41, 47-56, 58-60	p. 2, lns. 47-49 p. 3, lns. 35-38 p. 4, lns. 24-26	A skilled artisan would readily recognize in order to receive digital audio or digital video 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.
second party financially distinct from the first party	22, 41	p. 2, lns. 8-16, 20-27, 38-52 p. 35-49	Throughout the specification discloses electronic sales of digital video or digital audio signals. A skilled artisan would readily recognize that the first and second parties would be financially distinct since this is required in order to have a sale. This issue was previously addressed in the affidavit of Arthur Hair filed on May 5, 1992.
first memory with a transmitter in control and possession of the first party	22-24, 29-35, 41, 58-61, 63	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic distribution via telecommunications lines. A skilled artisan would readily recognize that this requires transmission of those signals, where the telecommunications lines act as the transmitter.

receiver is in possession and control of the second party	22-24, 29-35, 41, 58-61, 63	p. 2, lns. 47-49 p. 3, lns. 35-38 p. 4, lns. 24-26	A skilled artisan would readily recognize in order to receive digital audio or digital video 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 readily recognize that the receiver 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 December 30, 1993.
means or mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory	23-24, 30-35	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic sales via telecommunications lines. A skilled artisan would readily recognize that electronic sales via telecommunications lines would include the transfer of money via telecommunications lines. This was addressed previously in the affidavit of Arthur Hair dated May 5, 1992.

second party choosing desired digital video or digital audio from first memory with second party control panel	47-63	p. 2, lns. 8-16, 20-27, 38-52 p. 35-49	Throughout the specification discloses electronic sales of digital video or digital audio signals. A skilled artisan would readily recognize that this includes the selection of individual desired signals by the purchaser.
means or mechanism for connecting electronically via telecommunications lines the first memory with the second memory	23-24, 29-35	p. 4, lns. 15-20 Fig. 1	A skilled artisan would readily recognize from the specification that the first memory would include a means for connecting to the second memory via the disclosed telephone lines.
means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory to a receiver having the second memory	23-24, 29-35	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic distribution via telecommunications lines. A skilled artisan would readily recognize that this requires transmission of those signals, where the telecommunications lines act as the transmitter. A skilled artisan would also readily recognize in order to receive digital audio or digital video signals over telecommunications lines, 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.

means or a mechanism for storing the digital video or digital audio signals in the second memory	23-24, 29-35	p. 3, lns. 26-31 p. 4, lns. 15-20 Fig. 1	The second party control unit includes a second party control integrated circuit which regulates the transfer of the digital audio and digital video signals. A skilled artisan would readily recognize that the second party integrated circuit regulates storage of the digital audio or digital video signals.
playing means or mechanism connected to the second memory	23-24, 29-35	p. 3, lns. 26-33 p. 4, lns. 39-50 Fig. 1	*ipsis verbis*
second memory connected to receiver and video display	48-54, 58-61	p. 3, lns. 26-33 p. 4, lns. 39-50 Fig. 1	The as filed original specification has *ipsis verbis* support for a video display connected to the second memory. A skilled artisan would also readily recognize in order to receive digital audio or digital video signals over telecommunications lines, 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.
telecommunications lines include telephone lines	26-28, 33-35	p. 3, ln. 25 Fig. 1	*ipsis verbis*
incurring a fee by second party to first party for use of telecommunication lines, the desired digital video or audio signal in first memory	46		**(CANCEL)**

Claim Features f '573 Patent

Feature	Claims Reciting Feature	Written Descripti n f Feature in Original Specificati n	Comments
A method for transmitting a desired digital audio signal	1	p. 1, lns. 7-9 p. 2, lns. 8-10, 20-26	*ipsis verbis*
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 *ipsis verbis* 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 implicitly 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 *ipsis verbis* 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	*ipsis verbis*

transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party	1	p. 2, ln. 47-52 p. 3, lns. 35-40 Fig. 1	The as filed original specification has *ipsis verbis* 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	*ipsis verbis*
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 *ipsis verbis* 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 *ipsis verbis* 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 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 *ipsis verbis* 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	*ipsis verbis*

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, ln. 47-52 p. 3, lns. 35-40 Fig. 1	The as filed original specification has *ipsis verbis* 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 *ipsis verbis* 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 *ipsis verbis* 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 *ipsis verbis* 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.

Claim Features of '734 Patent

Feature	Claims Reciting Feature	Written Description of Feature in Original Specification	Comments
A method/system for transferring desired digital video or digital audio signals	1-34	p. 1, lns. 7-9 p. 2, lns. 8-10, 20-26 (video) p. 5, lns. 36-43	*ipsis verbis*
forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party	1	p. 3, lns. 35-40	*ipsis verbis*
first party location and second party location remote from the first party location, the second party location determined by the second party	1, 4, 11, 16, 19, 26	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 understand this to comprehend transfers between two remote locations. Since the digital audio or digital video signals are transferred to the user's (second party's) control unit, a skilled artisan would readily understand that the second party can determine the second location.
the first party memory having a first party hard disk having a plurality of digital video or digital audio signals, including coded digital video or digital audio signals	1, 4, 16	p. 3, lns. 35-37	*ipsis verbis*

the first memory having a sales random access memory chip	1	p. 3, lns. 19-24 Fig. 1	*ipsis verbis*
telephoning the first party controlling the first memory by the second party **Possibly Amend to: "establishing telephone communications between the first memory and the second memory"**	1	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 second party is charged money	1	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.
electronically coding the digital video or digital audio signals to form coded digital audio signals into a configuration that would prevent unauthorized reproduction	1	p. 2, lns. 17-19 p. 4, lns. 15-20	*ipsis verbis*

storing a replica of the coded desired digital video or digital audio signals from the hard disk to the sales random access memory chip	1	p. 4, lns. 15-23	*ipsis verbis*
transferring the stored replica of the coded desired digital video or digital audio signal from the sales random access memory chip of the first party to the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party	1, 4	p. 4, lns. 15-23 p. 4, ln. 35 to p. 5, ln. 21	The original as filed specification includes *ipsis verbis* support for storing a replica of the coded desired digital audio or digital video signal to the first party sales random access memory, then transferring it to the memory of 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 memory. This was previously addressed in the declaration of Arthur Hair filed May 5, 1992.
storing the transferred digital video or digital audio signals in the second memory	1	p. 2, lns. 23-27	*ipsis verbis*

a second party integrated circuit which controls and executes commands of the second party connected to a second party control panel	2	p. 3, lns. 26-28 p. 4, lns. 15-20 Fig. 1	*ipsis verbis*
commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party hard disk	2	p. 4, lns. 12-20	**(CANCEL)**
the second memory includes a second party hard disk and an incoming random access memory chip	3, 5, 8, 13, 16, 21, 30	p. 3, lns. 26-31 Fig. 1	*ipsis verbis*
the second memory includes a playback random access memory chip	3, 5, 16, 21, 30	p. 3, lns. 26-30 p. 4, lns. 39-50 Fig. 1	*ipsis verbis*
playing the desired digital video or digital audio signal from the second party hard disk	3	p. 2, lns. 26-32	*ipsis verbis*

a first party control unit (in possession and control of the first party)	4, 11, 16, 19, 26, 28	p. 2, lns. 38-43 p. 3, lns. 35-49	The as filed original specification includes *ipsis verbis* 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.

a second party control unit (in possession and control of the second party)	4, 11, 16, 19, 26, 28	p. 2, lns. 38-43 p. 3, lns. 35-49	The as filed original specification includes *ipsis verbis* 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 addressed in the declaration of Arthur Hair filed May 5, 1992.

the first party control unit has a first party hard disk, a sales random access memory chip, and means or mechanism for electronically selling desired digital video or digital audio signals	4, 11, 19, 26, 28	p. 2, lns. 8-10 p. 3, lns. 20-40 Fig. 1	The as filed original specification has *ipsis verbis* support for a first party control unit with a hard disk, and sales random access memory chip. A skilled artisan would readily recognize that the first party control unit would include a means or mechanism for executing an electronic sale because the electronic sale is described in the original specification as separate from electronic transfer and electronic distribution.
the second party control unit has a second memory connected to the second party control panel	4, 19, 21, 26, 28	p. 3, lns. 26-31 Fig. 1	The as filed original specification has *ipsis verbis* support for a control panel connected to the second party control unit. A skilled artisan would readily understand that the second party hard disk corresponds to a second memory.
the second party control unit has means for playing desired digital video or digital audio signals connected to and controlled by the second party control panel	4, 28	p. 3, lns. 26-33 Fig. 1	*ipsis verbis*
selling digital video or digital audio signals through telecommunications lines	4	p. 2, lns. 8-10, lns. 47-50	*ipsis verbis*

the first party control unit includes a first party control integrated circuit connected to the first party hard disk, the sales random access memory and the second party control panel through telecommunications lines	4, 6, 11, 16, 19, 22, 26, 28, 31,	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*
the first party control unit includes a first party control panel connected to and through which the first party control integrated circuit is programmed	6, 11, 16, 22, 31	p. 3, lns. 20-24 p. 4, lns. 12-14 Fig. 1	*ipsis verbis*
the second party control unit includes a second party control integrated circuit connected to the second party hard disk, the playback random access memory and the first party control integrated circuit	7, 11, 16, 23, 32	p. 3, lns. 20-33 p. 4, lns 15-20 Fig. 1	*ipsis verbis*
the second party control integrated circuit and the first party control integrated circuit regulate the transfer of desired digital video or digital audio signals	7, 22, 23, 31, 32	p. 4, lns. 15-20	*ipsis verbis*
the second party control unit includes a second party control panel connected to and through which the second party control integrated circuit is programmed	7, 16, 19, 23, 26, 28, 32	p. 3, lns. 26-28 p. 4, lns. 12-14 Fig. 1	*ipsis verbis*

the playing means of the second party control unit includes a video display	9, 14, 18, 19, 25, 34	p. 3, lns. 26-33 p. 5, lns. 9-21 Fig. 1	*ipsis verbis*
the telecommunications lines include telephone lines	10, 11, 12, 15, 17, 20, 27, 29	p. 3, ln. 25 Fig. 1	*ipsis verbis*
means or mechanism for transferring money electronically via telecommunications lines from the second party to the first party	11, 16, 19	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic sales via telecommunications lines. A skilled artisan would readily recognize that electronic sales via telecommunications lines would include the transfer of money via telecommunications lines. This was addressed previously in the affidavit of Arthur Hair dated May 5, 1992.
means or mechanism for the first party to charge a fee to the second party and granting access to desired digital video or digital audio signals	16, 19, 26	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 implicitly support for selling and thereby charging a fee. This was previously pointed out in the declaration of Arthur Hair submitted December 30, 1993.

means or mechanism for connecting electronically via telecommunications lines the first memory with the second memory	11, 16,	p. 4, lns. 15-20 Fig. 1	A skilled artisan would readily recognize from the specification that the first memory would include a means for connecting to the second memory via the disclosed telephone lines.
the second party control unit includes an incoming random access memory	11, 16, 24, 33	p. 3, lns. 26-29 Fig. 1	*ipsis verbis*
means or mechanism for transmitting desired digital video or digital audio signals	11, 16, 26, 28	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic distribution via telecommunications lines. A skilled artisan would readily recognize that this requires transmission of those signals, where the telecommunications lines act as the transmitter. A skilled artisan would also readily recognize in order to receive digital audio or digital video signals over telecommunications lines, 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 transmitter connected to the first memory and the telecommunications lines, the first party in possession and control of the transmitter	11, 16	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic distribution via telecommunications lines. A skilled artisan would readily recognize that this requires transmission of those signals, where the telecommunications lines act as the transmitter.

a receiver connected to the second memory and the telecommunications lines, the second party in possession and control of the receiver	11, 16, 19, 26	p. 2, lns. 47-49 p. 3, lns. 35-38 p. 4, lns. 24-26	A skilled artisan would readily recognize in order to receive digital audio or digital video 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 readily recognize that the receiver 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 December 30, 1993.

the transmitter remote from the receiver, the receiver at a location determined by the second party in electrical communication with the connecting means or mechanism	11	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 understand this to comprehend transfers between two remote locations. A skilled artisan would further recognize that in order for transmission of the digital audio or video signals to occur the transmitter and receiver have to be in electrical communication with the connecting means.
means or mechanism for storing desired digital video or digital audio signals with the receiver	11, 16	p. 3, lns. 26-31 p. 4, lns. 15-20 Fig. 1	The second party control unit includes a second party control integrated circuit which regulates the transfer of the digital audio and digital video signals. A skilled artisan would readily recognize that the second party integrated circuit regulates storage of the digital audio or digital video signals.

speakers in possession and control of the second party	14, 18, 26	p. 3, ln. 33, 47-49	The as filed original specification has *ipsis verbis* support for speakers. A skilled artisan would readily recognize that the speakers would be in possession and control of the second party since the specification throughout states that the second party may repeatedly listen to stored songs through the speakers.
the second party choosing desired digital audio signals from the first party's hard disk	26	p. 2, lns. 8-16, 20-27, 38-52 p. 35-49	Throughout the specification discloses electronic sales of digital video or digital audio signals. A skilled artisan would readily recognize that this includes the selection of individual desired signals by the purchaser.

Application Number	Application/Control No.	Applicant(s)/Patent under Reexamination	
	90/007,407	5966440	
	Examiner	Art Unit	
	Roland G. Foster	3992	

CERTIFICATE UNDER 37 C.F.R. 1.10

In Re: Arthur R. Hair

Docket No.: 219099/440
Patent No.: 5,966,440
Re-Examination Control No.: 90/007,407
Re-Examination Filing Date: January 31, 2005
Examiner: Roland Foster

EXPRESS MAIL: EV 502958283 US

DATE OF DEPOSIT: November 29, 2006

I hereby certify that the following correspondence

Transmittal Letter and Fee Sheet
Response/Amendment
Authorization
Certificate of Service
Return Receipt Postcard

are being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 on the date indicated above and is addressed to Mail Stop Ex Parte Re-Examination, Commissioner for Patents, PO Box 1450, Alexandria, VA 22313-1450.

Jane D. Roberts
(Typed or printed name of person mailing paper)

(Signature of person mailing paper or fee)

Drinker Biddle & Reath LLP
One Logan Square
18th and Cherry Streets
Philadelphia, PA 19103-6996

Customer No. 23973

PHIP\449843\1

TRANSMITTAL FORM

(to be used for all correspondence after initial filing)

Patent Number	**5,966,440**
Issue Date	**12 October 1999**
First Named Inventor	**Arthur R. Hair**
Control Number	90/007407
Examiner Name	Roland Foster
Customer Number	23973
Attorney Docket Number	219099/440

Total Number of Pages in This Submission

ENCLOSURES (*check all that apply*)

- [X] Fee Transmittal Form
  - [X] Fee Attached
- [X] Amendment/Reply
  - [ ] Restriction Requirement
  - [X] Response/Amendment to non-final Office Action
  - [ ] After Final
  - [ ] Affidavits/declaration(s)
- [ ] Extension of Time Request
- [ ] Express Abandonment Request
- [ ] Information Disclosure Statement
- [ ] Certified Copy of Priority Document(s)
- [ ] Response to Missing Parts/ Incomplete Application
  - [ ] Response to Missing Parts under 37 CFR 1.52 or 1.53
- [ ] Assignment Papers (*for an Application*)
- [ ] Drawing(s) – Figs.
- [ ] Licensing-related Papers
- [ ] Petition
- [ ] Petition to Convert to a Provisional Application
- [ ] Power of Attorney, Revocation Change of Correspondence Address
- [ ] Terminal Disclaimer
- [ ] Request for Refund
- [ ] CD, Number of CD(s)
  - [ ] Landscape Table on CD
- [ ] After Allowance Communication to TC
- [ ] Appeal Communication to Board of Appeals and Interferences
- [ ] Appeal Communication to TC (*Appeal Notice, Brief, Reply Brief*)
- [ ] Proprietary Information
- [ ] Status Letter
- [X] Other Enclosure(s) (*please identify below*):
  - [x] Return Receipt Postcard
  - [x] Check
  - [x] Authorization and Petition
  - [x] Certificate of Service

SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT

Firm Name	**Drinker Biddle & Reath LLP**
Signature	
Printed Name	**Robert A. Koons, Jr., Reg. No. 32474**
Date	29 November 2006

CERTIFICATE OF MAILING UNDER 37 CFR 1.10

I hereby certify that this paper, along with any documents referred to as being enclosed therewith, is being deposited with the United States Postal Service in an Express Mail envelope addressed to Mail Stop Ex Parte ReExam, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on:

Typed or printed name	Jane D. Roberts	Express Mail No.: **EV 502958283 US**
Signature		Date: 29 November 2006

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FEE TRANSMITTAL for FY 2006

Patent fees are subject to annual revision.

☐ Applicant claims small entity status. See 37 CFR 1.27

TOTAL AMOUNT OF PAYMENT ($2,500.00)

Complete if known	
Patent Number	5,966,440
Issue Date	12 October 1999
First Named Inventor	Arthur R. Hair
Examiner Name	Roland Foster
Control Number	90/007407
Attorney Docket No.	219099/440

METHOD OF PAYMENT *(check all that apply)*

☒ Check ☐ Credit Card ☐ Money Order ☐ Other ☐ None

☒ Deposit Account:
Deposit Account Number **50-0573**
Deposit Account Name **Drinker Biddle & Reath LLP**

The Director is authorized to: *(check all that apply)*

☐ Charge fee(s) indicated below ☒ Credit any overpayments

☒ Charge any additional fee required under 37 CFR 1.16 and 1.17

☐ Charge fee(s) indicated below, **except for the filing fee** to the above-identified deposit account.

FEE CALCULATION

EXTRA CLAIMS FEES FOR UTILITY AND REISSUE

Total Claims Remaining After Amendment:	103
Highest # Total Claims Previously Paid For:	69
Total Claims Unpaid For:	**34**
Independent Claims After Amendment:	18
Highest # Independent Claims Prev. Paid For:	14
Total Independent Claims Unpaid For:	**4**
Number of Multiple Dependent Claims:	0

Additional Fee Owed:
34 Additional Claims X $50 = $1700.00
4 Additional Independent Claims X $200 = $ 800.00
TOTAL OWED: $2,500.00

Large Entity Fee Code	Large Entity Fee ($)	Small Entity Fee Code	Small Entity Fee Code	Fee Description
1202	50	2202	25	Claims in excess of 20
1201	200	2201	100	Independent claims in excess of 3
1203	360	2203	180	Multiple dependent claim, if not paid
1204	200	2204	100	**Reissue independent claims over original patent
1205	50	2205	25	**Reissue claims in excess of 20 and over original patent

**or number previously paid, if greater; For Reissue, see above

FEE CALCULATION (continued)

ADDITIONAL FEES

Large Entity Fee Code	Large Entity Fee ($)	Small Entity Fee Code	Small Entity Fee ($)	Fee Description	Fee Paid
1051	130	2051	65	Surcharge – late filing fee or oath	
1052	50	2052	25	Surcharge – late provisional filing fee or cover sheet	
1053	130	1053	130	Non-English specification	
1812	2,520	1812	2,520	For filing a request for *ex parte* reexamination	
1804	920*	1804	920*	Requesting publication of SIR prior to Examiner action	
1805	1,840*	1805	1,840*	Requesting publication of SIR after Examiner action	
1251	120	2251	60	Extension for reply within first month	
1252	450	2252	225	Extension for reply within second month	
1253	1,020	2253	510	Extension for reply within third month	
1254	1,590	2254	795	Extension for reply within fourth month	
1255	2,160	2255	1,080	Extension for reply within fifth month	
1401	500	2401	250	Notice of Appeal	
1402	500	2402	250	Filing a brief in support of an appeal	
1403	1,000	2403	500	Request for oral hearing	
1451	1,510	1451	1,510	Petition to institute a public use proceeding	
1452	500	2452	250	Petition to revive – unavoidable	
1453	1,500	2453	750	Petition to revive – unintentional	
1501	1,400	2501	700	Utility issue fee (or reissue)	
1503	1,100	2503	550	Plant issue fee	
1462	400	1462	400	Petition to the Commissioner – Group I	
1463	200	1463	200	Petition to the Commissioner – Group II	
1464	130	1464	130	Petition to the Commissioner – Group III	
1807	50	1807	50	Processing fee under 37 CFR 1.17(q)	
1806	180	1806	180	Submission of Information Disclosure Stmt	
1810	790	2810	395	For each additional invention to be examined (37 CFR § 1.129(b))	
1801	790	2801	395	Request for Continued Examination (RCE)	
1802	900	1802	900	Request for expedited examination of a design application	
Other fee (specify)					

12/05/2006 JPREDDIE 00000005 90007407
01 FC:1822 1700.00 OP
02 FC:1821 800.00 OP

SUBMITTED BY CUSTOMER NO. 23973 Complete (if applicable)

Name (Print/Type)	Robert A. Koons, Jr.	Registration No. (Attorney/Agent)	32474	Telephone	(215) 988.3392
Signature				Date	29 November 2006

TRANSMITTAL FORM

(to be used for all correspondence after initial filing)

Patent Number	**5,966,440**
Issue Date	**12 October 1999**
First Named Inventor	**Arthur R. Hair**
Control Number	90/007407
Examiner Name	Roland Foster
Customer Number	23973
Attorney Docket Number	219099/440

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Firm Name	**Drinker Biddle & Reath LLP**
Signature	
Printed Name	**Robert A. Koons, Jr., Reg. No. 32474**
Date	29 November 2006

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Typed or printed name	Jane D. Roberts	Express Mail No.: **EV 502958283 US**
Signature	Jane D. Roberts	Date: 29 November 2006

FEE TRANSMITTAL for FY 2006

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☐ Applicant claims small entity status. See 37 CFR 1.27

TOTAL AMOUNT OF PAYMENT | **($2,500.00)**

Complete if known	
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Issue Date	12 October 1999
First Named Inventor	Arthur R. Hair
Examiner Name	Roland Foster
Control Number	90/007407
Attorney Docket No.	219099/440

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☒ Check ☐ Credit Card ☐ Money Order ☐ Other ☐ None

☒ Deposit Account:
Deposit Account Number **50-0573**
Deposit Account Name **Drinker Biddle & Reath LLP**

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☐ Charge fee(s) indicated below ☒ Credit any overpayments

☒ Charge any additional fee required under 37 CFR 1.16 and 1.17

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Independent Claims After Amendment:	18
Highest # Independent Claims Prev. Paid For:	14
Total Independent Claims Unpaid For:	**4**
Number of Multiple Dependent Claims:	0

Additional Fee Owed:
34 Additional Claims X $50 = $1700.00
4 Additional Independent Claims X $200 = $ 800.00
TOTAL OWED: $2,500.00

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1204	200	2204	100	**Reissue independent claims over original patent
1205	50	2205	25	**Reissue claims in excess of 20 and over original patent

**or number previously paid, if greater; For Reissue, see above

FEE CALCULATION (continued)

ADDITIONAL FEES

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1452	500	2452	250	Petition to revive – unavoidable	
1453	1,500	2453	750	Petition to revive – unintentional	
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1802	900	1802	900	Request for expedited examination of a design application	
Other fee (specify)					

SUBMITTED BY CUSTOMER NO. 23973 Complete (if applicable)

Name (Print/Type)	Robert A. Koons, Jr.	Registration No. (Attorney/Agent)	32474	Telephone	(215) 988.3392
Signature				Date	29 November 2006

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)	
	)	
ARTHUR R. HAIR	)	
	)	
Reexamination Control No. 90/007,407	)	
	)	
Reexamination Filed: January 31, 2005	)	SYSTEM AND METHOD FOR
	)	TRANSMITTING DESIRED
Patent Number: 5,966,440	)	DIGITAL VIDEO OR DIGITAL
	)	AUDIO SIGNALS
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 September 29, 2006, please enter the following amendments and remarks.

Amendments to the Claims begin on page **2** of this paper.

Remarks begin on page **31** of this paper.

In the Claims

1.(Amended) A method for transferring desired digital video or digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party; and

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; storing the desired digital video or digital audio signals in a non-volatile storage portion the second memory; and playing through speakers of the second party control unit the digital video or digital audio signals stored in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

5.(Canceled)

6.(Amended) A method as described in Claim [5] 4 including before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.

9.(Canceled)

11.(Amended) A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party;

entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party;

forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party;

storing the desired digital video or digital audio signals in a non-volatile storage portion of the second memory;

entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit; and

playing the desired digital video or digital audio signals with the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

12.(Amended) A system for transferring digital video or digital audio signals comprising:

a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals;

a second party control unit having a second party control panel, a second memory connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and

telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in

possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party;

the second memory including a non-volatile storage portion that stores the desired digital video or digital audio signals,

wherein the non-volatile storage portion is not a tape or CD.

14.(Amended) A system as described in Claim 13 wherein the second party control unit includes [a second party hard disk which stores a plurality of digital video or digital audio signals, and] a playback random access memory chip electronically connected to the [second party hard disk] non-volatile storage portion for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.

17.(Canceled)

23.(Amended) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising:

means or a mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory, the second memory including a non-volatile storage portion, wherein the non-volatile storage portion is not a tape or CD, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals

can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the non-volatile storage portion of the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the non-volatile storage portion of the second memory, said playing means or mechanism connected to the second memory.

27.(Amended) A system as described in Claim 26 wherein the first memory comprises a first hard disk [and the second memory comprises a second hard disk].

29.(Amended) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising:

means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said first party controlling use of the first memory, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism <u>including a non-volatile storage portion of the second memory that is not a tape or CD,</u> in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

36.(Amended) A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising the steps of:

placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines, the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines;

storing the digital video or digital audio signals in a non-volatile storage portion of the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

42.(Amended) A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; storing the desired digital video or digital audio signals in a non-volatile storage portion of the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

46.(Canceled)

47.(Amended) A system for transferring digital video signals from a first party to a second party at a second party location comprising:

a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals, and means or a mechanism for the first party to

charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location;

a second party control unit having a second party control panel, a receiver, a second memory and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the, second memory, the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and

telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party;

the second memory including a non-volatile storage portion for storing the digital video signals that are received by the receiver;

wherein the non-volatile storage portion is not a tape or CD.

49.(Amended) A system as described in Claim [48] 47 wherein the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired digital video signals, and a sales random access memory chip electronically connected to

the first party hard disk for storing a replica of the desired digital video signals of the first party's hard disk.

50.(Amended) A system as described in Claim 49 wherein the second [party control unit] memory includes [a second party hard disk which stores a plurality of digital video signals, and] a playback random access memory chip electronically connected to the [second party hard disk] non-volatile storage portion for storing a replica of the desired digital video signals as a temporary staging area for playback.

53.(Amended) A system as described in Claim 52 wherein the second party control unit includes an incoming random access memory chip connected to the [second party hard drive] non-volatile storage portion and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party's control unit for subsequent storage to the [second party hard disk] non-volatile storage portion.

58.(Amended) A method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second memory of a second party at a second party location so the second party can view the desired digital video signals comprising the steps of:

placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals;

connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;

choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected;

transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party;

storing the desired digital video signals in a non-volatile storage portion of the second memory; and

displaying the desired video signals received by the receiver on the video display in possession and control of the second party;

wherein the non-volatile storage portion is not a tape or CD.

64 through 79 (canceled)

80.(New) A method for transferring desired digital video or digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, the second memory

including a second party hard disk, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party; and

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; storing the desired digital video or digital audio signals in the second party hard disk; and playing through speakers of the second party control unit the digital video or digital audio signals stored in the second party hard disk, said speakers of the second party control unit connected with the second memory of the second party control unit.

81.(New) A method as described in Claim 80 wherein the step of charging the account of the second party 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.

82.(New) A method as described in Claim 81 including before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.

83.(New) A method as described in Claim 82 wherein the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and including before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the first party hard disk into the sales random access memory chip.

84.(New) A method as described in Claim 83 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.

85.(New) A method as described in Claim 84 wherein the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip and a playback random access memory chip for temporarily storing the desired digital video or

digital audio signals for sequential playback; and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback.

86.(New) A method as described in Claim 85 including after the transferring step, there is the step of repeating the commanding, playing, and transferring a replica steps.

87.(New) A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party;

entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party;

forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having desired digital video or digital audio signals, the second memory including a second party hard disk;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party;

storing the desired digital video or digital audio signals in the second party hard disk;

entering into the second party control panel commands to play the desired digital video or digital audio signals in the second party hard disk of the second party control unit; and

playing the desired digital video or digital audio signals with the second party control unit.

88.(New) A system for transferring digital video or digital audio signals comprising:

a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals;

a second party control unit having a second party control panel, a second memory, including a second party hard disk storing the desired digital video or digital audio signals connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and

telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party and stored in the second party hard disk.

89.(New) A system as described in Claim 88 wherein the first party control unit includes a first party hard disk having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party hard disk.

90.(New) A system as described in Claim 89 wherein the second party control unit includes a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.

91.(New) A system as described in Claim 90 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit

and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

92.(New) A system as described in Claim 91 wherein the second party control integrated circuit controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

93.(New) A system as described in Claim 92 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video or digital audio signals received from the first party's control unit for subsequent storage to the second party hard disk.

94.(New) A system as described in Claim 93 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.

95.(New) A system as described in Claim 88 wherein the means or mechanism for electronically selling includes means or a mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

96.(New) A system as described in Claim 95 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

97.(New) A system as described in Claim 96 wherein the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party.

98.(New) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising:

means or a mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory, said second party controlling use and in possession of the second memory, the second memory including a hard disk;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second party hard disk, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

99.(New) A system as described in Claim 98 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

100.(New) A system as described in Claim 94 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

101.(New) A system as described in Claim 100 wherein the telecommunications lines include telephone lines.

102.(New) A system as described in Claim 101 wherein the first memory comprises a first hard disk.

103.(New) A system as described in Claim 102 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

104.(New) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising:

means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said first party controlling use of the first memory, said second party controlling use and in possession of the second memory, the second memory including a second party hard disk;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver

having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second party hard disk, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

105.(New) A system as described in Claim 104 wherein the means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location.

106.(New) A system as described in Claim 105 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

107.(New) A system as described in Claim 106 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second

control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

108.(New) A system as described in Claim 107 wherein the telecommunications lines include telephone lines.

109.(New) A system as described in Claim 108 wherein the first memory comprises a first hard disk.

110.(New) A system as described in Claim 109 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

111.(New) A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising the steps of:

placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location, the second memory including a second party hard disk;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said

telecommunications lines, the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines;

storing the digital video or digital audio signals in the second party hard disk; and playing the digital video or digital audio signals stored in the second party hard disk with the second party control unit.

112.(New) A method as described in Claim 111 wherein the step of charging the account of the second party 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.

113.(New) A method as described in Claim 112 including after the transferring step, there is the step of repeating the charging a fee, connecting, and transferring steps.

114.(New) A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals, the second memory including a second party hard disk;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; storing the desired digital video or digital audio signals in the second party hard disk; and playing the digital video or digital audio signals stored in the second party hard disk with the second party control unit.

115.(New) A method as described in Claim 114 wherein the step of charging the account of the second party 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.

116.(New) A system for transferring digital video signals from a first party to a second party at a second party location comprising:

a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location;

a second party control unit having a second party control panel, a receiver, a second party hard disk and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the second party hard disk, the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and

telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party;

the second party hard disk storing the digital video signals that are received by the receiver.

117.(New) A system as described in Claim 116 wherein the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired digital video signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video signals of the first party hard disk.

118.(New) A system as described in Claim 117 wherein the second party control unit includes a a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video signals as a temporary staging area for playback.

119.(New) A system as described in Claim 118 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

120.(New) A system as described in Claim 119 wherein the second party control integrated circuit controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first

party control integrated circuit regulate the transfer of the desired digital video signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

121.(New) A system as described in Claim 120 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard disk and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party control unit for subsequent storage to the second party hard disk.

122.(New) A system as described in Claim 121 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video signals.

123.(New) A system as described in Claim 116 wherein the means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.

124.(New) A system as described in Claim 123 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

125.(New) A system as described in Claim 124 wherein the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party.

126.(New) A method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second memory of a second party at a second party location so the second party can view the desired digital video signals comprising the steps of:

placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location, the second receiver in electrical communication with the second memory, which includes a second party hard disk;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals;

connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;

choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected;

transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party;

storing the desired digital video signals in the second party hard disk; and

displaying the desired video signals received by the receiver on the video display in possession and control of the second party.

127.(New) A method as described in Claim 126 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory.

128.(New) A method as described in Claim 127 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

129.(New) A method as described in Claim 128 wherein the step of charging the account of the second party 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.

REMARKS

Claims 1, 4, 6 through 21, 23 through 26, 28 through 36, 39, 40, 42, 45 and 47 through 61 as issued, and newly added Claims 80 through 129 currently are pending in the reexamination. All of the originally issued claims as rejected were either in their original form as issued in U.S. Patent No. 5,966,440 (the "'440 Patent"), or merely were re-written to incorporate limitations from canceled dependent claims. Patentee has canceled Claims 5 and 46, and further has canceled Claims 64 through 79, which were newly added in reexamination, without prejudice. Patentee has amended Claims 1, 6, 9, 11, 12, 14, 17, 23, 27, 29, 36, 42, 47, 49, 50, 53 and 58. Patentee has added Claims 80 through 129.

I. SUMMARY

Patentee first wishes to thank the Examiner and the Office for taking time to conduct the Interview held on November 16, 2006 to discuss the instant reexamination and the two copending reexaminations.

In the most recent Office Action, the Office has raised new rejections based on prior art and alleged failure of the patents in reexamination to comply with the written description and enablement requirements of 35 U.S.C. § 112, first paragraph. Related to the alleged failure of the claims to be supported properly or enabled by the originally filed specification, the Office has further alleged that the claims in the instant reexamination are not entitled to the priority date corresponding to the filing date of the original specification.

To establish either *prima facie* anticipation or obviousness of the claims, the Office has cited patent references that do not qualify as prior art based on the June 13, 1988 priority date, to which the Patentee believes the claims in reexamination are entitled. As a predicate for citing this post 1988 art, the Office has asserted that the claims of the '440 Patent are not entitled to the

June 13, 1988 filing date due to an alleged failure of the originally filed specification to provide an adequate written description and/or properly enable the claimed invention. For the reasons set forth below, Patentee respectfully submits that it is improper for the Office to reconsider the priority date awarded to the claims as issued in the original examination. In addition, notwithstanding the impropriety of considering the issue, Patentee respectfully submits for the reasons set forth below that the claims as issued in the '440 Patent both are described adequately and enabled by the original specification as filed. As a result, the claims as issued are entitled to the June 13, 1988 priority date and the post 1988 references cited by the Office, i.e. U.S. Patent No. 5,132,992 to *Yurt* (*Yurt*); and U.S. Patent No. 5,241,428 to *Goldwasser et al* (*Goldwasser*), cannot be considered for the purposes of 35 U.S.C. §§ 102 and 103, or to support a rejection for obviousness-type double-patenting.

In the current Office Action, the Office also has cited a single reference that antedates the June 13, 1988 priority date. However, this reference relates to reproducing copies of audio or video signals on tapes and/or CDs. As set forth below, the claimed invention obviates the use of tapes and CDs as a storage medium for audio and video signals. As a result, there is no applicable prior art of record that shows, suggests, or teaches each and every limitation of the claimed invention.

The Office also has rejected the claims of the '440 Patent under the doctrine of obviousness-type double-patenting over the claims of U.S. Patent No. 5,191,573 (the "'573 Patent") and U.S. Patent No. 5,675,734 (the "'734 Patent"). Patentee respectfully submits that it is improper for the Office even to consider the issue of double-patenting now, because that issue was before the examiner in the original examination of the '440 Patent. Moreover, the Office has not supported by reference to the prior art its assertion of obviousness of the claims of the

'440 Patent over the claims of either the '573 or '734 Patents. Patentee therefore respectfully submits these rejections are improper for this reason as well.

The rejections of Claims 64 through 79 under 35 U.S.C. § 112, first paragraph, have been mooted by the cancellation of those claims. As recognized by the Office, it is inappropriate to apply rejections under 35 U.S.C. § 112 to unamended claims, which now is the case for all of the currently pending claims as rejected by the Office. Specifically, under 37 C.F.R. § 1.552, it is only appropriate to consider 35 U.S.C. § 112 "with respect to subject matter added or deleted in the reexamination proceeding."

Patentee has, however, introduced amendments to the pending originally issued Claims 1, 6, 9, 11, 12, 13, 14, 17, 23, 29, 36, 42, 47, 49, 50, 53 and 58, which amendments are fully supported by the specification filed on June 13, 1988, as set forth below. Patentee respectfully submits that, because the claims as issued in the '440 Patent are entitled to the June 13, 1988 priority date, and because the amendatory subject matter added by the instant amendments is supported fully by the originally filed specification, the claims as amended also are entitled to the June 13, 1988 priority date, and further are allowable over the applicable prior art of record for the reasons set forth below.

II. CLAIM AMENDMENTS

Patentee has amended independent Claims 1, 11, 12, 23, 29, 36, 42, 47 and 58 to recite that the digital audio or digital video signals are stored in a non-volatile portion of the second memory, wherein the non-volatile storage portion is not a tape or CD. Support for this feature is found in the originally filed specification at for example at page 4, lines 35 to 49, *et seq.*, which recites specifically a hard disk. A hard disk is a form of non-volatile storage. *See e.g.* http://en.wikipedia.org/wiki/Non-volatile_storage ("Non-volatile memory, or non-volatile

storage, is computer memory that can retain the stored information even when not powered.") Examples of non-volatile storage include computer hard disks. *See Id.* This definition is consistent with the usage of the term "non-volatile storage" at the time the original specification was filed. *See e.g.* U.S. Patent No. 4,458,109 at column 10, lines 60 to 62 ("The message MSG is stored on a non-volatile mass storage subsystem 43, for instance a hard disk."); U.S. Patent 4,872,064 at column 8, lines 15 to 17 ("More generally, Remote Storage 3 can be any non-volatile storage device including hard disk.") Thus it is clear that at the time of filing, June 13, 1988, a skilled artisan would have understood that a hard disk is a non-volatile storage and therefore supports the limitation. Therefore, no new matter has been added by the amendments.

Patentee has canceled Claims 5 and 46.

Patentee has added new independent Claims 80, 87, 88, 98, 104, 111, 114, 116 and 126, which mirror existing independent Claims 1, 11, 12, 23, 29, 36, 42, 47 and 58 except that the added independent claims recite that the second memory includes a second party hard disk and that the digital audio or digital video signals are stored to the second party "hard disk", whereas Claims 1, 11, 12, 23, 29, 36, 42, 47 and 58 recite that the digital audio or digital video signals are stored in a non-volatile storage portion of the second memory, wherein the non-volatile storage portion is not a tape or CD. Support for this feature is found in the originally filed specification at for example at page 4, lines 35 to 49, *et seq.*, which recites specifically a hard disk.

Patentee has also added new dependent Claims 81 through 86, 89 through 97, 99, 101 through 103, 105 through 110, 112, 113, 115, 117 through 125 and 127 through 129, which mirror dependent Claims 4, 6 through 10, 13 through 21, 24, 26 through 28, 30 through 35, 39, 40, 45, 49 through 57 and 59 through 61 respectively, except that the added claims have a

limitation of a second memory including a second party hard disk. Therefore, no new matter has been added by the amendment.

Patentee also has canceled Claims 64 through 79. Claims 64 through 79 were added during reexamination in response to rejections presented by the previous examiner, Examiner Lanier. Since the previous rejections have been vacated, *sua sponte,* by the Office, Patentee respectfully submits that the reasons for the addition of Claims 64 through 79 have been mooted. Therefore, in order to expedite the instant reexamination, Patentee has canceled those claims.

III. THE CLAIMS OF THE '440 PATENT ARE ENTITLED TO THE JUNE 13, 1988 PRIORITY DATE AWARDED DURING THE INITIAL EXAMINATION

The Office asserts that the claims of the '440 Patent are not entitled to the June 13, 1988 priority date awarded during the original examination of the patent. As a basis for depriving the claims of the original priority date, the Office has asserted that the claims are not supported by an adequate written description and/or not enabled by the originally filed specification. The Office has used this assertion as a predicate to assign a later priority date to the claims and thereby introduce new references, i.e., *Yurt* and *Goldwasser*, that do not qualify as prior art based on the proper June 13, 1988 priority date.

Patentee wishes to point out that the '440 Patent issued from an application that was related to the application originally filed on June 13, 1988 through a series of continuation applications. The application was accorded the priority date of June 13, 1988 by the original Examiner ("Examiner Nguyen") based on a thorough examination, including amendments to the claims and specification during prosecution of the application that eventually issued as the '440 Patent, and its predecessor applications. For the reasons set forth below, Patentee respectfully submits that the Office lacks authority in reexamination to revisit the issue of priority decided in an initial examination, especially where the facts, as in the present case, clearly show that the

issue was dealt with in detail by the original examiner. Moreover, Patentee further respectfully submits that the claims, in fact, are adequately supported and enabled by the originally filed specification. As a result, the claims are entitled to the June 13, 1988 priority date, and *Yurt* and *Goldwasser* are not available as prior art.

A. As a Matter of Law, the Office Lacks Jurisdiction in Reexaminations to Reassign Priority Dates for Originally Issued Claims in the Absence of a Previous Continuation-in-Part Application

Patentee respectfully submits that the Office lacks jurisdiction in reexamination proceedings, as a matter of law, to reassign priority dates to originally issued claims, where there is no continuation-in-part ("CIP") application in the chain of prior applications.

1. Jurisdiction to Reassign Priority Dates Is Limited to Claim Limitations Added or Deleted in Reexamination and to Claims Relying on a Continuation-in-Part Application

Patentee respectfully submits that it is impermissible, in the context of a reexamination, to apply 35 U.S.C. § 120 to reassign priority dates for originally issued claims. It is well established that the primary determination under Section 120 is whether priority is claimed to an earlier application that "fulfills the requirements of Section 112, first paragraph." *Callicrate v. Wadsworth Mfg.*, 427 F.3d 1361, 1373 (Fed. Cir. 2005) (citation omitted). It equally is well established, however, 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. It cannot, therefore, raise a "substantial new question of patentability in reexamination," 35 U.S.C. § 303, because it is never a "new question" at all. Accordingly, Patentee respectfully submits that Section 120 cannot be used as a back door through which a reexamination proceeding may reach Section 112 issues for originally issued unamended claims.

The Office apparently 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. Patentee respectfully submits, however, that a close reading of these MPEP Sections requires they properly be limited to situations where there was a continuation-in-part ("CIP") application in the chain of applications leading to the patent under reexamination. In fact, both of the cases cited for support of MPEP §§ 2217 and 2258(I)(C), *In re Ruscetta*, 255 F.2d 687 (CCPA 1958) and *In re van Langenhoven*, 458 F.2d 132 (CCPA 1972), are cases involving CIPs. These cases thus should be read as limited to CIP applications, and their holdings are inapplicable to situations involving pure continuation or divisional applications. Moreover, since both cases predate the enactment by Congress of the reexamination statute, 35 U.S.C. §§ 301 et seq., the cases cannot be read to justify, in the special context of reexamination, something that would plainly be impermissible by an examiner in the context of an original examination.

2. The Jurisdiction of a Reexamination Examiner Cannot Exceed the Authority of an Original Examiner to Reassign Priority Dates

During an original examination, if disclosure has been added to a specification and an examiner believes claims in an application are unsupported by the specification as originally filed, the proper procedure is to object under 35 U.S.C. § 132 to any alleged new matter

appearing in the specification, and reject the claims as unsupported under Section 112. *See* MPEP § 706.03(o). Thereafter, if the applicant does not overcome the objection and rejection, the applicant has the option of refiling the application as a CIP including a new oath or declaration in support of the new matter, with the rejected claims being relegated to the actual filing date of the CIP for prior art purposes. However, in the absence of a CIP, an original examiner cannot simply elect to assign a later effective priority date to claims the examiner believes are unsupported by an original specification, and then proceed to cite intervening art based upon the newly determined date. Such a procedure would amount to creation of a "*de facto* CIP" by the original examiner, an undertaking plainly unsupported by statute, regulation, case law, or MPEP provision, or any other authority or precedent.

During reexamination, it is well established that the scope of the proceeding is limited, and is considerably narrower than the scope of the original examination. *See* 37 C.F.R. 1.552. Accordingly, it is undisputed that a reexamination examiner can have no greater authority than an original examiner. As a result, because an original examiner cannot create a "*de facto* CIP," reassign priority dates, and reject claims over intervening prior art, it is clear that a reexamination examiner cannot do that either.

In the present case, no CIP was ever required by the original examiner or filed by the Applicant, and the original examiner therefore could not -- and did not -- reassign priority dates to the original claims. Patentee therefore respectfully submits that the present Examiner likewise lacks authority -- and therefore jurisdiction -- to reassign priority dates to the pending unamended claims in reexamination that originally issued in the '440 Patent.

B. The Issue of Compliance with 35 U.S.C. § 112 was Considered and Passed on During the Original Examination Resulting in the '440 Patent and the Office Therefore Lacks Jurisdiction to Revisit the Same Issue in this Proceeding

Patentee respectfully submits that the Office further lacks jurisdiction under the facts in this proceeding to challenge the priority date of the unamended originally issued claims in reexamination, because the issue of those claims' entitlement to the filing date of the original application previously was considered and decided during the original examination of the '440 Patent.

1. The Issue of Compliance With 35 U.S.C. § 112 Was Considered and Passed On By the Original Examiner

The Office has asserted in the present Office Action that additional unsupported disclosure was added to the specification during the original prosecution of the application that issued as the '440 Patent, as well as in its predecessor applications. The Office has asserted further that the original examiner, 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 has provided a helpful chart in the Office Action in the related copending reexamination of the '573 Patent, showing when and under what circumstances additions to the specification and resulting claim amendments were made in the '573 Patent and its predecessor application. No corresponding chart was provided in the instant Office Action for the '440 Patent. Examiner Foster has however, pointed to specific elements added to the claims in the prosecution of the '440 Patent.

In order 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, Patentee has reproduced Examiner Foster's chart in amended form.[1] It is appropriate to also consider the prosecution of the '573 Patent and the '734 Patent in that the '440 Patent eventually issued from a continuation of application

directly descended from the '573 and '734 Patents.[2] As a result, any Section 112 issues dealt with and resolved in the prosecution of the '573 Patent and '734 Patent prior to the filing of the continuation that resulted in the '440 Patent necessarily were resolved as well for the benefit of the prosecution of the '440 Patent. Accordingly, 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 immediately below:

	Great-grandparent Application 07/206,497 filed June 13, 1988		Great-grandchild Application 08/471,964 filed June 6, 1995		Office Action in Application 08/471,964 and response		Issuance of '440 Patent
Feature	Date First Appearing in Claims of Great-grandparent Application	Date First Appearing in Specification of Great-grandparent Application	Date First Appearing in Claims of Great-grandchild Application	Date First Appearing in Specification of Great-grandchild 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		June 6, 1995	June 6, 1995	Considered in Office Action February 24, 1992 in Grandparent Application of '440 Patent	Objection/rejection specifically responded to in June 25, 1992 response in Grandparent Application	Claims allowed in August 26, 1999 Office Action
Providing a Credit Card Number	December 22, 1988		July 8, 1996	July 8, 1996	Considered in Office Action February 24, 1992 in Grandparent Application of '440 Patent	Objection/rejection specifically responded to in June 25, 1992 response in Grandparent Application	Claims allowed in August 26, 1999 Office Action
Controlling Use of First/Second Memory	December 22, 1988		June 6, 1995	June 6, 1995	Considered in Office Action February 24, 1992 in Grandparent Application of '440 Patent	Objection/rejection responded to in June 25, 1992 response in Grandparent Application	Claims allowed in August 26, 1999 Office Action

[1] The chart initially was amended to add rows showing additional alleged new matter pointed out by Examiner Foster in the instant Office Action.

[2] Application serial number 08/471,964 (the "'964 Application) was filed as a continuation of application serial number 08/023,098 (the "'098 Application"), which in turn was filed as a continuation of application serial number 07/586,391 (the "'391 Application"), which eventually issued as the '573 Patent. The '391 application was in turn a continuation of application serial number 07/206,497 (the "'497 Application"), originally filed on June 13, 1988. The '964 Application is therefore the great-grandchild of the '497 Application. Additionally, a further file wrapper continuation, serial number 08/607,648 (the "'648 Application") was filed from the '098 Application, and eventually issued as the '734 Patent.

Transmitting to a Location Determined by Second Party	February 28, 1990		June 6, 1995	June 6, 1995	Considered in Office Action February 24, 1992 in Grandparent Application of '440 Patent	Objection/rejection responded to June 25, 1992 in Grandparent Application	Claims allowed in August 26, 1999 Office Action
Specific Video Download Procedures	February 28, 1990		June 6, 1995	June 6, 1995	No new matter issues were ever raised	No response was ever necessary since no issue was ever raised	Claims allowed in August 26, 1999 Office Action
First Party in Possession of Transmitter	August 24, 1990 (not entered)		June 6, 1995	June 6, 1995	Considered in Office Action February 24, 1992 in Grandparent Application of '440 Patent	Objection/rejection responded to in June 25, 1992 response in Grandparent Application	Claims allowed in August 26, 1999 Office Action
Second Party in Possession of Receiver and Second Memory	August 24, 1990 (not entered)		June 6, 1995	June 6, 1995	Considered in Office Action February 24, 1992 in Grandparent Application of '440 Patent	Objection/rejection specifically responded to in June 25, 1992 response in Grandparent Application	Claims allowed in August 26, 1999 Office Action
Account			July 8, 1996	July 8, 1996	No formal objection or rejections made	Declaration filed with amendment introducing text to claims and specification in Parent Application to '440 Patent	Claims allowed in August 26, 1999 Office Action

The foregoing chart shows that substantially all of the alleged new matter issues were dealt with in the grandparent application, serial number 07/586,391 (the "'391 Application"), which eventually issued as the '573 Patent. Thus, Examiner Nguyen already had considered those additions and amendments in the Office Action of February 24, 1992, prior to the filing of the grandchild application. 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 CFR 1.132 establishing that the additions to the specification had ample antecedent 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.

During the prosecution of the great-grandchild application, the only element incorporated that can be alleged to be "new" is the recitation of an "account." However, when this element was introduced to the claims and specification by amendment in the parent application, number 08/023,098 (the "'098 Application"), it was accompanied by a Declaration under 37 CFR 1.132 establishing that the additions to the specification had ample antecedent support in the originally filed specification because the subject matter of the addition was implicitly disclosed and understood by those skilled in the art. This Declaration was accepted by Examiner Nguyen without comment. Therefore, none of the amendments made during the prosecution of the '440 Patent can be said to have been "new" in the context of the prosecution history of the patent family, since all of the material alleged to be "new matter" was reviewed by Examiner Nguyen and found to not be new matter in the predecessor patent applications.

In view of all of the foregoing, Patentee respectfully submits that the amended chart set forth above demonstrates indisputably that Examiner Nguyen did consider, or at least had every reason and opportunity to consider, the very same new matter and Section 112 rejections the Office has made in the present Office Action. Even though no rejections were made specifically during the prosecution of the '440 Patent, the prosecution histories of the predecessor applications in the family make it clear that the material now alleged to have been "new" in the

'440 Patent was in fact reviewed and found not to be new matter. Moreover, even though no objection or rejections were made by Examiner Nguyen concerning the additional "video feature" disclosure and claim elements, it is clear from Examiner Nguyen's overall thorough analysis of the other Section 132 and Section 112 issues that she also had every reason and opportunity to object to the "video feature" disclosure and reject those claims as well. She did not, however, do that. As a result, it is clear Examiner Nguyen at least implicitly considered and passed on the "video feature" specification additions and claims as well, thereby allowing all of the pending claims to issue in the August 26, 1999 Office Action.

2. The Office Lacks Jurisdiction to Review Again the Same Section 112 Issues Determined by the Original Examiner

As established above, the question of Section 112 support, and hence the appropriate priority date for the claims in the issued '440 Patent, were considered and passed on by Examiner Nguyen in the original examination. The Patentee therefore respectfully submits that, 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 1988 priority date of the same claims in reexamination.

In *Patlex v. Quiqq*, 680 F.Supp. 33, (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. In that case, the District Court reversed, on summary judgment, a decision by the Board of Patent Appeals and Interferences ("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, and instead 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. (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.

Patentee therefore respectfully requests that, for this reason as well, the Office withdraw the current Section 112 rejections and reassignment of later priority dates for the originally issued unamended claims.

C. In Any Event, the Claims as Issued in the '440 Patent Plainly Were Supported by the Originally Filed Specification

As previously described, the Office has asserted in the present Office Action, *inter-alia*, that the claims as originally issued in the '440 Patent rely for written description support on certain alleged new matter added to the specification during the original prosecution of the '440 Patent. The Office also has asserted 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 claimed by Patentee. As set forth above in Sections III(A) and (B) above, Patentee'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. Nonetheless, Patentee further respectfully traverses these rejections because, in any event, it is clear the originally filed specification in fact does provide both adequate written description for all of the issued claims and an enabling disclosure for those claims directed to the "video feature" of the invention.

1. The Claims as Issued in the '440 Patent are Supported by Adequate Written Description in the Originally Filed Specification

In the Office Action in the related copending reexamination of the '573 Patent, Examiner Foster provided a helpful chart showing alleged new matter added to the specification of the '573 Patent during prosecution. Patentee reproduced an amended version of that chart above in Section III(B)(1), thereby demonstrating that the alleged new matter was considered by Examiner Nguyen and was determined, in fact, not to be new matter. However, for the sake of thoroughness and to reinforce that Examiner Nguyen correctly determined the issues, Patentee provides below an analysis demonstrating that each element in Claims 1 through 63 as originally issued in the '440 Patent in fact was supported, either explicitly or implicitly, by the original specification filed on June 13, 1988.

i) The Proper Standard for Determining if Claims are Adequately Supported by a Specification as Filed

As a preliminary matter, Patentee wishes to point out that 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 not in dispute, however. In *Vas-Cath,* the 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.'" *Union Oil*, 208 F.3d at 997.

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 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, however, that the different phraseology used by the BPAI in fact did not a set different standard for meeting the written description requirement. 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. Products, Inc.*, 424 F.3d 1161 (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 contrast, 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* 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).

In addition to *Hyatt,* the Office has cited *In re Robertson*, 169 F.3d 743 (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, Patentee respectfully submits that 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).

Patentee therefore respectfully submits that 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 Office 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 (Fed. Cir. 1983).

ii) All Features of Claims 1 Through 63 in the '440 Patent Find Written Support in the Originally filed Specification

Applying the proper standard for compliance with the written description requirement under Section 112, Patentee respectfully submits that all of the limitations in Claims 1 through

63 of the '440 Patent were supported by the originally filed specification. To illustrate this point, Patentee 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[3]:

Feature	**Claims Reciting Feature**	**Written Description of Feature in Original Specification**	**Comments**
A method/system for transferring desired digital video or digital audio signals	1-63	p. 1, lns. 13-15 p. 2, lns. 8-10, 20-26 (video) p. 5, lns. 36-43	*ipsis verbis*
forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party	1-22, 25-28, 36-46, 58-63	p. 3, lns. 35-40	*ipsis verbis*
first memory having desired digital video or digital audio signals	1-21, 25-28, 42-57, 62, 63	p. 3, lns. 35-37	*ipsis verbis*
selling electronically by the first party to the second party through telecommunications lines	1-22, 25-28, 40, 42-45	p. 2, lns. 47-52 p. 3, lns. 35-40	*ipsis verbis*
transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines	1-21, 25-28, 36-40, 42-46, 62-63	p. 2, ln. 47-52 p. 3, lns. 35-40 Fig. 1	*ipsis verbis*
the second party control unit with the second memory is in possession and control of the second party	1-41, 46-52, 62	p. 3, lns. 26-33, 40-43	The as filed original specification includes *ipsis verbis* support for a second party control unit, where the user is the second party. A skilled artisan would readily recognize that the second

[3] Canceled Claim 46 is omitted from the chart.

			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.
playing through speakers of the second party control unit the digital video or digital audio signals in the second memory	1-10, 11, 22, 36-46, 63	p. 2, lns. 26-32	*ipsis verbis*
speakers of the second party control unit connected with the second memory of the second party control unit	1-10, 28, 35, 62	p. 3, lns. 25-32 p. 4, lns. 47-50 Fig. 1	*ipsis verbis*
first control unit in possession and control of first party	24, 31-35	p. 2, lns. 38-43 p. 3, lns. 35-49	The as filed original specification includes *ipsis verbis* 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.
second party location remote from the first party location, determined by the second party	2-63	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 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 previously pointed out in the declaration of Arthur Hair submitted May 5, 1992.
charging a fee via telecommunications lines by the first party to the second party	2-10, 19-21, 36-40, 43-45, 47-63	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 implicitly support for selling and thereby charging a fee. This was previously pointed out in the declaration of Arthur Hair submitted December 30, 1993.
second party has an account, charging the account of the second party	3-10, 20-21, 38-40, 44-45, 56-57, 60-61	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. A skilled artisan would readily recognize that charging a fee via telecommunications lines would include the second party having an account that can be charged. This was previously pointed out in the declaration of Arthur Hair submitted December 30, 1993.
telephoning the first party controlling use of the first memory by the second party	4-10, 39-40, 45, 57, 61	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 controlling the second memory to the first party controlling the first memory so the second party is charged	4-10, 21, 39-40, 45, 61	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

money			being comprehended within electronic sales. This was addressed previously in the affidavit of Arthur Hair dated May 5, 1992.
storing the desired digital video or digital audio signals in the second memory	5-10, 22, 36-41	p. 2, lns. 23-27	*ipsis verbis*
electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital audio signals	6-8	p. 2, lns. 17-19 p. 4, lns. 15-20	*ipsis verbis*
first memory includes first party hard disk	7-8, 13, 14, 27-28, 34-35, 49-54	p. 4, lns. 5-6 p. 3, ln. 19 Fig. 1	*ipsis verbis*
second party can view desired digital video signals	58-61	p. 5, lns. 36-43 p. 3, lns. 26-33	The as filed original specification has *ipsis verbis* support for a video display. Since the specification explicitly says that the invention is applicable to video, a skilled artisan would recognize that a user could view the desired video signals on the video display.
second party can listen to the desired digital audio signals	63	p. 4, lns. 27-28, 36-50	*ipsis verbis*
first memory includes a sales random access memory chip	7-8, 13-18, 25-28, 49-54	p. 3, lns. 19-24 Fig. 1	*ipsis verbis*
second party control unit includes second memory	48-54	p. 3, lns. 26-30 Fig. 1	The as filed original specification has *ipsis verbis* support for a second party control unit. A skilled artisan would readily understand that the second party hard disk corresponds to a second memory.
second party control unit has a second party control panel	8, 12-21, 25-28, 32-35, 47-57	p. 3, lns. 26-27 Fig. 1	*ipsis verbis*

second party control panel connected to the second party integrated circuit	8, 16-18, 25-28, 32-35, 52-54	p. 3, lns. 26-28 Fig. 1	*ipsis verbis*
second memory of the second party control unit includes an incoming random access memory chip	9-10, 17-18, 25-28, 32-35, 53-54	p. 3, ln. 26-29 Fig. 1	*ipsis verbis*
second memory of the second party control unit includes a second party hard disk for storing the desired digital video or digital audio signals	9-10, 12-21, 25-28, 34-35, 50-54	p. 3, lns. 26-31 Fig. 1	*ipsis verbis*
second memory of the second party control unit includes a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback	9-10, 25-28 32-35, 50-54	p. 3, lns. 26-30 p. 4, lns. 39-50 Fig. 1	*ipsis verbis*
a first party control unit having a first memory	12-21, 25-28	p. 3, lns. 20-24 Fig. 1	*ipsis verbis*
second party control unit having means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel	12-35	p. 3, lns. 26-33 Fig. 1	The as filed original specification has *ipsis verbis* support for speakers and video display which are means for playing.
first party control integrated circuit connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines	15-18, 25-28, 32-35, 51-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*
second party control integrated circuit connected to the second	16-18, 25-28, 52-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*

party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines			
first party control integrated circuit and second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals	13-18, 25-28	p. 4, lns. 15-20	*ipsis verbis*
first party control panel connected to the first party control integrated circuit	15-18, 25-28, 51-54	p. 3, lns. 20-24 Fig. 1	*ipsis verbis*
incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines	17-18, 25-28, 53-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*
second party control unit includes a video display unit and/or speakers	18, 25-28, 35, 47-61	p. 3, lns. 26-33 Fig. 1	*ipsis verbis*
second party control unit having a receiver, second memory connected to the receiver	22, 41, 47-56, 58-60	p. 2, lns. 47-49 p. 3, lns. 35-38 p. 4, lns. 24-26	A skilled artisan would readily recognize in order to receive digital audio or digital video 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.
second party financially distinct from the first party	22, 41	p. 2, lns. 8-16, 20-27, 38-52 p. 35-49	Throughout the specification discloses electronic sales of digital video or digital audio signals. A skilled artisan would readily recognize that the first and second parties would be financially distinct since this is required in order to have a sale. This issue was previously addressed in the affidavit of

			Arthur Hair filed on May 5, 1992.
first memory with a transmitter in control and possession of the first party	22-24, 29-35, 41, 58-61, 63	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic distribution via telecommunications lines. A skilled artisan would readily recognize that this requires transmission of those signals, where the telecommunications lines act as the transmitter.
receiver is in possession and control of the second party	22-24, 29-35, 41, 58-61, 63	p. 2, lns. 47-49 p. 3, lns. 35-38 p. 4, lns. 24-26	A skilled artisan would readily recognize in order to receive digital audio or digital video 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 readily recognize that the receiver 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 December 30, 1993.
means or mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory	23-24, 30-35	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic sales via telecommunications lines. A skilled artisan would readily recognize that electronic sales via telecommunications lines would include the transfer of money via telecommunications lines. This was addressed previously in the affidavit of Arthur Hair dated May 5, 1992.
second party choosing	47-63	p. 2, lns. 8-16, 20-27, 38-52	Throughout the specification

desired digital video or digital audio from first memory with second party control panel		p. 35-49	discloses electronic sales of digital video or digital audio signals. A skilled artisan would readily recognize that this includes the selection of individual desired signals by the purchaser.
means or mechanism for connecting electronically via telecommunications lines the first memory with the second memory	23-24, 29-35	p. 4, lns. 15-20 Fig. 1	A skilled artisan would readily recognize from the specification that the first memory would include a means for connecting to the second memory via the disclosed telephone lines.
means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory to a receiver having the second memory	23-24, 29-35	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic distribution via telecommunications lines. A skilled artisan would readily recognize that this requires transmission of those signals, where the telecommunications lines act as the transmitter. A skilled artisan would also readily recognize in order to receive digital audio or digital video signals over telecommunications lines, 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.
means or a mechanism for storing the digital video or digital audio signals in the second memory	23-24, 29-35	p. 3, lns. 26-31 p. 4, lns. 15-20 Fig. 1	The second party control unit includes a second party control integrated circuit which regulates the transfer of the digital audio and digital video signals. A skilled artisan would readily recognize that the second party integrated circuit regulates storage of the digital audio or digital video signals.
playing means or mechanism connected to the second memory	23-24, 29-35	p. 3, lns. 26-33 p. 4, lns. 39-50 Fig. 1	*ipsis verbis*
second memory connected to receiver and video display	48-54, 58-61	p. 3, lns. 26-33 p. 4, lns. 39-50 Fig. 1	The as filed original specification has *ipsis verbis* support for a video display connected to the second memory. A skilled artisan would also

			readily recognize in order to receive digital audio or digital video signals over telecommunications lines, 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.
telecommunications lines include telephone lines	26-28, 33-35	p. 3, ln. 25 Fig. 1	*ipsis verbis*

For all the reasons set forth in the chart immediately above, Patentee respectfully submits that the written description standard was satisfied for originally issued Claims 1 through 63 of the '440 Patent.

2. The "Video Feature" of the Invention in the Claims of the '440 Patent was Enabled by the Originally Filed Specification

The Office asserts the "video feature" of the invention claimed in the '440 Patent was not enabled by the disclosure in the originally filed specification. Patentee respectfully traverses this for the reasons set forth below.

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." Office Action, page 7. Since the Office has not specifically identified which portions of the claims allegedly are not enabled, Patentee will discuss below the issue of enablement with respect to particular comments made in the Office Action.

Initially, Patentee respectfully submits that it appears 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 (Fed. Cir. 1987) "the law has never required that a patentee ... 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)." Office Action, page 19. (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 9. (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.

Moreover, 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." 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. Moreover, 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, Patentee respectfully submits that 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 Exhibit "A" to this Response, which is a copy of the chart cited in footnote 14 of the Office Action.

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." Office Action page 20. Patentee respectfully submits 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." Office Action, page 10. (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." Office Action, pages 20-21. (emphasis added.) Again, Patentee respectfully notes that 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.

Accordingly, Patentee respectfully submits that Claims 1 through 63 directed to the "video feature" embodiment of the invention were enabled by the originally filed specification under the proper standard for Section 112 enablement.

D. Because the Originally Issued Claims of the '440 Patent are Entitled to the June 13, 1988 Priority Date Awarded During the Original Examination, the References *Yurt* and *Goldwasser* are not Appropriate Prior Art

Based on the foregoing, Patentee respectfully submits that originally issued Claims 1 through 63 of the '440 Patent 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, Patentee respectfully submits 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. Patentee therefore respectfully submits that the references *Yurt* and *Goldwasser* are not appropriate prior art because both of these references post-date the applicable June 13, 1988 priority date of the claims. Patentee therefore respectfully requests that all rejections based on these references be withdrawn.

IV. THE AMENDED AND NEW CLAIMS ARE NEITHER ANTICIPATED BY, NOR OBVIOUS OVER, THE APPROPRIATE PRIOR ART OF RECORD

Claims 1, 4 through 21, 23 through 26, 28 through 36, 39, 40, 42 and 45 through 61 have been rejected as either anticipated by or obvious over one reference that antedates the proper June 13, 1988 priority date of the claims, and two references that post-date the proper June 13, 1988 priority date. Specifically:

Claims 1, 11 through 13, 23, 24, 29 through 36, 42, 46 through 49 and 58 are rejected under 35 U.S.C. § 102(b) as anticipated by U.S. Patent No. 5,132,992 to Yurt (*Yurt*);

Claims 4 through 8 are rejected under 35 U.S.C. § 103(a) as obvious over *Yurt* in view of U.S. Patent No. 4,789,863 to Bush (*Bush*);

Claims 9, 10, 14 through 20, 25 through 28, 50 through 56, 59 and 60 are rejected under 35 U.S.C. § 103(a) as obvious over *Yurt* in view of *Bush*, further in view of U.S. Patent No. 5,241,428 to Goldwasser (*Goldwasser*);

Claims 21, 39, 40, 45, 57 and 61 are rejected under 35 U.S.C. § 103(a) as obvious over *Yurt* in view of *Bush*;

Claims 34 and 35 are rejected under 35 U.S.C. § 103(a) as obvious over *Yurt* in view of *Goldwasser*.

Patentee has amended Claims 1, 11, 12, 23, 29, 36, 42, 47 and 58 to specify that the second memory, which stores the audio or video signals, includes a non-volatile storage that is not a tape or CD. Patentee has also added independent Claims 80, 87, 88, 98, 104, 111, 114, 116 and 126 which recite that the second memory includes a second party hard disk that stores the digital audio or digital video signals. As a result, Patentee respectfully submits that no appropriate prior art of record shows, suggests or teaches each and every limitation of independent Claims 1, 11, 12, 23, 29, 36, 42, 47 and 58 or new independent Claims 80, 87, 88, 98, 104, 111, 114, 116 and 126. By extension, no appropriate prior art shows, suggests or teaches each and every limitation of the dependent claims. Patentee has canceled Claims 5 and 46.

A. The Rejections Based on *Yurt* and *Goldwasser* are Improper and Should be Withdrawn

As demonstrated above in Section III, Claims 1 through 63 of the '440 Patent as issued were entitled to the June 13, 1988 priority filing date of the original application. Further, as shown above in Section II, the added recitation of wherein the second memory includes a non-

volatile storage portion that is not a tape or CD is supported in the original specification filed June 13, 1988. Further, the recitation of the second memory comprising a hard disk in rewritten Claims 12 and 23 was present in dependent claims that issued in the '440 Patent. As a result, amended Claims 1, 11, 12, 23, 29, 36, 42, 47 and 58 and all of their respective dependent claims are entitled to the June 13, 1988 priority date. Additionally, as shown above in Section II, the added recitation of wherein the second memory includes a second party hard disk is also supported in the original specification filed June 13, 1988. As a result, in addition to the other originally issued claims, newly added Claims 80 through 129 are entitled to the June 13, 1988 priority date. *Yurt* and *Goldwasser* therefore are not appropriate prior art against any of these claims for the purposes of 35 U.S.C. §§ 102 and 103. Patentee therefore respectfully submits that the rejections based on the combination of *Yurt* and *Goldwasser*, and their combination with *Bush*, cannot be sustained and should be withdrawn.

B. *Bush* Does Not Show, Suggest or Teach Each and Every Limitation of Claims 1, 4, 6 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129

As described above, all of amended Claims 1, 11, 12, 23, 29, 36, 42, 47 and 58 recite the limitation that the second memory includes a non-volatile storage portion that is not a tape or CD. Patentee respectfully submits that *Bush*, either alone or in combination any other applicable reference, does not show, suggest or teach this feature.[4] In fact, it is apparent that *Bush* teaches away from this feature. Further, newly added independent Claims 80, 87, 88, 98, 104, 111, 114, 116 and 126 state that the second memory includes a hard disk. It similarly is clear that *Bush,*

[4] Patentee is aware that several other references that antedate the June 13, 1988 priority date also are of record, but have not been cited against pending claims in the present reexamination. Patentee wishes to point out that, for the reasons set forth in Patentee's coordinate Response to the Office Action in the '573 Patent reexamination, the teaching of these references is similar to that of *Bush*, since they all teach copying audio or video signals to a tape or CD.

either alone or in combination with any other applicable reference, does not show, suggest or teach this feature, and that *Bush* in fact teaches away from it.

In particular, *Bush* discloses a system whereby a user can receive selected pre-recorded entertainment over cable lines. *Bush*, col. 1, lns. 46-48. The pre-recorded entertainment includes audio and video selections that are stored at a control source in CD format. *Bush*, col. 2, lns. 30-34. According to the disclosure of *Bush*, the audio or video selection received by the user must be recorded on a cassette tape. *Bush*, col. 4, lns. 7-58. *Bush* also discloses that a CD may be used to record the audio or video entertainment. *Bush*, col. 5, lns. 24-29.

It therefore is clear that *Bush* expressly requires audio or video signals be transferred from a first memory to a CD or tape in a second memory. Thus, the reference recognized the known problems in the prior art -- the inherent disadvantages in centrally producing CD's, tapes, and other fixed media at a remote manufacturing location and then distributing those objects for sale to ultimate consumers via traditional "brick and mortar" wholesale and retail distribution channels. However, *Bush* failed to recognize, and therefore stopped short of, the ultimate and superior solution to the prior art problems provided by the invention of the '440 Patent -- the elimination of the need to produce CD's, tapes, or other fixed media objects at the second party's location. Thus, where *Bush* still required the production of CD's and tapes at the second party's location, with all of the attendant localized problems of production, physical storage, and risk of damage, the invention of the '440 Patent solved these problems by providing storage in a non-volatile storage permitting repetitive playback of audio and video without requiring the second party to make, handle, physically store, or otherwise deal with CD's, tapes, or other fixed media forms.

As a result, Patentee respectfully submits that the only reference properly cited does not show, suggest, or teach transferring audio or video signals from a first memory to a second memory wherein the second memory includes a non-volatile storage portion that is not a tape or CD and/or is a hard disk. To the contrary, *Bush* expressly teaches away from this invention by requiring that the digital audio or digital video signals be transferred to a CD or tape in the second memory, while failing to recognize or deal with the problems and disadvantages associated with CD's and tapes. It therefore follows that Bush does not teach storing digital audio or digital video signals in a portion of a second memory that is a non-volatile storage and is not a tape or CD. Patentee therefore respectfully submits that *Bush* does not show, suggest or teach each and every limitation of Claims 1, 11, 12, 23 29, 36, 42, 47 and 58, or new independent Claims 80, 87, 88, 98, 104, 111, 114 and 126. As a result, none of Claims 1, 11, 12, 23, 29, 36, 42, 47 and 58, or new independent Claims 80, 87, 88, 98, 104, 111, 114 and 126, or their respective dependent claims, can be anticipated by or obvious over *Bush,* alone or in combination with any other applicable references.

V. DOUBLE PATENTING

Claims 1, 4 through 21, 23 through 36, 39, 40, 42 and 45 through 61 also have been rejected under the judicially created doctrine of obviousness-type double-patenting over Claims 1 through 6 of U.S. Patent Number 5,191,573 (the "'573 Patent"), which is co-pending reexamination 90/007,402 (the "'402 Reexam") alone, and separately over Claims 1 through 34 of U.S. Patent Number 5,675,734 (the "734 Patent"), which is co-pending reexamination 90/007,403 (the "'403 Reexam") alone.

Patentee submits that these double-patenting rejections are improper as applied to the instant claims for the reasons set forth below. Patentee therefore respectfully requests that the rejections be withdrawn.

A. Obviousness-Type Double-Patenting Is Not A New Issue Related To Patentability And Is Therefore Inappropriate In The Instant Reexamination

Patentee respectfully submits that it is not appropriate to consider and assert obviousness-type double-patenting in the present reexamination because it does not present a "substantial new question of patentability."

During the prosecution of the applications that eventually resulted in the '440 and '734 Patents, both applications were co-pending before Examiner Nguyen. Indeed, it was Examiner Nguyen who issued the subject '440 Patent, the '734 Patent, and the '573 Patent. Examiner Nguyen was in each case therefore well aware of the scope of the claims in each application and in the patents that issued from those applications. This by itself indicates the issue of double-patenting was before Examiner Nguyen in the original examination of the subject '440 Patent, and therefore does not present a "substantial new question of patentability" now.

35 U.S.C. § 303 permits the Director to "determine whether a substantial new question of patentability is raised." While the fact that a patent or printed publication previously was cited or considered may not preclude the existence of a substantial new question of patentability in some circumstances, the plain language of the statute nonetheless requires that the *question of patentability* raised must be new. Patentee therefore believes it is improper on reexamination to re-raise a ground for rejection that was already addressed by Examiner Nguyen in the original examination of the patent (and any related patents) at issue. Moreover, Patentee believes the case law squarely support's Patentee's position on this point. See *In re Recreative Technologies*

Corp., 83 F.3d 1394, 1398 (Fed. Cir. 1996) ("Reexamination is barred for questions of patentability that were decided in the original examination.")

In the present case, the prosecution history of the '440 Patent shows unequivocally that the Applicant's attorney *specifically requested* Examiner Nguyen consider any issues of double-patenting that might have resulted from the issuance of the '440 Patent. Thus, the Applicant's attorney expressly stated to Examiner Nguyen:

> ***"Applicant reminds the Examiner of related continuation application 08/607,648 and asks the Examiner to review whether there is any double patenting issue with regard to this application 08/607,648 or parent patent, U.S. Patent No. 5,191,573."***
> (Response to Office Action filed by Applicant's Counsel, Ansel Schwartz, July 3, 1996)

Further, in the related copending application that resulted in the '734 Patent, Applicant again brought the issue of double-patenting to the Examiner Nguyen's attention. Specifically, Applicant's attorney stated to Examiner Nguyen:

> ***"Applicant requests the Examiner to review any double patenting possibility of the above-identified patent application in regard to U.S. Patent 5,191,573. If the Examiner determines there is no need for any double patenting concern, the applicant requests that the Examiner deem this request to consider double patenting as moot."***
> (Response to Office Action filed by Applicant's Counsel, Ansel Schwartz, July 13, 1994).

Notwithstanding this express raising of the issue ***twice*** by the Applicant, Examiner Nguyen in subsequent Office Actions declined to issue a rejection based on double-patenting in the two co-pending applications that resulted in issuance of the '734 and the '440 Patents, with respect to each other or the '573 Patent. Thus, Examiner Nguyen plainly had the impetus and the opportunity to make a double patenting rejection had she felt it warranted. She did not do that however. It therefore follows, *a fortiori*, that the question of double-patenting cannot, as a

matter of law and fact, present a "substantial new question of patentability" in the present proceedings.

Moreover, Patentee respectfully submits that the Applicant was and -- Patentee now is -- entitled to rely on Examiner Nguyen's declining to make a rejection for double-patenting in response to the Applicant's previous specific requests to consider the issue. Patentee should not now be forced to face that same issue in the instant reexamination. That is exactly what 35 U.S.C. § 303 is intended to avoid. Indeed, as recognized by the CAFC in *Recreative Technologies*, the "substantial new question requirement would protect patentees from having to respond to, or participate in unjustified reexaminations. Further, it would act to bar reconsideration of any argument already decided by the Office" and, as a result, "the statute [35 U.S.C. § 303] guarded against simply repeating the prior examination on the same issues and arguments." *Id.* at 1397.

Patentee therefore respectfully submits that the issue of double-patenting over the '573 Patent and '734 Patent was properly before Examiner Nguyen and passed on during the original prosecution of the '440 Patent. As a result, under the plain meaning of 35 U.S.C. § 303 and the CAFC's holding in *Recreative Technologies*, double-patenting, under the present circumstances, is not a "substantial new question of patentability" and therefore is not a proper issue to be considered in this reexamination. Patentee therefore respectfully requests that the rejection of Claims 1, 4 through 21, 23 through 36, 39, 40, 42 and 45 through 61 for obviousness-type double-patenting be withdrawn.

B. The Rejection Of Claims 1, 4 through 21, 23 through 36, 39, 40, 42 and 45 through 61 Over Claims 1 through 6 Of The '573 Patent Or Claims 1 through 34 Of The '734 Patent Alone Is Improper In An Obviousness-Type Double-Patenting Rejection

Claims 1, 4 through 21, 23 through 36, 39, 40, 42 and 45 through 61 of the '440 Patent have been rejected over Claims 1 through 6 of the '573 Patent and Claims 1 through 34 of the '734 Patent without any citation to prior art or the knowledge of those having ordinary skill in the art. Patentee respectfully traverses these rejections, on the grounds that a rejection for obviousness-type double-patenting that is unsupported by some suggestion in the prior art, or the knowledge of one having ordinary skill in the art, is improper and should be withdrawn for this reason as well.

The BPAI dealt with this very same issue in *Ex parte Schmit*, 64 USPQ.2d, 1723. In *Schmit*, the BPAI reversed a rejection under the doctrine of obviousness-type double-patenting, where the Examiner had relied on a combination of "references" both of which were parents of the application at issue. In its opinion, the BPAI interpreted its own precedent in *Ex parte Oetiker*, 23 USPQ2d 1651 (Bd. App. 1990), and the precedent of the CAFC in *In re Longi*, 774 F.2d 1100, 225 USPQ 645 (Fed. Cir. 1985). The BPAI recognized this precedent to "stand for the proposition *that prior art must be cited* to support an obviousness-type double-patenting rejection." *Schmit*, at 1725. (emphasis added) The BPAI therefore properly held that, "[a]bsent citation of prior art in addition to the base patent, there is no factual basis for the [obviousness-type double-patenting] rejection." *Id.* As a result, in the present reexamination, although the claims of the '573 and '734 Patents can be asserted by the Examiner as a partial basis for an obviousness-type double patenting rejection, the '573 and '734 Patents cannot *by themselves* support such a rejection. *See Ex parte Schmit*, 64 USPQ.2d, 1723; *In re White and Langer*, 405 F.2d 904, 160 USPQ 417 (CCPA 1969) ("Having been copending with the application at bar,

appellants' own patent is not prior art although it is the basis of the double patenting rejection."); *Research Corporation Technologies, Inc. v. Gensia Laboratories, Inc.*, 10 Fed.Appx. 856, 2001 WL 287093 (Fed. Cir. 2001) ("In considering the question [double-patenting], the patent disclosure may not be used as prior art.")

The instant obviousness-type double-patenting rejections implicitly acknowledge that Claims 1, 4 through 21, 23 through 36, 39, 40, 42 and 45 through 61 are not co-extensive with Claims 1 through 6 of the '573 Patent or Claims 1 through 34 of the '734 Patent. Therefore, Patentee respectfully submits that, under *Oetiker* and *Longi*, as adopted by the BPAI in *Schmit*, it is necessary to show some rationale, either in the prior art, or the knowledge of one having ordinary skill in the art, as to why Claims 1, 4 through 21, 23 through 36, 39, 40, 42 and 45 through 61 are obvious over Claims 1 through 6 of the '573 Patent or Claims 1 through 34 of the '734 Patent. Since this rationale does not appear of record, Patentee respectfully submits that the instant double-patenting rejections over Claims 1 through 6 of the '573 Patent and Claims 1 through 34 of the '734 Patent should be withdrawn for this reason as well.[5]

C. Referencing The Specification Of The '573 Patent To Support An Obviousness-Type Double-Patenting Rejection Of Claims 1, 4 through 21, 23 through 36, 39, 40, 42 and 45 through 61 Over Claims 1 through 6 Of The '573 Patent Is Improper

In rejecting Claims 1, 4 through 21, 23 through 36, 39, 40, 42 and 45 through 61 for obviousness-type double-patenting over Claims 1 through 6 of the '573 Patent, the Office has referenced the specification of the '573 Patent to support the rejection. Patentee respectfully submits this clearly is improper under *White and Langer* and *Research Corporation Technologies*. "In considering the question [double-patenting], the patent disclosure may not be

[5] Parenthetically, Patentee notes that *Schmit* was not published as binding precedent of the BPAI. Nonetheless, for the reasons set forth above, Patentee believes it is abundantly clear that *Schmit* was correctly decided and is supported by the precedent of the CCPA and CAFC. Patentee therefore respectfully suggests that the Examiner should follow the Board's holding in the present reexamination.

used as prior art." *Research Corporation Technologies*, 10 Fed.Appx. 856. Patentee therefore submits that the instant rejection of Claims 1, 4 through 21, 23 through 36, 39, 40, 42 and 45 through 61 for obviousness-type double-patenting over Claims 1 through 6 of the '573 Patent should be withdrawn for this reason as well.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Response in Reexamination No. 90/007,407 was served via First Class United States Mail, postage prepaid, this 29th day of November, 2006, 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 Patentee

CERTIFICATE OF MAILING BY "EXPRESS MAIL" (37 CFR 1.10) Applicant(s): **Arthur R. Hair**			Docket No. **219099 (NAPS003)**	
Application No. **90/007,407**	Filing Date **01/31/2005**	Examiner **Roland G. Foster**	Customer No. **23973**	Group Art Unit

Invention: **System and Method for Transmitting Desired Digital Video or Digital Audio Signals** 3992

70181 U.S. PTO

12/01/06

I hereby certify that the following correspondence:

Statement Under 37 C.F.R. 1.560(b) w/chart attachments, Post Card.

(Identify type of correspondence)

is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 in an envelope addressed to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on

December 1, 2006
(Date)

Lorraine T. Lewis
(Typed or Printed Name of Person Mailing Correspondence)

Lorraine T. Lewis
(Signature of Person Mailing Correspondence)

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P06A/REV03

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Statement Under 37 C.F.R. §1.560(b) in Reexamination No. 90/007,407 was served via First Class United States Mail, postage prepaid, this 1ST day of December, 2006, on the following:

Mr. Albert S. Penilla
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Attorney for Third Party Reexamination Requester

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

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)	
	)	
ARTHUR R. HAIR	)	
	)	
Reexamination Control No. 90/007,407	)	
	)	
Reexamination Filed: January 31, 2005	)	SYSTEM AND METHOD FOR
	)	TRANSMITTING DESIRED DIGITAL
	)	VIDEO OR DIGITAL AUDIO SIGNALS
Patent Number: 5,966,440	)	
	)	
Examiner: Roland G. Foster	)	

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

Sir:

STATEMENT UNDER 37 C.F.R. §1.560(b)

At the Interview with Examiners Foster, Weaver, Laballe, and Supervisory Examiner Kashnikow on November 16, 2006 in Reexamination Control Nos. 90/007,402; 90/007,403; and 90/007,407, Patentee's counsel presented the following reasons as warranting favorable action in the pending Reexamination applications:

1. The rejections of the pending claims in all three Reexaminations under Section 112 are improper and should be withdrawn because, as a matter of law, the Office is without jurisdiction to consider whether originally issued claims meet the requirements of Section 112, first paragraph.

2. The rejections of the pending claims in all three Reexaminations under Section 112 also should be withdrawn because where, as here, the original examiner considered whether the originally issued claims in the patents in Reexamination met the requirements of Section 112, first paragraph, the Office is without jurisdiction in these three Reexaminations to consider again those same issues for those same claims under Section 112, first paragraph. Patentee's counsel presented a chart showing the manner in which the original examiner considered and passed on the issue of the originally issued claims meeting the requirements of Section 112, first paragraph. That chart is attached hereto.

3. Although the Office is without jurisdiction to consider the issue of whether the originally issued claims in all three Reexaminations meet the requirements of Section 112, first paragraph, it is clear that, in fact, those claims do meet the requirements of Section 112, first paragraph, because they find written support and are enabled by the original specification as it was filed on June 13, 1988. Patentee's counsel presented charts for all three patents in Reexamination, showing where support for all of the limitations in the originally issued claims find support in the original specification as filed on June 13, 1988. Those charts also are attached hereto.

4. Since all of the claims in the three Reexaminations properly are supported under Section 112 by the original specification as filed on June 13, 1988, those claims are entitled to June 13, 1988 as their priority date.

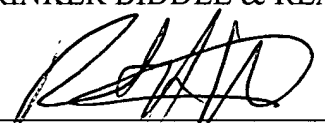
5. Since all of the claims in the three Reexaminations are entitled to a June 13, 1988 priority date, certain of the references cited by the Office in the pending Office Actions, i.e., United States Patent No. 5,241,421 to *Goldwasser*; United States Patent No. 5,132,992 to

Yurt, and United States Patent No. 4,999,187 to *Cohen*, are inapplicable and not available as prior art to the pending claims, because all three references postdate the June 13, 1988 priority date of those claims.

6. All of the other references cited by the Office in the pending Office Actions which antedate the June 13, 1988 priority date of the claims require that audio or digital signals be downloaded from a first memory to a second memory that requires a CD or tape. Patentees have amended the pending claims to make it clear those claims do not require the second memory be a CD or a tape and, as a result, those claims are not obvious over any of the pre-June 13, 1988 references, either alone or in combination.

Respectfully submitted,

DRINKER BIDDLE & REATH LLP



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December 1, 2006

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	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 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 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	Objections 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 responded to June 25, 1992	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	Objections 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 specifically responded to in June 25, 1992 response	Claims allowed in September 21, 1992 Office Action

Claim Features of '573 Patent

Feature	Claims Reciting Feature	Written Descripti n 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	*ipsis verbis*
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 *ipsis verbis* 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 implicitly 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 *ipsis verbis* 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	*ipsis verbis*

transmitting the desired digital audio signal from the first memory with a transmitter in control and possession of the first party	1	p. 2, ln. 47-52 p. 3, lns. 35-40 Fig. 1	The as filed original specification has *ipsis verbis* 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	*ipsis verbis*
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 *ipsis verbis* 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 *ipsis verbis* 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 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 *ipsis verbis* 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	*ipsis verbis*

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, ln. 47-52 p. 3, lns. 35-40 Fig. 1	The as filed original specification has *ipsis verbis* 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 *ipsis verbis* 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 *ipsis verbis* 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 *ipsis verbis* 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.

Claim Features of '734 Patent

Feature	Claims Reciting Feature	Written Description of Feature in Original Specification	Comments
A method/system for transferring desired digital video or digital audio signals	1-34	p. 1, lns. 7-9 p. 2, lns. 8-10, 20-26 (video) p. 5, lns. 36-43	*ipsis verbis*
forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party	1	p. 3, lns. 35-40	*ipsis verbis*
first party location and second party location remote from the first party location, the second party location determined by the second party	1, 4, 11, 16, 19, 26	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 understand this to comprehend transfers between two remote locations. Since the digital audio or digital video signals are transferred to the user's (second party's) control unit, a skilled artisan would readily understand that the second party can determine the second location.
the first party memory having a first party hard disk having a plurality of digital video or digital audio signals, including coded digital video or digital audio signals	1, 4, 16	p. 3, lns. 35-37	*ipsis verbis*

the first memory having a sales random access memory chip	1	p. 3, lns. 19-24 Fig. 1	*ipsis verbis*
telephoning the first party controlling the first memory by the second party **Possibly Amend to: "establishing telephone communications between the first memory and the second memory"**	1	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 second party is charged money	1	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.
electronically coding the digital video or digital audio signals to form coded digital audio signals into a configuration that would prevent unauthorized reproduction	1	p. 2, lns. 17-19 p. 4, lns. 15-20	*ipsis verbis*

storing a replica of the coded desired digital video or digital audio signals from the hard disk to the sales random access memory chip	1	p. 4, lns. 15-23	*ipsis verbis*
transferring the stored replica of the coded desired digital video or digital audio signal from the sales random access memory chip of the first party to the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party	1, 4	p. 4, lns. 15-23 p. 4, ln. 35 to p. 5, ln. 21	The original as filed specification includes *ipsis verbis* support for storing a replica of the coded desired digital audio or digital video signal to the first party sales random access memory, then transferring it to the memory of 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 memory. This was previously addressed in the declaration of Arthur Hair filed May 5, 1992.
storing the transferred digital video or digital audio signals in the second memory	1	p. 2, lns. 23-27	*ipsis verbis*

a second party integrated circuit which controls and executes commands of the second party connected to a second party control panel	2	p. 3, lns. 26-28 p. 4, lns. 15-20 Fig. 1	*ipsis verbis*
commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party hard disk	2	p. 4, lns. 12-20	**(CANCEL)**
the second memory includes a second party hard disk and an incoming random access memory chip	3, 5, 8, 13, 16, 21, 30	p. 3, lns. 26-31 Fig. 1	*ipsis verbis*
the second memory includes a playback random access memory chip	3, 5, 16, 21, 30	p. 3, lns. 26-30 p. 4, lns. 39-50 Fig. 1	*ipsis verbis*
playing the desired digital video or digital audio signal from the second party hard disk	3	p. 2, lns. 26-32	*ipsis verbis*

a first party control unit (in possession and control of the first party)	4, 11, 16, 19, 26, 28	p. 2, lns. 38-43 p. 3, lns. 35-49	The as filed original specification includes *ipsis verbis* 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.

a second party control unit (in possession and control of the second party)	4, 11, 16, 19, 26, 28	p. 2, lns. 38-43 p. 3, lns. 35-49	The as filed original specification includes *ipsis verbis* 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 addressed in the declaration of Arthur Hair filed May 5, 1992.

the first party control unit has a first party hard disk, a sales random access memory chip, and means or mechanism for electronically selling desired digital video or digital audio signals	4, 11, 19, 26, 28	p. 2, lns. 8-10 p. 3, lns. 20-40 Fig. 1	The as filed original specification has *ipsis verbis* support for a first party control unit with a hard disk, and sales random access memory chip. A skilled artisan would readily recognize that the first party control unit would include a means or mechanism for executing an electronic sale because the electronic sale is described in the original specification as separate from electronic transfer and electronic distribution.
the second party control unit has a second memory connected to the second party control panel	4, 19, 21, 26, 28	p. 3, lns. 26-31 Fig. 1	The as filed original specification has *ipsis verbis* support for a control panel connected to the second party control unit. A skilled artisan would readily understand that the second party hard disk corresponds to a second memory.
the second party control unit has means for playing desired digital video or digital audio signals connected to and controlled by the second party control panel	4, 28	p. 3, lns. 26-33 Fig. 1	*ipsis verbis*
selling digital video or digital audio signals through telecommunications lines	4	p. 2, lns. 8-10, lns. 47-50	*ipsis verbis*

the first party control unit includes a first party control integrated circuit connected to the first party hard disk, the sales random access memory and the second party control panel through telecommunications lines	4, 6, 11, 16, 19, 22, 26, 28, 31,	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*
the first party control unit includes a first party control panel connected to and through which the first party control integrated circuit is programmed	6, 11, 16, 22, 31	p. 3, lns. 20-24 p. 4, lns. 12-14 Fig. 1	*ipsis verbis*
the second party control unit includes a second party control integrated circuit connected to the second party hard disk, the playback random access memory and the first party control integrated circuit	7, 11, 16, 23, 32	p. 3, lns. 20-33 p. 4, lns 15-20 Fig. 1	*ipsis verbis*
the second party control integrated circuit and the first party control integrated circuit regulate the transfer of desired digital video or digital audio signals	7, 22, 23, 31, 32	p. 4, lns. 15-20	*ipsis verbis*
the second party control unit includes a second party control panel connected to and through which the second party control integrated circuit is programmed	7, 16, 19, 23, 26, 28, 32	p. 3, lns. 26-28 p. 4, lns. 12-14 Fig. 1	*ipsis verbis*

the playing means of the second party control unit includes a video display	9, 14, 18, 19, 25, 34	p. 3, lns. 26-33 p. 5, lns. 9-21 Fig. 1	*ipsis verbis*
the telecommunications lines include telephone lines	10, 11, 12, 15, 17, 20, 27, 29	p. 3, ln. 25 Fig. 1	*ipsis verbis*
means or mechanism for transferring money electronically via telecommunications lines from the second party to the first party	11, 16, 19	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic sales via telecommunications lines. A skilled artisan would readily recognize that electronic sales via telecommunications lines would include the transfer of money via telecommunications lines. This was addressed previously in the affidavit of Arthur Hair dated May 5, 1992.
means or mechanism for the first party to charge a fee to the second party and granting access to desired digital video or digital audio signals	16, 19, 26	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 implicitly support for selling and thereby charging a fee. This was previously pointed out in the declaration of Arthur Hair submitted December 30, 1993.

means or mechanism for connecting electronically via telecommunications lines the first memory with the second memory	11, 16,	p. 4, lns. 15-20 Fig. 1	A skilled artisan would readily recognize from the specification that the first memory would include a means for connecting to the second memory via the disclosed telephone lines.
the second party control unit includes an incoming random access memory	11, 16, 24, 33	p. 3, lns. 26-29 Fig. 1	*ipsis verbis*
means or mechanism for transmitting desired digital video or digital audio signals	11, 16, 26, 28	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic distribution via telecommunications lines. A skilled artisan would readily recognize that this requires transmission of those signals, where the telecommunications lines act as the transmitter. A skilled artisan would also readily recognize in order to receive digital audio or digital video signals over telecommunications lines, 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 transmitter connected to the first memory and the telecommunications lines, the first party in possession and control of the transmitter	11, 16	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic distribution via telecommunications lines. A skilled artisan would readily recognize that this requires transmission of those signals, where the telecommunications lines act as the transmitter.

a receiver connected to the second memory and the telecommunications lines, the second party in possession and control of the receiver	11, 16, 19, 26	p. 2, lns. 47-49 p. 3, lns. 35-38 p. 4, lns. 24-26	A skilled artisan would readily recognize in order to receive digital audio or digital video 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 readily recognize that the receiver 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 December 30, 1993.

the transmitter remote from the receiver, the receiver at a location determined by the second party in electrical communication with the connecting means or mechanism	11	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 understand this to comprehend transfers between two remote locations. A skilled artisan would further recognize that in order for transmission of the digital audio or video signals to occur the transmitter and receiver have to be in electrical communication with the connecting means.
means or mechanism for storing desired digital video or digital audio signals with the receiver	11, 16	p. 3, lns. 26-31 p. 4, lns. 15-20 Fig. 1	The second party control unit includes a second party control integrated circuit which regulates the transfer of the digital audio and digital video signals. A skilled artisan would readily recognize that the second party integrated circuit regulates storage of the digital audio or digital video signals.

speakers in possession and control of the second party	14, 18, 26	p. 3, ln. 33, 47-49	The as filed original specification has *ipsis verbis* support for speakers. A skilled artisan would readily recognize that the speakers would be in possession and control of the second party since the specification throughout states that the second party may repeatedly listen to stored songs through the speakers.
the second party choosing desired digital audio signals from the first party's hard disk	26	p. 2, lns. 8-16, 20-27, 38-52 p. 35-49	Throughout the specification discloses electronic sales of digital video or digital audio signals. A skilled artisan would readily recognize that this includes the selection of individual desired signals by the purchaser.

Claim Features of '440 Patent

Feature	Claims Reciting Feature	Written Description of Feature in Original Specificati n	Comments
A method/system for transferring desired digital video or digital audio signals	1-63	p. 1, lns. 13-15 p. 2, lns. 8-10, 20-26 (video) p. 5, lns. 36-43	*ipsis verbis*
forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party	1-22, 25-28, 36-46, 58-63	p. 3, lns. 35-40	*ipsis verbis*
first memory having desired digital video or digital audio signals	1-21, 25-28, 42-57, 62, 63	p. 3, lns. 35-37	*ipsis verbis*
selling electronically by the first party to the second party through telecommunications lines	1-22, 25-28, 40, 42-45	p. 2, lns. 47-52 p. 3, lns. 35-40	*ipsis verbis*
transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines	1-21, 25-28, 36-40, 42-46, 62-63	p. 2, ln. 47-52 p. 3, lns. 35-40 Fig. 1	*ipsis verbis*

the second party control unit with the second memory is in possession and control of the second party	1-41, 46-52, 62	p. 3, lns. 26-33, 40-43	The as filed original specification includes *ipsis verbis* 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.
playing through speakers of the second party control unit the digital video or digital audio signals in the second memory	1-10, 11, 22, 36-46, 63	p. 2, lns. 26-32	*ipsis verbis*
speakers of the second party control unit connected with the second memory of the second party control unit	1-10, 28, 35, 62	p. 3, lns. 25-32 p. 4, lns. 47-50 Fig. 1	*ipsis verbis*

first control unit in possession and control of first party	24, 31-35	p. 2, lns. 38-43 p. 3, lns. 35-49	The as filed original specification includes *ipsis verbis* 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.
second party location remote from the first party location, determined by the second party	2-63	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 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 previously pointed out in the declaration of Arthur Hair submitted May 5, 1992.

charging a fee via telecommunications lines by the first party to the second party	2-10, 19-21, 36-40, 43-45, 47-63	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 implicitly support for selling and thereby charging a fee. This was previously pointed out in the declaration of Arthur Hair submitted December 30, 1993.
second party has an account, charging the account of the second party **Possibly Amend to: "Charging the second party"**	3-10, 20-21, 38-40, 44-45, 56-57, 60-61	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. A skilled artisan would readily recognize that charging a fee via telecommunications lines would include the second party having an account that can be charged. This was previously pointed out in the declaration of Arthur Hair submitted December 30, 1993.
telephoning the first party controlling use of the first memory by the second party **Possibly Amend to: "establishing telephone communications between the first memory and the second memory"**	4-10, 39-40, 45, 57, 61	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 controlling the second memory to the first party controlling the first memory so the second party is charged money	4-10, 21, 39-40, 45, 61	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.
storing the desired digital video or digital audio signals in the second memory	5-10, 22, 36-41	p. 2, lns. 23-27	*ipsis verbis*
electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital audio signals	6-8	p. 2, lns. 17-19 p. 4, lns. 15-20	*ipsis verbis*
first memory includes first party hard disk	7-8, 13, 14, 27-28, 34-35, 49-54	p. 4, lns. 5-6 p. 3, ln. 19 Fig. 1	*ipsis verbis*
second party can view desired digital video signals	58-61	p. 5, lns. 36-43 p. 3, lns. 26-33	The as filed original specification has *ipsis verbis* support for a video display. Since the specification explicitly says that the invention is applicable to video, a skilled artisan would recognize that a user could view the desired video signals on the video display.

second party can listen to the desired digital audio signals	63	p. 4, lns. 27-28, 36-50	*ipsis verbis*
first memory includes a sales random access memory chip	7-8, 13-18, 25-28, 49-54	p. 3, lns. 19-24 Fig. 1	*ipsis verbis*
second party control unit includes second memory	48-54	p. 3, lns. 26-30 Fig. 1	The as filed original specification has *ipsis verbis* support for a second party control unit. A skilled artisan would readily understand that the second party hard disk corresponds to a second memory.
second party control unit has a second party control panel	8, 12-21, 25-28, 32-35, 47-57	p. 3, lns. 26-27 Fig. 1	*ipsis verbis*
second party control panel connected to the second party integrated circuit	8, 16-18, 25-28, 32-35, 52-54	p. 3, lns. 26-28 Fig. 1	*ipsis verbis*
second memory of the second party control unit includes an incoming random access memory chip	9-10, 17-18, 25-28, 32-35, 53-54	p. 3, ln. 26-29 Fig. 1	*ipsis verbis*
second memory of the second party control unit includes a second party hard disk for storing the desired digital video or digital audio signals	9-10, 12-21, 25-28, 34-35, 50-54	p. 3, lns. 26-31 Fig. 1	*ipsis verbis*

second memory of the second party control unit includes a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback	9-10, 25-28 32-35, 50-54	p. 3, lns. 26-30 p. 4, lns. 39-50 Fig. 1	*ipsis verbis*
a first party control unit having a first memory	12-21, 25-28	p. 3, lns. 20-24 Fig. 1	*ipsis verbis*
second party control unit having means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel	12-35	p. 3, lns. 26-33 Fig. 1	The as filed original specification has *ipsis verbis* support for speakers and video display which are means for playing.
first party control integrated circuit connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines	15-18, 25-28, 32-35, 51-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*

second party control integrated circuit connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines	16-18, 25-28, 52-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*
first party control integrated circuit and second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals	13-18, 25-28	p. 4, lns. 15-20	*ipsis verbis*
first party control panel connected to the first party control integrated circuit	15-18, 25-28, 51-54	p. 3, lns. 20-24 Fig. 1	*ipsis verbis*
incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines	17-18, 25-28, 53-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*
second party control unit includes a video display unit and/or speakers	18, 25-28, 35, 47-61	p. 3, lns. 26-33 Fig. 1	*ipsis verbis*

second party control unit having a receiver, second memory connected to the receiver	22, 41, 47-56, 58-60	p. 2, lns. 47-49 p. 3, lns. 35-38 p. 4, lns. 24-26	A skilled artisan would readily recognize in order to receive digital audio or digital video 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.
second party financially distinct from the first party	22, 41	p. 2, lns. 8-16, 20-27, 38-52 p. 35-49	Throughout the specification discloses electronic sales of digital video or digital audio signals. A skilled artisan would readily recognize that the first and second parties would be financially distinct since this is required in order to have a sale. This issue was previously addressed in the affidavit of Arthur Hair filed on May 5, 1992.
first memory with a transmitter in control and possession of the first party	22-24, 29-35, 41, 58-61, 63	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic distribution via telecommunications lines. A skilled artisan would readily recognize that this requires transmission of those signals, where the telecommunications lines act as the transmitter.

receiver is in possession and control of the second party	22-24, 29-35, 41, 58-61, 63	p. 2, lns. 47-49 p. 3, lns. 35-38 p. 4, lns. 24-26	A skilled artisan would readily recognize in order to receive digital audio or digital video 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 readily recognize that the receiver 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 December 30, 1993.
means or mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory	23-24, 30-35	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic sales via telecommunications lines. A skilled artisan would readily recognize that electronic sales via telecommunications lines would include the transfer of money via telecommunications lines. This was addressed previously in the affidavit of Arthur Hair dated May 5, 1992.

second party choosing desired digital video or digital audio from first memory with second party control panel	47-63	p. 2, lns. 8-16, 20-27, 38-52 p. 35-49	Throughout the specification discloses electronic sales of digital video or digital audio signals. A skilled artisan would readily recognize that this includes the selection of individual desired signals by the purchaser.
means or mechanism for connecting electronically via telecommunications lines the first memory with the second memory	23-24, 29-35	p. 4, lns. 15-20 Fig. 1	A skilled artisan would readily recognize from the specification that the first memory would include a means for connecting to the second memory via the disclosed telephone lines.
means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory to a receiver having the second memory	23-24, 29-35	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic distribution via telecommunications lines. A skilled artisan would readily recognize that this requires transmission of those signals, where the telecommunications lines act as the transmitter. A skilled artisan would also readily recognize in order to receive digital audio or digital video signals over telecommunications lines, 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.

means or a mechanism for storing the digital video or digital audio signals in the second memory	23-24, 29-35	p. 3, lns. 26-31 p. 4, lns. 15-20 Fig. 1	The second party control unit includes a second party control integrated circuit which regulates the transfer of the digital audio and digital video signals. A skilled artisan would readily recognize that the second party integrated circuit regulates storage of the digital audio or digital video signals.
playing means or mechanism connected to the second memory	23-24, 29-35	p. 3, lns. 26-33 p. 4, lns. 39-50 Fig. 1	*ipsis verbis*
second memory connected to receiver and video display	48-54, 58-61	p. 3, lns. 26-33 p. 4, lns. 39-50 Fig. 1	The as filed original specification has *ipsis verbis* support for a video display connected to the second memory. A skilled artisan would also readily recognize in order to receive digital audio or digital video signals over telecommunications lines, 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.
telecommunications lines include telephone lines	26-28, 33-35	p. 3, ln. 25 Fig. 1	*ipsis verbis*
incurring a fee by second party to first party for use of telecommunication lines, the desired digital video or audio signal in first memory	46		**(CANCEL)**

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EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. *90/007,407*.

PATENT NO. *5966440*.

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)).

Office Action in Ex Parte Reexamination	Contr l No. 90/007,407	Patent Under Reexamination 5966440	
	Examiner Roland G. Foster	Art Unit 3992	

-- The MAILING DATE of this communicati n appears n the cover sheet with the correspondence address --

a☒ Responsive to the communication(s) filed on *29 November 2006* . b☒ This action is made FINAL.
c☐ A statement under 37 CFR 1.530 has not been received from the patent owner.

A shortened statutory period for response to this action is set to expire *2* month(s) from the mailing date of this letter. Failure to respond within the period for response will result in termination of the proceeding and issuance of an *ex parte* reexamination certificate in accordance with this action. 37 CFR 1.550(d). **EXTENSIONS OF TIME ARE GOVERNED BY 37 CFR 1.550(c).** If the period for response specified above is less than thirty (30) days, a response within the statutory minimum of thirty (30) days will be considered timely.

Part I THE FOLLOWING ATTACHMENT(S) ARE PART OF THIS ACTION:

1. ☐ Notice of References Cited by Examiner, PTO-892.
2. ☐ Information Disclosure Statement, PTO/SB/08.
3. ☐ Interview Summary, PTO-474.
4. ☒ *07/206,497 as originally filed*.

Part II SUMMARY OF ACTION

1a. ☒ Claims *1,4,6-8,10-16,18-21,23-36,39,40,42,45,47-61 and 80-129* are subject to reexamination.
1b. ☐ Claims _____ are not subject to reexamination.
2. ☒ Claims *2,3,5,9,17,22,37,38,41,43,44,46 and 62-79* have been canceled in the present reexamination proceeding.
3. ☐ Claims _____ are patentable and/or confirmed.
4. ☒ Claims *1,4,6-8,10-16,18-21,23-36,39,40,42,45,47-61 and 80-129* are rejected.
5. ☐ Claims _____ are objected to.
6. ☐ The drawings, filed on _____ are acceptable.
7. ☐ The proposed drawing correction, filed on _____ has been (7a)☐ approved (7b)☐ disapproved.
8. ☐ Acknowledgment is made of the priority claim under 35 U.S.C. § 119(a)-(d) or (f).
   a)☐ All b)☐ Some* c)☐ None of the certified copies have
   1☐ been received.
   2☐ not been received.
   3☐ been filed in Application No. _____ .
   4☐ been filed in reexamination Control No. _____.
   5☐ been received by the International Bureau in PCT application No. _____.
   * See the attached detailed Office action for a list of the certified copies not received.
9. ☐ Since the proceeding appears to be in condition for issuance of an *ex parte* reexamination certificate except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte* Quayle, 1935 C.D. 11, 453 O.G. 213.
10. ☐ Other: _____

cc: Requester (if third party requester)

DETAILED ACTION

Summary

U.S. Patent No. 5,966,440 (the "'440" patent) is presently under reexamination in this proceeding. The '440 patent is directed generally to downloading audio and video content via a telecommunications line (e.g., see claim 1), where a district court has held that the term "telecommunications line" includes the Internet.[1] The amendment, filed on November 29, 2006, (the "Amendment"), has been duly considered but is not deemed persuasive to overcome the prior rejections of all claims in the '440 patent under reexamination. In addition, the Patent Owner has not shown that the effective filing date of the instant '440 patent under reexamination is earlier than June 6, 1995. Therefore, the prior rejections are repeated below, except for any new grounds of rejections necessitated by the amendment to the claims. Accordingly, this Office action is made final. See MPEP § 706.07(a) and § 2271.III.

Benefit of Earlier Filing Date Regarding Original Claims

Definitions

As an initial matter, the instant '440 patent and the earlier filed applications are related as follows. The '440 patent under reexamination issued from U.S. Application No. 08/471,964 (hereinafter the "Child" application), which was filed on June 6, 1995. The parent application to the Child Application is U.S. Application No. 08/023,398, filed on February 26, 1993 (hereinafter the "Parent" application). The grandparent application to Child Application is U.S.

[1] 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).

Application No. 07/586,391 (hereinafter the "Grandparent" application), filed September 18, 1990. Finally, the great-grandparent application to the Child Application is U.S. Application No. 07/206,497, filed June 13, 1988 (hereinafter the "Great-Grandparent" application). The Parent, Grandparent, and Great-Grandparent applications are collectively referred to as the parent applications.

Basic Statement of the Issues Regarding Priority

The Grandparent, Parent, and Child applications are alleged to be related to their respective parent applications as "continuation" applications (i.e., each child application did not, on filing, contain disclosure of any subject matter not present in its respective, parent application, and the claims of each child application, on filing, were fully supported by the disclosure of the child application, see MPEP § 201.06(c).III).[2] However, the specifications of these applications 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 '440 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 any of the originally filed, parent applications, as, for example a reference dated later than the filing date of any of the parent applications 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 Patent Owner and the examiner regarding such claims to the benefit of filing date in any of the parent applications, as originally filed.

Furthermore, the prosecution history of the Child application (issuing as the '440 patent under reexamination) does not show that the examiner had reason to consider the propriety of the benefit (continuation) claim set forth in the patent to the originally filed, Great Grandparent application, nor to any of the other parent applications. In addition, the prosecution history of the Child patent does not contain any substantive, written discussion between the Patent Owner and the examiner regarding such claims.

For the reasons to be discussed below, the effective filing date of the '440 patent under reexamination, which issued from the Child application, is June 6, 1995 (at the earliest), which is the actual filing date of the Child application.

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

[2] 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).

> 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 originally filed specification must support the invention claimed in the later application. See 35 U.S.C. 120.

The Original Claims of the Child Patent Under Reexamination Are Not Entitled to Benefit of Filing Date of the Parent Applications, as Originally Filed, Under 35 U.S.C. 120 Because the Written Description of the Parent, Grandparent, and Great Grandparent Applications, as Originally Filed, Fail 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 by a series of amendments is not found in the Great-Grandparent application, as originally filed (see attachment "A"), nor for that matter, the Grandparent or Parent applications as originally filed.

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). "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.

Great-Grandparent Application

For example, a significant amount of unsupported, new text was added by amendment to the Grandparent application, where this new text was neither required nor necessarily present in the specification of the Great-grandparent as originally filed. The reasons for the above conclusion were extensively discussed in the "Benefit of Earlier Filing Date" section in the Final Office action for related reexamination 90/007,402 (regarding the parent U.S. patent 5,191,573, which issued from the Grandparent application) (see especially Tables I and II), where this section is hereby incorporated into this Office action in its entirety. Thus, this new text was new matter. Thus, the Grandparent application, at the earliest, only has an effective filing date of September 18, 1990, which is the actual filing date of the Grandparent application.

Thus, the Child application (later issuing as the '440 patent under reexamination), which is alleged to be related via continuation applications to the Great-Grandparent application and which claims subject matter that was found to be new matter to the Great-Grandparent

application (e.g., compare claim 1 in the instant proceeding to Table I that was incorporated by reference above), would also only have an effective filing date of the intervening Grandparent application, which is September 18, 1990, at the earliest.

The prosecution history of the Parent application also provides additional reasons why the Great-Grandparent application, as originally filed, fails to provide written description support for the invention claimed in the Child application. Specifically, a significant amount of new text was also added by amendment to the specification and claims of the Parent application that is also new matter to the Great-grandparent application and that cuts off priority from the Child application to the Great-grandparent application.

Consider for example the amendment of January 3, 1994 in the Parent application, where a very large amount of the new text was introduced into the specification and claims directed to specific video download, processing, and display procedures. This new text is directed to subject matter claimed in the Child application (e.g., see claim 1 in the instant proceeding). This new text however is not found in original specification of the Great-Grandparent application. Although the Great-Grandparent specification, as originally filed, contains 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....", this is a broad, one-sentence, generic statement.[3] Thus, much of the new text added by the amendment of January 3, 1994 is in the

[3] 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.

nature of additional, narrowing video limitations and elements undisclosed by a generic video statement in the Great-Grandparent application, as originally filed, and thus these additional specific video limitations must be shown to be required or necessarily present in the original disclosure, as required by case law and as discussed above.

In the instant case, it is clear that the many explicit and specific video limitations added by the amendment of January 3, 1994 are not required by nor necessarily present the generic video disclosure at end of the written description of the Great-Grandparent application, as originally filed. 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 Patent Owner simply chose one possible (but not required) way to integrate video features into the originally disclosed audio system.[4] Indeed, the Patent Owner added specific, video download and transmission procedures not found in the original specification during the prosecution of Grandparent application, see the 90/007,402 reexamination.[5] Thus, the original, one sentence generic statement does not require all the many instances of undisclosed, specific details later added by the Patent Owner.

[4] See, for example, the amendment January 3, 1994.
[5] 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 Patent Owner 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 during cannot be simply replaced

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 typical video signal. In the mid 1980(s), at the time of the original Great-Grandparent application, only compact audio disks players were routinely available.[6] 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.[7] 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.

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with the word video. For example, Patent Owner waited until the Parent Application to add new text directed toward displaying downloaded video, see page 10 of the amendment, filed January 3, 1994.

[6] 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, 2nd Edition," by Ken C. Pohlmann, retrieved from http://www.oneoffcd.com/info/hisotrycd.cfm on September 19, 2006.

[7] 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

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[8], 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.[9] 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.[10] 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, such as the Internet, simply did not exist or were not well known in 1988. Furthermore, it is not clear

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also the "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.

[8] See "IBM HDD Evolution" chart, by Ed Grochowski at Almaden, retrieved from http://www.soragereview.com/guideImages/z_ibm_sorageevolution.gif" on September 19, 2006.

[9] 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.

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.[11] Thus, undisclosed devices 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.

The Patent Owner also failed to provide support in the Great-grandparent application, as originally filed, for the new text in the amendment of January 3, 1994. Patent Owner 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.

For the reasons discussed above, the Great-Grandparent application, as originally filed, fails to provide written description support for the features claimed in all subsequent applications, including the Child application. Thus, the Great-Grandparent application, as originally filed, cannot provide the benefit of its filing date to these applications. Thus, the effective filing date (priority) of the instant '440 patent under reexamination, which issued from

[10] IBM HDD Evolution chart, *supra*.
[11] History of MPEG, *supra*.

the Child application, is September 18, 1990 (at the earliest), which is the filing date of the Grandparent application.

For the reasons below however, the priority chain for the Child application is also broken at a later date.

Grandparent Application

As for disclosure of video downloading features regarding the Grandparent specification, as originally filed, it contains the same general statement at the end of the specification (as discussed above), plus an independent claim that recites "transmitting a desired digital, a video or audio music signal," an abstract briefly mentioning that video signals are stored on a hard disk, and a title stating a "Method for Transmitting a Desired Video or Audio Signal." See Tables I and II in the "Benefit of Earlier Filing Date" section in the Final Office action for related reexamination 90/007,402 (regarding the parent U.S. patent 5,191,573, which issued from the Grandparent application), where this section is hereby incorporated into this Office action in its entirety. Thus, the Grandparent application, as originally filed, contains the same type of broad, generic video statements as contained in the Great-grandparent application, as originally filed. Thus for the same reasons as discussed extensively above, the many explicit and specific video limitations added by the amendment of January 3, 1994 in the Parent application and claimed in the Child application are not required by nor necessarily present the generic video disclosure at end of the written description of the Grandparent application, as originally filed.

It should be noted that the Patent Owner also failed to provide support in the Grandparent applications, as originally filed, for all of the new text in the amendment of January 3, 1994 in the Parent application. Patent Owner 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.

Thus, the Grandparent application, as originally filed, fails to provide written description support for the features claimed in all subsequent applications, including the Child application. Thus, the Grandparent application, as originally filed, cannot provide the benefit of its filing date to these applications. Thus, the effective filing date (priority) of the instant '440 patent under reexamination, which issued from the Child application, is February 26, 1993 (at the earliest), which is the filing date of the Parent application.

For the reasons below however, the priority chain for the Child application is also broken at a later date.

Parent Application

The pattern of gradually adding new text not found in the originally disclosed Great-Grandparent specification did not end however with the amendment of January 3, 1994 in the Parent application. For example, see the amendment of July 8, 1996 in the Child application, which introduces a very large amount of the new text to the specification and claims that appears to be focused on introducing specific video download, processing, and display procedures that

are not found in specifications of the Great-Grandparent, Grandparent, and Parent applications, as originally filed.

Regarding support for the extensive changes to the specification, the Patent Owner stated in the July 8, 1996 amendment that the:

> specification has been amended to be consistent with the changes and additions to the claims. For instance, the addition to page 11 is essentially new Claims 43 and 51 written out in more customary grammatical form with reference to the figures.

The "addition to page 11 of the Child specification" however, is almost five, full pages of new text. Thus, it is not clear how all of this new text is tied to "essentially" new claims 43 and 51. Thus, the support statement provided by the Patent Owner is very broad, and does not specifically point out where in the original disclosure (not the new claims) the added features are found. Patent Owner 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.

Even if the new claims are considered as providing adequate support for the changes to the specification, the Patent Owner still only addresses the issue of support for the approximately 30 new claims in brief, general, and vague language that refers to a few lines in the specification. [12] For example, the referral to the "individual video selection" apparently refers to only one new, video limitation, and not the many, detailed video downloading, processing, and display

[12] The July 8, 1996 amendment also introduces new text, such as "receiver or second memory is in possession and control the of the second party" that were not found to necessarily required in the written description of the Great-grandparent or Grandparent applications, even in view of the Hair declaration, as discussed above. See also the "Benefit of Earlier Filing Date" section in the Final Office action for related reexamination 90/007,402 (regarding

features added as new text by the Patent Owner and as discussed extensively above is not supported by the specification in the parent applications, as originally filed. Furthermore, the cited section in the original specification refers to the display of category information regarding downloaded audio files, not downloaded video files.

The extensive new text in the Child application is new matter because the new text was unsupported by the Patent Owner, as discussed above, and because the new text, using the same type of reasoning discussed extensively above, is clearly not required by the written description in the Parent application, as originally filed, nor for that matter the written descriptions in the Grand-parent and Great-Grandparent applications, as originally filed.

Thus, the Parent application, as originally filed, fails to provide written description support for the features claimed in the Child application. Thus, the Parent application, as originally filed, cannot provide the benefit of its filing date to the Child application. Thus, the effective filing date (priority) of the instant '440 patent under reexamination, which issued from the Child application, is June 6, 1995 (at the earliest), which is the filing date of the Child application.

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

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the parent U.S. patent 5,191,573, which issued from the Grandparent application), where this section is hereby incorporated into this Office action in its entirety.

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, 4, 6-8, 11-16, 19-21, 23, 24, 29-36, 39, 40, 42, 45, 47-61, and 80-129 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 '440 patent under reexamination claims benefit under 35 U.S.C. 120 to the earlier filing dates of the Parent, Grandparent, and Great-Grandparent applications.

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 applications were filed, had possession of the claimed invention.

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 Patent Owner, on pages 34 and 35 of the Amendment, states that the new claims mirror the original claims in the '440 patent, where alleged support for the original claims in the '440 patent are provided on pages 49-56 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, Great-Grandparent application (nor the other parent applications), 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 "Benefit of Earlier Filing Date Regarding the Original Claims" section 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, 11, 12, 23, 29, 36, 42, 47, and 58. 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 Great-Grandparent 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 21 of the Amendment, the Patent Owner points to page 4, lines 35 to 49 of the originally filed, Great-Grandparent specification (attachment "A") has teaching a "hard disk for storing digital audio or digital video signals." The originally filed specification in the Great-Grandparent application, including the section cited to by the Patent Owner above, only discloses one embodiment, where a hard disk 60 stores electronic audio music.[13] Thus, the originally filed, Great-Grandparent 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*).

[13] The originally filed specification in the Great-Grandparent application, including the section cited to by the Patent Owner above, also fails to teach that the hard disk stored video data despite assertions by the Patent Owner.

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 mater'...." Ex Parte Johnson, 558 F.2d 1008, 1014 (CCPA 1977). Here, the originally filed, Great-Grandparent 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 1, 4, 6-8, 11-16, 19-21, 23, 24, 29-36, 40, 42, 45, 47-61, and 80-129 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.

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 the original Great-Grandparent 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 Great-Grandparent 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.[14]

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 Great-Grandparent application was June 13, 1988. In the mid 1980(s) however, only compact audio disks players were just becoming popular.[15] 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-

[14] 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 information to the user regarding downloaded audio content, and not directed to the actual download of video content.
[15] 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",

only DVD disks capable of storing large digital video files, not from video data downloaded (recorded) from a remote server via a communications network. [16] 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[17], 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.[18] Thus, it is not clear how a 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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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.

[16] 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, 2nd Edition," by Ken C. Pohlmann, retrieved from http://www.oneoffcd.com/info/hisotrycd.cfm on September 19, 2006.

[17] See "IBM HDD Evolution" chart, by Ed Grochowski at Almaden, retrieved from http://www.soragereview.com/guideImages/z_ibm_sorageevolution.gif" on September 19, 2006.

[18] 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.[19] 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, such as the Internet, 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.[20]

Thus, based on the evidence regarding each of the above factors, the specification, at the time the Great-Grandparent 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.

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

[19] IBM HDD Evolution chart, *supra*.

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 10, 18, and 25-28 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Patent Owner regards as the invention. Claims 10 and 18 lack antecedent basis in its entirety because the claims depend from claim 9 and 17 respectively, where claims 9 and 17 were cancelled in the Amendment (filed November 29, 2006).

Claim Rejections Based on Yurt

Claim Rejections - 35 USC § 103

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

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

Claims 1, 11-13, 23, 24, 29-31, 36, 42, 47-49, 58, 80, 87-89, 98, 99, 104-106, 111, 114, 116, 117, and 126 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,132,992 ("Yurt"), of record.

The publication date of the Yurt patent is July 21, 1992. The earliest priority date of the '440 patent under reexamination however is June 65, 1995, as discussed extensively above in the

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[20] History of MPEG, *supra*.

"Benefit of Earlier Filing Date" section. Thus, Yurt is available as both 102(b) and 102(e) type prior art.

Regarding **claim 1:**

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals;

Yurt teaches that a second party (user) connects electronically via an IDSN line (or the like) (telecommunications line), such that a desired audio/video signal passes between a first and second memory. Specifically, Yurt teaches video/audio signals are stored on a first memory of a first party (library provider) (Fig. 2a, source material library, pre-compression data processing storages 130 and 131, compressed data formatting storage, and compressed data libraries) and transmitted to a remote, second memory for storage (Fig. 6, reception system 200 storage 203). The reception system is associated with a second party, namely the customer or "user" (Figs. 1d, 1e, 1f, 1g, and col. 5, ll. 10-33). Yurt teaches that a reception system 200 associated with the user or customer supports a terminal interface based on a personal computer (Fig. 6 and col. 14, l. 64 – col. 15, l. 21), where a personal computer includes a control unit (e.g., CPU) and control panel (e.g., keyboard). Yurt also teaches of control unit and control panel in the form of a telephonic interface (e.g., telephone and keypad) (co. 13, ll. 61 – 68).

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory; and

The second party (customer) is informed regarding the price of the audio or video selection (Fig. 3, step 3070 and col. 14, ll. 23-28), after which the audio/video download (transmission) occurs. When the download successfully completes, a "billing program...updates the account of the user" (Fig. 5, step 5090 and col. 17, ll. 9-11). Thus, money is transferred form the second party (user) to the first party (library provider). Both the digital signal and money are transferred via an ISDN (or the like) telecommunications line (Fig. 1a, col. 16, ll. 4-15 and ll. 53-68), which also separates the second party (user) from the remote first party (library provider). Thus, money is transferred electronically to the first party (library provider) from the second party (customer) via a telecommunications line (ISDN or the like) to the second party in order to download the video/audio signals (i.e., selling electronically the desired digital video or digital audio signals through the telecommunications line).

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; storing the desired digital video or digital audio signals in a non-volatile storage portion the second memory; and playing through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit.

Regarding "second memory is in possession and control of the second party", the second party (user) also controls the use and also possesses the second memory (storage 203), such as by the ability to determine what contents are stored in the second memory and what audio/video is played back from the second memory (col. 5, ll. 10-33 and col. 17, ll. 35-53). Regarding

"playing through speakers of the second party control unit the digital video or digital audio signals in the second memory", Yurt teaches playing back the video and audio over a television (col. 18, ll. 36-37). A television inherently includes a speaker.

Although Yurt teaches that the second memory (storage 203) stores the desired digital video or audio signals transferred from the library control computer 1123 (comprising a sales random access memory chip, as discussed above) via a telecommunications link (Fig. 1a, col. 17, ll. 35-53, col. 18, ll. 19-21, and col. 19, ll. 30-36). Yurt however fails to teach that the storage is a "non-volatile storage" that "is not a tape or CD."

Yurt however teaches that another video and audio storage device, specifically the library system control computer 1123, comprising the compressed data library 118 (Fig. 2b), uses a hard disk (i.e., a non-volatile storage that is not a tape or CD) (col. 6, ll. 19-22 and col. 12, ll. 42-47).

Yurt also teaches that adding a hard disk (a non-volatile storage that is not a tape or CD) to a video and audio storage device would have increased the speed and reliability of video and audio access (col. 12, ll. 42-47).

Thus 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 (a non-volatile storage that is not a tape or CD) as taught by the audio/video storage device of Yurt to the storage 203 (second memory) in Yurt, which is also a video and audio storage device.

The remaining limitations recited functions that have been clearly addressed above regarding the teachings of Yurt.

Claim 11 differs substantively from claim 1 in that claim 11 recites the following additional limitations directed to the second party control unit "in possession and control of the second party by the second party at a desired location determined by the second party." The second party (user) controls the use and also possesses the second party control unit (reception system 200 and its associated personal computer, as discussed in the claim 1 rejection above), such as by the ability to enter commands into the personal computer to specify what contents are downloaded and stored, and what audio/video is played back (col. 5, ll. 10-33 and col. 17, ll. 35-53). The second party (user) determines the location to which the audio/video data is transmitted, such as the user calling from work and having the "movie sent to their house to be played back after dinner or at any later time of their choosing" (col. 5, ll. 18-21).

Claim 11 also recites limitations directed to entering commands into the second party control panel to purchase the desired digital signals and to play the purchased signals. Commands are entered into the control panel associated with the personal computer interface or telephonic interface, as discussed in the claim 1 rejection above. Yurt teaches that a reception system 200 associated with the user or customer supports a terminal interface based on a personal computer (Fig. 6 and col. 14, l. 64 – col. 15, l. 21), where a personal computer includes a control unit and control panel (e.g., keyboard). Yurt also teaches of control unit and control

panel in the form of a telephonic interface (e.g., telephone and keypad) (co. 13, ll. 61 – 68). The user enters commands through the control unit in order to purchase and download the desired digital video and audio files (Fig. 3) and playing back the purchased files (col. 17, ll. 35-43).

Claims 12 and 23 do not substantively differ from claims 1 and 11 above. Therefore, see the claims 1 and 11 rejections for additional details.

Claim 29 differs substantively from claims 1 and 11 above in that claim 29 recites the limitation "said first party controlling use of the first memory." The first memory is in control and possession of the first party, such as when the first party (library provider) determines what contents are stored in the first memory (col. 6, ll. 8-54) and thus the type of content that will transmitted.

Claim 36 differs substantively from claims addressed above in that claim 36 recites the limitation "the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location." The second party (customer) is informed regarding the price of the audio or video selection (Fig. 3, step 3070 and col. 14, ll. 23-28), after which the audio/video download (transmission) occurs. When the download successfully completes, a "billing program...updates the account of the user" (Fig. 5, step 5090 and col. 17, ll. 9-11). Thus, money is transferred form the second party (user) to the first party (library provider). Both the digital signal and money are transferred via an ISDN (or the like)

telecommunications line (Fig. 1a, col. 16, ll. 4-15 and ll. 53-68), which also separates the second party (user) from the remote first party (library provider). Thus, money is transferred electronically to the first party (library provider) from the second party (customer) via a telecommunications line (ISDN or the like) to a location from the second party.

Claim 42 does not substantively differ from claims 1, 11, and 36 above. Therefore, see these claims rejections for additional details.

Claim 47 differs substantively from claims 1 and 11 in that claim 47 recites the limitations "second party control unit having a...receiver and a video display for playing the desired digital video signals received by the receiver." A "receiver" reads on the reception system 200 (Fig. 6) (receiver) that includes receiver circuitry (e.g., the transceiver 201). A "video display" reads on the television display (col. 18, ll. 36-37). See the claim 1 rejection for additional details.

Claim 58 does not substantively differ from claim 47 above. Therefore, see the claim 11 rejection for additional details.

Claims 80, 87, 88, 98, 104, 111, 114, 116, and 126 differ substantively from claims 1, 11, 12, 23, 29, 36, 42, 47, and 58 respectively in that the subject claims recite a "hard disk" instead of a "non-volatile storage" that "is not a tape or CD" as in claim 1. A hard disk however

is a non-volatile storage that is not a tape or CD. See the claim 1 rejection for the obvious addition of a hard disk.

Regarding **claim 13**, Yurt teaches that the library system control computer 1123 (control unit) executes a "queue manager program" (col. 15, ll. 33-37). The "queue manager program" temporarily stores a replica of the digital video or audio signals for subsequent transfer via the telecommunications line (Fig. 2b, col. 15, ll. 33-54 and col. 16, ll. 29-52). Thus, the computer is a digital computer. A digital computer inherently includes a random access memory associated with readable/writable register content, system cache, etc. The digital computer also includes a "chip', whether the random access memory in the computer is entirely implemented on a single processing unit (e.g., CPU) or whether implemented in a discrete component. Thus, the queue manager program requires a "random access memory chip."

The library system control computer 1123, comprising a random access memory chip, that executes the queue manager (as discussed above), also supports a sale, such as controlling the transfer of user (customer) requested audio and video content from the compressed data library 118 to the transmission format conversion CPU(s) (Fig. 2b, 5, and 7, col. 11, ll. 54-65, and col. 12, ll. 21-27). For example, when the download successfully completes, a "billing program...updates the account of the user" (Fig. 5, step 5090 and col. 17, ll. 9-11). Thus, money is transferred form the second party (user) to the first party (library provider) and a "sale" occurs. Thus, the random access memory chip associated with the library control computer 1123 is a "sales" chip and furthermore supports a "means for electronically selling."

Regarding **claim 24**, regarding a first control unit in possession of the first party, Yurt teaches of a library system control computer 1123 (first party control unit) comprising a hard disk (compressed data library 118) storing a plurality of digital video or audio signals (Fig. 2b and col. 6, ll. 19-22 and col. 12, ll. 42-47). This control unit is clearly in the possession and control of the first party (library provider), such as when the first party (library provider) determines what contents are stored in the library, which is under control of the control unit (col. 6, ll. 8-54). Regarding the second control unit, see the claim 11 rejection.

Regarding **claim 30**, see the claims 1 and 36 rejections for additional details.

Regarding **claims 31, 48, and 49**, see the claims 24, 1, and 13 rejections respectively for additional details.

Regarding **claims 89, 99, 105, 106, and 117** see the claims 13, 24, 30, 31, and 49 rejections respectively for additional details.

Claims 4, 6-8 and 81-84 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yurt, as applied to the claims above, and further in view of U.S. Patent No. 4,789,863 ("Bush"), of record.

Regarding **claim 4**, Yurt teaches of telephoning the first party controlling use of the first memory (library provider) (Fig. 3 and col. 13, l. 61 – col. 14, l. 13) and transferring money (as discussed above in the claim 1 rejection). Yurt however fails to teach providing a credit card number of the second party.

Bush teaches (similarly to Yurt) 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 music download system of Bush to the music download of Yurt, which teaches that the user pays for the download.

Regarding **claim 5**, Yurt clearly teaches storing the video and audio signals (col. 17, ll. 35-53 and col. 18, ll. 14-26)

Regarding **claim 6**, see the claim 66 rejection above for additional details.

Regarding **claim 7**, see the claim 13 rejection for additional details.

Regarding **claim 8**, Yurt teaches that a reception system 200 associated with the user or customer supports a terminal interface based on a personal computer (Fig. 6 and col. 14, l. 64 – col. 15, l. 21), where a personal computer includes a control unit (e.g., CPU) and control panel (e.g., keyboard). Yurt also teaches of control unit and control panel in the form of a telephonic interface (e.g., telephone and keypad) (co. 13, ll. 61 – 68). Yurt clearly teaches that the purchase occurs before the download.

Regarding **claims 81-84**, see the claims 4, 6-8, and 24 rejections respectively for additional details.

Claims 14-16, 19, 20, 32-35, 50-56, 59, 60, 85, 86, 90-96, 100-103, 107-110, 118-124, 127, and 128 are rejected under 35 U.S.C. 103(a) as being anticipated by Yurt in view of Bush (where Bush was applied to the parent claims) as applied above, and further in view of U.S. Patent No. 5,241,428 ("Goldwasser"), newly cited.

Regarding **claim 14**,

> **A system as described in claim 13 wherein the second party control unit includes a playback random access memory chip electronically connected to the non-volatile storage portion for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.**

Although Yurt teaches of a storage 203 (second memory), Yurt fails to specifically teaches of a "playback random access memory chip" that temporarily stores a replica of the received digital video or audio signals for playback. Yurt however teaches that second party, when entering playback commands, has "random access" to video and audio signals stored in the reception system 200 (second party control unit), such as by entering forward and rewinding commands (col. 17, ll. 35-43).

Similarly to Yurt as discussed above, Goldwasser teaches of a device for recording video and audio signals onto a hard disk and playing back those signals (abstract and col. 3, ll. 6-13), where the user, when entering playback commands, has random access to the video and audio signals stored in the device, such as by entering play, forward, and rewind commands (col. 1, ll. 62-68). Furthermore, the Goldwasser device implements said random access, playback feature by using a record and playback buffer random access memory ("RAM") electronically connected to video and audio input for temporarily storing the downloaded, received signal in order to support a simultaneous record and playback feature (abstract, Fig. 3, RAM 53, col. 3, ll. 14-20, and col. 7, ll. 59-68). Goldwasser also teaches that the playback buffer RAM is in the form of discrete electronic components interconnected by control and data buses, thus the playback RAM can properly be interpreted as part of a "chip" (i.e., a playback RAM chip). Thus, Goldwasser

teaches of a recording and playback RAM chip electrically connected to a hard disk for buffering during recording for later or simultaneous playback, i.e., temporarily storing the video and audio signal downloaded from the remote, sales random access memory chip .

The suggestion/motivation for adding the playback RAM chip as taught by Goldwasser would have been to increase the convenience, flexibility, and efficiency of the video and audio recording/playback device (with rewind capability) of Yurt. Specifically, the addition of Goldwasser would have allowed "one to view material as it is being recorded," which avoids "many inconveniences" (Goldwasser, col. 1, ll. 30-33). For example, consider the following specific advantages:

> For example, often one will anticipate arriving home at a particular hour, sometime after the commencement of a particular broadcast program one desires to watch. One must therefore set one's VCR to commence recording at the beginning of the program. If one then arrives a few minutes after the beginning of the program, one can watch the end of the program in real time, but cannot see its beginning [i.e., rewind and playback] until after the entire program has been recorded.
>
> Similarly, often one will be watching a particular program when one must temporarily cease watching it, for example, to take a telephone call or the like. It would obviously be convenient to be able to record the program from that point forward, complete the telephone call, and simply watch [i.e., playback] the remainder delayed by the length of time of the interruption. However, no devices are now available which permit this facility. It also is not possible to employ two separate videocassette recorders to overcome these inconveniences.

Goldwasser, col. 1, ll. 34-52.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to add the playback RAM chip electrically connected to a hard disk for buffering (and thus temporarily storing the video and audio signal downloaded from the remote, sales random access memory chip) as taught by Goldwasser (directed to a device for recording and playing back audio and video stored on a hard disk, where the user enters random access commands during playback, such as rewind and play) to Yurt (also directed to a device for recording and playing back audio and video stored on a hard disk, where the user enters random access commands during playback, such as rewind and play).

Regarding **claim 15**, regarding the first party integrated circuit, Yurt teaches a first control circuit (control computer 1123), where the control computer 1123 is a digital computer. A digital computer inherently includes a random access memory associated with readable/writable register content, system cache, etc., which in turn requires integrated circuits. Regarding the second party integrated circuit, Yurt teaches of a second control circuit (user's personal computer), where a personal computer includes integrated circuits. Yurt also teaches that the integrated circuits associated with the control units (control computer 1123 and the user personal computer) regulates transfer of the desired signals (Figs. 2b, 3, 5, 6, and 7). See the claims 1 and 11 rejections for additional details. The claimed "first control panel" reads on library access interface 121, which includes operator computer terminals (Fig. 2b and col. 14, ll. 52-63).

Regarding **claim 16**, see the claims 11, 14 and 15 rejections above for additional details.

Regarding **claim 19**, see the claim 36 rejection above for additional details.

Regarding **claim 20**, see Fig. 5, step 5090.

Regarding **claim 32**, see the claims 14 and 15 rejections above. The sales random access memory chip added above also supports input buffering of the downloaded video and audio signal, as discussed extensively above (Goldwasser, Fig. 3, RAM 53). Thus, the triple buffer (playback random access memory) both plays back and stores data onto the hard disk, and thus can be considered both a "playback random access memory" and an "incoming random access memory." See also the claim 85 rejection below.

Regarding **claim 33**, the "telecommunications lines include telephone lines" clearly reads on Yurt, for example, ISDN lines are voice grade telephone lines.

Regarding **claim 34**, Yurt fails to teach that the storage 203 (second memory) includes a "hard disk."

Yurt however teaches that another video and audio storage device, specifically the library system control computer 1123, comprising the compressed data library 118 (Fig. 2b) and the first memory (as discussed above), uses a hard disk (col. 6, ll. 19-22 and col. 12, ll. 42-47). Thus, Yurt teaches that the first memory comprises a first hard disk.

Yurt also teaches that adding a hard disk to a video and audio storage device would have increased the speed and reliability of video and audio access (col. 12, ll. 42-47).

Thus 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 the audio/video storage device of Yurt to the storage 203 (second memory) of Yurt, which is also a video and audio storage device.

Regarding **claim 35**, Yurt teaches playing back the video and audio over a television (col. 18, ll. 36-37). A television inherently includes a speaker. The television is clearly in control and possession of the second party (user). See also the claims 1, 11, and 47 rejections above for additional details.

Regarding **claim 50 and 53**, see the claims 14 and 32 rejection for additional details.

Regarding **claims 51 and 52**, see the claims 15 and 16 rejections respectively for additional details.

Regarding **claim 54**, see the claim 18 rejection for additional details.

Regarding **claims 55 and 59**, see the claim 19 rejection for additional details.

Regarding **claims 56 and 60**, see the claim 20 rejection for additional details.

Regarding **claim 85**, see the claims 1 and 14 rejections above for additional details regarding the obvious addition of a second party, hard disk and memory chip. In addition:

> **and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk**

The sales random access memory chip added above also supports input buffering of the downloaded video and audio signal, as discussed extensively above (Goldwasser, Fig. 3, RAM 53).

> **storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback.**

Yurt teaches of a reception system 200 associated with the user or customer having a control unit and control panel associated with a user terminal interface based on a personal computer (Fig. 6 and col. 14, l. 64 – col. 15, l. 21) and also associated with a telephonic interface (e.g., telephone tone keypad) (co. 13, ll. 61 – 68). As discussed immediately above, a playback random access memory chip (with a triple buffer) was added for temporarily storing a replica of the desired signal for playback from the hard disk.

Regarding **claim 86**, the combination of Yurt in view of Goldwasser as discussed in the claim 85 rejection above supports repeating the commanding, playing, and transferring replica steps.

Regarding **claims 90-92**, see the claims 14-16 rejections above for additional details.

Regarding **claim 93**, see the claims 32 and 85 rejections above for additional details.

Regarding **claims 94-96**, see the claims 47, 19, and 20 rejections respectively for additional details.

Regarding **claims 100-103**, see the claims 25-28 rejections respectively for additional details.

Regarding **claims 107-110,** see the claims 32-35 rejections respectively for additional details.

Regarding **claims 118-124,** see the claims 50-56 rejections respectively for additional details.

Regarding **claims 127 and 128**, see the claims 59 and 60 rejections above for additional details.

Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 and 129 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yurt in view of Goldwasser (where Goldwasser was applied to the parent claims) as applied to the claims above, and further in view of Bush. See the claim 4 rejection for additional details regarding the obvious addition of the teachings from Bush.

Claims 34 and 35 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yurt, as applied to the claims above, and further in view of Goldwasser.

Regarding **claim 34**, see the claim 14 rejection regarding the obvious addition of a second hard disk and claim 27 rejection above.

Regarding **claim 35**, see the claim 28 rejection for additional details.

Double Patenting

The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington,* 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground

provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

Claims 1, 4, 6-8, 10, 11-16, 18-21, 23-36, 39, 40, 42, 45, 47-61, and 80-129 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-34 of U.S. Patent No. 5,675,734. Although the conflicting claims are not identical, they are not patentably distinct from each other because the current claims and claims 1-34 of the '734 patent essentially claim the same invention. For example, current claims 1 and 4 are not patentable distinct from claims 1, 3, 14, and 16 of the '734 patent because claim 1 of the '734 patent includes: forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals. Claim 1 of the '734 patent also includes: transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second part. Claims 3 and 14 of the '734 patent include: playing the digital video or digital audio signals through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit. Claims 1 and 16 of the '734 patent include: selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory,

the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party. Thus, the claims of the '734 patent are essentially the same as claims 1, 4-21, 23-36, 39, 40, 42, and 45-61 of the '440 patent under reexamination.

Claims 1, 4, 6-8, 10, 11-16, 18-21, 23-36, 39, 40, 42, 45, 47-61, and 80-129 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-6 of U.S. Patent No. 5,191,573. Although the conflicting claims are not identical, they are not patentably distinct from each other because claim 1 of the '573 patent recites a method for transmitting a digital audio signals stored on a first memory of a first party to a second memory of a second party. As claimed, the first party is at a location that is remote from the second memory and the second party is distinct from the first party. The method comprises the step of transferring money to the first party from the second party, connecting the first and second memories electronically, transmitting the digital audio signal from the first memory to the second memory, and storing the digital audio signal in the second memory. Claim 4 of the '573 patent provides a method similar to the above mentioned with respect to digital video signals. The only differences between the claims is the recitation of a "second party control unit", in current claim 1, which would have been obvious to one of ordinary skill in the art at the time the invention was made in light of specification for the '573 patent where the second party is shown to have a control unit ('573, Col. 3, lines 52-56).

Response to Arguments

The Office has Jurisdiction to Apply Intervening Patents and Printed Publications in an Reexamination Proceeding To a Patent that Seeks the Section 120 Benefit to the Filing Date of an Earlier Filed Application

On page 36 of the Amendment, the Patent Owner argues that the Office lacks jurisdiction in reexaminations to reassign priority dates for originally issued claims in the absence of a previous continuation-in-part application. Specifically, the Patent Owner argues that it is "impermissible, in the context of a reexamination, to apply 35 U.S.C. § 120 to reassign priority dates for originally issued claims."

Although the Patent Owner's arguments have been carefully considered, they are not deemed persuasive. 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). See also MPEP § 2217.

Furthermore, no priority dates have been "reassigned" by the examiner, rather the examiner simply applied an intervening reference. When an application claims section 120

benefit to an earlier filed application (e.g. continuations, continuations-in-part), the examiner may use an intervening reference (e.g., a printed publication or patent pre-dating the actual filing date of the application, but post-dating the filing date of the different, parent application to which benefit is sought) in a rejection based on the actual filing date of an application claiming section 120 benefit. The Patent Owner may then correct the benefit claim or show that the conditions for claiming benefit to the priority date have been met. MPEP 201.11.

The Patent Owner next argues on pages 36 and 37:

> It is well established that the primary determination under Section 120 is whether priority is claimed to an earlier application that "fulfills the requirements of Section 112, first paragraph." Callicrate v. Wadsworth Mfg., 427 F.3d 1361, 1373 (Fed. Cir. 2005) (citation omitted). It equally is well established, however, 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").

Although the Patent Owner's arguments have been carefully considered, they are not deemed persuasive. Applying 35 U.S.C. § 120 neither requires nor implies that the specification of the '440 patent under reexamination is itself being subjected to a 35 U.S.C. § 112 analysis. Indeed, none of the original 63 claims of the '440 patent have been rejected pursuant to section 112. Rather it is the specification(s) of various parent applications that are being analyzed on that basis. For example, the examiner has taken the position that the parent applications, as originally filed, do not describe certain features recited in the claims of the instant '440 patent under reexamination. The examiner does not argue that the specification, including the claims, of '440 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 '440 patent in different U.S. applications.

The 35 U.S.C. 102 and 103 rejections based on the intervening patents and publications are also, clearly, an inquiry into patentability "on the basis of patents and printed publications."

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 '440 Patent

On page 36 of the Amendment, the Patent Owner argue 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.

Although the Patent Owner's arguments have been carefully considered, they are not deemed persuasive. 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 '440 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 intervening patents applied in this reexamination proceeding were not previously considered during prosecution of application leading to the '440 patent under reexamination, and thus do not raise questions of patentability previously considered by the original examiner.

The Patent Owner next argues on page 36:

> 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. It cannot, therefore, raise a "substantial new question of patentability in reexamination," 35 U.S.C. § 303, because it is never a "new question" at all.

Although the Patent Owner's arguments have been carefully considered, they are not deemed persuasive. A section 120 issue does not "necessarily" arise, as argued by the Patent Owner above, during prosecution of the application leading to patent, thereby precluding all further consideration of priority issues by the Office after the patent issues. For example, in addition to the MPEP § 2258.I.C. as discussed above, the Patent Owner 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. 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, and furthermore notations in the file history regarding prior application information are only evaluated to ensure that the data itself is accurate, not necessarily that the Patent Owner is entitled to the benefit of the earlier filing date. MPEP § 202.02.

The examiner had no reason to consider the propriety of a benefit claim under section 120 during prosecution of the application leading to the '440 patent under reexamination. The examiner would not have determined the sufficiency of the Parent specification, as originally field, which is at issue here, unless provoked by a need to use an intervening reference. For example, the prosecution history of the '440 patent reveals that it would have been unnecessary for the examiner to have reviewed the particular issue of whether a different, earlier filed application established possession of the claims recited in the '440 patent, since no intervening references (e.g., documents pre-dating the actual filing date of the '440 patent, but post-dating the filing date of the Parent application) were cited of record by the patent owner.

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 '440 Patent Shares the Characteristics of a Continuation-in-Part in its Relationship to the Originally Filed, Parent Applications

On page 37 of the Amendment, the Patent Owner 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).

Although the Patent Owner's arguments have been carefully considered, they are not deemed persuasive. As extensively discussed in the "Benefit of Earlier Filing Date" section 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 '440 patent that was not present in the originally filed, parent applications. See the "Benefit of Earlier Filing Date" section above for additional details. Thus, the '440 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 '440 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.

Nonetheless, Ruscetta and Langenhoven nowhere hold that priority determinations under 35 U.S.C. 120 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 '440 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, 8th Ed., 1st Revision, February 2003. 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 '440 patent) that seeks the benefit of priority to earlier filed applications under 35 U.S.C. 120, which is similar to the issues discussed in the Ruscetta and Langenhoven cases.

The Use of Intervening Reference Is Not Limited to Continuation-in-Part Applications, but Applies To Any Later Filed Application Claiming Priority Benefit To a Prior Application under 35 U.S.C. 120, such as Continuation Applications.

On pages 37 and 38 of the Amendment, the Patent Owner argues that examiner lacks the authority to reassign priority dates in the present reexamination proceeding because the original examiner lacked the authority to do so. Specifically, the Patent Owner argues that the original examiner "could not – and did not – reassign priority dates to the original claims" because "if the applicant does not overcome the objection and rejection the applicant has the option of refiling the application as a CIP...." that "in the absence of a CIP an original examiner cannot simply elect to assign a later effective priority date." "Such a procedure would amount to creation of a '*de facto* CIP' by the original examiner, and undertaking plainly unsupported by statue, regulation, case law, or MPEP provision, or any other authority or precedent."

Although the Patent Owner's arguments have been carefully considered, they are not deemed persuasive.

First it is noted that the Patent Owner admits that the original examiner did not address the issue of whether to apply intervening references against the original claims. Thus, the use of intervening references is an open question that will be addressed in this reexamination proceeding.

Second, 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, as discussed extensively above. See again MPEP § 201.11. If the claims in the later-filed application are not entitled to the benefit of an earlier filing date under section 120, then the examiner should:

> conduct a prior art search based on the actual filing date of the application instead of the earlier filing date. The 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. The effective filing date of the later-filed application is the actual filing date of the later-filed application, not the filing date of the prior-filed application.

MPEP § 201.11 (emphasis added).

Thus, the present (and original) examiner has (had) the authority to apply an intervening reference by relying upon the actual filing date of the application corresponding to the '440 patent until the Patent Owner corrects the section 120 benefit claim or shows that the conditions for claiming benefit of the prior application have been met, even though the original examiner

did not exercise such authority, as admitted to by the Patent Owner above and based on the prosecution history as discussed extensively above.

The Original Examiner Did Not Address the Specification as Originally Filed in the '440 Specification, Much Less the Specification as Originally Filed in the **Parent** Applications

On pages 39-43 of the Amendment, the Patent Owner argues that the original examiner did "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 Patent Owner also refers to a Declaration filed under 37 CFR 1.132 and to a chart on pages 40 and 41 of the Amendment.

Although the Patent Owner's arguments have been carefully considered, they are not deemed persuasive. Although the examiner addressed new matter issues in a non-final rejection in the Grandparent application, mailed on February 24, 1992 (as the Patent Owner provided chart demonstrates), these new matter issues were in response to one amendment filed on December 11, 1991. However, a series of amendments to the specification and claims were filed previously to this amendment in the Great-Grandparent (and even in the Grandparent) applications and subsequently in the Child and Parent (and even the Grandparent) applications, where each new amendment gradually added new matter. See the "Benefit of Earlier Filing Date" section above for additional details. 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 '440 patent issued, much less the specifications as originally filed in the Parent, Grandparent, and Great-Grandparent applications, which are at issue here. 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 Great-Grandparent application, nor account for all the new text added to the other parent applications subsequent to the December 11, 1991 amendment. 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 specification as originally filed in the Great-Grandparent application, nor account for all the new text added subsequently to the December 11, 1991 amendment (even if the Declaration were considered persuasive, which it is not, as discussed in the "Benefit of Earlier Filing Date" section in the Final Office action for related reexamination 90/007,402). Thus, the prosecution history provides further evidence that the examiner did not consider support in the specification as originally filed in any of the parent applications.

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 43 and 44 of the Amendment, the Patent Owner argues that in Patlex v. Quigg, 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 d ate, 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."

Although the Patent Owner's arguments have been carefully considered, they are not deemed persuasive. The holding relied on by the Patent Owner 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."[21] As discussed extensively above, the original examiner did not consider and determine the sufficiency of the specification in the parent applications, as originally filed, 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

[21] 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.

being reexamined]." (Id. at 36, at 1299). As discussed extensively above in the "Benefit of Earlier Filing Date" section above, the specification and the claims of the patent being reexamined are substantially different from the specification and claims of the parent applications, as originally filed, for which section 120 benefit was claimed. A series of amendments subsequent the filing of the original, Great-Grandparent application has added a substantial amount of new text to the specification and claims of both the Grandparent, Parent, and Child application, which issued as the '440 patent.

If a Claim Limitation Is Not Necessarily Disclosed in (Required by) the Written Description of the Originally Filed, Parent Application, It Is Not Present in the Written Description

On pages 46-48 of the Amendment, the Patent Owner argues that the "requirement of an inherency standard under Section 112 is unsupported by *Hyatt, Robertson,* or *Lockwood.*"

Although the Patent Owner's arguments have been carefully considered, they are not deemed persuasive. The case of Hyatt v. Boone, 146 F.3d 1348, 47 USPQ2d 1128 (Fed. Cir. 1998) (emphasis added) (Certiorari Denied), to which the Patent Owner 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).

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.

Certain Claim Limitations Addressed in the Patent Owner's Claim Support Chart Are Not Necessarily Disclosed (Required by) the Written Description of the Originally Filed, Parent Application, and Thus Are Not Present in the Original, Written Description

On pages 49-57 of the Amendment, the Patent Owner provides a chart to show that all of the limitations in claims 1-63 of the '440 patent were supported by the originally filed, Great-Grandparent application.

Although the Patent Owner'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, Great-Grandparent application, and thus are not present in the said written description, as extensively discussed by the examiner in the "Benefit of Earlier Filing Date" section *supra*. Thus, the effective filing date (priority) of the instant '440 patent under reexamination remains the latest date at which time the priority chain was broken, namely June 6, 1995 (at the earliest), which is also the actually filing date of the '440 patent.

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 Patent Owner

On pages 57-60 of the Amendment, the Patent Owner argues that, regarding the enablement of various video features recited in **Claims 1, 4, 6-8, 11-16, 19-21, 23-36, 39, 40, 42, 45, 47-61, and 80-12** by the Great-Grandparent 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."

Although the Patent Owner's arguments have been duly considered, they are not deemed persuasive. The examiner of 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, Great-Grandparent 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, 1st 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, Great-Grandparent application.

Yurt and Goldwasser Are Available of Prior Art Patents

On pages 62-65 of the Amendment, the Patent Owner argues that Yurt and Goldwasser are not available as prior art patents. The publication date of the Yurt patent however is July 21, 1992. The earliest priority date of the '440 Patent under reexamination however is June 6, 1995, as discussed extensively above in the "Benefit of Earlier Filing Date" section. Thus, Yurt is available as both 102(b) and 102(e) type prior art. For similar reasons, Goldwasser is also available as prior art.

Patent Owner arguments regarding Bush are not directed to rejections as presently formulated in this Office action, and are thus unpersuasive. For example, Bush was not relied upon as a base reference, where its lack of teachings regarding a hard disk (non-volatile storage not a tape or CD) would have to be addressed by a secondary reference. Instead, Bush was only relied upon as a secondary reference, for its narrow teaching regarding the user providing a credit card number.

The Examiner Should Consider Double Patenting Issues During the Examination Stage of a Reexamination Proceeding

On pages 65-71 of the Amendment, the Patent Owner argues that the double-patenting rejections are improper because they are not based on a substantial new question of patentability. This argument is unpersuasive. As discussed extensively above, the present reexamination proceeding was ordered based on a substantial new question(s) of patentability independent of any priority issue, and for that matter, independent of any double-patenting issues. However, the

issue of double patenting should be considered during the examination stage of reexamination proceeding and a rejection set forth if appropriate, as authorized in MPEP § 2258.D.

Response to Declarations

Several Declarations were filed by the Patent Owner on December 27, 2005. These Declarations were considered, but are not deemed persuasive. The Declarations by Justin Douglas Tygar, Ph.D. and Arthur R. Hair appear to argue support features generally, but do not specifically relate to the new matter issues caused by the gradual and repeated introduction of new text after the Great-grandparent application was originally filed, which is the issue here and as extensively discussed above. The Declarations by Kenneth C. Pohlmann and regarding the prior litigation are not directed to the rejections as presently formulated in this Office action.

Conclusion

The Amendment (filed on November 11, 2006) necessitated the new grounds of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a) and § 2271.III.

A shortened statutory period for response to this action is set to expire 2 months from the mailing date of this action.

Any amendment after a final action must include "a showing of good and sufficient reasons why the amendment is necessary and was not earlier presented" in order to be considered. See MPEP § 2260.

The filing of a timely first response to this final rejection will be construed as including a request to extend the shortened statutory period for an additional month, which will be granted even if previous extensions have been granted. In no event, however, will the statutory period for response expire later than SIX MONTHS from the mailing date of the final action. See MPEP § 2265.

Extensions of time under 37 CFR 1.136(a) will not be permitted in these proceedings because the provisions of 37 CFR 1.136 apply only to "an applicant" and not to parties in a reexamination proceeding. Further, in 35 U.S.C. 305 and in 37 CFR 1.550(a), it is required that reexamination proceedings "will be conducted with special dispatch within the Office" (37 CFR 1.550(a)). Extension of time in *ex parte* reexamination proceedings are provided for in 37 CFR 1.550(c).

Extensions of time in reexamination proceedings are provided for in 37 CFR 1.550(c). A request for extension of time must be filed on or before the day on which a response to this action is due, and it must be accompanied by the petition fee set forth in 37 CFR 1.17(g).

The mere filing of a request will not effect any extension of time. An extension of time will be granted only for sufficient cause, and for a reasonable time specified.

The patent owner is reminded of the continuing responsibility under 37 CFR 1.565(a) to apprise the Office of any litigation activity, or other prior or concurrent proceeding, involving U.S. Patent No. 5,955,440 (the "'440" patent under reexamination) throughout the course of this reexamination proceeding. The third party requester is also reminded of the ability to similarly apprise the Office of any such activity or proceeding throughout the course of this reexamination proceeding. See MPEP §§ 2207, 2282 and 2286.

All correspondence relating to this ex parte reexamination proceeding should be directed as follows:

By **U.S. Postal Service Mail** to:

Mail Stop "Ex Parte Reexam"
ATTN: Central Reexamination Unit
Commissioner for Patents
P. O. Box 1450
Alexandria VA 22313-1450

By **FAX** to:

(571) 273-9900
Central Reexamination Unit

By **hand** to:

Customer Service Window
Central Reexamination Unit
Randolph Building, Lobby Level
401 Dulany Street
Alexandria, VA 22314

Any inquiry concerning this communication or earlier communications from the Reexamination Legal Advisor or Examiner, or as to the status of this proceeding, should be directed to the Central Reexamination Unit at telephone number (571) 272-7705.

Signed:

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CENTRAL REEXAMINATION UNIT

Application Number	Application/Contr l N .	Applicant(s)/Patent under Reexamination	
	90/007,407	5966440	
	Examin r	Art Unit	
	Roland G. Foster	3992	

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Applicati n/Control N .	Applicant(s)/Patent under Reexamination
90/007,407	5966440
Examiner	**Art Unit**
Roland G. Foster	3992

√	Rejected	–	(Thr ugh numeral) Cancelled	N	Non-Elected	A	Appeal
=	Allowed	÷	Restricted	I	Interference	O	Objected

Claim		Date								
Final	Original	3/8/07								
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Claim		Date								
Final	Original	3/8/07								
	51	√								
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Claim		Date								
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Search Notes	Applicati n/C ntr l No.	Applicant(s)/Patent under Reexamination	
	90/007,407	5966440	
	Examin r	Art Unit	
	Roland G. Foster	3992	

SEARCHED			
Class	Subclass	Date	Examiner

INTERFERENCE SEARCHED			
Class	Subclass	Date	Examiner

SEARCH NOTES (INCLUDING SEARCH STRATEGY)		
	DATE	EXMR
Not Updated	3/8/2007	RGF

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)	
	)	
ARTHUR R. HAIR	)	
	)	
Reexamination Control No. 90/007,407	)	
	)	
Reexamination Filed: January 31, 2005	)	SYSTEM AND METHOD FOR
	)	TRANSMITTING DESIRED
Patent Number: 5,966,440	)	DIGITAL VIDEO OR DIGITAL
	)	AUDIO SIGNALS
Examiner: Roland Foster	)	

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

A.NE

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,

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:	)	
	)	
ARTHUR R. HAIR	)	
	)	
Reexamination Control No. 90/007,407	)	
	)	
Reexamination Filed: January 31, 2005	)	SYSTEM AND METHOD FOR
	)	TRANSMITTING DESIRED
Patent Number: 5,966,440	)	DIGITAL VIDEO OR DIGITAL
	)	AUDIO SIGNALS
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, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61, which originally issued in the patent under reexamination, and new Claims 80 through 129, 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. 5,966,440 (the "'440 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 '440 Patent and its parent, U.S. Patent No. 5,191,573. 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 made in the Response to the previous Office Action concerning this issue as if repeated in their entirety.

Many of the new rejections of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 '440 Patent. With respect to any issues under Section 112, first paragraph, now raised by the Office that may not have been decided previously, Patentee demonstrates herein that Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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. 5,132,992 to Yurt (*Yurt*) and U.S. Patent No. 5,241,428 to Goldwasser (*Goldwasser*) cited by the Office do not qualify as prior art and are not available for the purposes of rejections under 35 U.S.C. § 103(a) or for the purposes of obviousness-type double-patenting. Patentee similarly incorporates herein all arguments made in the Response to the previous Office Action concerning this issue as if repeated in their entirety.

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

The '440 Patent issued from U.S. Patent Application Serial No. 08/471,964 (the "'964 Application"), which was filed as a continuation of U.S. Patent Application Serial No. 08/023,398 (the "'398 Application"), which was filed as a continuation of 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"), which was the originally filed application. The Office admits the '440 Patent is not a continuation-in-part, but then asserts that the '440 Patent "shares the characteristics of a continuation-in-part." Based on this novel characterization of the '440 Patent, the Office proceeds to revisit the entitlement of the claims in the '440 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 '440 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 '440 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 '440 Patent, the '964 Application and '398 Application were filed as "continuations" claiming priority back to the '497 Application, through the '391 Application. Thus, as a preliminary matter, the '964 Application and '398 Application were 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 '964 Application and '398 Application, and did not require a new oath or declaration or that either application be refiled as a continuation-in-part.[1] 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 '964 Application and '398 Application.

During prosecution of the '964 Application and '398 Application, amendments were made to the specification and claims. The Office specifically refers to an amendment filed on January 3, 1994 in the '398 Application and an amendment filed on July 8, 1996 in the '964 Application, as adding alleged new matter.[2]

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[1] Patentee notes that a declaration and power of attorney dated February 22, 1993 was filed with the '398 Application and that this same declaration was refiled with the '964 Application. A review of the specification filed with the '964 Application reveals that it included only two paragraphs not expressly found in the originally filed '497 Application. However these two paragraphs incorporated matter considered and passed on by Examiner Nguyen as part of the December 9, 1991 amendment in the '391 Application and thus did not add new matter. See MPEP § 602.05

[2] Patentee notes that there are no amendments in the file history of the '440 Patent bearing the dates of January 3, 1994 or July 8, 1996. The closest dates corresponding to the amendments referenced by the

Patentee respectfully points out that, although the '964 Application was filed with the same original specification as the '398 Application, it was filed after the January 3, 1994 amendment was made in the '398 Application, and thus the '964 Application incorporated the January 3, 1994 amendment in its record. Further, the July 8, 1996 amendment to the specification of the '964 Application essentially was identical to the January 3, 1994 amendment in the '398 Application. As a result, it is improper to refer to these two amendments as separate instances of introduction of alleged new matter. As a result, Patentee limits the comments herein to the January 3, 1994 amendment.

As noted by the Office, the January 3, 1994 amendment clarified the original disclosure in the '497 Application, which explicitly disclosed that the invention was applicable to digital video as well as digital audio. The Office admits the originally filed specification explicitly discloses that an embodiment of the invention can be applied to video as well as audio, but then objects to the fact that a description drawn to the video embodiment was included in the January 3, 1994 amendment.

A review of the text added to the specification and claims via the January 3, 1994 amendment shows that the text substantially repeats much of the previous description of the invention, merely replacing the term "audio" with "video." Since the original specification stated explicitly that the described invention was applicable to video, as well as audio, it cannot be said this further video description was not supported by the original specification. Further, to the extent the January 3, 1994 amendment contained terms not explicitly found in the original specification filed on June 13, 1988, a review of the amendment shows it does not contain any matter that was not previously reviewed by

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Office are dated December 30, 1993 and July 3, 1996. For the purpose of responding to the current rejection, Patentee assumes these are the amendments to which the Office refers.

Examiner Nguyen and found to be supported.

Specifically, during prosecution of the '391 Application, Examiner Nguyen made 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.[3] 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. The January 3, 1994 amendment included identical terminology; e.g. "charge a fee", "second party location", "credit card number", etc., which previously had been reviewed and found to be supported by Examiner Nguyen, the only difference being the recitation of digital video. Because the original specification explicitly states that the disclosed invention is applicable to video, Examiner Nguyen did not object -- and in fact had no reason to object -- to matter she had already reviewed.

Therefore, because the text added by the January 3, 1994 amendment consisted of matter either explicitly found in the original specification or previously considered and passed on by Examiner Nguyen, there is no doubt that Examiner Nguyen determined the claims in the '440 Patent were entitled to claim priority to the original June 13, 1988 filing date.

[3] 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 June 6, 1995 To The Claims Of The '440 Patent

The Office now asserts, contrary to Examiner Nguyen, that the '440 Patent was only entitled to a priority date of June 6, 1995.[4] 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 June 6, 1995 to the '964 Application during prosecution. After extensively reviewing the amendments to the specification and claims during prosecution of the '964 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 June 6, 1995 for the '440 Patent.

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

The Office admits the '440 Patent is not a continuation-in-part application, but then asserts the '440 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 '440 Patent. The Office points to text added to the specification of the '440 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

[4] As an ancillary matter, Patentee respectfully points out that the alleged new matter in the '964 Application was first introduced to the prosecution record in the January 3, 1994 amendment to the '398 Application.

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

B. THE PRIORITY DATE OF THE CLAIMS OF THE '440 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 '440 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 '440 Patent To The Priority Date Of June 13, 1988 Was Addressed By Examiner Nguyen During The Original Prosecution Of The '440 Patent

The Office admits that Examiner Nguyen did in fact address the issue of the alleged new matter shown in Table I of the most recent Office Action in related reexamination 90/007,402. 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 most recent Office Action in related reexamination 90/007,402 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 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.

The Office also refers to the amendments of January 3, 1994 and July 8, 1996 as allegedly adding new matter. However, beyond making vague assertions that disclosure and claims drawn to video constitute new matter, the Office has failed to specify exactly what the Office considers new matter added by these amendments. A review of the text of these amendments shows their content corresponds to the same alleged new matter found in Tables I and II discussed above. As a result, it is not apparent the amendments of January 3, 1994 and July 8, 1996 included any disclosure that was not previously considered and passed on by Examiner Nguyen.

2. The Absence Of Rejections Based On Intervening References During The Initial Examination Of The '440 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 '964 or '398 Applications, 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 that 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 '964 and '398 Applications were 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 '440 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 '440 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 '440 Patent. In short, Examiner Nguyen decided the claims in the '440 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, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 '440 Patent. The Office has also rejected Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 under 35 U.S.C. § 103(a) over various references. At least two of these references, *Yurt* and *Goldwasser*, are not available as prior art since they post date the proper June 13, 1988 priority date for the '440 Patent. The Office has also rejected Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 under the doctrine of obviousness-type double-patenting.

A. REJECTION OF CLAIMS 1, 4, 6 THROUGH 8, 11 THROUGH 16, 19 THROUGH 21, 23, 24, 29 THROUGH 36, 39, 40, 42, 45, 47 THROUGH 61 AND 80 THROUGH 129 UNDER 35 U.S.C. § 112, FIRST PARAGRAPH

Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 have been rejected under Section 112, first paragraph, as introducing matter not described in the original specification and 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 63 in the form of Claims 80 through 129 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.

Claims 80 through 129 do not recite any elements not previously present in Claims 1 through 63. Nonetheless, even if it were proper for the Office to examine Claims 80 through 129 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 63, as recognized by the Office in the instant Office Action. Further, the only recitation not previously presented in Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61 is the recitation of a non-volatile storage portion of the second memory that is not a tape or CD. Therefore, the Office may only examine the recitation of "a non-volatile storage portion of the second memory that is not a tape or CD" for compliance with Section 112, first paragraph.

1. Rejection Of Claims 1, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 39, 40, 42, 45 And 47 Through 61 Under 35 U.S.C. § 112, First Paragraph As Introducing Matter Not Found In The Original Specification

With respect to the recitation of "a non-volatile storage portion of the second memory, wherein the non-volatile storage is not a tape or a CD", the Office asserts that the negative limitation introduces a new concept to Claims 1, 11, 12, 23, 29, 36, 42, 47

and 58 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, 11, 12, 23, 29, 36, 42, 47 and 58 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. Claims 1, 11, 12, 23, 29, 36, 42, 47 and 58 all 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.

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, 11, 12, 23, 29, 36, 42, 47 and 58 all 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, 11, 12, 23, 29, 36, 42, 47 and 58 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 '440 Patent as issued.

With respect to the other elements recited in Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61, the issue of written support for the claimed matter previously was addressed by Examiner Nguyen during the initial examination of Claims 1 through 63, 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, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61 is fully supported and enabled by the original specification as filed, as well as the specification for '440 Patent as issued. Reconsideration is respectfully requested.

2. Rejection Of Claims 1, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 39, 40, 42, 45 And 47 Through 61 Under 35 U.S.C. § 112, First Paragraph As Not Being Enabled By The Original Specification

Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 have been rejected under Section 112, first paragraph, as not being enabled by the original specification. Patentee traverses this rejection.

As set forth in Section III(A) above, all of the limitations recited in the claims have written support in the original specification filed on June 13, 1988. As further set forth above, 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. Therefore, the Office may only examine the claims with respect to the recitation of "a

non-volatile storage portion of the second memory that is not a tape or CD" for compliance with the enablement requirement. In particular, Patentee notes that Claims 80 through 129 do not recite any limitations not found in original Claims 1 through 63. Therefore, the rationale cited by the Office for subjecting Claims 80 through 129 to analysis under Section 112, first paragraph is wholly faulty. Nonetheless, Patentee thoroughly demonstrated in the Response to the Office Action of September 29, 2006 that each element in Claims 80 through 129 is fully supported and enabled by the original specification as filed, as well as the specification for '440 Patent as issued.

With respect to Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61, the only difference between the amended claims and original Claims 1 through 63 is the recitation of "a non-volatile storage portion of the second memory that is not a tape or CD." Patentee respectfully submits that, for the same reason original Claims 1 through 63 are enabled, amended Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 are also enabled. Reconsideration is respectfully requested.

3. All Features Of Claims 1, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 39, 40, 42, 45, 47 Through 61 And 80 Through 129 In The '440 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, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61 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 80 through 129 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.

4. All Features Of Claims 1, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 39, 40, 42, 45, 47 Through 61 And 80 Through 129 In The '440 Patent Are Enabled By The Originally Filed Specification Of The '497 Application

In the Response to the previous Office Action, Patentee specifically explained how the claims in the '440 Patent 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.

B. REJECTION OF CLAIMS 1, 11 THROUGH 13, 23, 24, 29 THROUGH 31, 36, 42, 47 THROUGH 49, 58, 80, 87 THROUGH 89, 98, 99, 104 THROUGH 106, 111, 114, 116, 117 AND 126 UNDER 35 U.S.C. § 103(a) OVER *YURT*

Claims 1, 11 through 13, 23, 24, 29 through 31, 36, 42, 47 through 49, 58, 80, 87 through 89, 98, 99, 104 through 106, 111, 114, 116, 117 and 126 have been rejected under 35 U.S.C. § 103(a) as obvious over the combination of U.S. Patent 5,132,992 to Yurt (*Yurt*). Patentee respectfully traverses this rejection.

As previously pointed out by Patentee, *Yurt* does not qualify as prior art based on the proper June 13, 1988 priority date of the '440 Patent. Therefore, a *prima facie* case of obviousness of Claims 1, 11 through 13, 23, 24, 29 through 31, 36, 42, 47 through 49, 58, 80, 87 through 89, 98, 99, 104 through 106, 111, 114, 116, 117 and 126 has not been established by the foregoing reference.

C. REJECTION OF CLAIMS 4, 6 THROUGH 8 AND 81 THROUGH 84 UNDER 35 U.S.C. § 103(a) OVER *YURT* IN VIEW OF *BUSH*

Claims 4, 6 through 8 and 81 through 84 have been rejected under 35 U.S.C. §

103(a) as obvious over the combination of *Yurt* in view of U.S. Patent No. 4,789,863 to Bush (*Bush*). Patentee respectfully traverses this rejection.

As set forth in Section III(B) above *Yurt* does not qualify as prior art based on the proper June 13, 1988 priority date of the '440 Patent. Therefore, a *prima facie* case of obviousness of Claims 4, 6 through 8 and 81 through 84 has not been established by the foregoing combination of references.

D. REJECTION OF CLAIMS 14 THROUGH 16, 19, 20, 32 THROUGH 35, 50 THROUGH 56, 59, 60, 85, 86, 90 THROUGH 96, 100 THROUGH 103, 107 THROUGH 110, 118 THROUGH 124, 127 AND 128 UNDER 35 U.S.C. § 103(a) OVER *YURT* IN VIEW OF *BUSH* IN VIEW OF *GOLDWASSER*

Claims 14 through 16, 19, 20, 32 through 35, 50 through 56, 60, 85, 90 through 96, 100 through 103, 107 through 110, 118 through 124, 127 and 128 have been rejected under 35 U.S.C. § 103(a) over *Yurt* in view of *Bush* further in view of U.S. Patent No. 5,241,428 to Goldwasser (*Goldwasser*). Patentee respectfully traverses this rejection.

As set forth in Section III(B) above *Yurt* is not available as prior art based on the appropriate priority date of June 13, 1988 for the '440 Patent. Further, as previously pointed out by Patentee, *Goldwasser* is not available as prior art based on the appropriate priority date of June 13, 1988 for the '440 Patent. Therefore a *prima facie* case of obviousness of Claims 14 through 16, 19, 20, 32 through 35, 50 through 56, 60, 85, 90 through 96, 100 through 103, 107 through 110, 118 through 124, 127 and 128 has not been established by the foregoing combination of references.

E. REJECTION OF CLAIMS 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 AND 129 UNDER 35 U.S.C. § 103(a) OVER *YURT* IN VIEW OF *GOLDWASSER* IN VIEW OF *BUSH*

Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 and 129 have been rejected under 35 U.S.C. § 103(a) over *Yurt* in view of *Goldwasser* further in view of *Bush*.

Patentee respectfully traverses this rejection.

As set forth above, neither *Yurt* nor *Goldwasser* is available as prior art based on the appropriate priority date of June 13, 1988 for the '440 Patent. Therefore a *prima facie* case of obviousness of Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 and 129 has not been established by the foregoing combination of references.

F. REJECTION OF CLAIMS 1, 4, 6 THROUGH 8, 10, 11 THROUGH 16, 18 THROUGH 21, 23 THROUGH 36, 39, 40, 42, 45, 47 THROUGH 61 AND 80 THROUGH 129 UNDER THE DOCTRINE OF OBVIOUSNESS TYPE DOUBLE-PATENTING

Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 have been rejected under the doctrine of obviousness-type double-patenting over Claims 1 through 6 of U.S. Patent No. 5,191,573 and over Claims 1 through 34 of U.S. Patent No. 5,966,440. Patentee respectfully traverses this rejection.

As previously set forth in Patentee's Response to the September 29, 2006 Office Action, a rejection for obviousness-type double-patenting that is unsupported by some suggestion in the prior art, or the knowledge of one having ordinary skill in the art, is improper and should be withdrawn. Further, it is improper for the Office even to consider the issue of double-patenting now, because that issue was before the examiner in the original examination of the '440 Patent. For this reason as well the rejections should be withdrawn. Patentee incorporates herein all arguments made in Patentee's Response to the September 29, 2006 Office Action concerning the inappropriateness of the current rejections for obviousness-type double-patenting as if repeated in their entirety.

* * * * * * * *

For all of the reasons set forth above, Patentee respectfully requests that all

rejections of Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 be withdrawn, and those claims be allowed to issue out of the pending reexamination proceeding.

Respectfully submitted,
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Attorney Docket No. 219099/440

In re Application of: ARTHUR R. HAIR
Reexamination Control No. 90/007,407
Reexamination Filed: January 31, 2005
Patent Number: 5,966,440
Title: SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS

CERTIFICATE UNDER 37 C.F.R. 1.10

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The undersigned hereby certifies that a true and correct copy of the foregoing Statement Under 37 C.F.R. §1.560(b) in Reexamination No. 90/007,407 was served via First Class United States Mail, postage prepaid, this 17th day of May 2007, 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 Patentee

90/007407

INCOMING DOCUMENT INDEX SHEET

- ☐ 136A_____ Preauthorization to have fees charged to Dep Acct
- ☐ A..._____ Response after Non-Final Action
- ☐ A..._____ Informal/Nonresponsive Amendment after Exr Action
- ☐ A.NE_____ Response-Not Entered
- ☐ A.PE_____ Pre-Examination Amd
- ☐ A.QU_____ Response after *ex parte* Quayle
- ☐ AF/D_____ Affidavits/Dec/ Exhibits
- ☐ C.AD_____ Corr Address change (patent owner)
- ☐ COFC_____ Cert of Correction
- ☐ DISQ_____ Term Disclaimer filed
- ☐ EABN_____ Request to terminate Reexam
- ☐ IDS_____ Info Discl Statement filed
- ☐ M865_____ Request for Exr Interview filed
- ☑ N/AP_____ Notice of Appeal filed
- ☐ NDRW_____ New/Addtl Drawing Filed
- ☐ PA.._____ Chg in POA
- ☐ SA.._____ Suppl. Response after non-final Rej
- ☐ SAFR_____ Suppl. Amd after Final Rej
- ☐ RXAF/DR_____ Reexam AF/D Filed by 3rd Pty
- ☐ RXPET._____ Receipt of Pet in Reexam
- ☐ RXRQ4FP_____ Reexam Req for Foreign Priority
- ☐ RXAPBI _____ Reexam Defective Brief Filed
- ☐ RXRPET_____ Pet for Review of Reexam Denial
- ☐ RXRQMP_____ Req to Merge Reexam
- ☐ RXC.ADR_____ Reexam Correspondence Address Change for 3rd Pty Requestor
- ☐ RXRQ/T_____ Reexam Req for Ext of Time
- ☐ RXRQS._____ Req to Lift Suspension of Prosc
- ☐ RXC/M. _____ Reexam Certificate of Mailing
- ☐ RXNOCA_____ Reexam Notice of Court Action
- ☐ RXNOCP_____ Notice of concurrent proceeding
- ☐ RXC/SR _____ Reexam Certificate of Service
- ☐ RXAAF,_____ Reexam Response to Final Rej
- ☐ RXFEE_____ Reexam Fee Payment Only
- ☐ RXPA..R _____ Reexam Chg in POA for 3rd pty Requestor
- ☐ RXLET. _____ Reexam Misc Incoming Letter

- ☐ RXOR.U _____ Reexam Untimely Patent Owner's Statement in Response to Order
- ☐ RXRR.T _____ Reexam Timely Requestor's Reply in Response to Owner's Stmt
- ☐ RXRR.U_____ Reexam Untimely Requestor Reply To an Owner's Statement

Document Date 5-31-07

CERTIFICATE OF MAILING BY "EXPRESS MAIL" (37 CFR 1.10) Applicant(s): **Arthur R. Hair**			Docket No. **NAPSP003**	
Application No. **90/007,407**	Filing Date **January 31, 2005**	Examiner **Roland G. Foster**	Customer No. **023973**	Group Art Unit **3992**

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

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Philadelphia, PA 19103

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	Control Number: 90/007,407
	Filed: January 31, 2005
Signature _____	For: SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS
Typed or printed name:	Art Unit: 3992 / Examiner: Roland G. Foster

Patentee(s) hereby **appeal(s)** to the Board of Patent Appeals and Interferences from the last decision of the examiner rejecting claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23, through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 in reexamination.

The fee for this Notice of Appeal is (37 CFR 41.20(b)(1)) $500.00

☐ Patentee claims small entity status. See 37 CFR 1.27. Therefore, the fee shown above is reduced by half, and the resulting fee is: $_____.

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☐ A petition for an additional __ month extension of time under 37 CFR 1.136(a) (PTO/SB/22) has been submitted.

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: 32,474

☐ attorney or agent acting under 37 CFR 1.34. Registration number if acting under 37 CFR 1.34:

Signature: _____

Typed or printed name: Robert A. Koons, Jr., Esq.

Telephone Number: 215-988-3392

Date: 31 May 2007

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.

NOTICE OF APPEAL FROM THE EXAMINER TO THE BOARD OF PATENT APPEALS AND INTERFERENCES	Docket Number (Optional) NAPSP003
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: 90/007,407 Filed: January 31, 2005 For: SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS Art Unit: 3992 | Examiner: Roland G. Foster

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☒ attorney or agent of record. Registration Number: 32,474

☐ attorney or agent acting under 37 CFR 1.34. Registration number if acting under 37 CFR 1.34:

Signature: _____

Typed or printed name: Robert A. Koons, Jr., Esq.

Telephone Number: 215-988-3392

Date: 31 May 2007

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.*

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INCOMING DOCUMENT INDEX SHEET

☐ 136A_____
Preauthorization to have fees charged to Dep Acct

☐ A..._____
Response after Non-Final Action

☐ A..._____
Informal/Nonresponsive Amendment after Exr Action

☐ A.NE_____
Response-Not Entered

☐ A.PE_____
Pre-Examination Amd

☐ A.QU_____
Response after *ex parte* Quayle

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Affidavits/Dec/ Exhibits

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New/Addtl Drawing Filed

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Chg in POA

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☐ SAFR_____
Suppl. Amd after Final Rej

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Reexam AF/D Filed by 3rd Pty

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Reexam Req for Foreign Priority

☐ RXAPBI _____
Reexam Defective Brief Filed

☐ RXRPET_____
Pet for Review of Reexam Denial

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Notice of concurrent proceeding

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☐ RXAAF,_____
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Reexam Chg in POA for 3rd pty Requestor

☐ RXLET. _____
Reexam Misc Incoming Letter

☐ RXOR.U _____
Reexam Untimely Patent Owner's Statement in Response to Order

☐ RXRR.T _____
Reexam Timely Requestor's Reply in Response to Owner's Stmt

☐ RXRR.U_____
Reexam Untimely Requestor Reply To an Owner's Statement

Document Date: 8/31/07

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. 90/007,407 was served via First Class United States Mail, postage prepaid, this 31st day of May 2007, 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 Patentee

UNITED STATES PATENT AND TRADEMARK OFFICE

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

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

23973 7590 07/30/2007

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: 07/30/2007

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

UNITED STATES PATENT AND TRADEMARK OFFICE

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

Albert S. Penilla
Martine Penilla & Gencarella, LLP
710 Lakeway Drive, Suite 200
Sunnyvale, CA 94085

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. *90/007,407*.

PATENT NO. *5966440*.

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.** 90/007,407	**Patent Under Reexamination** 5966440	
	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 45 and 46 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 4-14 of the Request, the Patent Owner reiterates many of the arguments made in response to the Non-final Rejection and previously deemed unpersausive. Thus, Patent Owner's present arguments are deemed unpersuasive for similar reasons.

In addition, the Patent Owner repeatedly asserts that the "office admits the '440 Patent is not a continuation-in-part, but then asserts that the '440 Patent 'shares the characteristics of a continuation-in-part." For example, see pages 4 and 8 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 10 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 most recent Office action in related reexamination 90/007,402...[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 15 of the Request, the Patent Owner argues that the "Office may only examine the recitation of 'a non-volatile storage portion of the second memory that is not a tape or CD" for compliance with Section 112, first paragraph." This argument is unpersuasive however because, besides being presented in conclusory language, the claims recite a new limitation directed to a "storing the desired digital video or digital audio signals in a non-volatile storage portion of second memory...wherein the non-volatile storage portion is not a tape or CD" not simply a memory that is not a tape or CD 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 17 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 18-23 of the Request, the Patent Owner refers to newly submitted evidence that has not been entered or considered by the examiner as discussed above.

Index of Claims

Application/Control No.	Applicant(s)/Patent under Reexamination
90/007,407	5966440
Examiner	**Art Unit**
Roland G. Foster	3992

√	Rejected	–	(Through numeral) Cancelled	N	Non-Elected	A	Appeal
=	Allowed	÷	Restricted	I	Interference	O	Objected

Claim		Date								
Final	Original	7/16/07								
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Reexamination	Application/Control No.	Applicant(s)/Patent Under Reexamination
	90/007,407	5966440
	Certificate Date	Certificate Number

Requester Correspondence Address: ☒ Patent Owner ☐ Third Party

Albert S. Penilla
Martine Penilla & Gencarella, LLP
710 Lakeway Drive, Suite 200
Sunnyvale, CA 94085

LITIGATION REVIEW ☒	rgf (examiner initials)	7/17/07 (date)
Case Name		Director Initials
Sightsound Tech. v. Roxio, Inc., 2:04cv1549, U.S. District, Pennslyvania Western (stay pending reexamination)		Michael for Lissi Mojica Marquis
Sightsound v. N2K, Inc., U.S. District, Pennslyvania		

COPENDING OFFICE PROCEEDINGS	
TYPE OF PROCEEDING	NUMBER
1. Ex Parte reexam for related patent	90007402
2. Ex Parte reexam for related patent	90007403
3.	
4.	

07-31-07

ReExam/S

CERTIFICATE OF MAILING BY FIRST CLASS MAIL

Applicant(s)	:	**Arthur R. Hair**
Docket No.	:	**NAPS003**
Serial No.	:	**90/007,407**
Filing Date	:	**January 31, 2005**
Examiner	:	**Roland G. Foster**
Group Art Unit	:	**3992**
Confirmation No..	:	**4782**
Invention	:	**System and Method for Transmitting Desired Digital Video or Digital Audio Signals**

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 JBROWN3 00000004 90007407
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Arthur R. Hair	:	Group No.: 3992
Serial No.: 90/007,407	:	Examiner: Roland G. Foster
Filed: January 31, 2005	:	Confirmation No. 4782

For: SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS

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 90/007,402 and 90/007,403 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, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are currently pending. Claims numbered 1, 4, 6 through 8, 10

through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 were originally issued in U.S. Patent 5,966,440 (the "'440 Patent"). Claims 64 through 79 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 80 through 129 were added in the Response to the Non-Final Office Action issued on September 29, 2006.

Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are rejected under 35 U.S.C. § 112, first paragraph. Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are rejected under 35 U.S.C. § 103(a). Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are rejected under the doctrine of obviousness-type double-patenting over Claims 1 through 6 of U.S. Patent 5,191,573 (the "'573 Patent") and Claims 1 through 34 of U.S. Patent 5,675,734 (the "'734 Patent").

Appellant appeals the rejection of all claims.

Status of Amendments

All amendments have been entered.

Summary of the Claimed Subject Matter

Claims 1, 11, 12, 23, 29, 36, 42, 47, 58, 80, 87, 88, 98, 104, 111, 114, 116 and 126 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 transferring desired digital video or digital audio signals [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party [col. 4, lns. 11 to 18; col. 5, lns. 49 to 53], said first memory having said desired digital video or digital audio signals [col. 4, lns. 11 to 14]. The method further comprises selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 2, lns. 22 to 25 and 40 to 44; col. 5, lns. 46 to 49; col. 6, lns. 16 to 19], the second party is at a second party location [col. 6, lns. 36 to 38] and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location [col. 2, lns. 22 to 25 and 40 to 44; col. 7, ln. 66 to col. 8, ln. 2], the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col. 8, lns. 23 to 25] and transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party [col. 3, lns. 6 to 9; col. 4, lns. 11 to 21 and 42 to 60; col. 5, lns. 53 to 58] storing the desired digital video or digital audio signals in a non-volatile storage portion the second memory [col. 4, lns. 57 to 60] and playing through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit [Fig. 1 (50C, 50D, 60, 80); col. 2, lns. 49 to 61; col. 5, lns. 1 to 18], wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 11 recites a method for transferring digital video or digital audio signals from a first party to a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party [col. 2, lns. 48 to 61; col. 4, lns. 3 to 10; col. 6, lns 36 to 38; col. 7, lns. 62 to 66], entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party [col. 4, lns. 42 to 52; col. 6, lns. 39 to 41]. The method further comprises forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit [col. 4, lns. 14 to 18; col. 5, lns. 49 to 53], said first memory having desired digital video or digital audio signals [col. 4, lns. 11 to 14; col. 6 lns, 16 to 19], selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 3, lns. 6 to 9 and 17 to 20; col. 5, lns. 46 to 49]. The method further comprises the step of transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party [col. 3, lns. 6 to 9; col. 4, lns. 14 to 18; col. 5, lns. 53 to 57], storing the desired digital video or digital audio signals in a non-volatile storage portion of the second memory [col. 2, lns. 45 to 48; col. 5, lns. 60 to 62], entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit and playing the desired digital video or digital audio signals with the second party control unit [col. 5, lns. 1 to 18], wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 12 recites a system for transferring digital video or digital audio signals [Abstract; col. 6, lns. 16 to 19]. The system comprises a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals [Fig. 1 (20A, 20B, 20C); col. 3, ln. 64 to col. 4, ln. 14; col. 6, lns. 16 to 19], a second party control unit having a second party control panel, a second memory connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel [Fig. 1 (50A, 50C, 50D, 60, 70, 80); col. 4, lns. 3 to 20], said playing means or mechanism operatively controlled by the second party control panel [col. 5, lns. 1 to 18], said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party [col. 3, lns. 6 to 9; col. 6, lns. 36 to 39] and telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party [Fig. 1 (30); col. 3, lns. 6 to 9; col. 4, ln. 2]. The second memory including a non-volatile storage portion that stores the desired digital video or digital audio signals, wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 23 recites a system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party [Abstract; col. 6, lns. 16 to 19]. The system comprises means or mechanism for transferring

money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory [col. 2, lns. 22 to 25; col. 3, lns. 17 to 20; col. 8, lns. 31 to 35], the second memory including a non-volatile storage portion, wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48], said second party controlling use and in possession of the second memory [col. 5, lns 1 to 18; col. 6, lns. 41 to 48]. The system further comprises means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism [col. 3, lns. 20 to 24; col. 4, lns 14 to 18; col. 6, lns. 16 to 19]. The system further comprises means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party [col. 3, lns. 25 to 30; col. 4, lns. 14 to 18; col. 6, lns. 27 to 31], said receiver placed at a location determined by the second party [col. 3, lns. 30 to 31; col. 6, lns. 33 to 38], said transmitting means or mechanism in electrical communication with said connecting means or mechanism [col. 7, lns. 15 to 26]. The system further comprises means or a mechanism for storing the digital video or digital audio signals in the non-volatile storage portion of the second memory [col. 4, lns. 3 to 10 and 57 to 60], said storing means or mechanism in electrical communication with said transmitting means or mechanism [col. 4, lns. 14 to 18; col. 7, lns. 3 to 10] and means or mechanism for playing the digital video or digital audio signals stored in the non-volatile storage portion of the second memory, said playing means or mechanism connected to the second memory [Fig. 1 (70, 80); col. 4, lns. 3 to 10 and 61 to 63].

Independent Claim 29 recites a system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location [Abstract; col. 6, lns. 16 to 19]. The system comprises means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location [col. 3, lns. 6 to 9; col. 6, lns. 16 to 19 and 25 to 27], said first party controlling use of the first memory [col. 4, lns. 11 to 14; col. 8, lns. 28 to 31], said second party controlling use and in possession of the second memory [col. 5, lns. 1 to 18; col. 6, lns. 41 to 51]. The system further comprises means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism [col. 3, lns. 6 to 9 and 20 to 24; col. 4, lns. 14 to 18]. The system further comprises means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party [col. 3, lns. 6 to 9 and 25 to 30; col. 4, lns. 14 to 18], said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism [col. 6, lns. 36 to 38]. The system further comprises means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism including a non-volatile storage portion of the second memory that is not a tape or CD, in electrical communication with said transmitting means or mechanism [col. 2, lns. 45 to 48; col. 4, lns. 3 to 8 and 57 to 60] and means or mechanism for playing the

digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory [Fig. 1 (70, 80); col. 4, lns. 8 to 10 and 61 to 63].

Independent Claim 36 recites a method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location [col. 2, lns. 48 to 61; col. 7, lns. 62 to 66]. The method further comprises charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party [col. 2, lns. 40 to 42; col. 3, lns. 6 to 9; col. 7, ln. 66 to col. 8, ln. 2], said first party and said second party in communication via said telecommunications lines [Fig. 1 (30); col. 4, lns. 14 to 18], the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col. 8, lns. 19 to 25]. The method further comprises connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween [col. 2, lns. 6 to 9; col. 4, lns. 14 to 18; col. 5, lns. 49 to 53], transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location [col. 4, lns. 14 to 18; col. 5, lns. 53 to 58], said first memory in

communication with said second memory via the telecommunications lines [Fig. 1 (30); col. 4, lns. 14 to 18]. The method further comprises storing the digital video or digital audio signals in a non-volatile storage portion of the second memory and playing the digital video or digital audio signals stored in the second memory with the second party control unit [col. 4, lns. 45 to 63; col. 5, lns. 1 to 18], wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 42 recites a method for transferring desired digital video or digital audio signals from a first party to a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit having a second memory by the second party at a desired location determined by the second party [col. 2, lns. 48 to 61; col. 6, lns. 36 to 38; col. 7, lns. 62 to 66], forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals [col. 4, lns. 11 to 18; col. 5, lns. 49 to 53]. The method further comprises selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 2, lns. 40 to 44; col. 3, lns. 6 to 9; col. 5, lns. 46 to 49], the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location [col. 7, ln. 66 to col. 8, ln. 2], the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col. 8, lns. 19 to 24]. The method further comprises transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines [col. 3, lns. 6 to 9; col. 4, lns. 14

to 18; col. 5, lns. 53 to 57], storing the desired digital video or digital audio signals in a non-volatile storage portion of the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit [col. 5, lns. 1 to 18]; wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 47 recites a system for transferring digital video signals from a first party to a second party at a second party location [Abstract; col. 6, lns. 16 to 19]. The system comprises a first party control unit having a first memory having a plurality of desired individual video selections as desired digital audio signals [col. 3, ln. 64 to col. 4, ln. 1; col. 4, lns. 11 to 14], and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location [col. 2, lns. 40 to 44; col. 3, lns. 6 to 9; col. 6, lns. 25 to 27]. The system further comprises a second party control unit having a second party control panel, a receiver, a second memory and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the, second memory, video display and the receiver, said receiver and video display operatively controlled by the second party control panel [Fig. 1 (50A, 50C, 50D, 60, 70); col. 4, lns. 3 to 10 and 41 to 51; col. 5, lns. 1 to 18; col. 6, lns. 33 to 34], said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit [col. 3, lns. 6 to 9; col. 6, lns. 34 to 38], said second party choosing the desired digital video signals from the first memory with said second party control panel [col. 4, lns. 41 to 51; col. 8, lns. 6 to 9] and telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver

while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party [Fig. 1 (30); col. 4, ln. 2; col. 4, lns. 14 to 18]. The second memory including a non-volatile storage portion for storing the digital video signals that are received by the receiver wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 58 recites a method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second memory of a second party at a second party location so the second party can view the desired digital video signals [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location [col. 5, lns. 1 to 18; col. 6, lns. 27 to 38], charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals [col. 2, lns. 22 to 25; col. 7, ln. 66 to col. 8, ln. 2], connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party [col. 4, lns. 14 to 18; col. 8, lns. 3 to 6] and choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected [col. 4, lns. 11 to 14 and 41 to 51; col. 8, lns. 6 to 9]. The method further comprises transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party [col. 3, lns. 6 to 9; col. 4, lns. 11 to 18; col. 8, lns. 9 to 14], storing the desired

digital video signals in a non-volatile storage portion of the second memory [col. 4, lns. 57 to 60; col. 5, lns 1 to 18; col. 6, lns. 49 to 53] and displaying the desired video signals received by the receiver on the video display in possession and control of the second party [col. 5, lns. 28 to 42; col. 8, lns. 15 to 18], wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 80 recites a method for transferring desired digital video or digital audio signals [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party [col. 4, lns. 11 to 18; col. 5, lns. 49 to 53], the second memory including a second party hard disk [Fig. 1 (60); col. 4, ln. 8], said first memory having said desired digital video or digital audio signals [col. 4, lns. 11 to 14]. The method further comprises selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 2, lns. 22 to 25 and 40 to 44; col. 5, lns. 46 to 49; col. 6, lns. 16 to 19], the second party is at a second party location [col. 6, lns. 36 to 38] and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location [col. 2, lns. 22 to 25 and 40 to 44; col. 7, ln. 66 to col. 8, ln. 2], the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col. 8, lns. 23 to 25] and transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party [col. 3, lns. 6 to 9; col. 4, lns. 11 to 21 and 42 to 60;

col. 5, lns. 53 to 58] storing the desired digital video or digital audio signals in the second party hard disk and playing through speakers of the second party control unit the digital video or digital audio signals stored in the second party hard disk [col. 4, lns. 57 to 60], said speakers of the second party control unit connected with the second memory of the second party control unit [col. 2, lns. 49 to 61; col. 5, lns. 1 to 18].

Independent Claim 87 recites a method for transferring digital video or digital audio signals from a first party to a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party [col. 2, lns. 48 to 61; col. 4, lns. 3 to 10; col. 6, lns 36 to 38; col. 7, lns. 62 to 66], entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party [col. 4, lns. 42 to 52; col. 6, lns. 39 to 41]. The method further comprises forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit [col. 4, lns. 14 to 18; col. 5, lns. 49 to 53], said first memory having desired digital video or digital audio signals [col. 4, lns. 11 to 14; col. 6, lns. 16 to 19], the second memory including a second party hard disk [Fig. 1 (60); col. 4, ln. 8], selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 3, lns. 6 to 9 and 17 to 20; col. 5, lns. 46 to 49]. The method further comprises the step of transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party [col. 3, lns. 6 to 9; col. 4, lns. 14 to 18; col. 5, lns. 53 to 57],

storing the desired digital video or digital audio signals in the second party hard disk [col. 4, lns. 57 to 60], entering into the second party control panel commands to play the desired digital video or digital audio signals in the second party hard disk of the second party control unit and playing the desired digital video or digital audio signals with the second party control unit [col. 5, lns. 1 to 18].

Independent Claim 88 recites a system for transferring digital video or digital audio signals [Abstract; col. 6, lns. 16 to 19]. The system comprises a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals [col. 3, ln. 64 to col. 4, ln. 14; col. 6, lns. 16 to 19], a second party control unit having a second party control panel, a second memory, including a second party hard disk storing the desired digital video or digital audio signals connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel [Fig. 1 (50A, 60, 70, 80); col. 4, lns. 3 to 20], said playing means or mechanism operatively controlled by the second party control panel [col. 5, lns. 1 to 18], said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party [col. 3, lns. 6 to 9; col. 6, lns. 36 to 39] and telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital

audio signals are sold to the second party by the first party and stored in the second party hard disk [col. 3, lns. 6 to 9; col. 4, ln. 2 and lns. 57 to 60].

Independent Claim 98 recites a system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party [Abstract; col. 6, lns. 16 to 19]. The system comprises means or a mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory [col. 2, lns. 22 to 25; col. 3, lns. 17 to 20; col. 8, lns. 31 to 35], said second party controlling use and in possession of the second memory [col. 5, lns 1 to 18; col. 6, lns. 41 to 48], the second memory including a hard disk [Fig. 1 (60); col. 4, ln. 8]. The system further comprises means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism [col. 3, lns. 20 to 24; col. 4, lns 14 to 18; col. 6, lns. 16 to 19]. The system further comprises means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party [col. 3, lns. 25 to 30; col. 4, lns. 14 to 18; col. 6, lns. 27 to 31], said receiver placed at a location determined by the second party [col. 3, lns. 30 to 31; col. 6, lns. 33 to 38], said transmitting means or mechanism in electrical communication with said connecting means or mechanism [col. 7, lns. 15 to 26]. The system further comprises means or a mechanism for storing the digital video or digital audio signals in the second party hard disk [col. 4, lns. 3 to 10 and 57 to 60], said storing means or mechanism in electrical communication

with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory [col. 4, lns. 3 to 10 and 61 to 63].

Independent Claim 104 recites a system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location [Abstract; col. 6, lns. 16 to 19]. The system comprises means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location [col. 3, lns. 6 to 9; col. 6, lns. 16 to 19 and 25 to 27], said first party controlling use of the first memory [col. 4, lns. 11 to 14; col. 8, lns. 28 to 31], said second party controlling use and in possession of the second memory [col. 5, lns. 1 to 18; col. 6, lns. 41 to 51], the second memory including a second party hard disk [Fig. 1 (60); col. 4, ln. 8]. The system further comprises means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism [col. 3, lns. 6 to 9 and 20 to 24; col. 4, lns. 14 to 18]. The system further comprises means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party [col. 3, lns. 6 to 9 and 25 to 30; col. 4, lns. 14 to 18], said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism [col. 6, lns. 36 to 38]. The system further comprises means or a mechanism for

storing the digital video or digital audio signals in the second party hard disk, said storing means or mechanism in electrical communication with said transmitting means or mechanism [col. 4, lns. 3 to 8 and 57 to 60] and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory [col. 4, lns. 8 to 10 and 61 to 63].

Independent Claim 111 recites a method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location, the second memory including a second party hard disk [col. 2, lns. 48 to 61; col. 7, lns. 62 to 66]. The method further comprises charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party [col. 2, lns. 40 to 42; col. 3, lns. 6 to 9; col. 7, ln. 66 to col. 8, ln. 2], said first party and said second party in communication via said telecommunications lines [col. 4, lns. 14 to 18], the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col. 8, lns. 19 to 25]. The method further comprises connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween [col. 2, lns. 6 to 9; col. 4, lns. 14 to 18; col. 5, lns. 49 to 53], transferring electronically via telecommunications lines the digital video or

digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location [col. 4, lns. 14 to 18; col. 5, lns. 53 to 58], said first memory in communication with said second memory via the telecommunications lines [col. 4, lns. 14 to 18]. The method further comprises storing the digital video or digital audio signals in the second party hard disk and playing the digital video or digital audio signals stored in the second party hard disk with the second party control unit [col. 4, lns. 45 to 63; col. 5, lns. 1 to 18].

Independent Claim 114 recites a method for transferring desired digital video or digital audio signals from a first party to a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit having a second memory by the second party at a desired location determined by the second party [col. 2, lns. 48 to 61; col. 6, lns. 36 to 38; col. 7, lns. 62 to 66], forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals, the second memory including a second party hard disk [col. 4, lns. 11 to 18; col. 5, lns. 49 to 53]. The method further comprises selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 2, lns. 40 to 44; col. 3, lns. 6 to 9; col. 5, lns. 46 to 49], the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location [col. 7, ln. 66 to col. 8, ln. 2], the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col.

8, lns. 19 to 24]. The method further comprises transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines [col. 3, lns. 6 to 9; col. 4, lns. 14 to 18; col. 5, lns. 53 to 57], storing the desired digital video or digital audio signals in the second party hard disk; and playing the digital video or digital audio signals stored in the second party hard disk with the second party control unit [col. 5, lns. 1 to 18].

Independent Claim 116 recites a system for transferring digital video signals from a first party to a second party at a second party location [Abstract; col. 6, lns. 16 to 19]. The system comprises a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals [col. 3, ln. 64 to col. 4, ln. 1; col. 4, lns. 11 to 14], and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location [col. 2, lns. 40 to 44; col. 3, lns. 6 to 9; col. 6, lns. 25 to 27]. The system further comprises a second party control unit having a second party control panel, a receiver, a second party hard disk and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the second party hard disk, the video display and the receiver, said receiver and video display operatively controlled by the second party control panel [Fig. 1 (50A, 60, 70); col. 4, lns. 3 to 10 and 41 to 51; col. 5, lns. 1 to 18; col. 6, lns. 33 to 34], said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit [col. 3, lns. 6 to 9; col. 6, lns. 34 to 38], said second party choosing the desired digital video signals from the first memory with said second party control panel [col. 4, lns. 41 to 51; col. 8, lns. 6 to 9] and telecommunications lines

connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party [Fig. 1 (30); col. 4, ln. 2; col. 4, lns. 14 to 18], the second party hard disk storing the digital video signals that are received by the receiver [col. 5, lns. 1 to 18].

Independent Claim 126 recites a method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second memory of a second party at a second party location so the second party can view the desired digital video signals [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location [col. 5, lns. 1 to 18; col. 6, lns. 27 to 38], the second receiver in electrical communication with the second memory, which includes a second party hard disk [col. 2, lns. 48 to 61; col. 7, lns. 62 to 66], charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals [col. 2, lns. 22 to 25; col. 7, ln. 66 to col. 8, ln. 2], connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party [col. 4, lns. 14 to 18; col. 8, lns. 3 to 6] and choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected [col. 4, lns. 11 to 14 and 41 to 51; col. 8, lns. 6 to 9]. The method further comprises transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first

party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party [col. 3, lns. 6 to 9; col. 4, lns. 11 to 18; col. 8, lns. 9 to 14], storing the desired digital video signals in the second party hard disk [col. 4, lns. 57 to 60; col. 5, lns 1 to 18; col. 6, lns. 49 to 53] and displaying the desired video signals received by the receiver on the video display in possession and control of the second party [col. 5, lns. 28 to 42; col. 8, lns. 15 to 18].

Grounds for Rejection to be Reviewed on Appeal

1. Examiner's rejection of Claims 1, 11 through 13, 23, 24, 29 through 31, 36, 42, 47 through 49, 58, 80, 87 through 89, 98, 99, 104 through 106, 111, 114, 116, 117 and 126 under 35 U.S.C. § 103(a) over U.S. Patent 5,132,992 to Yurt (*Yurt*). In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* could be cited as a prior art reference.

2. Examiner's rejection of Claims 14 through 16, 19, 20, 32 through 35, 50 through 56, 59, 60, 85, 86, 90 through 96, 100 through 103, 107 through 110, 118 through 124, 127 and 128 under 35 U.S.C. § 103(a) over *Yurt* in view of U.S. Patent 4,789,863 to Bush (*Bush*), further in view of U.S. Patent 5,241,428 to Goldwasser (*Goldwasser*). In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* and *Goldwasser* could be cited as prior art references.

3. Examiner's rejection of Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 and 129 under 35 U.S.C. § 103(a) over *Yurt* in view of *Goldwasser*, further in view of *Bush*. In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not

entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* or *Goldwasser* could be cited as prior art references.

4. Examiner's rejection of Claims 4, 6 through 8, and 81 under 35 U.S.C. § 103(a) over *Yurt* in view of *Bush*. In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* could be cited as a prior art reference.

5. Examiner's rejection of Claims 34 and 35 under 35 U.S.C. § 103(a) over *Yurt* in view of *Goldwasser*. In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* or *Goldwasser* could be cited as prior art references.

6. Examiner's rejection of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 for obviousness-type double-patenting over Claims 1 through 6 of the '573 Patent, or alternatively over Claims 1 through 34 of the '734 Patent.

7. Examiner's rejection of Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 under U.S.C. § 112, first paragraph as not being supported by the written description in the specification.

8. Examiner's rejection of Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 40, 42, 45, 47 through 61 and 80 through 129 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 '440 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 '440 Patent's prosecution and then, based on that review, reassign the '440 Patent's June 13, 1988 priority date; a priority date that was rightfully granted by the original Examiner during the initial examination of the '440 Patent. In taking those steps, the Office reassigned the priority date to June 6, 1995. 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 U.S.C. §301 *et. seq*. Further, the attempted reassignment of a new priority date to the '440 Patent does not comport with the Office's procedures.

Further, as a predicate for reassigning the priority date of the claims in the '440 Patent, the Office asserts that the claims as issued are either not supported by an adequate 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.

The Office has also made separate rejections of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 as issued. Here again, Appellant maintains that the Office has acted outside the mandated scope of reexamination by

examining Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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.

Finally, the Office has rejected Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 for obviousness-type double-patenting over Claims 1 to 6 of the '573 Patent and Claims 1 to 34 of the '734 Patent, which are the subjects of copending reexaminations 90/007,402 (the "'402 Reexamination") and 90/007,403 (the "'403 Reexamination"). Appellant asserts that double-patenting does not present a new issue related to patentability, since the issue of double-patenting was previously addressed by the original examiner during the initial examination of the '440 Patent. Further, Appellant questions the propriety of double-patenting rejections based on claims in related patents that are themselves subject to copending reexaminations.

Since many of the positions taken by the Office in finally rejecting Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 rely on a revisiting of issues dealt with during the original examination of the '440 Patent, it is appropriate here to summarize the prosecution history of the '440 Patent. Appellant's arguments herein will refer to the summary provided in Section II below.

II. Prosecution History of the '440 Patent

The '440 Patent issued from U.S. Patent Application Serial No. 08/471,964 (the "'964 Application") , which was filed as a continuation of U.S. Patent Application Serial No.

08/023,398 (the "'398 Application"), which was filed as a continuation of 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"), which was the originally filed application. The '391 Application issued as the '573 Patent, which is the subject of copending reexamination 90/007,402, currently on Appeal.

The '497 Application was originally filed on June 13, 1988 by Arthur Hair as a *pro se* applicant.[1] 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

[1] 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.

> controlling the first memory so that the party controlling the second memory is ***charged money***. (emphasis added).

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 15 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. Patents 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, which was essentially identical to Claim 13, but depended from Claim 21 was added. In addition to the claim amendments, text was added to the specification in the December 9, 1991 amendment.

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 was 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 previously presented in the claims and added to the 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 '398 Application was filed on February 26, 1993 as a **continuation** of the '391 Application, which was to issue as U.S. Patent 5,191,573 on March 2, 1993. Thus the determinations made by Examiner Nguyen in the '391 Application with respect to alleged new matter were of record in the prosecution history of the '398 Application.

The '398 Application was filed with a new declaration dated February 2, 1993. The "New Application Transmittal" papers included a claim for priority to the '391 Application, which in turn claimed priority to the '497 Application. The specification filed with the '398 Application was substantially the same as the specification originally filed on June 13, 1988, but did contain some differences. The differences were as follows:

(1) The specification included a "Field of the Invention" section not present in the originally filed application.

(2) The specification of the '398 Application included an additional paragraph spanning lines 4 to 19 of page 5.

(3) The specification of the '398 Application included an additional paragraph spanning lines 5 to 20 of page 10.

(4) The specification included an Abstract.

Although the specification filed with the '398 Application was not identical to that originally filed with the '497 Application, a review of the history of the parent ('391) application shows that the majority of the "new" text was substantially identical to text added by the June 23, 1992 amendment in the '391 Application. In particular, the "Field of the Invention" section was substantially identical with the exception that it recited a "system" in addition to a method.

Further the paragraphs at pages 5 and 10 were substantially identical to the paragraphs added by the June 23, 1992 amendment in the '391 Application with the exception that the text added to page 5 recited a "system" instead of a method. It is notable that Examiner Nguyen found this "new" text to be supported by the originally filed specification in the grandparent '497 Application.

The Abstract filed with the '398 Application was less similar to the Abstract added by the June 23, 1992 amendment in the '391 Application. Nonetheless, the terminology presented in the Abstracts was similar.

The first Office Action in the '398 Application was issued by Examiner Nguyen on July 1, 1993 on the basis of originally filed Claims 1 through 31. The specification was objected to and all of Claims 1 through 31 were rejected under 35 U.S.C. § 112, first paragraph, for lack of adequate written description. In particular, Examiner Nguyen stated that the specification failed to set forth the problems in the prior art that the invention intended to overcome. The claims were also rejected as anticipated by U.S. Patent 3,718,906 or obvious over U.S. Patent 3,718,906 in view of U.S. Patent 4,654,799. Mr. Schwartz responded to this Office Action on December 30, 1993 by filing an amendment adding text to the specification, amending Claims 1 through 31 and adding additional Claims 32 through 63.

The amendment to the specification included the addition of individual terms at various points in the existing text; *e.g.* the addition of "or digital video" following "music" or the addition of "or mechanism" following "means."

A large section of text, approximately four and two-thirds pages, was also added. Of this added text, about two and two-thirds pages comprised a written description of original Figure 1, using the lead numbers for the elements shown therein. Approximately-one half page of the

added text comprised means-plus-function language. The balance of the added text comprised a description of a method using the system as set forth in the description of Figure 1.

The response filed by Mr. Schwartz also included a second declaration by Arthur Hair under 37 C.F.R. § 1.132, explaining how the terminology presented in the specification as filed and amended would have been understood by one having ordinary skill in the art.

The second Office Action in the '398 Application was issued by Examiner Nguyen on May 4, 1994. In this Office Action, Claims 1 through 3, 8, 9, 16 through 18, 23, 24, 29 through 44 and 51 through 63 were rejected as anticipated by U.S. Patent 4,528,643. Claims 4 through 7, 10 through 15, 19 through 22, 25 through 28 and 45 through 50 were objected to as depending from rejected claims, but were considered allowable if rewritten in independent form. Mr. Schwartz responded to the Office Action on July 13, 1994 by making amendments to the claims in an attempt to put the allowable claims into form for issue. The amendment to the claims included the addition of new Claims 64 through 75. In addition, the Abstract was amended by adding the term "digital" at various places.

A third Office Action in the '398 Application was issued by Examiner Nguyen on October 28, 1994, on the basis of remaining Claims 1, 5 through 7, 9, 11 through 15, 17, 20 through 23, 26 through 28, 43, 46 through 50 and 64 through 75. All of the claims were rejected under 35 U.S.C. § 112, second and fourth paragraphs. Mr. Schwartz responded to the third Office Action on February 24, 1995 by amending the claims. Several minor amendments to the specification were also made. A supplemental amendment was filed by Mr. Schwartz on March 7, 1995 to change the dependency of Claim 46 from canceled Claim 66 to Claim 67.

The '964 Application was filed on June 6, 1995 as a **continuation** of the '398 Application under the then existing 37 C.F.R. § 1.60 practice, and included a claim of priority to

the '398 Application. The '964 Application was filed with the same specification, claims and oath as had been filed in the '398 Application. Thus the determinations made by Examiner Nguyen in the '391 Application and '398 Application with respect to alleged new matter and other issues under 35 U.S.C. § 112 prior to the filing date of the '964 Application were of record in the prosecution history of the '964 Application.

The first Office Action in the '964 Application was issued by Examiner Nguyen on January 4, 1996 on the basis of original Claims 1 through 31, which were identical to those originally filed in the '398 Application. The specification was objected to and all of Claims 1 through 31 were rejected under 35 U.S.C. § 112, first paragraph, for lack of adequate written description. In particular, Examiner Nguyen stated that the specification failed to set forth the problems in the prior art that the invention intended to overcome. The claims were also rejected as anticipated by U.S. Patent 3,718,906 or obvious over U.S. Patent 3,718,906 in view of U.S. Patent 4,654,799. This was essentially the same set of rejections as had been issued in the first Office Action in the '398 Application. Following an interview with Examiner Nguyen, Mr. Schwartz responded to the first Office Action on July 3, 1996 by presenting amendments to the specification and claims. The amendments to the specification were identical to those that had been entered by Examiner Nguyen in the prosecution of the '398 Application via the December 30, 1993 response to the first Office Action in that case.

The amendments to the claims primarily comprised the addition of language regarding the "second party control unit" and "possession and control" of the second party control unit, or second party memory by the second party. Other amendments to the claims included instances where the phrase "electronically selling" was replaced by "charging a fee." New Claims 32 through 63 were added by amendment.

Also in the July 3, 1996 Response, Mr. Schwartz *specifically requested* Examiner Nguyen to consider any issues of double-patenting that might have resulted from the issuance of the '440 Patent. Thus, Mr. Schwartz expressly stated to Examiner Nguyen:

"Applicant reminds the Examiner of related continuation application 08/607,648 and asks the Examiner to review whether there is any double patenting issue with regard to this application 08/607,648 or parent patent, U.S. Patent No. 5,191,573." (Response to Office Action filed by Applicant's Counsel, Ansel Schwartz, July 3, 1996)

The second Office Action in the '964 Application was issued by Examiner Nguyen on October 9, 1996 on the basis of Claims 1 through 63. All of the claims were rejected as obvious over U.S. Patent 4,528,643. Mr. Schwartz responded to the second Office Action on April 9, 1997 by filing remarks only.

The third Office Action in the '964 Application was issued by Examiner Nguyen on July 10, 1997 on the basis of Claims 1 through 63 and substantially repeating the previous rejection. Mr. Schwartz responded to the third Office Action on January 9, 1998 by filing remarks accompanied by a declaration under 37 C.F.R. § 1.132 by Arthur Hair. Mr. Schwartz also concurrently filed a Notice of Appeal. Mr. Schwartz filed an Appeal Brief on June 11, 1998.

In response to the Appeal Brief, Examiner Nguyen issued a Notice of Allowance and Issue Fee due on September 15, 1998. On December 17, 1998, Mr. Schwartz filed a minor amendment under 37 C.F.R. § 1.312, which was entered. The Issue Fee was paid and the '964 Application duly issued as the '440 Patent on October 12, 1999.

III. THE APPROPRIATE PRIORITY DATE FOR THE CLAIMS OF THE '440 PATENT IN REEXAMINATION IS JUNE 13, 1988

As set forth in Section II above, the '440 Patent issued from U.S. Patent Application Serial No. 08/471,964 (the "'964 Application") , which was filed as a continuation of U.S.

Patent Application Serial No. 08/023,398 (the "'398 Application"), which was filed as a continuation of 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 '440 Patent is not a continuation-in-part, but asserts that the '440 Patent "shares the characteristics of a continuation-in-part." The Office now attempts to use this novel characterization of the '440 Patent as a pretext to re-examine the priority date of the claims in the '440 Patent, which Examiner Nguyen had properly awarded as June 13, 1988. In particular, the Office is attempting to improperly reassign a priority date of June 6, 1995 to the claims in reexamination.

The Office's actions in reassigning the priority date are improper procedurally, and incorrect based on the prosecution history of the '440 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 '440 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 '440 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 '440 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"); *Patent Reexamination: Hearing Before the Committee on the Judiciary*, 96th Cong., 499 (1979) ("Questions affecting patentability or validity which may arise quite apart from the cited patent or publication, in view of which reexamination is requested, are left to be resolved in the forum really equipped to do the job -- the court.") (statement of Paul L. Gomery, Director, Washington Office, Patent Division of Phillips Petroleum Co.).

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 '440 Patent

The Office admits the '440 Patent is not a continuation-in-part, but then asserts the '440 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 '440 Patent. In support of its position the Office points to text added to the specification of the '391, '398 and '964 Applications 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 continuation-in-part. 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.

The '398 Application was filed as a **continuation** of the '391 Application, but did include a different specification and a new oath. However, as detailed above, the changes to specification as filed in the '398 Application were nearly identical to text introduced by amendment to the specification of the parent '391 Application. As set forth above, after extensive examination of the amendments to the specification and claims in the '391

Application, Examiner Nguyen determined that the added text did not constitute new matter. As a result, this added text cannot be considered new matter in the context of the **continuation** '398 Application.

Finally, the '964 Application was filed pursuant to 37 C.F.R. § 1.60(b). According to MPEP § 201.06(a), in effect at the time the '964 Application was filed, if the '964 Application had been filed as a CIP, it could not have been filed pursuant to 37 C.F.R. § 1.60(b).

Based on the above, it is apparent that no CIP appears in the history of the original prosecution of the '440 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 CIP, 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 '440 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 the Manual of Patent Examining Procedure ("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

in each subsequent continuation application. Examiner Nguyen determined the '440 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.*, and 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 a patent owner (in this case, 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 patent owner (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 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 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 '734 Patent Is Not A New Issue Related To Patentability

Even if the reexamination statue 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 '734 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 '734 Patent

During initial examination of the '734 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.

Also as set forth above, the '398 Application was filed as a continuation of the '391 Application. Even though the specification filed with the '398 Application was not identical to the originally filed specification, the additional text it included was nearly identical to text introduced by the amendments to the specification of the parent '391 Application. Having determined that the amendments to the specification and claims in the '391 Application did not constitute new matter, Examiner Nguyen could not plausibly have determined that the same text

was new matter in the context of the '398 Application. As a result, Examiner Nguyen also assigned a priority date of June 13, 1988 to the '398 Application when it was filed.

Finally, the '964 Application was filed pursuant to 37 C.F.R. § 1.60. According to MPEP § 201.06(a), in effect at the time, if the '964 Application had been filed as a CIP, it could not have been filed pursuant to this procedure. Since the '964 Application was filed pursuant to 37 C.F.R. § 1.60, as a threshold matter it was assigned the priority date of June 13, 1988 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 issued on September 29, 2006 in the copending '402 Reexamination, showing when and under what circumstances additions to the specification and resulting claim amendments were made in the '497 and '391 Applications. References to this chart in the September 29, 2006 Office Action in the instant reexamination were accompanied by generalized allegations that other new matter was added to the specification and claims.

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 June 25, 1992	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 substantially all of the alleged new matter issues were dealt with in the '391 Application, which eventually issued as the '573 Patent. Thus, Examiner Nguyen already had considered those additions and amendments in the Office Action of February 24, 1992, prior to the filing of the '398 Application. 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. Mr. Schwartz responded to, and overcame, that objection and those rejections in the Response of June 23, 1992. In that Response, Mr. Schwartz included arguments and a Declaration by Arthur Hair under 37 C.F.R. § 1.132 establishing that the additions to the specification had ample antecedent 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.

During prosecution of the '398 Application, the only element incorporated that can be alleged to be "new" is the recitation of an "account." However, when this element was introduced to the claims and specification by amendment, it was accompanied by a Declaration under 37 C.F.R. § 1.132 establishing that the addition to the specification had ample antecedent

support in the originally filed specification because the subject matter of the addition implicitly was disclosed and understood by those skilled in the art. This Declaration was accepted by Examiner Nguyen without comment.

Coincidentally, the prosecution history of the '734 Patent shows that, in the first Office Action after the filing of the '398 Application, Examiner Nguyen did issue an objection to the specification and rejection of the claims under 35 U.S.C. § 112, first paragraph, as failing to provide an adequate written description. Examiner Nguyen stated that the specification as filed "fails to make clear what problems in the prior art the present invention intends to overcome." Office Action issued July 1, 1993, page 2. Although the objection and rejection were not "new matter" based, this nonetheless shows that Examiner Nguyen did in fact review the disclosure and claims for compliance with 35 U.S.C. § 112, first paragraph. This rejection was overcome by providing an additional summary of the problems associated with the prior art and pointing out that the description provided in the originally filed specification made it clear what these problems were. Examiner Nguyen thereafter withdrew the Section 112, first paragraph rejection.

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 '440 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, with the exception of the 1996 amendments, the table merely contains the same alleged new matter as the table presented above. That is, Table II does not 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").

With respect to the amendments to the specification filed on July 3, 1996 in the '964 Application, the amendments by and large are a written description of Figure 1, which was originally filed in the '497 Application. As such, this text did not constitute new matter. The remainder of the added text comprised means plus function language, which was supported by the text of the specification originally filed with the '398 and '964 Applications.

With respect to the December 6, 1996 amendment, a review of the filing does not reveal any additions to the specification, only amendments to the claims. Further, all of the text added to the claims via this amendment was either explicitly supported in the originally filed

specification, or included terms that were reviewed previously and found to be supported by Examiner Nguyen.

Therefore, because all of the amendments made during the prosecution history of the '440 Patent consisted of matter either explicitly found in the original specification or previously considered and passed on by Examiner Nguyen, there is no doubt that Examiner Nguyen determined the claims in the '440 Patent were entitled to claim priority to the original June 13, 1988 filing date.

2. The Absence Of Rejections Based On Intervening References During The Initial Examination Of The '734 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 '648 or '398 Applications, 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, '398 and '648 Applications were 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 '440 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. Quigg*, 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]. <u>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</u>

> 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 '440 Patent.

C. The Claims In The '440 Patent Plainly Are Supported By The Originally Filed Specification

The Office asserts that, for written description support, the claims in the '440 Patent rely on certain alleged new matter added to the specification during the original prosecution of the '440 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, 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 '440 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 63 as issued in the '440 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. In *Vas-Cath*, the CAFC held that "[t]he test for sufficiency of support in a patent application is whether the disclosure of the application relied upon '***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 Court of Appeals for the Federal Circuit ("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*, 146 F.3d 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 743 (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, *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 63 In The '440 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 63 of the '440 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/system for transferring desired digital video or digital audio signals	1-63	p. 1, lns. 13-15 p. 2, lns. 8-10, 20-26 (video) p. 5, lns. 36-43	*ipsis verbis*
forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party	1-22, 25-28, 36-46, 58-63	p. 3, lns. 35-40	*ipsis verbis*
first memory having desired digital video or digital audio signals	1-21, 25-28, 42-57, 62, 63	p. 3, lns. 35-37	*ipsis verbis*
selling electronically by the first party to the second party through telecommunications lines	1-22, 25-28, 40, 42-45	p. 2, lns. 47-52 p. 3, lns. 35-40	*ipsis verbis*
transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the	1-21, 25-28, 36-40, 42-46, 62-63	p. 2, ln. 47-52 p. 3, lns. 35-40 Fig. 1	*ipsis verbis*

second party through telecommunications lines			
the second party control unit with the second memory is in possession and control of the second party	1-41, 46-52, 62	p. 3, lns. 26-33, 40-43	The as filed original specification includes *ipsis verbis* 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.
playing through speakers of the second party control unit the digital video or digital audio signals in the second memory	1-10, 11, 22, 36-46, 63	p. 2, lns. 26-32	*ipsis verbis*
speakers of the second party control unit connected with the second memory of the second party control unit	1-10, 28, 35, 62	p. 3, lns. 25-32 p. 4, lns. 47-50 Fig. 1	*ipsis verbis*
first control unit in possession and control of first party	24, 31-35	p. 2, lns. 38-43 p. 3, lns. 35-49	The as filed original specification includes *ipsis verbis* 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.
second party location remote from the first party location, determined by the second party	2-63	p. 2, lns. 47-50 p. 3, lns. 20-40 Fig. 1 p. 4, lns. 21-23	The as filed original specification states throughout that digital audio or digital video signals are sold and transferred via telephone lines. A skilled artisan would 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 previously pointed out in the declaration of Arthur Hair submitted May 5, 1992.
charging a fee via telecommunications lines by the first party to the second party	2-10, 19-21, 36-40, 43-45, 47-63	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 implicitly support for selling and thereby charging a fee. This was previously pointed out in the declaration of Arthur Hair submitted December 30, 1993.
second party has an account, charging the account of the second party	3-10, 20-21, 38-40, 44-45, 56-57, 60-61	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. A skilled artisan would readily recognize that charging a fee via telecommunications lines would include the second party having an account that can be charged. This was previously pointed out in the declaration of Arthur Hair submitted December 30, 1993.
telephoning the first party controlling use of the first memory by the second party	4-10, 39-40, 45, 57, 61	p. 2, lns. 47-50 p. 3, lns. 20-40 Fig. 1 p. 4, lns. 21-23	The as filed original 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 controlling the second memory to the first party controlling the first memory so the second party is charged money	4-10, 21, 39-40, 45, 61	p. 1, lns. 13-15 p. 2, lns. 8-10, 20-23, 38-52 p. 3, lns. 12-15, 35-37	The as filed original 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.
storing the desired digital video or digital audio signals in the second memory	5-10, 22, 36-41	p. 2, lns. 23-27	*ipsis verbis*
electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital audio signals	6-8	p. 2, lns. 17-19 p. 4, lns. 15-20	*ipsis verbis*
first memory includes first party hard disk	7-8, 13, 14, 27-28, 34-35, 49-54	p. 4, lns. 5-6 p. 3, ln. 19 Fig. 1	*ipsis verbis*
second party can view desired digital video signals	58-61	p. 5, lns. 36-43 p. 3, lns. 26-33	The as filed original specification has *ipsis verbis* support for a video display. Since the specification explicitly says that the invention is applicable to video, a skilled artisan would recognize that a user could view the desired video signals on the video display.
second party can listen to the desired digital audio signals	63	p. 4, lns. 27-28, 36-50	*ipsis verbis*
first memory includes a sales random access memory chip	7-8, 13-18, 25-28, 49-54	p. 3, lns. 19-24 Fig. 1	*ipsis verbis*
second party control unit includes second memory	48-54	p. 3, lns. 26-30 Fig. 1	The as filed original specification has *ipsis verbis*

			support for a second party control unit. A skilled artisan would readily understand that the second party hard disk corresponds to a second memory.
second party control unit has a second party control panel	8, 12-21, 25-28, 32-35, 47-57	p. 3, lns. 26-27 Fig. 1	*ipsis verbis*
second party control panel connected to the second party integrated circuit	8, 16-18, 25-28, 32-35, 52-54	p. 3, lns. 26-28 Fig. 1	*ipsis verbis*
second memory of the second party control unit includes an incoming random access memory chip	9-10, 17-18, 25-28, 32-35, 53-54	p. 3, ln. 26-29 Fig. 1	*ipsis verbis*
second memory of the second party control unit includes a second party hard disk for storing the desired digital video or digital audio signals	9-10, 12-21, 25-28, 34-35, 50-54	p. 3, lns. 26-31 Fig. 1	*ipsis verbis*
second memory of the second party control unit includes a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback	9-10, 25-28 32-35, 50-54	p. 3, lns. 26-30 p. 4, lns. 39-50 Fig. 1	*ipsis verbis*
a first party control unit having a first memory	12-21, 25-28	p. 3, lns. 20-24 Fig. 1	*ipsis verbis*
second party control unit having means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel	12-35	p. 3, lns. 26-33 Fig. 1	The as filed original specification has *ipsis verbis* support for speakers and video display which are means for playing.
first party control integrated circuit connected to the first party hard disk, the first party sales random	15-18, 25-28, 32-35, 51-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*

access memory, and the second party control integrated circuit through the telecommunications lines			
second party control integrated circuit connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines	16-18, 25-28, 52-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*
first party control integrated circuit and second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals	13-18, 25-28	p. 4, lns. 15-20	*ipsis verbis*
first party control panel connected to the first party control integrated circuit	15-18, 25-28, 51-54	p. 3, lns. 20-24 Fig. 1	*ipsis verbis*
incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines	17-18, 25-28, 53-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*
second party control unit includes a video display unit and/or speakers	18, 25-28, 35, 47-61	p. 3, lns. 26-33 Fig. 1	*ipsis verbis*
second party control unit having a receiver, second memory connected to the receiver	22, 41, 47-56, 58-60	p. 2, lns. 47-49 p. 3, lns. 35-38 p. 4, lns. 24-26	A skilled artisan would readily recognize in order to receive digital audio or digital video 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.
second party financially	22, 41	p. 2, lns. 8-16, 20-27, 38-52	Throughout the specification

distinct from the first party		p. 35-49	discloses electronic sales of digital video or digital audio signals. A skilled artisan would readily recognize that the first and second parties would be financially distinct since this is required in order to have a sale. This issue was previously addressed in the affidavit of Arthur Hair filed on May 5, 1992.
first memory with a transmitter in control and possession of the first party	22-24, 29-35, 41, 58-61, 63	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic distribution via telecommunications lines. A skilled artisan would readily recognize that this requires transmission of those signals, where the telecommunications lines act as the transmitter.
receiver is in possession and control of the second party	22-24, 29-35, 41, 58-61, 63	p. 2, lns. 47-49 p. 3, lns. 35-38 p. 4, lns. 24-26	A skilled artisan would readily recognize in order to receive digital audio or digital video 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 readily recognize that the receiver 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 December 30, 1993.
means or mechanism for transferring money electronically via telecommunications lines from the second party to	23-24, 30-35	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic sales via telecommunications lines. A skilled artisan would readily

the first party controlling use of the first memory			recognize that electronic sales via telecommunications lines would include the transfer of money via telecommunications lines. This was addressed previously in the affidavit of Arthur Hair dated May 5, 1992.
second party choosing desired digital video or digital audio from first memory with second party control panel	47-63	p. 2, lns. 8-16, 20-27, 38-52 p. 35-49	Throughout the specification discloses electronic sales of digital video or digital audio signals. A skilled artisan would readily recognize that this includes the selection of individual desired signals by the purchaser.
means or mechanism for connecting electronically via telecommunications lines the first memory with the second memory	23-24, 29-35	p. 4, lns. 15-20 Fig. 1	A skilled artisan would readily recognize from the specification that the first memory would include a means for connecting to the second memory via the disclosed telephone lines.
means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory to a receiver having the second memory	23-24, 29-35	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic distribution via telecommunications lines. A skilled artisan would readily recognize that this requires transmission of those signals, where the telecommunications lines act as the transmitter. A skilled artisan would also readily recognize in order to receive digital audio or digital video signals over telecommunications lines, 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.
means or a mechanism for storing the digital video or digital audio signals in the second memory	23-24, 29-35	p. 3, lns. 26-31 p. 4, lns. 15-20 Fig. 1	The second party control unit includes a second party control integrated circuit which regulates the transfer of the digital audio and digital video signals. A skilled artisan would readily recognize that the second party integrated circuit regulates storage of the digital audio or digital video signals.
playing means or	23-24, 29-	p. 3, lns. 26-33	*ipsis verbis*

mechanism connected to the second memory	35	p. 4, lns. 39-50 Fig. 1	
second memory connected to receiver and video display	48-54, 58-61	p. 3, lns. 26-33 p. 4, lns. 39-50 Fig. 1	The as filed original specification has *ipsis verbis* support for a video display connected to the second memory. A skilled artisan would also readily recognize in order to receive digital audio or digital video signals over telecommunications lines, 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.
telecommunications lines include telephone lines	26-28, 33-35	p. 3, ln. 25 Fig. 1	*ipsis verbis*

For all the reasons set forth in the chart immediately above, the written description standard was satisfied for Claims 1 through 63 of the '440 Patent. For the same reason, and as set forth in more detail below, Claims 80 through 129 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, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 '440 Patent.

2. The "Video Feature" Of The Invention In Claims 1, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 39, 40, 42, 45, 47 Through 61 And 80 Through 129 Of The '440 Patent Was Enabled By The Originally Filed Specification

The Office asserts the "video feature" of the invention in Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 39, 40, 42, 45, 47 Through 61 And 80 Through 129 Are Entitled To The June 13, 1988 Priority Date Awarded During The Original Examination, *Yurt* And *Goldwasser* Are Not Appropriate Prior Art

Based on the foregoing, Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 5,132,992 to Yurt (*Yurt*) and U.S. Patent 5,241,428 to Goldwasser (*Goldwasser*) cannot provide a proper basis for a rejection because the references post-date the applicable June 13, 1988 priority date for the claims. The Board should, therefore, reverse all rejections based on *Yurt* and/or

Goldwasser. *See supra*, Grounds 1-5 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, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 in the originally filed specification as a predicate for citing *Yurt* and *Goldwasser*, the Office has also asserted separate rejections of Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 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 63 in the form of Claims 80 through 129 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.

Claims 80 through 129 do not recite any elements not previously present in Claims 1 through 63. Nonetheless, even if it were proper for the Office to examine Claims 80 through 129 for compliance with Section 112, first paragraph, under 37 C.F.R. § 1.552(a), those issues already were addressed by Examiner Nguyen during the initial examination of Claims 1 through 63, as recognized by the Office in the instant Office Action. Further, the only recitation not

previously presented in Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61 is the recitation of a non-volatile storage portion of the second memory that is not a tape or CD. Therefore, the Office may only examine Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61 for compliance with Section 112, first paragraph, and then only the recitation of "a non-volatile storage portion of the second memory that is not a tape or CD".

A. Rejection Of Claims 1, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 39, 40, 42, 45 And 47 Through 61 Under 35 U.S.C. § 112, First Paragraph As Introducing Matter Not Found In The Original Specification

With respect to the recitation of "a non-volatile storage portion of the second memory, wherein the non-volatile storage is not a tape or a CD", the Office asserts that the negative limitation introduces a new concept to Claims 1, 11, 12, 23, 29, 36, 42, 47 and 58 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.

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, 11, 12, 23, 29, 36, 42, 47 and 58 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. Claims 1, 11, 12, 23, 29, 36, 42, 47 and 58 all 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 CIP 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, 11, 12, 23, 29, 36, 42, 47 and 58 all 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, 11, 12, 23, 29, 36, 42, 47 and 58 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 '440 Patent as issued.

With respect to the other elements recited in Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61, the issue of written support for the claimed matter previously was addressed by Examiner Nguyen during the initial examination of Claims 1 through 63, as recognized by the Office in the Office Action dated March 17, 2007. Moreover, Appellant thoroughly demonstrated in the Response to the Office Action of September 29, 2006 that each element in Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61 is fully supported and enabled by the original specification as filed, as well as the specification for '440 Patent as issued. Therefore, the Board should reverse the Examiner's rejection.

B. Rejection Of Claims 1, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 40, 42, 45 And 47 Through 61 Under 35 U.S.C. § 112, First Paragraph As Not Being Enabled By The Original Specification

Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 40, 42, 45, 47 through 61 and 80 through 129 have also been rejected under Section 112, first paragraph, as not being enabled by the original specification.

As set forth in Section III(A) above, all of the limitations recited in the claims have written support in the original specification filed on June 13, 1988. As further set forth above, 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. Therefore, the Office may only examine

the claims with respect to the recitation of "a non-volatile storage portion of the second memory that is not a tape or CD" for compliance with the enablement requirement. In particular, Claims 80 through 129 do not recite any limitations not found in original Claims 1 through 63. Therefore, the rationale cited by the Office for subjecting Claims 80 through 129 to analysis under Section 112, first paragraph, is wholly faulty. Nonetheless, Appellant thoroughly demonstrated in the Response to the Office Action of September 29, 2006 that each element in Claims 80 through 129 is fully supported and enabled by the original specification as filed, as well as the specification for '440 Patent as issued.

With respect to Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 40, 42, 45, 47 through 61, the only difference between the amended claims and original Claims 1 through 63 is the recitation of "a non-volatile storage portion of the second memory that is not a tape or CD." For the same reason original Claims 1 through 63 are enabled, amended Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 40, 42, 45, 47 through 61 are also enabled. Therefore, the Board should reverse the Examiner's rejection.

V. BASED ON THE PROPER PRIORITY DATE FOR THE CLAIMS IN REEXAMINATION, THE REJECTIONS OF CLAIMS 1, 4, 6 THROUGH 8, 10 THROUGH 16, 18 THROUGH 21, 23 THROUGH 36, 39, 40, 42, 45, 47 THROUGH 61 AND 80 THROUGH 129 BASED ON *YURT* AND/OR *GOLDWASSER* ARE IMPROPER

As set forth above, the proper priority for Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 5,132,992 to Yurt (*Yurt*) issued on July 21, 1992 from an application filed

on January 7, 1991. U.S. Patent 5,241,428 to Goldwasser (*Goldwasser*) issued on August 31, 1993 from an application filed on March 12, 1991. Therefore, *Yurt* and *Goldwasser* do not qualify as prior art for the purposes of Sections 102 and 103.

A. Rejection Of Claims 1, 11 Through 13, 23, 24, 29 Through 31, 36, 42, 47 Through 49, 58, 80, 87 Through 89, 98, 99, 104 Through 106, 111, 114, 116, 117 And 126 Under 35 U.S.C. § 103(a) Over *Yurt*

Claims 1, 11 through 13, 23, 24, 29 through 31, 36, 42, 47 through 49, 58, 80, 87 through 89, 98, 99, 104 through 106, 111, 114, 116, 117 and 126 have been rejected under 35 U.S.C. § 103(a) as obvious over *Yurt*.

As discussed above, *Yurt* does not qualify as prior art based on the proper June 13, 1988 priority date of the '440 Patent. As a result, a *prima facie* case of obviousness of Claims 1, 11 through 13, 23, 24, 29 through 31, 36, 42, 47 through 49, 58, 80, 87 through 89, 98, 99, 104 through 106, 111, 114, 116, 117 and 126 has not been established by *Yurt*. Therefore, the Board should reverse this rejection.

B. Rejection Of Claims 4, 6 Through 8 and 81 Through 84 Under 35 U.S.C. § 103(a) Over *Yurt* In View Of *Bush*

Claims 4, 6 through 8 and 81 through 84 have been rejected under 35 U.S.C. § 103(a) as obvious over the combination of *Yurt* in view of U.S. Patent 4,789,863 to Bush (*Bush*). As set forth above, *Yurt* does not qualify as prior art based on the proper June 13, 1988 priority date of the '440 Patent. Because *Yurt* does not qualify as prior art, a combination of *Yurt* and another reference cannot provide a proper basis for an obviousness rejection. As a result, the rejection of Claims 4, 6 through 8 and 81 through 84 based on a combination of *Yurt* and *Bush* is improper. Therefore, the Board should reverse this rejection.

C. Rejection Of Claims 14 Through 16, 19, 20, 32 Through 35, 50 Through 56, 59, 60, 85, 86, 90 Through 96, 100 Through 103, 107 Through 110, 118 Through 124, 127 And 128 Under 35 U.S.C. § 103(a) Over *Yurt* In View Of *Bush* In View Of *Goldwasser*

Claims 14 through 16, 19, 20, 32 through 35, 50 through 56, 60, 85, 90 through 96, 100 through 103, 107 through 110, 118 through 124, 127 and 128 have been rejected under 35 U.S.C. § 103(a) over *Yurt* in view of *Bush* further in view of U.S. Patent 5,241,428 to Goldwasser (*Goldwasser*).

As set forth above, neither *Yurt* nor *Goldwasser* qualify as prior art based on the proper June 13, 1988 priority date of the '440 Patent. Because neither *Yurt* nor *Goldwasser* qualify as prior art, a combination of *Yurt* and/or *Goldwasser* and another reference cannot provide a proper basis for an obviousness rejection. As a result, the rejection of Claims 14 through 16, 19, 20, 32 through 35, 50 through 56, 60, 85, 90 through 96, 100 through 103, 107 through 110, 118 through 124, 127 and 128 based on a combination of combination of *Yurt*, *Bush* and *Goldwasser* is improper. Therefore, the Board should reverse this rejection.

D. Rejection Of Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 And 129 Under 35 U.S.C. § 103(a) Over *Yurt* In View Of *Goldwasser* In View Of *Bush*

Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 and 129 have been rejected under 35 U.S.C. § 103(a) over *Yurt* in view of *Goldwasser* further in view of *Bush*.

As set forth above, neither *Yurt* nor *Goldwasser* qualify as prior art based on the proper June 13, 1988 priority date of the '440 Patent. Because neither *Yurt* nor *Goldwasser* qualify as prior art, a combination of *Yurt* and/or *Goldwasser* and another reference cannot provide a proper basis for an obviousness rejection. As a result, the rejection of Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 and 129 based on a combination of combination of *Yurt*, *Goldwasser* and *Bush* is improper. Therefore, the Board should reverse this rejection.

E. Rejection Of Claims 34 And 35 Under 35 U.S.C. § (103(a) Over *Yurt* In View Of *Goldwasser*.

Claims 34 and 35 have been rejected under 35 U.S.C. § 103(a) over *Yurt* in view of *Goldwasser*.

As set forth above, neither *Yurt* nor *Goldwasser* qualify as prior art based on a proper June 13, 1988 priority date of the '440 Patent. As a result, a *prima facie* case of obviousness of Claims 34 and 35 has not been established by a combination of *Yurt* and *Goldwasser*. Therefore, the Board should reverse this rejection.

VI. DOUBLE PATENTING

Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 also have been rejected under the judicially created doctrine of obviousness-type double-patenting over Claims 1 through 6 of the '573 Patent and Claims 1 through 34 of the '734 Patent, which are copending in reexamination. This double-patenting rejection is improper as applied to the instant claims for the reasons set forth below.

A. Obviousness-Type Double-Patenting Is Not A New Issue Related To Patentability And Is Therefore Inappropriate In The Instant Reexamination

It is not appropriate to consider and assert obviousness-type double-patenting in the present reexamination because it does not present a "substantial new question of patentability." *See* 35 U.S.C. § 303.

During the prosecution of the applications that eventually resulted in the '440 Patent and the related '734 Patent, both applications were co-pending before Examiner Nguyen. Indeed, it was Examiner Nguyen who issued the subject '440 Patent, and the '573 and '734 Patents. Examiner Nguyen in each case therefore was well aware of the scope of the claims in each application and in the patents that issued from those applications. This by itself indicates the issue of double-patenting was before Examiner Nguyen in the original examination of the

subject '440 Patent, and therefore does not present a "substantial new question of patentability" now.

35 U.S.C. § 303 permits the Director to "determine whether a substantial new question of patentability is raised." While the fact that a patent or printed publication previously was cited or considered may not preclude the existence of a substantial new question of patentability in some circumstances, the plain language of the statute nonetheless requires that the *question of patentability* raised must be new. Therefore, it is improper in reexamination to re-raise a ground for rejection that was before the examiner in the original examination of the patent (and any related patents) at issue. The case law squarely supports this position. *See In re Recreative Technologies Corp.*, 83 F.3d 1394, 1398 (Fed. Cir. 1996) ("Reexamination is barred for questions of patentability that were decided in the original examination.")

In the present case, the prosecution history of the '440 Patent shows unequivocally that Mr. Schwartz *specifically requested* Examiner Nguyen to consider any issues of double-patenting that might have resulted from the issuance of the '440 Patent. Thus, Mr. Schwartz expressly stated to Examiner Nguyen:

> ***Applicant reminds the Examiner of related continuation application 08/607,648 and asks the Examiner to review whether there is any double patenting issue with regard to this application 08/607,648 or parent patent, U.S. Patent No. 5,191,573.***

(Response to Office Action filed by Applicant's Counsel, Ansel Schwartz, July 3, 1996).

Further, in the related copending application that resulted in the '734 Patent, Mr. Schwartz had previously brought the issue of double-patenting to the Examiner Nguyen's attention. Specifically, Mr. Schwartz stated to Examiner Nguyen:

> ***Applicant requests the Examiner to review any double patenting possibility of the above-identified patent application in regard to***

> ***U.S. Patent 5,191,573. If the Examiner determines there is no need for any double patenting concern, the applicant requests that the Examiner deem this request to consider double patenting as moot.***

(Response to Office Action filed by Applicant's Counsel, Ansel Schwartz, July 13, 1994). Notwithstanding this express raising of the issue ***twice*** by Mr. Schwartz, Examiner Nguyen in subsequent Office Actions declined to issue a rejection based on double-patenting in the two co-pending applications that resulted in issuance of the '440 and the '734 Patents, with respect to each other or the '573 Patent. Thus, Examiner Nguyen plainly had the impetus and the opportunity to make a double patenting rejection had she felt it warranted. She did not do that, however. It therefore follows, *a fortiori*, that the question of double-patenting cannot, as a matter of law and fact, present a "substantial new question of patentability" in the present proceedings.

Moreover, Applicant was -- and Appellant now is --entitled to rely on Examiner Nguyen's declining to make a rejection for double-patenting in response to the Applicant's previous specific requests to consider the issue. Appellant should not now be forced to face that same issue in the instant reexamination. That is exactly what 35 U.S.C. § 303 is intended to avoid. Indeed, as recognized by the CAFC in *Recreative Technologies*, the "substantial new question requirement would protect Appellants from having to respond to, or participate in unjustified reexaminations. Further, it would act to bar reconsideration of any argument already decided by the Office" and, as a result, "the statute [35 U.S.C. § 303] guarded against simply repeating the prior examination on the same issues and arguments." *Id.* at 1397.

Therefore, the issue of double-patenting over the '573 Patent was properly before Examiner Nguyen and passed on during the original prosecution of the '734 Patent. As a result, under the plain meaning of 35 U.S.C. § 303 and the CAFC's holding in *Recreative*

Technologies, double-patenting, under the present circumstances, is not a "substantial new question of patentability" and therefore is not a proper issue to be considered in this reexamination. Therefore, the Board should reverse the rejection of Claims 1 through 4, 6 through 19, 22 through 25, 28 and 31 through 34 for obviousness-type double-patenting.

B. The Rejection Of Claims 1, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 39, 40, 42, 45, 47 Through 61 And 80 Through 129 Over Claims 1 Through 6 Of The '573 Patent Alone Or Claims 1 Through 34 Of The '734 Patent Alone Is Improper In An Obviousness-Type Double-Patenting Rejection

Because the rejection for obviousness-type double-patenting is unsupported by some suggestion in the prior art, or the knowledge of one having ordinary skill in the art, it is improper and should be withdrawn for this reason as well.

The BPAI dealt with this very same issue in *Ex parte Schmit*, 64 U.S.P.Q.2d 1723 (Bd. Pat. App. & Interferences 2000). In *Schmit*, the BPAI reversed a rejection under the doctrine of obviousness-type double-patenting, where the examiner had relied on a combination of "references" both of which were parents of the application at issue. In its opinion, the BPAI interpreted its own precedent in *In re Oetiker*, 23 U.S.P.Q.2d 1651 (Bd. Pat. App. & Interferences 1990), and the precedent of the CAFC in *In re Longi*, 754 F.2d 887 (Fed. Cir. 1985). The BPAI recognized this precedent to "stand for the proposition *that prior art must be cited* to support an obviousness-type double-patenting rejection." *Schmit*, 64 U.S.P.Q.2d at 1725.

(emphasis added.) The BPAI therefore properly held that, "[a]bsent citation of prior art in addition to the base patent, there is no factual basis for the [obviousness-type double-patenting] rejection."

Id. As a result, in the present reexamination, although the claims of the '573 Patent or '734 Patent can be asserted by the Examiner as a partial basis for an obviousness-type double

patenting rejection, they cannot *by themselves* support such a rejection. *See Ex parte Schmit*, 64 U.S.P.Q.2d 1723 (Bd. Pat. App. & Interferences 2000); *In re White*, 405 F.2d 904, 906 (C.C.P.A. 1969) ("Having been copending with the application at bar, appellants' own patent is not prior art although it is the basis of the double patenting rejection."); *Research Corp. Techs., Inc. v. Gensia Labs., Inc.*, 10 Fed. Appx. 856, 860 (Fed. Cir. 2001) ("In considering the question [double-patenting], the patent disclosure may not be used as prior art.")

The instant obviousness-type double-patenting rejection implicitly acknowledges that Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are not co-extensive with the Claims 1 through 6 of the '573 Patent or Claims 1 through 34 of the '734 Patent. Therefore, under *Oetiker* and *Longi*, as adopted by the BPAI in *Schmit*, it is necessary to show some rationale, either in the prior art, or the knowledge of one having ordinary skill in the art, as to why Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are obvious over Claims 1 through 6 of the '573 Patent or Claims 1 through 34 of the '734 Patent. The Board should reverse the instant double-patenting rejection over Claims 1 through 6 of the '573 Patent or Claims 1 through 34 of the '734 Patent for this further reason as well.[2]

C. An Obviousness-Type Double-Patenting Rejection Cannot Properly Be Based On Claims 1 Through 6 Of The '573 Patent Or Claims 1 Through 34 Of The '734 Patent

Claims 1 through 6 of the '573 and Claims 1 through 34 of the '734 Patent are currently the subject of the related copending '402 Reexamination and '403 Reexamination, respectively. As such any double-patenting rejection in the instant reexamination will necessarily be affected

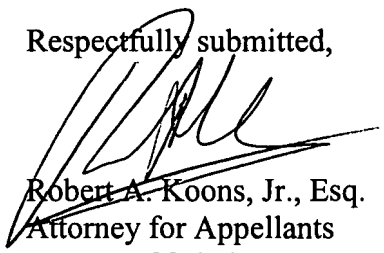
[2] Parenthetically, *Schmit* was not published as binding precedent of the BPAI. Nonetheless, for the reasons set forth above, it is abundantly clear that *Schmit* was correctly decided and is supported by the precedent of the C.C.P.A. and CAFC. Therefore, the Board should, in the present reexamination, follow its previous holding in *Schmit*.

by the outcome in the related '402 and '403 Reexaminations. Since the final form in which claims may emerge from the '402 and '403 Reexaminations is not known, the Examiner cannot properly base a double-patenting rejection on the claims of the '573 Patent or '734 Patent as they existed prior to the reexamination proceedings.

Conclusion

Based on the foregoing, the Board should reverse the rejection of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 under 35 U.S.C. § 103(a). Also based on the foregoing, the Board should reverse the rejection of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 under the doctrine of obviousness-type double-patenting. Finally, based on the foregoing, the Board should reverse the rejection of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 under 35 U.S.C. § 112, first paragraph.

Respectfully submitted,



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CLAIMS APPENDIX

1.(Twice Amended) A method for transferring desired digital video or digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party; and

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; storing the desired digital video or digital audio signals in a non-volatile storage portion the second memory; and playing through speakers of the second party control unit the digital video or digital audio signals stored in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

2 - 3. (Canceled)

4.(Amended) A method as described in claim [3] 1 wherein the step of charging the account of the second party 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.

5. (Canceled)

6.(Amended) A method as described in claim [5] 4 including before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.

7.(Original) A method as described in claim 6 wherein the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and including before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the hard disk into the sales random access memory chip.

8.(Original) A method as described in claim 7 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.

9. (Canceled)

10.(Original) A method as described in claim 9 including after the transferring step, there is the step of repeating the commanding, playing, and transferring a replica steps.

11.(Amended) A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party;

entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party;

forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party;

storing the desired digital video or digital audio signals in a non-volatile storage portion of the second memory;

entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit; and

playing the desired digital video or digital audio signals with the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

12.(Amended) A system for transferring digital video or digital audio signals comprising:

a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals;

a second party control unit having a second party control panel, a second memory connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and

telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party;

the second memory including a non-volatile storage portion that stores the desired digital video or digital audio signals,

wherein the non-volatile storage portion is not a tape or CD.

13.(Original) A system as described in claim 12 wherein the first party control unit includes a first party hard disk having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party's hard disk.

14.(Amended) A system as described in claim 13 wherein the second party control unit includes a second party hard disk which stores a plurality of digital video or digital audio signals, and a playback random access memory chip electronically connected to [the second party hard disk] non-volatile storage portion for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.

15.(Amended) A system as described in claim 14 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

16.(Amended) A system as described in claim 15 wherein the [second party control unit includes a] second party control integrated circuit [which] controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

17. (Canceled)

18.(Original) A system as described in claim 17 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.

19.(Original) A system as described in claim 12 wherein the means or mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

20.(Original) A system as described in claim 19 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

21.(Original) A system as described in claim 20 wherein the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party.

22. (Canceled)

23.(Amended) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising:
means or mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from

the second memory, the second memory including a non-volatile storage portion, wherein the non-volatile storage portion is not a tape or CD, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the non-volatile storage portion of the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the non-volatile storage portion of the second memory, said playing means or mechanism connected to the second memory.

24.(Original) A system as described in claim 23 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

25.(Original) A system as described in claim 18 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

26.(Original) A system as described in claim 25 wherein the telecommunications lines include telephone lines.

27.(Amended) A system as described in claim 26 wherein the first memory comprises a first hard disk [and the second memory comprises a second hard disk].

28.(Original) A system as described in claim 27 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

29.(Amended) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising:

means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said

first party controlling use of the first memory, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism <u>including a non-volatile storage portion of the second memory that is not a tape or CD,</u> in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

30.(Original) A system as described in claim 29 wherein the means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location.

31.(Original) A system as described in claim 30 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

32.(Original) A system as described in claim 31 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

33.(Original) A system as described in claim 32 wherein the telecommunications lines include telephone lines.

34.(Original) A system as described in claim 33 wherein the first memory comprises a first hard disk and the second memory comprises a second hard disk.

35.(Original) A system as described in claim 34 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

36.(Twice Amended) A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising the steps of:

placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines, the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines;

storing the digital video or digital audio signals in a non-volatile storage portion of the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

37 - 38 (Canceled)

39.(Amended) A method as described in claim [38] 36 wherein the step of charging the account of the second party 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.

40.(Original) A method as described in claim 39 including after the transferring step, there is the step of repeating the charging a fee, connecting, and transferring steps.

41. (Canceled)

42.(Twice Amended) A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; storing the desired digital video or digital audio signals in a non-volatile storage portion of the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

43 - 44. (Canceled)

45.(Amended) A method as described in claim [44] 42 wherein the step of charging the account of the second party 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.

46.(Original) A method for transferring desired digital video or digital audio signals comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired second party location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of a second party, said first memory having said desired digital video or digital audio signals;

incurring a fee by the second party to the first party for the use of telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

47.(Amended) A system for transferring digital video signals from a first party to a second party at a second party location comprising:

a first party control unit having a first memory having a plurality of desired individual video selections as desired digital audio signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location;

a second party control unit having a second party control panel, a receiver, a second memory and a video display for playing the desired digital video signals received by the receiver, said

second party control panel connected to the second memory, the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and

telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party;

the second memory including a non-volatile storage portion for storing the digital video signals that are received by the receiver;

wherein the non-volatile storage portion is not a tape or CD.

48.(Original) A system as described in claim 47 wherein the second party control unit includes a second memory which is connected to the receiver and the video display, said second memory storing the digital video signals that are received by the receiver to provide the video display with the digital video signals.

49.(Amended) A system as described in claim [48] 47 wherein the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired digital video signals, and a sales random access memory chip electronically connected to

the first party hard disk for storing a replica of the desired digital video signals of the first party's hard disk.

50.(Amended) A system as described in claim 49 wherein the second [party control unit] memory includes [a second party hard disk which stores a plurality of digital video signals, and] a playback random access memory chip electronically connected to the [second party hard disk] non-volatile storage portion for storing a replica of the desired digital video signals as a temporary staging area for playback.

51.(Amended) A system as described in claim 50 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

52.(Amended) A system as described in claim 51 wherein the [second party control unit includes a] second party control integrated circuit [which] controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party

control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

53.(Amended) A system as described in claim 52 wherein the second party control unit includes an incoming random access memory chip connected to the [second party hard drive] non-volatile storage portion and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party's control unit for subsequent storage to the [second party hard disk] non-volatile storage portion.

54.(Original) A system as described in claim 53 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video signals.

55.(Original) A system as described in claim 47 wherein the means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.

56.(Original) A system as described in claim 55 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

57.(Original) A system as described in claim 56 wherein the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party.

58.(Amended) A method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second memory of a second party at a second party location so the second party can view the desired digital video signals comprising the steps of:

placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals;

connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;

choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected;

transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party;

storing the desired digital video signals in a non-volatile storage portion of the second memory; and

displaying the desired video signals received by the receiver on the video display in possession and control of the second party;

wherein the non-volatile storage portion is not a tape or CD.

59.(Original) A method as described in claim 58 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory.

60.(Original) A method as described in claim 59 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

61.(Original) A method as described in claim 60 wherein the step of charging the account of the second party 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.

62 - 79 (canceled)

80.(New) A method for transferring desired digital video or digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, the second memory including a second party hard disk, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party; and

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; storing the desired digital video or digital audio signals in the second party hard disk; and playing through speakers of the second party control unit the digital video or digital audio signals stored in the second party hard disk, said speakers of the second party control unit connected with the second memory of the second party control unit.

81.(New) A method as described in Claim 80 wherein the step of charging the account of the second party 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.

82.(New) A method as described in Claim 81 including before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.

83.(New) A method as described in Claim 82 wherein the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and including before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the first party hard disk into the sales random access memory chip.

84.(New) A method as described in Claim 83 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.

85.(New) A method as described in Claim 84 wherein the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip

and a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback; and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback.

86.(New) A method as described in Claim 85 including after the transferring step, there is the step of repeating the commanding, playing, and transferring a replica steps.

87.(New) A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party;

entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party;

forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having

desired digital video or digital audio signals, the second memory including a second party hard disk;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party;

storing the desired digital video or digital audio signals in the second party hard disk;

entering into the second party control panel commands to play the desired digital video or digital audio signals in the second party hard disk of the second party control unit; and

playing the desired digital video or digital audio signals with the second party control unit.

88.(New) A system for transferring digital video or digital audio signals comprising:

a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals;

a second party control unit having a second party control panel, a second memory, including a second party hard disk storing the desired digital video or digital audio signals connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party

control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and

telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party and stored in the second party hard disk.

89.(New) A system as described in Claim 88 wherein the first party control unit includes a first party hard disk having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party hard disk.

90.(New) A system as described in Claim 89 wherein the second party control unit includes a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.

91.(New) A system as described in Claim 90 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to

the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

92.(New) A system as described in Claim 91 wherein the second party control integrated circuit controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

93.(New) A system as described in Claim 92 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video or digital audio signals received from the first party's control unit for subsequent storage to the second party hard disk.

94.(New) A system as described in Claim 93 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.

95.(New) A system as described in Claim 88 wherein the means or mechanism for electronically selling includes means or a mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

96.(New) A system as described in Claim 95 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

97.(New) A system as described in Claim 96 wherein the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party.

98.(New) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising:

means or a mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory, said second party controlling use and in possession of the second memory, the second memory including a hard disk;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second party hard disk, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

99.(New) A system as described in Claim 98 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

100.(New) A system as described in Claim 94 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second

control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

101.(New) A system as described in Claim 100 wherein the telecommunications lines include telephone lines.

102.(New) A system as described in Claim 101 wherein the first memory comprises a first hard disk.

103.(New) A system as described in Claim 102 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

104.(New) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising:

means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said first party controlling use of the first memory, said second party controlling use and in possession of the second memory, the second memory including a second party hard disk;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals

can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second party hard disk, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

105.(New) A system as described in Claim 104 wherein the means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location.

106.(New) A system as described in Claim 105 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

107.(New) A system as described in Claim 106 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

108.(New) A system as described in Claim 107 wherein the telecommunications lines include telephone lines.

109.(New) A system as described in Claim 108 wherein the first memory comprises a first hard disk.

110.(New) A system as described in Claim 109 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

111.(New) A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising the steps of:

placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location, the second memory including a second party hard disk;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines, the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines;

storing the digital video or digital audio signals in the second party hard disk; and playing the digital video or digital audio signals stored in the second party hard disk with the second party control unit.

112.(New) A method as described in Claim 111 wherein the step of charging the account of the second party 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.

113.(New) A method as described in Claim 112 including after the transferring step, there is the step of repeating the charging a fee, connecting, and transferring steps.

114.(New) A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals, the second memory including a second party hard disk;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; storing the desired digital video or digital audio signals in the second party hard disk; and playing the

digital video or digital audio signals stored in the second party hard disk with the second party control unit.

115.(New) A method as described in Claim 114 wherein the step of charging the account of the second party 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.

116.(New) A system for transferring digital video signals from a first party to a second party at a second party location comprising:

a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location;

a second party control unit having a second party control panel, a receiver, a second party hard disk and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the second party hard disk, the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and

telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party;

the second party hard disk storing the digital video signals that are received by the receiver.

117.(New) A system as described in Claim 116 wherein the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired digital video signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video signals of the first party hard disk.

118.(New) A system as described in Claim 117 wherein the second party control unit includes a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video signals as a temporary staging area for playback.

119.(New) A system as described in Claim 118 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video

signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

120.(New) A system as described in Claim 119 wherein the second party control integrated circuit controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

121.(New) A system as described in Claim 120 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard disk and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party control unit for subsequent storage to the second party hard disk.

122.(New) A system as described in Claim 121 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video signals.

123.(New) A system as described in Claim 116 wherein the means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.

124.(New) A system as described in Claim 123 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

125.(New) A system as described in Claim 124 wherein the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party.

126.(New) A method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second memory of a second party at a second party location so the second party can view the desired digital video signals comprising the steps of:

placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location, the second receiver in electrical communication with the second memory, which includes a second party hard disk;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals;

connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;

choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected;

transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party;

storing the desired digital video signals in the second party hard disk; and

displaying the desired video signals received by the receiver on the video display in possession and control of the second party.

127.(New) A method as described in Claim 126 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory.

128.(New) A method as described in Claim 127 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

129.(New) A method as described in Claim 128 wherein the step of charging the account of the second party 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) 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, referenced in Appellant's response of November 29, 2006.

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. 90/007,407 was served via First Class United States Mail, postage prepaid, this 30th day of July 2007, on the following:

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EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. *90/007,407*.

PATENT NO. *5966440*.

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)).

Notification of Non-Compliant Appeal Brief (37 CFR 41.37)	Application No.	Applicant(s)	
	90/007,407	5966440	
	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 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 anamended 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 the May 17, 2007) Declaration of Dr. J. Douglas Tygar, which is cited and discussed, for example, on pages 61-63 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 .

Conferee:
ESK

Roland G. Foster
Primary Examiner
Art Unit: 3992

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Attorney's Docket No. NAPSP003 *Patent*

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Arthur R. Hair	:	Group No.: 3992
Serial No.: 90/007,407	:	Examiner: Roland G. Foster
Filed: January 31, 2005	:	Confirmation No. 4782

For: SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS

RESPONSE TO NOTIFICATION OF NON-COMPLIANT APPEAL BRIEF

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P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

In response to the Notification of Non-Compliant Appeal Brief dated January 17, 2008 ("the Notification"), Appellant respectfully encloses herewith an AMENDED BRIEF ON APPEAL UNDER 37 C.F.R. § 41.37, which removes reference to information that the examiner failed to enter (*i.e.*, the May 17, 2007 Declaration of Dr. J. Douglas Tygar and the IEEE article by Wright submitted on May 17, 2007). This response is being timely filed within the one month period set forth in the Notification. No fee is believed to be due for the filing of this response. Please charge any fee that is due, and credit any overpayment, to deposit account no. 50-0573.

CERTIFICATE OF MAILING
UNDER 37 C.F.R. 1.8(a)

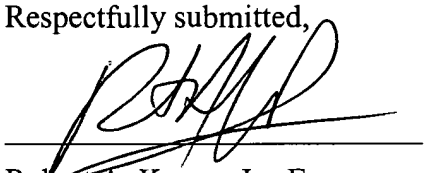
I hereby certify that this paper, along with any paper referred to as being attached or enclosed, is being deposited with the United States Postal Service on the date indicated below, with sufficient postage, as first class mail, in an envelope addressed to: Mail Stop Appeal Brief - Patents, Commissioner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

BY /David P. Kelly/

DATE: JANUARY 30, 2008

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,



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Date: January 30, 2008

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Arthur R. Hair	:	Group No.: 3992
Serial No.: 90/007,407	:	Examiner: Roland G. Foster
Filed: January 31, 2005	:	Confirmation No. 4782

For: SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS

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

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 90/007,402 and 90/007,403 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, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are currently pending. Claims numbered 1, 4, 6 through 8, 10

through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 were originally issued in U.S. Patent 5,966,440 (the "'440 Patent"). Claims 64 through 79 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 80 through 129 were added in the Response to the Non-Final Office Action issued on September 29, 2006.

Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are rejected under 35 U.S.C. § 112, first paragraph. Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are rejected under 35 U.S.C. § 103(a). Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are rejected under the doctrine of obviousness-type double-patenting over Claims 1 through 6 of U.S. Patent 5,191,573 (the "'573 Patent") and Claims 1 through 34 of U.S. Patent 5,675,734 (the "'734 Patent").

Appellant appeals the rejection of all claims.

Status of Amendments

All amendments have been entered.

Summary of the Claimed Subject Matter

Claims 1, 11, 12, 23, 29, 36, 42, 47, 58, 80, 87, 88, 98, 104, 111, 114, 116 and 126 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 transferring desired digital video or digital audio signals [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party [col. 4, lns. 11 to 18; col. 5, lns. 49 to 53], said first memory having said desired digital video or digital audio signals [col. 4, lns. 11 to 14]. The method further comprises selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 2, lns. 22 to 25 and 40 to 44; col. 5, lns. 46 to 49; col. 6, lns. 16 to 19], the second party is at a second party location [col. 6, lns. 36 to 38] and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location [col. 2, lns. 22 to 25 and 40 to 44; col. 7, ln. 66 to col. 8, ln. 2], the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col. 8, lns. 23 to 25] and transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party [col. 3, lns. 6 to 9; col. 4, lns. 11 to 21 and 42 to 60; col. 5, lns. 53 to 58] storing the desired digital video or digital audio signals in a non-volatile storage portion the second memory [col. 4, lns. 57 to 60] and playing through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit [Fig. 1 (50C, 50D, 60, 80); col. 2, lns. 49 to 61; col. 5, lns. 1 to 18], wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 11 recites a method for transferring digital video or digital audio signals from a first party to a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party [col. 2, lns. 48 to 61; col. 4, lns. 3 to 10; col. 6, lns 36 to 38; col. 7, lns. 62 to 66], entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party [col. 4, lns. 42 to 52; col. 6, lns. 39 to 41]. The method further comprises forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit [col. 4, lns. 14 to 18; col. 5, lns. 49 to 53], said first memory having desired digital video or digital audio signals [col. 4, lns. 11 to 14; col. 6 lns, 16 to 19], selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 3, lns. 6 to 9 and 17 to 20; col. 5, lns. 46 to 49]. The method further comprises the step of transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party [col. 3, lns. 6 to 9; col. 4, lns. 14 to 18; col. 5, lns. 53 to 57], storing the desired digital video or digital audio signals in a non-volatile storage portion of the second memory [col. 2, lns. 45 to 48; col. 5, lns. 60 to 62], entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit and playing the desired digital video or digital audio signals with the second party control unit [col. 5, lns. 1 to 18], wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 12 recites a system for transferring digital video or digital audio signals [Abstract; col. 6, lns. 16 to 19]. The system comprises a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals [Fig. 1 (20A, 20B, 20C); col. 3, ln. 64 to col. 4, ln. 14; col. 6, lns. 16 to 19], a second party control unit having a second party control panel, a second memory connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel [Fig. 1 (50A, 50C, 50D, 60, 70, 80); col. 4, lns. 3 to 20], said playing means or mechanism operatively controlled by the second party control panel [col. 5, lns. 1 to 18], said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party [col. 3, lns. 6 to 9; col. 6, lns. 36 to 39] and telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party [Fig. 1 (30); col. 3, lns. 6 to 9; col. 4, ln. 2]. The second memory including a non-volatile storage portion that stores the desired digital video or digital audio signals, wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 23 recites a system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party [Abstract; col. 6, lns. 16 to 19]. The system comprises means or mechanism for transferring

money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory [col. 2, lns. 22 to 25; col. 3, lns. 17 to 20; col. 8, lns. 31 to 35], the second memory including a non-volatile storage portion, wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48], said second party controlling use and in possession of the second memory [col. 5, lns 1 to 18; col. 6, lns. 41 to 48]. The system further comprises means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism [col. 3, lns. 20 to 24; col. 4, lns 14 to 18; col. 6, lns. 16 to 19]. The system further comprises means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party [col. 3, lns. 25 to 30; col. 4, lns. 14 to 18; col. 6, lns. 27 to 31], said receiver placed at a location determined by the second party [col. 3, lns. 30 to 31; col. 6, lns. 33 to 38], said transmitting means or mechanism in electrical communication with said connecting means or mechanism [col. 7, lns. 15 to 26]. The system further comprises means or a mechanism for storing the digital video or digital audio signals in the non-volatile storage portion of the second memory [col. 4, lns. 3 to 10 and 57 to 60], said storing means or mechanism in electrical communication with said transmitting means or mechanism [col. 4, lns. 14 to 18; col. 7, lns. 3 to 10] and means or mechanism for playing the digital video or digital audio signals stored in the non-volatile storage portion of the second memory, said playing means or mechanism connected to the second memory [Fig. 1 (70, 80); col. 4, lns. 3 to 10 and 61 to 63].

Independent Claim 29 recites a system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location [Abstract; col. 6, lns. 16 to 19]. The system comprises means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location [col. 3, lns. 6 to 9; col. 6, lns. 16 to 19 and 25 to 27], said first party controlling use of the first memory [col. 4, lns. 11 to 14; col. 8, lns. 28 to 31], said second party controlling use and in possession of the second memory [col. 5, lns. 1 to 18; col. 6, lns. 41 to 51]. The system further comprises means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism [col. 3, lns. 6 to 9 and 20 to 24; col. 4, lns. 14 to 18]. The system further comprises means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party [col. 3, lns. 6 to 9 and 25 to 30; col. 4, lns. 14 to 18], said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism [col. 6, lns. 36 to 38]. The system further comprises means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism including a non-volatile storage portion of the second memory that is not a tape or CD, in electrical communication with said transmitting means or mechanism [col. 2, lns. 45 to 48; col. 4, lns. 3 to 8 and 57 to 60] and means or mechanism for playing the

digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory [Fig. 1 (70, 80); col. 4, lns. 8 to 10 and 61 to 63].

Independent Claim 36 recites a method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location [col. 2, lns. 48 to 61; col. 7, lns. 62 to 66]. The method further comprises charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party [col. 2, lns. 40 to 42; col. 3, lns. 6 to 9; col. 7, ln. 66 to col. 8, ln. 2], said first party and said second party in communication via said telecommunications lines [Fig. 1 (30); col. 4, lns. 14 to 18], the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col. 8, lns. 19 to 25]. The method further comprises connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween [col. 2, lns. 6 to 9; col. 4, lns. 14 to 18; col. 5, lns. 49 to 53], transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location [col. 4, lns. 14 to 18; col. 5, lns. 53 to 58], said first memory in

communication with said second memory via the telecommunications lines [Fig. 1 (30); col. 4, lns. 14 to 18]. The method further comprises storing the digital video or digital audio signals in a non-volatile storage portion of the second memory and playing the digital video or digital audio signals stored in the second memory with the second party control unit [col. 4, lns. 45 to 63; col. 5, lns. 1 to 18], wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 42 recites a method for transferring desired digital video or digital audio signals from a first party to a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit having a second memory by the second party at a desired location determined by the second party [col. 2, lns. 48 to 61; col. 6, lns. 36 to 38; col. 7, lns. 62 to 66], forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals [col. 4, lns. 11 to 18; col. 5, lns. 49 to 53]. The method further comprises selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 2, lns. 40 to 44; col. 3, lns. 6 to 9; col. 5, lns. 46 to 49], the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location [col. 7, ln. 66 to col. 8, ln. 2], the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col. 8, lns. 19 to 24]. The method further comprises transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines [col. 3, lns. 6 to 9; col. 4, lns. 14

to 18; col. 5, lns. 53 to 57], storing the desired digital video or digital audio signals in a non-volatile storage portion of the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit [col. 5, lns. 1 to 18]; wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 47 recites a system for transferring digital video signals from a first party to a second party at a second party location [Abstract; col. 6, lns. 16 to 19]. The system comprises a first party control unit having a first memory having a plurality of desired individual video selections as desired digital audio signals [col. 3, ln. 64 to col. 4, ln. 1; col. 4, lns. 11 to 14], and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location [col. 2, lns. 40 to 44; col. 3, lns. 6 to 9; col. 6, lns. 25 to 27]. The system further comprises a second party control unit having a second party control panel, a receiver, a second memory and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the, second memory, video display and the receiver, said receiver and video display operatively controlled by the second party control panel [Fig. 1 (50A, 50C, 50D, 60, 70); col. 4, lns. 3 to 10 and 41 to 51; col. 5, lns. 1 to 18; col. 6, lns. 33 to 34], said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit [col. 3, lns. 6 to 9; col. 6, lns. 34 to 38], said second party choosing the desired digital video signals from the first memory with said second party control panel [col. 4, lns. 41 to 51; col. 8, lns. 6 to 9] and telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver

while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party [Fig. 1 (30); col. 4, ln. 2; col. 4, lns. 14 to 18]. The second memory including a non-volatile storage portion for storing the digital video signals that are received by the receiver wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 58 recites a method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second memory of a second party at a second party location so the second party can view the desired digital video signals [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location [col. 5, lns. 1 to 18; col. 6, lns. 27 to 38], charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals [col. 2, lns. 22 to 25; col. 7, ln. 66 to col. 8, ln. 2], connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party [col. 4, lns. 14 to 18; col. 8, lns. 3 to 6] and choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected [col. 4, lns. 11 to 14 and 41 to 51; col. 8, lns. 6 to 9]. The method further comprises transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party [col. 3, lns. 6 to 9; col. 4, lns. 11 to 18; col. 8, lns. 9 to 14], storing the desired

digital video signals in a non-volatile storage portion of the second memory [col. 4, lns. 57 to 60; col. 5, lns 1 to 18; col. 6, lns. 49 to 53] and displaying the desired video signals received by the receiver on the video display in possession and control of the second party [col. 5, lns. 28 to 42; col. 8, lns. 15 to 18], wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 80 recites a method for transferring desired digital video or digital audio signals [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party [col. 4, lns. 11 to 18; col. 5, lns. 49 to 53], the second memory including a second party hard disk [Fig. 1 (60); col. 4, ln. 8], said first memory having said desired digital video or digital audio signals [col. 4, lns. 11 to 14]. The method further comprises selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 2, lns. 22 to 25 and 40 to 44; col. 5, lns. 46 to 49; col. 6, lns. 16 to 19], the second party is at a second party location [col. 6, lns. 36 to 38] and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location [col. 2, lns. 22 to 25 and 40 to 44; col. 7, ln. 66 to col. 8, ln. 2], the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col. 8, lns. 23 to 25] and transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party [col. 3, lns. 6 to 9; col. 4, lns. 11 to 21 and 42 to 60;

col. 5, lns. 53 to 58] storing the desired digital video or digital audio signals in the second party hard disk and playing through speakers of the second party control unit the digital video or digital audio signals stored in the second party hard disk [col. 4, lns. 57 to 60], said speakers of the second party control unit connected with the second memory of the second party control unit [col. 2, lns. 49 to 61; col. 5, lns. 1 to 18].

Independent Claim 87 recites a method for transferring digital video or digital audio signals from a first party to a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party [col. 2, lns. 48 to 61; col. 4, lns. 3 to 10; col. 6, lns 36 to 38; col. 7, lns. 62 to 66], entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party [col. 4, lns. 42 to 52; col. 6, lns. 39 to 41]. The method further comprises forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit [col. 4, lns. 14 to 18; col. 5, lns. 49 to 53], said first memory having desired digital video or digital audio signals [col. 4, lns. 11 to 14; col. 6, lns. 16 to 19], the second memory including a second party hard disk [Fig. 1 (60); col. 4, ln. 8], selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 3, lns. 6 to 9 and 17 to 20; col. 5, lns. 46 to 49]. The method further comprises the step of transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party [col. 3, lns. 6 to 9; col. 4, lns. 14 to 18; col. 5, lns. 53 to 57],

storing the desired digital video or digital audio signals in the second party hard disk [col. 4, lns. 57 to 60], entering into the second party control panel commands to play the desired digital video or digital audio signals in the second party hard disk of the second party control unit and playing the desired digital video or digital audio signals with the second party control unit [col. 5, lns. 1 to 18].

Independent Claim 88 recites a system for transferring digital video or digital audio signals [Abstract; col. 6, lns. 16 to 19]. The system comprises a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals [col. 3, ln. 64 to col. 4, ln. 14; col. 6, lns. 16 to 19], a second party control unit having a second party control panel, a second memory, including a second party hard disk storing the desired digital video or digital audio signals connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel [Fig. 1 (50A, 60, 70, 80); col. 4, lns. 3 to 20], said playing means or mechanism operatively controlled by the second party control panel [col. 5, lns. 1 to 18], said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party [col. 3, lns. 6 to 9; col. 6, lns. 36 to 39] and telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital

audio signals are sold to the second party by the first party and stored in the second party hard disk [col. 3, lns. 6 to 9; col. 4, ln. 2 and lns. 57 to 60].

Independent Claim 98 recites a system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party [Abstract; col. 6, lns. 16 to 19]. The system comprises means or a mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory [col. 2, lns. 22 to 25; col. 3, lns. 17 to 20; col. 8, lns. 31 to 35], said second party controlling use and in possession of the second memory [col. 5, lns 1 to 18; col. 6, lns. 41 to 48], the second memory including a hard disk [Fig. 1 (60); col. 4, ln. 8]. The system further comprises means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism [col. 3, lns. 20 to 24; col. 4, lns 14 to 18; col. 6, lns. 16 to 19]. The system further comprises means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party [col. 3, lns. 25 to 30; col. 4, lns. 14 to 18; col. 6, lns. 27 to 31], said receiver placed at a location determined by the second party [col. 3, lns. 30 to 31; col. 6, lns. 33 to 38], said transmitting means or mechanism in electrical communication with said connecting means or mechanism [col. 7, lns. 15 to 26]. The system further comprises means or a mechanism for storing the digital video or digital audio signals in the second party hard disk [col. 4, lns. 3 to 10 and 57 to 60], said storing means or mechanism in electrical communication

with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory [col. 4, lns. 3 to 10 and 61 to 63].

Independent Claim 104 recites a system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location [Abstract; col. 6, lns. 16 to 19]. The system comprises means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location [col. 3, lns. 6 to 9; col. 6, lns. 16 to 19 and 25 to 27], said first party controlling use of the first memory [col. 4, lns. 11 to 14; col. 8, lns. 28 to 31], said second party controlling use and in possession of the second memory [col. 5, lns. 1 to 18; col. 6, lns. 41 to 51], the second memory including a second party hard disk [Fig. 1 (60); col. 4, ln. 8]. The system further comprises means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism [col. 3, lns. 6 to 9 and 20 to 24; col. 4, lns. 14 to 18]. The system further comprises means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party [col. 3, lns. 6 to 9 and 25 to 30; col. 4, lns. 14 to 18], said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism [col. 6, lns. 36 to 38]. The system further comprises means or a mechanism for

storing the digital video or digital audio signals in the second party hard disk, said storing means or mechanism in electrical communication with said transmitting means or mechanism [col. 4, lns. 3 to 8 and 57 to 60] and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory [col. 4, lns. 8 to 10 and 61 to 63].

Independent Claim 111 recites a method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location, the second memory including a second party hard disk [col. 2, lns. 48 to 61; col. 7, lns. 62 to 66]. The method further comprises charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party [col. 2, lns. 40 to 42; col. 3, lns. 6 to 9; col. 7, ln. 66 to col. 8, ln. 2], said first party and said second party in communication via said telecommunications lines [col. 4, lns. 14 to 18], the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col. 8, lns. 19 to 25]. The method further comprises connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween [col. 2, lns. 6 to 9; col. 4, lns. 14 to 18; col. 5, lns. 49 to 53], transferring electronically via telecommunications lines the digital video or

digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location [col. 4, lns. 14 to 18; col. 5, lns. 53 to 58], said first memory in communication with said second memory via the telecommunications lines [col. 4, lns. 14 to 18]. The method further comprises storing the digital video or digital audio signals in the second party hard disk and playing the digital video or digital audio signals stored in the second party hard disk with the second party control unit [col. 4, lns. 45 to 63; col. 5, lns. 1 to 18].

Independent Claim 114 recites a method for transferring desired digital video or digital audio signals from a first party to a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit having a second memory by the second party at a desired location determined by the second party [col. 2, lns. 48 to 61; col. 6, lns. 36 to 38; col. 7, lns. 62 to 66], forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals, the second memory including a second party hard disk [col. 4, lns. 11 to 18; col. 5, lns. 49 to 53]. The method further comprises selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 2, lns. 40 to 44; col. 3, lns. 6 to 9; col. 5, lns. 46 to 49], the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location [col. 7, ln. 66 to col. 8, ln. 2], the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col.

8, lns. 19 to 24]. The method further comprises transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines [col. 3, lns. 6 to 9; col. 4, lns. 14 to 18; col. 5, lns. 53 to 57], storing the desired digital video or digital audio signals in the second party hard disk; and playing the digital video or digital audio signals stored in the second party hard disk with the second party control unit [col. 5, lns. 1 to 18].

Independent Claim 116 recites a system for transferring digital video signals from a first party to a second party at a second party location [Abstract; col. 6, lns. 16 to 19]. The system comprises a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals [col. 3, ln. 64 to col. 4, ln. 1; col. 4, lns. 11 to 14], and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location [col. 2, lns. 40 to 44; col. 3, lns. 6 to 9; col. 6, lns. 25 to 27]. The system further comprises a second party control unit having a second party control panel, a receiver, a second party hard disk and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the second party hard disk, the video display and the receiver, said receiver and video display operatively controlled by the second party control panel [Fig. 1 (50A, 60, 70); col. 4, lns. 3 to 10 and 41 to 51; col. 5, lns. 1 to 18; col. 6, lns. 33 to 34], said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit [col. 3, lns. 6 to 9; col. 6, lns. 34 to 38], said second party choosing the desired digital video signals from the first memory with said second party control panel [col. 4, lns. 41 to 51; col. 8, lns. 6 to 9] and telecommunications lines

connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party [Fig. 1 (30); col. 4, ln. 2; col. 4, lns. 14 to 18], the second party hard disk storing the digital video signals that are received by the receiver [col. 5, lns. 1 to 18].

Independent Claim 126 recites a method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second memory of a second party at a second party location so the second party can view the desired digital video signals [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location [col. 5, lns. 1 to 18; col. 6, lns. 27 to 38], the second receiver in electrical communication with the second memory, which includes a second party hard disk [col. 2, lns. 48 to 61; col. 7, lns. 62 to 66], charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals [col. 2, lns. 22 to 25; col. 7, ln. 66 to col. 8, ln. 2], connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party [col. 4, lns. 14 to 18; col. 8, lns. 3 to 6] and choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected [col. 4, lns. 11 to 14 and 41 to 51; col. 8, lns. 6 to 9]. The method further comprises transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first

party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party [col. 3, lns. 6 to 9; col. 4, lns. 11 to 18; col. 8, lns. 9 to 14], storing the desired digital video signals in the second party hard disk [col. 4, lns. 57 to 60; col. 5, lns 1 to 18; col. 6, lns. 49 to 53] and displaying the desired video signals received by the receiver on the video display in possession and control of the second party [col. 5, lns. 28 to 42; col. 8, lns. 15 to 18].

Grounds for Rejection to be Reviewed on Appeal

1. Examiner's rejection of Claims 1, 11 through 13, 23, 24, 29 through 31, 36, 42, 47 through 49, 58, 80, 87 through 89, 98, 99, 104 through 106, 111, 114, 116, 117 and 126 under 35 U.S.C. § 103(a) over U.S. Patent 5,132,992 to Yurt (*Yurt*). In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* could be cited as a prior art reference.

2. Examiner's rejection of Claims 14 through 16, 19, 20, 32 through 35, 50 through 56, 59, 60, 85, 86, 90 through 96, 100 through 103, 107 through 110, 118 through 124, 127 and 128 under 35 U.S.C. § 103(a) over *Yurt* in view of U.S. Patent 4,789,863 to Bush (*Bush*), further in view of U.S. Patent 5,241,428 to Goldwasser (*Goldwasser*). In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* and *Goldwasser* could be cited as prior art references.

3. Examiner's rejection of Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 and 129 under 35 U.S.C. § 103(a) over *Yurt* in view of *Goldwasser*, further in view of *Bush*. In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not

entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* or *Goldwasser* could be cited as prior art references.

4. Examiner's rejection of Claims 4, 6 through 8, and 81 under 35 U.S.C. § 103(a) over *Yurt* in view of *Bush*. In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* could be cited as a prior art reference.

5. Examiner's rejection of Claims 34 and 35 under 35 U.S.C. § 103(a) over *Yurt* in view of *Goldwasser*. In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* or *Goldwasser* could be cited as prior art references.

6. Examiner's rejection of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 for obviousness-type double-patenting over Claims 1 through 6 of the '573 Patent, or alternatively over Claims 1 through 34 of the '734 Patent.

7. Examiner's rejection of Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 under U.S.C. § 112, first paragraph as not being supported by the written description in the specification.

8. Examiner's rejection of Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 40, 42, 45, 47 through 61 and 80 through 129 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 '440 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 '440 Patent's prosecution and then, based on that review, reassign the '440 Patent's June 13, 1988 priority date; a priority date that was rightfully granted by the original Examiner during the initial examination of the '440 Patent. In taking those steps, the Office reassigned the priority date to June 6, 1995. 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 U.S.C. §301 *et. seq*. Further, the attempted reassignment of a new priority date to the '440 Patent does not comport with the Office's procedures.

Further, as a predicate for reassigning the priority date of the claims in the '440 Patent, the Office asserts that the claims as issued are either not supported by an adequate 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.

The Office has also made separate rejections of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 as issued. Here again, Appellant maintains that the Office has acted outside the mandated scope of reexamination by

examining Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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.

Finally, the Office has rejected Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 for obviousness-type double-patenting over Claims 1 to 6 of the '573 Patent and Claims 1 to 34 of the '734 Patent, which are the subjects of copending reexaminations 90/007,402 (the "'402 Reexamination") and 90/007,403 (the "'403 Reexamination"). Appellant asserts that double-patenting does not present a new issue related to patentability, since the issue of double-patenting was previously addressed by the original examiner during the initial examination of the '440 Patent. Further, Appellant questions the propriety of double-patenting rejections based on claims in related patents that are themselves subject to copending reexaminations.

Since many of the positions taken by the Office in finally rejecting Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 rely on a revisiting of issues dealt with during the original examination of the '440 Patent, it is appropriate here to summarize the prosecution history of the '440 Patent. Appellant's arguments herein will refer to the summary provided in Section II below.

II. Prosecution History of the '440 Patent

The '440 Patent issued from U.S. Patent Application Serial No. 08/471,964 (the "'964 Application") , which was filed as a continuation of U.S. Patent Application Serial No.

08/023,398 (the "'398 Application"), which was filed as a continuation of 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"), which was the originally filed application. The '391 Application issued as the '573 Patent, which is the subject of copending reexamination 90/007,402, currently on Appeal.

The '497 Application was originally filed on June 13, 1988 by Arthur Hair as a *pro se* applicant.[1] 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***

[1] 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.

> ***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***. (emphasis added).

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 15 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. Patents 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, which was essentially identical to Claim 13, but depended from Claim 21 was added. In addition to the claim amendments, text was added to the specification in the December 9, 1991 amendment.

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 was 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 previously presented in the claims and added to the 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 '398 Application was filed on February 26, 1993 as a **continuation** of the '391 Application, which was to issue as U.S. Patent 5,191,573 on March 2, 1993. Thus the determinations made by Examiner Nguyen in the '391 Application with respect to alleged new matter were of record in the prosecution history of the '398 Application.

The '398 Application was filed with a new declaration dated February 2, 1993. The "New Application Transmittal" papers included a claim for priority to the '391 Application, which in turn claimed priority to the '497 Application. The specification filed with the '398 Application was substantially the same as the specification originally filed on June 13, 1988, but did contain some differences. The differences were as follows:

(1) The specification included a "Field of the Invention" section not present in the originally filed application.

(2) The specification of the '398 Application included an additional paragraph spanning lines 4 to 19 of page 5.

(3) The specification of the '398 Application included an additional paragraph spanning lines 5 to 20 of page 10.

(4) The specification included an Abstract.

Although the specification filed with the '398 Application was not identical to that originally filed with the '497 Application, a review of the history of the parent ('391) application shows that the majority of the "new" text was substantially identical to text added by the June 23, 1992 amendment in the '391 Application. In particular, the "Field of the Invention" section was substantially identical with the exception that it recited a "system" in addition to a method.

Further the paragraphs at pages 5 and 10 were substantially identical to the paragraphs added by the June 23, 1992 amendment in the '391 Application with the exception that the text added to page 5 recited a "system" instead of a method. It is notable that Examiner Nguyen found this "new" text to be supported by the originally filed specification in the grandparent '497 Application.

The Abstract filed with the '398 Application was less similar to the Abstract added by the June 23, 1992 amendment in the '391 Application. Nonetheless, the terminology presented in the Abstracts was similar.

The first Office Action in the '398 Application was issued by Examiner Nguyen on July 1, 1993 on the basis of originally filed Claims 1 through 31. The specification was objected to and all of Claims 1 through 31 were rejected under 35 U.S.C. § 112, first paragraph, for lack of adequate written description. In particular, Examiner Nguyen stated that the specification failed to set forth the problems in the prior art that the invention intended to overcome. The claims were also rejected as anticipated by U.S. Patent 3,718,906 or obvious over U.S. Patent 3,718,906 in view of U.S. Patent 4,654,799. Mr. Schwartz responded to this Office Action on December 30, 1993 by filing an amendment adding text to the specification, amending Claims 1 through 31 and adding additional Claims 32 through 63.

The amendment to the specification included the addition of individual terms at various points in the existing text; *e.g.* the addition of "or digital video" following "music" or the addition of "or mechanism" following "means."

A large section of text, approximately four and two-thirds pages, was also added. Of this added text, about two and two-thirds pages comprised a written description of original Figure 1, using the lead numbers for the elements shown therein. Approximately-one half page of the

added text comprised means-plus-function language. The balance of the added text comprised a description of a method using the system as set forth in the description of Figure 1.

The response filed by Mr. Schwartz also included a second declaration by Arthur Hair under 37 C.F.R. § 1.132, explaining how the terminology presented in the specification as filed and amended would have been understood by one having ordinary skill in the art.

The second Office Action in the '398 Application was issued by Examiner Nguyen on May 4, 1994. In this Office Action, Claims 1 through 3, 8, 9, 16 through 18, 23, 24, 29 through 44 and 51 through 63 were rejected as anticipated by U.S. Patent 4,528,643. Claims 4 through 7, 10 through 15, 19 through 22, 25 through 28 and 45 through 50 were objected to as depending from rejected claims, but were considered allowable if rewritten in independent form. Mr. Schwartz responded to the Office Action on July 13, 1994 by making amendments to the claims in an attempt to put the allowable claims into form for issue. The amendment to the claims included the addition of new Claims 64 through 75. In addition, the Abstract was amended by adding the term "digital" at various places.

A third Office Action in the '398 Application was issued by Examiner Nguyen on October 28, 1994, on the basis of remaining Claims 1, 5 through 7, 9, 11 through 15, 17, 20 through 23, 26 through 28, 43, 46 through 50 and 64 through 75. All of the claims were rejected under 35 U.S.C. § 112, second and fourth paragraphs. Mr. Schwartz responded to the third Office Action on February 24, 1995 by amending the claims. Several minor amendments to the specification were also made. A supplemental amendment was filed by Mr. Schwartz on March 7, 1995 to change the dependency of Claim 46 from canceled Claim 66 to Claim 67.

The '964 Application was filed on June 6, 1995 as a **continuation** of the '398 Application under the then existing 37 C.F.R. § 1.60 practice, and included a claim of priority to

the '398 Application. The '964 Application was filed with the same specification, claims and oath as had been filed in the '398 Application. Thus the determinations made by Examiner Nguyen in the '391 Application and '398 Application with respect to alleged new matter and other issues under 35 U.S.C. § 112 prior to the filing date of the '964 Application were of record in the prosecution history of the '964 Application.

The first Office Action in the '964 Application was issued by Examiner Nguyen on January 4, 1996 on the basis of original Claims 1 through 31, which were identical to those originally filed in the '398 Application. The specification was objected to and all of Claims 1 through 31 were rejected under 35 U.S.C. § 112, first paragraph, for lack of adequate written description. In particular, Examiner Nguyen stated that the specification failed to set forth the problems in the prior art that the invention intended to overcome. The claims were also rejected as anticipated by U.S. Patent 3,718,906 or obvious over U.S. Patent 3,718,906 in view of U.S. Patent 4,654,799. This was essentially the same set of rejections as had been issued in the first Office Action in the '398 Application. Following an interview with Examiner Nguyen, Mr. Schwartz responded to the first Office Action on July 3, 1996 by presenting amendments to the specification and claims. The amendments to the specification were identical to those that had been entered by Examiner Nguyen in the prosecution of the '398 Application via the December 30, 1993 response to the first Office Action in that case.

The amendments to the claims primarily comprised the addition of language regarding the "second party control unit" and "possession and control" of the second party control unit, or second party memory by the second party. Other amendments to the claims included instances where the phrase "electronically selling" was replaced by "charging a fee." New Claims 32 through 63 were added by amendment.

Also in the July 3, 1996 Response, Mr. Schwartz *specifically requested* Examiner Nguyen to consider any issues of double-patenting that might have resulted from the issuance of the '440 Patent. Thus, Mr. Schwartz expressly stated to Examiner Nguyen:

"Applicant reminds the Examiner of related continuation application 08/607,648 and asks the Examiner to review whether there is any double patenting issue with regard to this application 08/607,648 or parent patent, U.S. Patent No. 5,191,573." (Response to Office Action filed by Applicant's Counsel, Ansel Schwartz, July 3, 1996)

The second Office Action in the '964 Application was issued by Examiner Nguyen on October 9, 1996 on the basis of Claims 1 through 63. All of the claims were rejected as obvious over U.S. Patent 4,528,643. Mr. Schwartz responded to the second Office Action on April 9, 1997 by filing remarks only.

The third Office Action in the '964 Application was issued by Examiner Nguyen on July 10, 1997 on the basis of Claims 1 through 63 and substantially repeating the previous rejection. Mr. Schwartz responded to the third Office Action on January 9, 1998 by filing remarks accompanied by a declaration under 37 C.F.R. § 1.132 by Arthur Hair. Mr. Schwartz also concurrently filed a Notice of Appeal. Mr. Schwartz filed an Appeal Brief on June 11, 1998.

In response to the Appeal Brief, Examiner Nguyen issued a Notice of Allowance and Issue Fee due on September 15, 1998. On December 17, 1998, Mr. Schwartz filed a minor amendment under 37 C.F.R. § 1.312, which was entered. The Issue Fee was paid and the '964 Application duly issued as the '440 Patent on October 12, 1999.

III. THE APPROPRIATE PRIORITY DATE FOR THE CLAIMS OF THE '440 PATENT IN REEXAMINATION IS JUNE 13, 1988

As set forth in Section II above, the '440 Patent issued from U.S. Patent Application Serial No. 08/471,964 (the "'964 Application") , which was filed as a continuation of U.S.

Patent Application Serial No. 08/023,398 (the "'398 Application"), which was filed as a continuation of 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 '440 Patent is not a continuation-in-part, but asserts that the '440 Patent "shares the characteristics of a continuation-in-part." The Office now attempts to use this novel characterization of the '440 Patent as a pretext to re-examine the priority date of the claims in the '440 Patent, which Examiner Nguyen had properly awarded as June 13, 1988. In particular, the Office is attempting to improperly reassign a priority date of June 6, 1995 to the claims in reexamination.

The Office's actions in reassigning the priority date are improper procedurally, and incorrect based on the prosecution history of the '440 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 '440 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 '440 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 '440 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"); *Patent Reexamination: Hearing Before the Committee on the Judiciary*, 96th Cong., 499 (1979) ("Questions affecting patentability or validity which may arise quite apart from the cited patent or publication, in view of which reexamination is requested, are left to be resolved in the forum really equipped to do the job -- the court.") (statement of Paul L. Gomery, Director, Washington Office, Patent Division of Phillips Petroleum Co.).

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 '440 Patent

The Office admits the '440 Patent is not a continuation-in-part, but then asserts the '440 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 '440 Patent. In support of its position the Office points to text added to the specification of the '391, '398 and '964 Applications 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 continuation-in-part. 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.

The '398 Application was filed as a **continuation** of the '391 Application, but did include a different specification and a new oath. However, as detailed above, the changes to specification as filed in the '398 Application were nearly identical to text introduced by amendment to the specification of the parent '391 Application. As set forth above, after extensive examination of the amendments to the specification and claims in the '391

Application, Examiner Nguyen determined that the added text did not constitute new matter. As a result, this added text cannot be considered new matter in the context of the **continuation** '398 Application.

Finally, the '964 Application was filed pursuant to 37 C.F.R. § 1.60(b). According to MPEP § 201.06(a), in effect at the time the '964 Application was filed, if the '964 Application had been filed as a CIP, it could not have been filed pursuant to 37 C.F.R. § 1.60(b).

Based on the above, it is apparent that no CIP appears in the history of the original prosecution of the '440 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 CIP, 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 '440 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 the Manual of Patent Examining Procedure ("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

in each subsequent continuation application. Examiner Nguyen determined the '440 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.*, and 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 a patent owner (in this case, 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 patent owner (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 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 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 '734 Patent Is Not A New Issue Related To Patentability

Even if the reexamination statue 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 '734 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 '734 Patent

During initial examination of the '734 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.

Also as set forth above, the '398 Application was filed as a continuation of the '391 Application. Even though the specification filed with the '398 Application was not identical to the originally filed specification, the additional text it included was nearly identical to text introduced by the amendments to the specification of the parent '391 Application. Having determined that the amendments to the specification and claims in the '391 Application did not constitute new matter, Examiner Nguyen could not plausibly have determined that the same text

was new matter in the context of the '398 Application. As a result, Examiner Nguyen also assigned a priority date of June 13, 1988 to the '398 Application when it was filed.

Finally, the '964 Application was filed pursuant to 37 C.F.R. § 1.60. According to MPEP § 201.06(a), in effect at the time, if the '964 Application had been filed as a CIP, it could not have been filed pursuant to this procedure. Since the '964 Application was filed pursuant to 37 C.F.R. § 1.60, as a threshold matter it was assigned the priority date of June 13, 1988 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 issued on September 29, 2006 in the copending '402 Reexamination, showing when and under what circumstances additions to the specification and resulting claim amendments were made in the '497 and '391 Applications. References to this chart in the September 29, 2006 Office Action in the instant reexamination were accompanied by generalized allegations that other new matter was added to the specification and claims.

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 June 25, 1992	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 substantially all of the alleged new matter issues were dealt with in the '391 Application, which eventually issued as the '573 Patent. Thus, Examiner Nguyen already had considered those additions and amendments in the Office Action of February 24, 1992, prior to the filing of the '398 Application. 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. Mr. Schwartz responded to, and overcame, that objection and those rejections in the Response of June 23, 1992. In that Response, Mr. Schwartz included arguments and a Declaration by Arthur Hair under 37 C.F.R. § 1.132 establishing that the additions to the specification had ample antecedent 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.

During prosecution of the '398 Application, the only element incorporated that can be alleged to be "new" is the recitation of an "account." However, when this element was introduced to the claims and specification by amendment, it was accompanied by a Declaration under 37 C.F.R. § 1.132 establishing that the addition to the specification had ample antecedent

support in the originally filed specification because the subject matter of the addition implicitly was disclosed and understood by those skilled in the art. This Declaration was accepted by Examiner Nguyen without comment.

Coincidentally, the prosecution history of the '734 Patent shows that, in the first Office Action after the filing of the '398 Application, Examiner Nguyen did issue an objection to the specification and rejection of the claims under 35 U.S.C. § 112, first paragraph, as failing to provide an adequate written description. Examiner Nguyen stated that the specification as filed "fails to make clear what problems in the prior art the present invention intends to overcome." Office Action issued July 1, 1993, page 2. Although the objection and rejection were not "new matter" based, this nonetheless shows that Examiner Nguyen did in fact review the disclosure and claims for compliance with 35 U.S.C. § 112, first paragraph. This rejection was overcome by providing an additional summary of the problems associated with the prior art and pointing out that the description provided in the originally filed specification made it clear what these problems were. Examiner Nguyen thereafter withdrew the Section 112, first paragraph rejection.

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 '440 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, with the exception of the 1996 amendments, the table merely contains the same alleged new matter as the table presented above. That is, Table II does not 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").

With respect to the amendments to the specification filed on July 3, 1996 in the '964 Application, the amendments by and large are a written description of Figure 1, which was originally filed in the '497 Application. As such, this text did not constitute new matter. The remainder of the added text comprised means plus function language, which was supported by the text of the specification originally filed with the '398 and '964 Applications.

With respect to the December 6, 1996 amendment, a review of the filing does not reveal any additions to the specification, only amendments to the claims. Further, all of the text added to the claims via this amendment was either explicitly supported in the originally filed

specification, or included terms that were reviewed previously and found to be supported by Examiner Nguyen.

Therefore, because all of the amendments made during the prosecution history of the '440 Patent consisted of matter either explicitly found in the original specification or previously considered and passed on by Examiner Nguyen, there is no doubt that Examiner Nguyen determined the claims in the '440 Patent were entitled to claim priority to the original June 13, 1988 filing date.

2. The Absence Of Rejections Based On Intervening References During The Initial Examination Of The '734 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 '648 or '398 Applications, 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, '398 and '648 Applications were 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 '440 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. Quigg*, 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 '440 Patent.

C. The Claims In The '440 Patent Plainly Are Supported By The Originally Filed Specification

The Office asserts that, for written description support, the claims in the '440 Patent rely on certain alleged new matter added to the specification during the original prosecution of the '440 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, 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 '440 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 63 as issued in the '440 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. In *Vas-Cath*, the CAFC held that "[t]he test for sufficiency of support in a patent application is whether the disclosure of the application relied upon '***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 Court of Appeals for the Federal Circuit ("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*, 146 F.3d 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 743 (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, *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 63 In The '440 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 63 of the '440 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/system for transferring desired digital video or digital audio signals	1-63	p. 1, lns. 13-15 p. 2, lns. 8-10, 20-26 (video) p. 5, lns. 36-43	*ipsis verbis*
forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party	1-22, 25-28, 36-46, 58-63	p. 3, lns. 35-40	*ipsis verbis*
first memory having desired digital video or digital audio signals	1-21, 25-28, 42-57, 62, 63	p. 3, lns. 35-37	*ipsis verbis*
selling electronically by the first party to the second party through telecommunications lines	1-22, 25-28, 40, 42-45	p. 2, lns. 47-52 p. 3, lns. 35-40	*ipsis verbis*
transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the	1-21, 25-28, 36-40, 42-46, 62-63	p. 2, ln. 47-52 p. 3, lns. 35-40 Fig. 1	*ipsis verbis*

second party through telecommunications lines			
the second party control unit with the second memory is in possession and control of the second party	1-41, 46-52, 62	p. 3, lns. 26-33, 40-43	The as filed original specification includes *ipsis verbis* 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.
playing through speakers of the second party control unit the digital video or digital audio signals in the second memory	1-10, 11, 22, 36-46, 63	p. 2, lns. 26-32	*ipsis verbis*
speakers of the second party control unit connected with the second memory of the second party control unit	1-10, 28, 35, 62	p. 3, lns. 25-32 p. 4, lns. 47-50 Fig. 1	*ipsis verbis*
first control unit in possession and control of first party	24, 31-35	p. 2, lns. 38-43 p. 3, lns. 35-49	The as filed original specification includes *ipsis verbis* 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.
second party location remote from the first party location, determined by the second party	2-63	p. 2, lns. 47-50 p. 3, lns. 20-40 Fig. 1 p. 4, lns. 21-23	The as filed original specification states throughout that digital audio or digital video signals are sold and transferred via telephone lines. A skilled artisan would 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 previously pointed out in the declaration of Arthur Hair submitted May 5, 1992.
charging a fee via telecommunications lines by the first party to the second party	2-10, 19-21, 36-40, 43-45, 47-63	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 implicitly support for selling and thereby charging a fee. This was previously pointed out in the declaration of Arthur Hair submitted December 30, 1993.
second party has an account, charging the account of the second party	3-10, 20-21, 38-40, 44-45, 56-57, 60-61	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. A skilled artisan would readily recognize that charging a fee via telecommunications lines would include the second party having an account that can be charged. This was previously pointed out in the declaration of Arthur Hair submitted December 30, 1993.
telephoning the first party controlling use of the first memory by the second party	4-10, 39-40, 45, 57, 61	p. 2, lns. 47-50 p. 3, lns. 20-40 Fig. 1 p. 4, lns. 21-23	The as filed original 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 controlling the second memory to the first party controlling the first memory so the second party is charged money	4-10, 21, 39-40, 45, 61	p. 1, lns. 13-15 p. 2, lns. 8-10, 20-23, 38-52 p. 3, lns. 12-15, 35-37	The as filed original 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.
storing the desired digital video or digital audio signals in the second memory	5-10, 22, 36-41	p. 2, lns. 23-27	*ipsis verbis*
electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital audio signals	6-8	p. 2, lns. 17-19 p. 4, lns. 15-20	*ipsis verbis*
first memory includes first party hard disk	7-8, 13, 14, 27-28, 34-35, 49-54	p. 4, lns. 5-6 p. 3, ln. 19 Fig. 1	*ipsis verbis*
second party can view desired digital video signals	58-61	p. 5, lns. 36-43 p. 3, lns. 26-33	The as filed original specification has *ipsis verbis* support for a video display. Since the specification explicitly says that the invention is applicable to video, a skilled artisan would recognize that a user could view the desired video signals on the video display.
second party can listen to the desired digital audio signals	63	p. 4, lns. 27-28, 36-50	*ipsis verbis*
first memory includes a sales random access memory chip	7-8, 13-18, 25-28, 49-54	p. 3, lns. 19-24 Fig. 1	*ipsis verbis*
second party control unit includes second memory	48-54	p. 3, lns. 26-30 Fig. 1	The as filed original specification has *ipsis verbis*

			support for a second party control unit. A skilled artisan would readily understand that the second party hard disk corresponds to a second memory.
second party control unit has a second party control panel	8, 12-21, 25-28, 32-35, 47-57	p. 3, lns. 26-27 Fig. 1	*ipsis verbis*
second party control panel connected to the second party integrated circuit	8, 16-18, 25-28, 32-35, 52-54	p. 3, lns. 26-28 Fig. 1	*ipsis verbis*
second memory of the second party control unit includes an incoming random access memory chip	9-10, 17-18, 25-28, 32-35, 53-54	p. 3, ln. 26-29 Fig. 1	*ipsis verbis*
second memory of the second party control unit includes a second party hard disk for storing the desired digital video or digital audio signals	9-10, 12-21, 25-28, 34-35, 50-54	p. 3, lns. 26-31 Fig. 1	*ipsis verbis*
second memory of the second party control unit includes a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback	9-10, 25-28 32-35, 50-54	p. 3, lns. 26-30 p. 4, lns. 39-50 Fig. 1	*ipsis verbis*
a first party control unit having a first memory	12-21, 25-28	p. 3, lns. 20-24 Fig. 1	*ipsis verbis*
second party control unit having means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel	12-35	p. 3, lns. 26-33 Fig. 1	The as filed original specification has *ipsis verbis* support for speakers and video display which are means for playing.
first party control integrated circuit connected to the first party hard disk, the first party sales random	15-18, 25-28, 32-35, 51-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*

access memory, and the second party control integrated circuit through the telecommunications lines			
second party control integrated circuit connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines	16-18, 25-28, 52-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*
first party control integrated circuit and second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals	13-18, 25-28	p. 4, lns. 15-20	*ipsis verbis*
first party control panel connected to the first party control integrated circuit	15-18, 25-28, 51-54	p. 3, lns. 20-24 Fig. 1	*ipsis verbis*
incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines	17-18, 25-28, 53-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*
second party control unit includes a video display unit and/or speakers	18, 25-28, 35, 47-61	p. 3, lns. 26-33 Fig. 1	*ipsis verbis*
second party control unit having a receiver, second memory connected to the receiver	22, 41, 47-56, 58-60	p. 2, lns. 47-49 p. 3, lns. 35-38 p. 4, lns. 24-26	A skilled artisan would readily recognize in order to receive digital audio or digital video 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.
second party financially	22, 41	p. 2, lns. 8-16, 20-27, 38-52	Throughout the specification

distinct from the first party		p. 35-49	discloses electronic sales of digital video or digital audio signals. A skilled artisan would readily recognize that the first and second parties would be financially distinct since this is required in order to have a sale. This issue was previously addressed in the affidavit of Arthur Hair filed on May 5, 1992.
first memory with a transmitter in control and possession of the first party	22-24, 29-35, 41, 58-61, 63	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic distribution via telecommunications lines. A skilled artisan would readily recognize that this requires transmission of those signals, where the telecommunications lines act as the transmitter.
receiver is in possession and control of the second party	22-24, 29-35, 41, 58-61, 63	p. 2, lns. 47-49 p. 3, lns. 35-38 p. 4, lns. 24-26	A skilled artisan would readily recognize in order to receive digital audio or digital video 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 readily recognize that the receiver 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 December 30, 1993.
means or mechanism for transferring money electronically via telecommunications lines from the second party to	23-24, 30-35	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic sales via telecommunications lines. A skilled artisan would readily

the first party controlling use of the first memory			recognize that electronic sales via telecommunications lines would include the transfer of money via telecommunications lines. This was addressed previously in the affidavit of Arthur Hair dated May 5, 1992.
second party choosing desired digital video or digital audio from first memory with second party control panel	47-63	p. 2, lns. 8-16, 20-27, 38-52 p. 35-49	Throughout the specification discloses electronic sales of digital video or digital audio signals. A skilled artisan would readily recognize that this includes the selection of individual desired signals by the purchaser.
means or mechanism for connecting electronically via telecommunications lines the first memory with the second memory	23-24, 29-35	p. 4, lns. 15-20 Fig. 1	A skilled artisan would readily recognize from the specification that the first memory would include a means for connecting to the second memory via the disclosed telephone lines.
means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory to a receiver having the second memory	23-24, 29-35	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic distribution via telecommunications lines. A skilled artisan would readily recognize that this requires transmission of those signals, where the telecommunications lines act as the transmitter. A skilled artisan would also readily recognize in order to receive digital audio or digital video signals over telecommunications lines, 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.
means or a mechanism for storing the digital video or digital audio signals in the second memory	23-24, 29-35	p. 3, lns. 26-31 p. 4, lns. 15-20 Fig. 1	The second party control unit includes a second party control integrated circuit which regulates the transfer of the digital audio and digital video signals. A skilled artisan would readily recognize that the second party integrated circuit regulates storage of the digital audio or digital video signals.
playing means or	23-24, 29-	p. 3, lns. 26-33	*ipsis verbis*

mechanism connected to the second memory	35	p. 4, lns. 39-50 Fig. 1	
second memory connected to receiver and video display	48-54, 58-61	p. 3, lns. 26-33 p. 4, lns. 39-50 Fig. 1	The as filed original specification has *ipsis verbis* support for a video display connected to the second memory. A skilled artisan would also readily recognize in order to receive digital audio or digital video signals over telecommunications lines, 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.
telecommunications lines include telephone lines	26-28, 33-35	p. 3, ln. 25 Fig. 1	*ipsis verbis*

For all the reasons set forth in the chart immediately above, the written description standard was satisfied for Claims 1 through 63 of the '440 Patent. For the same reason, and as set forth in more detail below, Claims 80 through 129 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 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 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.

For all of the above reasons, Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 '440 Patent.

2. The "Video Feature" Of The Invention In Claims 1, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 39, 40, 42, 45, 47 Through 61 And 80 Through 129 Of The '440 Patent Was Enabled By The Originally Filed Specification

The Office asserts the "video feature" of the invention in Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 39, 40, 42, 45, 47 Through 61 And 80 Through 129 Are Entitled To The June 13, 1988 Priority Date Awarded During The Original Examination, *Yurt* And *Goldwasser* Are Not Appropriate Prior Art

Based on the foregoing, Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 5,132,992 to Yurt (*Yurt*) and U.S. Patent 5,241,428 to Goldwasser (*Goldwasser*) cannot provide a proper basis for a rejection because the references post-date the applicable June 13, 1988 priority date for the claims. The Board should, therefore, reverse all rejections based on *Yurt* and/or *Goldwasser*. *See supra*, Grounds 1-5 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, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 in the originally filed specification as a predicate for citing *Yurt* and *Goldwasser*, the Office has also asserted separate rejections of Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 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 63 in the form of Claims 80 through 129 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.

Claims 80 through 129 do not recite any elements not previously present in Claims 1 through 63. Nonetheless, even if it were proper for the Office to examine Claims 80 through 129 for compliance with Section 112, first paragraph, under 37 C.F.R. § 1.552(a), those issues already were addressed by Examiner Nguyen during the initial examination of Claims 1 through 63, as recognized by the Office in the instant Office Action. Further, the only recitation not previously presented in Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61 is the recitation of a non-volatile storage portion of the second memory that is not a tape or CD. Therefore, the Office may only examine Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61 for compliance with Section 112, first paragraph, and then only the recitation of "a non-volatile storage portion of the second memory that is not a tape or CD".

A. Rejection Of Claims 1, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 39, 40, 42, 45 And 47 Through 61 Under 35 U.S.C. § 112, First Paragraph As Introducing Matter Not Found In The Original Specification

With respect to the recitation of "a non-volatile storage portion of the second memory, wherein the non-volatile storage is not a tape or a CD", the Office asserts that the negative limitation introduces a new concept to Claims 1, 11, 12, 23, 29, 36, 42, 47 and 58 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.

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, 11, 12, 23, 29, 36, 42, 47 and 58 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. Claims 1, 11, 12, 23, 29, 36, 42, 47 and 58 all 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 CIP 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, 11, 12, 23, 29, 36, 42, 47 and 58 all 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, 11, 12, 23, 29, 36, 42, 47 and 58 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 '440 Patent as issued.

With respect to the other elements recited in Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61, the issue of written support for the claimed matter previously was addressed by Examiner Nguyen during the initial examination of Claims 1 through 63, as recognized by the Office in the Office Action dated March 17, 2007. Moreover, Appellant thoroughly demonstrated in the Response to the Office Action of September 29, 2006 that each element in Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61 is fully supported and enabled by the original specification as filed, as well as the specification for '440 Patent as issued. Therefore, the Board should reverse the Examiner's rejection.

B. Rejection Of Claims 1, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 40, 42, 45 And 47 Through 61 Under 35 U.S.C. § 112, First Paragraph As Not Being Enabled By The Original Specification

Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 40, 42, 45, 47 through 61 and 80 through 129 have also been rejected under Section 112, first

paragraph, as not being enabled by the original specification.

As set forth in Section III(A) above, all of the limitations recited in the claims have written support in the original specification filed on June 13, 1988. As further set forth above, 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. Therefore, the Office may only examine the claims with respect to the recitation of "a non-volatile storage portion of the second memory that is not a tape or CD" for compliance with the enablement requirement. In particular, Claims 80 through 129 do not recite any limitations not found in original Claims 1 through 63. Therefore, the rationale cited by the Office for subjecting Claims 80 through 129 to analysis under Section 112, first paragraph, is wholly faulty. Nonetheless, Appellant thoroughly demonstrated in the Response to the Office Action of September 29, 2006 that each element in Claims 80 through 129 is fully supported and enabled by the original specification as filed, as well as the specification for '440 Patent as issued.

With respect to Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 40, 42, 45, 47 through 61, the only difference between the amended claims and original Claims 1 through 63 is the recitation of "a non-volatile storage portion of the second memory that is not a tape or CD." For the same reason original Claims 1 through 63 are enabled, amended Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 40, 42, 45, 47 through 61 are also enabled. Therefore, the Board should reverse the Examiner's rejection.

V. BASED ON THE PROPER PRIORITY DATE FOR THE CLAIMS IN REEXAMINATION, THE REJECTIONS OF CLAIMS 1, 4, 6 THROUGH 8, 10 THROUGH 16, 18 THROUGH 21, 23 THROUGH 36, 39, 40, 42, 45, 47 THROUGH 61 AND 80 THROUGH 129 BASED ON *YURT* AND/OR *GOLDWASSER* ARE IMPROPER

As set forth above, the proper priority for Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 5,132,992 to Yurt (*Yurt*) issued on July 21, 1992 from an application filed on January 7, 1991. U.S. Patent 5,241,428 to Goldwasser (*Goldwasser*) issued on August 31, 1993 from an application filed on March 12, 1991. Therefore, *Yurt* and *Goldwasser* do not qualify as prior art for the purposes of Sections 102 and 103.

A. Rejection Of Claims 1, 11 Through 13, 23, 24, 29 Through 31, 36, 42, 47 Through 49, 58, 80, 87 Through 89, 98, 99, 104 Through 106, 111, 114, 116, 117 And 126 Under 35 U.S.C. § 103(a) Over *Yurt*

Claims 1, 11 through 13, 23, 24, 29 through 31, 36, 42, 47 through 49, 58, 80, 87 through 89, 98, 99, 104 through 106, 111, 114, 116, 117 and 126 have been rejected under 35 U.S.C. § 103(a) as obvious over *Yurt*.

As discussed above, *Yurt* does not qualify as prior art based on the proper June 13, 1988 priority date of the '440 Patent. As a result, a *prima facie* case of obviousness of Claims 1, 11 through 13, 23, 24, 29 through 31, 36, 42, 47 through 49, 58, 80, 87 through 89, 98, 99, 104 through 106, 111, 114, 116, 117 and 126 has not been established by *Yurt*. Therefore, the Board should reverse this rejection.

B. Rejection Of Claims 4, 6 Through 8 and 81 Through 84 Under 35 U.S.C. § 103(a) Over *Yurt* In View Of *Bush*

Claims 4, 6 through 8 and 81 through 84 have been rejected under 35 U.S.C. § 103(a) as obvious over the combination of *Yurt* in view of U.S. Patent 4,789,863 to Bush (*Bush*). As set forth above, *Yurt* does not qualify as prior art based on the proper June 13, 1988 priority date of the '440 Patent. Because *Yurt* does not qualify as prior art, a combination of *Yurt* and another reference cannot provide a proper basis for an obviousness rejection. As a result, the rejection of Claims 4, 6 through 8 and 81 through 84 based on a combination of *Yurt* and *Bush* is improper. Therefore, the Board should reverse this rejection.

C. Rejection Of Claims 14 Through 16, 19, 20, 32 Through 35, 50 Through 56, 59, 60, 85, 86, 90 Through 96, 100 Through 103, 107 Through 110, 118 Through 124, 127 And 128 Under 35 U.S.C. § 103(a) Over *Yurt* In View Of *Bush* In View Of *Goldwasser*

Claims 14 through 16, 19, 20, 32 through 35, 50 through 56, 60, 85, 90 through 96, 100 through 103, 107 through 110, 118 through 124, 127 and 128 have been rejected under 35 U.S.C. § 103(a) over *Yurt* in view of *Bush* further in view of U.S. Patent 5,241,428 to Goldwasser (*Goldwasser*).

As set forth above, neither *Yurt* nor *Goldwasser* qualify as prior art based on the proper June 13, 1988 priority date of the '440 Patent. Because neither *Yurt* nor *Goldwasser* qualify as prior art, a combination of *Yurt* and/or *Goldwasser* and another reference cannot provide a proper basis for an obviousness rejection. As a result, the rejection of Claims 14 through 16, 19, 20, 32 through 35, 50 through 56, 60, 85, 90 through 96, 100 through 103, 107 through 110, 118 through 124, 127 and 128 based on a combination of combination of *Yurt*, *Bush* and *Goldwasser* is improper. Therefore, the Board should reverse this rejection.

D. Rejection Of Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 And 129 Under 35 U.S.C. § 103(a) Over *Yurt* In View Of *Goldwasser* In View Of *Bush*

Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 and 129 have been rejected under 35 U.S.C. § 103(a) over *Yurt* in view of *Goldwasser* further in view of *Bush*.

As set forth above, neither *Yurt* nor *Goldwasser* qualify as prior art based on the proper June 13, 1988 priority date of the '440 Patent. Because neither *Yurt* nor *Goldwasser* qualify as prior art, a combination of *Yurt* and/or *Goldwasser* and another reference cannot provide a proper basis for an obviousness rejection. As a result, the rejection of Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 and 129 based on a combination of combination of *Yurt*, *Goldwasser* and *Bush* is improper. Therefore, the Board should reverse this rejection.

E. Rejection Of Claims 34 And 35 Under 35 U.S.C. § (103(a) Over *Yurt* In View Of *Goldwasser*.

Claims 34 and 35 have been rejected under 35 U.S.C. § 103(a) over *Yurt* in view of *Goldwasser*.

As set forth above, neither *Yurt* nor *Goldwasser* qualify as prior art based on a proper June 13, 1988 priority date of the '440 Patent. As a result, a *prima facie* case of obviousness of Claims 34 and 35 has not been established by a combination of *Yurt* and *Goldwasser*. Therefore, the Board should reverse this rejection.

VI. DOUBLE PATENTING

Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 also have been rejected under the judicially created doctrine of obviousness-type double-patenting over Claims 1 through 6 of the '573 Patent and Claims 1 through 34 of the '734 Patent, which are copending in reexamination. This double-patenting rejection is improper as applied to the instant claims for the reasons set forth below.

A. Obviousness-Type Double-Patenting Is Not A New Issue Related To Patentability And Is Therefore Inappropriate In The Instant Reexamination

It is not appropriate to consider and assert obviousness-type double-patenting in the present reexamination because it does not present a "substantial new question of patentability." *See* 35 U.S.C. § 303.

During the prosecution of the applications that eventually resulted in the '440 Patent and the related '734 Patent, both applications were co-pending before Examiner Nguyen. Indeed, it was Examiner Nguyen who issued the subject '440 Patent, and the '573 and '734 Patents. Examiner Nguyen in each case therefore was well aware of the scope of the claims in each application and in the patents that issued from those applications. This by itself indicates the issue of double-patenting was before Examiner Nguyen in the original examination of the subject '440 Patent, and therefore does not present a "substantial new question of patentability" now.

35 U.S.C. § 303 permits the Director to "determine whether a substantial new question of patentability is raised." While the fact that a patent or printed publication previously was cited or considered may not preclude the existence of a substantial new question of patentability in some circumstances, the plain language of the statute nonetheless requires that the *question of patentability* raised must be new. Therefore, it is improper in reexamination to re-raise a ground for rejection that was before the examiner in the original examination of the patent (and any related patents) at issue. The case law squarely supports this position. *See In re Recreative Technologies Corp.*, 83 F.3d 1394, 1398 (Fed. Cir. 1996) ("Reexamination is barred for questions of patentability that were decided in the original examination.")

In the present case, the prosecution history of the '440 Patent shows unequivocally that Mr. Schwartz *specifically requested* Examiner Nguyen to consider any issues of double-

patenting that might have resulted from the issuance of the '440 Patent. Thus, Mr. Schwartz expressly stated to Examiner Nguyen:

> ***Applicant reminds the Examiner of related continuation application 08/607,648 and asks the Examiner to review whether there is any double patenting issue with regard to this application 08/607,648 or parent patent, U.S. Patent No. 5,191,573.***

(Response to Office Action filed by Applicant's Counsel, Ansel Schwartz, July 3, 1996).

Further, in the related copending application that resulted in the '734 Patent, Mr. Schwartz had previously brought the issue of double-patenting to the Examiner Nguyen's attention. Specifically, Mr. Schwartz stated to Examiner Nguyen:

> ***Applicant requests the Examiner to review any double patenting possibility of the above-identified patent application in regard to U.S. Patent 5,191,573. If the Examiner determines there is no need for any double patenting concern, the applicant requests that the Examiner deem this request to consider double patenting as moot.***

(Response to Office Action filed by Applicant's Counsel, Ansel Schwartz, July 13, 1994). Notwithstanding this express raising of the issue ***twice*** by Mr. Schwartz, Examiner Nguyen in subsequent Office Actions declined to issue a rejection based on double-patenting in the two co-pending applications that resulted in issuance of the '440 and the '734 Patents, with respect to each other or the '573 Patent. Thus, Examiner Nguyen plainly had the impetus and the opportunity to make a double patenting rejection had she felt it warranted. She did not do that, however. It therefore follows, *a fortiori*, that the question of double-patenting cannot, as a matter of law and fact, present a "substantial new question of patentability" in the present proceedings.

Moreover, Applicant was -- and Appellant now is --entitled to rely on Examiner Nguyen's declining to make a rejection for double-patenting in response to the Applicant's

previous specific requests to consider the issue. Appellant should not now be forced to face that same issue in the instant reexamination. That is exactly what 35 U.S.C. § 303 is intended to avoid. Indeed, as recognized by the CAFC in *Recreative Technologies*, the "substantial new question requirement would protect Appellants from having to respond to, or participate in unjustified reexaminations. Further, it would act to bar reconsideration of any argument already decided by the Office" and, as a result, "the statute [35 U.S.C. § 303] guarded against simply repeating the prior examination on the same issues and arguments." *Id.* at 1397.

Therefore, the issue of double-patenting over the '573 Patent was properly before Examiner Nguyen and passed on during the original prosecution of the '734 Patent. As a result, under the plain meaning of 35 U.S.C. § 303 and the CAFC's holding in *Recreative Technologies*, double-patenting, under the present circumstances, is not a "substantial new question of patentability" and therefore is not a proper issue to be considered in this reexamination. Therefore, the Board should reverse the rejection of Claims 1 through 4, 6 through 19, 22 through 25, 28 and 31 through 34 for obviousness-type double-patenting.

B. The Rejection Of Claims 1, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 39, 40, 42, 45, 47 Through 61 And 80 Through 129 Over Claims 1 Through 6 Of The '573 Patent Alone Or Claims 1 Through 34 Of The '734 Patent Alone Is Improper In An Obviousness-Type Double-Patenting Rejection

Because the rejection for obviousness-type double-patenting is unsupported by some suggestion in the prior art, or the knowledge of one having ordinary skill in the art, it is improper and should be withdrawn for this reason as well.

The BPAI dealt with this very same issue in *Ex parte Schmit*, 64 U.S.P.Q.2d 1723 (Bd. Pat. App. & Interferences 2000). In *Schmit*, the BPAI reversed a rejection under the doctrine of obviousness-type double-patenting, where the examiner had relied on a combination of "references" both of which were parents of the application at issue. In its opinion, the BPAI

interpreted its own precedent in *In re Oetiker*, 23 U.S.P.Q.2d 1651 (Bd. Pat. App. & Interferences 1990), and the precedent of the CAFC in *In re Longi*, 754 F.2d 887 (Fed. Cir. 1985). The BPAI recognized this precedent to "stand for the proposition *that prior art must be cited* to support an obviousness-type double-patenting rejection." *Schmit*, 64 U.S.P.Q.2d at 1725.

(emphasis added.) The BPAI therefore properly held that, "[a]bsent citation of prior art in addition to the base patent, there is no factual basis for the [obviousness-type double-patenting] rejection."

Id. As a result, in the present reexamination, although the claims of the '573 Patent or '734 Patent can be asserted by the Examiner as a partial basis for an obviousness-type double patenting rejection, they cannot *by themselves* support such a rejection. *See Ex parte Schmit*, 64 U.S.P.Q.2d 1723 (Bd. Pat. App. & Interferences 2000); *In re White*, 405 F.2d 904, 906 (C.C.P.A. 1969) ("Having been copending with the application at bar, appellants' own patent is not prior art although it is the basis of the double patenting rejection."); *Research Corp. Techs., Inc. v. Gensia Labs., Inc.*, 10 Fed. Appx. 856, 860 (Fed. Cir. 2001) ("In considering the question [double-patenting], the patent disclosure may not be used as prior art.")

The instant obviousness-type double-patenting rejection implicitly acknowledges that Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are not co-extensive with the Claims 1 through 6 of the '573 Patent or Claims 1 through 34 of the '734 Patent. Therefore, under *Oetiker* and *Longi*, as adopted by the BPAI in *Schmit*, it is necessary to show some rationale, either in the prior art, or the knowledge of one having ordinary skill in the art, as to why Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are

obvious over Claims 1 through 6 of the '573 Patent or Claims 1 through 34 of the '734 Patent. The Board should reverse the instant double-patenting rejection over Claims 1 through 6 of the '573 Patent or Claims 1 through 34 of the '734 Patent for this further reason as well.[2]

C. An Obviousness-Type Double-Patenting Rejection Cannot Properly Be Based On Claims 1 Through 6 Of The '573 Patent Or Claims 1 Through 34 Of The '734 Patent

Claims 1 through 6 of the '573 and Claims 1 through 34 of the '734 Patent are currently the subject of the related copending '402 Reexamination and '403 Reexamination, respectively. As such any double-patenting rejection in the instant reexamination will necessarily be affected by the outcome in the related '402 and '403 Reexaminations. Since the final form in which claims may emerge from the '402 and '403 Reexaminations is not known, the Examiner cannot properly base a double-patenting rejection on the claims of the '573 Patent or '734 Patent as they existed prior to the reexamination proceedings.

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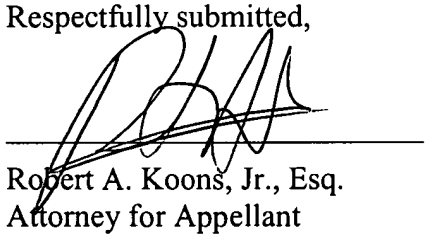
[2] Parenthetically, *Schmit* was not published as binding precedent of the BPAI. Nonetheless, for the reasons set forth above, it is abundantly clear that *Schmit* was correctly decided and is supported by the precedent of the C.C.P.A. and CAFC. Therefore, the Board should, in the present reexamination, follow its previous holding in *Schmit*.

Conclusion

Based on the foregoing, the Board should reverse the rejection of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 under 35 U.S.C. § 103(a). Also based on the foregoing, the Board should reverse the rejection of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 under the doctrine of obviousness-type double-patenting. Finally, based on the foregoing, the Board should reverse the rejection of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 under 35 U.S.C. § 112, first paragraph.

Respectfully submitted,



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CLAIMS APPENDIX

1.(Twice Amended) A method for transferring desired digital video or digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party; and

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; storing the desired digital video or digital audio signals in a non-volatile storage portion the second memory; and playing through speakers of the second party control unit the digital video or digital audio signals stored in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

2 - 3. (Canceled)

4.(Amended) A method as described in claim [3] 1 wherein the step of charging the account of the second party 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.

5. (Canceled)

6.(Amended) A method as described in claim [5] 4 including before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.

7.(Original) A method as described in claim 6 wherein the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and including before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the hard disk into the sales random access memory chip.

8.(Original) A method as described in claim 7 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.

9. (Canceled)

10.(Original) A method as described in claim 9 including after the transferring step, there is the step of repeating the commanding, playing, and transferring a replica steps.

11.(Amended) A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party;

entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party;

forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party;

storing the desired digital video or digital audio signals in a non-volatile storage portion of the second memory;

entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit; and

playing the desired digital video or digital audio signals with the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

12.(Amended) A system for transferring digital video or digital audio signals comprising:

a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals;

a second party control unit having a second party control panel, a second memory connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and

telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party;

the second memory including a non-volatile storage portion that stores the desired digital video or digital audio signals,

wherein the non-volatile storage portion is not a tape or CD.

13.(Original) A system as described in claim 12 wherein the first party control unit includes a first party hard disk having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party's hard disk.

14.(Amended) A system as described in claim 13 wherein the second party control unit includes a second party hard disk which stores a plurality of digital video or digital audio signals, and a playback random access memory chip electronically connected to [the second party hard disk] non-volatile storage portion for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.

15.(Amended) A system as described in claim 14 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

16.(Amended) A system as described in claim 15 wherein the [second party control unit includes a] second party control integrated circuit [which] controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

17. (Canceled)

18.(Original) A system as described in claim 17 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.

19.(Original) A system as described in claim 12 wherein the means or mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

20.(Original) A system as described in claim 19 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

21.(Original) A system as described in claim 20 wherein the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party.

22. (Canceled)

23.(Amended) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising:
means or mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from

the second memory, the second memory including a non-volatile storage portion, wherein the non-volatile storage portion is not a tape or CD, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the non-volatile storage portion of the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the non-volatile storage portion of the second memory, said playing means or mechanism connected to the second memory.

24.(Original) A system as described in claim 23 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

25.(Original) A system as described in claim 18 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

26.(Original) A system as described in claim 25 wherein the telecommunications lines include telephone lines.

27.(Amended) A system as described in claim 26 wherein the first memory comprises a first hard disk [and the second memory comprises a second hard disk].

28.(Original) A system as described in claim 27 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

29.(Amended) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising:

means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said

first party controlling use of the first memory, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism <u>including a non-volatile storage portion of the second memory that is not a tape or CD,</u> in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

30.(Original) A system as described in claim 29 wherein the means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location.

31.(Original) A system as described in claim 30 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

32.(Original) A system as described in claim 31 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

33.(Original) A system as described in claim 32 wherein the telecommunications lines include telephone lines.

34.(Original) A system as described in claim 33 wherein the first memory comprises a first hard disk and the second memory comprises a second hard disk.

35.(Original) A system as described in claim 34 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

36.(Twice Amended) A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising the steps of:

placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines, the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines;

storing the digital video or digital audio signals in a non-volatile storage portion of the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

37 - 38 (Canceled)

39.(Amended) A method as described in claim [38] 36 wherein the step of charging the account of the second party 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.

40.(Original) A method as described in claim 39 including after the transferring step, there is the step of repeating the charging a fee, connecting, and transferring steps.

41. (Canceled)

42.(Twice Amended) A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; storing the desired digital video or digital audio signals in a non-volatile storage portion of the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

43 - 44. (Canceled)

45.(Amended) A method as described in claim [44] 42 wherein the step of charging the account of the second party 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.

46.(Original) A method for transferring desired digital video or digital audio signals comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired second party location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of a second party, said first memory having said desired digital video or digital audio signals;

incurring a fee by the second party to the first party for the use of telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

47.(Amended) A system for transferring digital video signals from a first party to a second party at a second party location comprising:

a first party control unit having a first memory having a plurality of desired individual video selections as desired digital audio signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location;

a second party control unit having a second party control panel, a receiver, a second memory and a video display for playing the desired digital video signals received by the receiver, said

second party control panel connected to the second memory, the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and

telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party;

the second memory including a non-volatile storage portion for storing the digital video signals that are received by the receiver;

wherein the non-volatile storage portion is not a tape or CD.

48.(Original) A system as described in claim 47 wherein the second party control unit includes a second memory which is connected to the receiver and the video display, said second memory storing the digital video signals that are received by the receiver to provide the video display with the digital video signals.

49.(Amended) A system as described in claim [48] 47 wherein the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired digital video signals, and a sales random access memory chip electronically connected to

the first party hard disk for storing a replica of the desired digital video signals of the first party's hard disk.

50.(Amended) A system as described in claim 49 wherein the second [party control unit] memory includes [a second party hard disk which stores a plurality of digital video signals, and] a playback random access memory chip electronically connected to the [second party hard disk] non-volatile storage portion for storing a replica of the desired digital video signals as a temporary staging area for playback.

51.(Amended) A system as described in claim 50 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

52.(Amended) A system as described in claim 51 wherein the [second party control unit includes a] second party control integrated circuit [which] controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party

control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

53.(Amended) A system as described in claim 52 wherein the second party control unit includes an incoming random access memory chip connected to the [second party hard drive] non-volatile storage portion and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party's control unit for subsequent storage to the [second party hard disk] non-volatile storage portion.

54.(Original) A system as described in claim 53 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video signals.

55.(Original) A system as described in claim 47 wherein the means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.

56.(Original) A system as described in claim 55 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

57.(Original) A system as described in claim 56 wherein the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party.

58.(Amended) A method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second memory of a second party at a second party location so the second party can view the desired digital video signals comprising the steps of:

placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals;

connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;

choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected;

transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party;

storing the desired digital video signals in a non-volatile storage portion of the second memory; and

displaying the desired video signals received by the receiver on the video display in possession and control of the second party;

wherein the non-volatile storage portion is not a tape or CD.

59.(Original) A method as described in claim 58 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory.

60.(Original) A method as described in claim 59 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

61.(Original) A method as described in claim 60 wherein the step of charging the account of the second party 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.

62 - 79 (canceled)

80.(New) A method for transferring desired digital video or digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, the second memory including a second party hard disk, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party; and

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; storing the desired digital video or digital audio signals in the second party hard disk; and playing through speakers of the second party control unit the digital video or digital audio signals stored in the second party hard disk, said speakers of the second party control unit connected with the second memory of the second party control unit.

81.(New) A method as described in Claim 80 wherein the step of charging the account of the second party 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.

82.(New) A method as described in Claim 81 including before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.

83.(New) A method as described in Claim 82 wherein the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and including before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the first party hard disk into the sales random access memory chip.

84.(New) A method as described in Claim 83 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.

85.(New) A method as described in Claim 84 wherein the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip

and a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback; and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback.

86.(New) A method as described in Claim 85 including after the transferring step, there is the step of repeating the commanding, playing, and transferring a replica steps.

87.(New) A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party;

entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party;

forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having

desired digital video or digital audio signals, the second memory including a second party hard disk;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party;

storing the desired digital video or digital audio signals in the second party hard disk;

entering into the second party control panel commands to play the desired digital video or digital audio signals in the second party hard disk of the second party control unit; and

playing the desired digital video or digital audio signals with the second party control unit.

88.(New) A system for transferring digital video or digital audio signals comprising:

a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals;

a second party control unit having a second party control panel, a second memory, including a second party hard disk storing the desired digital video or digital audio signals connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party

control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and

telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party and stored in the second party hard disk.

89.(New) A system as described in Claim 88 wherein the first party control unit includes a first party hard disk having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party hard disk.

90.(New) A system as described in Claim 89 wherein the second party control unit includes a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.

91.(New) A system as described in Claim 90 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to

the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

92.(New) A system as described in Claim 91 wherein the second party control integrated circuit controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

93.(New) A system as described in Claim 92 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video or digital audio signals received from the first party's control unit for subsequent storage to the second party hard disk.

94.(New) A system as described in Claim 93 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.

95.(New) A system as described in Claim 88 wherein the means or mechanism for electronically selling includes means or a mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

96.(New) A system as described in Claim 95 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

97.(New) A system as described in Claim 96 wherein the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party.

98.(New) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising:

means or a mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory, said second party controlling use and in possession of the second memory, the second memory including a hard disk;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second party hard disk, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

99.(New) A system as described in Claim 98 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

100.(New) A system as described in Claim 94 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second

control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

101.(New) A system as described in Claim 100 wherein the telecommunications lines include telephone lines.

102.(New) A system as described in Claim 101 wherein the first memory comprises a first hard disk.

103.(New) A system as described in Claim 102 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

104.(New) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising:

means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said first party controlling use of the first memory, said second party controlling use and in possession of the second memory, the second memory including a second party hard disk;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals

can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second party hard disk, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

105.(New) A system as described in Claim 104 wherein the means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location.

106.(New) A system as described in Claim 105 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

107.(New) A system as described in Claim 106 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

108.(New) A system as described in Claim 107 wherein the telecommunications lines include telephone lines.

109.(New) A system as described in Claim 108 wherein the first memory comprises a first hard disk.

110.(New) A system as described in Claim 109 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

111.(New) A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising the steps of:

placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location, the second memory including a second party hard disk;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines, the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines;

storing the digital video or digital audio signals in the second party hard disk; and playing the digital video or digital audio signals stored in the second party hard disk with the second party control unit.

112.(New) A method as described in Claim 111 wherein the step of charging the account of the second party 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.

113.(New) A method as described in Claim 112 including after the transferring step, there is the step of repeating the charging a fee, connecting, and transferring steps.

114.(New) A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals, the second memory including a second party hard disk;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; storing the desired digital video or digital audio signals in the second party hard disk; and playing the

digital video or digital audio signals stored in the second party hard disk with the second party control unit.

115.(New) A method as described in Claim 114 wherein the step of charging the account of the second party 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.

116.(New) A system for transferring digital video signals from a first party to a second party at a second party location comprising:

a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location;

a second party control unit having a second party control panel, a receiver, a second party hard disk and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the second party hard disk, the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and

telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party;

the second party hard disk storing the digital video signals that are received by the receiver.

117.(New) A system as described in Claim 116 wherein the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired digital video signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video signals of the first party hard disk.

118.(New) A system as described in Claim 117 wherein the second party control unit includes a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video signals as a temporary staging area for playback.

119.(New) A system as described in Claim 118 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video

signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

120.(New) A system as described in Claim 119 wherein the second party control integrated circuit controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

121.(New) A system as described in Claim 120 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard disk and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party control unit for subsequent storage to the second party hard disk.

122.(New) A system as described in Claim 121 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video signals.

123.(New) A system as described in Claim 116 wherein the means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.

124.(New) A system as described in Claim 123 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

125.(New) A system as described in Claim 124 wherein the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party.

126.(New) A method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second memory of a second party at a second party location so the second party can view the desired digital video signals comprising the steps of:

placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location, the second receiver in electrical communication with the second memory, which includes a second party hard disk;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals;

connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;

choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected;

transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party;

storing the desired digital video signals in the second party hard disk; and

displaying the desired video signals received by the receiver on the video display in possession and control of the second party.

127.(New) A method as described in Claim 126 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory.

128.(New) A method as described in Claim 127 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

129.(New) A method as described in Claim 128 wherein the step of charging the account of the second party 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) Website: http://www.rfc-editor.org/rfc-index.html, referenced in Appellant's response of November 29, 2006.

2) Website: http://en.wikipedia.org/wiki/Non-volatile_storage, referenced in Appellant's response of November 29, 2006.

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 Reexamination Control No. 90/007,402.

4) Appeal from final rejection in Reexamination Control No. 90/007,403.

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In response to your voicemail message to Mr. Robert Koons on February 5, 2008, the following is a Certificate of Service for Reexamination No. 90/007,407.

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Reexamination Number 90/007,407

Attorney's Docket No. NAPSP003 ***Patent***

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Arthur R. Hair	:	Group No.: 3992
Serial No.: 90/007,407	:	Examiner: Roland G. Foster
Filed: January 31, 2005	:	Confirmation No. 4782

For: SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS

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. 90/007,407, were served via First Class United States Mail, postage prepaid, this 6th day of February 2008, on the following:

Mr. Albert S. Penilla
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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.
90/007,407	01/31/2005	5966440	NAPSP003	4782

23973 7590 04/24/2008

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EXAMINER	
ART UNIT	PAPER NUMBER

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

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CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. *90/007,407*.

PATENT NO. *5966440*.

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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BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Application Number: 90/007,407
Filing Date: January 31, 2005
Appellant(s): 5966440

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 '440 patent.

U.S. Patent No.	Reexamination Proceeding	Relationship To Subject U.S. Patent
5,191,573	90/007,402	Great Grand-Parent
5,675,734	90/007,403	Continuation of same Parent

(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.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

4,789,863	Bush	12-1988
5,132,992	Yurt	7-1992
5,241,428	Goldwasser	8-1993

"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.soragereview.com/guideImages/z_ibm_sorageevolution.gif" on September 19, 2006.

(9) Grounds of Rejection

Summary

U.S. Patent No. 5,966,440 is presently under reexamination in this proceeding. The claims of said patent are generally directed to downloading audio and video content via a "telecommunication line," where a district court, consistent with the appellant's arguments in that proceeding, held that the term "telecommunications line" may include the Internet.[1] 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.

[1] 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 '440 patent and the earlier filed applications are related as follows. The '440 patent under reexamination issued from U.S. Application No. 08/471,964 (hereinafter the "Child" application), which was filed on June 6, 1995. The parent application to the Child Application is U.S. Application No. 08/023,398, filed on February 26, 1993 (hereinafter the "Parent" application). The grandparent application to Child Application is U.S. Application No. 07/586,391 (hereinafter the "Grandparent" application), filed September 18, 1990. Finally, the great-grandparent application to the Child Application is U.S. Application No. 07/206,497, filed June 13, 1988 (hereinafter the "Great-Grandparent" application). The Parent, Grandparent, and Great-Grandparent applications are collectively referred to as the parent applications.

Basic Statement of the Issues Regarding Entitlement to the Benefit of a Filing Date of an Earlier Application

The Grandparent, Parent, and Child applications are alleged to be related to their respective parent applications as "continuation" applications (i.e., each child application did not, on filing, contain disclosure of any subject matter not present in its respective, parent application, and the claims of each child application, on filing, were fully supported by the disclosure of the child application, see MPEP § 201.06(c).III).[2] However, the specifications of these applications 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 '440 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 any of the originally filed, parent applications, as, for example a reference dated later than the filing date of any of the parent applications 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 Patent Owner and the examiner regarding such claims to the benefit of filing date in any of the parent applications, as originally filed.

[2] 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).

For the reasons to be discussed below, the effective filing date of the '440 patent under reexamination, which issued from the Child application, is June 6, 1995 (at the earliest), which is the actual filing date of the Child application.

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 originally filed specification must support the invention claimed in the later application. See 35 U.S.C. 120.

The Original Claims of the Child Patent Under Reexamination Are Not Entitled to Benefit of Filing Date of the Parent Applications, as Originally Filed, Under 35 U.S.C. 120 Because the Written Description of the Parent, Grandparent, and Great Grandparent Applications, as Originally Filed, Fail 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 by a series of amendments is not found in the Great-grandparent application, as originally filed (see attachment "A"), nor for that matter the Grandparent and Parent applications as originally filed.

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.

Step 1: Great-Grandparent Fails to Provide Benefit of Filing Date to Grandparent

A review of the prosecution history reveals that a significant amount of new text (directed to various features) added in a series of amendments to both the Great-grandparent and Grandparent applications is not found in the Great-grandparent application as originally filed (attachment "A"). Consider the following Table I:

Table I. New Matter Chart

	Great-grandparent Appln. 07/206,497, filed 6/13/88 (Abandoned)		Grandparent Appln. 07/586,391, filed 9/18/90 (5,191,573)	
Feature	Date First Appearing in **Claims** of Great-grandparent Appln.	Date First Appearing in **Spec.** of Great-grandparent Appln.	Date First Appearing in **Claims** of Grandparent Appln.	Date First Appearing in **Spec.** of Grandparent Appln.
Hard Disk/Control Unit of Seller/User Electronic sales and distribution of the music	Filing Date of the **Original** Application – 6/13/88	Filing Date of the **Original** Application – 6/13/88		Filing Date of the Grandparent Application – 9/18/90
Broad Statement at end of spec. regarding Video Applicability, Note *		Filing Date of the **Original** Application – 6/13/88		Filing Date of the Grandparent 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 Grandparent Application – 9/18/90	12/11/91
Providing a Credit Card Number	12/22/88		Filing Date of the Grandparent Application – 9/18/90	
Controlling Use of First/Second Memory	12/22/88		Filing Date of the Grandparent Application – 9/18/90	12/11/91
Transmitting to a Location Determined by Second Party	2/28/90		Filing Date of the Grandparent Application – 9/18/90	12/11/91
Specific Video Download Procedures	2/28/90		Filing Date of the Grandparent Application – 9/18/90	12/11/91 Note **
First Party in Possession of Transmitter	8/24/90, but not entered		Filing Date of the Grandparent 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 Grandparent Application – 9/18/90	12/11/91

Key: Clear row means original matter present in the original Great-grandparent application. Shaded row means new matter introduced by amendment into both the Great-grandparent and Grandparent applications subsequent to the date of the original Great-grandparent 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 Great-grandparent and Grandparent 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. Great-grandparent 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. Grandparent 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 Grandparent 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 Great-grandparent 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.

Missing Descriptive Matter (Table I) Not Inherent To Great-Grandparent and Grandparent

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 Grandparent 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 Great-grandparent and Grandparent 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 Great-grandparent application from which the '440 patent issued, much less in regard to the specification as originally filed in the Grandparent 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.

Missing Descriptive Matter (Describing Video Download Features) Not Inherent To Great-Grandparent and Grandparent

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...."[3] 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.[4] 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 90/007,402 and 90/007,403 reexaminations.[5] 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

[3] 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.
[4] See the amendments of February 28, 1990, December 11, 1991, and June 25, 1992.
[5] 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.

typical video signal. In the mid 1980(s), at the time of the filing date of the original Great-grandparent specification, only compact audio disk players were routinely available.[6] 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.[7] 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[8], 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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[6] 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, 2nd Edition," by Ken C. Pohlmann, retrieved from http://www.oneoffcd.com/info/hisotrycd.cfm on September 19, 2006.

[7] 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, 2nd Edition," by Ken C. Pohlmann, retrieved from http://www.oneoffcd.com/info/hisotrycd.cfm on September 19, 2006.

1988.[9] 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.[10] 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.[11] Thus, undisclosed devices

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[8] See "IBM HDD Evolution" chart, by Ed Grochowski at Almaden, retrieved from http://www.soragereview.com/guideImages/z_ibm_sorageevolution.gif" on September 19, 2006.
[9] 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.
[10] IBM HDD Evolution chart, *supra*.
[11] 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.

Step II: Great-Grandparent Fails to Provide Benefit of Filing Date to Parent and Child

The prosecution history of the Parent application also provides additional reasons why the Great-grandparent application, as originally filed, fails to provide written description support for the invention claimed in the Child application. Specifically, a significant amount of new text was also added by amendment to the specification and claims of the Parent application that is also new matter to the Great-grandparent application and that cuts off priority from the Child application to the Great-grandparent application.

Consider for example the amendment of January 3, 1994 in the Parent application, where a very large amount of the new text was introduced into the specification and claims directed to specific video download, processing, and display procedures. This new text is directed to subject matter claimed in the Child application (e.g., see claim 1 in the instant proceeding). This new text however is not found in original specification of the Great-grandparent application. Although the Great-grandparent specification, as originally filed, contains 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....", this is a broad, one-sentence, generic

statement.[12] Thus, much of the new text added by the amendment of January 3, 1994 is in the nature of additional, narrowing video limitations and elements undisclosed by a generic video statement in the Great-grandparent application, as originally filed, and thus these additional specific video limitations must be shown to be required or necessarily present in the original disclosure, as required by case law and as discussed above.

In the instant case, it is clear that the many explicit and specific video limitations added by the amendment of January 3, 1994 are not required by nor necessarily present the generic video disclosure at end of the written description of the Great-grandparent application, as originally filed. For additional details, see the discussion above regarding similar explicit and specific video limitations added to the Grandparent application.

For the reasons discussed above, the Great-grandparent application, as originally filed, fails to provide written description support for the features claimed in all subsequent applications, including the Child application. Thus, the Great-grandparent application, as originally filed, cannot provide the benefit of its filing date to these applications. Thus, the effective filing date (priority) of the instant '440 patent under reexamination, which issued from the Child application, is September 18, 1990 (at the earliest), which is the filing date of the Grandparent application.

[12] 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.

For the reasons below however, the priority chain for the Child application is also broken at a later date.

Step 3: Grandparent Fails to Provide Benefit of Filing Date to Parent and Child

As for disclosure of video downloading features regarding the Grandparent specification, as originally filed, it contains the same general statement at the end of the specification (as discussed above), plus an independent claim that recites "transmitting a desired digital, a video or audio music signal," an abstract briefly mentioning that video signals are stored on a hard disk, and a title stating a "Method for Transmitting a Desired Video or Audio Signal." Thus, the Grandparent application, as originally filed, contains the same type of broad, generic video statements as contained in the Great-grandparent application, as originally filed. Thus for the same reasons as discussed extensively above, the many explicit and specific video limitations added by the amendment of January 3, 1994 in the Parent application and claimed in the Child application are not required by nor necessarily present the generic video disclosure at end of the written description of the Grandparent application, as originally filed.

It should be noted that the Patent Owner also failed to provide support in the Grandparent applications, as originally filed, for all of the new text in the amendment of January 3, 1994 in the Parent application. Patent Owner 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.

Thus, the Grandparent application, as originally filed, fails to provide written description support for the features claimed in all subsequent applications, including the Child application. Thus, the Grandparent application, as originally filed, cannot provide the benefit of its filing date to these applications. Thus, the effective filing date (priority) of the instant '440 patent under reexamination, which issued from the Child application, is February 26, 1993 (at the earliest), which is the filing date of the Parent application.

For the reasons below however, the priority chain for the Child application is also broken at a later date.

Step 4: Parent Fails to Provide Benefit of Filing Date to Child

The pattern of gradually adding new text not found in the originally disclosed Great-Grandparent and Grandparent specifications did not end however with the amendment of January 3, 1994 in the Parent application. For example, see the amendment of July 8, 1996 in the Child application, which introduces a very large amount of the new text to the specification and claims that appears to be focused on introducing specific video download, processing, and display procedures that are not found in specifications of the Great-Grandparent, Grandparent, and Parent applications, as originally filed.

Regarding support for the extensive changes to the specification, the Patent Owner stated in the July 8, 1996 amendment that the:

> specification has been amended to be consistent with the changes and additions to the claims. For instance, the addition to page 11 is essentially new Claims 43 and 51 written out in more customary grammatical form with reference to the figures.

The "addition to page 11 of the Child specification" however, is almost five, full pages of new text. Thus, it is not clear how all of this new text is tied to "essentially" new claims 43 and 51. Thus, the support statement provided by the Patent Owner is very broad, and does not specifically point out where in the original disclosure (not the new claims) the added features are found. Patent Owner 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.

Even if the new claims are considered as providing adequate support for the changes to the specification, the Patent Owner still only addresses the issue of support for the approximately 30 new claims in brief, general, and vague language that refers to a few lines in the specification. [13] For example, the referral to the "individual video selection" apparently refers to only one new, video limitation, and not the many, detailed video downloading, processing, and display features added as new text by the Patent Owner and as discussed extensively above is not supported by the specification in the parent applications, as originally filed. Furthermore, the cited section in the original specification refers to the display of category information regarding downloaded audio files, not downloaded video files.

[13] The July 8, 1996 amendment also introduces new text, such as "receiver or second memory is in possession and control the of the second party" that were not found to necessarily required in the written description of the Great-grandparent or Grandparent applications, even in view of the Hair declaration, as discussed above. See also the "Benefit of Earlier Filing Date" section in the Final Office action for related reexamination 90/007,402 (regarding the parent U.S. patent 5,191,573, which issued from the Grandparent application), where this section is hereby incorporated into this Office action in its entirety.

The extensive new text in the Child application is new matter because the new text was unsupported by the Patent Owner, as discussed above, and because the new text, using the same type of reasoning discussed extensively above, is clearly not required by the written description in the Parent application, as originally filed, nor for that matter the written descriptions in the Grand-parent and Great-Grandparent applications, as originally filed.

Thus, the Parent application, as originally filed, fails to provide written description support for the features claimed in the Child application. Thus, the Parent application, as originally filed, cannot provide the benefit of its filing date to the Child application. Thus, the effective filing date (priority) of the instant '440 patent under reexamination, which issued from the Child application, is June 6, 1995 (at the earliest), which is the filing date of the Child application.

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, 4, 6-8, 11-16, 19-21, 23, 24, 29-36, 39, 40, 42, 45, 47-61, and 80-129 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 '440 patent under reexamination claims benefit under 35 U.S.C. 120 to the earlier filing dates of the Parent, Grandparent, and Great-Grandparent applications.

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 applications were filed, had possession of the claimed invention.

> 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 Patent Owner, on pages 34 and 35 of the Amendment, states that the new claims mirror the original claims in the '440 patent, where alleged support for the original claims in the '440 patent are provided on pages 49-56 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, Great-Grandparent application (nor the other parent applications), 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 "Benefit of Earlier Filing Date Regarding the Original Claims" section 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, 11, 12, 23, 29, 36, 42, 47, and 58. 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 Great-Grandparent 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 21 of the Amendment, the Patent Owner points to page 4, lines 35 to 49 of the originally filed, Great-Grandparent specification (attachment "A") has teaching a "hard disk for storing digital audio or digital video signals." The originally filed specification in the Great-Grandparent application, including the section cited to by the Patent Owner above, only discloses one embodiment, where a hard disk 60 stores electronic audio music.[14] Thus, the originally filed, Great-Grandparent 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

[14] The originally filed specification in the Great-Grandparent application, including the section cited to by the Patent

described in the parent case and would be new matter if introduced into the parent case. It is thus equally 'new mater'...." Ex Parte Johnson, 558 F.2d 1008, 1014 (CCPA 1977). Here, the originally filed, Great-Grandparent 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 1, 4, 6-8, 11-16, 19-21, 23, 24, 29-36, 40, 42, 45, 47-61, and 80-129 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.

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 the original Great-Grandparent 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).

Owner above, also fails to teach that the hard disk stored video data despite assertions by the Patent Owner.

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 Great-Grandparent 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.[15]

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

[15] 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 information to the user regarding downloaded audio content, and not directed to the actual download of video content.

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 Great-Grandparent application was June 13, 1988. In the mid 1980(s) however, only compact audio disks players were just becoming popular.[16] 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.[17] 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

[16] 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, 2nd Edition," by Ken C. Pohlmann, retrieved from http://www.oneoffcd.com/info/hisotrycd.cfm on September 19, 2006.

[17] 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, 2nd Edition," by Ken C. Pohlmann, retrieved from http://www.oneoffcd.com/info/hisotrycd.cfm on September 19, 2006.

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[18], 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.[19] Thus, it is not clear how a 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.

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.[20] 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.

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[18] See "IBM HDD Evolution" chart, by Ed Grochowski at Almaden, retrieved from http://www.soragereview.com/guideImages/z_ibm_sorageevolution.gif" on September 19, 2006.
[19] 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.
[20] IBM HDD Evolution chart, *supra*.

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, such as the Internet, 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.[21]

Thus, based on the evidence regarding each of the above factors, the specification, at the time the Great-Grandparent 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.

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

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 10, 18, and 25-28 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Patent Owner regards as the invention. Claims 10 and 18 lack antecedent basis in its entirety because the claims depend from claim 9 and 17 respectively, where claims 9 and 17 were cancelled in the Amendment (filed November 29, 2006).

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[21] History of MPEG, *supra*.

Claim Rejections Based on Yurt

Claim Rejections - 35 USC § 103

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

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

Claims 1, 11-13, 23, 24, 29-31, 36, 42, 47-49, 58, 80, 87-89, 98, 99, 104-106, 111, 114, 116, 117, and 126 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,132,992 ("Yurt"), of record.

The publication date of the Yurt patent is July 21, 1992. The earliest priority date of the '440 patent under reexamination however is June 65, 1995, as discussed extensively above in the "Benefit of Earlier Filing Date" section. Thus, Yurt is available as both 102(b) and 102(e) type prior art.

Regarding **claim 1:**

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals;

Yurt teaches that a second party (user) connects electronically via an IDSN line (or the like) (telecommunications line), such that a desired audio/video signal passes between a first and

second memory. Specifically, Yurt teaches video/audio signals are stored on a first memory of a first party (library provider) (Fig. 2a, source material library, pre-compression data processing storages 130 and 131, compressed data formatting storage, and compressed data libraries) and transmitted to a remote, second memory for storage (Fig. 6, reception system 200 storage 203). The reception system is associated with a second party, namely the customer or "user" (Figs. 1d, 1e, 1f, 1g, and col. 5, ll. 10-33). Yurt teaches that a reception system 200 associated with the user or customer supports a terminal interface based on a personal computer (Fig. 6 and col. 14, l. 64 – col. 15, l. 21), where a personal computer includes a control unit (e.g., CPU) and control panel (e.g., keyboard). Yurt also teaches of control unit and control panel in the form of a telephonic interface (e.g., telephone and keypad) (co. 13, ll. 61 – 68).

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory; and

The second party (customer) is informed regarding the price of the audio or video selection (Fig. 3, step 3070 and col. 14, ll. 23-28), after which the audio/video download (transmission) occurs. When the download successfully completes, a "billing program...updates the account of the user" (Fig. 5, step 5090 and col. 17, ll. 9-11). Thus, money is transferred form the second party (user) to the first party (library provider). Both the digital signal and money are transferred via an ISDN (or the like) telecommunications line (Fig. 1a, col. 16, ll. 4-15 and ll. 53-68), which also separates the second party (user) from the remote first party (library provider). Thus, money is transferred electronically to the first party (library provider) from the

second party (customer) via a telecommunications line (ISDN or the like) to the second party in order to download the video/audio signals (i.e., selling electronically the desired digital video or digital audio signals through the telecommunications line).

> **transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; storing the desired digital video or digital audio signals in a non-volatile storage portion the second memory; and playing through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit.**

Regarding "second memory is in possession and control of the second party", the second party (user) also controls the use and also possesses the second memory (storage 203), such as by the ability to determine what contents are stored in the second memory and what audio/video is played back from the second memory (col. 5, ll. 10-33 and col. 17, ll. 35-53). Regarding "playing through speakers of the second party control unit the digital video or digital audio signals in the second memory", Yurt teaches playing back the video and audio over a television (col. 18, ll. 36-37). A television inherently includes a speaker.

Although Yurt teaches that the second memory (storage 203) stores the desired digital video or audio signals transferred from the library control computer 1123 (comprising a sales random access memory chip, as discussed above) via a telecommunications link (Fig. 1a, col. 17,

ll. 35-53, col. 18, ll. 19-21, and col. 19, ll. 30-36). Yurt however fails to teach that the storage is a "non-volatile storage" that "is not a tape or CD."

Yurt however teaches that another video and audio storage device, specifically the library system control computer 1123, comprising the compressed data library 118 (Fig. 2b), uses a hard disk (i.e., a non-volatile storage that is not a tape or CD) (col. 6, ll. 19-22 and col. 12, ll. 42-47).

Yurt also teaches that adding a hard disk (a non-volatile storage that is not a tape or CD) to a video and audio storage device would have increased the speed and reliability of video and audio access (col. 12, ll. 42-47).

Thus 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 (a non-volatile storage that is not a tape or CD) as taught by the audio/video storage device of Yurt to the storage 203 (second memory) in Yurt, which is also a video and audio storage device.

The remaining limitations recited functions that have been clearly addressed above regarding the teachings of Yurt.

Claim 11 differs substantively from claim 1 in that claim 11 recites the following additional limitations directed to the second party control unit "in possession and control of the second party by the second party at a desired location determined by the second party." The

second party (user) controls the use and also possesses the second party control unit (reception system 200 and its associated personal computer, as discussed in the claim 1 rejection above), such as by the ability to enter commands into the personal computer to specify what contents are downloaded and stored, and what audio/video is played back (col. 5, ll. 10-33 and col. 17, ll. 35-53). The second party (user) determines the location to which the audio/video data is transmitted, such as the user calling from work and having the "movie sent to their house to be played back after dinner or at any later time of their choosing" (col. 5, ll. 18-21).

Claim 11 also recites limitations directed to entering commands into the second party control panel to purchase the desired digital signals and to play the purchased signals. Commands are entered into the control panel associated with the personal computer interface or telephonic interface, as discussed in the claim 1 rejection above. Yurt teaches that a reception system 200 associated with the user or customer supports a terminal interface based on a personal computer (Fig. 6 and col. 14, l. 64 – col. 15, l. 21), where a personal computer includes a control unit and control panel (e.g., keyboard). Yurt also teaches of control unit and control panel in the form of a telephonic interface (e.g., telephone and keypad) (co. 13, ll. 61 – 68). The user enters commands through the control unit in order to purchase and download the desired digital video and audio files (Fig. 3) and playing back the purchased files (col. 17, ll. 35-43).

Claims 12 and 23 do not substantively differ from claims 1 and 11 above. Therefore, see the claims 1 and 11 rejections for additional details.

Claim 29 differs substantively from claims 1 and 11 above in that claim 29 recites the limitation "said first party controlling use of the first memory." The first memory is in control and possession of the first party, such as when the first party (library provider) determines what contents are stored in the first memory (col. 6, ll. 8-54) and thus the type of content that will transmitted.

Claim 36 differs substantively from claims addressed above in that claim 36 recites the limitation "the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location." The second party (customer) is informed regarding the price of the audio or video selection (Fig. 3, step 3070 and col. 14, ll. 23-28), after which the audio/video download (transmission) occurs. When the download successfully completes, a "billing program...updates the account of the user" (Fig. 5, step 5090 and col. 17, ll. 9-11). Thus, money is transferred form the second party (user) to the first party (library provider). Both the digital signal and money are transferred via an ISDN (or the like) telecommunications line (Fig. 1a, col. 16, ll. 4-15 and ll. 53-68), which also separates the second party (user) from the remote first party (library provider). Thus, money is transferred electronically to the first party (library provider) from the second party (customer) via a telecommunications line (ISDN or the like) to a location from the second party.

Claim 42 does not substantively differ from claims 1, 11, and 36 above. Therefore, see these claims rejections for additional details.

Claim 47 differs substantively from claims 1 and 11 in that claim 47 recites the limitations "second party control unit having a...receiver and a video display for playing the desired digital video signals received by the receiver." A "receiver" reads on the reception system 200 (Fig. 6) (receiver) that includes receiver circuitry (e.g., the transceiver 201). A "video display" reads on the television display (col. 18, ll. 36-37). See the claim 1 rejection for additional details.

Claim 58 does not substantively differ from claim 47 above. Therefore, see the claim 11 rejection for additional details.

Claims 80, 87, 88, 98, 104, 111, 114, 116, and 126 differ substantively from claims 1, 11, 12, 23, 29, 36, 42, 47, and 58 respectively in that the subject claims recite a "hard disk" instead of a "non-volatile storage" that "is not a tape or CD" as in claim 1. A hard disk however is a non-volatile storage that is not a tape or CD. See the claim 1 rejection for the obvious addition of a hard disk.

Regarding **claim 13**, Yurt teaches that the library system control computer 1123 (control unit) executes a "queue manager program" (col. 15, ll. 33-37). The "queue manager program" temporarily stores a replica of the digital video or audio signals for subsequent transfer via the telecommunications line (Fig. 2b, col. 15, ll. 33-54 and col. 16, ll. 29-52). Thus, the computer is a digital computer. A digital computer inherently includes a random access memory associated

with readable/writable register content, system cache, etc. The digital computer also includes a "chip', whether the random access memory in the computer is entirely implemented on a single processing unit (e.g., CPU) or whether implemented in a discrete component. Thus, the queue manager program requires a "random access memory chip."

The library system control computer 1123, comprising a random access memory chip, that executes the queue manager (as discussed above), also supports a sale, such as controlling the transfer of user (customer) requested audio and video content from the compressed data library 118 to the transmission format conversion CPU(s) (Fig. 2b, 5, and 7, col. 11, ll. 54-65, and col. 12, ll. 21-27). For example, when the download successfully completes, a "billing program...updates the account of the user" (Fig. 5, step 5090 and col. 17, ll. 9-11). Thus, money is transferred form the second party (user) to the first party (library provider) and a "sale" occurs. Thus, the random access memory chip associated with the library control computer 1123 is a "sales" chip and furthermore supports a "means for electronically selling."

Regarding **claim 24**, regarding a first control unit in possession of the first party, Yurt teaches of a library system control computer 1123 (first party control unit) comprising a hard disk (compressed data library 118) storing a plurality of digital video or audio signals (Fig. 2b and col. 6, ll. 19-22 and col. 12, ll. 42-47). This control unit is clearly in the possession and control of the first party (library provider), such as when the first party (library provider) determines what contents are stored in the library, which is under control of the control unit (col. 6, ll. 8-54). Regarding the second control unit, see the claim 11 rejection.

Regarding **claim 30**, see the claims 1 and 36 rejections for additional details.

Regarding **claims 31, 48, and 49**, see the claims 24, 1, and 13 rejections respectively for additional details.

Regarding **claims 89, 99, 105, 106, and 117** see the claims 13, 24, 30, 31, and 49 rejections respectively for additional details.

Claims 4, 6-8 and 81-84 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yurt, as applied to the claims above, and further in view of U.S. Patent No. 4,789,863 ("Bush"), of record.

Regarding **claim 4**, Yurt teaches of telephoning the first party controlling use of the first memory (library provider) (Fig. 3 and col. 13, l. 61 – col. 14, l. 13) and transferring money (as discussed above in the claim 1 rejection). Yurt however fails to teach providing a credit card number of the second party.

Bush teaches (similarly to Yurt) 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 music download system of Bush to the music download of Yurt, which teaches that the user pays for the download.

Regarding **claim 5**, Yurt clearly teaches storing the video and audio signals (col. 17, ll. 35-53 and col. 18, ll. 14-26)

Regarding **claim 6**, see the claim 66 rejection above for additional details.

Regarding **claim 7**, see the claim 13 rejection for additional details.

Regarding **claim 8**, Yurt teaches that a reception system 200 associated with the user or customer supports a terminal interface based on a personal computer (Fig. 6 and col. 14, l. 64 – col. 15, l. 21), where a personal computer includes a control unit (e.g., CPU) and control panel

(e.g., keyboard). Yurt also teaches of control unit and control panel in the form of a telephonic interface (e.g., telephone and keypad) (co. 13, ll. 61 – 68). Yurt clearly teaches that the purchase occurs before the download.

Regarding **claims 81-84**, see the claims 4, 6-8, and 24 rejections respectively for additional details.

Claims 14-16, 19, 20, 32-35, 50-56, 59, 60, 85, 86, 90-96, 100-103, 107-110, 118-124, 127, and 128 are rejected under 35 U.S.C. 103(a) as being anticipated by Yurt in view of Bush (where Bush was applied to the parent claims) as applied above, and further in view of U.S. Patent No. 5,241,428 ("Goldwasser"), newly cited.

Regarding **claim 14**,

> **A system as described in claim 13 wherein the second party control unit includes a playback random access memory chip electronically connected to the non-volatile storage portion for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.**

Although Yurt teaches of a storage 203 (second memory), Yurt fails to specifically teaches of a "playback random access memory chip" that temporarily stores a replica of the received digital video or audio signals for playback. Yurt however teaches that second party, when entering playback commands, has "random access" to video and audio signals stored in the reception system 200 (second party control unit), such as by entering forward and rewinding commands (col. 17, ll. 35-43).

Similarly to Yurt as discussed above, Goldwasser teaches of a device for recording video and audio signals onto a hard disk and playing back those signals (abstract and col. 3, ll. 6-13), where the user, when entering playback commands, has random access to the video and audio signals stored in the device, such as by entering play, forward, and rewind commands (col. 1, ll. 62-68). Furthermore, the Goldwasser device implements said random access, playback feature by using a record and playback buffer random access memory ("RAM") electronically connected to video and audio input for temporarily storing the downloaded, received signal in order to support a simultaneous record and playback feature (abstract, Fig. 3, RAM 53, col. 3, ll. 14-20, and col. 7, ll. 59-68). Goldwasser also teaches that the playback buffer RAM is in the form of discrete electronic components interconnected by control and data buses, thus the playback RAM can properly be interpreted as part of a "chip" (i.e., a playback RAM chip). Thus, Goldwasser teaches of a recording and playback RAM chip electrically connected to a hard disk for buffering during recording for later or simultaneous playback, i.e., temporarily storing the video and audio signal downloaded from the remote, sales random access memory chip .

The suggestion/motivation for adding the playback RAM chip as taught by Goldwasser would have been to increase the convenience, flexibility, and efficiency of the video and audio recording/playback device (with rewind capability) of Yurt. Specifically, the addition of Goldwasser would have allowed "one to view material as it is being recorded," which avoids "many inconveniences" (Goldwasser, col. 1, ll. 30-33). For example, consider the following specific advantages:

> For example, often one will anticipate arriving home at a particular hour, sometime after the commencement of a particular broadcast program one desires to watch. One must therefore set one's VCR to commence recording at the beginning of the program. If one then arrives a few minutes after the beginning of the program, one can watch the end of the program in real time, but cannot see its beginning [i.e., rewind and playback] until after the entire program has been recorded.
>
> Similarly, often one will be watching a particular program when one must temporarily cease watching it, for example, to take a telephone call or the like. It would obviously be convenient to be able to record the program from that point forward, complete the telephone call, and simply watch [i.e., playback] the remainder delayed by the length of time of the interruption. However, no devices are now available which permit this facility. It also is not possible to employ two separate videocassette recorders to overcome these inconveniences.

Goldwasser, col. 1, ll. 34-52.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to add the playback RAM chip electrically connected to a hard disk for buffering (and thus temporarily storing the video and audio signal downloaded from the remote, sales random access memory chip) as taught by Goldwasser (directed to a device for recording and playing back audio and video stored on a hard disk, where the user enters random access commands during playback, such as rewind and play) to Yurt (also directed to a device for recording and playing back audio and video stored on a hard disk, where the user enters random access commands during playback, such as rewind and play).

Regarding **claim 15**, regarding the first party integrated circuit, Yurt teaches a first control circuit (control computer 1123), where the control computer 1123 is a digital computer. A digital computer inherently includes a random access memory associated with

readable/writable register content, system cache, etc., which in turn requires integrated circuits. Regarding the second party integrated circuit, Yurt teaches of a second control circuit (user's personal computer), where a personal computer includes integrated circuits. Yurt also teaches that the integrated circuits associated with the control units (control computer 1123 and the user personal computer) regulates transfer of the desired signals (Figs. 2b, 3, 5, 6, and 7). See the claims 1 and 11 rejections for additional details. The claimed "first control panel" reads on library access interface 121, which includes operator computer terminals (Fig. 2b and col. 14, ll. 52-63).

Regarding **claim 16**, see the claims 11, 14 and 15 rejections above for additional details.

Regarding **claim 19**, see the claim 36 rejection above for additional details.

Regarding **claim 20**, see Fig. 5, step 5090.

Regarding **claim 32**, see the claims 14 and 15 rejections above. The sales random access memory chip added above also supports input buffering of the downloaded video and audio signal, as discussed extensively above (Goldwasser, Fig. 3, RAM 53). Thus, the triple buffer (playback random access memory) both plays back and stores data onto the hard disk, and thus can be considered both a "playback random access memory" and an "incoming random access memory." See also the claim 85 rejection below.

Regarding **claim 33**, the "telecommunications lines include telephone lines" clearly reads on Yurt, for example, ISDN lines are voice grade telephone lines.

Regarding **claim 34**, Yurt fails to teach that the storage 203 (second memory) includes a "hard disk."

Yurt however teaches that another video and audio storage device, specifically the library system control computer 1123, comprising the compressed data library 118 (Fig. 2b) and the first memory (as discussed above), uses a hard disk (col. 6, ll. 19-22 and col. 12, ll. 42-47). Thus, Yurt teaches that the first memory comprises a first hard disk.

Yurt also teaches that adding a hard disk to a video and audio storage device would have increased the speed and reliability of video and audio access (col. 12, ll. 42-47).

Thus 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 the audio/video storage device of Yurt to the storage 203 (second memory) of Yurt, which is also a video and audio storage device.

Regarding **claim 35**, Yurt teaches playing back the video and audio over a television (col. 18, ll. 36-37). A television inherently includes a speaker. The television is clearly in control and possession of the second party (user). See also the claims 1, 11, and 47 rejections above for additional details.

Regarding **claim 50 and 53**, see the claims 14 and 32 rejection for additional details.

Regarding **claims 51 and 52**, see the claims 15 and 16 rejections respectively for additional details.

Regarding **claim 54**, see the claim 18 rejection for additional details.

Regarding **claims 55 and 59**, see the claim 19 rejection for additional details.

Regarding **claims 56 and 60**, see the claim 20 rejection for additional details.

Regarding **claim 85**, see the claims 1 and 14 rejections above for additional details regarding the obvious addition of a second party, hard disk and memory chip. In addition:

> **and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk**

The sales random access memory chip added above also supports input buffering of the downloaded video and audio signal, as discussed extensively above (Goldwasser, Fig. 3, RAM 53).

> **storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals**

from the second party hard disk to the playback random access memory chip for playback.

Yurt teaches of a reception system 200 associated with the user or customer having a control unit and control panel associated with a user terminal interface based on a personal computer (Fig. 6 and col. 14, l. 64 – col. 15, l. 21) and also associated with a telephonic interface (e.g., telephone tone keypad) (co. 13, ll. 61 – 68). As discussed immediately above, a playback random access memory chip (with a triple buffer) was added for temporarily storing a replica of the desired signal for playback from the hard disk.

Regarding **claim 86**, the combination of Yurt in view of Goldwasser as discussed in the claim 85 rejection above supports repeating the commanding, playing, and transferring replica steps.

Regarding **claims 90-92**, see the claims 14-16 rejections above for additional details.

Regarding **claim 93**, see the claims 32 and 85 rejections above for additional details.

Regarding **claims 94-96**, see the claims 47, 19, and 20 rejections respectively for additional details.

Regarding **claims 100-103**, see the claims 25-28 rejections respectively for additional details.

Regarding **claims 107-110,** see the claims 32-35 rejections respectively for additional details.

Regarding **claims 118-124,** see the claims 50-56 rejections respectively for additional details.

Regarding **claims 127 and 128**, see the claims 59 and 60 rejections above for additional details.

Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 and 129 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yurt in view of Goldwasser (where Goldwasser was applied to the parent claims) as applied to the claims above, and further in view of Bush. See the claim 4 rejection for additional details regarding the obvious addition of the teachings from Bush.

Claims 34 and 35 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yurt, as applied to the claims above, and further in view of Goldwasser.

Regarding **claim 34**, see the claim 14 rejection regarding the obvious addition of a second hard disk and claim 27 rejection above.

Regarding **claim 35**, see the claim 28 rejection for additional details.

Double Patenting

The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

Claims 1, 4, 6-8, 10, 11-16, 18-21, 23-36, 39, 40, 42, 45, 47-61, and 80-129 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-34 of U.S. Patent No. 5,675,734. Although the conflicting claims are not identical, they are not patentably distinct from each other because the current claims and claims 1-34 of the '440 patent essentially claim the same invention. For example, current claims 1 and 4 are not patentable distinct from claims 1, 3, 14, and 16 of the '440 patent because claim 1 of the '440 patent includes: forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals. Claim 1 of the '440 patent also includes: transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through

telecommunications lines while the second party control unit with the second memory is in possession and control of the second part. Claims 3 and 14 of the '440 patent include: playing the digital video or digital audio signals through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit. Claims 1 and 16 of the '440 patent include: selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party. Thus, the claims of the '440 patent are essentially the same as claims 1, 4-21, 23-36, 39, 40, 42, and 45-61 of the '440 patent under reexamination.

Claims 1, 4, 6-8, 10, 11-16, 18-21, 23-36, 39, 40, 42, 45, 47-61, and 80-129 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-6 of U.S. Patent No. 5,191,573. Although the conflicting claims are not identical, they are not patentably distinct from each other because claim 1 of the '573 patent recites a method for transmitting a digital audio signals stored on a first memory of a first party to a second memory of a second party. As claimed, the first party is at a location that is remote from the second memory and the second party is distinct from the first party. The method comprises the step of transferring money to the first party from the second party, connecting the first and

second memories electronically, transmitting the digital audio signal from the first memory to the second memory, and storing the digital audio signal in the second memory. Claim 4 of the '573 patent provides a method similar to the above mentioned with respect to digital video signals. The only differences between the claims is the recitation of a "second party control unit", in current claim 1, which would have been obvious to one of ordinary skill in the art at the time the invention was made in light of specification for the '573 patent where the second party is shown to have a control unit ('573, Col. 3, lines 52-56).

(10) Response to Argument

I. Summary

On pages 23-25 of the Brief, the appellant provides a summary. The examiner responds with the following summary.

The claims of the '440 patent are broadly directed to downloading audio and video content via the Internet. For example, claim 1 recites 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" can include the Internet.[22] 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 examined the claims of the '440 patent on the basis of printed publications, such as the intervening Yurt and Goldwasser patents, which were never applied during the original prosecution of the application that issued as the '440 patent. The examiner may use an

[22] 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 publication, such as the Yurt 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 was systematically added in a series of amendments to the Great-grandparent, Grandparent, Parent, and Child applications. That is, although all of these applications were alleged to be related as continuation applications, their specifications are objectively incongruent.

Indeed, the appellant failed to even dispute teachings of the newly applied Yurt and Goldwasser publications, which is also unsurprising, because these publications teach features regarding downloading and storing audio and video that are highly pertinent to the claims of the '440 patent.

Neither did a section 120 issue "necessarily arise." The prosecution history of the '440 patent fails to show that the examiner had reason to consider the propriety of a benefit claim set forth in the '440 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 Yurt. Although the examiner addressed some new matter issues in a single, non-final rejection in a different, earlier Grandparent application, the rejection there only facially raised the issue of new matter in the Grandparent 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 to each of the various parent applications. Furthermore, the gradual addition of new matter to the specification and claims continued well after the Grandparent application up to an including the prosecution of the Child application. Thus, the single instance consideration of new matter in the Grandparent application does not relate back to the specification as originally in the Great-grandparent application, nor account for all the new text added to the other parent applications subsequently. 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 various parent applications as originally filed is speculation.

Furthermore, said new matter rejection only touched upon a **subset** of the new matter issues described in the "Intervening Printed Publications" section (9) above, including those matters described in Table I above. 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 applications would allow the appellant to antedate the intervening Yurt and Goldwasser printed

publications, thereby removing them as references 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 the '440 patent under reexamination, which issued from the Child application, is June 6, 1995 (at the earliest), which is the actual filing date of the Child application. Thus, the intervening Yurt and Goldwasser patents are available as prior art.

II. Prosecution History of the '440 Patent

On pages 25-34 of the Brief, the appellant characterizes the prosecution history of the '440 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 Great-grandparent and Grandparent speak for themselves and are available in the image file wrapper ("IFW") for U.S. Application No. 07/586,391 (Grandparent), which also contains the prosecution history of U.S. Application No. 07/296,497 (Great-grandparent). The prosecution history of the Child is available in IFW for U.S. Application No. 08/471,964. See also the prosecution history for U.S. Application No. 08/607,648, which also contains the prosecution history of U.S. Application No. 08/023,398 (Parent).

III. The Appropriate Date for the Claims of the '440 Patent Is June 6, 1995, At the Earliest

On pages 34 and 35 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 '440 patent...."

Appellant arguments are unpersuasive. As discussed in Section I above, an examiner may use an intervening printed publication, such as the Yurt 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 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, which the appellant has not done in this proceeding.

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 page 36 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 '440 patent were examined on the basis of printed publications, such as the intervening Yurt patent, where the claims were entitled only to the actual filing date of '440 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 '440 patent under reexamination is itself being subjected to a 35 U.S.C. § 112 analysis. Indeed, none of the original 63 patent claims of the '440 patent have been rejected pursuant to section 112. Rather it is the specification(s) of the earlier parent applications that are being analyzed on that basis. For example, the examiner has taken the position that the Great-grandparent, Grandparent, and Parent applications, as originally filed, do not describe certain features recited in the claims of the instant '440 patent under reexamination. The examiner does not argue that the specification, including the claims, of '440 patent under reexamination fail to establish possession of the claimed invention, but rather whether possession of the claimed invention was established before the filing date of the '440 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 '440 Patent

On page 36 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 '440 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 Yurt, were not previously considered during prosecution of application leading to the '440 patent under reexamination, and thus do not raise questions of patentability previously considered by the original examiner.

The appellant then argues on page 36 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 '440 patent

under reexamination. For example, the original examiner relied exclusively upon statutory bar type (i.e., 102(b)) type prior art).

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 various parent applications, as originally filed, in view of an intervening printed publication, the examiner set forth a single instance of a new matter rejection of the claims in the different, earlier Grandparent application, in the absence of an intervening publication. The two lines of analysis are distinct, contrary to appellant attempts 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 the "Intervening Printed Publications" section (9) above and the rejection did not clearly address entitled to the filing date of all the various parent specifications, 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 page 38 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 '440 Patent

On page 37 of the Brief, the appellant asserts that the "office admits the '440 patent in not a continuation-in-part, but then asserts that the '440 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 '440 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 '440 Patent Shares the Characteristics of a Continuation-in-Part in its Relationship to the Various Parent Applications

On pages 38 and 39 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 '440 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, 8th Ed., 1st Revision, February 2003. 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 '440 patent) that seeks the benefit of priority to an earlier filed applications 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 specification and claims in the various parent applications and then to the child application that issued as the '440 patent. Thus, the '440 patent being reexamined and the specification of the various parent applications, as originally filed, do not contain the same disclosure with respect to claim support issues. Thus, the application corresponding to the '440 patent shares the characteristics of a continuation-in-part in its relationship to the originally filed parent applications. 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 in the Grandparent application does not relate back to the specification as originally filed in the Great-grandparent application, nor account for

all the new text added to the other parent applications subsequent to the December 11, 1991 amendment in the Grandparent 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 Great-grandparent application as originally filed, nor account for all the new text added subsequently in the other parent applications (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 39 and 40 of the Brief, 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 '440 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 '440 patent was in entitled to the various priority dates are incorrect. Instead, the examiner set forth a new matter rejection in an earlier 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 the "Intervening Printed Publications" section (9) above and the rejection did not clearly address entitlement to the filing date of all the various parent applications, as originally filed. See section III.B.1 for additional details.

The correction procedures discussed in MPEP § 1402 and 1405 also show 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 Yurt 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 '440 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 '440 Patent

On page 41 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 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 was addressed. For example, the mere lack of a new oath or declaration in the Grandparent 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 applications per 37 CFR 1.552, 35 U.S.C. 120, MPEP § 2258.I.C, and MPEP § 201.11.(B).

On pages 41-44 of the Brief, the appellant argues:

> The foregoing chart shows that substantially all of the alleged new matter issues were dealt with in the '391 Application, which eventually issued as the '440 Patent. Thus, Examiner Nguyen already had considered

> those additions and amendments in the Office Action of February 24, 1992, prior to the filing of the '398 Application. 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. Mr. Schwartz responded to, and overcame, that objection and those rejections in the Response of June 23, 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 the Response by the Applicant, Examiner Nguyen withdrew the objection to the specification and Section 112 rejections of the claims, and thereby determined the claims were allowable.
>
> During prosecution of the '387 Application, the only element incorporated that can be alleged to be "new" is the recitation of an "account."

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. Consequently, the prosecution history fails to show whether the Child application was entitled to the filing date benefit of the various parent applications, as originally filed. Instead, the examiner set forth a single instance of a new matter rejection in absence of any intervening reference in the different, earlier Grandparent application, which is distinct, contrary to appellant attempts to conflate the issues.

Such a new matter rejection in the Grandparent application clearly fails to establish whether the Child application, which issued as the instant '440 patent under reexamination, is entitled to the filing of the earlier Great-grandparent, Grandparent, and Parent applications. As explained in the "Intervening Printed Publications" section (9) above, significant amounts of new text is present in the Child application that is not found in the earlier Great-grandparent, Grandparent, and Parent applications, as originally filed.

Furthermore, the new matter rejection in the earlier Grandparent only needed to establish whether the new matter at issue in the rejection was relative to the Grandparent 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 Great-grandparent application as originally filed, as would have been required in a full priority analysis. Specifically, in the Grandparent application and subsequent to a series of amendments that added substantial new text to both the specification and claims in the Great-grandparent and Grandparent 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 Grandparent application. Thus, it is not clear whether the examiner referred to the Grandparent specification as originally filed or to the Great-grandparent specification as originally filed. Thus, any argument by the appellant that said new matter rejection was based on the specification of the Great-grandparent application, as originally filed, is speculation.

Also unclear is on what basis the new matter rejection was withdrawn, indeed no 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 Great-grandparent 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 Great-grandparent 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 Great-grandparent 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 Great-grandparent specification and thus was not part of the original Great-grandparent specification. Thus, even the applicant arguments regarding the "preliminary" amendment where were not based upon the original Great-grandparent specification. Thus, it is not clear whether the decision to withdraw this rejection was based upon the Great-grandparent 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 Great-grandparent 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 the "Intervening Printed Publication" section (9) above. As a starting point, consider the appellant's list of the new matter issues allegedly addressed by the original examiner on pages 28 and 29 of the Brief. See also page 5 and 6 of the non-final Office action, mailed February 24, 1992 in the Grandparent application. 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 Great-grandparent application, as originally filed. *Italics* means that although the new matter issue was addressed in the Grandparent application, it is not clear whether the new matter issue was also addressed in the regard to the Great-grandparent application, as originally filed.

Table III: Comparison of New Matters Issues Originally Addressed in the Grandparent Application Versus New Matter Issues Addressed in the Instant Reexamination Proceeding

New Matters Issues Addressed in the Grandparent Application (Whether Addressed grandparent Application As Originally Filed Is Unclear)	New Matter Issues Addressed in the Reexamination In Regard to the Great- In Regard to the Great-grandparent, Application As Originally Filed
Transferring Money	*Transferring Money* **from Second Party to a First Party (Charging a Fee)**
Second Party Financially Distinct from the First Party	**Not Addressed**
Receiver in Possession of the Second Party	*Receiver* **and Second Memory** *in Possession of Second Party*
Telephoning	**Not Addressed**
Providing a Credit Card	*Providing a Credit Card Number*
Not Addressed	**Controlling Use of First/Second Memory**
Not Addressed	**Transmitting to a Location Determined by Second Party**
Not Addressed	**Specific Download Procedures**
Not Addressed	**First Party in Possession of Transmitter**

Furthermore, and as discussed in the "Intervening Printed Publication" section (9) above, a significant amount of new matter directed to specific video download, processing, and display procedures was also added by amendment to the specification and claims of the Parent and Child applications subsequent to the single instance of the examiner's new matter rejection in the Grandparent application.

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 45 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 arguments that the new matter addressed in the Grandparent application were in regard to the Great-grandparent application, as originally filed or in regard to the subsequent applications is also speculative, as discussed above.

On page 46 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 Great-grandparent 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 47 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, '398, and '648 Applications were 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 claims under section 120 to all parent applications as originally filed during prosecution of the Child application leading to the '440 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 47-49 of the Brief, the appellant argues that in Patlex v. Quigg, 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."[23] As discussed extensively above, the original examiner did not consider and determine the sufficiency of the specification in the various parent applications, as originally filed, 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), the specification and the claims of the patent being reexamined are substantially different from the specification and claims of the previous parent applications, as originally filed, for which section 120 benefit was claimed. A series of amendments subsequent the filing of the original, Great-grandparent application has added a substantial amount of new text to the specification and claims of the Grandparent, Parent, and even the Child application, which issued as the '440 patent.

[23] 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 '440 Patent Are Not Entitled to the Benefit of Filing Date of the Parent Applications, as Originally Filed

III.C.1. The Written Description of the Parent Applications, 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 49-53 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 34 in the '440 Patent Lack Written Description Support in the Originally Filed Parent Specifications

On pages 53-63 of the Brief, the appellant provides a chart to show that all of the limitations in claims 1-63 of the '440 patent were supported by the various originally filed, parent applications.

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 various 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 '440 patent under reexamination remains the latest date at which time the priority chain was broken, namely June 6, 1995(at the earliest), which is also the actually filing date of the '440 patent.

III.C.2. The "Video Feature" of the Claims 4, 6-10, 19, 22-25, 28 and 31-60 of the '440 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 63-67 of the Brief, the appellant argues that, regarding the enablement of various video features recited in claims 1, 4, 6-8, 11-16, 19-21, 23, 24, 29-36, 39, 40, 42, 45, 47-61 and 80-129 by the Great-grandparent 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. The examiner's 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, Great-grandparent 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, 1st 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, Great-grandparent application.

III.D. Yurt and Goldwasser Are Available of Prior Art Patents

On pages 67 and 68 of the Brief, the appellant argues that Yurt and Goldwasser are not available as prior art. The publication date of the Yurt patent however is July 21, 1992. The earliest priority date of the '440 Patent under reexamination however is February 27, 1996, as discussed extensively above in the "Benefit of Earlier Filing Date" section. Thus, Yurt is available as both 102(b) and 102(e) type prior art. For similar reasons, Goldwasser is also available as prior art.

IV. The Claims As Amended Are Neither Supported Nor Enabled by the Written Description

On page 69 of the Brief, the appellant argues that the "Office may only examine the recitation of "a non-volatile storage portion of the second memory that is not a tape or CD" for compliance with Section 112, first paragraph." This argument is unpersuasive however because, besides being presented in conclusory language, the claims recite a new limitation directed to a "the second memory having a second party hard disk," which is quite distinct from the argued feature that a memory that is not a tape or CD. 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 pages 69-72 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 1-4, 6-19, 22-25, 28 and 31-60 Based on Yurt and Goldwasser are proper.

The earliest priority date of the '440 patent under reexamination is February 27, 1996, as discussed extensively above in the "Intervening Printed Publication" section (9) and also in the arguments above. Thus, Yurt and Goldwasser are available as prior art.

VI. The Double Patent Rejections Are Proper

Appellant's argument on pages 75-80 are unpersuasive. The original prosecution history fails to show that instant double patenting rejection was addressed, including the rejection of the claims as currently amended. Indeed, regarding the original claims, and as noted by the Appellant, the applicant repeatedly asked the original examiner to deem the double-patenting issue as moot, which the examiner declined to do. Furthermore, Yurt is available as prior art for the reasons discussed above, and thus may be used in a double-patenting rejection.

Conclusion

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

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Attachment "A"

TO 90/007,407
EXAMINER'S ANSWER

(9 pages, including this page)

07/206,497 Specification as Originally Filed on June 13, 1988

Note: handwritten notations on the enclosed specification represent subsequent markups by USTPO clerical staff (e.g., amendment processing).

586391

~~TRANSMISSION SYSTEM~~

~~[A] Title of the Invention~~

~~A methodology/system for the electronic sales, distribution, storage, manipulation, retrieval, playback, and copyright protection of Digital Audio Music.~~

~~[B] Cross-References to related applications~~

~~None~~

~~[C] Brief summary of the Invention~~

~~This invention relates in general to a new and improved methodology/system for the electronic sales, distribution, storage, manipulation, retrieval, playback, and copyright protection of Digital Audio Music.~~

The three basic mediums (hardware units) of music: records, tapes, and compact discs, greatly restricts the transferability of music and results in a variety of inefficiencies.

CAPACITY: The individual hardware units as cited above are limited as to the amount of music that can be stored on each.

MATERIALS: The materials used to manufacture the hardware units are subject to damage and deterioration during normal operations, handling, and exposure to the elements.

SIZE: The physical size of the hardware units imposes constraints on the quantity of hardware units which can be housed for playback in confined areas such as in automobiles, boats, planes, etc.

RETRIEVAL: Hardware units limit the ability to play, in a sequence selected by the user, songs from different albums. For example, if the user wants to play one song from ten different albums, the user would spend an inordinant amount of time handling, sorting, and cueing the ten different hardware units.

SALES and DISTRIBUTION: Prior to final purchase, hardware units need to be physically transfered from the manufacturing facility to the wholesale warehouse to the retail warehouse to the retail outlet, resulting in lengthly lag time between music creation and music marketing, as well as incurring unnessary and inefficient transfer and handling costs. Additionally, tooling costs required for mass production of the hardware units and the material cost of the hardware units themselves, further drives up the cost of music to the end user.

QUALITY: Until the recent invention of Digital Audio Music, as used on Compact Discs, distortion free transfer from the hardware units to the stereo system was virtually impossible. Digital Audio Music is simply music converted into a very basic computer language known as binary. A series of commands known as zeros or ones encode the music for future playback. Use of laser retrieval of the binary commands results in distortion free transfer of the music from the compact disc to the stereo system. Quality Digital Audio Music is defined as the binary structure of the Digital Audio Music. Conventional analog tape recording of Digital Audio Music is not to be considered quality inasmuch as the binary structure itself is not recorded. While Digital Audio Music on compact discs is a technological breakthrough in audio quality, the method by which the music is sold, distributed, stored, manipulated, retrieved, played, and protected from copyright infringements remains as inefficient as with records and tapes.

COPYRIGHT PROTECTION: Since the invention of tape recording devices, strict control and enforcement of copyright laws have proved difficult and impossible with home recorders. Additionally, the recent invention of Digital Audio Tape Recorders now jeopardizes the electronic copyright protection of quality Digital Audio Music on Compact Discs or Digital Audio Tapes. If music exists on hardware units, it can be copied.

Accordingly, it is an objective of this invention is to provide a new and improved ~~methodology~~ method/system to electronically sell and distribute Digital Audio Music.

A further objective of this invention to provide a new and improved ~~methodology~~ method/system to electronically store and retrieve Digital Audio Music.

Another objective of this invention is to provide a new and improved ~~methodology~~ method/system to electronically manipulate, i.e., sort, cue, and select, Digital Audio Music for playback.

Still another objective of this invention is to offer a new and improved ~~methodology~~ method/system which can prevent unauthorized electronic copying of quality Digital Audio Music.

Briefly, this invention accomplishes the above cited objectives by providing a new and improved ~~methodology~~ method/system of electronic sales, distribution, storage, manipulation, retrieval, playback, and copyright protection of Digital Audio Music. The high speed transfer of Digital Audio Music as prescribed by this invention is stored onto one piece of hardware, a hard disk, thus eliminating the need to unnecessarily handle records, tapes, or compact discs on a regular basis. This invention recalls stored music for playback as selected/programmed by the user. This invention can easily and electronically sort stored music based on many different criteria such as, but not limited to, music category, artist, album, user's favorite songs, etc. An additional feature of this invention is the random playback of songs, also based on the user's selection. For example, the user could have this invention randomly play all jazz songs stored on the user's hard disk, or randomly play all songs by a certain artist, or randomly play all of the user's favorite songs which the user previously electronically "tagged" as favorites. Further, being more specific, the user can electronically select a series of individual songs from different albums for sequential playback.

This invention can be configured to either accept direct input of Digital Audio Music from the digital output of a Compact Disc, such transfer would be performed by the private user, or this invention can be configured to accept Digital Audio Music from a source authorized by the copyright holder to sell and distrubute the copyrighted materials, thus guaranteeing the protection of such copyrighted materials. Either method of electronically transfering Digital Audio Music by means of this invention is intended to comply with all copyright laws and restrictions and any such transfer is subject to the appropriate authorization by the copyright holder. Inasmuch as Digital Audio Music is software and this invention electronically transfers and stores such music, electronic sales and distribution of the music can take place via telephone lines onto a hard disk. This new ~~methodology~~ method/system of music sales and distribution will greatly reduce the cost of goods sold and will reduce the lag time between music creation and music marketing from weeks down to hours.

Further objectives and advantages of this invention will become apparent as the following description proceeds and the particular features of novelty which characterize this invention will be pointed out in the claims annexed to and forming a part of this declaration.

[B] Brief description of the several views of the drawings

For a better understanding of this invention, reference should be made to the following detailed description, taken in conjunction with the accompanying drawings, in which:

Fig. 1 is a pictorial flow chart which may be used in carrying out the teachings of this invention for the purposes of electronic sales, distrubution, storage, manipulation, retrieval, playback, and copyright protection of Digital Audio Music; and

Fig. 2 is a pictorial flow chart which may be used in carrying out the teachings of this invention for the purposes of electronic storage, manipulation, retrieval, and playback of Digital Audio Music.

Referring now to Fig. 1, this invention is comprised of the following:

- 10 Hard Disk of the copyright holder
- 20 Control Unit of the copyright holder
  - 20a Control Panel
  - 20b Control Integrated Circuit
  - 20c Sales Random Access Memory Chip
- 30 Telephone Lines/Input Transfer
- 50 Control Unit of the user
  - 50a Control Panel
  - 50b Control Integrated Circuit
  - 50c Incoming Random Access Memory Chip
  - 50d Play Back Random Access Memory Chip
- 60 Hard Disk of the user
- 70 Video Display Unit
- 80 Stereo Speakers

The Hard Disk 10 of the agent authorized to electronically sell and distribute the copyrighted Digital Audio Music is the originating source of music in the configuration as outlined in Fig. 1. The Control Unit 20 of the authorized agent is the means by which the electronic transfer of the Digital Audio Music from the agent's Hard Disk 10 via the Telephone Lines 30 to the user's Control Unit 50 is possible. The user's Control Unit would be comprised of a Control Panel 50a, a Control Integrated Circuit 50b, an Incoming Random Access Memory Chip 50c, and a Play Back Random Access Memory Chip 50d. Similarly, the authorized agent's Control Unit 20 would have a control panel and control integrated circuit similar to that of the user's Control Unit 50. The authorized agent's Control Unit 20, however, would only require the Sales Random Access Memory Chip 20c. The other components in Fig. 1 include a Hard Disk 60, a Video Display Unit 70, and a set of Stereo Speakers 80.

Referring now to Fig. 2, with the exception of a substitution of a Compact Disc Player 40 (as the initial source of Digital Audio Music) for the agent's Hard Disk 10, the agent's Control Unit 20, and the Telephone Lines 30 in Fig. 1, Fig. 2 is the same as Fig. 1.

In Fig. 1 and Fig. 2 the following components are already commercially available: the agent's Hard Disk 10, the Telephone Lines 30, the Compact Disc Player 40, the user's Hard Disk 60, the Video Display Unit 70, and the Stereo Speakers 80. The Control Units 20 and 50, however, would be designed specifically to meet the teachings of this invention. The design of the control units would incorporate the following functional features:

1) the Control Panels 20a and 50a would be designed to permit the agent and user to program the respective Control Integrated Circuits 20b and 50b,

2) the Control Integrated Circuits 20b and 50b would be designed to control and execute the respective commands of the agent and user and regulate the electronic transfer of Digital Audio Music throughout the system, additionally, the sales Control Integrated Circuit 20b could electronically code the Digital Audio Music in a configuration which would prevent unauthorized reproductions of the copyrighted material,

3) the Sales Random Access Memory Chip 20c would be designed to temporarily store user purchased Digital Audio Music for subsequent electronic transfer via telephone lines to the user's Control Unit 50,

4) the Incoming Random Access Memory Chip 50c would be designed to temporarily store Digital Audio Music for subsequent electronic storage to the user's Hard Disk 60,

5) the Play Back Random Access Memory Chip 50d would be designed to temporarily store Digital Audio Music for sequential playback.

The foregoing description of the Control Units 20 and 50 is intended as an example only and thereby is not restrictive with respect to the exact number of components and/or its actual design.

~~[E] Detailed description~~

Once the Digital Audio Music has been electronically stored onto the user's Hard Disk 60, having the potential to store literally thousands of songs, the user is free to perform the many functions of this invention. To play a stored song, the user types in the appropriate commands on the Control Panel 50a, and those commands are relayed to the Control Integrated Circuit 50b which retrieves the selected song from the Hard Disk 60. When a song is retrieved from the Hard Disk 60 only a replica of the permanently stored song is retrieved. The permanently stored song remains intact on the Hard Disk 60, thus allowing repeated playback. The Control Integrated Circuit 50b stores the replica onto the Play Back Random Access Memory Chip 50d at a high transfer rate. The Control Integrated Circuit 50b then sends the electronic output to the Stereo Speakers 80 at a controlled rate using the Play Back Random Access Memory Chip 50d as a temporary staging point for the Digital Audio Music.

Unique to this invention is that the Control Unit 50 also serves as the user's personal disk jocky. The user may request specific songs to be electronically cued for playback, or may request the Control Unit 50 to randomly select songs based on the user's criteria. All of these commands are electronically stored in random access memory enabling the control unit to remember prior commands while simultaneously performing other tasks requested by the user and, at the same time, continuing to play songs previously cued.

Offering a convenient visual display of the user's libaray of songs is but one more new and improved aspect of this invention. As the Control Unit 50 is executing the user's commands to electronically sort, select, randomly play, etc., the Video Display Screen 70 is continually providing feedback to the user. The Video Display Screen 70 can list/scroll all songs stored on the Hard Disk 60, list/scroll all cued songs, display the current command function selected by the user, etc. Further expanding upon the improvements this invention has to offer, the Video Display Screen 70 can display the lyrics of the song being played, as well as the name of the song, album, artist, recording company, date of recording, duration of song, etc. This is possible if the lyrics and other incidental information are electronically stored to the Hard Disk 60 with the Digital Audio Music.

In summary, there has been disclosed a new and improved ~~methodology~~ method/system by which Digital Audio Music can be electronically sold, distributed, transfered, and stored. Further, there has been disclosed a new and improved ~~methodology~~ method/system by which Digital Audio Music can be electronically manipulated, i.e., sorted, cued, and selected for playback. Further still, there has been disclosed a new and improved ~~methodology~~ method/system by which the electronic manipulation of Digital Audio Music can be visually displayed for the convenience of the user. Additionally, there has been disclosed a new and improved ~~methodology~~ method/system by which electronic copyright protection of quality Digital Audio Music is possible through use of this invention.

~~[F] Claims~~

Since numerous changes may be made in the above described process and apparatus and different embodiments of the invention may be made without departing from the spirit thereof, it is intended that all matter contained in the foregoing description or shown in the accompanying drawings shall be interpreted as illustrative, and not in a limiting sense. Further, it is intended that this invention is not to be limited to Digital Audio Music and can include Digital Video, Digital Commercials, and other applications of digital information.

Claims

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

23973 7590 05/22/2008

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EXAMINER	
ART UNIT	PAPER NUMBER

DATE MAILED: 05/22/2008

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

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MAY 22 2008

CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. : 90007407
PATENT NO. : 5966440
ART UNIT : 3900

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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APPLICATION NO./ CONTROL NO.	FILING DATE	FIRST NAMED INVENTOR / PATENT IN REEXAMINATION	ATTORNEY DOCKET NO.
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EXAMINER
MARK REINHART

ART UNIT	PAPER
3992	20080522

DATE MAILED:

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Commissioner for Patents

Attached is a copy of the Examiner's Answer mailed 24 April 2008 with a correction to the signature page since one of the signatures was missing.

MARK J. REINHART
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CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. *90/007,407*.

PATENT NO. *5966440*.

ART UNIT *3992*.

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PTOL-465 (Rev.07-04)

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BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Application Number: 90/007,407
Filing Date: January 31, 2005
Appellant(s): 5966440

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 '440 patent.

U.S. Patent No.	Reexamination Proceeding	Relationship To Subject U.S. Patent
5,191,573	90/007,402	Great Grand-Parent
5,675,734	90/007,403	Continuation of same Parent

(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.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

4,789,863	Bush	12-1988
5,132,992	Yurt	7-1992
5,241,428	Goldwasser	8-1993

"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.soragereview.com/guideImages/z_ibm_sorageevolution.gif" on September 19, 2006.

(9) Grounds of Rejection

Summary

U.S. Patent No. 5,966,440 is presently under reexamination in this proceeding. The claims of said patent are generally directed to downloading audio and video content via a "telecommunication line," where a district court, consistent with the appellant's arguments in that proceeding, held that the term "telecommunications line" may include the Internet.[1] 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.

[1] 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 '440 patent and the earlier filed applications are related as follows. The '440 patent under reexamination issued from U.S. Application No. 08/471,964 (hereinafter the "Child" application), which was filed on June 6, 1995. The parent application to the Child Application is U.S. Application No. 08/023,398, filed on February 26, 1993 (hereinafter the "Parent" application). The grandparent application to Child Application is U.S. Application No. 07/586,391 (hereinafter the "Grandparent" application), filed September 18, 1990. Finally, the great-grandparent application to the Child Application is U.S. Application No. 07/206,497, filed June 13, 1988 (hereinafter the "Great-Grandparent" application). The Parent, Grandparent, and Great-Grandparent applications are collectively referred to as the parent applications.

Basic Statement of the Issues Regarding Entitlement to the Benefit of a Filing Date of an Earlier Application

The Grandparent, Parent, and Child applications are alleged to be related to their respective parent applications as "continuation" applications (i.e., each child application did not, on filing, contain disclosure of any subject matter not present in its respective, parent application, and the claims of each child application, on filing, were fully supported by the disclosure of the child application, see MPEP § 201.06(c).III).[2] However, the specifications of these applications 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 '440 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 any of the originally filed, parent applications, as, for example a reference dated later than the filing date of any of the parent applications 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 Patent Owner and the examiner regarding such claims to the benefit of filing date in any of the parent applications, as originally filed.

[2] 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).

For the reasons to be discussed below, the effective filing date of the '440 patent under reexamination, which issued from the Child application, is June 6, 1995 (at the earliest), which is the actual filing date of the Child application.

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 originally filed specification must support the invention claimed in the later application. See 35 U.S.C. 120.

The Original Claims of the Child Patent Under Reexamination Are Not Entitled to Benefit of Filing Date of the Parent Applications, as Originally Filed, Under 35 U.S.C. 120 Because the Written Description of the Parent, Grandparent, and Great Grandparent Applications, as Originally Filed, Fail 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 by a series of amendments is not found in the Great-grandparent application, as originally filed (see attachment "A"), nor for that matter the Grandparent and Parent applications as originally filed.

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.

Step 1: Great-Grandparent Fails to Provide Benefit of Filing Date to Grandparent

A review of the prosecution history reveals that a significant amount of new text (directed to various features) added in a series of amendments to both the Great-grandparent and Grandparent applications is not found in the Great-grandparent application as originally filed (attachment "A"). Consider the following Table I:

Table I. New Matter Chart

	Great-grandparent Appln. 07/206,497, filed 6/13/88 (Abandoned)		Grandparent Appln. 07/586,391, filed 9/18/90 (5,191,573)	
Feature	Date First Appearing in **Claims** of Great-grandparent Appln.	Date First Appearing in **Spec.** of Great-grandparent Appln.	Date First Appearing in **Claims** of Grandparent Appln.	Date First Appearing in **Spec.** of Grandparent Appln.
Hard Disk/Control Unit of Seller/User Electronic sales and distribution of the music	Filing Date of the **Original** Application – 6/13/88	Filing Date of the **Original** Application – 6/13/88		Filing Date of the Grandparent Application – 9/18/90
Broad Statement at end of spec. regarding Video Applicability, Note *		Filing Date of the **Original** Application – 6/13/88		Filing Date of the Grandparent 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 Grandparent Application – 9/18/90	12/11/91
Providing a Credit Card Number	12/22/88		Filing Date of the Grandparent Application – 9/18/90	
Controlling Use of First/Second Memory	12/22/88		Filing Date of the Grandparent Application – 9/18/90	12/11/91
Transmitting to a Location Determined by Second Party	2/28/90		Filing Date of the Grandparent Application – 9/18/90	12/11/91
Specific Video Download Procedures	2/28/90		Filing Date of the Grandparent Application – 9/18/90	12/11/91 Note **
First Party in Possession of Transmitter	8/24/90, but not entered		Filing Date of the Grandparent 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 Grandparent Application – 9/18/90	12/11/91

Key: Clear row means original matter present in the original Great-grandparent application. Shaded row means new matter introduced by amendment into both the Great-grandparent and Grandparent applications subsequent to the date of the original Great-grandparent 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 Great-grandparent and Grandparent 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. **Great-grandparent 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. Grandparent 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 Grandparent 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 Great-grandparent 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.

Missing Descriptive Matter (Table I) Not Inherent To Great-Grandparent and Grandparent

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 Grandparent 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 Great-grandparent and Grandparent 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 Great-grandparent application from which the '440 patent issued, much less in regard to the specification as originally filed in the Grandparent 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.

Missing Descriptive Matter (Describing Video Download Features) Not Inherent To Great-Grandparent and Grandparent

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...."[3] 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.[4] 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 90/007,402 and 90/007,403 reexaminations.[5] 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

[3] 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.
[4] See the amendments of February 28, 1990, December 11, 1991, and June 25, 1992.
[5] 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.

typical video signal. In the mid 1980(s), at the time of the filing date of the original Great-grandparent specification, only compact audio disk players were routinely available.[6] 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.[7] 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[8], 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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[6] 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, 2nd Edition," by Ken C. Pohlmann, retrieved from http://www.oneoffcd.com/info/hisotrycd.cfm on September 19, 2006.

[7] 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, 2nd Edition," by Ken C. Pohlmann, retrieved from http://www.oneoffcd.com/info/hisotrycd.cfm on September 19, 2006.

1988.[9] 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.[10] 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.[11] Thus, undisclosed devices

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[8] See "IBM HDD Evolution" chart, by Ed Grochowski at Almaden, retrieved from http://www.soragereview.com/guideImages/z_ibm_sorageevolution.gif" on September 19, 2006.
[9] 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.
[10] IBM HDD Evolution chart, *supra*.
[11] 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.

Step II: Great-Grandparent Fails to Provide Benefit of Filing Date to Parent and Child

The prosecution history of the Parent application also provides additional reasons why the Great-grandparent application, as originally filed, fails to provide written description support for the invention claimed in the Child application. Specifically, a significant amount of new text was also added by amendment to the specification and claims of the Parent application that is also new matter to the Great-grandparent application and that cuts off priority from the Child application to the Great-grandparent application.

Consider for example the amendment of January 3, 1994 in the Parent application, where a very large amount of the new text was introduced into the specification and claims directed to specific video download, processing, and display procedures. This new text is directed to subject matter claimed in the Child application (e.g., see claim 1 in the instant proceeding). This new text however is not found in original specification of the Great-grandparent application. Although the Great-grandparent specification, as originally filed, contains 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....", this is a broad, one-sentence, generic

statement.[12] Thus, much of the new text added by the amendment of January 3, 1994 is in the nature of additional, narrowing video limitations and elements undisclosed by a generic video statement in the Great-grandparent application, as originally filed, and thus these additional specific video limitations must be shown to be required or necessarily present in the original disclosure, as required by case law and as discussed above.

In the instant case, it is clear that the many explicit and specific video limitations added by the amendment of January 3, 1994 are not required by nor necessarily present the generic video disclosure at end of the written description of the Great-grandparent application, as originally filed. For additional details, see the discussion above regarding similar explicit and specific video limitations added to the Grandparent application.

For the reasons discussed above, the Great-grandparent application, as originally filed, fails to provide written description support for the features claimed in all subsequent applications, including the Child application. Thus, the Great-grandparent application, as originally filed, cannot provide the benefit of its filing date to these applications. Thus, the effective filing date (priority) of the instant '440 patent under reexamination, which issued from the Child application, is September 18, 1990 (at the earliest), which is the filing date of the Grandparent application.

[12] 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.

For the reasons below however, the priority chain for the Child application is also broken at a later date.

Step 3: Grandparent Fails to Provide Benefit of Filing Date to Parent and Child

As for disclosure of video downloading features regarding the Grandparent specification, as originally filed, it contains the same general statement at the end of the specification (as discussed above), plus an independent claim that recites "transmitting a desired digital, a video or audio music signal," an abstract briefly mentioning that video signals are stored on a hard disk, and a title stating a "Method for Transmitting a Desired Video or Audio Signal." Thus, the Grandparent application, as originally filed, contains the same type of broad, generic video statements as contained in the Great-grandparent application, as originally filed. Thus for the same reasons as discussed extensively above, the many explicit and specific video limitations added by the amendment of January 3, 1994 in the Parent application and claimed in the Child application are not required by nor necessarily present the generic video disclosure at end of the written description of the Grandparent application, as originally filed.

It should be noted that the Patent Owner also failed to provide support in the Grandparent applications, as originally filed, for all of the new text in the amendment of January 3, 1994 in the Parent application. Patent Owner 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.

Thus, the Grandparent application, as originally filed, fails to provide written description support for the features claimed in all subsequent applications, including the Child application. Thus, the Grandparent application, as originally filed, cannot provide the benefit of its filing date to these applications. Thus, the effective filing date (priority) of the instant '440 patent under reexamination, which issued from the Child application, is February 26, 1993 (at the earliest), which is the filing date of the Parent application.

For the reasons below however, the priority chain for the Child application is also broken at a later date.

Step 4: Parent Fails to Provide Benefit of Filing Date to Child

The pattern of gradually adding new text not found in the originally disclosed Great-Grandparent and Grandparent specifications did not end however with the amendment of January 3, 1994 in the Parent application. For example, see the amendment of July 8, 1996 in the Child application, which introduces a very large amount of the new text to the specification and claims that appears to be focused on introducing specific video download, processing, and display procedures that are not found in specifications of the Great-Grandparent, Grandparent, and Parent applications, as originally filed.

Regarding support for the extensive changes to the specification, the Patent Owner stated in the July 8, 1996 amendment that the:

> specification has been amended to be consistent with the changes and additions to the claims. For instance, the addition to page 11 is essentially new Claims 43 and 51 written out in more customary grammatical form with reference to the figures.

The "addition to page 11 of the Child specification" however, is almost five, full pages of new text. Thus, it is not clear how all of this new text is tied to "essentially" new claims 43 and 51. Thus, the support statement provided by the Patent Owner is very broad, and does not specifically point out where in the original disclosure (not the new claims) the added features are found. Patent Owner 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.

Even if the new claims are considered as providing adequate support for the changes to the specification, the Patent Owner still only addresses the issue of support for the approximately 30 new claims in brief, general, and vague language that refers to a few lines in the specification. [13] For example, the referral to the "individual video selection" apparently refers to only one new, video limitation, and not the many, detailed video downloading, processing, and display features added as new text by the Patent Owner and as discussed extensively above is not supported by the specification in the parent applications, as originally filed. Furthermore, the cited section in the original specification refers to the display of category information regarding downloaded audio files, not downloaded video files.

[13] The July 8, 1996 amendment also introduces new text, such as "receiver or second memory is in possession and control the of the second party" that were not found to necessarily required in the written description of the Great-grandparent or Grandparent applications, even in view of the Hair declaration, as discussed above. See also the "Benefit of Earlier Filing Date" section in the Final Office action for related reexamination 90/007,402 (regarding the parent U.S. patent 5,191,573, which issued from the Grandparent application), where this section is hereby incorporated into this Office action in its entirety.

The extensive new text in the Child application is new matter because the new text was unsupported by the Patent Owner, as discussed above, and because the new text, using the same type of reasoning discussed extensively above, is clearly not required by the written description in the Parent application, as originally filed, nor for that matter the written descriptions in the Grand-parent and Great-Grandparent applications, as originally filed.

Thus, the Parent application, as originally filed, fails to provide written description support for the features claimed in the Child application. Thus, the Parent application, as originally filed, cannot provide the benefit of its filing date to the Child application. Thus, the effective filing date (priority) of the instant '440 patent under reexamination, which issued from the Child application, is June 6, 1995 (at the earliest), which is the filing date of the Child application.

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, 4, 6-8, 11-16, 19-21, 23, 24, 29-36, 39, 40, 42, 45, 47-61, and 80-129 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 '440 patent under reexamination claims benefit under 35 U.S.C. 120 to the earlier filing dates of the Parent, Grandparent, and Great-Grandparent applications.

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 applications were filed, had possession of the claimed invention.

> 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 Patent Owner, on pages 34 and 35 of the Amendment, states that the new claims mirror the original claims in the '440 patent, where alleged support for the original claims in the '440 patent are provided on pages 49-56 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, Great-Grandparent application (nor the other parent applications), 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 "Benefit of Earlier Filing Date Regarding the Original Claims" section 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, 11, 12, 23, 29, 36, 42, 47, and 58. 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 Great-Grandparent 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 21 of the Amendment, the Patent Owner points to page 4, lines 35 to 49 of the originally filed, Great-Grandparent specification (attachment "A") has teaching a "hard disk for storing digital audio or digital video signals." The originally filed specification in the Great-Grandparent application, including the section cited to by the Patent Owner above, only discloses one embodiment, where a hard disk 60 stores electronic audio music.[14] Thus, the originally filed, Great-Grandparent 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

[14] The originally filed specification in the Great-Grandparent application, including the section cited to by the Patent

described in the parent case and would be new matter if introduced into the parent case. It is thus equally 'new mater'...." Ex Parte Johnson, 558 F.2d 1008, 1014 (CCPA 1977). Here, the originally filed, Great-Grandparent 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 1, 4, 6-8, 11-16, 19-21, 23, 24, 29-36, 40, 42, 45, 47-61, and 80-129 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.

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 the original Great-Grandparent 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).

Owner above, also fails to teach that the hard disk stored video data despite assertions by the Patent Owner.

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 Great-Grandparent 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.[15]

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

[15] 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 information to the user regarding downloaded audio content, and not directed to the actual download of video content.

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 Great-Grandparent application was June 13, 1988. In the mid 1980(s) however, only compact audio disks players were just becoming popular.[16] 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.[17] 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

[16] 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, 2nd Edition," by Ken C. Pohlmann, retrieved from http://www.oneoffcd.com/info/hisotrycd.cfm on September 19, 2006.

[17] 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, 2nd Edition," by Ken C. Pohlmann, retrieved from http://www.oneoffcd.com/info/hisotrycd.cfm on September 19, 2006.

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[18], 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.[19] Thus, it is not clear how a 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.

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.[20] 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.

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[18] See "IBM HDD Evolution" chart, by Ed Grochowski at Almaden, retrieved from http://www.soragereview.com/guideImages/z_ibm_sorageevolution.gif" on September 19, 2006.
[19] 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.
[20] IBM HDD Evolution chart, *supra*.

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, such as the Internet, 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.[21]

Thus, based on the evidence regarding each of the above factors, the specification, at the time the Great-Grandparent 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.

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

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 10, 18, and 25-28 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Patent Owner regards as the invention. Claims 10 and 18 lack antecedent basis in its entirety because the claims depend from claim 9 and 17 respectively, where claims 9 and 17 were cancelled in the Amendment (filed November 29, 2006).

[21] History of MPEG, *supra*.

Claim Rejections Based on Yurt

Claim Rejections - 35 USC § 103

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

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

Claims 1, 11-13, 23, 24, 29-31, 36, 42, 47-49, 58, 80, 87-89, 98, 99, 104-106, 111, 114, 116, 117, and 126 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,132,992 ("Yurt"), of record.

The publication date of the Yurt patent is July 21, 1992. The earliest priority date of the '440 patent under reexamination however is June 65, 1995, as discussed extensively above in the "Benefit of Earlier Filing Date" section. Thus, Yurt is available as both 102(b) and 102(e) type prior art.

Regarding **claim 1:**

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals;

Yurt teaches that a second party (user) connects electronically via an IDSN line (or the like) (telecommunications line), such that a desired audio/video signal passes between a first and

second memory. Specifically, Yurt teaches video/audio signals are stored on a first memory of a first party (library provider) (Fig. 2a, source material library, pre-compression data processing storages 130 and 131, compressed data formatting storage, and compressed data libraries) and transmitted to a remote, second memory for storage (Fig. 6, reception system 200 storage 203). The reception system is associated with a second party, namely the customer or "user" (Figs. 1d, 1e, 1f, 1g, and col. 5, ll. 10-33). Yurt teaches that a reception system 200 associated with the user or customer supports a terminal interface based on a personal computer (Fig. 6 and col. 14, l. 64 – col. 15, l. 21), where a personal computer includes a control unit (e.g., CPU) and control panel (e.g., keyboard). Yurt also teaches of control unit and control panel in the form of a telephonic interface (e.g., telephone and keypad) (co. 13, ll. 61 – 68).

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory; and

The second party (customer) is informed regarding the price of the audio or video selection (Fig. 3, step 3070 and col. 14, ll. 23-28), after which the audio/video download (transmission) occurs. When the download successfully completes, a "billing program...updates the account of the user" (Fig. 5, step 5090 and col. 17, ll. 9-11). Thus, money is transferred form the second party (user) to the first party (library provider). Both the digital signal and money are transferred via an ISDN (or the like) telecommunications line (Fig. 1a, col. 16, ll. 4-15 and ll. 53-68), which also separates the second party (user) from the remote first party (library provider). Thus, money is transferred electronically to the first party (library provider) from the

second party (customer) via a telecommunications line (ISDN or the like) to the second party in order to download the video/audio signals (i.e., selling electronically the desired digital video or digital audio signals through the telecommunications line).

> **transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; storing the desired digital video or digital audio signals in a non-volatile storage portion the second memory; and playing through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit.**

Regarding "second memory is in possession and control of the second party", the second party (user) also controls the use and also possesses the second memory (storage 203), such as by the ability to determine what contents are stored in the second memory and what audio/video is played back from the second memory (col. 5, ll. 10-33 and col. 17, ll. 35-53). Regarding "playing through speakers of the second party control unit the digital video or digital audio signals in the second memory", Yurt teaches playing back the video and audio over a television (col. 18, ll. 36-37). A television inherently includes a speaker.

Although Yurt teaches that the second memory (storage 203) stores the desired digital video or audio signals transferred from the library control computer 1123 (comprising a sales random access memory chip, as discussed above) via a telecommunications link (Fig. 1a, col. 17,

ll. 35-53, col. 18, ll. 19-21, and col. 19, ll. 30-36). Yurt however fails to teach that the storage is a "non-volatile storage" that "is not a tape or CD."

Yurt however teaches that another video and audio storage device, specifically the library system control computer 1123, comprising the compressed data library 118 (Fig. 2b), uses a hard disk (i.e., a non-volatile storage that is not a tape or CD) (col. 6, ll. 19-22 and col. 12, ll. 42-47).

Yurt also teaches that adding a hard disk (a non-volatile storage that is not a tape or CD) to a video and audio storage device would have increased the speed and reliability of video and audio access (col. 12, ll. 42-47).

Thus 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 (a non-volatile storage that is not a tape or CD) as taught by the audio/video storage device of Yurt to the storage 203 (second memory) in Yurt, which is also a video and audio storage device.

The remaining limitations recited functions that have been clearly addressed above regarding the teachings of Yurt.

Claim 11 differs substantively from claim 1 in that claim 11 recites the following additional limitations directed to the second party control unit "in possession and control of the second party by the second party at a desired location determined by the second party." The

second party (user) controls the use and also possesses the second party control unit (reception system 200 and its associated personal computer, as discussed in the claim 1 rejection above), such as by the ability to enter commands into the personal computer to specify what contents are downloaded and stored, and what audio/video is played back (col. 5, ll. 10-33 and col. 17, ll. 35-53). The second party (user) determines the location to which the audio/video data is transmitted, such as the user calling from work and having the "movie sent to their house to be played back after dinner or at any later time of their choosing" (col. 5, ll. 18-21).

Claim 11 also recites limitations directed to entering commands into the second party control panel to purchase the desired digital signals and to play the purchased signals. Commands are entered into the control panel associated with the personal computer interface or telephonic interface, as discussed in the claim 1 rejection above. Yurt teaches that a reception system 200 associated with the user or customer supports a terminal interface based on a personal computer (Fig. 6 and col. 14, l. 64 – col. 15, l. 21), where a personal computer includes a control unit and control panel (e.g., keyboard). Yurt also teaches of control unit and control panel in the form of a telephonic interface (e.g., telephone and keypad) (co. 13, ll. 61 – 68). The user enters commands through the control unit in order to purchase and download the desired digital video and audio files (Fig. 3) and playing back the purchased files (col. 17, ll. 35-43).

Claims 12 and 23 do not substantively differ from claims 1 and 11 above. Therefore, see the claims 1 and 11 rejections for additional details.

Claim 29 differs substantively from claims 1 and 11 above in that claim 29 recites the limitation "said first party controlling use of the first memory." The first memory is in control and possession of the first party, such as when the first party (library provider) determines what contents are stored in the first memory (col. 6, ll. 8-54) and thus the type of content that will transmitted.

Claim 36 differs substantively from claims addressed above in that claim 36 recites the limitation "the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location." The second party (customer) is informed regarding the price of the audio or video selection (Fig. 3, step 3070 and col. 14, ll. 23-28), after which the audio/video download (transmission) occurs. When the download successfully completes, a "billing program...updates the account of the user" (Fig. 5, step 5090 and col. 17, ll. 9-11). Thus, money is transferred form the second party (user) to the first party (library provider). Both the digital signal and money are transferred via an ISDN (or the like) telecommunications line (Fig. 1a, col. 16, ll. 4-15 and ll. 53-68), which also separates the second party (user) from the remote first party (library provider). Thus, money is transferred electronically to the first party (library provider) from the second party (customer) via a telecommunications line (ISDN or the like) to a location from the second party.

Claim 42 does not substantively differ from claims 1, 11, and 36 above. Therefore, see these claims rejections for additional details.

Claim 47 differs substantively from claims 1 and 11 in that claim 47 recites the limitations "second party control unit having a...receiver and a video display for playing the desired digital video signals received by the receiver." A "receiver" reads on the reception system 200 (Fig. 6) (receiver) that includes receiver circuitry (e.g., the transceiver 201). A "video display" reads on the television display (col. 18, ll. 36-37). See the claim 1 rejection for additional details.

Claim 58 does not substantively differ from claim 47 above. Therefore, see the claim 11 rejection for additional details.

Claims 80, 87, 88, 98, 104, 111, 114, 116, and 126 differ substantively from claims 1, 11, 12, 23, 29, 36, 42, 47, and 58 respectively in that the subject claims recite a "hard disk" instead of a "non-volatile storage" that "is not a tape or CD" as in claim 1. A hard disk however is a non-volatile storage that is not a tape or CD. See the claim 1 rejection for the obvious addition of a hard disk.

Regarding **claim 13**, Yurt teaches that the library system control computer 1123 (control unit) executes a "queue manager program" (col. 15, ll. 33-37). The "queue manager program" temporarily stores a replica of the digital video or audio signals for subsequent transfer via the telecommunications line (Fig. 2b, col. 15, ll. 33-54 and col. 16, ll. 29-52). Thus, the computer is a digital computer. A digital computer inherently includes a random access memory associated

with readable/writable register content, system cache, etc. The digital computer also includes a "chip', whether the random access memory in the computer is entirely implemented on a single processing unit (e.g., CPU) or whether implemented in a discrete component. Thus, the queue manager program requires a "random access memory chip."

The library system control computer 1123, comprising a random access memory chip, that executes the queue manager (as discussed above), also supports a sale, such as controlling the transfer of user (customer) requested audio and video content from the compressed data library 118 to the transmission format conversion CPU(s) (Fig. 2b, 5, and 7, col. 11, ll. 54-65, and col. 12, ll. 21-27). For example, when the download successfully completes, a "billing program...updates the account of the user" (Fig. 5, step 5090 and col. 17, ll. 9-11). Thus, money is transferred form the second party (user) to the first party (library provider) and a "sale" occurs. Thus, the random access memory chip associated with the library control computer 1123 is a "sales" chip and furthermore supports a "means for electronically selling."

Regarding **claim 24**, regarding a first control unit in possession of the first party, Yurt teaches of a library system control computer 1123 (first party control unit) comprising a hard disk (compressed data library 118) storing a plurality of digital video or audio signals (Fig. 2b and col. 6, ll. 19-22 and col. 12, ll. 42-47). This control unit is clearly in the possession and control of the first party (library provider), such as when the first party (library provider) determines what contents are stored in the library, which is under control of the control unit (col. 6, ll. 8-54). Regarding the second control unit, see the claim 11 rejection.

Regarding **claim 30**, see the claims 1 and 36 rejections for additional details.

Regarding **claims 31, 48, and 49**, see the claims 24, 1, and 13 rejections respectively for additional details.

Regarding **claims 89, 99, 105, 106, and 117** see the claims 13, 24, 30, 31, and 49 rejections respectively for additional details.

Claims 4, 6-8 and 81-84 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yurt, as applied to the claims above, and further in view of U.S. Patent No. 4,789,863 ("Bush"), of record.

Regarding **claim 4**, Yurt teaches of telephoning the first party controlling use of the first memory (library provider) (Fig. 3 and col. 13, l. 61 – col. 14, l. 13) and transferring money (as discussed above in the claim 1 rejection). Yurt however fails to teach providing a credit card number of the second party.

Bush teaches (similarly to Yurt) 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 music download system of Bush to the music download of Yurt, which teaches that the user pays for the download.

Regarding **claim 5**, Yurt clearly teaches storing the video and audio signals (col. 17, ll. 35-53 and col. 18, ll. 14-26)

Regarding **claim 6**, see the claim 66 rejection above for additional details.

Regarding **claim 7**, see the claim 13 rejection for additional details.

Regarding **claim 8**, Yurt teaches that a reception system 200 associated with the user or customer supports a terminal interface based on a personal computer (Fig. 6 and col. 14, l. 64 – col. 15, l. 21), where a personal computer includes a control unit (e.g., CPU) and control panel

(e.g., keyboard). Yurt also teaches of control unit and control panel in the form of a telephonic interface (e.g., telephone and keypad) (co. 13, ll. 61 – 68). Yurt clearly teaches that the purchase occurs before the download.

Regarding **claims 81-84**, see the claims 4, 6-8, and 24 rejections respectively for additional details.

Claims 14-16, 19, 20, 32-35, 50-56, 59, 60, 85, 86, 90-96, 100-103, 107-110, 118-124, 127, and 128 are rejected under 35 U.S.C. 103(a) as being anticipated by Yurt in view of Bush (where Bush was applied to the parent claims) as applied above, and further in view of U.S. Patent No. 5,241,428 ("Goldwasser"), newly cited.

Regarding **claim 14**,

> **A system as described in claim 13 wherein the second party control unit includes a playback random access memory chip electronically connected to the non-volatile storage portion for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.**

Although Yurt teaches of a storage 203 (second memory), Yurt fails to specifically teaches of a "playback random access memory chip" that temporarily stores a replica of the received digital video or audio signals for playback. Yurt however teaches that second party, when entering playback commands, has "random access" to video and audio signals stored in the reception system 200 (second party control unit), such as by entering forward and rewinding commands (col. 17, ll. 35-43).

Similarly to Yurt as discussed above, Goldwasser teaches of a device for recording video and audio signals onto a hard disk and playing back those signals (abstract and col. 3, ll. 6-13), where the user, when entering playback commands, has random access to the video and audio signals stored in the device, such as by entering play, forward, and rewind commands (col. 1, ll. 62-68). Furthermore, the Goldwasser device implements said random access, playback feature by using a record and playback buffer random access memory ("RAM") electronically connected to video and audio input for temporarily storing the downloaded, received signal in order to support a simultaneous record and playback feature (abstract, Fig. 3, RAM 53, col. 3, ll. 14-20, and col. 7, ll. 59-68). Goldwasser also teaches that the playback buffer RAM is in the form of discrete electronic components interconnected by control and data buses, thus the playback RAM can properly be interpreted as part of a "chip" (i.e., a playback RAM chip). Thus, Goldwasser teaches of a recording and playback RAM chip electrically connected to a hard disk for buffering during recording for later or simultaneous playback, i.e., temporarily storing the video and audio signal downloaded from the remote, sales random access memory chip .

The suggestion/motivation for adding the playback RAM chip as taught by Goldwasser would have been to increase the convenience, flexibility, and efficiency of the video and audio recording/playback device (with rewind capability) of Yurt. Specifically, the addition of Goldwasser would have allowed "one to view material as it is being recorded," which avoids "many inconveniences" (Goldwasser, col. 1, ll. 30-33). For example, consider the following specific advantages:

> For example, often one will anticipate arriving home at a particular hour, sometime after the commencement of a particular broadcast program one desires to watch. One must therefore set one's VCR to commence recording at the beginning of the program. If one then arrives a few minutes after the beginning of the program, one can watch the end of the program in real time, but cannot see its beginning [i.e., rewind and playback] until after the entire program has been recorded.
>
> Similarly, often one will be watching a particular program when one must temporarily cease watching it, for example, to take a telephone call or the like. It would obviously be convenient to be able to record the program from that point forward, complete the telephone call, and simply watch [i.e., playback] the remainder delayed by the length of time of the interruption. However, no devices are now available which permit this facility. It also is not possible to employ two separate videocassette recorders to overcome these inconveniences.

Goldwasser, col. 1, ll. 34-52.

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to add the playback RAM chip electrically connected to a hard disk for buffering (and thus temporarily storing the video and audio signal downloaded from the remote, sales random access memory chip) as taught by Goldwasser (directed to a device for recording and playing back audio and video stored on a hard disk, where the user enters random access commands during playback, such as rewind and play) to Yurt (also directed to a device for recording and playing back audio and video stored on a hard disk, where the user enters random access commands during playback, such as rewind and play).

Regarding **claim 15**, regarding the first party integrated circuit, Yurt teaches a first control circuit (control computer 1123), where the control computer 1123 is a digital computer. A digital computer inherently includes a random access memory associated with

readable/writable register content, system cache, etc., which in turn requires integrated circuits. Regarding the second party integrated circuit, Yurt teaches of a second control circuit (user's personal computer), where a personal computer includes integrated circuits. Yurt also teaches that the integrated circuits associated with the control units (control computer 1123 and the user personal computer) regulates transfer of the desired signals (Figs. 2b, 3, 5, 6, and 7). See the claims 1 and 11 rejections for additional details. The claimed "first control panel" reads on library access interface 121, which includes operator computer terminals (Fig. 2b and col. 14, ll. 52-63).

Regarding **claim 16**, see the claims 11, 14 and 15 rejections above for additional details.

Regarding **claim 19**, see the claim 36 rejection above for additional details.

Regarding **claim 20**, see Fig. 5, step 5090.

Regarding **claim 32**, see the claims 14 and 15 rejections above. The sales random access memory chip added above also supports input buffering of the downloaded video and audio signal, as discussed extensively above (Goldwasser, Fig. 3, RAM 53). Thus, the triple buffer (playback random access memory) both plays back and stores data onto the hard disk, and thus can be considered both a "playback random access memory" and an "incoming random access memory." See also the claim 85 rejection below.

Regarding **claim 33**, the "telecommunications lines include telephone lines" clearly reads on Yurt, for example, ISDN lines are voice grade telephone lines.

Regarding **claim 34**, Yurt fails to teach that the storage 203 (second memory) includes a "hard disk."

Yurt however teaches that another video and audio storage device, specifically the library system control computer 1123, comprising the compressed data library 118 (Fig. 2b) and the first memory (as discussed above), uses a hard disk (col. 6, ll. 19-22 and col. 12, ll. 42-47). Thus, Yurt teaches that the first memory comprises a first hard disk.

Yurt also teaches that adding a hard disk to a video and audio storage device would have increased the speed and reliability of video and audio access (col. 12, ll. 42-47).

Thus 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 the audio/video storage device of Yurt to the storage 203 (second memory) of Yurt, which is also a video and audio storage device.

Regarding **claim 35**, Yurt teaches playing back the video and audio over a television (col. 18, ll. 36-37). A television inherently includes a speaker. The television is clearly in control and possession of the second party (user). See also the claims 1, 11, and 47 rejections above for additional details.

Regarding **claim 50 and 53**, see the claims 14 and 32 rejection for additional details.

Regarding **claims 51 and 52**, see the claims 15 and 16 rejections respectively for additional details.

Regarding **claim 54**, see the claim 18 rejection for additional details.

Regarding **claims 55 and 59**, see the claim 19 rejection for additional details.

Regarding **claims 56 and 60**, see the claim 20 rejection for additional details.

Regarding **claim 85**, see the claims 1 and 14 rejections above for additional details regarding the obvious addition of a second party, hard disk and memory chip. In addition:

> **and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk**

The sales random access memory chip added above also supports input buffering of the downloaded video and audio signal, as discussed extensively above (Goldwasser, Fig. 3, RAM 53).

> **storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals**

from the second party hard disk to the playback random access memory chip for playback.

Yurt teaches of a reception system 200 associated with the user or customer having a control unit and control panel associated with a user terminal interface based on a personal computer (Fig. 6 and col. 14, l. 64 – col. 15, l. 21) and also associated with a telephonic interface (e.g., telephone tone keypad) (co. 13, ll. 61 – 68). As discussed immediately above, a playback random access memory chip (with a triple buffer) was added for temporarily storing a replica of the desired signal for playback from the hard disk.

Regarding **claim 86**, the combination of Yurt in view of Goldwasser as discussed in the claim 85 rejection above supports repeating the commanding, playing, and transferring replica steps.

Regarding **claims 90-92**, see the claims 14-16 rejections above for additional details.

Regarding **claim 93**, see the claims 32 and 85 rejections above for additional details.

Regarding **claims 94-96**, see the claims 47, 19, and 20 rejections respectively for additional details.

Regarding **claims 100-103**, see the claims 25-28 rejections respectively for additional details.

Regarding **claims 107-110,** see the claims 32-35 rejections respectively for additional details.

Regarding **claims 118-124,** see the claims 50-56 rejections respectively for additional details.

Regarding **claims 127 and 128**, see the claims 59 and 60 rejections above for additional details.

Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 and 129 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yurt in view of Goldwasser (where Goldwasser was applied to the parent claims) as applied to the claims above, and further in view of Bush. See the claim 4 rejection for additional details regarding the obvious addition of the teachings from Bush.

Claims 34 and 35 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yurt, as applied to the claims above, and further in view of Goldwasser.

Regarding **claim 34**, see the claim 14 rejection regarding the obvious addition of a second hard disk and claim 27 rejection above.

Regarding **claim 35**, see the claim 28 rejection for additional details.

Double Patenting

The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

Claims 1, 4, 6-8, 10, 11-16, 18-21, 23-36, 39, 40, 42, 45, 47-61, and 80-129 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-34 of U.S. Patent No. 5,675,734. Although the conflicting claims are not identical, they are not patentably distinct from each other because the current claims and claims 1-34 of the '440 patent essentially claim the same invention. For example, current claims 1 and 4 are not patentable distinct from claims 1, 3, 14, and 16 of the '440 patent because claim 1 of the '440 patent includes: forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals. Claim 1 of the '440 patent also includes: transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through

telecommunications lines while the second party control unit with the second memory is in possession and control of the second part. Claims 3 and 14 of the '440 patent include: playing the digital video or digital audio signals through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit. Claims 1 and 16 of the '440 patent include: selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party. Thus, the claims of the '440 patent are essentially the same as claims 1, 4-21, 23-36, 39, 40, 42, and 45-61 of the '440 patent under reexamination.

Claims 1, 4, 6-8, 10, 11-16, 18-21, 23-36, 39, 40, 42, 45, 47-61, and 80-129 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-6 of U.S. Patent No. 5,191,573. Although the conflicting claims are not identical, they are not patentably distinct from each other because claim 1 of the '573 patent recites a method for transmitting a digital audio signals stored on a first memory of a first party to a second memory of a second party. As claimed, the first party is at a location that is remote from the second memory and the second party is distinct from the first party. The method comprises the step of transferring money to the first party from the second party, connecting the first and

second memories electronically, transmitting the digital audio signal from the first memory to the second memory, and storing the digital audio signal in the second memory. Claim 4 of the '573 patent provides a method similar to the above mentioned with respect to digital video signals. The only differences between the claims is the recitation of a "second party control unit", in current claim 1, which would have been obvious to one of ordinary skill in the art at the time the invention was made in light of specification for the '573 patent where the second party is shown to have a control unit ('573, Col. 3, lines 52-56).

(10) Response to Argument

I. Summary

On pages 23-25 of the Brief, the appellant provides a summary. The examiner responds with the following summary.

The claims of the '440 patent are broadly directed to downloading audio and video content via the Internet. For example, claim 1 recites 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" can include the Internet.[22] 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 examined the claims of the '440 patent on the basis of printed publications, such as the intervening Yurt and Goldwasser patents, which were never applied during the original prosecution of the application that issued as the '440 patent. The examiner may use an

[22] 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 publication, such as the Yurt 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 was systematically added in a series of amendments to the Great-grandparent, Grandparent, Parent, and Child applications. That is, although all of these applications were alleged to be related as continuation applications, their specifications are objectively incongruent.

Indeed, the appellant failed to even dispute teachings of the newly applied Yurt and Goldwasser publications, which is also unsurprising, because these publications teach features regarding downloading and storing audio and video that are highly pertinent to the claims of the '440 patent.

Neither did a section 120 issue "necessarily arise." The prosecution history of the '440 patent fails to show that the examiner had reason to consider the propriety of a benefit claim set forth in the '440 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 Yurt. Although the examiner addressed some new matter issues in a single, non-final rejection in a different, earlier Grandparent application, the rejection there only facially raised the issue of new matter in the Grandparent 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 to each of the various parent applications. Furthermore, the gradual addition of new matter to the specification and claims continued well after the Grandparent application up to an including the prosecution of the Child application. Thus, the single instance consideration of new matter in the Grandparent application does not relate back to the specification as originally in the Great-grandparent application, nor account for all the new text added to the other parent applications subsequently. 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 various parent applications as originally filed is speculation.

Furthermore, said new matter rejection only touched upon a **subset** of the new matter issues described in the "Intervening Printed Publications" section (9) above, including those matters described in Table I above. 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 applications would allow the appellant to antedate the intervening Yurt and Goldwasser printed

publications, thereby removing them as references 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 the '440 patent under reexamination, which issued from the Child application, is June 6, 1995 (at the earliest), which is the actual filing date of the Child application. Thus, the intervening Yurt and Goldwasser patents are available as prior art.

II. Prosecution History of the '440 Patent

On pages 25-34 of the Brief, the appellant characterizes the prosecution history of the '440 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 Great-grandparent and Grandparent speak for themselves and are available in the image file wrapper ("IFW") for U.S. Application No. 07/586,391 (Grandparent), which also contains the prosecution history of U.S. Application No. 07/296,497 (Great-grandparent). The prosecution history of the Child is available in IFW for U.S. Application No. 08/471,964. See also the prosecution history for U.S. Application No. 08/607,648, which also contains the prosecution history of U.S. Application No. 08/023,398 (Parent).

III. The Appropriate Date for the Claims of the '440 Patent Is June 6, 1995, At the Earliest

On pages 34 and 35 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 '440 patent...."

Appellant arguments are unpersuasive. As discussed in Section I above, an examiner may use an intervening printed publication, such as the Yurt 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 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, which the appellant has not done in this proceeding.

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 page 36 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 '440 patent were examined on the basis of printed publications, such as the intervening Yurt patent, where the claims were entitled only to the actual filing date of '440 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 '440 patent under reexamination is itself being subjected to a 35 U.S.C. § 112 analysis. Indeed, none of the original 63 patent claims of the '440 patent have been rejected pursuant to section 112. Rather it is the specification(s) of the earlier parent applications that are being analyzed on that basis. For example, the examiner has taken the position that the Great-grandparent, Grandparent, and Parent applications, as originally filed, do not describe certain features recited in the claims of the instant '440 patent under reexamination. The examiner does not argue that the specification, including the claims, of '440 patent under reexamination fail to establish possession of the claimed invention, but rather whether possession of the claimed invention was established before the filing date of the '440 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 '440 Patent

On page 36 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 '440 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 Yurt, were not previously considered during prosecution of application leading to the '440 patent under reexamination, and thus do not raise questions of patentability previously considered by the original examiner.

The appellant then argues on page 36 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 '440 patent

under reexamination. For example, the original examiner relied exclusively upon statutory bar type (i.e., 102(b)) type prior art).

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 various parent applications, as originally filed, in view of an intervening printed publication, the examiner set forth a single instance of a new matter rejection of the claims in the different, earlier Grandparent application, in the absence of an intervening publication. The two lines of analysis are distinct, contrary to appellant attempts 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 the "Intervening Printed Publications" section (9) above and the rejection did not clearly address entitled to the filing date of all the various parent specifications, 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 page 38 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 '440 Patent

On page 37 of the Brief, the appellant asserts that the "office admits the '440 patent in not a continuation-in-part, but then asserts that the '440 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 '440 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 '440 Patent Shares the Characteristics of a Continuation-in-Part in its Relationship to the Various Parent Applications

On pages 38 and 39 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 '440 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, 8th Ed., 1st Revision, February 2003. 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 '440 patent) that seeks the benefit of priority to an earlier filed applications 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 specification and claims in the various parent applications and then to the child application that issued as the '440 patent. Thus, the '440 patent being reexamined and the specification of the various parent applications, as originally filed, do not contain the same disclosure with respect to claim support issues. Thus, the application corresponding to the '440 patent shares the characteristics of a continuation-in-part in its relationship to the originally filed parent applications. 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 in the Grandparent application does not relate back to the specification as originally filed in the Great-grandparent application, nor account for

all the new text added to the other parent applications subsequent to the December 11, 1991 amendment in the Grandparent 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 Great-grandparent application as originally filed, nor account for all the new text added subsequently in the other parent applications (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 39 and 40 of the Brief, 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 '440 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 '440 patent was in entitled to the various priority dates are incorrect. Instead, the examiner set forth a new matter rejection in an earlier 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 the "Intervening Printed Publications" section (9) above and the rejection did not clearly address entitlement to the filing date of all the various parent applications, as originally filed. See section III.B.1 for additional details.

The correction procedures discussed in MPEP § 1402 and 1405 also show 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 Yurt 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 '440 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 '440 Patent

On page 41 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 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 was addressed. For example, the mere lack of a new oath or declaration in the Grandparent 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 applications per 37 CFR 1.552, 35 U.S.C. 120, MPEP § 2258.I.C, and MPEP § 201.11.(B).

On pages 41-44 of the Brief, the appellant argues:

> The foregoing chart shows that substantially all of the alleged new matter issues were dealt with in the '391 Application, which eventually issued as the '440 Patent. Thus, Examiner Nguyen already had considered

> those additions and amendments in the Office Action of February 24, 1992, prior to the filing of the '398 Application. 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. Mr. Schwartz responded to, and overcame, that objection and those rejections in the Response of June 23, 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 the Response by the Applicant, Examiner Nguyen withdrew the objection to the specification and Section 112 rejections of the claims, and thereby determined the claims were allowable.
>
> During prosecution of the '387 Application, the only element incorporated that can be alleged to be "new" is the recitation of an "account."

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. Consequently, the prosecution history fails to show whether the Child application was entitled to the filing date benefit of the various parent applications, as originally filed. Instead, the examiner set forth a single instance of a new matter rejection in absence of any intervening reference in the different, earlier Grandparent application, which is distinct, contrary to appellant attempts to conflate the issues.

Such a new matter rejection in the Grandparent application clearly fails to establish whether the Child application, which issued as the instant '440 patent under reexamination, is entitled to the filing of the earlier Great-grandparent, Grandparent, and Parent applications. As explained in the "Intervening Printed Publications" section (9) above, significant amounts of new text is present in the Child application that is not found in the earlier Great-grandparent, Grandparent, and Parent applications, as originally filed.

Furthermore, the new matter rejection in the earlier Grandparent only needed to establish whether the new matter at issue in the rejection was relative to the Grandparent 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 Great-grandparent application as originally filed, as would have been required in a full priority analysis. Specifically, in the Grandparent application and subsequent to a series of amendments that added substantial new text to both the specification and claims in the Great-grandparent and Grandparent 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 Grandparent application. Thus, it is not clear whether the examiner referred to the Grandparent specification as originally filed or to the Great-grandparent specification as originally filed. Thus, any argument by the appellant that said new matter rejection was based on the specification of the Great-grandparent application, as originally filed, is speculation.

Also unclear is on what basis the new matter rejection was withdrawn, indeed no 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 Great-grandparent 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 Great-grandparent 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 Great-grandparent 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 Great-grandparent specification and thus was not part of the original Great-grandparent specification. Thus, even the applicant arguments regarding the "preliminary" amendment where were not based upon the original Great-grandparent specification. Thus, it is not clear whether the decision to withdraw this rejection was based upon the Great-grandparent 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 Great-grandparent 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 the "Intervening Printed Publication" section (9) above. As a starting point, consider the appellant's list of the new matter issues allegedly addressed by the original examiner on pages 28 and 29 of the Brief. See also page 5 and 6 of the non-final Office action, mailed February 24, 1992 in the Grandparent application. 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 Great-grandparent application, as originally filed. *Italics* means that although the new matter issue was addressed in the Grandparent application, it is not clear whether the new matter issue was also addressed in the regard to the Great-grandparent application, as originally filed.

Table III: Comparison of New Matters Issues Originally Addressed in the Grandparent Application Versus New Matter Issues Addressed in the Instant Reexamination Proceeding

New Matters Issues Addressed in the Grandparent Application (Whether Addressed grandparent Application As Originally Filed Is Unclear)	New Matter Issues Addressed in the Reexamination In Regard to the Great-In Regard to the Great-grandparent, Application As Originally Filed
Transferring Money	*Transferring Money* **from Second Party to a First Party (Charging a Fee)**
Second Party Financially Distinct from the First Party	**Not Addressed**
Receiver in Possession of the Second Party	*Receiver* **and Second Memory** *in Possession of Second Party*
Telephoning	**Not Addressed**
Providing a Credit Card	*Providing a Credit Card Number*
Not Addressed	**Controlling Use of First/Second Memory**
Not Addressed	**Transmitting to a Location Determined by Second Party**
Not Addressed	**Specific Download Procedures**
Not Addressed	**First Party in Possession of Transmitter**

Furthermore, and as discussed in the "Intervening Printed Publication" section (9) above, a significant amount of new matter directed to specific video download, processing, and display procedures was also added by amendment to the specification and claims of the Parent and Child applications subsequent to the single instance of the examiner's new matter rejection in the Grandparent application.

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 45 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 arguments that the new matter addressed in the Grandparent application were in regard to the Great-grandparent application, as originally filed or in regard to the subsequent applications is also speculative, as discussed above.

On page 46 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 Great-grandparent 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 47 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, '398, and '648 Applications were 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 claims under section 120 to all parent applications as originally filed during prosecution of the Child application leading to the '440 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 47-49 of the Brief, the appellant argues that in Patlex v. Quigg, 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."[23] As discussed extensively above, the original examiner did not consider and determine the sufficiency of the specification in the various parent applications, as originally filed, 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), the specification and the claims of the patent being reexamined are substantially different from the specification and claims of the previous parent applications, as originally filed, for which section 120 benefit was claimed. A series of amendments subsequent the filing of the original, Great-grandparent application has added a substantial amount of new text to the specification and claims of the Grandparent, Parent, and even the Child application, which issued as the '440 patent.

[23] 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 '440 Patent Are Not Entitled to the Benefit of Filing Date of the Parent Applications, as Originally Filed

III.C.1. The Written Description of the Parent Applications, 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 49-53 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 34 in the '440 Patent Lack Written Description Support in the Originally Filed Parent Specifications

On pages 53-63 of the Brief, the appellant provides a chart to show that all of the limitations in claims 1-63 of the '440 patent were supported by the various originally filed, parent applications.

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 various 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 '440 patent under reexamination remains the latest date at which time the priority chain was broken, namely June 6, 1995(at the earliest), which is also the actually filing date of the '440 patent.

III.C.2. The "Video Feature" of the Claims 4, 6-10, 19, 22-25, 28 and 31-60 of the '440 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 63-67 of the Brief, the appellant argues that, regarding the enablement of various video features recited in claims 1, 4, 6-8, 11-16, 19-21, 23, 24, 29-36, 39, 40, 42, 45, 47-61 and 80-129 by the Great-grandparent 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. The examiner's 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, Great-grandparent 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, 1st 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, Great-grandparent application.

III.D. Yurt and Goldwasser Are Available of Prior Art Patents

On pages 67 and 68 of the Brief, the appellant argues that Yurt and Goldwasser are not available as prior art. The publication date of the Yurt patent however is July 21, 1992. The earliest priority date of the '440 Patent under reexamination however is February 27, 1996, as discussed extensively above in the "Benefit of Earlier Filing Date" section. Thus, Yurt is available as both 102(b) and 102(e) type prior art. For similar reasons, Goldwasser is also available as prior art.

IV. The Claims As Amended Are Neither Supported Nor Enabled by the Written Description

On page 69 of the Brief, the appellant argues that the "Office may only examine the recitation of "a non-volatile storage portion of the second memory that is not a tape or CD" for compliance with Section 112, first paragraph." This argument is unpersuasive however because, besides being presented in conclusory language, the claims recite a new limitation directed to a "the second memory having a second party hard disk," which is quite distinct from the argued feature that a memory that is not a tape or CD. 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 pages 69-72 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 1-4, 6-19, 22-25, 28 and 31-60 Based on Yurt and Goldwasser are proper.

The earliest priority date of the '440 patent under reexamination is February 27, 1996, as discussed extensively above in the "Intervening Printed Publication" section (9) and also in the arguments above. Thus, Yurt and Goldwasser are available as prior art.

VI. The Double Patent Rejections Are Proper

Appellant's argument on pages 75-80 are unpersuasive. The original prosecution history fails to show that instant double patenting rejection was addressed, including the rejection of the claims as currently amended. Indeed, regarding the original claims, and as noted by the Appellant, the applicant repeatedly asked the original examiner to deem the double-patenting issue as moot, which the examiner declined to do. Furthermore, Yurt is available as prior art for the reasons discussed above, and thus may be used in a double-patenting rejection.

Conclusion

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

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06/23/08

06-24-08

RE-EXAM

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REQUEST FOR ORAL HEARING BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Docket Number (Optional): NAPS003

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 June 23 2008
Signature: Katrina D'Oliveira
Typed or printed name: Katrina D'Oliveira

In re Application of: Arthur R. Hair

Application Number	Filed
90/007,407	January 31, 2005

For: Method For Transmitting A Desired Digital Video or Audio Signal

Art Unit	Examiner
3992	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 _____.
- [X] 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

6/23/08
Date

(215) 988-3392
Telephone number

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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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Arthur R. Hair	:	Group No.: 3992
Serial No.: 90/007,407	:	Examiner: Roland G. Foster
Filed: January 31, 2005	:	Confirmation No. 4782

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 Tatiana N'Oliveira

DATE: June 23, 2008

06/27/2008 JBHITFIE 00000002 90007407
01 FC:1403 1030.00 OP

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, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are currently pending. Claims numbered 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 were originally issued in U.S. Patent 5,966,440 (the "'440 Patent"). Claims 64 through 79 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 80 through 129 were added in the Response to the Non-Final Office Action issued on September 29, 2006.

Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are rejected under 35 U.S.C. § 112, first paragraph. Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are rejected under 35 U.S.C. § 103(a). Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are rejected under the doctrine of obviousness-type double-patenting over Claims 1 through 6 of U.S. Patent 5,191,573 (the "'573 Patent") and Claims 1 through 34 of U.S. Patent 5,675,734 (the "'734 Patent").

Appellant appeals the rejection of all claims.

Grounds for Rejection to be Reviewed on Appeal

1. Examiner's rejection of Claims 1, 11 through 13, 23, 24, 29 through 31, 36, 42, 47 through 49, 58, 80, 87 through 89, 98, 99, 104 through 106, 111, 114, 116, 117 and 126 under 35 U.S.C. § 103(a) over U.S. Patent 5,132,992 to Yurt (*Yurt*). In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* could be cited as a prior art reference.

2. Examiner's rejection of Claims 14 through 16, 19, 20, 32 through 35, 50 through 56, 59, 60, 85, 86, 90 through 96, 100 through 103, 107 through 110, 118 through 124, 127 and 128 under 35 U.S.C. § 103(a) over *Yurt* in view of U.S. Patent 4,789,863 to Bush (*Bush*), further in view of U.S. Patent 5,241,428 to Goldwasser (*Goldwasser*). In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* and *Goldwasser* could be cited as prior art references.

3. Examiner's rejection of Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 and 129 under 35 U.S.C. § 103(a) over *Yurt* in view of *Goldwasser*, further in view of *Bush*. In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* or *Goldwasser* could be cited as prior art references.

4. Examiner's rejection of Claims 4, 6 through 8, and 81 under 35 U.S.C. § 103(a) over *Yurt* in view of *Bush*. In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* could be cited as a prior art reference.

5. Examiner's rejection of Claims 34 and 35 under 35 U.S.C. § 103(a) over *Yurt* in view of *Goldwasser*. In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* or *Goldwasser* could be cited as prior art references.

6. Examiner's rejection of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 for obviousness-type double-patenting over Claims 1 through 6 of the '573 Patent, or alternatively over Claims 1 through 34 of the '734 Patent.

7. Examiner's rejection of Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 under U.S.C. § 112, first paragraph as not being supported by the written description in the specification.

8. Examiner's rejection of Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 40, 42, 45, 47 through 61 and 80 through 129 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.[1] 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.[2] 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

[1] 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.

[2] 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. 60.

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.[3]

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.[4] 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

[3] 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." Answer, p. 65. 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.

[4] 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 a reexamination examiner 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[5] 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. 64. 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 32 and 83) failure to provide ***any evidence*** to rebut Appellant's argument that short videos are enabled is legally tantamount to an 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) reversing rejections for failure to rebut applicant's

[5] 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. 59. The Answer apparently has overlooked 37 CFR 1.552.

argument. Because the enablement requirement does not have an "appreciable or viable size" requirement,[6] 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 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-

[6] 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.

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,[7] 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, p. 31. (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. 32 (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.

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

[7] The Answer asserts on page 83 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.

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." Answer, p. 32. 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. 33. (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. 33 (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 1, 4, 6-8, 11-16, 19-21, 23, 24, 29-36, 40, 42, 45, 47-61, and 80-129, which include the "video" feature 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 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. Claims 1, 11, 12, 23, 29, 36, 42, 47, and 58 recite a non-volatile

storage portion of a memory that is not a tape or CD. The originally filed specification explicitly states that the disclosed invention eliminates the need to handle tapes and CDs. *See* p. 2, lns. 23 to 26.[8] 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, 11, 12, 23, 29, 36, 42, 47, and 58 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 the present claims 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

[8] 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.

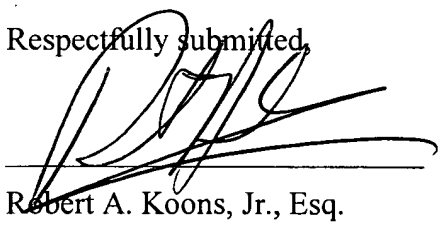
recitation of a non-volatile storage portion of a memory that is not a tape or CD is fully supported by the originally filed specification.

The Board should therefore reverse the "negative limitation" rejections of Claims 1, 11, 12, 23, 29, 36, 42, 47, and 58 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, 4, 6-8, 10-16, 18-21, 23-36, 39, 40, 42, 45, 47-61, and 80-129 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, 4, 6-8, 11-16, 19-21, 23, 24, 29-36, 40, 42, 45, 47-61, and 80-129 under 35 U.S.C. § 112, first paragraph. The Board should also reverse the double patenting rejection of Claims 1, 4, 6-8, 10-16, 18-21, 23-26, 39, 40, 42, 45, 47-61, and 80-129, which was addressed in the Opening Brief. Appellant respectfully requests an oral hearing by way of the Request for Oral Hearing form filed herewith.

Respectfully submitted,



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Date: June 23, 2008

Exhibit A

Proposed Findings of Fact

1. Page 64 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).

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Arthur R. Hair	:	Group No.: 3992
Serial No.: 90/007,407	:	Examiner: Roland G. Foster
Filed: January 31, 2005	:	Confirmation No. 4782

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. 90/007,403, were served via First Class United States Mail, postage prepaid, this 23rd day of June 2008, on the following:

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90/007,407	01/31/2005	5966440	NAPSP003	4782

23973 7590 07/11/2008

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EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

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PATENT NO. *5966440*.

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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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The examiner requests the opportunity to present arguments at the oral hearing.

Roland G. Foster
Primary Examiner
Electrical Art Unit 3992
Central Reexamination Unit

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PTO-90C (Rev.04-03)

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ROLAND G. FOSTER

ART UNIT	PAPER
3992	20080707

DATE MAILED:

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

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

PTO-90C (Rev.04-03)

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

23973 7590 10/09/2008

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

EXAMINER	
FOSTER, ROLAND G	
ART UNIT	**PAPER NUMBER**
3992	

MAIL DATE	DELIVERY MODE
10/09/2008	PAPER

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

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

United States Patent and Trademark Office

Under Secretary of Commerce for Intellectual Property and
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DRINKER BIDDLE & REATH
ATTN: INTELLECTUAL PROPERTY GROUP
ONE LOGAN SQUARE
18TH AND CHERRY STREETS
PHILADELPHIA, PA 19103-6996

Appeal No: 2009-0196
Application: 90/007,407
Appellant: SightSound.com, Inc.

Board of Patent Appeals and Interferences
Docketing Notice

Application 90/007,407 was received from the Technology Center at the Board on August 14, 2008 and has been assigned Appeal No: 2009-0196.

A review of the file indicates that the following documents have been filed by appellant:

Appeal Brief filed on:	July 30, 2007
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
P.O. BOX 1450
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

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte: SIGHTSOUND.COM, INC.

Appeal No. 2009-0196
Reexamination Control No. 90/007,407
Patent No. 5,966,440
Technology Center 3900

Mailed: October 21, 2008

Before LYNN KRYZA *Deputy Chief Trial Administrator*

ORDER REMANDING TO EXAMINER

This reexamination was electronically received at the Board of Patent Appeals and Interferences on July 16, 2008. Upon review of the reexamination, it has been determined that a remand to the Examiner is

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/QG

For Patent Owner:

DRINKER BIDDLE & REATH LLP
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ONE LOGAN SQUARE
18th and Cherry Streets
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UNITED STATES PATENT AND TRADEMARK OFFICE

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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23973 7590 12/04/2008

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PHILADELPHIA, PA 19103-6996

EXAMINER	
ART UNIT	PAPER NUMBER

DATE MAILED: 12/04/2008

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

Albert S. Penilla
Martine Penilla & Gencarella, LLP
710 Lakeway Drive, Suite 200
Sunnyvale, CA 94085

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CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. *90/007,407*.

PATENT NO. *5966440*.

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)).

Notification of Non-Compliant Appeal Brief (37 CFR 41.37) in Ex Parte Reexamination

Control No.	Patent Under Reexamination
90/007,407	5966440
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) it 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)

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 October 21, 2008:

1) the examiner holds the Appeal Brief defectve; 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

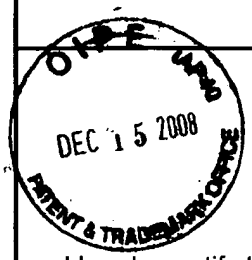
12-16-08 Re-Exam

CERTIFICATE OF MAILING BY "EXPRESS MAIL" (37 CFR 1.10) Applicant(s): **Arthur R. Hair**			Docket No. **NAPSP003**	
Application No. **90/007,407**	Filing Date **January 31, 2005**	Examiner **Roland G. Foster**	Customer No. **23973**	Group Art Unit **3992**

Invention:
System and Method for Transmitting Desired Digital Video or Digital Audio Signals

66155 U.S. PTO

12/15/08



I hereby certify that this **Amended Brief on Appeal Under 37 C.F.R. 41.37**
(Identify type of correspondence)

is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 in an envelope addressed to: Director of the United States Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313-1450 on **December 15, 2008**
(Date)

Lorraine T. Lewis
(Typed or Printed Name of Person Mailing Correspondence)

Lorraine T. Lewis
(Signature of Person Mailing Correspondence)

EV320481185US
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Note: Each paper must have its own certificate of mailing.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Arthur R. Hair	:	Group No.: 3992
Serial No.: 90/007,407	:	Examiner: Roland G. Foster
Filed: January 31, 2005	:	Confirmation No. 4782

For: SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS

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 in the Evidence Appendix (no reference was made to this website in the body of the Brief), and (2) deletes reference to the website http://www.rfc-editor.org/rfc-index.html in the Evidence Appendix and on page 66 of this Appeal Brief. 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 90/007,402 and 90/007,403 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, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are currently pending. Claims numbered 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 were originally issued in U.S. Patent 5,966,440 (the "'440 Patent"). Claims 64 through 79 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 80 through 129 were added in the Response to the Non-Final Office Action issued on September 29, 2006.

Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are rejected under 35 U.S.C. § 112, first paragraph. Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are rejected under 35 U.S.C. § 103(a). Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129

are rejected under the doctrine of obviousness-type double-patenting over Claims 1 through 6 of U.S. Patent 5,191,573 (the "'573 Patent") and Claims 1 through 34 of U.S. Patent 5,675,734 (the "'734 Patent").

Appellant appeals the rejection of all claims.

Status of Amendments

All amendments have been entered.

Summary of the Claimed Subject Matter

Claims 1, 11, 12, 23, 29, 36, 42, 47, 58, 80, 87, 88, 98, 104, 111, 114, 116 and 126 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 transferring desired digital video or digital audio signals [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party [col. 4, lns. 11 to 18; col. 5, lns. 49 to 53], said first memory having said desired digital video or digital audio signals [col. 4, lns. 11 to 14]. The method further comprises selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 2, lns. 22 to 25 and 40 to 44; col. 5, lns. 46 to 49; col. 6, lns. 16 to 19], the second party is at a second party location [col. 6, lns. 36 to 38] and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location [col. 2, lns. 22 to 25 and 40 to 44; col. 7, ln. 66 to col. 8, ln. 2], the second party has an account and the step of

charging a fee includes the step of charging the account of the second party [col. 8, lns. 23 to 25] and transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party [col. 3, lns. 6 to 9; col. 4, lns. 11 to 21 and 42 to 60; col. 5, lns. 53 to 58] storing the desired digital video or digital audio signals in a non-volatile storage portion the second memory [col. 4, lns. 57 to 60] and playing through speakers of the second party control unit the digital video or digital audio signals in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit [Fig. 1 (50C, 50D, 60, 80); col. 2, lns. 49 to 61; col. 5, lns. 1 to 18], wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 11 recites a method for transferring digital video or digital audio signals from a first party to a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party [col. 2, lns. 48 to 61; col. 4, lns. 3 to 10; col. 6, lns 36 to 38; col. 7, lns. 62 to 66], entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party [col. 4, lns. 42 to 52; col. 6, lns. 39 to 41]. The method further comprises forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit [col. 4, lns. 14 to 18; col. 5, lns. 49 to 53], said first memory having desired digital video or digital audio signals [col. 4, lns. 11 to 14; col. 6 lns, 16 to 19], selling electronically by the first party to the second party through telecommunications lines, the

desired digital video or digital audio signals in the first memory [col. 3, lns. 6 to 9 and 17 to 20; col. 5, lns. 46 to 49]. The method further comprises the step of transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party [col. 3, lns. 6 to 9; col. 4, lns. 14 to 18; col. 5, lns. 53 to 57], storing the desired digital video or digital audio signals in a non-volatile storage portion of the second memory [col. 2, lns. 45 to 48; col. 5, lns. 60 to 62], entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit and playing the desired digital video or digital audio signals with the second party control unit [col. 5, lns. 1 to 18], wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 12 recites a system for transferring digital video or digital audio signals [Abstract; col. 6, lns. 16 to 19]. The system comprises a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals [Fig. 1 (20A, 20B, 20C); col. 3, ln. 64 to col. 4, ln. 14; col. 6, lns. 16 to 19], a second party control unit having a second party control panel, a second memory connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel [Fig. 1 (50A, 50C, 50D, 60, 70, 80); col. 4, lns. 3 to 20], said playing means or mechanism operatively controlled by the second party control panel [col. 5, lns. 1 to 18], said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party [col. 3, lns. 6 to 9; col. 6, lns. 36 to 39] and telecommunications lines

connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party [Fig. 1 (30); col. 3, lns. 6 to 9; col. 4, ln. 2]. The second memory including a non-volatile storage portion that stores the desired digital video or digital audio signals, wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 23 recites a system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party [Abstract; col. 6, lns. 16 to 19]. The system comprises means or mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory [col. 2, lns. 22 to 25; col. 3, lns. 17 to 20; col. 8, lns. 31 to 35], the second memory including a non-volatile storage portion, wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48], said second party controlling use and in possession of the second memory [col. 5, lns 1 to 18; col. 6, lns. 41 to 48]. The system further comprises means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism [col. 3, lns. 20 to 24; col. 4, lns 14 to 18; col. 6, lns. 16 to 19]. The system further comprises means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the

second memory while said receiver is in possession and control of the second party [col. 3, lns. 25 to 30; col. 4, lns. 14 to 18; col. 6, lns. 27 to 31], said receiver placed at a location determined by the second party [col. 3, lns. 30 to 31; col. 6, lns. 33 to 38], said transmitting means or mechanism in electrical communication with said connecting means or mechanism [col. 7, lns. 15 to 26]. The system further comprises means or a mechanism for storing the digital video or digital audio signals in the non-volatile storage portion of the second memory [col. 4, lns. 3 to 10 and 57 to 60], said storing means or mechanism in electrical communication with said transmitting means or mechanism [col. 4, lns. 14 to 18; col. 7, lns. 3 to 10] and means or mechanism for playing the digital video or digital audio signals stored in the non-volatile storage portion of the second memory, said playing means or mechanism connected to the second memory [Fig. 1 (70, 80); col. 4, lns. 3 to 10 and 61 to 63].

Independent Claim 29 recites a system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location [Abstract; col. 6, lns. 16 to 19]. The system comprises means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location [col. 3, lns. 6 to 9; col. 6, lns. 16 to 19 and 25 to 27], said first party controlling use of the first memory [col. 4, lns. 11 to 14; col. 8, lns. 28 to 31], said second party controlling use and in possession of the second memory [col. 5, lns. 1 to 18; col. 6, lns. 41 to 51]. The system further comprises means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism [col. 3, lns. 6 to 9 and 20 to 24; col.

4, lns. 14 to 18]. The system further comprises means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party [col. 3, lns. 6 to 9 and 25 to 30; col. 4, lns. 14 to 18], said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism [col. 6, lns. 36 to 38]. The system further comprises means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism including a non-volatile storage portion of the second memory that is not a tape or CD, in electrical communication with said transmitting means or mechanism [col. 2, lns. 45 to 48; col. 4, lns. 3 to 8 and 57 to 60] and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory [Fig. 1 (70, 80); col. 4, lns. 8 to 10 and 61 to 63].

Independent Claim 36 recites a method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location [col. 2, lns. 48 to 61; col. 7, lns. 62 to 66]. The method further comprises charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party [col. 2, lns. 40 to 42; col. 3, lns. 6 to 9; col. 7, ln. 66 to col. 8, ln. 2], said first party and said second party in communication via said telecommunications lines [Fig.

1 (30); col. 4, lns. 14 to 18], the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col. 8, lns. 19 to 25]. The method further comprises connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween [col. 2, lns. 6 to 9; col. 4, lns. 14 to 18; col. 5, lns. 49 to 53], transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location [col. 4, lns. 14 to 18; col. 5, lns. 53 to 58], said first memory in communication with said second memory via the telecommunications lines [Fig. 1 (30); col. 4, lns. 14 to 18]. The method further comprises storing the digital video or digital audio signals in a non-volatile storage portion of the second memory and playing the digital video or digital audio signals stored in the second memory with the second party control unit [col. 4, lns. 45 to 63; col. 5, lns. 1 to 18], wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 42 recites a method for transferring desired digital video or digital audio signals from a first party to a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit having a second memory by the second party at a desired location determined by the second party [col. 2, lns. 48 to 61; col. 6, lns. 36 to 38; col. 7, lns. 62 to 66], forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first

memory having said desired digital video or digital audio signals [col. 4, lns. 11 to 18; col. 5, lns. 49 to 53]. The method further comprises selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 2, lns. 40 to 44; col. 3, lns. 6 to 9; col. 5, lns. 46 to 49], the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location [col. 7, ln. 66 to col. 8, ln. 2], the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col. 8, lns. 19 to 24]. The method further comprises transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines [col. 3, lns. 6 to 9; col. 4, lns. 14 to 18; col. 5, lns. 53 to 57], storing the desired digital video or digital audio signals in a non-volatile storage portion of the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit [col. 5, lns. 1 to 18]; wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 47 recites a system for transferring digital video signals from a first party to a second party at a second party location [Abstract; col. 6, lns. 16 to 19]. The system comprises a first party control unit having a first memory having a plurality of desired individual video selections as desired digital audio signals [col. 3, ln. 64 to col. 4, ln. 1; col. 4, lns. 11 to 14], and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location [col. 2, lns. 40 to 44; col. 3, lns. 6 to 9; col. 6, lns. 25 to 27]. The system further comprises a second party control unit having a second party control panel, a receiver, a second memory

and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the, second memory, video display and the receiver, said receiver and video display operatively controlled by the second party control panel [Fig. 1 (50A, 50C, 50D, 60, 70); col. 4, lns. 3 to 10 and 41 to 51; col. 5, lns. 1 to 18; col. 6, lns. 33 to 34], said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit [col. 3, lns. 6 to 9; col. 6, lns. 34 to 38], said second party choosing the desired digital video signals from the first memory with said second party control panel [col. 4, lns. 41 to 51; col. 8, lns. 6 to 9] and telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party [Fig. 1 (30); col. 4, ln. 2; col. 4, lns. 14 to 18]. The second memory including a non-volatile storage portion for storing the digital video signals that are received by the receiver wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 58 recites a method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second memory of a second party at a second party location so the second party can view the desired digital video signals [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location [col. 5, lns. 1 to 18; col. 6, lns. 27 to 38], charging

a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals [col. 2, lns. 22 to 25; col. 7, ln. 66 to col. 8, ln. 2], connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party [col. 4, lns. 14 to 18; col. 8, lns. 3 to 6] and choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected [col. 4, lns. 11 to 14 and 41 to 51; col. 8, lns. 6 to 9]. The method further comprises transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party [col. 3, lns. 6 to 9; col. 4, lns. 11 to 18; col. 8, lns. 9 to 14], storing the desired digital video signals in a non-volatile storage portion of the second memory [col. 4, lns. 57 to 60; col. 5, lns 1 to 18; col. 6, lns. 49 to 53] and displaying the desired video signals received by the receiver on the video display in possession and control of the second party [col. 5, lns. 28 to 42; col. 8, lns. 15 to 18], wherein the non-volatile storage portion is not a tape or CD [col. 2, lns. 45 to 48].

Independent Claim 80 recites a method for transferring desired digital video or digital audio signals [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party [col. 4, lns. 11 to 18; col. 5, lns. 49 to 53], the second memory including a second party hard disk [Fig. 1 (60); col. 4, ln. 8], said first memory having said desired digital video or digital audio signals [col. 4, lns. 11 to 14]. The method further comprises selling electronically by the first party to the second party

through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 2, lns. 22 to 25 and 40 to 44; col. 5, lns. 46 to 49; col. 6, lns. 16 to 19], the second party is at a second party location [col. 6, lns. 36 to 38] and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location [col. 2, lns. 22 to 25 and 40 to 44; col. 7, ln. 66 to col. 8, ln. 2], the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col. 8, lns. 23 to 25] and transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party [col. 3, lns. 6 to 9; col. 4, lns. 11 to 21 and 42 to 60; col. 5, lns. 53 to 58] storing the desired digital video or digital audio signals in the second party hard disk and playing through speakers of the second party control unit the digital video or digital audio signals stored in the second party hard disk [col. 4, lns. 57 to 60], said speakers of the second party control unit connected with the second memory of the second party control unit [col. 2, lns. 49 to 61; col. 5, lns. 1 to 18].

Independent Claim 87 recites a method for transferring digital video or digital audio signals from a first party to a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party [col. 2, lns. 48 to 61; col. 4, lns. 3 to 10; col. 6, lns 36 to 38; col. 7, lns. 62 to 66], entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party [col. 4, lns. 42

to 52; col. 6, lns. 39 to 41]. The method further comprises forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit [col. 4, lns. 14 to 18; col. 5, lns. 49 to 53], said first memory having desired digital video or digital audio signals [col. 4, lns. 11 to 14; col. 6, lns. 16 to 19], the second memory including a second party hard disk [Fig. 1 (60); col. 4, ln. 8], selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 3, lns. 6 to 9 and 17 to 20; col. 5, lns. 46 to 49]. The method further comprises the step of transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party [col. 3, lns. 6 to 9; col. 4, lns. 14 to 18; col. 5, lns. 53 to 57], storing the desired digital video or digital audio signals in the second party hard disk [col. 4, lns. 57 to 60], entering into the second party control panel commands to play the desired digital video or digital audio signals in the second party hard disk of the second party control unit and playing the desired digital video or digital audio signals with the second party control unit [col. 5, lns. 1 to 18].

Independent Claim 88 recites a system for transferring digital video or digital audio signals [Abstract; col. 6, lns. 16 to 19]. The system comprises a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals [col. 3, ln. 64 to col. 4, ln. 14; col. 6, lns. 16 to 19], a second party control unit having a second party control panel, a second memory, including a second party hard disk storing the desired digital video or digital audio signals connected to the second party control panel, and means or a mechanism for

playing the desired digital video or digital audio signals connected to the second memory and the second party control panel [Fig. 1 (50A, 60, 70, 80); col. 4, lns. 3 to 20], said playing means or mechanism operatively controlled by the second party control panel [col. 5, lns. 1 to 18], said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party [col. 3, lns. 6 to 9; col. 6, lns. 36 to 39] and telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party and stored in the second party hard disk [col. 3, lns. 6 to 9; col. 4, ln. 2 and Ins. 57 to 60].

Independent Claim 98 recites a system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party [Abstract; col. 6, lns. 16 to 19]. The system comprises means or a mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory [col. 2, lns. 22 to 25; col. 3, lns. 17 to 20; col. 8, lns. 31 to 35], said second party controlling use and in possession of the second memory [col. 5, lns 1 to 18; col. 6, lns. 41 to 48], the second memory including a hard disk [Fig. 1 (60); col. 4, ln. 8]. The system further comprises means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the

transferring means or mechanism [col. 3, lns. 20 to 24; col. 4, lns 14 to 18; col. 6, lns. 16 to 19]. The system further comprises means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party [col. 3, lns. 25 to 30; col. 4, lns. 14 to 18; col. 6, lns. 27 to 31], said receiver placed at a location determined by the second party [col. 3, lns. 30 to 31; col. 6, lns. 33 to 38], said transmitting means or mechanism in electrical communication with said connecting means or mechanism [col. 7, lns. 15 to 26]. The system further comprises means or a mechanism for storing the digital video or digital audio signals in the second party hard disk [col. 4, lns. 3 to 10 and 57 to 60], said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory [col. 4, lns. 3 to 10 and 61 to 63].

Independent Claim 104 recites a system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location [Abstract; col. 6, lns. 16 to 19]. The system comprises means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location [col. 3, lns. 6 to 9; col. 6, lns. 16 to 19 and 25 to 27], said first party controlling use of the first memory [col. 4, lns. 11 to 14; col. 8, lns. 28 to 31], said second party controlling use and in possession of the second memory [col. 5, lns. 1 to 18; col. 6, lns. 41 to 51], the second memory including a second party hard disk [Fig. 1 (60); col. 4, ln. 8]. The system further comprises means or a mechanism for connecting electronically via telecommunications lines the first

memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism [col. 3, lns. 6 to 9 and 20 to 24; col. 4, lns. 14 to 18]. The system further comprises means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party [col. 3, lns. 6 to 9 and 25 to 30; col. 4, lns. 14 to 18], said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism [col. 6, lns. 36 to 38]. The system further comprises means or a mechanism for storing the digital video or digital audio signals in the second party hard disk, said storing means or mechanism in electrical communication with said transmitting means or mechanism [col. 4, lns. 3 to 8 and 57 to 60] and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory [col. 4, lns. 8 to 10 and 61 to 63].

Independent Claim 111 recites a method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location, the second memory including a second party hard disk [col. 2, lns. 48 to 61; col. 7, lns. 62 to 66]. The method further comprises charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain

access to the digital video or digital audio signals possessed by the first party [col. 2, lns. 40 to 42; col. 3, lns. 6 to 9; col. 7, ln. 66 to col. 8, ln. 2], said first party and said second party in communication via said telecommunications lines [col. 4, lns. 14 to 18], the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col. 8, lns. 19 to 25]. The method further comprises connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween [col. 2, lns. 6 to 9; col. 4, lns. 14 to 18; col. 5, lns. 49 to 53], transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location [col. 4, lns. 14 to 18; col. 5, lns. 53 to 58], said first memory in communication with said second memory via the telecommunications lines [col. 4, lns. 14 to 18]. The method further comprises storing the digital video or digital audio signals in the second party hard disk and playing the digital video or digital audio signals stored in the second party hard disk with the second party control unit [col. 4, lns. 45 to 63; col. 5, lns. 1 to 18].

Independent Claim 114 recites a method for transferring desired digital video or digital audio signals from a first party to a second party [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing a second party control unit having a second memory by the second party at a desired location determined by the second party [col. 2, lns. 48 to 61; col. 6, lns. 36 to 38; col. 7, lns. 62 to 66], forming a connection through telecommunications lines

between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals, the second memory including a second party hard disk [col. 4, lns. 11 to 18; col. 5, lns. 49 to 53]. The method further comprises selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory [col. 2, lns. 40 to 44; col. 3, lns. 6 to 9; col. 5, lns. 46 to 49], the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location [col. 7, ln. 66 to col. 8, ln. 2], the second party has an account and the step of charging a fee includes the step of charging the account of the second party [col. 8, lns. 19 to 24]. The method further comprises transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines [col. 3, lns. 6 to 9; col. 4, lns. 14 to 18; col. 5, lns. 53 to 57], storing the desired digital video or digital audio signals in the second party hard disk; and playing the digital video or digital audio signals stored in the second party hard disk with the second party control unit [col. 5, lns. 1 to 18].

Independent Claim 116 recites a system for transferring digital video signals from a first party to a second party at a second party location [Abstract; col. 6, lns. 16 to 19]. The system comprises a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals [col. 3, ln. 64 to col. 4, ln. 1; col. 4, lns. 11 to 14], and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location [col. 2, lns. 40 to 44; col. 3, lns. 6 to 9; col. 6, lns. 25 to 27]. The system further comprises a

second party control unit having a second party control panel, a receiver, a second party hard disk and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the second party hard disk, the video display and the receiver, said receiver and video display operatively controlled by the second party control panel [Fig. 1 (50A, 60, 70); col. 4, lns. 3 to 10 and 41 to 51; col. 5, lns. 1 to 18; col. 6, lns. 33 to 34], said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit [col. 3, lns. 6 to 9; col. 6, lns. 34 to 38], said second party choosing the desired digital video signals from the first memory with said second party control panel [col. 4, lns. 41 to 51; col. 8, lns. 6 to 9] and telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party [Fig. 1 (30); col. 4, ln. 2; col. 4, lns. 14 to 18], the second party hard disk storing the digital video signals that are received by the receiver [col. 5, lns. 1 to 18].

Independent Claim 126 recites a method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second memory of a second party at a second party location so the second party can view the desired digital video signals [Abstract; col. 6, lns. 16 to 19]. The method comprises the steps of placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location [col. 5, lns. 1 to 18; col. 6, lns. 27 to 38], the

second receiver in electrical communication with the second memory, which includes a second party hard disk [col. 2, lns. 48 to 61; col. 7, lns. 62 to 66], charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals [col. 2, lns. 22 to 25; col. 7, ln. 66 to col. 8, ln. 2], connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party [col. 4, lns. 14 to 18; col. 8, lns. 3 to 6] and choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected [col. 4, lns. 11 to 14 and 41 to 51; col. 8, lns. 6 to 9]. The method further comprises transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party [col. 3, lns. 6 to 9; col. 4, lns. 11 to 18; col. 8, lns. 9 to 14], storing the desired digital video signals in the second party hard disk [col. 4, lns. 57 to 60; col. 5, lns 1 to 18; col. 6, lns. 49 to 53] and displaying the desired video signals received by the receiver on the video display in possession and control of the second party [col. 5, lns. 28 to 42; col. 8, lns. 15 to 18].

Grounds for Rejection to be Reviewed on Appeal

1. Examiner's rejection of Claims 1, 11 through 13, 23, 24, 29 through 31, 36, 42, 47 through 49, 58, 80, 87 through 89, 98, 99, 104 through 106, 111, 114, 116, 117 and 126 under 35 U.S.C. § 103(a) over U.S. Patent 5,132,992 to Yurt (*Yurt*). In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* could be cited as a prior art reference.

2. Examiner's rejection of Claims 14 through 16, 19, 20, 32 through 35, 50 through 56, 59, 60, 85, 86, 90 through 96, 100 through 103, 107 through 110, 118 through 124, 127 and 128 under 35 U.S.C. § 103(a) over *Yurt* in view of U.S. Patent 4,789,863 to Bush (*Bush*), further in view of U.S. Patent 5,241,428 to Goldwasser (*Goldwasser*). In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* and *Goldwasser* could be cited as prior art references.

3. Examiner's rejection of Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 and 129 under 35 U.S.C. § 103(a) over *Yurt* in view of *Goldwasser*, further in view of *Bush*. In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* or *Goldwasser* could be cited as prior art references.

4. Examiner's rejection of Claims 4, 6 through 8, and 81 under 35 U.S.C. § 103(a) over *Yurt* in view of *Bush*. In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* could be cited as a prior art reference.

5. Examiner's rejection of Claims 34 and 35 under 35 U.S.C. § 103(a) over *Yurt* in view of *Goldwasser*. In particular, Appellant seeks review of the Examiner's assertion that the '440 Patent is not entitled to the filing date of June 13, 1988, the assertion having to be correct before *Yurt* or *Goldwasser* could be cited as prior art references.

6. Examiner's rejection of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 for obviousness-type double-

patenting over Claims 1 through 6 of the '573 Patent, or alternatively over Claims 1 through 34 of the '734 Patent.

7. Examiner's rejection of Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 under U.S.C. § 112, first paragraph as not being supported by the written description in the specification.

8. Examiner's rejection of Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 40, 42, 45, 47 through 61 and 80 through 129 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 '440 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 '440 Patent's prosecution and then, based on that review, reassign the '440 Patent's June 13, 1988 priority date; a priority date that was rightfully granted by the original Examiner during the initial examination of the '440 Patent. In taking those steps, the Office reassigned the priority date to June 6, 1995. 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 U.S.C. §301 *et. seq*. Further, the attempted reassignment of a new priority date to the '440 Patent does not comport with the Office's procedures.

Further, as a predicate for reassigning the priority date of the claims in the '440 Patent, the Office asserts that the claims as issued are either not supported by an adequate 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.

The Office has also made separate rejections of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 as issued. Here again, Appellant maintains that the Office has acted outside the mandated scope of reexamination by examining Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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.

Finally, the Office has rejected Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 for obviousness-type double-patenting over Claims 1 to 6 of the '573 Patent and Claims 1 to 34 of the '734 Patent, which are the subjects of copending reexaminations 90/007,402 (the "'402 Reexamination") and 90/007,403 (the "'403 Reexamination"). Appellant asserts that double-patenting does not present a new issue related to patentability, since the issue of double-patenting was previously addressed by the original examiner during the initial examination of the '440 Patent. Further,

Appellant questions the propriety of double-patenting rejections based on claims in related patents that are themselves subject to copending reexaminations.

Since many of the positions taken by the Office in finally rejecting Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 rely on a revisiting of issues dealt with during the original examination of the '440 Patent, it is appropriate here to summarize the prosecution history of the '440 Patent. Appellant's arguments herein will refer to the summary provided in Section II below.

II. Prosecution History of the '440 Patent

The '440 Patent issued from U.S. Patent Application Serial No. 08/471,964 (the "'964 Application") , which was filed as a continuation of U.S. Patent Application Serial No. 08/023,398 (the "'398 Application"), which was filed as a continuation of 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"), which was the originally filed application. The '391 Application issued as the '573 Patent, which is the subject of copending reexamination 90/007,402, currently on Appeal.

The '497 Application was originally filed on June 13, 1988 by Arthur Hair as a *pro se* applicant.[1] 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:

[1] 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.

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***. (emphasis added).

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 15 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. Patents 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, which was essentially identical to Claim 13, but depended from Claim 21

was added. In addition to the claim amendments, text was added to the specification in the December 9, 1991 amendment.

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 was 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 previously presented in the claims and added to the 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 '398 Application was filed on February 26, 1993 as a **continuation** of the '391 Application, which was to issue as U.S. Patent 5,191,573 on March 2, 1993. Thus the determinations made by Examiner Nguyen in the '391 Application with respect to alleged new matter were of record in the prosecution history of the '398 Application.

The '398 Application was filed with a new declaration dated February 2, 1993. The "New Application Transmittal" papers included a claim for priority to the '391 Application, which in turn claimed priority to the '497 Application. The specification filed with the '398 Application was substantially the same as the specification originally filed on June 13, 1988, but did contain some differences. The differences were as follows:

(1) The specification included a "Field of the Invention" section not present in the originally filed application.

(2) The specification of the '398 Application included an additional paragraph spanning lines 4 to 19 of page 5.

(3) The specification of the '398 Application included an additional paragraph spanning lines 5 to 20 of page 10.

(4) The specification included an Abstract.

Although the specification filed with the '398 Application was not identical to that originally filed with the '497 Application, a review of the history of the parent ('391) application shows that the majority of the "new" text was substantially identical to text added by the June 23, 1992 amendment in the '391 Application. In particular, the "Field of the Invention" section was substantially identical with the exception that it recited a "system" in addition to a method. Further the paragraphs at pages 5 and 10 were substantially identical to the paragraphs added by the June 23, 1992 amendment in the '391 Application with the exception that the text added to page 5 recited a "system" instead of a method. It is notable that Examiner Nguyen found this "new" text to be supported by the originally filed specification in the grandparent '497 Application.

The Abstract filed with the '398 Application was less similar to the Abstract added by the June 23, 1992 amendment in the '391 Application. Nonetheless, the terminology presented in the Abstracts was similar.

The first Office Action in the '398 Application was issued by Examiner Nguyen on July 1, 1993 on the basis of originally filed Claims 1 through 31. The specification was objected to and all of Claims 1 through 31 were rejected under 35 U.S.C. § 112, first paragraph, for lack of adequate written description. In particular, Examiner Nguyen stated that the specification failed to set forth the problems in the prior art that the invention intended to overcome. The claims

were also rejected as anticipated by U.S. Patent 3,718,906 or obvious over U.S. Patent 3,718,906 in view of U.S. Patent 4,654,799. Mr. Schwartz responded to this Office Action on December 30, 1993 by filing an amendment adding text to the specification, amending Claims 1 through 31 and adding additional Claims 32 through 63.

The amendment to the specification included the addition of individual terms at various points in the existing text; *e.g.* the addition of "or digital video" following "music" or the addition of "or mechanism" following "means."

A large section of text, approximately four and two-thirds pages, was also added. Of this added text, about two and two-thirds pages comprised a written description of original Figure 1, using the lead numbers for the elements shown therein. Approximately-one half page of the added text comprised means-plus-function language. The balance of the added text comprised a description of a method using the system as set forth in the description of Figure 1.

The response filed by Mr. Schwartz also included a second declaration by Arthur Hair under 37 C.F.R. § 1.132, explaining how the terminology presented in the specification as filed and amended would have been understood by one having ordinary skill in the art.

The second Office Action in the '398 Application was issued by Examiner Nguyen on May 4, 1994. In this Office Action, Claims 1 through 3, 8, 9, 16 through 18, 23, 24, 29 through 44 and 51 through 63 were rejected as anticipated by U.S. Patent 4,528,643. Claims 4 through 7, 10 through 15, 19 through 22, 25 through 28 and 45 through 50 were objected to as depending from rejected claims, but were considered allowable if rewritten in independent form. Mr. Schwartz responded to the Office Action on July 13, 1994 by making amendments to the claims in an attempt to put the allowable claims into form for issue. The amendment to the claims

included the addition of new Claims 64 through 75. In addition, the Abstract was amended by adding the term "digital" at various places.

A third Office Action in the '398 Application was issued by Examiner Nguyen on October 28, 1994, on the basis of remaining Claims 1, 5 through 7, 9, 11 through 15, 17, 20 through 23, 26 through 28, 43, 46 through 50 and 64 through 75. All of the claims were rejected under 35 U.S.C. § 112, second and fourth paragraphs. Mr. Schwartz responded to the third Office Action on February 24, 1995 by amending the claims. Several minor amendments to the specification were also made. A supplemental amendment was filed by Mr. Schwartz on March 7, 1995 to change the dependency of Claim 46 from canceled Claim 66 to Claim 67.

The '964 Application was filed on June 6, 1995 as a **continuation** of the '398 Application under the then existing 37 C.F.R. § 1.60 practice, and included a claim of priority to the '398 Application. The '964 Application was filed with the same specification, claims and oath as had been filed in the '398 Application. Thus the determinations made by Examiner Nguyen in the '391 Application and '398 Application with respect to alleged new matter and other issues under 35 U.S.C. § 112 prior to the filing date of the '964 Application were of record in the prosecution history of the '964 Application.

The first Office Action in the '964 Application was issued by Examiner Nguyen on January 4, 1996 on the basis of original Claims 1 through 31, which were identical to those originally filed in the '398 Application. The specification was objected to and all of Claims 1 through 31 were rejected under 35 U.S.C. § 112, first paragraph, for lack of adequate written description. In particular, Examiner Nguyen stated that the specification failed to set forth the problems in the prior art that the invention intended to overcome. The claims were also rejected as anticipated by U.S. Patent 3,718,906 or obvious over U.S. Patent 3,718,906 in view of U.S.

Patent 4,654,799. This was essentially the same set of rejections as had been issued in the first Office Action in the '398 Application. Following an interview with Examiner Nguyen, Mr. Schwartz responded to the first Office Action on July 3, 1996 by presenting amendments to the specification and claims. The amendments to the specification were identical to those that had been entered by Examiner Nguyen in the prosecution of the '398 Application via the December 30, 1993 response to the first Office Action in that case.

The amendments to the claims primarily comprised the addition of language regarding the "second party control unit" and "possession and control" of the second party control unit, or second party memory by the second party. Other amendments to the claims included instances where the phrase "electronically selling" was replaced by "charging a fee." New Claims 32 through 63 were added by amendment.

Also in the July 3, 1996 Response, Mr. Schwartz *specifically requested* Examiner Nguyen to consider any issues of double-patenting that might have resulted from the issuance of the '440 Patent. Thus, Mr. Schwartz expressly stated to Examiner Nguyen:

"Applicant reminds the Examiner of related continuation application 08/607,648 and asks the Examiner to review whether there is any double patenting issue with regard to this application 08/607,648 or parent patent, U.S. Patent No. 5,191,573." (Response to Office Action filed by Applicant's Counsel, Ansel Schwartz, July 3, 1996)

The second Office Action in the '964 Application was issued by Examiner Nguyen on October 9, 1996 on the basis of Claims 1 through 63. All of the claims were rejected as obvious over U.S. Patent 4,528,643. Mr. Schwartz responded to the second Office Action on April 9, 1997 by filing remarks only.

The third Office Action in the '964 Application was issued by Examiner Nguyen on July 10, 1997 on the basis of Claims 1 through 63 and substantially repeating the previous rejection. Mr. Schwartz responded to the third Office Action on January 9, 1998 by filing remarks accompanied by a declaration under 37 C.F.R. § 1.132 by Arthur Hair. Mr. Schwartz also concurrently filed a Notice of Appeal. Mr. Schwartz filed an Appeal Brief on June 11, 1998.

In response to the Appeal Brief, Examiner Nguyen issued a Notice of Allowance and Issue Fee due on September 15, 1998. On December 17, 1998, Mr. Schwartz filed a minor amendment under 37 C.F.R. § 1.312, which was entered. The Issue Fee was paid and the '964 Application duly issued as the '440 Patent on October 12, 1999.

III. THE APPROPRIATE PRIORITY DATE FOR THE CLAIMS OF THE '440 PATENT IN REEXAMINATION IS JUNE 13, 1988

As set forth in Section II above, the '440 Patent issued from U.S. Patent Application Serial No. 08/471,964 (the "'964 Application") , which was filed as a continuation of U.S. Patent Application Serial No. 08/023,398 (the "'398 Application"), which was filed as a continuation of 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 '440 Patent is not a continuation-in-part, but asserts that the '440 Patent "shares the characteristics of a continuation-in-part." The Office now attempts to use this novel characterization of the '440 Patent as a pretext to re-examine the priority date of the claims in the '440 Patent, which Examiner Nguyen had properly awarded as June 13, 1988. In particular, the Office is attempting to improperly reassign a priority date of June 6, 1995 to the claims in reexamination.

The Office's actions in reassigning the priority date are improper procedurally, and incorrect based on the prosecution history of the '440 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 '440 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 '440 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 '440 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"); *Patent Reexamination: Hearing Before the Committee on the Judiciary*, 96th Cong., 499 (1979) ("Questions affecting patentability or validity which may arise quite apart from the cited patent or publication, in view of which reexamination is requested, are left to be resolved in the forum really equipped to do the job -- the court.") (statement of Paul L. Gomery, Director, Washington Office, Patent Division of Phillips Petroleum Co.).

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 '440 Patent

The Office admits the '440 Patent is not a continuation-in-part, but then asserts the '440 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 '440 Patent. In support of its position the Office points to text added to the specification of the '391, '398 and '964 Applications 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 continuation-in-part. 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.

The '398 Application was filed as a **continuation** of the '391 Application, but did include a different specification and a new oath. However, as detailed above, the changes to specification as filed in the '398 Application were nearly identical to text introduced by amendment to the specification of the parent '391 Application. As set forth above, after extensive examination of the amendments to the specification and claims in the '391 Application, Examiner Nguyen determined that the added text did not constitute new matter. As a result, this added text cannot be considered new matter in the context of the **continuation** '398 Application.

Finally, the '964 Application was filed pursuant to 37 C.F.R. § 1.60(b). According to MPEP § 201.06(a), in effect at the time the '964 Application was filed, if the '964 Application had been filed as a CIP, it could not have been filed pursuant to 37 C.F.R. § 1.60(b).

Based on the above, it is apparent that no CIP appears in the history of the original prosecution of the '440 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 CIP, 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 '440 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 the Manual of Patent Examining Procedure ("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 in each subsequent continuation application. Examiner Nguyen determined the '440 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.*, and 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 a patent owner (in this case, 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 patent owner (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 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 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 '734 Patent Is Not A New Issue Related To Patentability

Even if the reexamination statue 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 '734 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 '734 Patent

During initial examination of the '734 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.

Also as set forth above, the '398 Application was filed as a continuation of the '391 Application. Even though the specification filed with the '398 Application was not identical to the originally filed specification, the additional text it included was nearly identical to text introduced by the amendments to the specification of the parent '391 Application. Having determined that the amendments to the specification and claims in the '391 Application did not constitute new matter, Examiner Nguyen could not plausibly have determined that the same text was new matter in the context of the '398 Application. As a result, Examiner Nguyen also assigned a priority date of June 13, 1988 to the '398 Application when it was filed.

Finally, the '964 Application was filed pursuant to 37 C.F.R. § 1.60. According to MPEP § 201.06(a), in effect at the time, if the '964 Application had been filed as a CIP, it could not have been filed pursuant to this procedure. Since the '964 Application was filed pursuant to 37 C.F.R. § 1.60, as a threshold matter it was assigned the priority date of June 13, 1988 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 issued on September 29, 2006 in the copending '402 Reexamination, showing when and under what circumstances additions to the specification and resulting claim amendments were made in the '497 and '391 Applications. References to this chart in the September 29, 2006 Office

Action in the instant reexamination were accompanied by generalized allegations that other new matter was added to the specification and claims.

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 June 25, 1992	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 substantially all of the alleged new matter issues were dealt with in the '391 Application, which eventually issued as the '573 Patent. Thus, Examiner Nguyen already had considered those additions and amendments in the Office Action of February 24, 1992, prior to the filing of the '398 Application. 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. Mr. Schwartz responded to, and overcame, that objection and those rejections in the Response of June 23, 1992. In that Response, Mr. Schwartz included arguments and a Declaration by Arthur Hair under 37 C.F.R. § 1.132 establishing that the additions to the specification had ample antecedent 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.

During prosecution of the '398 Application, the only element incorporated that can be alleged to be "new" is the recitation of an "account." However, when this element was introduced to the claims and specification by amendment, it was accompanied by a Declaration under 37 C.F.R. § 1.132 establishing that the addition to the specification had ample antecedent support in the originally filed specification because the subject matter of the addition implicitly was disclosed and understood by those skilled in the art. This Declaration was accepted by Examiner Nguyen without comment.

Coincidentally, the prosecution history of the '734 Patent shows that, in the first Office Action after the filing of the '398 Application, Examiner Nguyen did issue an objection to the specification and rejection of the claims under 35 U.S.C. § 112, first paragraph, as failing to provide an adequate written description. Examiner Nguyen stated that the specification as filed "fails to make clear what problems in the prior art the present invention intends to overcome." Office Action issued July 1, 1993, page 2. Although the objection and rejection were not "new matter" based, this nonetheless shows that Examiner Nguyen did in fact review the disclosure and claims for compliance with 35 U.S.C. § 112, first paragraph. This rejection was overcome by providing an additional summary of the problems associated with the prior art and pointing out that the description provided in the originally filed specification made it clear what these problems were. Examiner Nguyen thereafter withdrew the Section 112, first paragraph rejection.

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 '440 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, with the exception of the 1996 amendments, the table merely contains the same alleged new matter as the table presented above. That is, Table II does not 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").

With respect to the amendments to the specification filed on July 3, 1996 in the '964 Application, the amendments by and large are a written description of Figure 1, which was originally filed in the '497 Application. As such, this text did not constitute new matter. The remainder of the added text comprised means plus function language, which was supported by the text of the specification originally filed with the '398 and '964 Applications.

With respect to the December 6, 1996 amendment, a review of the filing does not reveal any additions to the specification, only amendments to the claims. Further, all of the text added to the claims via this amendment was either explicitly supported in the originally filed specification, or included terms that were reviewed previously and found to be supported by Examiner Nguyen.

Therefore, because all of the amendments made during the prosecution history of the '440 Patent consisted of matter either explicitly found in the original specification or previously considered and passed on by Examiner Nguyen, there is no doubt that Examiner Nguyen determined the claims in the '440 Patent were entitled to claim priority to the original June 13, 1988 filing date.

2. The Absence Of Rejections Based On Intervening References During The Initial Examination Of The '734 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 '648 or '398 Applications, 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, '398 and '648 Applications were 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 '440 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. Quigg*, 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 '440 Patent.

C. The Claims In The '440 Patent Plainly Are Supported By The Originally Filed Specification

The Office asserts that, for written description support, the claims in the '440 Patent rely on certain alleged new matter added to the specification during the original prosecution of the '440 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, 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 '440 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 63 as issued in the '440 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. In *Vas-Cath*, the CAFC held that "[t]he test for sufficiency of support in a patent application is whether the disclosure of the application relied upon '***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 Court of Appeals for the Federal Circuit ("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*, 146 F.3d 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 743 (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, *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 63 In The '440 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 63 of the '440 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/system for transferring desired digital video or digital audio signals	1-63	p. 1, lns. 13-15 p. 2, lns. 8-10, 20-26 (video) p. 5, lns. 36-43	*ipsis verbis*
forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party	1-22, 25-28, 36-46, 58-63	p. 3, lns. 35-40	*ipsis verbis*
first memory having desired digital video or digital audio signals	1-21, 25-28, 42-57, 62, 63	p. 3, lns. 35-37	*ipsis verbis*

selling electronically by the first party to the second party through telecommunications lines	1-22, 25-28, 40, 42-45	p. 2, lns. 47-52 p. 3, lns. 35-40	*ipsis verbis*
transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines	1-21, 25-28, 36-40, 42-46, 62-63	p. 2, ln. 47-52 p. 3, lns. 35-40 Fig. 1	*ipsis verbis*
the second party control unit with the second memory is in possession and control of the second party	1-41, 46-52, 62	p. 3, lns. 26-33, 40-43	The as filed original specification includes *ipsis verbis* 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.
playing through speakers of the second party control unit the digital video or digital audio signals in the second memory	1-10, 11, 22, 36-46, 63	p. 2, lns. 26-32	*ipsis verbis*
speakers of the second party control unit connected with the second memory of the second party control unit	1-10, 28, 35, 62	p. 3, lns. 25-32 p. 4, lns. 47-50 Fig. 1	*ipsis verbis*
first control unit in possession and control of first party	24, 31-35	p. 2, lns. 38-43 p. 3, lns. 35-49	The as filed original specification includes *ipsis verbis* 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.
second party location remote from the first party location, determined by the second party	2-63	p. 2, lns. 47-50 p. 3, lns. 20-40 Fig. 1 p. 4, lns. 21-23	The as filed original specification states throughout that digital audio or digital video signals are sold and transferred via telephone lines. A skilled artisan would 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 previously pointed out in the declaration of Arthur Hair submitted May 5, 1992.
charging a fee via telecommunications lines by the first party to the second party	2-10, 19-21, 36-40, 43-45, 47-63	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 implicitly support for selling and thereby charging a fee. This was previously pointed out in the declaration of Arthur Hair submitted December 30, 1993.
second party has an account, charging the account of the second party	3-10, 20-21, 38-40, 44-45, 56-57, 60-61	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. A skilled artisan would readily recognize that charging a fee via telecommunications lines would include the second party having an account that can be charged. This was previously pointed out in the declaration of Arthur Hair submitted December 30, 1993.

telephoning the first party controlling use of the first memory by the second party	4-10, 39-40, 45, 57, 61	p. 2, lns. 47-50 p. 3, lns. 20-40 Fig. 1 p. 4, lns. 21-23	The as filed original 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 controlling the second memory to the first party controlling the first memory so the second party is charged money	4-10, 21, 39-40, 45, 61	p. 1, lns. 13-15 p. 2, lns. 8-10, 20-23, 38-52 p. 3, lns. 12-15, 35-37	The as filed original 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.
storing the desired digital video or digital audio signals in the second memory	5-10, 22, 36-41	p. 2, lns. 23-27	*ipsis verbis*
electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital audio signals	6-8	p. 2, lns. 17-19 p. 4, lns. 15-20	*ipsis verbis*
first memory includes first party hard disk	7-8, 13, 14, 27-28, 34-35, 49-54	p. 4, lns. 5-6 p. 3, ln. 19 Fig. 1	*ipsis verbis*
second party can view desired digital video signals	58-61	p. 5, lns. 36-43 p. 3, lns. 26-33	The as filed original specification has *ipsis verbis* support for a video display. Since the specification explicitly says that the invention is applicable to video, a skilled artisan would recognize that a user could view the desired video signals on the video display.

second party can listen to the desired digital audio signals	63	p. 4, lns. 27-28, 36-50	*ipsis verbis*
first memory includes a sales random access memory chip	7-8, 13-18, 25-28, 49-54	p. 3, lns. 19-24 Fig. 1	*ipsis verbis*
second party control unit includes second memory	48-54	p. 3, lns. 26-30 Fig. 1	The as filed original specification has *ipsis verbis* support for a second party control unit. A skilled artisan would readily understand that the second party hard disk corresponds to a second memory.
second party control unit has a second party control panel	8, 12-21, 25-28, 32-35, 47-57	p. 3, lns. 26-27 Fig. 1	*ipsis verbis*
second party control panel connected to the second party integrated circuit	8, 16-18, 25-28, 32-35, 52-54	p. 3, lns. 26-28 Fig. 1	*ipsis verbis*
second memory of the second party control unit includes an incoming random access memory chip	9-10, 17-18, 25-28, 32-35, 53-54	p. 3, ln. 26-29 Fig. 1	*ipsis verbis*
second memory of the second party control unit includes a second party hard disk for storing the desired digital video or digital audio signals	9-10, 12-21, 25-28, 34-35, 50-54	p. 3, lns. 26-31 Fig. 1	*ipsis verbis*
second memory of the second party control unit includes a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback	9-10, 25-28 32-35, 50-54	p. 3, lns. 26-30 p. 4, lns. 39-50 Fig. 1	*ipsis verbis*
a first party control unit having a first memory	12-21, 25-28	p. 3, lns. 20-24 Fig. 1	*ipsis verbis*
second party control unit having means or a mechanism for playing	12-35	p. 3, lns. 26-33 Fig. 1	The as filed original specification has *ipsis verbis* support for speakers and video

the desired digital video or digital audio signals connected to the second memory and the second party control panel			display which are means for playing.
first party control integrated circuit connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines	15-18, 25-28, 32-35, 51-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*
second party control integrated circuit connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines	16-18, 25-28, 52-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*
first party control integrated circuit and second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals	13-18, 25-28	p. 4, lns. 15-20	*ipsis verbis*
first party control panel connected to the first party control integrated circuit	15-18, 25-28, 51-54	p. 3, lns. 20-24 Fig. 1	*ipsis verbis*
incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines	17-18, 25-28, 53-54	p. 3, lns. 20-33 Fig. 1	*ipsis verbis*
second party control unit includes a video display unit and/or speakers	18, 25-28, 35, 47-61	p. 3, lns. 26-33 Fig. 1	*ipsis verbis*
second party control unit having a receiver, second	22, 41, 47-56, 58-60	p. 2, lns. 47-49 p. 3, lns. 35-38	A skilled artisan would readily recognize in order to receive

memory connected to the receiver		p. 4, lns. 24-26	digital audio or digital video 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.
second party financially distinct from the first party	22, 41	p. 2, lns. 8-16, 20-27, 38-52 p. 35-49	Throughout the specification discloses electronic sales of digital video or digital audio signals. A skilled artisan would readily recognize that the first and second parties would be financially distinct since this is required in order to have a sale. This issue was previously addressed in the affidavit of Arthur Hair filed on May 5, 1992.
first memory with a transmitter in control and possession of the first party	22-24, 29-35, 41, 58-61, 63	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic distribution via telecommunications lines. A skilled artisan would readily recognize that this requires transmission of those signals, where the telecommunications lines act as the transmitter.
receiver is in possession and control of the second party	22-24, 29-35, 41, 58-61, 63	p. 2, lns. 47-49 p. 3, lns. 35-38 p. 4, lns. 24-26	A skilled artisan would readily recognize in order to receive digital audio or digital video 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 readily recognize that the receiver 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 December 30, 1993.
means or mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory	23-24, 30-35	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic sales via telecommunications lines. A skilled artisan would readily recognize that electronic sales via telecommunications lines would include the transfer of money via telecommunications lines. This was addressed previously in the affidavit of Arthur Hair dated May 5, 1992.
second party choosing desired digital video or digital audio from first memory with second party control panel	47-63	p. 2, lns. 8-16, 20-27, 38-52 p. 35-49	Throughout the specification discloses electronic sales of digital video or digital audio signals. A skilled artisan would readily recognize that this includes the selection of individual desired signals by the purchaser.
means or mechanism for connecting electronically via telecommunications lines the first memory with the second memory	23-24, 29-35	p. 4, lns. 15-20 Fig. 1	A skilled artisan would readily recognize from the specification that the first memory would include a means for connecting to the second memory via the disclosed telephone lines.
means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory to a receiver having the second memory	23-24, 29-35	p. 1, lns. 10-12 p. 2, lns. 8-10, 20-26, 47-52 p. 3, lns. 20-25 p. 4, lns. 21-23	The as filed original specification has *ipsis verbis* support for electronic distribution via telecommunications lines. A skilled artisan would readily recognize that this requires transmission of those signals, where the telecommunications lines act as the transmitter. A skilled artisan would also readily recognize in order to receive digital audio or digital video signals over telecommunications lines, 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.
means or a mechanism	23-24, 29-	p. 3, lns. 26-31	The second party control unit

for storing the digital video or digital audio signals in the second memory	35	p. 4, lns. 15-20 Fig. 1	includes a second party control integrated circuit which regulates the transfer of the digital audio and digital video signals. A skilled artisan would readily recognize that the second party integrated circuit regulates storage of the digital audio or digital video signals.
playing means or mechanism connected to the second memory	23-24, 29-35	p. 3, lns. 26-33 p. 4, lns. 39-50 Fig. 1	*ipsis verbis*
second memory connected to receiver and video display	48-54, 58-61	p. 3, lns. 26-33 p. 4, lns. 39-50 Fig. 1	The as filed original specification has *ipsis verbis* support for a video display connected to the second memory. A skilled artisan would also readily recognize in order to receive digital audio or digital video signals over telecommunications lines, 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.
telecommunications lines include telephone lines	26-28, 33-35	p. 3, ln. 25 Fig. 1	*ipsis verbis*

For all the reasons set forth in the chart immediately above, the written description standard was satisfied for Claims 1 through 63 of the '440 Patent. For the same reason, and as set forth in more detail below, Claims 80 through 129 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 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 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.

For all of the above reasons, Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 '440 Patent.

2. The "Video Feature" Of The Invention In Claims 1, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 39, 40, 42, 45, 47 Through 61 And 80 Through 129 Of The '440 Patent Was Enabled By The Originally Filed Specification

The Office asserts the "video feature" of the invention in Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 39, 40, 42, 45, 47 Through 61 And 80 Through 129 Are Entitled To The June 13, 1988 Priority Date Awarded During The Original Examination, *Yurt* And *Goldwasser* Are Not Appropriate Prior Art

Based on the foregoing, Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 5,132,992 to Yurt (*Yurt*) and U.S. Patent 5,241,428 to Goldwasser (*Goldwasser*) cannot provide a proper basis for a rejection because the references post-date the applicable June 13, 1988 priority date for the claims. The Board should, therefore, reverse all rejections based on *Yurt* and/or *Goldwasser*. *See supra*, Grounds 1-5 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, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 in the originally filed specification as a predicate for citing *Yurt* and *Goldwasser*, the Office has also asserted separate rejections of Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 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 63 in the form of Claims 80 through 129 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.

Claims 80 through 129 do not recite any elements not previously present in Claims 1 through 63. Nonetheless, even if it were proper for the Office to examine Claims 80 through 129 for compliance with Section 112, first paragraph, under 37 C.F.R. § 1.552(a), those issues already were addressed by Examiner Nguyen during the initial examination of Claims 1 through 63, as recognized by the Office in the instant Office Action. Further, the only recitation not previously presented in Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61 is the recitation of a non-volatile storage portion of the second memory that is not a tape or CD. Therefore, the Office may only examine Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61 for compliance with Section 112, first paragraph, and then only the recitation of "a non-volatile storage portion of the second memory that is not a tape or CD".

A. Rejection Of Claims 1, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 39, 40, 42, 45 And 47 Through 61 Under 35 U.S.C. § 112, First Paragraph As Introducing Matter Not Found In The Original Specification

With respect to the recitation of "a non-volatile storage portion of the second memory, wherein the non-volatile storage is not a tape or a CD", the Office asserts that the negative limitation introduces a new concept to Claims 1, 11, 12, 23, 29, 36, 42, 47 and 58 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.

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, 11, 12, 23, 29, 36, 42, 47 and 58 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. Claims 1, 11, 12, 23, 29, 36, 42, 47 and 58 all 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 CIP 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, 11, 12, 23, 29, 36, 42, 47 and 58 all 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, 11, 12, 23, 29, 36, 42, 47 and 58 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 '440 Patent as issued.

With respect to the other elements recited in Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61, the issue of written support for the claimed matter previously was addressed by Examiner Nguyen during the initial examination of Claims 1 through 63, as recognized by the Office in the Office Action dated March 17, 2007. Moreover, Appellant thoroughly demonstrated in the Response to the Office Action of September 29, 2006 that each element in Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 39, 40, 42, 45 and 47 through 61 is fully supported and enabled by the original specification as filed, as well as the specification for '440 Patent as issued. Therefore, the Board should reverse the Examiner's rejection.

B. Rejection Of Claims 1, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 40, 42, 45 And 47 Through 61 Under 35 U.S.C. § 112, First Paragraph

As Not Being Enabled By The Original Specification

Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 40, 42, 45, 47 through 61 and 80 through 129 have also been rejected under Section 112, first paragraph, as not being enabled by the original specification.

As set forth in Section III(A) above, all of the limitations recited in the claims have written support in the original specification filed on June 13, 1988. As further set forth above, 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. Therefore, the Office may only examine the claims with respect to the recitation of "a non-volatile storage portion of the second memory that is not a tape or CD" for compliance with the enablement requirement. In particular, Claims 80 through 129 do not recite any limitations not found in original Claims 1 through 63. Therefore, the rationale cited by the Office for subjecting Claims 80 through 129 to analysis under Section 112, first paragraph, is wholly faulty. Nonetheless, Appellant thoroughly demonstrated in the Response to the Office Action of September 29, 2006 that each element in Claims 80 through 129 is fully supported and enabled by the original specification as filed, as well as the specification for '440 Patent as issued.

With respect to Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 40, 42, 45, 47 through 61, the only difference between the amended claims and original Claims 1 through 63 is the recitation of "a non-volatile storage portion of the second memory that is not a tape or CD." For the same reason original Claims 1 through 63 are enabled, amended Claims 1, 4, 6 through 8, 11 through 16, 19 through 21, 23, 24, 29 through 36, 40, 42, 45, 47 through 61 are also enabled. Therefore, the Board should reverse the Examiner's rejection.

V. BASED ON THE PROPER PRIORITY DATE FOR THE CLAIMS IN REEXAMINATION, THE REJECTIONS OF CLAIMS 1, 4, 6 THROUGH 8, 10 THROUGH 16, 18 THROUGH 21, 23 THROUGH 36, 39, 40, 42, 45, 47 THROUGH 61 AND 80 THROUGH 129 BASED ON *YURT* AND/OR *GOLDWASSER* ARE IMPROPER

As set forth above, the proper priority for Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 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 5,132,992 to Yurt (*Yurt*) issued on July 21, 1992 from an application filed on January 7, 1991. U.S. Patent 5,241,428 to Goldwasser (*Goldwasser*) issued on August 31, 1993 from an application filed on March 12, 1991. Therefore, *Yurt* and *Goldwasser* do not qualify as prior art for the purposes of Sections 102 and 103.

A. Rejection Of Claims 1, 11 Through 13, 23, 24, 29 Through 31, 36, 42, 47 Through 49, 58, 80, 87 Through 89, 98, 99, 104 Through 106, 111, 114, 116, 117 And 126 Under 35 U.S.C. § 103(a) Over *Yurt*

Claims 1, 11 through 13, 23, 24, 29 through 31, 36, 42, 47 through 49, 58, 80, 87 through 89, 98, 99, 104 through 106, 111, 114, 116, 117 and 126 have been rejected under 35 U.S.C. § 103(a) as obvious over *Yurt*.

As discussed above, *Yurt* does not qualify as prior art based on the proper June 13, 1988 priority date of the '440 Patent. As a result, a *prima facie* case of obviousness of Claims 1, 11 through 13, 23, 24, 29 through 31, 36, 42, 47 through 49, 58, 80, 87 through 89, 98, 99, 104 through 106, 111, 114, 116, 117 and 126 has not been established by *Yurt*. Therefore, the Board should reverse this rejection.

B. Rejection Of Claims 4, 6 Through 8 and 81 Through 84 Under 35 U.S.C. § 103(a) Over *Yurt* In View Of *Bush*

Claims 4, 6 through 8 and 81 through 84 have been rejected under 35 U.S.C. § 103(a) as obvious over the combination of *Yurt* in view of U.S. Patent 4,789,863 to Bush (*Bush*). As set forth above, *Yurt* does not qualify as prior art based on the proper June 13, 1988 priority date of the '440 Patent. Because *Yurt* does not qualify as prior art, a combination of *Yurt* and another reference cannot provide a proper basis for an obviousness rejection. As a result, the rejection of Claims 4, 6 through 8 and 81 through 84 based on a combination of *Yurt* and *Bush* is improper. Therefore, the Board should reverse this rejection.

C. Rejection Of Claims 14 Through 16, 19, 20, 32 Through 35, 50 Through 56, 59, 60, 85, 86, 90 Through 96, 100 Through 103, 107 Through 110, 118 Through 124, 127 And 128 Under 35 U.S.C. § 103(a) Over *Yurt* In View Of *Bush* In View Of *Goldwasser*

Claims 14 through 16, 19, 20, 32 through 35, 50 through 56, 60, 85, 90 through 96, 100 through 103, 107 through 110, 118 through 124, 127 and 128 have been rejected under 35 U.S.C. § 103(a) over *Yurt* in view of *Bush* further in view of U.S. Patent 5,241,428 to Goldwasser (*Goldwasser*).

As set forth above, neither *Yurt* nor *Goldwasser* qualify as prior art based on the proper June 13, 1988 priority date of the '440 Patent. Because neither *Yurt* nor *Goldwasser* qualify as prior art, a combination of *Yurt* and/or *Goldwasser* and another reference cannot provide a proper basis for an obviousness rejection. As a result, the rejection of Claims 14 through 16, 19, 20, 32 through 35, 50 through 56, 60, 85, 90 through 96, 100 through 103, 107 through 110, 118 through 124, 127 and 128 based on a combination of combination of *Yurt*, *Bush* and *Goldwasser* is improper. Therefore, the Board should reverse this rejection.

D. Rejection Of Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 And 129 Under 35 U.S.C. § 103(a) Over *Yurt* In View Of *Goldwasser* In View Of *Bush*

Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 and 129 have been rejected under 35 U.S.C. § 103(a) over *Yurt* in view of *Goldwasser* further in view of *Bush*.

As set forth above, neither *Yurt* nor *Goldwasser* qualify as prior art based on the proper June 13, 1988 priority date of the '440 Patent. Because neither *Yurt* nor *Goldwasser* qualify as prior art, a combination of *Yurt* and/or *Goldwasser* and another reference cannot provide a proper basis for an obviousness rejection. As a result, the rejection of Claims 21, 39, 40, 45, 57, 61, 97, 112, 113, 115, 125 and 129 based on a combination of combination of *Yurt*, *Goldwasser* and *Bush* is improper. Therefore, the Board should reverse this rejection.

E. Rejection Of Claims 34 And 35 Under 35 U.S.C. § (103(a) Over *Yurt* In View Of *Goldwasser*.

Claims 34 and 35 have been rejected under 35 U.S.C. § 103(a) over *Yurt* in view of *Goldwasser*.

As set forth above, neither *Yurt* nor *Goldwasser* qualify as prior art based on a proper June 13, 1988 priority date of the '440 Patent. As a result, a *prima facie* case of obviousness of Claims 34 and 35 has not been established by a combination of *Yurt* and *Goldwasser*. Therefore, the Board should reverse this rejection.

VI. DOUBLE PATENTING

Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 also have been rejected under the judicially created doctrine of obviousness-type double-patenting over Claims 1 through 6 of the '573 Patent and Claims 1 through 34 of the '734 Patent, which are copending in reexamination. This double-patenting rejection is improper as applied to the instant claims for the reasons set forth below.

A. Obviousness-Type Double-Patenting Is Not A New Issue Related To Patentability And Is Therefore Inappropriate In The Instant Reexamination

It is not appropriate to consider and assert obviousness-type double-patenting in the present reexamination because it does not present a "substantial new question of patentability." *See* 35 U.S.C. § 303.

During the prosecution of the applications that eventually resulted in the '440 Patent and the related '734 Patent, both applications were co-pending before Examiner Nguyen. Indeed, it was Examiner Nguyen who issued the subject '440 Patent, and the '573 and '734 Patents. Examiner Nguyen in each case therefore was well aware of the scope of the claims in each application and in the patents that issued from those applications. This by itself indicates the issue of double-patenting was before Examiner Nguyen in the original examination of the subject '440 Patent, and therefore does not present a "substantial new question of patentability" now.

35 U.S.C. § 303 permits the Director to "determine whether a substantial new question of patentability is raised." While the fact that a patent or printed publication previously was cited or considered may not preclude the existence of a substantial new question of patentability in some circumstances, the plain language of the statute nonetheless requires that the *question of patentability* raised must be new. Therefore, it is improper in reexamination to re-raise a ground for rejection that was before the examiner in the original examination of the patent (and any related patents) at issue. The case law squarely supports this position. *See In re Recreative Technologies Corp.*, 83 F.3d 1394, 1398 (Fed. Cir. 1996) ("Reexamination is barred for questions of patentability that were decided in the original examination.")

In the present case, the prosecution history of the '440 Patent shows unequivocally that Mr. Schwartz *specifically requested* Examiner Nguyen to consider any issues of double-

patenting that might have resulted from the issuance of the '440 Patent. Thus, Mr. Schwartz expressly stated to Examiner Nguyen:

> ***Applicant reminds the Examiner of related continuation application 08/607,648 and asks the Examiner to review whether there is any double patenting issue with regard to this application 08/607,648 or parent patent, U.S. Patent No. 5,191,573.***

(Response to Office Action filed by Applicant's Counsel, Ansel Schwartz, July 3, 1996).

Further, in the related copending application that resulted in the '734 Patent, Mr. Schwartz had previously brought the issue of double-patenting to the Examiner Nguyen's attention. Specifically, Mr. Schwartz stated to Examiner Nguyen:

> ***Applicant requests the Examiner to review any double patenting possibility of the above-identified patent application in regard to U.S. Patent 5,191,573. If the Examiner determines there is no need for any double patenting concern, the applicant requests that the Examiner deem this request to consider double patenting as moot.***

(Response to Office Action filed by Applicant's Counsel, Ansel Schwartz, July 13, 1994). Notwithstanding this express raising of the issue ***twice*** by Mr. Schwartz, Examiner Nguyen in subsequent Office Actions declined to issue a rejection based on double-patenting in the two co-pending applications that resulted in issuance of the '440 and the '734 Patents, with respect to each other or the '573 Patent. Thus, Examiner Nguyen plainly had the impetus and the opportunity to make a double patenting rejection had she felt it warranted. She did not do that, however. It therefore follows, *a fortiori*, that the question of double-patenting cannot, as a matter of law and fact, present a "substantial new question of patentability" in the present proceedings.

Moreover, Applicant was -- and Appellant now is --entitled to rely on Examiner Nguyen's declining to make a rejection for double-patenting in response to the Applicant's

previous specific requests to consider the issue. Appellant should not now be forced to face that same issue in the instant reexamination. That is exactly what 35 U.S.C. § 303 is intended to avoid. Indeed, as recognized by the CAFC in *Recreative Technologies*, the "substantial new question requirement would protect Appellants from having to respond to, or participate in unjustified reexaminations. Further, it would act to bar reconsideration of any argument already decided by the Office" and, as a result, "the statute [35 U.S.C. § 303] guarded against simply repeating the prior examination on the same issues and arguments." *Id.* at 1397.

Therefore, the issue of double-patenting over the '573 Patent was properly before Examiner Nguyen and passed on during the original prosecution of the '734 Patent. As a result, under the plain meaning of 35 U.S.C. § 303 and the CAFC's holding in *Recreative Technologies*, double-patenting, under the present circumstances, is not a "substantial new question of patentability" and therefore is not a proper issue to be considered in this reexamination. Therefore, the Board should reverse the rejection of Claims 1 through 4, 6 through 19, 22 through 25, 28 and 31 through 34 for obviousness-type double-patenting.

B. The Rejection Of Claims 1, 4, 6 Through 8, 11 Through 16, 19 Through 21, 23, 24, 29 Through 36, 39, 40, 42, 45, 47 Through 61 And 80 Through 129 Over Claims 1 Through 6 Of The '573 Patent Alone Or Claims 1 Through 34 Of The '734 Patent Alone Is Improper In An Obviousness-Type Double-Patenting Rejection

Because the rejection for obviousness-type double-patenting is unsupported by some suggestion in the prior art, or the knowledge of one having ordinary skill in the art, it is improper and should be withdrawn for this reason as well.

The BPAI dealt with this very same issue in *Ex parte Schmit*, 64 U.S.P.Q.2d 1723 (Bd. Pat. App. & Interferences 2000). In *Schmit*, the BPAI reversed a rejection under the doctrine of obviousness-type double-patenting, where the examiner had relied on a combination of "references" both of which were parents of the application at issue. In its opinion, the BPAI

interpreted its own precedent in *In re Oetiker*, 23 U.S.P.Q.2d 1651 (Bd. Pat. App. & Interferences 1990), and the precedent of the CAFC in *In re Longi*, 754 F.2d 887 (Fed. Cir. 1985). The BPAI recognized this precedent to "stand for the proposition *that prior art must be cited* to support an obviousness-type double-patenting rejection." *Schmit*, 64 U.S.P.Q.2d at 1725.

(emphasis added.) The BPAI therefore properly held that, "[a]bsent citation of prior art in addition to the base patent, there is no factual basis for the [obviousness-type double-patenting] rejection."

Id. As a result, in the present reexamination, although the claims of the '573 Patent or '734 Patent can be asserted by the Examiner as a partial basis for an obviousness-type double patenting rejection, they cannot *by themselves* support such a rejection. *See Ex parte Schmit*, 64 U.S.P.Q.2d 1723 (Bd. Pat. App. & Interferences 2000); *In re White*, 405 F.2d 904, 906 (C.C.P.A. 1969) ("Having been copending with the application at bar, appellants' own patent is not prior art although it is the basis of the double patenting rejection."); *Research Corp. Techs., Inc. v. Gensia Labs., Inc.*, 10 Fed. Appx. 856, 860 (Fed. Cir. 2001) ("In considering the question [double-patenting], the patent disclosure may not be used as prior art.")

The instant obviousness-type double-patenting rejection implicitly acknowledges that Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are not co-extensive with the Claims 1 through 6 of the '573 Patent or Claims 1 through 34 of the '734 Patent. Therefore, under *Oetiker* and *Longi*, as adopted by the BPAI in *Schmit*, it is necessary to show some rationale, either in the prior art, or the knowledge of one having ordinary skill in the art, as to why Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 are

obvious over Claims 1 through 6 of the '573 Patent or Claims 1 through 34 of the '734 Patent. The Board should reverse the instant double-patenting rejection over Claims 1 through 6 of the '573 Patent or Claims 1 through 34 of the '734 Patent for this further reason as well.[2]

C. An Obviousness-Type Double-Patenting Rejection Cannot Properly Be Based On Claims 1 Through 6 Of The '573 Patent Or Claims 1 Through 34 Of The '734 Patent

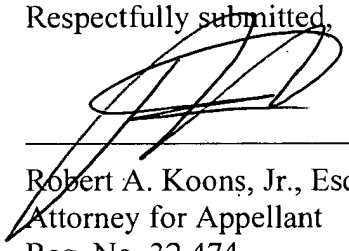
Claims 1 through 6 of the '573 and Claims 1 through 34 of the '734 Patent are currently the subject of the related copending '402 Reexamination and '403 Reexamination, respectively. As such any double-patenting rejection in the instant reexamination will necessarily be affected by the outcome in the related '402 and '403 Reexaminations. Since the final form in which claims may emerge from the '402 and '403 Reexaminations is not known, the Examiner cannot properly base a double-patenting rejection on the claims of the '573 Patent or '734 Patent as they existed prior to the reexamination proceedings.

[2] Parenthetically, *Schmit* was not published as binding precedent of the BPAI. Nonetheless, for the reasons set forth above, it is abundantly clear that *Schmit* was correctly decided and is supported by the precedent of the C.C.P.A. and CAFC. Therefore, the Board should, in the present reexamination, follow its previous holding in *Schmit*.

Conclusion

Based on the foregoing, the Board should reverse the rejection of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 under 35 U.S.C. § 103(a). Also based on the foregoing, the Board should reverse the rejection of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 under the doctrine of obviousness-type double-patenting. Finally, based on the foregoing, the Board should reverse the rejection of Claims 1, 4, 6 through 8, 10 through 16, 18 through 21, 23 through 36, 39, 40, 42, 45, 47 through 61 and 80 through 129 under 35 U.S.C. § 112, first paragraph.

Respectfully submitted,



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CLAIMS APPENDIX

1.(Twice Amended) A method for transferring desired digital video or digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party; and

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; storing the desired digital video or digital audio signals in a non-volatile storage portion the second memory; and playing through speakers of the second party control unit the digital video or digital audio signals stored in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

2 - 3. (Canceled)

4.(Amended) A method as described in claim [3] 1 wherein the step of charging the account of the second party 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.

5. (Canceled)

6.(Amended) A method as described in claim [5] 4 including before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.

7.(Original) A method as described in claim 6 wherein the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and including before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the hard disk into the sales random access memory chip.

8.(Original) A method as described in claim 7 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.

9. (Canceled)

10.(Original) A method as described in claim 9 including after the transferring step, there is the step of repeating the commanding, playing, and transferring a replica steps.

11.(Amended) A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party;

entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party;

forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party;

storing the desired digital video or digital audio signals in a non-volatile storage portion of the second memory;

entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit; and

playing the desired digital video or digital audio signals with the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

12.(Amended) A system for transferring digital video or digital audio signals comprising:

a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals;

a second party control unit having a second party control panel, a second memory connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and

telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party;

the second memory including a non-volatile storage portion that stores the desired digital video or digital audio signals,

wherein the non-volatile storage portion is not a tape or CD.

13.(Original) A system as described in claim 12 wherein the first party control unit includes a first party hard disk having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party's hard disk.

14.(Amended) A system as described in claim 13 wherein the second party control unit includes a second party hard disk which stores a plurality of digital video or digital audio signals, and a playback random access memory chip electronically connected to [the second party hard disk] non-volatile storage portion for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.

15.(Amended) A system as described in claim 14 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

16.(Amended) A system as described in claim 15 wherein the [second party control unit includes a] second party control integrated circuit [which] controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

17. (Canceled)

18.(Original) A system as described in claim 17 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.

19.(Original) A system as described in claim 12 wherein the means or mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

20.(Original) A system as described in claim 19 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

21.(Original) A system as described in claim 20 wherein the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party.

22. (Canceled)

23.(Amended) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising:
means or mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from

the second memory, the second memory including a non-volatile storage portion, wherein the non-volatile storage portion is not a tape or CD, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the non-volatile storage portion of the second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the non-volatile storage portion of the second memory, said playing means or mechanism connected to the second memory.

24.(Original) A system as described in claim 23 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

25.(Original) A system as described in claim 18 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

26.(Original) A system as described in claim 25 wherein the telecommunications lines include telephone lines.

27.(Amended) A system as described in claim 26 wherein the first memory comprises a first hard disk [and the second memory comprises a second hard disk].

28.(Original) A system as described in claim 27 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

29.(Amended) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising:

means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said

first party controlling use of the first memory, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism including a non-volatile storage portion of the second memory that is not a tape or CD, in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

30.(Original) A system as described in claim 29 wherein the means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location.

31.(Original) A system as described in claim 30 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

32.(Original) A system as described in claim 31 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

33.(Original) A system as described in claim 32 wherein the telecommunications lines include telephone lines.

34.(Original) A system as described in claim 33 wherein the first memory comprises a first hard disk and the second memory comprises a second hard disk.

35.(Original) A system as described in claim 34 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

36.(Twice Amended) A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising the steps of:

placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines, the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines;

storing the digital video or digital audio signals in a non-volatile storage portion of the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

37 - 38 (Canceled)

39.(Amended) A method as described in claim [38] 36 wherein the step of charging the account of the second party 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.

40.(Original) A method as described in claim 39 including after the transferring step, there is the step of repeating the charging a fee, connecting, and transferring steps.

41. (Canceled)

42.(Twice Amended) A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; storing the desired digital video or digital audio signals in a non-volatile storage portion of the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

43 - 44. (Canceled)

45.(Amended) A method as described in claim [44] 42 wherein the step of charging the account of the second party 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.

46.(Original) A method for transferring desired digital video or digital audio signals comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired second party location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of a second party, said first memory having said desired digital video or digital audio signals;

incurring a fee by the second party to the first party for the use of telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party; and playing the digital video or digital audio signals stored in the second memory with the second party control unit.

47.(Amended) A system for transferring digital video signals from a first party to a second party at a second party location comprising:

a first party control unit having a first memory having a plurality of desired individual video selections as desired digital audio signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location;

a second party control unit having a second party control panel, a receiver, a second memory and a video display for playing the desired digital video signals received by the receiver, said

second party control panel connected to the second memory, the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and

telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party;

the second memory including a non-volatile storage portion for storing the digital video signals that are received by the receiver;

wherein the non-volatile storage portion is not a tape or CD.

48.(Original) A system as described in claim 47 wherein the second party control unit includes a second memory which is connected to the receiver and the video display, said second memory storing the digital video signals that are received by the receiver to provide the video display with the digital video signals.

49.(Amended) A system as described in claim [48] 47 wherein the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired digital video signals, and a sales random access memory chip electronically connected to

the first party hard disk for storing a replica of the desired digital video signals of the first party's hard disk.

50.(Amended) A system as described in claim 49 wherein the second [party control unit] memory includes [a second party hard disk which stores a plurality of digital video signals, and] a playback random access memory chip electronically connected to the [second party hard disk] non-volatile storage portion for storing a replica of the desired digital video signals as a temporary staging area for playback.

51.(Amended) A system as described in claim 50 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

52.(Amended) A system as described in claim 51 wherein the [second party control unit includes a] second party control integrated circuit [which] controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party

control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

53.(Amended) A system as described in claim 52 wherein the second party control unit includes an incoming random access memory chip connected to the [second party hard drive] non-volatile storage portion and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party's control unit for subsequent storage to the [second party hard disk] non-volatile storage portion.

54.(Original) A system as described in claim 53 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video signals.

55.(Original) A system as described in claim 47 wherein the means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.

56.(Original) A system as described in claim 55 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

57.(Original) A system as described in claim 56 wherein the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party.

58.(Amended) A method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second memory of a second party at a second party location so the second party can view the desired digital video signals comprising the steps of:

placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals;

connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;

choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected;

transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party;

storing the desired digital video signals in a non-volatile storage portion of the second memory; and

displaying the desired video signals received by the receiver on the video display in possession and control of the second party;

wherein the non-volatile storage portion is not a tape or CD.

59.(Original) A method as described in claim 58 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory.

60.(Original) A method as described in claim 59 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

61.(Original) A method as described in claim 60 wherein the step of charging the account of the second party 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.

62 - 79 (canceled)

80.(New) A method for transferring desired digital video or digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, the second memory including a second party hard disk, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party; and

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; storing the desired digital video or digital audio signals in the second party hard disk; and playing through speakers of the second party control unit the digital video or digital audio signals stored in the second party hard disk, said speakers of the second party control unit connected with the second memory of the second party control unit.

81.(New) A method as described in Claim 80 wherein the step of charging the account of the second party 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.

82.(New) A method as described in Claim 81 including before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.

83.(New) A method as described in Claim 82 wherein the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and including before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the first party hard disk into the sales random access memory chip.

84.(New) A method as described in Claim 83 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.

85.(New) A method as described in Claim 84 wherein the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip

and a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback; and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback.

86.(New) A method as described in Claim 85 including after the transferring step, there is the step of repeating the commanding, playing, and transferring a replica steps.

87.(New) A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party;

entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party;

forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having

desired digital video or digital audio signals, the second memory including a second party hard disk;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party;

storing the desired digital video or digital audio signals in the second party hard disk;

entering into the second party control panel commands to play the desired digital video or digital audio signals in the second party hard disk of the second party control unit; and

playing the desired digital video or digital audio signals with the second party control unit.

88.(New) A system for transferring digital video or digital audio signals comprising:

a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals;

a second party control unit having a second party control panel, a second memory, including a second party hard disk storing the desired digital video or digital audio signals connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party

control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and

telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party and stored in the second party hard disk.

89.(New) A system as described in Claim 88 wherein the first party control unit includes a first party hard disk having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party hard disk.

90.(New) A system as described in Claim 89 wherein the second party control unit includes a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.

91.(New) A system as described in Claim 90 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to

the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

92.(New) A system as described in Claim 91 wherein the second party control integrated circuit controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

93.(New) A system as described in Claim 92 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video or digital audio signals received from the first party's control unit for subsequent storage to the second party hard disk.

94.(New) A system as described in Claim 93 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.

95.(New) A system as described in Claim 88 wherein the means or mechanism for electronically selling includes means or a mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

96.(New) A system as described in Claim 95 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

97.(New) A system as described in Claim 96 wherein the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party.

98.(New) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising:

means or a mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory, said second party controlling use and in possession of the second memory, the second memory including a hard disk;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second party hard disk, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

99.(New) A system as described in Claim 98 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

100.(New) A system as described in Claim 94 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second

control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

101.(New) A system as described in Claim 100 wherein the telecommunications lines include telephone lines.

102.(New) A system as described in Claim 101 wherein the first memory comprises a first hard disk.

103.(New) A system as described in Claim 102 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

104.(New) A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising:

means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said first party controlling use of the first memory, said second party controlling use and in possession of the second memory, the second memory including a second party hard disk;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals

can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second party hard disk, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

105.(New) A system as described in Claim 104 wherein the means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location.

106.(New) A system as described in Claim 105 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

107.(New) A system as described in Claim 106 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

108.(New) A system as described in Claim 107 wherein the telecommunications lines include telephone lines.

109.(New) A system as described in Claim 108 wherein the first memory comprises a first hard disk.

110.(New) A system as described in Claim 109 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

111.(New) A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising the steps of:

placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location, the second memory including a second party hard disk;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines, the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines;

storing the digital video or digital audio signals in the second party hard disk; and playing the digital video or digital audio signals stored in the second party hard disk with the second party control unit.

112.(New) A method as described in Claim 111 wherein the step of charging the account of the second party 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.

113.(New) A method as described in Claim 112 including after the transferring step, there is the step of repeating the charging a fee, connecting, and transferring steps.

114.(New) A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals, the second memory including a second party hard disk;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; storing the desired digital video or digital audio signals in the second party hard disk; and playing the

digital video or digital audio signals stored in the second party hard disk with the second party control unit.

115.(New) A method as described in Claim 114 wherein the step of charging the account of the second party 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.

116.(New) A system for transferring digital video signals from a first party to a second party at a second party location comprising:

a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location;

a second party control unit having a second party control panel, a receiver, a second party hard disk and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the second party hard disk, the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and

telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party;

the second party hard disk storing the digital video signals that are received by the receiver.

117.(New) A system as described in Claim 116 wherein the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired digital video signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video signals of the first party hard disk.

118.(New) A system as described in Claim 117 wherein the second party control unit includes a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video signals as a temporary staging area for playback.

119.(New) A system as described in Claim 118 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video

signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

120.(New) A system as described in Claim 119 wherein the second party control integrated circuit controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

121.(New) A system as described in Claim 120 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard disk and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party control unit for subsequent storage to the second party hard disk.

122.(New) A system as described in Claim 121 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video signals.

123.(New) A system as described in Claim 116 wherein the means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.

124.(New) A system as described in Claim 123 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

125.(New) A system as described in Claim 124 wherein the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party.

126.(New) A method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second memory of a second party at a second party location so the second party can view the desired digital video signals comprising the steps of:

placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location, the second receiver in electrical communication with the second memory, which includes a second party hard disk;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals;

connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;

choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected;

transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party;

storing the desired digital video signals in the second party hard disk; and

displaying the desired video signals received by the receiver on the video display in possession and control of the second party.

127.(New) A method as described in Claim 126 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory.

128.(New) A method as described in Claim 127 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

129.(New) A method as described in Claim 128 wherein the step of charging the account of the second party 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

None.

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 Reexamination Control No. 90/007,402.

4) Appeal from final rejection in Reexamination Control No. 90/007,403.

Attorney's Docket No. NAPSP003 *Patent*

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Arthur R. Hair	:	Group No.: 3992
Serial No.: 90/007,407	:	Examiner: Roland G. Foster
Filed: January 31, 2005	:	Confirmation No. 4782

For: SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the AMENDED BRIEF ON APPEAL UNDER 37 C.F.R. § 41.37, which was filed with the United States Patent & Trademark Office on December 15, 2008, in Reexamination No. 90/007,407, was served via First Class United States Mail, postage prepaid, this 15th day of December 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.
90/007,407	01/31/2005	5966440	NAPSP003	4782

23973 7590 12/31/2008

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PHILADELPHIA, PA 19103-6996

EXAMINER	
ART UNIT	PAPER NUMBER

DATE MAILED: 12/31/2008

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EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. *90/007,407*.

PATENT NO. *5966440*.

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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APPLICATION NO./ CONTROL NO.	FILING DATE	FIRST NAMED INVENTOR / PATENT IN REEXAMINATION	ATTORNEY DOCKET NO.
90007407	1/31/2005	5966440	NAPSP003

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EXAMINER
ROLAND G.. FOSTER

ART UNIT	PAPER
3992	20081230

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Commissioner for Patents

The Appellant filed an amended brief on December 15, 2008 correcting the Evidence Appendix deficiencies identified both in the Board of Patent Appeals and Interferences Order, mailed October 21, 2008 and in the resulting Notice of Non-Compliant Appeal Brief, mailed December 4, 2008.

No further action is required by the examiner and the proceeding is returned to the Board of Patent Appeals and Interferences.

ROLAND G. FOSTER
CRU EXAMINER-AU 3992

PTO-90C (Rev.04-03)

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

23973 7590 01/21/2009

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EXAMINER	
FOSTER, ROLAND G	

ART UNIT	PAPER NUMBER
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PHILADELPHIA, PA 19103-6996

Appeal No: 2009-3459
Application: 90/007,407
Appellant: 5966440 et al.

Board of Patent Appeals and Interferences
Docketing Notice

Application 90/007,407 was received from the Technology Center at the Board on January 12, 2009 and has been assigned Appeal No: 2009-3459.

A review of the file indicates that the following documents have been filed by appellant:

Appeal Brief filed on:	July 30, 2007
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:

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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:

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

23973 7590 03/12/2009

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FOSTER, ROLAND G	
ART UNIT	**PAPER NUMBER**
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PHILADELPHIA, PA 19103-6996

Appeal No:	2009-3459
Appellant:	5966440, Sightsound.Com Incorporated(Owner), Albert S
Application No:	Penilla(3rd. Pty. Req.), Albert S Penilla et al. 90/007,407
Hearing Room:	A
Hearing Docket:	B
Hearing Date:	Wednesday, June 17, 2009
Hearing Time:	10:00 AM
Location:	Madison Building - East Wing 600 Dulany Street, 9th Floor Alexandria, Virginia 22313-1450

NOTICE OF HEARING
CONFIRMATION REQUIRED WITHIN TWENTY-ONE DAYS

Your attention is directed to 37 CFR § 41.47. The above identified appeal will be heard by the Board of Patent Appeals and Interferences on the date indicated. Hearings will commence at the time set and as soon as the argument in one appeal is concluded, the succeeding appeal will be taken up. The time allowed for argument is twenty minutes unless additional time is requested and permitted before the argument is commenced. If there are any inquires, please contact the Clerk of the Board at 571-272-9797.

The application involved in this appeal has been published. Accordingly, the hearing in this appeal is open to the public.

CONFIRMATION OR WAIVER OF THE HEARING IS REQUIRED. This form must be completed below and facsimile transmitted to both: (1) the USPTO Central fax number (official copy), and (2) the Board of Patent Appeals and Interferences fax number (courtesy copy) within TWENTY-ONE (21) DAYS from the mailing date of this notice indicating confirmation or waiver of the hearing. A copy of this notice may be alternately filed by mail if facsimile is not available.

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Names of other visitors expected to accompany counsel: _____

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64811 U.S. PTO

06/16/09

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re PATENT APPLICATION OF:	Confirmation No.: 4782
SightSound.com	Atty. Dkt.: NAPSP003
Application No.: 90/007,407	Art Unit: 3992
Filing Date: January 31, 2005	Examiner: Foster, Roland G.
Title: SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS	Date: June 16, 2009
Appeal No. 2009-3459	

UPDATED LIST OF VISITORS

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An updated list of visitors for the above-identified Appeal to be heard tomorrow, June 17, 2009 at 10 AM is hereby provided for the convenience and information of the Board of Patent Appeals and Interferences:

James DiGiorgio, Kenneth Glick, Brad Irvine, Alex LePore and Scott Sander

In addition, the undersigned is unaware of whether the third-party requester will be sending one or more representatives to the hearing.

Respectfully submitted,

By: _____

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Control Nos. 90/007,402
90/007,403
90/007,407

Attorney's Docket No. 2689-0002 *Patent*

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Applications of: Arthur R. Hair : Group No.: 3992

: Examiner: Roland G. Foster

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 UPDATED LIST OF VISITORS, which were filed with the United States Patent & Trademark Office on June 16, 2009, in Reexamination Nos. 90/007,402; 90/007,403; 90/007,407 were served via First Class United States Mail, this June 16, 2009, on the following:

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90/007,407	01/31/2005	5966440	NAPSP003	4782

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EXAMINER	
FOSTER, ROLAND G	
ART UNIT	**PAPER NUMBER**
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The time period for reply, if any, is set in the attached communication.

RECORD OF ORAL HEARING

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS

AND INTERFERENCES

Ex Parte SIGHTSOUND.COM, INC.

Appeal 2009-3459
Application 90/007,407
Technology Center 3900

Oral Hearing Held: June 17, 2009

Before JOSEPH F. RUGGIERO, SCOTT R. BOALICK, and KEVIN F. TURNER, *Administrative Patent Judges.*

APPEARANCES:

Examiner Roland G. Foster
TC 3900

ON BEHALF OF THE APPELLANT:

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PROCEEDINGS

JUDGE RUGGIERO: Go ahead.

DR. CASEY: Your Honor, I will, in the interest of time, mention that most of the issues here are a repeat of what there were for control no. 90/007,403.

The rejections that are being appealed are, one, whether or not Yurt is prior art to the claims; two, whether Yurt combined with Bush is prior art; three, whether Yurt with Goldwasser is prior art; four, whether Yurt with Bush is prior art; and, five, whether Yurt with Goldwasser is prior art.

So, again, we're back to the question of if an applicant is entitled to his priority date, and is entitled for each of the claims at issue, then Yurt isn't prior art at all. If Yurt isn't prior art, then five of the eight grounds of rejection disappear. And I would simply say that the arguments about why Yurt is not prior art have been developed to a great extent in the earlier case, as well.

So, by way of example, in claim 12, it appears that the part that is of concern from the claim chart is the downloading mechanism. But the downloading here is, again, described generally but with the same specificity, the same type of specificity, as the originally-filed claim. For example, there is as means or mechanism for electronically selling the desired digital video or digital audio signals. I think part of the issue with that claim is supposed to be whether or not the video is supported.

I won't repeat the arguments made before about why video is supported, but just to briefly reiterate the actual selling aspect, in case that was part of what was being objected to, page 2, lines 27 to 30, says,

"Inasmuch as digital audio music is software, and this invention electronically transfers and stores such music, electronic sales and distribution of the music can take place by telephone lines onto a hard disk. That's what the claim says there. And it's completely supported.

So the other half of what I believe to be the new matter rejection -- or the priority rejection, I should say, is whether or not the limitation of wherein the nonvolatile storage portion is not a tape or a CD. The Applicant was so far ahead of his time, he didn't know it was out there. And so he drafted an application the best he could. Sometimes negative limitations are looked down upon and applied, and courts apply a very heightened standard as to whether or not you're carving out something that you didn't disclose in your original specifications.

But I would tell you that the specification directly described this issue. Page 1, and, unfortunately, page 1 has a lot of blanks in it, so it's unnumbered, starting at the title line, 16 to 18 say, "The three basic mediums, or hardware units of music, records, tapes and compact disks, greatly restrict transferability of music and results in a variety of inefficiencies." It was trying to carve out that this isn't going to be recorded onto a physical medium like a CD or a tape, as some of the other prior art references talk about. The Freeny (phonetic sp.) patents, where you're going to build a CD and distribute a CD.

The patent was trying to say I want to get rid of this thing that's cumbersome. And in fact it expressly says that, page 2, lines 23 to 26, where it states, "The high-speed transfer of digital audio music, as prescribed by this invention, is stored onto one piece of hardware, a hard

disk, thus eliminating the need to unnecessarily handle records, tapes or compact disks on a regular basis.

So the Applicant was trying to say, and I think the specification supports, from the 112 first paragraph, adequate written description that the Applicant was in possession of the idea of not using this as a mechanism for creating CDs and tapes, but rather turning this into what we now realize is a personal juke box. And in fact the original specification filed in '88 talks about exactly that; this can end up being your own disc jockey and do all the fancy things that everybody thinks of nowadays when they think of iTunes, playing songs by artist and title and randomly, and not having to deal with the issue of swapping CDs and swapping tapes. You can get all the benefits of the applicant's invention by using this hard disk as the ultimate medium that holds on to the songs, the music and/or video.

JUDGE TURNER: But those all have to do with digital audio, right? And I'm assuming if we restricted the claim to just digital audio, we wouldn't be having this discussion. But, again, really in the initial disclosure there was really only one line, is that correct, that talked about digital video?

DR. CASEY: That's right, Your Honor.

JUDGE TURNER: Okay. I also had another question. Maybe you were going to head there, but I'm assuming that you believe that Patlex -- or however you pronounce it -- Corporation, that that case is controlling here?

DR. CASEY: I do.

JUDGE TURNER: Okay. And the Examiner brought up about *ex parte Bassell* -- which the Supreme Court did cite, which came from another

panel that certainly distinguished that case. I'd like to get your feedback on that.

DR. CASEY: Sure. I think one of the issues, even in the Patlex case, and the Examiner's description of the Patlex case, was that this case is distinguishable because he believes that the claims -- let me see what I wrote -- when asked about whether or not it was controlling, he said that the specifications and claims in Patlex were similar enough that Patlex was applicable in that case but not in this case.

And the question then becomes, well, aren't they similar enough in this case? This really is a continuation. The original Examiner already had this back and forth with the Applicant. The Applicant has used potentially alternate language in the specification, but not language that wasn't supported. And as a result it is sufficiently similar to the original specification in the claims because it's supported by the originally-filed specification.

If we open the door to trying to make judgment calls about is the patent specification sufficiently similar to an earlier one for determining whether or not Patlex applies, we're creating a new standard. We already have a standard. It's whether or not 132 applies, or whether or not 112, first paragraph, applies. And if it meets 132 and it meets 112, first paragraph, then it meets the standard under Patlex.

And *In re Bassell* doesn't change the fact that -- I believe Patlex is still a controlling case. The original Patlex --

JUDGE TURNER: I agree. The Federal Circuit didn't overturn Patlex.

DR. CASEY: Yeah.

JUDGE TURNER: But what would be your argument for us not distinguishing Patlex in the same way that the other panel did? I guess would be the question. That also involved just simply continuations.

DR. CASEY: I think that it -- well, if we follow what the Examiner said, it will turn on whether or not the specifications are similar enough.

I think that we're -- we may find that we have a split of authority as to whether or not there is this new standard. But this application has had this discussion once before. And given that they've had the new matter rejection and it was overcome, I think that deference to the original prosecution has to be provided, otherwise, we're going to open the door from a public policy standpoint, to people attacking every single aspect of a case, even when it has been considered and the rejection has been withdrawn. Does that answer --

JUDGE TURNER: Not to put words in your mouth, but are you suggesting that perhaps in *Bassell* that there was no new matter rejection made below, whereas in this case there was, and that may be a distinguishing feature?

DR. CASEY: Yes, Your Honor.

JUDGE TURNER: Okay.

DR. CASEY: As far as I understand from *In re Bassell*, I didn't -- I don't remember the entire prosecution history from *Bassell*. I don't remember that it was described in that context.

JUDGE TURNER: I don't know the whole prosecution history either, so -- I did read the case. Sorry.

DR. CASEY: And so, again, if we turn to the claim chart for -- sorry, table 1 for the question of whether or not we have to consider title to priority, it's again the same issue of if the -- I'm sorry -- the new matter claim chart on page 10 of the Examiner's answer shows that, at least as of 1990, the claims are entitled to the benefit of the filing date, and therefore Yurt is not prior art, and it meets adequate written description and enablement, as we've talked about before, for both the storage that is not a CD or a tape, as well as the processing of video.

JUDGE RUGGIERO: We're going to ask you the same thing. Try not to mention things that you've mentioned before.

EXAMINER FOSTER: Okay. Thank you.

Picking right up on that issue of the new matter in table 1, and turning to your earlier question, as I mentioned, the specific video downloading procedures, those are different. But I also mentioned that the way you evaluate priority issues is to look back to the original specification as originally filed. Whether that's the parent, the great-grandparent, or the great-great-grandparent, you always look to the specification as originally filed. So any amendment filed in a parent specification that's not part of the specification as originally filed is not relevant to this written description analysis, this new matter analysis.

And I would like to cite pages 8 and 9 of the Examiner's answer in the 407 proceeding. The --

JUDGE BOALICK: I see you're -- you're saying that even there is, you know, written description and enablement in what you call the grandparent application, the 1990 filing date, that doesn't matter because it

may not have -- in your view, it doesn't have written description, enablement support, in the 1988 application? But --

EXAMINER FOSTER: Yes, Your Honor. That's not part of the original description.

JUDGE BOALICK: But I still -- I just -- if there is support in the 1990 application, I'll just be honest with you, I can't see how Yurt could be considered, or Goldwasser, could be possibly considered intervening art.

EXAMINER FOSTER: Okay. Leaving aside the video --

JUDGE BOALICK: So that's what you'll have to get over for me, is -- you know, you either have to tell me that there is not support, as of 1990, or I don't see how you could say it's intervening art.

EXAMINER FOSTER: Okay. Leaving aside the specific video downloading features.

JUDGE BOALICK: Okay.

EXAMINER FOSTER: Just looking at these other limitations, I just want to point you to page 8 and 9 of the 407 Examiner's answer.

JUDGE BOALICK: Okay.

EXAMINER FOSTER: And I invite you to take a look at this controlling case law if you haven't already. I'm sure you're already familiar with it. But 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 in the art would have understood, at the time the patent application was filed, that the description requires limitation," and that's from Hyatt-Boon, 146 F.3d 1348.

And the procedure explicitly authorized an MPEP 2163.2.a.2(b) is consistent with that case law. That is, for these support issues, when you look back to a parent regarding entitlement, you always look back to the parent's specification as originally filed.

JUDGE BOALICK: Right, but here there are three parents. There's a parent, a grandparent and a great-grandparent.

EXAMINER FOSTER: Um-hum, and in each one -- whatever parent you're looking at, you always look back to the -- according to what I believe to be the procedure outlined in the MPEP and that case law, you always look back to the specification as originally filed and each of those parents.

JUDGE TURNER: So you'd be going to the great-grandparent in that case?

EXAMINER FOSTER: Um-hum.

JUDGE TURNER: Let me just give you a quick thought. If the 1990 had been filed as a CIP and the stuff that you believe is -- the matter was added, wouldn't it have the filing date -- that new matter have the filing date of 1990 then?

EXAMINER FOSTER: Excuse me? Could you repeat?

JUDGE TURNER: Okay. Let me try again.

Let's assume, which is not facts in evidence, but let's assume that there was subject matter that was added between '88 and '90, and we filed that 1990 application as a CIP, the matter that was added in 1990 would have a priority date back to 1990 of the new matter, right? We wouldn't have to -- it wouldn't matter. We wouldn't be going back to the '88 application.

EXAMINER FOSTER: Yes. If you're looking at the application -- if you're not actually looking at a prior parent, but just looking back to the filing date of the application you're examining, then that would -- yes, that would just go back to the filing date.

JUDGE TURNER: Right.

But I'm saying if I had the claim in my 1990 application that really only has benefit if it's filed as a CIP and acknowledged to be new matter, that cites that new matter -- then that claim cites that new matter, then it only has priority back to 1990. It doesn't matter if it goes back to '88 or not. Or maybe my example is a little bit too obtuse. I don't know.

EXAMINER FOSTER: Yeah, I -- well, no. I -- it's just that I think that it's different from what we're doing in this because --

JUDGE TURNER: Right. I agree.

EXAMINER FOSTER: In that case, you're looking at the actual specification of the application you're examining.

JUDGE TURNER: Right.

EXAMINER FOSTER: To see whether that new matter, you can properly tie it back to the filing date of the application you're examining.

But in this case we're actually going beyond the filing date of the application we're examining and seeing if it extends beyond that, to a separate but completely different application, to see if that provides support for the benefit of the filing date.

JUDGE TURNER: Perhaps I'm confused.

JUDGE BOALICK: I think -- well, I guess what Judge Turner is saying is, you know, hypothetically, we know this isn't what really happened

here, but let's pretend that the 1990 application had been filed, and it specifically said this is a CIP continuation in part of the 1988 application. Would your position change with respect to the 112 issues here and the priority issues? Would you now say that since -- you know, had the 1990 application been filed as a CIP, there would be priority back to 1990 and would you then agree that Yurt and Goldwasser are not intervening prior art anymore? I mean is it because it was filed as a continuation and not a CIP that you're saying?

EXAMINER FOSTER: No. No, that would not affect my analysis.

JUDGE BOALICK: That wouldn't affect your analysis?

EXAMINER FOSTER: No, not at all.

JUDGE BOALICK: Okay.

EXAMINER FOSTER: I would still hold it out to be -- I would still hold that the filing date would not extend back to the earlier parent, even if the child was filed as a CIP. It think it's not that --

JUDGE BOALICK: Okay. So, in other words, you're saying there is not priority back to September of 1990 for the various limitations then?

EXAMINER FOSTER: If you look at --

JUDGE BOALICK: Despite what the chart in table 1 appears to say.

EXAMINER FOSTER: If you're looking at the -- excuse me. Sorry. If you're looking at the 1990 application, the 573 patent, I'm saying that the priority for the new matter added to that patent does not extend back to the parent patent as originally filed in June 1988.

JUDGE TURNER: Right. But if we stipulate to that, it still does go back to 1990, doesn't it?

EXAMINER FOSTER: Yes, but this -- but, still, when you're -- when you look at the specification, you still look to the specification as originally filed though, and it's not present in the specification as originally filed.

JUDGE TURNER: Okay. It doesn't sound like my CIP example is helping at all. So I won't -- we won't belabor it, so --

JUDGE BOALICK: I have two other quick questions.

JUDGE RUGGIERO: I have a couple quick questions, as well.

JUDGE BOALICK: That I was going to ask here just because the next case isn't a good vehicle for these questions, at least I don't -- in my recollection it's not.

You have -- in both these case and the prior one, there's section 112, paragraph 1, a written description and enablement rejections of certain claims. Which application, is it that you're saying that support is lacking? And as I read the Examiner's answer, it appears that you're saying that there's no written description or enablement in the great-grandparent application, as opposed to the particular application in which these claims arise. Is that -- am I reading your answer correctly?

EXAMINER FOSTER: Yes.

JUDGE BOALICK: Okay.

EXAMINER FOSTER: I applied that analysis because I was trying to maintain consistency. That is, the Appellant can't argue that it was improper for me to do that, for example, by arguing that the new claims in the child patent under reexamination, support for these new claims was added after the parent application as originally filed, because by doing so they would be admitting that new matter was added.

JUDGE BOALICK: Okay. So you're not saying that there's no support for these, you know, various limitation in the child?

EXAMINER FOSTER: Yes.

JUDGE BOALICK: You're saying that there's no support in the great-grandparent?

EXAMINER FOSTER: Yes.

JUDGE BOALICK: And the obviousness-type double-patenting rejections, I'd just like to hear your position on why that is a substantial new question, since, again, in prosecution the Applicants had asked the Examiner to consider it explicitly, which I can say I don't -- I don't see that very often, where there's an explicit request to evaluate the three co-pending applications, you know, for double-patenting issues, and there was no double-patenting rejection made. But, nevertheless, we have a double-patenting rejection. Here, is it really a substantially new question?

EXAMINER FOSTER: The -- it's not clear whether the Examiner evaluated the issued claims in regard to double-patenting. You know, the double-patenting rejections, I just wanted to clearly apply them to the issued claims. However, they can typically be overcome anyway by filing of a terminal disclaimer. So it's not a significant leg of the rejection. It's just that it was an opportunity to clear that up.

JUDGE BOALICK: Right. And since the claims are -- as you say, the are in flux, should it be provisional for the patenting as opposed to actual double-patenting?

EXAMINER FOSTER: The -- was it not listed as a provisional rejection?

JUDGE BOALICK: I don't believe it was listed as provisional. Not a big deal, but I just -- okay.

EXAMINER FOSTER: Also, regarding the -- I'll wrap it up -- but, regarding the intervening references, bear in mind that there were different intervening references used with different filing dates.

So, for example, in regard to the 403 reexamination proceeding, I believe I used Cohen, which had a different filing date.

JUDGE BOALICK: Right. That issue isn't -- right.

JUDGE TURNER: That's only in the last appeal.

JUDGE BOALICK: Right.

EXAMINER FOSTER: Yes, and it --

JUDGE BOALICK: That's why I wanted to ask these questions now, because it doesn't go -- apply to the last of the three cases.

EXAMINER FOSTER: Yes, sir. Okay, thank you.

JUDGE BOALICK: Okay.

JUDGE RUGGIERO: Do you have a rebuttal?

DR. CASEY: Yes, briefly, Your Honor.

Judge Turner, I understood your question to be, essentially, if we gave up the priority, hypothetically, to the earliest application, wouldn't this application -- wouldn't the patent still be enabled -- in the chart it says it appears to be -- wouldn't it be -- wouldn't it have adequate written description? From the chart it appears it would, at least as far back as 1990, and therefore Goldwasser and Yurt really aren't applicable.

I think that the proper stand is, you look at claims on a claim-by-claim basis to determine the point at which they're entitled to. And assuming your

hypothetical, if this had been a CIP, certainly you wouldn't have to say that the earliest application to which you admittedly added new matter to had to support a claim in a later case. It just doesn't work that way. You have to be able to file an application to a car with a carburetor, and then add a fuel injector later, and say, "I'm only relying, for the fuel injector part, back to that date."

Now, I happen to think that these claims are supported all the way back. But even if they're not supported all the way back, they're at least supported back as far as the time that's admitted that they're supported to, and that's -- that would cause them still not to be prior art.

And the whole issue about adequate written description versus enablement, adequate written description really is -- it was the person in possession of the invention at the time, and this is excellent evidence that it worked. This is -- this describes the actual invention.

As to the substantial new question for double-patenting, I agree, Judge Boalick, that I've never seen anybody ask for that. But given that they have, I can't imagine how this is truly a double-patenting question, and I think that's covered in the brief, so --

JUDGE TURNER: I have just a couple quick questions specific to this appeal.

DR. CASEY: Sure.

JUDGE TURNER: Claim 46 is listed in the appendix, but it doesn't appear to be rejection of a prior art, and in the Reply Brief it's sort of dropped. Do we know what the status of 46 is?

DR. CASEY: I am not aware that 46 was ever tackled.

JUDGE TURNER: Okay.

DR. CASEY: But hold on. If you --

JUDGE TURNER: If it doesn't appear to be rejection of a prior art, then it doesn't appear to be subject to the -- maybe it was subject to the 112, but I'm not sure.

DR. CASEY: Let me -- I have a chart of rejections.

JUDGE TURNER: And while you're looking for that, my other question is with respect to claims 10, and 18, and 25 through 28. Those were subject to 112 --

DR. CASEY: I'm sorry, Your Honor, I couldn't do two things at once.

JUDGE TURNER: Oh, no. I'm sorry.

DR. CASEY: I'll stop.

JUDGE TURNER: That's fine.

DR. CASEY: Go ahead.

JUDGE TURNER: Now, there were certain claims that were subject to a 112, second paragraph, because of an antecedent basis problem. So they weren't subject to prior art rejection because they were -- couldn't be discerned because they had -- there was a dependency problem in claim 18, which was still dependent on claim 17, but 17 has been canceled, and then claim 10, which is still dependent upon claim 9 but 9 has been canceled. So there wasn't any traversal that I saw in the appeal brief for -- with respect to this 112, second paragraph, was there?

DR. CASEY: No. I'm not aware.

JUDGE TURNER: Okay.

DR. CASEY: If there are -- if they are rejected -- based on a rejected -- or, sorry -- a canceled claim, I think that they'll have to -- they'll have to stand or fall with the rejection.

JUDGE TURNER: Okay.

DR. CASEY: If I could answer your question about 46?

JUDGE TURNER: Oh, sure.

DR. CASEY: I was trying to look at the chart.

I don't see the -- 46 is rejected also. It's an orphan. That must be all of them, so --

JUDGE TURNER: Okay. Doesn't appear to be confirmed either. So, I have no other questions.

(Whereupon, the hearing concluded on June 17, 2009.

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

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte DMT LICENSING, LLC,
Appellant and Patent Owner

Appeal 2009-003459
Reexamination Control 90/007,407
Patent 5,966,440
Technology Center 3900

Decided: August 14, 2009

Before JOSEPH F. RUGGIERO, SCOTT A. BOALICK, and KEVIN F. TURNER, *Administrative Patent Judges*.

TURNER, *Administrative Patent Judge*

DECISION ON APPEAL

DMT LICENSING, LLC[1] appeals under 35 U.S.C. §§ 134(b) and 306 from a final rejection of claims 1, 4, 6-8, 10-16, 18-21, 23-36, 39, 40, 42, 45, 47-61, and 80-129. We have jurisdiction under 35 U.S.C. §§ 134(b) and 306.

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[1] DMT Licensing, LLC is the real party in interest and the current owner of the patent under reexamination. It is noted that DMT Licensing, LLC is a wholly-owned subsidiary of GE Intellectual Property Licensing, Inc., which is a wholly-owned subsidiary of General Electric Co. (App. Br. 2).

We heard oral arguments on June 17, 2009, a written transcript of which is included in the record.

We AFFIRM-IN-PART.

STATEMENT OF THE CASE

This proceeding arose from a request for *ex parte* reexamination filed by Napster, Inc. on January 13, 2005, of United States Patent 5,966,440 (the '440 Patent) issued to Arthur R. Hair on October 12, 1999, based on United States Application 08/471,964 filed June 6, 1995. The Patent was originally assigned to Parsec Sight/Sound, Inc., and subsequently assigned to DMT Licensing, LLC.

The instant appeal is related to appeals of two other copending reexaminations: 90/007,402 and 90/007,403. The former reexamination is made with respect to United States Patent 5,191,573 (the '573 Patent, Appeal No. 2009-3609) and the latter with respect to United States Patent 5,675,734 (the '734 Patent, Appeal No. 2009-3457). The relations between the issued patents and their applications are illustrated in the chart below:

Appl. No.	Filing Date	Patent No.	Relationship
07/206,497	Jun. 13, 1988	abandoned	-
07/586,391	Sep. 18, 1990	5,191,573	Continuation of '497
08/023,398	Feb. 26, 1993	abandoned	Continuation of '391
08/471,964	Jun. 6, 1995	5,966,440	Continuation of '398
08/607,648	Feb. 27, 1996	5,675,734	Continuation of '398

Patentee's invention relates to a system and an associated method for electronic sales and distribution of digital audio or video signals (Spec. Col. 1, ll. 16-18). A first party, having authorization to distribute digital audio or video, transfers electronically digital copies of the same to a second party for storage in a local memory after a fee has been charged (*id.* at col. 6, ll. 16-48).

Claim 1, which we deem to be representative, reads as follows:

> 1. A method for transferring desired digital video or digital audio signals comprising the steps of:
>
> forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals;
>
> selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party; and
>
> transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; storing the

> desired digital video or digital audio signals in a non-volatile storage portion of the second memory; and
> playing through speakers of the second party control unit the digital video or digital audio signals stored in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit;
> wherein the non-volatile storage portion is not a tape or CD.

The prior art references relied upon by the Examiner in rejecting the claims are:

Bush	4,789,863	Dec. 6, 1988
Yurt	5,132,992	Jul. 21, 1992
Goldwasser	5,241,428	Aug. 31, 1993

Audio Technologies – History of Recordings, http://www.riaa.com/issues/audio/history.asp (last visited Sep. 19, 2006).
History of the Compact Disc. – OneOff Media, Inc, http://www.oneoffcd.com/info/historycd.cfm (last visited Sep. 19, 2006).
History of MPEG, http://www2.sims.berkley.edu/courses/is224/s99/GroupG/report1.html (last visited Sep. 19, 2006).
Ed Grochowski, IBM HDD Evolution chart, http://www.storagereview.com/guideImages/z_ibm_storageevolution.gif (last visited Sep. 19, 2006).

The Examiner rejected claims 1, 4, 6-8, 10-16, 18-21, 23-36, 39, 40, 42, 45, 47-61, and 80-129 under the following bases (Ans. 4-54):

Claims 1, 4, 6-8, 11-16, 19-21, 23, 24, 29-36, 39, 40, 42, 45, 47-61, and 80-129 are rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement;

Claims 1, 4, 6-8, 11-16, 19-21, 23, 24, 29-36, 40, 42, 45, 47-61, and 80-129 are rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the enablement requirement;

Claims 10, 18, and 25-28 are rejected under 35 U.S.C. § 112, second paragraph, as being indefinite;

Claims 1, 11-13, 23, 24, 29-31, 36, 42, 47-49, 58, 80, 87-89, 98, 99, 104-106, 111, 114, 116, 117, and 126 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Yurt;

Claims 4, 6-8, and 81-84 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Yurt and Bush;

Claims 14-16, 19-21, 32-35, 39, 40, 45, 50-57, 59, 60, 61, 85, 86, 90-97, 100-103, 107-110, 112, 113, 115, 118-125, and 127-129 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Yurt, Bush and Goldwasser;

Claims 1, 4, 6-8, 10-16, 18-21, 23-36, 39, 40, 42, 45, 47-61, and 80-129 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-34 of the '734 Patent; and

Claims 1, 4, 6-8, 10-16, 18-21, 23-36, 39, 40, 42, 45, 47-61, and 80-129 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-6 of the '573 Patent;

ISSUES

Appellant contends that the Examiner is acting outside the scope of the Examiner's authority in the review and resulting reassignment of a priority date for the instant claims (App. Br. 24). Appellant also argues that the Examiner has applied improper and overly strict standards for both written description and enablement (App. Br. 24-25). Appellant argues that any inquiry into the written description and enablement support for the claims should be limited to newly claimed subject matter (App. Br. 25). With respect to the obviousness-type double patenting rejections, Appellant asserts that these do not present new issues related to patentability and are not proper as being made over patents subject to copending reexaminations (App. Br. 25-26). In addition, Appellant argues that prior art rejections are improper because the Examiner has applied references which are not prior art (App. Br. 73-75).

The Examiner finds that the application of intervening publications is justified because the claims are not entitled to the benefit of a filing date of an earlier-filed application (Ans. 6-25, 84-86). The Examiner also defends the application of the written description and enablement standards applied (Ans. 6-25, 61-83). The Examiner also made specific findings of support for specific claim elements in the examiner's "Table I. New Matter Chart" (Ans. 10).

Only those arguments actually made by Appellant have been considered in this decision. Arguments which Appellant could have made

but chose not to make in the Briefs have not been considered and are deemed to be waived. *See 37* C.F.R. § 41.37(c)(1)(vii).

Thus, the issues arising from the respective positions of Appellant and the Examiner are:

1) Has Appellant shown reversible error in the Examiner's determination that the instant claims are not entitled to the benefit of priority of a filing date of an earlier-filed application?

2) Has Appellant shown reversible error in the Examiner's determination that the instant claims are not supported under 35 U.S.C. § 112, first paragraph, in accordance with the written description and enablement requirements?

3) Has Appellant shown reversible error in the Examiner's determination that claims 10, 18, and 25-28 are indefinite under 35 U.S.C. § 112, second paragraph?

4) Has Appellant shown reversible error in the Examiner's rejection of the instant claims over Yurt alone and in combinations with Bush and Goldwasser?

5) Has Appellant shown reversible error in the Examiner's rejection of claims under the judicially created doctrine of obviousness-type double patenting over claims of the '734 and '573 Patents?

FINDINGS OF FACT

1. The instant Specification describes a system and an associated method for electronic sales and distribution of digital audio or video signals (Spec. Col. 1, ll. 16-18).
2. A first party, having authorization to distribute digital audio or video, transfers electronically digital copies of the same to a second party for storage in a local memory after a fee has been charged (*id.* at col. 6, ll. 16-48).
3. The fee is charged via telecommunications lines by the first party using the account of the second party and/or a credit card of the second party (*id.* at col. 7, ll. 34-56).
4. Desired video signals are sent from a memory by a controller to a receiver at the second party, where the video received is displayed on a video display in possession and control of the second party (*id.* at col. 8, ll. 6-18).
5. The first party control unit may include a hard disk and a sales random access memory chip, where a first party control integrated circuit controls and executes commands by the first party. Similar hardware may be provided at the second party (*id.* at col. 7, ll. 15-33).
6. The following is a reproduction of the Examiner's "Table I. New Matter Chart" (Ans. 10):

Table I. New Matter Chart

	Great-grandparent Appln. 07/206,497, filed 6/13/88 (Abandoned)		Grandparent Appln. 07/586,391, filed 9/18/90 (5,191,573)	
Feature	Date First Appearing in Claims of Great-grandparent Appln.	Date First Appearing in Spec. of Great-grandparent Appln.	Date First Appearing in Claims of Grandparent Appln.	Date First Appearing in Spec. of Grandparent Appln.
Hard Disk/Control Unit of Seller/User Electronic sales and distribution of the music	Filing Date of the **Original** Application – 6/13/88	Filing Date of the **Original** Application – 6/13/88		Filing Date of the Grandparent Application – 9/18/90
Broad Statement at end of spec. regarding Video Applicability, Note *		Filing Date of the **Original** Application – 6/13/88		Filing Date of the Grandparent 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 Grandparent Application – 9/18/90	12/11/91
Providing a Credit Card Number	12/22/88		Filing Date of the Grandparent Application – 9/18/90	
Controlling Use of First/Second Memory	12/22/88		Filing Date of the Grandparent Application – 9/18/90	12/11/91
Transmitting to a Location Determined by Second Party	2/28/90		Filing Date of the Grandparent Application – 9/18/90	12/11/91
Specific Video Download Procedures	2/28/90		Filing Date of the Grandparent Application – 9/18/90	12/11/91 Note **
First Party in Possession of Transmitter	8/24/90, but not entered		Filing Date of the Grandparent 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 Grandparent Application – 9/18/90	12/11/91

Key: Clear row means original matter present in the original Great-grandparent application. Shaded row means new matter introduced by amendment into both the Great-grandparent and Grandparent applications subsequent to the date of the original Great-grandparent 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.

PRINCIPLES OF LAW

"Section 103 forbids issuance of a patent when '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.'" *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007).

KSR disapproved a rigid approach to obviousness (*i.e.*, an analysis *limited to* lack of teaching, suggestion, or motivation). *KSR*, 550 U.S. 398 at 419 ("The obviousness analysis cannot be confined by a formalistic conception of the words teaching, suggestion, and motivation, or by overemphasis on the importance of published articles and the explicit content of issued patents.").

ANALYSIS

Rejections under 35 U.S.C. § 112, first paragraph

We begin by noting that the process of determining whether a claim for the benefit of an earlier filing date under 35 U.S.C. § 120 is proper and supported, is separate from determining whether claims have enablement and written description support of the application in which they are presented. While the former requires an analysis under 35 U.S.C. § 112, first paragraph, to determine whether there is adequate written description in the cited application to support claims in the subject application, the latter is

generally divorced from considerations of an earlier filing date. In other words, claims should be analyzed to determine whether they lack support of written description or enablement with respect to the originally filed application in which they are presented. Determining whether such claims can claim the benefit of an earlier filing date is a separate inquiry. *See*, M.P.E.P. § 201.11.

The Examiner's analysis suggests adequate written description and enablement should rest with all members of the "family" for an individual claim to be supported under 35 U.S.C. § 112, first paragraph. The Examiner argues that the original claims of instant patent are not entitled to the benefit of the filing date of its parent because the written description of the parent, grandparent and great-grandparent do not support features in the instant claims (Ans. 8). Thus, even if subject matter of the instant claims is supported by the disclosure of the application filed in 1990, i.e., 07/586,391, support for the instant claims would need to be found in the earlier filed application to have adequate support under 35 U.S.C. § 112, first paragraph. We do not agree.

At Oral Hearing, the Examiner responded thusly:

> JUDGE BOALICK: . . . as I read the Examiner's answer, it appears that you're saying that there is no written description or enablement in the great-grandparent application, as opposed to the particular application in which these claims arise. Is that – am I reading you answer correctly?
> EXAMINER FOSTER: Yes.

(Oral Hearing Transcript, p. 12)

In addition, the Examiner cites M.P.E.P. §§ 2258 and 2163.1 (Ans. 26), but those sections are directed to performing analysis for 35 U.S.C. § 112, first paragraph, under different circumstances. We find that any determination of whether the instant claims have support under 35 U.S.C. § 112, first paragraph, should be made with respect to the instant Specification, i.e. the '440 Patent. From our review of the instant Specification and claims, we find no aspect of the instant claims which are unsupported by the instant Specification, in terms of written description and/or enablement (FF 1-5).

Specific to new and amended claims which contain a negative limitation, i.e. "'a non-volatile storage portion of the second memory . . . wherein the non-volatile storage portion is not a tape or CD'", the Examiner argues that such a limitation has no basis in the original disclosure (Ans. 27). The Examiner makes reference to a lack of support in the "Great-Grandparent application" (*Id.*), which we find to be improper. Similarly, the Examiner's rejection for lack of enablement also discusses the "Great-Grandparent application," and talks about requiring undue experimentation to enable the large size filed required for digital video (An. 29-33). Again, we find that rejections under 35 U.S.C. § 112, first paragraph, should be made with respect to the Specifications which are filed with the subject claims. As such, we find that the Examiner's rejections of claims 1, 4, 6-8, 11-16, 19-21, 23, 24, 29-36, 39, 40, 42, 45, 47-61, and 80-129 under 35

U.S.C. § 112, first paragraph, as failing to comply with the written description and enablement requirements were made in error.

Claims of Priority Under 35 U.S.C. § 120

Written description adequate to provide support priority under 35 U.S.C. § 120 to an earlier application need not be found to exist to the earliest application within the chain. *See*, *In re Edwards*, 568 F. 2d 1349, 1351 (CCPA 1978) (where the Court found it unnecessary to determine whether the grandparent application complies with the written description requirement, where priority to the parent would determine the propriety of the prior art rejection). Thus, if the disclosure of the 07/586,391 application, filed Sep. 18, 1990, provides written description and/or enablement support for all of the subject matter of a claim, it should be accorded priority of that filing date, even if it is not supported by an earlier filing date through an earlier application.

The Examiner's "Table I. New Matter Chart," (FF 6) looks at the presence of certain features in the "great-grandparent" application and the "grandparent" application. All of the features listed in the table are supported by the disclosure of at least the Grandparent Application, which was filed September 18, 1990. In addition, all of the aspects of the claims discussed (Ans. 11-13) are supported by subject matter having priority to at least that date. The Examiner also finds that the Grandparent and Parent applications fail to support claims in the Child application, but the Answer

fails to provide any specific limitations not supported, and merely states "for the same reasons as discussed extensively above" (Ans. 22). The fact that "a very large amount of the new text" was added to the specification is not necessarily dispositive of whether new matter has been added (Ans. 23). Therefore, given the support indicated (FF 6), it would appear that the instant claims are all supported back to at least to that indicated date, i.e. September 18, 1990.

The Examiner also argues that descriptions of video download features are not supported by the earliest filed application (Ans. 16-20), specifically that the originally disclosed audio transmission features fail to imply or require any video transmission features. While the Examiner emphasizes that circa 1988, devices capable of decoding and playing back digital video, storage for the same, and distribution channels of adequate bandwidth did not exist, we find more compelling Appellant's arguments that the Examiner is importing aspects into the claims (Reply Br. 12-16). Appellant argues correctly that the claims do not specify quality, size or bandwidth required for the video signals, and assuming the same to show inadequacy of disclosure is improper (*Id.*).

Appellant also argues that the priority date for claims in the instant patent is not a new issue related to patentability (App. Br. 41). Appellant argues that the original Examiner assigned a priority date of June 13, 1988 to the claims of the '734 Patent and that the Office lacks jurisdiction to review again those issues determined by the original Examiner (App. Br. 41-49).

The Examiner emphasizes that where the sufficiency of the patent application has not been originally decided, the proper priority date to assign to claims is within the purview of the reexamination process (Ans. 78-79).

Central to this issue is whether *Patlex Corp. v. Quigg*, 680 F. Supp. 33 (DC Cir. 1988), is controlling. In that case, the patent holder sought review of a Board decision affirming the rejection of claims in a reexamination proceeding. A first examiner found a "great-grandparent" application provided an enabling disclosure to a "great-grandchild" application, which issued as the patent. During the reexamination proceedings, a second examiner reconsidered the merits of the first examiner's decision in order to make a rejection based on intervening prior art. However, the court found that "the reexamination statute does not contemplate a 'reexamination' of the sufficiency of a disclosure." *Id.* at 37. The court further found that the Examiner and the Board lacked jurisdiction to reexamine the sufficiency of the specification of the "great-grandparent" application. *Id.*

The Examiner finds that *Patlex* differs from the instant case in several ways (Ans. 78-79). The Examiner finds that in *Patlex*, the specifications of the "great-grandparent" and "great-grandchild" applications are essentially identical, and that the claims were drawn to the same invention (Ans. 79). The Examiner finds this to be in contradistinction to the instant case where substantial amount of new text was added to both the Specification and the claims. However, as discussed *supra*, we do not find a substantial amount of added matter to be dispositive of whether there was proper written

description for that added matter. We continue to find that the recitations to digital video are supported by adequate written description to show that the Appellant had possession of the same at least by the time of filing of the '391 application on September 18, 1990. As such, we do not find the Examiner's distinctions between *Patlex* and the instant case to be compelling.

The Examiner also cites *Ex parte Basell*, Appeal No. 2007-0111 (BPAI 2007), *aff'd on other grounds*, *In re Basell Poliolefine Italia S.P.A.*, 547 F.3d 1371 (Fed. Cir. 2008), as allowing for a rejection based on intervening art because the filing date of the continuation was not entitled to the filing date of the parent (Oral Hearing Transcript p. 14, of related Appeal No. 2009-3457). In the Board's decision, the original Examiner never considered the substantive issues of patentability of the claims over a specific piece of prior art because the examiner mistakenly accorded the claims an earlier filing date sufficient to antedate the prior art reference. *Id.*, slip op. at 45-46. The Board's decision distinguishes *Patlex* by saying that in that case, the specifications were identical and that the original examiner had determined that the original disclosure enabled the subject patent's claims. *Id.*, slip op. at 54. It is on this latter basis that the panel in *Basell* distinguishes and we do not.

As Appellant has argued and we have discussed above, the original application faced a new matter rejection, which was overcome (Oral Hearing Transcript p. 6). Thus, in similarity to *Patlex*, and distinguishable from *Basell*, the original examiner in the application for the instant patent

considered whether the added texts were new matter and subsequently concluded they were not, such that the patent was allowed to issue. As such, under 35 U.S.C. §§ 301-302, 37 CFR § 1.552(a), 37 CFR § 1.552(c), and MPEP § 2258, the Examiner cannot be allowed to reexamine the sufficiency of the specification.

Indefiniteness of claims 10, 18, and 25-28 under 35 U.S.C. §112, second paragraph

We note that Appellant has not acknowledged this indefiniteness rejection in Appellant's lists of grounds of rejection to be reviewed on appeal (App. Br. 21-23; Reply Br. 4-5). We assume that Appellant was not shunning our review of this rejection, but instead we regard this as a mere omission. As the Examiner has pointed out, claims 10 and 18 lack antecedent basis because those claims depend from cancelled claims 9 and 17, respectively (Ans. 33). As such, we agree with the Examiner and affirm the rejection of claims 10, 18, and 25-28 on this basis.

Prior Art Rejections Over Yurt, Bush, and Goldwasser

All prior art rejections of the claims rely in part on Yurt. As discussed above, we find the instant claims to have at least the benefit of the application filed September 18, 1990, the 07/586,391 application. As Appellant argues (App. Br. 73-75), Yurt issued from an application filed January 7, 1991, and cannot be considered prior art to the instant claims

under 35 U.S.C. §§ 102 or 103. We find, therefore, that all of the prior art rejections are improper and that the Examiner erred in rejecting the claims over the same.

Obviousness-type Double Patenting

Appellant raises three arguments against the obviousness-type double patenting rejections of the instant claims over claims listed in the '573 and '734 Patents: 1) Appellant argues that the issue of double patenting was previously considered by the original Examiner of the original application for the instant patent and cannot now be considered a substantial new question of patentability (App. Br. 76-78); 2) Appellant argues that under our prior precedent, *Ex parte Schmit*, an obviousness-type doubling patenting rejection is improper if made over a related patent alone, without citation to prior art or general knowledge of one of ordinary skill in the art (App. Br. 78-79); 3) Appellant argues that since the claims of the '573 and '734 Patents are also subject to reexamination, such a double patenting rejection is improper over claims of those patents as they existed prior to the reexamination proceedings (App. Br. 80). With respect to the latter basis we find the rejections to be improper.

At Oral Hearing, the instant Examiner appeared to believe that the obviousness-type double patenting rejections were listed as provisional rejections. "EXAMINER FOSTER: The – was it not listed as a provisional rejection?" (Oral Hearing Transcript p. 13.) Given the apparent clear intent,

we find that the Examiner intended to raise the obviousness-type double patenting rejections provisionally, and that the actual rejections were not made provisional (Ans. 52-54). As such, we find that the obviousness-type double patenting rejections were made in error.

CONCLUSIONS

Appellant has shown that the Examiner reversibly erred in determining that: 1) claims 1, 4, 6-8, 11-16, 19-21, 23, 24, 29-36, 39, 40, 42, 45, 47-61, and 80-129 fail to comply with the written description and enablement requirements under 35 U.S.C. § 112, first paragraph; 2) claims 1, 11-13, 23, 24, 29-31, 36, 42, 47-49, 58, 80, 87-89, 98, 99, 104-106, 111, 114, 116, 117, and 126 were obvious under 35 U.S.C. § 103(a) as being unpatentable over Yurt; 3) claims 4, 6-8, and 81-84 were obvious under 35 U.S.C. § 103(a) as being unpatentable over Yurt and Bush; 4) claims 14-16, 19-21, 32-35, 39, 40, 45, 50-57, 59, 60, 61, 85, 86, 90-97, 100-103, 107-110, 112, 113, 115, 118-125, and 127-129 were obvious under 35 U.S.C. § 103(a) as being unpatentable over Yurt, Bush and Goldwasser; and 5) claims 1, 4, 6-8, 10-16, 18-21, 23-36, 39, 40, 42, 45, 47-61, and 80-129 should be rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-34 of the '734 Patent or claims 1-6 of the '573 Patent. Appellant has failed to show that the Examiner reversibly erred in rejecting claims 10, 18, and 25-28 as being indefinite under 35 U.S.C. §112, second paragraph.

DECISION

The decision of the Examiner to reject claims 1, 4, 6-8, 11-16, 19-21, 23, 24, 29-36, 39, 40, 42, 45, 47-61, and 80-129 is REVERSED. The decision of the Examiner to reject claims 10, 18, and 25-28 is AFFIRMED.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a).

AFFIRMED-IN-PART

rvb

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re PATENT:	Confirmation No.: 4782
5,966,440	Attorney Docket: NAPSP003
Control No.: 90/007,407	Group Art Unit: 3992
Filing Date: January 31, 2005	Examiner: Foster, Roland
Title: **SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS**	Date: November 3, 2009

AMENDMENT OF PATENT IN RE-EXAMINATION AFTER DECISION BY THE BPAI

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

Sir:

In response to the Decision of the Board dated August 14, 2009, the Assignee requests that the above-identified patent under re-examination be amended as follows:

Amendments to the Claims are reflected in the listing of claims which begins on page 2 of this paper.

Remarks/Arguments begin on page 4 of this paper.

AMENDMENTS TO THE CLAIMS UNDER RE-EXAMINATION

Please amend the claims as follows:[1]

10.(Amended) A method as described in claim [9] 4, wherein the non-volatile storage portion comprises is a second party hard disk, and wherein the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip and a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback; and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback, the method further including after the transferring step, there is the step of repeating the commanding, playing, and transferring a replica steps.

18.(Amended) A system as described in claim [17] 16 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.

100. (Amended) A system as described in Claim 99 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory,

said sales random access memory and said first control panel in electrical communication with said first control integrated circuit,

[1] A complete copy of the pending claims is not necessary as the present case is a re-examination.

said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory,

said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

REMARKS/ARGUMENTS

Favorable consideration of the claims of this patent under re-examination is respectfully requested.

Claims 1, 4, 6-8, 10-16, 18-21, 23-36, 39, 40, 42, 45, 47-61 and 80-129 are currently pending in the application.[2] No claims have been canceled herewith. The chart below shows the amended claims and the support for those amendments. Thus, no new matter has been added. The amended claims have been amended in order to correct the dependencies of claims and to provide antecedent bases for claim elements that were previously provided in now canceled claims.

Claim	Support for changes
Claim 10	Originally depended from now canceled claim 9 (which depended from now canceled claim 5 which depended from claim 4), so claim 10 has been amended to depend from claim 4. However, many elements of claim 9 were needed for antecedent basis and have been added to claim 10.
Claim 18	Depended on now canceled 17 (which depended on claim 16), so claim 18 has been amended to depend from claim 16.
Claim 100	Depended on claim 94 instead of claim 99, whereas claims 99 and 101-103 all depend directly or indirectly from independent claim 98.

[2] Claim 46 was indicated as pending in the appeal brief filed in this re-examination; however, it appears that claim 46 was previously canceled.

Consequently, in view of the present amendment and in light of the decision of the Board, the claims are believed to be in condition for allowance. An early and favorable action to that effect is respectfully requested.

CHARGE STATEMENT: Deposit Account No. 501860, order no. **NAPSP003.**
The Commissioner is hereby authorized to charge any fee specifically authorized hereafter, or any missing or insufficient fee(s) filed, or asserted to be filed, or which should have been filed herewith or concerning any paper filed hereafter, and which may be required under Rules 16-18 (missing or insufficiencies only) now or hereafter relative to this application and the resulting Official Document under Rule 20, or credit any overpayment, to our Accounting/ Order Nos. shown above, for which purpose a duplicate copy of this sheet is attached. **This CHARGE STATEMENT does not authorize charge of the issue fee until/unless an issue fee transmittal sheet is filed.**

CUSTOMER NUMBER 42624	Respectfully submitted, By: / Michael R. Casey / Michael R. Casey, Ph.D. Registration No.: 40,294
Davidson Berquist Jackson & Gowdey LLP 4300 Wilson Blvd., 7th Floor, Arlington, Virginia 22203 Main: (703) 894-6400 • FAX: (703) 894-6430	

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the AMENDMENT OF PATENT IN RE-EXAMINATION AFTER DECISION BY THE BPAI filed with the USPTO on November 2, 2009 in Re-examination No. 90/007,407 were served via First Class United States Mail, postage prepaid, this 3rd day of November, 2009, on the Third Party Requester as follows:

Mr. Martin S. Penilla
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Michael R. Casey, Ph.D.

Electronic Acknowledgement Receipt

EFS ID:	6379892
Application Number:	90007407
International Application Number:	
Confirmation Number:	4782
Title of Invention:	SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS
First Named Inventor/Applicant Name:	5966440
Customer Number:	23973
Filer:	Michael Raymond Casey
Filer Authorized By:	
Attorney Docket Number:	NAPSP003
Receipt Date:	03-NOV-2009
Filing Date:	31-JAN-2005
Time Stamp:	11:31:05
Application Type:	Reexam (Third Party)

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File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Amendment/Argument after BPAI Decision	20091103_cover.pdf	87338 c51d7d905ddf3c14f6253de4255bb2110d3aa339	no	1

Warnings:	
Information:	

2	Claims	20091103_claims.pdf	232366 bfc6de5043c8cdda401569e6a7fa14164247 95c2	no	2
Warnings:					
Information:					
3	Applicant Arguments/Remarks Made in an Amendment	20091103_remarks.pdf	244568 a8e80fcb8221d709acd930039d61fc8a1e2d a1f9	no	2
Warnings:					
Information:					
4	Reexam Certificate of Service	20091103_COS.pdf	72572 d9725c6a551827e33581b8d4faae64538df 42c4c	no	1
Warnings:					
Information:					
			Total Files Size (in bytes):	636844	

This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office

If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

Re-examination of U.S. Patent No. 5,966,440
Control No.: 90/007,407
Filed: January 31, 2005
Amendment after Decision by the Board

CORRECTED CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the AMENDMENT OF PATENT IN RE-EXAMINATION AFTER DECISION BY THE BPAI filed with the USPTO on November 2, 2009 in Re-examination No. 90/007,407 were served via First Class United States Mail, postage prepaid, this 3rd day of November, 2009, on the Third Party Requester as follows:

Mr. Albert S. Penilla
Martine, Penillla & Gencarella, LLP
710 Lakeway Drive, Suite 200
Sunnyvale, CA 94085

Michael R. Casey, Ph.D.

Electronic Acknowledgement Receipt

EFS ID:	6380210
Application Number:	90007407
International Application Number:	
Confirmation Number:	4782
Title of Invention:	SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS
First Named Inventor/Applicant Name:	5966440
Customer Number:	23973
Filer:	Michael Raymond Casey
Filer Authorized By:	
Attorney Docket Number:	NAPSP003
Receipt Date:	03-NOV-2009
Filing Date:	31-JAN-2005
Time Stamp:	11:56:28
Application Type:	Reexam (Third Party)

Payment information:

Submitted with Payment	no

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Reexam Certificate of Service	20091103_CorrectedCOS.pdf	72875 00a5f146226ca71dee316febb30eb597a312eb6c	no	1

Warnings:	
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Total Files Size (in bytes):	72875

This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

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New International Application Filed with the USPTO as a Receiving Office

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Litigation Search Report CRU 3999

Reexam Control No. 90/007,407

TO: ROLAND FOSTER **Location: CRU** **Art Unit: 3992** **Date: 02/17/10**	**From: MANUEL SALDANA** **Location: CRU 3999** **MDW 7C55** **Phone: (571) 272-7740** **MANUEL.SALDANA@uspto.gov**

Search Notes

Litigation was found for US Patent Number: **5,966,440.**
DOCKET 2:04CV1549 (CLOSED 05/31/06).

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: Feb 17, 2010

KEYCITE

H US PAT 5966440 SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS, Assignee: Parsec Sight/Sound, Inc. (Oct 12, 1999)

History

Direct History

H 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. 07/586391)

Construed by

H 2 SightSound.Com Inc. v. N2K, Inc., 185 F.Supp.2d 445, 2002 Markman 229872 (W.D.Pa. Feb 08, 2002) (NO. CIV.A.98-CV-118) (Markman Order Version)

AND Ruled Valid by

H 3 Sightsound.com Inc. v. N2K, Inc., 391 F.Supp.2d 321 (W.D.Pa. Oct 24, 2003) (NO. CIV.A. 98-CV-118)

H 4 SYSTEM FOR TRANSMITTING DESIRED DIGITAL VIDEO OR AUDIO SIGNALS, US PAT 5675734, 1997 WL 1488819 (U.S. PTO Utility Oct 07, 1997) (NO. 08/607648)

Construed by

H 5 SightSound.Com Inc. v. N2K, Inc., 185 F.Supp.2d 445, 2002 Markman 229872 (W.D.Pa. Feb 08, 2002) (NO. CIV.A.98-CV-118) (Markman Order Version)

AND Ruled Valid by

H 6 Sightsound.com Inc. v. N2K, Inc., 391 F.Supp.2d 321 (W.D.Pa. Oct 24, 2003) (NO. CIV.A. 98-CV-118)

=> 7 **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. 08/471964)

Construed by

H 8 SightSound.Com Inc. v. N2K, Inc., 185 F.Supp.2d 445, 2002 Markman 229872 (W.D.Pa. Feb 08, 2002) (NO. CIV.A.98-CV-118) (Markman Order Version)

AND Ruled Valid by

H 9 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

W.D.Pa. Expert Testimony

10 SIGHTSOUND.COM INCORPORATED, a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnow, Inc., a Pennsylvania corporation, and Cdnow Online, Inc., a Pennsylania corporation, Defendants., 1998 WL 34373758 (Expert Report and Affidavit) (W.D.Pa. 1998) **Opening Expert Report of James A. Moorer** (NO. 98-0118)

11 SIGHTSOUND. COM INCORPORATED, A Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation CDNOW, Inc., A Pennsaylvania corporation, and CDNOW Online, Inc., a Pennsylvania corporation, Defendants., 2001 WL 34891529 (Expert Deposition) (W.D.Pa. Apr. 19, 2001) **Proceedings** (NO. 98-118)

12 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)

13 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)

14 SIGHTSOUND.COM INCORPORATED, a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnow, Inc., a Pennsylvania corporation, and Cdnow 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)

15 SIGHTSOUND.COM INCORPORATED a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware Corporation, Cdnow, Inc., a Pennsylvania corporation, and Cdnow Onlline, 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)

16 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)

17 SIGHTSOUND. COM INCORPORATED, a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnow, Inc., a Pennsylvania corporation, and Cdnow Online, Inc., a Pennsylvania corporation, Defendants., 2003 WL 24309949 (Partial Expert Testimony) (W.D.Pa. Mar. 3, 2003) **(Partial Testimony)** (NO. 98-0118)

18 SIGHTSOUND.COM, INCORPORATED, Plaintiff, v. N2K, INC., Cdnow, Inc., and Cdnow 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)

19 SIGHTSOUND. COM INCORPORATED, a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnow, Inc., a Pennsylvania corporation, and Cdnow Online, Inc., a Pennsylvania corporation, Defendants., 2003 WL 24309950 (Expert Deposition) (W.D.Pa. Mar. 11, 2003) **(Deposition)** (NO. 98-0118)

20 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)

21 SIGHTSOUND.COM, INC., a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnow, Inc., a Pennsylvania corporation, and Cdnow 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)

22 SIGHTSOUND.COM, INC., a Pennsylvania corporation, Plaintiff and, Counterdefendants, v. N2K, INC., a Delaware corporation, CDNOW, Inc., a Pennsylvania corporation, and Cdnow 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

23 SIGHTSOUND.COM INC., Plaintiff, v. N2K, INC., Cdnow, 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)

24 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)

25 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. Moorer, Ph.D** (NO. 98-0118)

26 SIGHTSOUND.COM INC., Plaintiff, v. N2K, INC., Cdnow, 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 Shamos, Ph.D, JD.** (NO. 98-0118)

Dockets (U.S.A.)

W.D.Pa.

27 SIGHTSOUND.COM INC. v. N2K, INC., ET AL, NO. 2:98cv00118 (Docket) (W.D.Pa. Jan. 16, 1998)

Expert Court Documents (U.S.A.)

W.D.Pa. Expert Testimony

28 SIGHTSOUND.COM INCORPORATED, a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnow, Inc., a Pennsylvania corporation, and Cdnow Online, Inc., a Pennsylania corporation, Defendants., 1998 WL 34373758 (Expert Report and Affidavit)

(W.D.Pa. 1998) **Opening Expert Report of James A. Moorer** (NO. 98-0118)

29 SIGHTSOUND. COM INCORPORATED, A Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation CDNOW, Inc., A Pennsaylvania corporation, and CDNOW Online, Inc., a Pennsylvania corporation, Defendants., 2001 WL 34891529 (Expert Deposition) (W.D.Pa. Apr. 19, 2001) **Proceedings** (NO. 98-118)

30 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)

31 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)

32 SIGHTSOUND.COM INCORPORATED, a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnow, Inc., a Pennsylvania corporation, and Cdnow 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)

33 SIGHTSOUND.COM INCORPORATED a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware Corporation, Cdnow, Inc., a Pennsylvania corporation, and Cdnow Onlline, 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)

34 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)

35 SIGHTSOUND. COM INCORPORATED, a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnow, Inc., a Pennsylvania corporation, and Cdnow Online, Inc., a Pennsylvania corporation, Defendants., 2003 WL 24309949 (Partial Expert Testimony) (W.D.Pa. Mar. 3, 2003) **(Partial Testimony)** (NO. 98-0118)

36 SIGHTSOUND.COM, INCORPORATED, Plaintiff, v. N2K, INC., Cdnow, Inc., and Cdnow 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)

37 SIGHTSOUND. COM INCORPORATED, a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnow, Inc., a Pennsylvania corporation, and Cdnow Online, Inc., a Pennsylvania corporation, Defendants., 2003 WL 24309950 (Expert Deposition) (W.D.Pa. Mar. 11, 2003) **(Deposition)** (NO. 98-0118)

38 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)

39 SIGHTSOUND.COM, INC., a Pennsylvania corporation, Plaintiff, v. N2K, INC., a Delaware corporation, Cdnow, Inc., a Pennsylvania corporation, and Cdnow 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)

40 SIGHTSOUND.COM, INC., a Pennsylvania corporation, Plaintiff and, Counterdefendants, v. N2K, INC., a Delaware corporation, CDNOW, Inc., a Pennsylvania corporation, and Cdnow 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

41 SIGHTSOUND.COM INC., Plaintiff, v. N2K, INC., Cdnow, 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)

42 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)

43 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. Moorer, Ph.D** (NO. 98-0118)

44 SIGHTSOUND.COM INC., Plaintiff, v. N2K, INC., Cdnow, 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 Shamos, Ph.D, JD.** (NO. 98-0118)

W.D.Pa.

45 SIGHTSOUND.COM INC. v. N2K, INC., ET AL, NO. 2:98cv00118 (Docket) (W.D.Pa. Jan. 16, 1998)

Patent Family

46 DIGITAL AUDIO-VIDEO SIGNAL TRANSFER METHOD FOR ELECTRONIC SALES OF MUSIC AND VIDEO, Derwent World Patents Legal 1999-618837

Assignments

47 Action: ASSIGNMENT OF ASSIGNORS INTEREST (SEE DOCUMENT FOR DETAILS). Number of Pages: 006, (DATE RECORDED: Dec 27, 2005)

48 ACTION: NOTICE OF GRANT OF SECURITY INTEREST NUMBER OF PAGES: 006, (DATE RECORDED: Oct 24, 2001)

49 ACTION: CHANGE OF NAME (SEE DOCUMENT FOR DETAILS). NUMBER OF PAGES: 016, (DATE RECORDED: May 03, 2000)

Patent Status Files

.. Request for Re-Examination, (OG DATE: Mar 29, 2005)

Docket Summaries

51 "SIGHTSOUND TECH v. ROXIO, INC., ET AL", (W.D.PA. Oct 08, 2004) (NO. 2:04CV01549), (35 USC 271 PATENT INFRINGEMENT)

Prior Art (Coverage Begins 1976)

C 52 AUDIO STORAGE AND DISTRIBUTION SYSTEM, US PAT 4124773 (U.S. PTO Utility 1978)

52 AUTOMATIC INFORMATION, GOODS AND SERVICES DISPENSING SYSTEM, US PAT 4567359 (U.S. PTO Utility 1986)

C 54 BUFFER MEMORY DISPERSION TYPE VIDEO/AUDIO TRANSMISSION SYSTEM, US PAT 4538176Assignee: Hitachi, Ltd., (U.S. PTO Utility 1985)

C 55 COIN-OPERATED RECORDING MACHINE, US PAT 3990710 (U.S. PTO Utility 1976)

C 56 MANUFACTURE OF PARABOLIC ANTENNAS, US PAT 4789868Assignee: Toyo Kasei Kogyo Kabushiki Kaisha, (U.S. PTO Utility 1988)

H 57 METHOD FOR TRANSMITTING A DESIRED DIGITAL VIDEO OR AUDIO SIGNAL, US PAT 5191573 (U.S. PTO Utility 1993)

C 58 PAY PER VIEW ENTERTAINMENT SYSTEM, US PAT 4789863 (U.S. PTO Utility 1988)

C 59 PROGRAMMING-ON-DEMAND CABLE SYSTEM AND METHOD, US PAT 4506387 (U.S. PTO Utility 1985)

C 60 RECORDED PROGRAM COMMUNICATION SYSTEM, US PAT 4521806Assignee: World Video Library, Inc., (U.S. PTO Utility 1985)

C 61 SOFTWARE VENDING SYSTEM, US PAT 4654799Assignee: Brother Kogyo Kabushiki Kaisha, (U.S. PTO Utility 1987)

62 SYSTEM FOR REPRODUCING INFORMATION IN MATERIAL OBJECTS AT A POINT OF SALE LOCATION, US PAT 4528643Assignee: FPDC, Inc., (U.S. PTO Utility 1985)

C 63 SYSTEM OF PAYMENT OR INFORMATION TRANSFER BY MONEY CARD WITH ELECTRONIC MEMORY, US PAT 5191193Assignee: Gemplus Card International, (U.S. PTO Utility 1993)

C 64 VENDING SYSTEM FOR REMOTELY ACCESSIBLE STORED INFORMATION, US PAT 3718906Assignee: Lightner R, (U.S. PTO Utility 1973)

C 65 VIDEO CASSETTE SELECTION MACHINE, US PAT 4647989 (U.S. PTO Utility 1987)

Click a docket number below to view a docket.

Patent Search Results

Edit Search

Results: 1 cases and their patents, totaling 1 items.

Re-run Search
This search was run on 2/17/2010

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Printer Friendly List
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Items 1 to 1 of 1

	Patent	Class	Subclass	Description	Court (All)	Docket Number	Filed	Date Retrieved
☐	5,966,440	705	26	Sightsound Tech v. Roxio, Inc, et al	US-DIS-PAWD	2:04cv1549	10/8/2004	8/4/2008

Items 1 to 1 of 1

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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 Monday, August 04, 2008

Date Filed: 10/08/2004
Assigned To: Chief Judge Donetta W Ambrose
Referred To:
Nature of suit: Patent (830)
Cause: Patent Infringement
Lead Docket: None
Other Docket: Dkt in other court: 05-01277
Dkt in other court: Related, 2:98-cv-118
Jurisdiction: Federal Question

Class Code: CLOSED
Closed: Yes
Statute: 35:271
Jury Demand: Both
Demand Amount: $0
NOS Description: Patent

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Date	#	Proceeding Text
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 Laurence 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)

UNITED STATES PATENT AND TRADEMARK OFFICE

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United States Patent and Trademark Office
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
90/007,407	01/31/2005	5966440	NAPSP003	4782

23973 7590 03/02/2010

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EXAMINER	
ART UNIT	PAPER NUMBER

DATE MAILED: 03/02/2010

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

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(THIRD PARTY REQUESTER'S CORRESPONDENCE ADDRESS)

Albert S. Penilla
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MAILED

MAR 02 2010

CENTRAL REEXAMINATION UNIT

EX PARTE REEXAMINATION COMMUNICATION TRANSMITTAL FORM

REEXAMINATION CONTROL NO. *90/007,407*.

PATENT NO. *5966440*.

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)).

Notice of Intent to Issue Ex Parte Reexamination Certificate	Control No.	Patent Under Reexamination	
	90/007,407	5966440	
	Examiner	Art Unit	
	ROLAND G. FOSTER	3992	

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

1. ☒ Prosecution on the merits is (or remains) closed in this *ex parte* reexamination proceeding. This proceeding is subject to reopening at the initiative of the Office or upon petition. *Cf.* 37 CFR 1.313(a). A Certificate will be issued in view of
   - (a) ☒ Patent owner's communication(s) filed: *03 November 2009*.
   - (b) ☐ Patent owner's late response filed: _____.
   - (c) ☐ Patent owner's failure to file an appropriate response to the Office action mailed: _____.
   - (d) ☐ Patent owner's failure to timely file an Appeal Brief (37 CFR 41.31).
   - (e) ☒ Other: *the BPAI decision mailed 8/14/09.*.

   Status of *Ex Parte* Reexamination:
   - (f) Change in the Specification: ☐ Yes ☒ No
   - (g) Change in the Drawing(s): ☐ Yes ☒ No
   - (h) Status of the Claim(s):
     - (1) Patent claim(s) confirmed: *46*.
     - (2) Patent claim(s) amended (including dependent on amended claim(s)): *7,8,13,19-21,24-26,28,30-35,40,47,54-57 and 59-61*
     - (3) Patent claim(s) cancelled: *2,3,5,9,17,22,37,38,41,43,44,46 and 62-79*.
     - (4) Newly presented claim(s) patentable: 80-129.
     - (5) Newly presented cancelled claims: 62-79.
     - (6) Patent claim(s) ☐ previously ☐ currently disclaimed: _____
     - (7) Patent claim(s) not subject to reexamination: _____.

2. ☒ Note the attached statement of reasons for patentability and/or confirmation. Any comments considered necessary by patent owner regarding reasons for patentability and/or confirmation must be submitted promptly to avoid processing delays. Such submission(s) should be labeled: "Comments On Statement of Reasons for Patentability and/or Confirmation."

3. ☐ Note attached NOTICE OF REFERENCES CITED (PTO-892).

4. ☒ Note attached LIST OF REFERENCES CITED (PTO/SB/08 or PTO/SB/08 substitute.).

5. ☐ The drawing correction request filed on _____ is: ☐ approved ☐ disapproved.

6. ☐ Acknowledgment is made of the priority claim under 35 U.S.C. § 119(a)-(d) or (f).
   a)☐ All b)☐ Some* c)☐ None of the certified copies have
   - ☐ been received.
   - ☐ not been received.
   - ☐ been filed in Application No. _____.
   - ☐ been filed in reexamination Control No. _____.
   - ☐ been received by the International Bureau in PCT Application No. _____.

   * Certified copies not received: _____.

7. ☐ Note attached Examiner's Amendment.

8. ☐ Note attached Interview Summary (PTO-474).

9. ☐ Other: _____.

cc: Requester (if third party requester)

NOTICE OF INTENT TO ISSUE EX PARTE REEXAMINATION CERTIFICATE

Summary

Claims 1, 4, 6-8, 10-16, 18-21, 23-36, 39, 40, 42, 45, 47-61 and 80-129 of U.S. Patent No. 5,966,440 (the "Hair" patent) are currently under reexamination in this proceeding.

Patentable Claims

Claims 1, 4, 6-8, 10-16, 18-21, 23-36, 39, 40, 42, 45, 47-61 and 80-129 are confirmed or found patentable.

Reasons for Patentability

The subject claims are confirmed or found patentable for the reasons set forth in the decision mailed August 14, 2009 by the Board of Patent Appeals and Interferences (the "Board"), where the art relied upon by the examiner was held not to be "prior" art. In the decision, the Board found "[a]ll of the features listed in the table [i.e., Table I. New Matter Chart FF6] are supported by the disclosure of at least the Grandparent Application, which was filed September 18, 1990." P. 13. As for whether the whether the non-video download limitations are entitled to the earlier filing date of the great-grandparent application, the Board found the "Examiner cannot be allowed to reexamine the sufficiency of the specification." P. 17. As for the video download limitations not listed in Table I (FF 6), the Board held the "Examiner also finds that the Grandparent and Parent applications fail to support claims in the Child application, but the Answer fails to provide any specific limitations not supported....given the support indicated (FF 6), it would appear that the instant claims are all supported back to at least to that indicated date, i.e., September 18, 1990." Pp. 13 & 14. Regarding the 35 USC § 112 rejections

of the amended claims however, the Board looked to matter present within the specification of the child (Hair patent under reexamination) itself (FF 1-15) to find sufficient § 112 support. P. 12. Regarding the obviousness-type double patenting rejections, the Board found them improper "over claims of those patents as they existed prior to the reexamination proceeding" of those patents[1] and because the "actual rejections were not made provisional...." Pp. 18 & 19.

The 35 USC § 112 rejection of claims 10, 18 and 25-28 was upheld by the Board, however the patent owner submitted an amendment on November 3, 2009 correcting those defects. The amendment will be entered in accordance with MPEP § 1214.06.II.

Any comments considered necessary by the Patent Owner regarding the above statement must be submitted promptly to avoid processing delays. Such submission by the Patent Owner should be labeled: "Comments on Statement of Reasons for Patentability and/or Confirmation" and will be placed in the reexamination file.

[1] The 5,675,734 patent however expired June 13, 2008 and thus those original claims can no longer be amended during a reexamination proceeding. 37 CFR 1.530(j) & (k).

Conclusion

Extensions of time under 37 CFR 1.136(a) will not be permitted in these proceedings because the provisions of 37 CFR 1.136 apply only to "an applicant" and not to parties in a reexamination proceeding. Additionally, 35 U.S.C. 305 requires that reexamination proceedings "will be conducted with special dispatch" (37 CFR 1.550(a)). Extension of time in *ex parte* reexamination proceedings are provided for in 37 CFR 1.550(c).

The patent owner is reminded of the continuing responsibility under 37 CFR 1.565(a) to apprise the Office of any litigation activity, or other prior or concurrent proceeding, involving the Gove patent throughout the course of this reexamination proceeding. The third party requester is also reminded of the ability to similarly apprise the Office of any such activity or proceeding throughout the course of this reexamination proceeding. See MPEP §§ 2207, 2282 and 2286.

All correspondence relating to this *ex parte* reexamination proceeding should be directed as follows:

By EFS: Registered users may submit via the electronic filing system EFS-Web, at https://sportal.uspto.gov/authenticate/authenticateuserlocalepf.html.

By Mail to: Mail Stop *Ex Parte* Reexam
Central Reexamination Unit
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

By FAX to: (571) 273-9900
Central Reexamination Unit

By hand to: Customer Service Window
Randolph Building
401 Dulany St.
Alexandria, VA 22314

For EFS-Web transmission, 37 CFR 1.8(a)(1)(i) (C) and (ii) states that correspondence (except for a request for reexamination and a corrected or replacement request for reexamination) will be considered timely if (a) it is transmitted via the Office's electronic filing system in accordance with 37 CFR 1.6(a)(4), and (b) includes a certificate of transmission for each piece of correspondence stating the date of transmission, which is prior to the expiration of the set period of time in the Office action.

Any inquiry concerning this communication should be directed to Roland Foster at telephone number 571-272-7538.

Signed:

Conferees:

SW

ESK

/Roland G. Foster/
Roland G. Foster
Central Reexamination Unit, Primary Examiner
Electrical Art Unit 3992
(571) 272-7538

Form 1449 (Modified) **Information Disclosure Statement By Applicant** (Use Several Sheets if Necessary)	Atty Docket No: NAPSP003 Applicant: Arthur R. Hair Issue Date: October 12, 1999	U.S. Patent No. 5,966,440 Group:

U.S. Patent Documents

Examiner Initial	No.	Patent No.	Date	Patentee	Class	Sub-class
	A					
	B					
	C					
	D					
	E					
	F					
	G					
	H					
	I					

Foreign Patent or Published Foreign Patent Application

Examiner Initial	No.	Document No.	Publication Date	Country or Patent Office	Class	Sub-class	Translation Yes	Translation No
	L							
	M							
	N							
	O							
	P							

Other Documents

Examiner Initial	No.	Author, Title, Date, Place (e.g. Journal) of Publication
ESK	Q-1	D. Waters, "Prospects for Standardization in Cable Audio," *Technical Papers--NCTA Annual Convention*, 1984, pp. 82-84.
	R-1	J. Taylor, "The Copy-Protection Wars," *PC Magazine*, vol. 5, No. 1, January 14, 1986, pp. 165-167 (electronic version of original consisting of 14 pages being submitted).
	S-1	P. Elmer-DeWitt, "Calling up an on-line cornucopia; computer networks are supermarkets of services and information," *Time*, April 7, 1986 (two-page electronic version obtained at http://www.highbeam.com).
	T-1	M. Kramer, "Network applications are adding encryption," *PC Week*, vol. 4, March 3, 1987, p. C7(1) (electronic version of original consisting of 6 pages being submitted).
Examiner [signature]		Date Considered 1 MAR 2010

Examiner: Initial citation considered. Draw line through citation if not in conformance and not considered. Include copy of this form with next communication to applicant.

Form 1449 (Modified) **Information Disclosure Statement By Applicant** (Use Several Sheets if Necessary)	Atty Docket No: NAPSP003 Applicant: Arthur R. Hair Issue Date: October 12, 1999	U.S. Patent No. 5,966,440 Group:

U.S. Patent Documents

Examiner Initial	No.	Patent No.	Date	Patentee	Class	Sub-class
	A					
	B					
	C					
	D					
	E					
	F					
	G					
	H					
	I					
	J					
	K					

Foreign Patent or Published Foreign Patent Application

Examiner Initial	No.	Document No.	Publication Date	Country or Patent Office	Class	Sub-class	Translation Yes	Translation No
	L							
	M							
	N							
	O							
	P							

Other Documents

Examiner Initial	No.	Author, Title, Date, Place (e.g. Journal) of Publication
ESK	Q-2	J. Zilber, B. Templin, and R. Ito, "It's a Mac, Mac, Mac World," *MacUser*, vol. 4, No. 4, April 1988, pp. 135(7) (electronic version of original consisting of 10 pages being submitted).
	R-2	M. Fischer, "Modems, Music, and Your Apple II," *A+ Magazine*, June 1988, pp. 81-83.
	S-2	
	T-2	

Examiner Eric Stamber	Date Considered 1 MAR 2010

Examiner: Initial citation considered. Draw line through citation if not in conformance and not considered. Include copy of this form with next communication to applicant.

Issue Classification

Application/Control No.	Applicant(s)/Patent Under Reexamination
90007407	5966440
Examiner	**Art Unit**
ROLAND G FOSTER	3992

ORIGINAL	
CLASS	SUBCLASS
705	26

CROSS REFERENCE(S)

CLASS	SUBCLASS (ONE SUBCLASS PER BLOCK)				
705	52	57			
G9B	20.002	27.002	27.012	27.019	27.051

INTERNATIONAL CLASSIFICATION					
CLAIMED					NON-CLAIMED
G	0	7	F	17 / 00 (2006.01.01)	
G	0	7	F	17 / 16 (2006.01.01)	
G	1	1	B	20 / 00 (2006.01.01)	
G	1	1	B	27 / 10 (2006.01.01)	
G	1	1	B	27 / 034 (2006.01.01)	
G	1	1	B	27 / 00 (2006.01.01)	
G	1	1	B	27 / 34 (2006.01.01)	
G	1	1	B	27 / 031 (2006.01.01)	

☐ Claims renumbered in the same order as presented by applicant ☐ CPA ☐ T.D. ☐ R.1.47

Final	Original	Final	Original	Final	Original	Final	Original	Final	Original	Final	Original	Final	Original	Final	Original
1	1	18	18	35	35	52	52		69	70	86	87	103	104	120
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	3	20	20		37	54	54		71	72	88	89	105	106	122
4	4	21	21		38	55	55		72	73	89	90	106	107	123
	5		22	39	39	56	56		73	74	90	91	107	108	124
6	6	23	23	40	40	57	57		74	75	91	92	108	109	125
7	7	24	24		41	58	58		75	76	92	93	109	110	126
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	9	26	26		43	60	60		77	78	94	95	111	112	128
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11	11	28	28	45	45		62		79	80	96	97	113		
12	12	29	29		46		63	64	80	81	97	98	114		
13	13	30	30	47	47		64	65	81	82	98	99	115		
14	14	31	31	48	48		65	66	82	83	99	100	116		
15	15	32	32	49	49		66	67	83	84	100	101	117		
16	16	33	33	50	50		67	68	84	85	101	102	118		

None (Assistant Examiner)	(Date)	**Total Claims Allowed:** 78	
/ROLAND G FOSTER/ Examiner.Art Unit 3992 (Primary Examiner)	03/01/2010 (Date)	O.G. Print Claim(s) 1	O.G. Print Figure 2

Issue Classification	Application/Control No.	Applicant(s)/Patent Under Reexamination
	90007407	5966440
	Examiner	Art Unit
	ROLAND G FOSTER	3992

☐ Claims renumbered in the same order as presented by applicant	☐ CPA	☐ T.D.	☐ R.1.47

	17	34	34	51	51		68	69	85	86	102	103	119		

None (Assistant Examiner) (Date)		Total Claims Allowed: 78	
/ROLAND G FOSTER/ Examiner.Art Unit 3992 (Primary Examiner)	03/01/2010 (Date)	O.G. Print Claim(s) 1	O.G. Print Figure 2

UNITED STATES PATENT AND TRADEMARK OFFICE

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

BIB DATA SHEET

CONFIRMATION NO. 4782

SERIAL NUMBER	FILING or 371(c) DATE RULE	CLASS	GROUP ART UNIT	ATTORNEY DOCKET NO.
90/007,407	01/31/2005	705	3992	NAPSP003

APPLICANTS

5966440, Residence Not Provided;
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Albert S Penilla(3rd. Pty. Req.), Sunnyvale, CA;
Albert S Penilla, Sunnyvale, CA;

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

This application is a REX of 08/471,964 06/06/1995 PAT 5,966,440
which is a CON of 08/023,398 02/26/1993 ABN
which is a CON of 07/586,391 09/18/1990 PAT 5,191,573
which is a CON of 07/206,497 06/13/1988 ABN

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

**** IF REQUIRED, FOREIGN FILING LICENSE GRANTED ****

Foreign Priority claimed ☐ Yes ☐ No 35 USC 119(a-d) conditions met ☐ Yes ☐ No Verified and Acknowledged Examiner's Signature	☐ Met after Allowance Initials	STATE OR COUNTRY	SHEETS DRAWINGS	TOTAL CLAIMS	INDEPENDENT CLAIMS
				63	14

ADDRESS

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ATTN: INTELLECTUAL PROPERTY GROUP
ONE LOGAN SQUARE
18TH AND CHERRY STREETS
PHILADELPHIA, PA 19103-6996
UNITED STATES

TITLE

SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS

FILING FEE RECEIVED	FEES: Authority has been given in Paper	☐ All Fees
2520	No._____ to charge/credit DEPOSIT ACCOUNT	☐ 1.16 Fees (Filing)
	No._____ for following:	☐ 1.17 Fees (Processing Ext. of time)
		☐ 1.18 Fees (Issue)
		☐ Other _____
		☐ Credit

BIB (Rev. 05/07).

Search Notes

Application/Control No.	Applicant(s)/Patent under Reexamination	
90/007,407	5966440	
Examiner	**Art Unit**	
ROLAND G. FOSTER	3992	

SEARCHED			
Class	Subclass	Date	Examiner

INTERFERENCE SEARCHED			
Class	Subclass	Date	Examiner

SEARCH NOTES (INCLUDING SEARCH STRATEGY)		
	DATE	EXMR
Search not updated.	3/1/2010	RGF

Reexamination	Application/Control No.	Applicant(s)/Patent Under Reexamination
	90/007,407	5966440
	Certificate Date	Certificate Number
		C1

Requester Correspondence Address:	☐ Patent Owner	☒ Third Party

Albert S. Penilla
Martine Penilla & Gencarella, LLP
710 Lakeway Drive, Suite 200
Sunnyvale, CA 94085

LITIGATION REVIEW ☒	r.g.f. (examiner initials)	3/1/10 (date)
Case Name		Director Initials
Sightsound v. Roxio, 2:04cv1549, closed.		Eu Treat for CM

COPENDING OFFICE PROCEEDINGS	
TYPE OF PROCEEDING	NUMBER
1. None	
2.	
3.	
4.	

O.K. TO ENTER R.C.F. 3/1/10

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re PATENT:	Confirmation No.: 4782
5,966,440	Attorney Docket: NAPSP003
Control No.: 90/007,407	Group Art Unit: 3992
Filing Date: January 31, 2005	Examiner: Foster, Roland
Title: **SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS**	Date: November 3, 2009

AMENDMENT OF PATENT IN RE-EXAMINATION AFTER DECISION BY THE BPAI

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

Sir:

In response to the Decision of the Board dated August 14, 2009, the Assignee requests that the above-identified patent under re-examination be amended as follows:

Amendments to the Claims are reflected in the listing of claims which begins on page 2 of this paper.

Remarks/Arguments begin on page 4 of this paper.

Issue Classification	Application/Control No.	Applicant(s)/Patent Under Reexamination
	90007407	5966440
	Examiner	Art Unit
	ROLAND G FOSTER	3992

ORIGINAL		INTERNATIONAL CLASSIFICATION															
CLASS	SUBCLASS	CLAIMED									NON-CLAIMED						
705	26	G	0	7	F	17 / 00 (2006.01.01)											
CROSS REFERENCE(S)		G	0	7	F	17 / 16 (2006.01.01)											
		G	1	1	B	20 / 00 (2006.01.01)											
CLASS	SUBCLASS (ONE SUBCLASS PER BLOCK)	G	1	1	B	27 / 10 (2006.01.01)											
705	52 57	G	1	1	B	27 / 034 (2006.01.01)											
~~G08~~	~~20.002 27.002 27.012 27.019 27.051~~	G	1	1	B	27 / 00 (2006.01.01)											
		G	1	1	B	27 / 34 (2006.01.01)											
		G	1	1	B	27 / 031 (2006.01.01)											

☐ Claims renumbered in the same order as presented by applicant ☐ CPA ☐ T.D. ☐ R.1.47

Final	Original	Final	Original	Final	Original	Final	Original	Final	Original	Final	Original	Final	Original	Final	Original
1	1	18	18	35	35	52	52		69	70	86	87	103	104	120
	2	19	19	36	36	53	53		70	71	87	88	104	105	121
	3	20	20		37	54	54		71	72	88	89	105	106	122
4	4	21	21		38	55	55		72	73	89	90	106	107	123
	5		22	39	39	56	56		73	74	90	91	107	108	124
6	6	23	23	40	40	57	57		74	75	91	92	108	109	125
7	7	24	24		41	58	58		75	76	92	93	109	110	126
8	8	25	25	42	42	59	59		76	77	93	94	110	111	127
	9	26	26		43	60	60		77	78	94	95	111	112	128
10	10	27	27		44	61	61		78	79	95	96	112	113	129
11	11	28	28	45	45		62		79	80	96	97	113		
12	12	29	29		46		63	64	80	81	97	98	114		
13	13	30	30	47	47		64	65	81	82	98	99	115		
14	14	31	31	48	48		65	66	82	83	99	100	116		
15	15	32	32	49	49		66	67	83	84	100	101	117		
16	16	33	33	50	50		67	68	84	85	101	102	118		

None (Assistant Examiner) (Date)	Total Claims Allowed: 78	
/ROLAND G FOSTER/ Examiner.Art Unit 3992 03/01/2010 (Primary Examiner) (Date)	O.G. Print Claim(s) 1	O.G. Print Figure 2

U.S. Patent and Trademark Office

Part of Paper No. 20100301

Issue Classification	Application/Control No.	Applicant(s)/Patent Under Reexamination
	90007407	5966440
	Examiner	Art Unit
	ROLAND G FOSTER	3992

☐ Claims renumbered in the same order as presented by applicant ☐ CPA ☐ T.D. ☐ R.1.47

	17	34	34	51	51		68	69	85	86	102	103	119		

None (Assistant Examiner)	(Date)	Total Claims Allowed: 78	
/ROLAND G FOSTER/ Examiner.Art Unit 3992 (Primary Examiner)	03/01/2010 (Date)	O.G. Print Claim(s) 1	O.G. Print Figure 2

U.S. Patent and Trademark Office

Part of Paper No. 20100301

US005966440C1

(12) EX PARTE REEXAMINATION CERTIFICATE (7635th)

United States Patent
Hair

(10) **Number: US 5,966,440 C1**
(45) **Certificate Issued: Jul. 27, 2010**

(54) **SYSTEM AND METHOD FOR TRANSMITTING DESIRED DIGITAL VIDEO OR DIGITAL AUDIO SIGNALS**

(75) Inventor: **Arthur R. Hair**, Pittsburgh, PA (US)

(73) Assignees: **Kenyon & Kenyon**, New York, NY (US); **Ansel M. Schwartz**, Pittsburgh, PA (US); **Waterview Partners, LLP**, New York, NY (US); **D&DF Waterview Partners, L.P.**, New York, NY (US)

Reexamination Request:
No. 90/007,407, Jan. 31, 2005

Reexamination Certificate for:

Patent No.:	**5,966,440**
Issued:	**Oct. 12, 1999**
Appl. No.:	**08/471,964**
Filed:	**Jun. 6, 1995**

Related U.S. Application Data

(63) Continuation of application No. 08/023,398, filed on Feb. 26, 1993, now abandoned, which is a continuation of application No. 07/586,391, filed on Sep. 18, 1990, now Pat. No. 5,191,573, which is a continuation of application No. 07/206,497, filed on Jun. 13, 1988, now abandoned.

(51) **Int. Cl.**

G07F 17/00	(2006.01)
G07F 17/16	(2006.01)
G11B 20/00	(2006.01)
G11B 27/10	(2006.01)
G11B 27/034	(2006.01)
G11B 27/00	(2006.01)
G11B 27/34	(2006.01)
G11B 27/031	(2006.01)

(52) **U.S. Cl.** **705/26**; 705/52; 705/57
(58) **Field of Classification Search** ..... None
See application file for complete search history.

(56) **References Cited**

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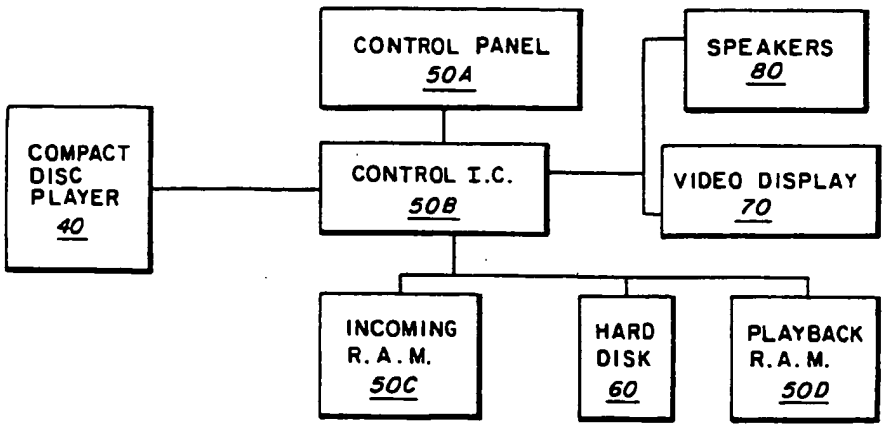
(Continued)

Primary Examiner—Roland G Foster

(57) **ABSTRACT**

A method for transferring desired digital video or audio signals. The method comprises the steps of forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party. The first memory has the desired digital video or audio signals. Then, there is the step of selling electronically by the first party to the second party through telecommunications lines, the desired digital video or audio signals in the first memory. Then, there is the step of transferring the desired digital video or audio signals from the first memory of the first party to the second memory of the second party through the telecommunications lines while the second memory is in possession and control of the second party. Additionally, there is a system for transferring digital video or audio signals.



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EX PARTE REEXAMINATION CERTIFICATE ISSUED UNDER 35 U.S.C. 307

THE PATENT IS HEREBY AMENDED AS INDICATED BELOW.

Matter enclosed in heavy brackets [ ] appeared in the patent, but has been deleted and is no longer a part of the patent; matter printed in italics indicates additions made to the patent.

AS A RESULT OF REEXAMINATION, IT HAS BEEN DETERMINED THAT:

The patentability of claim **46** is confirmed.

Claims **2, 3, 5, 9, 17, 22, 37, 38, 41, 43, 44, 46, 62** and **63** are cancelled.

Claims **1, 4, 6, 10-12, 14-16, 18 ,23 27, 29, 36, 39, 42, 45, 47, 49-53** and **58** are determined to be patentable as amended.

Claims **7, 8, 13,19-21, 24-26, 28, 30-35, 40, 48, 54-57** and **59-61**, dependent on an amended claim, are determined to be patentable.

New claims **64-113** are added and determined to be patentable.

1. A method for transferring desired digital video or digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, *the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party*; and

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; *storing the desired digital video or digital audio signals in a non-volatile storage portion the second memory;* and playing through speakers of the second party control unit the digital video or digital audio signals *stored* in the second memory, said speakers of the second party control unit connected with the second memory of the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

4. A method as described in claim **[3]** *1* wherein the step of charging the account of the second party 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.

6. A method as described in claim **[5]** *4* including before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.

10. A method as described in claim **[9]** *4, wherein the non-volatile storage portion comprises is a second party hard disk, and wherein the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip and a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback; and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback, the method further* including after the transferring step, there is the step of repeating the commanding, playing, and transferring a replica steps.

11. A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party;

entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party;

forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party;

storing the desired digital video or digital audio signals in a non-volatile storage portion of the second memory;

entering into the second party control panel commands to play the desired digital video or digital audio signals in the second memory of the second party control unit; and

playing the desired digital video or digital audio signals with the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

12. A system for transferring digital video or digital audio signals comprising:

a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals;

a second party control unit having a second party control panel, a second memory connected to the second party control panel, and means or a mechansim for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and

telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party;

the second memory including a non-volatile storage portion that stores the desired digital video or digital audio signals,

wherein the non-volatile storage portion is not a tape or CD.

14. A system as described in claim 13 wherein the second party control unit includes [a second party hard disk which stores a plurality of digital video or digital audio signals, and] a playback random access memory chip electronically connected to the [second party hard disk] *non-volatile storage portion* for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.

15. A system as described in claim 14 wherein *the second party control unit includes a second party integrated circuit and* the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

16. A system as described in claim 15 wherein the [second party control unit includes a] second party control integrated circuit [which] controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

18. A system as described in claim [17] *16* wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.

23. A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising:

means or a mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory, *the second memory including a non-volatile storage portion, wherein the non-volatile storage portion is not a tape or CD,* said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the *non-volatile storage portion of the* second memory, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the *non-volatile storage portion of the* second memory, said playing means or mechanism connected to the second memory.

27. A system as described in claim 26 wherein the first memory comprises a first hard disk [and the second memory comprises a second hard disk].

29. A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising:

means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said first party controlling use of the first memory, said second party controlling use and in possession of the second memory;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechansim for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party,

said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second memory, said storing means or mechanism *including a non-volatile storage portion of the second memory that is not a tape or CD,* in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

36. A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising the steps of:

placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines, *the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;*

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines;

storing the digital video or digital audio signals in *a non-volatile storage portion of* the second memory; and playing the digital video or digital audio signals stored in the second memory with the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

39. A method as described in claim **[38]** *36* wherein the step of charging the account of the second party 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.

42. A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, *the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;*

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; *storing the desired digital video or digital audio signals in a non-volatile storage portion of the second memory;* and playing the digital video or digital audio signals stored in the second memory with the second party control unit;

wherein the non-volatile storage portion is not a tape or CD.

45. A method as described in claim **[44]** *42* wherein the step of charging the account of the second party 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. A system for transferring digital video signals from a first party to a second party at a second party location comprising:

a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location;

a second party control unit having a second party control panel, a receiver, *a second memory* and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the, *second memory, the* video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and

telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party;

the second memory including a non-volatile storage portion for storing the digital video signals that are received by the receiver;

wherein the non-volatile storage portion is not a tape or CD.

49. A system as described in claim **[48]** *47* wherein the first party control unit includes a first party hard disk having

a plurality of digital video signals which include the desired digital video signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video signals of the first party's hard disk.

50. A system as described in claim **49** wherein the second [party control unit] *memory* includes [a second party hard disk which stores a plurality of digital video signals, and] a playback random access memory chip electronically connected to the [second party hard disk] *non-volatile storage portion* for storing a replica of the desired digital video signals as a temporary staging area for playback.

51. A system as described in claim **50** wherein *the second party control unit includes a second party integrated circuit and* the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

52. A system as described in claim **51** wherein the [second party control unit includes a] second party control integrated circuit [which] controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

53. A system as described in claim **52** wherein the second party control unit includes an incoming random access memory chip connected to the [second party hard drive] *non-volatile storage portion* and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party's control unit subsequent storage to the [second party hard disk] *non-volatile storage portion*.

58. A method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a *second memory of a* second party at a second party location so the second party can view the desired digital video signals comprising the steps of:

placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals;

connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;

choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected;

transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party;

storing the desired digital video signals in a non-volatile storage portion of the second memory; and

displaying the desired video signals received by the receiver on the video display in possession and control of the second party;

wherein the non-volatile storage portion is not a tape or CD.

64. A method for transferring desired digital video or digital audio signals comprising the steps of:

forming a connection through telecommunications lines between a first memory of a first party and a second memory of a second party control unit of a second party, the second memory including a second party hard disk, said first memory having said desired digital video or digital audio signals;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party; and

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party control unit of the second party through telecommunications lines while the second party control unit with the second memory is in possession and control of the second party; storing the desired digital video or digital audio signals in the second party hard disk; and playing through speakers of the second party control unit the digital video or digital audio signals stored in the second party hard disk, said speakers of the second party control unit connected with the second memory of the second party control unit.

65. A method as described in claim 64 wherein the step of charging the account of the second party 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.

66. A method as described in claim 65 including before the transferring step, the step of electronically coding the desired digital video or digital audio signals into a configuration which would prevent unauthorized reproduction of the desired digital video or digital audio signals.

67. A method as described in claim 66 wherein the first memory includes a first party hard disk having a plurality of digital video or digital audio signals, and a sales random access memory chip which temporarily stores a replica of the desired digital video or digital audio signals purchased by the second party for subsequent transfer via telecommunications lines to the second memory of the second party; and including before the transferring step, there is the step of storing a replica of the desired digital video or digital audio signals from the first party hard disk into the sales random access memory chip.

68. A method as described in claim 67 wherein the second party control unit has a second party integrated circuit which controls and executes commands of the second party, and a second party control panel connected to the second party integrated circuit, and before the forming step, there is the step of commanding the second party integrated circuit with the second party control panel to initiate the purchase of the desired digital video or digital audio signals from the first party.

69. A method as described in claim 68 wherein the second memory of the second party control unit includes an incoming random access memory chip which temporarily stores the desired digital video or digital audio signals received from the sales random access memory chip and a playback random access memory chip for temporarily storing the desired digital video or digital audio signals for sequential playback; and the storing step includes the steps of storing the desired digital video or digital audio signals in the incoming random access memory chip, transferring the desired digital video or digital audio signals from the incoming random access memory chip to the second party hard disk, storing the desired digital video or digital audio signals in the second party hard disk, commanding the second party integrated circuit with the second party control panel to play the desired digital video or digital audio signals and transferring a replica of the desired digital video or digital audio signals from the second party hard disk to the playback random access memory chip for playback.

70. A method as described in claim 69 including after the transferring step, there is the step of repeating the commanding, playing, and transferring a replica steps.

71. A method for transferring digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit in possession and control of the second party by the second party at a desired location determined by the second party;

entering into a second party control panel of the second party control unit of the second party commands by the second party to purchase desired digital video or digital audio signals from a first party;

forming a connection through telecommunications lines between a first memory of the first party and a second memory of the second party control unit, said first memory having desired digital video or digital audio signals, the second memory including a second party hard disk;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory;

transferring the desired digital video or digital audio signals from the first memory of the first party into the second memory of the second party through telecommunications lines while the second memory is in possession and control of the second party;

storing the desired digital video or digital audio signals in the second party hard disk;

entering into the second party control panel commands to play the desired digital video or digital audio signals in the second party hard disk of the second party control unit; and

playing the desired digital video or digital audio signals with the second party control unit.

72. A system for transferring digital video or digital audio signals comprising:

a first party control unit having a first memory having desired digital video or digital audio signals, and means or a mechanism for electronically selling the desired digital video or digital audio signals;

a second party control unit having a second party control panel, a second memory, including a second party hard disk storing the desired digital video or digital audio signals connected to the second party control panel, and means or a mechanism for playing the desired digital video or digital audio signals connected to the second memory and the second party control panel, said playing means or mechanism operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a location determined by the second party; and

telecommunications lines connected to the first party control unit and the second party control unit through which the electronic sales of the desired digital video or digital audio signals occur and through which the desired digital video or digital audio signals are electronically transferred from the first memory to the second memory while the second memory is in possession and control of the second party after the desired digital video or digital audio signals are sold to the second party by the first party and stored in the second party hard disk.

73. A system as described in claim 72 wherein the first party control unit includes a first party hard disk having a plurality of digital video or digital audio signals which include the desired digital video or digital audio signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video or digital audio signals of the first party hard disk.

74. A system as described in claim 73 wherein the second party control unit includes a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video or digital audio signals as a temporary staging area for playback.

75. A system as described in claim 74 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

76. A system as described in claim 75 wherein the second party control integrated circuit controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video or digital audio signals; and a second party control panel through which the second party control integrated circuit is programmed and is sent commands and which is connected to the second party integrated circuit.

77. A system as described in claim 76 wherein the second party control unit includes an incoming random access

memory chip connected to the second party hard drive and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video or digital audio signals received from the first party's control unit for subsequent storage to the second party hard disk.

78. A system as described in claim 77 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video or digital audio signals.

79. A system as described in claim 72 wherein the means or mechanism for electronically selling includes means or a mechanism for electronically selling includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location.

80. A system as described in claim 79 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

81. A system as described in claim 80 wherein the means or mechanism for charging the account includes means or a mechanism for receiving a credit card number of the second party.

82. A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party to a second memory of a second party comprising:

means or a mechanism for transferring money electronically via telecommunications lines from the second party to the first party controlling use of the first memory, at a location remote from the second memory, said second party controlling use and in possession of the second memory, the second memory including a hard disk;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed at a location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second party hard disk, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

83. A system as described in claim 82 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

84. A system as described in claim 83 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory,

said sales random access memory and said first control panel in electrical communication with said first control integrated circuit,

said second control unit comprising a second control panel, a second control integrated circuit, an incoming random access memory and a playback random access memory,

said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

85. A system as described in claim 84 wherein the telecommunications lines include telephone lines.

86. A system as described in claim 85 wherein the first memory comprises a first hard disk.

87. A system as described in claim 86 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

88. A system for transmitting desired digital video or digital audio signals stored on a first memory of a first party at a first location to a second memory of a second party at a second party location comprising:

means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video or digital audio signals at a location remote from the second location, said first party controlling use of the first memory, said second party contolling use and in possession of the second memory, the second memory including a second party hard disk;

means or a mechanism for connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween, said connecting means or mechanism in electrical communication with the transferring means or mechanism;

means or a mechanism for transmitting the desired digital video or digital audio signals from the first memory with a transmitter in control and possession of the first party to a receiver having the second memory while said receiver is in possession and control of the second party, said receiver placed by the second party at the second party location determined by the second party, said transmitting means or mechanism in electrical communication with said connecting means or mechanism;

means or a mechanism for storing the digital video or digital audio signals in the second party hard disk, said storing means or mechanism in electrical communication with said transmitting means or mechanism; and means or mechanism for playing the digital video or digital audio signals stored in the second memory, said playing means or mechanism connected to the second memory.

89. A system as described in claim 88 wherein the means or mechanism for the first party to charge a fee includes means or a mechanism for transferring money electronically via telecommunications lines to the first party at a location remote from the second memory at the second location.

90. A system as described in claim 89 wherein the connecting means or mechanism comprise a first control unit in possession and control of the first party and a second control unit in possession and control of the second party.

91. A system as described in claim 90 wherein the first control unit comprises a first control panel, first control integrated circuit and a sales random access memory, said sales random access memory and said first control panel in electrical communication with said first control integrated circuit, said second control unit comprising a second control

panel, a second control integrated circuit, an incoming random access memory and a playback random access memory, said second control panel, said incoming random access memory and said playback random access memory in electrical communication with said second control integrated circuit.

92. A system as described in claim 91 wherein the telecommunications lines include telephone lines.

93. A system as described in claim 92 wherein the first memory comprises a first hard disk.

94. A system as described in claim 93 including a video display and speakers in possession and control of the second party, said video display and speakers in electrical communication with said second control integrated circuit.

95. A method for transmitting desired digital video or digital audio signals stored in a first memory of a first party at a first party location to a second memory of a second party comprising the steps of:

placing a second party control unit having the second memory by the second party at a desired second party location determined by the second party, said second party location remote from the first party location, the second memory including a second party hard disk;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the digital video or digital audio signals possessed by the first party, said first party and said second party in communication via said telecommunications lines, the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

connecting electronically via telecommunications lines the first memory with the second memory such that the desired digital video or digital audio signals can pass therebetween;

transferring electronically via telecommunications lines the digital video or digital audio signals from a first location with the first memory to the desired second party location with the second memory while the second memory is in possession and control of the second party, said second party location remote from said first location, said first memory in communication with said second memory via the telecommunications lines;

storing the digital video or digital audio signals in the second party hard disk; and playing the digital video or digital audio signals stored in the second party hard disk with the second party control unit.

96. A system as described in claim 95 wherein the step of charging the account of the second party 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.

97. A system as described in claim 96 including after the transferring step, there is the step of repeating the charging a fee, connecting, and transferring steps.

98. A method for transferring desired digital video or digital audio signals from a first party to a second party comprising the steps of:

placing a second party control unit having a second memory by the second party at a desired location determined by the second party;

forming a connection through telecommunications lines between a first memory of a first party and the second memory of the second party, said first memory having said desired digital video or digital audio signals, the second memory including a second party hard disk;

selling electronically by the first party to the second party through telecommunications lines, the desired digital video or digital audio signals in the first memory, the second party is at a second party location and the step of selling electronically includes the step of charging a fee via telecommunications lines by the first party to the second party at a first party location remote from the second party location, the second party has an account and the step of charging a fee includes the step of charging the account of the second party;

transferring the desired digital video or digital audio signals from the first memory of the first party to the second memory of the second party through telecommunications lines; storing the desired digital video or digital audio signals in the second party hard disk; and playing the digital video or digital audio signals stored in the second party hard disk with the second party control unit.

99. A system as described in claim 98 wherein the step of charging the account of the second party 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.

100. A method for transferring digital video signals from a first party to a second party at a second party location comprising:

a first party control unit having a first memory having a plurality of desired individual video selections as desired digital video signals, and means or a mechanism for the first party to charge a fee to the second party for access to the desired digital video signals at a location remote from the second party location;

a second party control unit having a second party control panel, a receiver, a second party hard disk and a video display for playing the desired digital video signals received by the receiver, said second party control panel connected to the second party hard disk, the video display and the receiver, said receiver and video display operatively controlled by the second party control panel, said second party control unit remote from the first party control unit, said second party control unit placed by the second party at a second party location determined by the second party which is remote from said first party control unit, said second party choosing the desired digital video signals from the first memory with said second party control panel; and

telecommunications lines connected to the first party control unit and the second party control unit through which the desired digital video signals are electronically transferred from the first memory to the receiver while the second party control unit is in possession and control of the second party after the desired digital video signals are sold to the second party by the first party;

the second party hard disk storing the digital video signals that are received by the receiver.

101. A system as described in claim 100 wherein the first party control unit includes a first party hard disk having a plurality of digital video signals which include the desired

digital video signals, and a sales random access memory chip electronically connected to the first party hard disk for storing a replica of the desired digital video signals of the first party hard disk.

102. A system as described in claim 101 wherein the second party control unit includes a a playback random access memory chip electronically connected to the second party hard disk for storing a replica of the desired digital video signals as a temporary staging area for playback.

103. A system as described in claim 102 wherein the second party control unit includes a second party integrated circuit and the first party control unit includes a first party control integrated circuit which controls and executes commands of the first party and is connected to the first party hard disk, the first party sales random access memory, and the second party control integrated circuit through the telecommunications lines, said first party control integrated circuit and said second party control integrated circuit regulate the transfer of the desired digital video signals; and a first party control panel through which the first party control integrated circuit is programmed and is sent commands and which is connected to the first party control integrated circuit.

104. A system as described in claim 103 wherein the second party control integrated circuit controls and executes commands of the second party and is connected to the second party hard disk, the playback random access memory, and the first party control integrated circuit through the telecommunications lines, said second party control integrated circuit and said first party control integrated circuit regulate the transfer of the desired digital video signals; and a second party control panel through which the second party control integrated circuit is prgrammed and is sent commands and which is connected to the second party integrated circuit.

105. A system as described in claim 104 wherein the second party control unit includes an incoming random access memory chip connected to the second party hard disk and the second party control integrated circuit, and the first party control unit through the telecommunications lines for temporarily storing the desired digital video signals received from the first party control unit for subsequent storage to the second party hard disk.

106. A system as described in claim 105 wherein the second party control unit includes a video display unit connected to the playback random access memory chip and to the second party integrated circuit for displaying the desired digital video signals.

107. A system as described in claim 100 wherein the means or mechanism for charging a fee includes means or a mechanism for charging a fee via telecommunications lines by the first party to the second party at a location remote from the second party location.

108. A system as described in claim 107 wherein the second party has an account and the means or mechanism for charging a fee includes means or a mechanism for charging the account of the second party.

109. A system as described in claim 108 wherein the means or mechanism for charging the account includes means or a mechanism for charging a credit card number of the second party.

110. A method for transmitting desired digital video signals stored in a first memory having a plurality of individual video selections as digital video signals of a first party at a first party location to a second memory of a second party at a second party location so the second party can view the desired digital video signals comprising the steps of:

placing by the second party a receiver, and a video display connected to the receiver at the second party location determined by the second party which is remote from the first party location, the second receiver in electrical communication with the second memory, which includes a second party hard disk;

charging a fee by the first party to the second party at a location remote from the second party location so the second party can obtain access to the desired digital video signals;

connecting electronically via telecommunications lines the first memory with a receiver of the second party while the receiver is in possession and control of the second party;

choosing the desired digital video signals by the second party from the first memory of the first party so desired video selections are selected;

transmitting the desired digital video signals from the first memory with a transmitter in control and possession of the first party to the receiver of the second party while the receiver is in possession and control of the second party at the second party location determined by the second party;

storing the desired digital video signals in the second party hard disk; and

displaying the desired video signals received by the receiver on the video display in possession and control of the second party.

111. A system as described in claim 110 wherein the step of charging a fee includes the step of charging a fee via telecommunications lines by the first party to the second party so the second party can obtain access to the desired digital video signals stored on the first memory.

112. A system as described in claim 111 wherein the second party has an account and the step of charging a fee includes the step of charging the account of the second party.

113. A method as described in claim 112 wherein the step of charging the account of the second party 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.

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