

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

SIGHTSOUND TECHNOLOGIES, LLC,)	
)	
Plaintiff,)	
)	Civil Action No. 2:11-cv-01292-DWA
v.)	
)	Senior District Judge Donetta W. Ambrose
APPLE, INC.,)	
)	
Defendant.)	

SPECIAL MASTER’S REPORT AND RECOMMENDATION
ON CLAIM CONSTRUCTION

I. RECOMMENDATION

It is respectfully recommended that the claim terms of the patents-in-suit be interpreted as set forth in the following report.

II. REPORT

Plaintiff, Sightsound Technologies, LLC (“Sightsound”), filed this patent infringement action accusing Defendant, Apple, Inc. (“Apple”), of infringing various claims of its U.S. Patent Nos. 5,191,573 (“the ‘573 patent”), 5,675,734 (“the ‘734 patent”) and 5,966,440 (the ‘440 patent”) (collectively, “the Patents”). The Patents all stem from and claim priority to a patent application filed on June 13, 1988 (“the critical date”) by Mr. Arthur Hair, which application eventually issued as the ‘573 patent. The ‘734 patent and the ‘440 patent are “continuations” of the ‘573 patent and, as such, the Patents share common technical disclosures and drawings.

The Patents have been asserted in prior patent infringement actions before this Court. In *Sightsound.com, Inc. v. N2K, Inc. et al.*, Civil Action No. 2:98-cv-118-DWA (“the N2K case”), this Court adopted Magistrate Judge Benson’s Report & Recommendation on Claim Construction (“the prior R&R”), which construed a significant number of the claim terms and phrases at issue here, in a Memorandum Order dated November 27, 2002 (“the prior Order”)

(Docket # 90-13).¹ The N2K case was subsequently settled by the parties without a final judgment being entered by this Court.

Later, in 2004, the Patents were again asserted in *Sightsound Technologies, Inc. v. Roxio, Inc. et al.*, Civil Action No. 2:04-cv-1549-DWA (“the Roxio case”). The Roxio case was eventually stayed while the Patents were reexamined by the U.S. Patent & Trademark Office. The ‘573 patent and the ‘734 patent remained unchanged upon completion of the reexamination proceeding while the ‘440 patent emerged with deleted, amended and new claims. After the reexamination proceeding was completed, the parties settled the Roxio case.

Returning to the present litigation, pursuant to Local Patent Rule 4.2, on August 8, 2012, the parties filed a Joint Disputed Claim Terms Chart (“JDCT Chart”) (Docket #82) listing those claim terms and phrases the meanings of which are in dispute and therefore need to be construed by the Court. Subsequently, pursuant to LPR 4.3 and the Court’s Case Management Order (Docket #42), the parties filed opening claim construction briefs on September 7, 2012, (Docket ## 90 & 91) and responsive claims construction briefs on September 28, 2012 (Docket ## 101 & 104).² A claim construction hearing (“Markman hearing”) was held before the undersigned on October 12, 2012, during which argument, demonstrative evidence and exhibits were presented by counsel for the parties. Before turning to the construction of the disputed claim terms, however, a number of issues raised by the parties will first be addressed.

A. The Prior Order and the Doctrine of *Stare Decisis*

Sightsound contends that this Court previously construed nearly all of the claim terms at issue here in the N2K case, and should defer to the constructions in its prior Order under principles of *stare decisis*. (Docket #90, pgs. 2 and 7-8)³. To support its position, Sightsound proffers the underlying principles and benefits of *stare decisis*, contends that Apple has not

¹ Magistrate Judge Benson’s initial Report & Recommendation, issued on February 8, 2002, is reported at 185 F.Supp.2d 445 (W.D.Pa. 2002). Magistrate Judge Benson subsequently clarified his initial Report & Recommendation on April 2, 2002 (Docket #90-15).

² Sightsound included expert declarations and exhibits in its respective opening and responsive claim construction briefs (Docket ## 90 & 104). Apple submitted expert declarations (Docket ## 92, 93, 108 & 109) and exhibit compilations (Docket ## 94 & 98) as separate docket entries. These declarations and exhibits will be specifically identified and referred to, as necessary, below.

³ Docket citations herein (except for Docket #101, which was filed under seal) are made to the page numbers listed in the headers of the ECF-filed versions.

shown that the prior claim constructions are clearly wrong (*Id.* at pg. 1, fn. 1) and posits that the prior constructions are apt to be more reliable because they were developed some 10 years ago and therefore much closer temporally with what one of ordinary skill in the art would understand those claims terms to mean at the critical date. (Docket #120, Markman Tr. at pg. 15, l. 12-22).

Apple vigorously contests Sightsound's position and provides numerous grounds to support its assertion that *stare decisis* does not obligate this Court to adopt its prior constructions, including: (1) that the prior Order was a non-final, unappealed order and, thus, not a precedential decision (Docket #101, pg. 2); that Apple was not a party to the N2K case and, therefore, did not have an opportunity to litigate its claims (*Id.* at pg. 2-3.); that new intrinsic evidence, developed subsequent to the prior Order in the reexamination proceeding during the Roxio case, is available for the Court to consider in construing the claim terms in dispute (*Id.* at pg. 3-4); that controlling claim construction law⁴ has been developed by the Federal Circuit in the intervening years since the issuance of the prior Order (*Id.* at pg. 4); and that Sightsound itself is arguing new constructions that differ from those set forth in the prior Order (*Id.*).

The Supreme Court's *Markman* decision seemingly encourages deference to prior claim constructions in noting "the importance of uniformity in the treatment of a given patent as an independent reason to allocate all issues of construction to the court." *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 390 (1996). Further, the Supreme Court instructed that "treating interpretative issues as purely legal will promote (though it will not guarantee) intrajurisdictional certainty through the application of *stare decisis* . . ." (*Id.* at 390-91). While the Federal Circuit has "recognize[d] the national *stare decisis* effect that [its] decisions on claim construction have[.]" (*Key Pharm. v. Hercon Labs. Corp.*, 161 F.3d 709, 716 (Fed. Cir. 1998), the *stare decisis* effect of prior district court claim construction decisions is not as straight forward.

While a district court's claim construction is not binding precedent on the same judicial district or the same judge in a different case for purposes of *stare decisis*, the caselaw indicates

⁴ *E.g.*, *Philips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) and *Aristocrat Techs. Austral. PTY Ltd., v. T-Mobile USA, Inc.*, 450 F.3d 1350 (Fed. Cir. 2006)

that district court claim construction decisions will be given careful consideration and considerable deference by later courts unless there is intervening case law or a new party that raises new arguments. See *Amgen, Inc. v. F. Hoffmann-LaRoche Ltd.*, 494 F. Supp. 2d 54, 60 (D. Mass. 2007) (stating that a court is bound to follow a higher court's applicable holding, but need only give consideration and careful analysis to a sister court's decision where applicable to a similar fact pattern); *Texas Instruments, Inc. v. Linear Techs. Corp.*, 182 F. Supp. 2d 580, 589-90 (E.D. Tex. 2002) (expressing concern that refusing to consider a new party's claim construction arguments raised due process concerns and therefore granting the party's request for a *Markman* hearing); *Sears Petroleum & Transport Corp. v. Archer Daniels Midland Co.*, 2007 WL 2156251, at *8, *12 (N.D.N.Y. 2007) (stating that "considerable deference should be given to those prior decisions unless overruled or undermined by subsequent legal developments, including intervening case law" before proceeding to consider arguments that had not been heard during prior claim construction proceedings); *KX Industries, L.P. v. PUR Water Purification Products, Inc.*, 108 F.Supp.2d 380, 387 (D. Del. 2000) (holding that it would defer to its prior claim construction, but only "to the extent the parties do not raise new arguments"); *Townshend Intellectual Property, L.L.C v. Broadcom Corp.*, 2008 WL 171039 (N.D.Cal. Jan.18, 2008) (modifying prior claim construction in light of a new party's arguments); *Rambus Inc. v. Hynix Semiconductor Inc.*, 569 F.Supp.2d 946, 966-67 (N.D.Cal. 2008) (stating that "a fresh look at a claim construction can hone a prior court's understanding and construction of a patent" and deciding that "this court will initially treat its prior construction as correct, but consider the . . . arguments as to why a construction in [a prior proceeding] should be modified).

Based on the caselaw and the principles underlying the doctrine of *stare decisis*, the undersigned declines to either blindly adopt or wholly ignore the claim constructions set forth in the prior R&R and adopted in the prior Order. Rather, the undersigned will carefully consider and give reasoned deference to the prior claim constructions to the extent that their viability is not impacted by intervening caselaw, new evidence or new arguments raised by the parties. This approach will balance the competing and compelling interests of promoting efficiency, uniformity and predictability in construing the claims terms of the Patents, ensuring the legal correctness of claim constructions based on intervening caselaw or new evidence or arguments,

and providing Apple -- a party who did not participate in the N2K case -- an opportunity to be heard in this proceeding.

B. Objections to Intrinsic and Extrinsic Evidence

The parties raise various objections to citations to intrinsic and/or extrinsic evidence in the claim construction briefs. The undersigned will address those objections below.

1. Apple's Objection to Sightsound's Citation to Intrinsic Evidence

Apple contends that Sightsound has violated Local Patent Rule 4.2 by citing to intrinsic evidence that it did not present in the JDCT Chart or in its appendix of intrinsic evidence (e.g., Docket #81). (Docket #101, pg. 5 and Docket #107, pg. 1). Apple correctly points out that Sightsound cites to no prosecution history in the JDCT Chart and, for all the "non-means" claims in dispute, cites only to the patent claims themselves (and not to other portions of the Patents' specification), yet refers to and relies on portions of the prosecution history and the Patents' specification in its briefs. (*Id.*)

Sightsound responds that it notified Apple in July 2012 (in Sightsound's Identification of Proposed Claim Terms and Phrases for Construction, Docket #90-3) that it intended to rely upon the Court's prior Order in the N2K case and that, in the JDCT Chart, Sightsound cited to the Patents and to specific portions of the prior R&R, "which contained discussion of applicable intrinsic evidence." (Docket #121, pg. 2-3 and 4). Further, Sightsound maintains that it provided Apple with a complete disclosure of its positions and that every item of intrinsic evidence cited in its opening brief "was previously disclosed either by Sightsound or Apple, and Sightsound was entitled to cite to and discuss evidence identified by Apple in addressing Apple's positions in its Opening Brief." (*Id.* at pg. 2 and 4). Sightsound asserts that "no purpose would have been served by re-identifying each item of intrinsic evidence in the Joint Chart under these circumstances." (*Id.* at pg. 2).

Sightsound's argument misses the point. LPR 4.2 states, in relevant part, that "the parties shall prepare and file a Joint Disputed Claim Terms Chart listing claim terms and phrases and corresponding intrinsic evidence for each disputed claim term and phrase, asserted by each

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