

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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**APPLE INC.**

Petitioner

v.

**SIGHTSOUND TECHNOLOGIES, LLC**

Patent Owner

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Case CBM2013-00023

Patent 5,966,440

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Before the Honorable MICHAEL P. TIERNEY, JUSTIN T. ARBES, and  
GEORGIANNA W. BRADEN,  
*Administrative Patent Judges.*

**PETITIONER'S OPPOSITION TO PATENT OWNER**  
**SIGHTSOUND TECHNOLOGIES LLC'S MOTION FOR ADDITIONAL**  
**DISCOVERY UNDER 37 CFR § 42.224(a)**

SightSound’s motion disregards the Board’s clear guidance in permitting briefing of its additional discovery requests. Paper 21 at 2-3. The Board cautioned, *first*, that SightSound’s requests “will not be granted if they are unduly broad and encompass numerous documents that are irrelevant to the instituted grounds of patentability,” and, *second*, that “the mere possibility of finding something useful, and the mere allegation that something useful will be found, are insufficient” and SightSound “should already be in possession of some evidence (e.g., as to an alleged nexus) to show beyond mere speculation that something useful will be uncovered.” *Id.* Flouting both requirements, SightSound’s motion falls far short of showing “good cause.”

SightSound imagines a secondary considerations story based on commercial success of, and supposed “copying” of “the patented invention” by, Apple’s iTunes Music Store (“iTMS”) (Paper 26, “Mem.” 1), but *SightSound’s own papers* make clear it has *no evidence at all*—let alone the required threshold—suggesting the copying, nexus, or commercial success SightSound recognizes is required for secondary indicia of non-obviousness. *E.g.*, Mem. 9. Indeed, SightSound’s “copying” theory is contradicted by the law, as it falsely equates “copying” with “infringing.” *See, e.g.*, IPR2013-00191, Paper 27 at 7 (“Not every competing product that arguably falls within the scope of a patent is evidence of copying, because otherwise every infringement suit would automatically confirm the nonobviousness of the patent.”) (citation omitted).

SightSound’s sweeping demands for “technical documentation” rests solely on bald speculation that they would prove infringement (*not* copying or commercial suc-

cess)—an issue hotly contested in co-pending litigation, and in any event insufficient to show secondary considerations. SightSound simply asserts such documents would “*presumably* show” infringement (Mem. 2 (all emphases added unless noted)), without ever explaining why. Further, SightSound offers no threshold evidence of any nexus between supposedly infringed features and any consumer demand for iTMS. Nor could it: SightSound tells the Board *consumers do not know whether iTMS has the features SightSound argues are driving consumer demand* (Mem. 6; Ex. 2306 at 13:5-16:4), and so they certainly could not be demanding iTMS on that basis.

SightSound’s burdensome, unfocused “survey” request fares no better. SightSound’s pretext here is to establish consumers preferred “digital signals . . . over physical media such as tapes and CD’s” (Mem. 9)—an alleged preference *not linked to any supposed point of novelty in SightSound’s patent claims*, but instead (and indisputably) found *throughout the prior art*. SightSound—ignoring the very declaration it cites—also vastly understates the volume of documents encompassed by its loose demand for “surveys,” which appears to call for an avalanche of far-flung Apple documents.

Finally, even if the many other fatal holes in SightSound’s story were ignored, its argument that iTMS’s commercial success sprang from some novel aspect of its patent claims is facially implausible: while SightSound argues a nexus should be *presumed* based on the circular contention that iTMS is coextensive with the patent, the testimony of SightSound’s “inventor” reveals, and the PTO recognized during reexamination, that SightSound’s own commercial product practicing the “invention”

(now long since destroyed) was a *complete commercial failure* (see Ex. 4307 at 80:15-29, 100:22-102:13, 160:9-163:2; Ex. 4306 at 301-302); the success of iTMS some 10 years later was driven by technology and features having *nothing to do with the patent*.

SightSound, in violation of the clear requirements for additional discovery, seeks a license to go fishing for an infringement story its own admissions prove could not be “useful” in any secondary considerations argument. Its suggestion that, to challenge *validity*, any PTAB petitioner must subject itself to a trial within a trial on *infringement* is nonsense: it would levy huge unjustified burdens, impose impractical delay in light of the statutory timeline, and destroy the basic underpinnings of these new proceedings, which were created to provide an “efficient, streamlined, and cost-effective *alternative* to district court litigation.” *E.g.*, CBM2013-00005, Paper 32 at 3.

**I. The Technical Documentation (Requests 1-3) Demanded by SightSound Will Not and Could Not Show Commercial Success or Copying**

**A. Rather than Threshold Evidence, SightSound Offers Mere Speculation**

SightSound’s motion fails to establish, as required for good cause, that it is “in possession of a threshold amount of evidence or reasoning tending to show beyond speculation that something useful will be uncovered.” IPR2012-00001, Paper 26 at 7. *See also* CBM2013-00005, Paper 32 at 5. Indeed, SightSound *offers no evidence at all* of either copying or the required nexus for commercial success. To the contrary, its motion confirms SightSound is only speculating about what discovery might reveal, stating, *e.g.*, that the requested materials “would *presumably show* that the iTMS practices

the patent and is co-extensive with the patented invention” (Mem. 2), but offering *no evidence* that either the Tygar litigation report (discussing highly confidential material including source code) or any other requested documents would actually demonstrate that Apple infringes. Indeed, Apple hotly contests infringement, and served an expert report in litigation rebutting Tygar’s theories. Ex. 4349. SightSound apparently contemplates forcing Apple to repeat here the battle of experts, culminating years of litigation, that is already teed up in the district court, but with no threshold showing to the Board and, instead, a theory that is itself contradicted by the law.

Even if (a) SightSound received the discovery it seeks, (b) Apple introduced a raft of evidence contradicting SightSound’s infringement allegations as in the litigation, and (c) the Board conducted its own infringement trial, any infringement finding (which Apple submits would never be supported to begin with) would not be “useful” because SightSound *cannot prove copying or a nexus to commercial success*. SightSound’s own commercial systems using its “invention” to sell digital media over the Internet *were a complete failure* (Ex. 4307 at 82:2-83:6; 160:9-20), and this failure—with systems that, *inter alia*, lacked content from major record labels and could take *more than a day to download one song* based on then-available transmission systems (*id.* at 86:11-18)—would rebut any “presumed” nexus. *Brown & Williamson Tobacco Corp. v. Philip Morris Inc.*, 229 F.3d 1120, 1130 (Fed. Cir. 2000) (presumptive nexus rebutted where competitor’s product with all claimed features was commercial failure). Indeed, many other entities trying to sell digital music over the Internet also failed (Exs. 4350-4352), while Ap-

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