

1 STEFANI E. SHANBERG (State Bar No. 206717)  
JENNIFER J. SCHMIDT (State Bar No. 295597)  
2 ROBIN L. BREWER (State Bar No. 253686)  
MICHAEL J. GUO (State Bar No. 284917)  
3 WILSON SONSINI GOODRICH & ROSATI  
Professional Corporation  
4 One Market Plaza  
Spear Tower, Suite 3300  
5 San Francisco, California 94105  
Telephone: (415) 947-2000  
6 Facsimile: (415) 947-2099  
E-Mail: sshanberg@wsgr.com  
7 rbrewer@wsgr.com  
jschmidt@wsgr.com  
8 mguo@wsgr.com

9 Attorneys for Defendants  
GOOGLE INC.; YOUTUBE, LLC; and  
10 ON2 TECHNOLOGIES, INC.

11 **UNITED STATES DISTRICT COURT**  
12 **NORTHERN DISTRICT OF CALIFORNIA**  
13 **SAN JOSE DIVISION**

14 MAX SOUND CORPORATION and  
VEDANTI SYSTEMS LIMITED,

15 Plaintiffs,

16 v.

17 GOOGLE INC., YOUTUBE, LLC, and ON2  
18 TECHNOLOGIES, INC.,

19 Defendants.

Case No. 5:14-cv-04412-EJD

**DEFENDANTS GOOGLE INC.,  
YOUTUBE, LLC, AND ON2  
TECHNOLOGIES, INC.'S REPLY  
BRIEF IN SUPPORT OF MOTION TO  
DISMISS FOR FAILURE TO STATE A  
CLAIM**

Date: April 30, 2015

Time: 9:00 am

Place: Courtroom 4, 5th Floor

Judge: Honorable Edward J. Davila

21  
22  
23  
24  
25  
26  
27  
28

**TABLE OF CONTENTS**

	<b>Page</b>
I. INTRODUCTION.....	1
II. ARGUMENT .....	2
A. Plaintiff Incorrectly Focuses on the Objective Prong of 35 U.S.C. § 112(2) While Failing to Address the Subjective Prong of the Statute that Requires a Determination of What the Applicants Regard as Their Invention. ....	3
B. Whether the Applicants’ Amendment and the Examiner’s Amendment Are Procedurally Proper Is Irrelevant, as They Simply Serve as Evidence of What Applicants Regard as Their Invention. ....	4
C. The Omitted Claim Language Is Essential to Patentability. ....	5
1. Plaintiff Misapplies <i>Lucent</i> and <i>Group One</i> , which Require Invalidation of the Asserted Patent. ....	5
2. The Issued Claims Are Different from What the Applicants Regard as Their Invention in Contravention of 35 U.S.C. § 112(2).....	8
3. The Omitted Language Is Limiting Even as Part of the Preamble.....	9
D. Claim Construction Is Unnecessary and Improper Because, as Plaintiff Implicitly Concedes, the Omitted Preamble Language is not Apparent from the Face of the Claims. ....	10
III. CONCLUSION .....	11

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**TABLE OF AUTHORITIES**

	<b>Page</b>
<b>CASES</b>	
<i>Allen Eng'g Corp. v. Bartell Indus.</i> , 299 F.3d 1336 (Fed. Cir. 2002).....	2, 3, 4, 8
<i>Brandywine Commc'ns Techs., LLC v. AT&amp;T Corp.</i> , C.A. No. C 12-2494 CW, 2014 U.S. Dist. LEXIS 54370 (N.D. Cal. Apr. 18, 2014).....	10
<i>DDR Holdings, LLC v. Hotels.com, L.P.</i> , 773 F.3d 1245 (Fed. Cir. 2014) .....	4
<i>Grp. One, Ltd. v. Hallmark Cards, Inc.</i> , 407 F.3d 1297 (Fed. Cir. 2005) .....	5, 7, 10
<i>Linear Tech. Corp. v. Micrel, Inc.</i> , 524 F. Supp. 2d 1147 (N.D. Cal. Nov. 11, 2005) .....	5
<i>Lucent Techs., Inc. v. Gateway, Inc.</i> , CA. No. 02-cv-02060, slip op. (S.D. Cal. Aug. 11, 2005).....	<i>passim</i>
<i>Nautilus, Inc. v. Biosig Instruments, Inc.</i> , 134 S. Ct. 2120 (2014).....	3, 10
<i>NTP, Inc. v. Research in Motion, Ltd.</i> , 418 F.3d 1282 (Fed. Cir. 2005).....	9
<i>Solomon v. Kimberly-Clark Corp.</i> , 216 F.3d 1372 (Fed. Cir. 2000).....	3
<i>Sw. Software, Inc. v. Harlequin Inc.</i> , 226 F.3d 1280 (Fed. Cir. 2000).....	5
<i>Ultramercial, Inc. v. Hulu, LLC</i> , 772 F.3d 709 (Fed. Cir. 2014).....	11
<i>Vizio, Inc. v. Int'l Trade Comm'n</i> , 605 F.3d 1330 (Fed. Cir. 2010).....	9
<b>STATUTES</b>	
35 U.S.C. § 112(2) .....	<i>passim</i>
35 U.S.C. § 251 .....	5
<b>RULES</b>	
37 C.F.R. § 1.322 .....	5
Federal Rule of Civil Procedure 12(b)(6) .....	1
<b>MISCELLANEOUS</b>	
MPEP 708.02 .....	2, 5, 9

**TABLE OF ABBREVIATIONS**

1		
2		
3	Plaintiff Max Sound Corporation	Max Sound or Plaintiff
4	Patent Owner Vedanti Systems Limited	VSL
5	Defendant Google Inc.	Google
6	Defendant YouTube, LLC	YouTube
7	Defendant On2 Technologies, Inc.	On2
8	Defendants Google, YouTube, and On2, collectively	Defendants
9	U.S. Patent No. 7,974,339	'339 patent or asserted patent
10	United States Patent and Trademark Office	PTO
11	First Amended Complaint, Dkt. No. 23	Amended Complaint
12	Defendants Google Inc., YouTube, LLC, and On2 Technologies, Inc.'s Motion to Dismiss for Failure to State a Claim, Dkt. No. 28	opening brief or Opening Br.
13		
14	Declaration of Jennifer J. Schmidt in Support of Defendants' Motion to Dismiss, Dkt. No. 29	Schmidt Decl.
15		
16	Plaintiff Max Sound's Opposition to Defendants' Motion to Dismiss, Dkt. No. 37	opposition or Opp. Br.
17		
18	Declaration of Niky Bukovcan, Dkt. No. 38	Bukovcan Decl.
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		

1 **I. INTRODUCTION**

2 In its opposition, Plaintiff never addresses the crux of Defendants' motion to dismiss  
3 detailing that the issued claims fail to meet the statutory requirement to set forth "the subject  
4 matter which the applicant regards as his invention." *See* 35 U.S.C. § 112(2). Instead, Plaintiff  
5 focuses on irrelevant ancillary issues, such as other sections of the statute, arcane procedural  
6 requirements of patent prosecution, the PTO's original allowance of the issued claims, and  
7 misplaced claim construction arguments.<sup>1</sup> Ultimately, none of Plaintiff's distractions properly  
8 disputes that the issued claims fail to include the necessary phrase "data optimization instead of  
9 data compression" and other terms that would satisfy the statutory requirement that the claims set  
10 forth "the subject matter that the applicant[s] regard[] as [their] invention." The issued claims are  
11 both broader than and different from the allowed claims, and they must be invalidated under 35  
12 U.S.C. § 112(2). Because, as Plaintiff implicitly concedes, the claims have no indication on their  
13 face of the requisite omitted language, the Court cannot correct the claims. Instead, the patentee  
14 must file for a certificate of correction, which it has not done, and any resulting certificate of  
15 correction will not be effective for the purposes of this pending action. Accordingly, pursuant to  
16 Federal Rule of Civil Procedure 12(b)(6), Plaintiff's complaint should be dismissed for failure to  
17 state a claim for infringement of the '339 patent.

18  
19  
20  
21 <sup>1</sup> Despite Defendants' motion to dismiss being purely a question of invalidity under 35 U.S.C.  
22 § 112(2), Plaintiff's opposition also includes unsubstantiated allegations of misappropriation,  
23 which are absent from its complaint. *See* Opp. Br. at 1; Amended Complaint. Plaintiff also  
24 includes discussion regarding German proceedings that do not involve the claims of the '339  
25 patent and that are thus irrelevant to the present case. *See* Opp. Br. at 8 n.7. Even more tellingly,  
26 it appears that Patent Owner VSL, or a related entity, is party to the German proceedings but is  
27 still not party to this case despite the original complaint being filed half a year ago. *See* Bukovcan  
28 Decl., Ex. 15 at 1; Bukovcan Decl., Ex. 16 at 1. Rather than join Plaintiff Max Sound in its  
attempts to assert an indefinite patent, Patent Owner VSL has delayed answering twice, and VSL's  
counsel has filed an unopposed motion to withdraw. *See* Defendant Vedanti Systems Limited's  
Notice of Motion and Motion for Extension of Time to File a Responsive Pleading to Plaintiff  
Max Sound Corporation's First Amended Complaint, Dkt. No. 32; Motion to Withdraw as  
Counsel of Record for Defendant Vedanti Systems Limited, Dkt. No. 36; Amended Stipulation  
and [Proposed] Order to Extend Time for Vedanti Systems Limited to Respond to Amended  
Complaint, Dkt. No. 47. As noted in Defendants' opening brief, it is relevant that Plaintiff appears  
to lack Patent Owner VSL's cooperation to obtain a certificate of correction. *See* Opening Br. at  
5, 11-12.

# Explore Litigation Insights

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

## Real-Time Litigation Alerts



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

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

## Advanced Docket Research



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

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

## Analytics At Your Fingertips



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

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

## API

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

## LAW FIRMS

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

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

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.