UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETFLIX, INC., Petitioner

v.

REALTIME ADAPTIVE STREAMING LLC, Patent Owner

> Case IPR2018-01169 Patent 8,934,535

PATENT OWNER'S RESPONSE

A L A R M Find authenticated court documents without watermarks at <u>docketalarm.com</u>.

DOCKET

Table of Contents

I. Introduction
II. Summary of '535 Patent (Ex. 1001) and Challenged Claims
III. Level of Ordinary Skill in the Art 5
IV. Claim Construction of "Access Profile"
A. Patent Owner's construction comes directly from the '535 patent
B. Petitioner's construction is incorrect and unsupported
C. Petitioner does not contend that "access profile" has a plain and ordinary meaning, or that its construction is that meaning
D. The '535 claims do not support Petitioner's construction
E. Petitioner's construction is based on importing limitations from embodiments contrary to Federal Circuit law
F. Petitioner's construction is substantively wrong 13
V. Summary of Prior Art
A. Overview of Imai Primary Reference (Ex. 1005)
B. Overview of Ishii Secondary Reference (Ex. 1007) 17
VI. The Petition's Obviousness Theory for Claim 1 Fails 19
A. Petitioner's combination theory depends on applying Ishii's "frequency of access" to Imai's "digital signals."
B. In Imai, the frequency of access of "digital signals" is different from the frequency of access of "units of frame."
C. There is no evidence that Ishii's disclosure of frequency of access is applicable to Imai's "digital signals."
1. Ishii's encoder selection is based on the frequency of the same data block, not any other data block

 2. A POSITA would not know how to use frequency of access of "digital signals" in Imai based on Ishii
VII. The Petitioner's Motivation to Combine Theory Fails
A. There is no reason to choose Imai's compressor based on "frequency of access."
B. The Petition fails to show <i>how</i> Imai would use access frequencies for units of frame
C. Imai and Ishii have different principles of operation that teach away from their combination
D. The Petition fails to show that a POSITA would be motivated to add more criteria for selecting encoders to Imai
IX. Under the Correct Construction of "Access Profile," Petitioner's Obviousness Theory Fails
A. Petitioner should not be allowed to add a new theory in reply
B. Ishii does not disclose an "access profile" under the correct construction 42
X. The Petition Fails to Show Invalidity for Any Challenged Claim 45
XI. Conclusion

EXHIBIT LIST

Exhibit No.	Description
1001	U.S. Patent No. 8,934,535 to Fallon et al. ("'535 Patent")
1002	Prosecution File History for the '535 Patent
1003	Expert Declaration of James A. Storer
1004	Japanese Patent Application Publication No. H11331305 to Imai
	et al. ("Imai")
1005	Certified English Translation of Imai
1006	U.S. Patent No. 6,507,611 to Imai et al. ("Imai '611")
1007	U.S. Patent No. 5,675,789 to Ishii et al. ("Ishii")
1008	Excerpt from Andreas Spanias et al., Audio Signal Processing
	and Coding (John Wiley & Sons, Inc., 2007)
1009	Excerpt from Raymond Westwater et al., Real-Time Video
	Compression Techniques and Algorithms (Kluwer Academic
	Publishers, 1997)
1010	Excerpt from David Salomon, A Guide to Data Compression
	Methods (Springer-Verlag New York, Inc., 2002)
1011	International PCT Application Publication WO 00/51243 to Park
1012	U.S. Patent No. 5,873,065 to Akagiri et al.
1013	Memorandum Opinion and Order, Realtime Data, LLC v.
	<i>Rackspace US, Inc. et al.</i> , No. 6:16-CV-00961, Dkt. 183 (E.D.
	Tex. June 14, 2017)
1014	Memorandum Opinion and Order, Realtime Data, LLC v. Actian
	Corp. et al., No. 6:15-CV-00463, Dkt. 362 (E.D. Tex. July 28,
	2016)
1015	U.S. Patent No. 6,195,024 to Fallon
1016	Notice of Interested Parties, Realtime Adaptive Streaming, LLC
	<i>v. Hulu LLC</i> , No. 2:17-CV-07611, Dkt. 18 (C.D. Cal. Oct. 24,
	2017)
2001	Expert Declaration of Kenneth A. Zeger, Ph.D.
2002	Transcript of Deposition of James A. Storer on March 13, 2019

I. Introduction

Petitioner Netflix, Inc.¹ challenges claims 1–14 of U.S. Patent No. 8,934,535 ("'535 patent"). The Petition presents a single ground for invalidity: that all challenged claims are obvious based on Imai as the primary reference and Ishii as the secondary reference. The lynchpin of Petitioner's theory is combining Imai's Fig. 5 embodiment with Ishii's alleged disclosure of (i) tracking access frequency and (ii) encoder selection based on access frequency. But as discussed more fully in this Response, Petitioner's theory fails because:

- Petitioner's Imai-Ishii combination depends on applying Ishii's "frequency of access" to Imai's requested digital signals.
- But Petitioner alleges that the claimed "data block" is satisfied by Imai's units of frame, which are not digital signals and in fact created by cutting the entire digital signal. And the frequency of access of digital signals is entirely different from the frequency of access of units of frame.
- There is no evidence that that Ishii's disclosure of frequency of access of the data block to be compressed is applicable to Imai's "digital signals" before data blocks are even created.
- Further, a POSITA would not be motivated to modify Imai's encoder selector to account for frequency of access. Nor would a POSITA know how or be motivated to this given the differences between Imai and Ishii.

¹ The original Petitioners were Hulu, Inc., Amazon.com, Inc. and Netflix, Inc. On October 18, 2018, the Board granted the parties' joint motion to terminate as to Petitioners Hulu and Amazon.com. Paper 18. Thus, Netflix, Inc. is the only remaining Petitioner in this proceeding.

DOCKET A L A R M



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.