UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	SACV 18-2055-GW-DFMx	Date	March 9, 2020
Title	*Uniloc 2017 LLC v. Netflix, Inc.*		

Present: The Honorable   GEORGE H. WU, UNITED STATES DISTRICT JUDGE

Javier Gonzalez	None Present	
Deputy Clerk	Court Reporter / Recorder	Tape No.

Attorneys Present for Plaintiffs:	Attorneys Present for Defendants:
None Present	None Present

PROCEEDINGS: IN CHAMBERS - RULING *MARKMAN* CLAIMS CONSTRUCTION

Attached hereto is the Court's final ruling on *Markman* Claims Construction.

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Initials of Preparer   JG

<u>***Uniloc 2017 LLC v. Netflix, Inc.***</u>, 8:18-cv-02055 GW (DFMx)
<u>***Uniloc 2017 LLC v. Netflix, Inc.***</u>, 8:18-cv-02150 GW (DFMx)
Final Rulings on *Markman* Claims Construction

I.   <u>Introduction</u>

Uniloc 2017 LLC ("Uniloc") has filed two cases for patent infringement against Netflix, Inc. ("Netflix"), alleging infringement of four U.S. Patents. Case No. 18-cv-2055, Docket No. 22 (First Amended Complaint as to Netflix regarding two of four asserted patents); Case No. 18-cv-2150, Docket No. 23 (First Amended Complaint as to Netflix regarding two of four asserted patents).

The parties have submitted a Joint Claim Construction and Prehearing Statement. Docket No. 82. They have also filed Opening Claim Construction Briefs (Docket Nos. 92, 93) and Responsive Claim Construction Briefs (Docket Nos. 100, 101).

A technology tutorial was held on January 16, 2020 and a claim construction hearing was held on February 13, 2020.[1] Docket Nos. 119, 136.

The Court would construe the presented disputed terms as stated herein.

II.   <u>Background</u>

The following patents are currently asserted in this case:

- U.S. Patent No. 6,584,229 ("the '229 Patent");
- U.S. Patent No. 6,895,118 ("the '118 Patent");
- U.S. Patent No. 9,721,273 ("the '273 Patent"); and
- U.S. Patent No. 8,407,609 ("the '609 Patent").

See Docket No. 82 at 1.

A. The '229 Patent

The '229 Patent issued June 24, 2003 and is titled "Macroblock-Based Object-Oriented Coding Method of Image Sequence Having a Stationary Background."

Claim 1 is the only independent claim of the '229 Patent. It recites:

> 1.   A method, for use in an macroblock-based object oriented coding of a image signal, wherein the image signal has a stationary background region and an object region and contains a current frame and a previous frame, each frame including a plurality of macroblocks, comprising the steps of:

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[1] At the hearing, the Court provided the parties with a tentative ruling stating its views regarding the construction of the disputed claim terms. Docket No. 136.

a) dividing the stationary background region and the object region from an inputted video in a macroblock-by-macroblock basis by using a difference between the previous frame and the current frame;

b) coding shape information of the object region by using a known coding technique to generate coded shape information;

c) coding pixel information of each macroblock contained in the object region by using a selected known coding technique to generate coded object pixel information;

d) generating coded pixel information of a previous frame macroblock corresponding to each current frame macroblock contained in the stationary background region as coded stationary pixel information; and

e) storing or transmitting coded data coded shape information, coded object pixel information and coded stationary pixel information as coded image signal, and

wherein the step d) includes the step of reusing corresponding coded pixel information macroblock contained in the previous frame without coding the pixel information of each macroblock contained in the current frame when a difference between a pixel value of the macroblock of the current frame and that of the macroblock of the previous frame in the same position is identical to or smaller than a predetermined threshold value.

B. The '118 Patent

The '118 Patent is titled "Method of Coding Digital Image Based on Error Concealment." It issued on May 17, 2005.

Claim 1 recites:

1. A method of coding a digital image comprising macroblocks in a binary data stream, the method comprising:
   an estimation step, for macroblocks, of a capacity to be reconstructed via an error concealment method,
   a decision step for macroblocks to be excluded from the coding, a decision to exclude a macroblock from coding being made on the basis of the capacity of such macroblock to be reconstructed,
   characterized in that it also includes a step of inserting a resynchronization marker into the binary data stream after the exclusion of one or more macroblocks.

The '118 Patent includes four other independent claims besides Claim 1, and five dependent claims.

C. The '273 Patent

The '273 Patent is titled "System and Method for Aggregating and Providing Audio and Visual Presentations via a Computer Network." It issued on August 1, 2017.

Claim 1 recites:

> 1. A method for providing content via a computer network and computing system, the method comprising:
>> storing presentation data that represents content of a first collection of one or more presentations using the computer system;
>> storing data indicative of the first collection of presentations so as to be associated with the presentation data;
>> storing feed data that represents a collection of one or more feeds using the computer system, wherein each of the feeds identifies a corresponding second collection of one or more presentations being accessible via the computer network and includes no data representing content of the second collection of presentations;
>> automatically and periodically accessing each of the feeds to identify each of the corresponding second collection of presentations, using the computer system;
>> storing data associated with a third collection of one or more presentations; and
>> aggregating each of the first, identified second, and third collections of presentations for delivery via the computer network using a common web page.

The '273 Patent has just three claims. Claim 2 is also an independent claim. It includes substantially the same limitations as Claim 1, but the preamble styles the claim as relating to "[a] non-transitory computer readable medium" that includes "computer instructions" configured to cause the computer to execute the claimed steps. Claim 3 is a dependent claim that depends from Claim 2. *See* '273 Patent, Claim 3 ("The computer readable medium of claim 2, wherein the computer comprises at least one web server, at least one database server and at least one file server.").

D. The '609 Patent

The '609 Patent issued March 26, 2013 and is titled "System and Method for Providing and Tracking the Provision of Audio and Visual Presentations Via a Computer Network."

Claim 1 recites:

> 1. A method for tracking digital media presentations delivered from a first computer system to a user's computer via a network comprising:
>> providing a corresponding web page to the user's computer for each digital media presentation to be delivered using the first computer system;
>> providing identifier data to the user's computer using the first computer system;
>> providing an applet to the user's computer for each digital media presentation to be delivered using the first computer system,

wherein the applet is operative by the user's computer as a timer;

receiving at least a portion of the identifier data from the user's computer responsively to the timer applet each time a predetermined temporal period elapses using the first computer system; and

storing data indicative of the received at least portion of the identifier data using the first computer system;

wherein each provided webpage causes corresponding digital media presentation data to be streamed from a second computer system distinct from the first computer system directly to the user's computer independent of the first computer system;

wherein the stored data is indicative of an amount of time the digital media presentation data is streamed from the second computer system to the user's computer; and

wherein each stored data is together indicative of a cumulative time the corresponding web page was displayed by the user's computer.

The '609 Patent has three claims, with Claim 1 being its only independent claim. Claims 2 and 3 depend from Claim 1 and add:

> 2. The method of claim 1, wherein the storing comprises incrementing a stored value dependently upon the receiving.
>
> 3. The method of claim 2, wherein the received data is indicative of a temporal cycle passing.

III. Legal Standard

Claim construction is an interpretive issue "exclusively within the province of the court." *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 372 (1996). It is "a question of law in the way that we treat document construction as a question of law," with subsidiary fact-finding that is reviewed for clear error. *Teva Pharms. USA, Inc. v. Sandoz, Inc.*, 135 S.Ct. 831, 837-40 (2015). The claim language itself is the best guide to the meaning of a claim term. *See Vederi, LLC v. Google, Inc.*, 744 F.3d 1376, 1382 (Fed. Cir. 2014). This is because the claims define the scope of the claimed invention. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005). But a "person of ordinary skill in the art is deemed to read the claim term not only in the context of the particular claim in which the disputed term appears, but in the context of the entire patent." *Id.* at 1313. Thus, claims "must be read in view of the specification," which is "always highly relevant to the claim construction analysis." *Phillips*, 415 F.3d at 1315 (internal quotations omitted).

Although claims are read in light of the specification, limitations from the specification

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