

EXHIBIT 4

TO DECLARATION OF ALAN P. BLOCK IN
SUPPORT OF PLAINTIFF ACACIA MEDIA
TECHNOLOGIES CORPORATION'S MEMORANDUM
OF POINTS AND AUTHORITIES IN OPPOSITION TO
ROUND 3 DEFENDANTS' MOTION FOR SUMMARY
JUDGMENT OF INVALIDITY UNDER 35 U.S.C. § 112
OF THE '992, '863, AND '702 PATENTS; AND
SATELLITE DEFENDANTS' MOTION FOR
SUMMARY JUDGMENT OF INVALIDITY OF THE
'992, '863, AND '720 PATENTS

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13 ACACIA MEDIA TECHNOLOGIES CORPORATION

14 **UNITED STATES DISTRICT COURT**
15 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**
16 **SAN JOSE DIVISION**

17 In re)
18 ACACIA MEDIA TECHNOLOGIES)
19 CORPORATION)

20 Case No. 05 CV 01114 JW

21 **DECLARATION OF S. MERRILL WEISS**
22 **IN SUPPORT OF PLAINTIFF ACACIA**
23 **MEDIA TECHNOLOGIES**
24 **CORPORATION'S MOTION FOR**
25 **RECONSIDERATION OF CERTAIN**
26 **CLAIM CONSTRUCTION TERMS**
27 **CONSTRUED BY THE COURT IN ITS**
28 **THIRD CLAIM CONSTRUCTION ORDER**
AND ITS FOURTH CLAIM
CONSTRUCTION ORDER

DATE: August 17, 2007
TIME: 9:00 a.m.
CTRM: Hon. James Ware

Hennigan, Bennett & Dorman LLP
Lawyers
Los Angeles, California

1 I, S. Merrill Weiss, hereby declare as follows:

2 **I. Introduction**

3 1. I, S. Merrill Weiss, am a citizen of the United States and reside in Edison, New
4 Jersey. I have personal knowledge of the facts stated herein and, if called as a witness, I could and
5 would testify competently thereto.

6 2. I have been retained by counsel for plaintiffs, Acacia Media Technologies
7 Corporation, as a testifying expert to study and provide consultation, testimony, and opinions
8 regarding the patent infringement litigation with respect to U.S. Patent Numbers 5,132,992,
9 5,253,275, 5,550,863, 6,002,720, and 6,144,702 (respectively, the '992, '275, '863, '720, and '702
10 patents), all titled "Audio and Video Transmission and Receiving System," as described in this
11 declaration.

12 3. I have been asked to comment, in this Declaration, on the term "Transmission
13 System," on the term "Receiving System," on the word "Storing," on the use of Multiple Files in the
14 system described in the patents, and on the Order of Steps and a potential error with respect to the
15 portion of the specification of the '992 patent at column 17, lines 44-53.

16 **II. Credentials**

17 4. I am a consultant in electronic media technology, technology management, and
18 management, serving clients in the United States, Canada, Central and South America, Japan,
19 Europe, and the Middle East. These clients have included broadcast television networks, broadcast
20 television stations, cable and satellite programming networks, cable, wireless cable, and satellite
21 television system operators, major research laboratories, Hollywood studios, broadcast and
22 television equipment manufacturing companies, common carriers of television and other broadcast
23 signals, investment bankers, as well as industry associations representing these various entities.
24 During the course of my consulting work, I am in routine contact with employees of the entities
25 discussed above, including those employees having programming and engineering responsibilities.
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1 transmission would have to be received before the data blocks corresponding to that request could
2 be retrieved.

3 27. A person of ordinary skill in the art further would have understood that the step of
4 generating the listing of available items normally would occur after there existed available items that
5 could be requested. According to the specification, user requests are made either for items stored in
6 the source material library (as discussed at column 18, line 53 – column 19, line 10) or for items
7 stored in the compressed data library (as discussed at column 13, lines 29-47). Thus, the person of
8 ordinary skill in the art in 1991 would have understood that the step of “generating a listing of
9 available items” normally would occur after the items having information are stored in the source
10 material library or after the files containing the compressed video and audio information are stored
11 in the compressed data library.
12

13 28. A person of ordinary skill in the art in 1991 also would have understood, however,
14 that, at least in some cases, it would be known in advance of its storage in the source material library
15 that certain items of information would become available in the future, for example, a film that was
16 to be released on a future date that would then be made available through the system or content that
17 had been received but just not yet processed. In such cases, it would be possible to include in the
18 listing of available items content that was not yet stored in the source material library. Any requests
19 for such items then might result in those items being moved up in priority for processing into the
20 system, or they might be scheduled for future delivery once they became available on the system.
21 The result would be that the generation of the list of available items and the receiving of requests to
22 transmit items might occur prior to the actual availability of certain listed and requested items on the
23 system.
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25 **X. Potential Error in the Specification at Column 17, lines 44-53**

26 29. I have been asked to comment on a potential error in the specification of the ‘992
27 patent, at Column 17, lines 44-53, with respect to whether the reference to “[t]he library access
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1 interface 121 in the reception system 200 preferably includes a title window where a list of available
2 titles are alphabetically listed” should refer instead to the transmission system in Figure 2b rather
3 than to the reception system 200.

4 30. A person of ordinary skill in the art in 1991 would have understood the paragraph at
5 column 17, lines 44-53, to be describing features of the reception system 200. This paragraph
6 immediately follows four paragraphs that describe the reception system. At the same time, column
7 14, line 64, through column 15, line 1, describes “access from various terminals including personal
8 computers, and specialized interfaces built into the reception system 200 for the user. Such access
9 allows a user to do a search of available programs from a computer screen.” Thus, access to the
10 library must be provided to users on computer screens both on independent terminals (e.g., PCs) and
11 on reception systems.

12
13 31. The listing of content available on the system is made available to users through
14 control computer 1123, whether that information resides on the control computer or on the remote
15 order processing and item database 300, as described at 11:66 – 12:7 and 17:51-53. The information
16 from control computer 1123 is distributed to users through library access interface 121 in the
17 transmission system 100. One of the places where the information from the transmission system can
18 be presented to the user is through one of the specialized interfaces built into the reception system
19 200. Given all this, persons of ordinary skill in the art would have understood the paragraph in
20 question in column 17 as though its first sentence had been written as follows: “The information
21 distributed by the library access interface 121, when presented by the reception system 200,
22 preferably includes a title window where available titles are alphabetically listed.” It would be
23 expected that the presentation of the same information on other displays, such as those connected to
24 personal computers, would be formatted in about the same way.
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1 I declare under penalty of perjury under the laws of the United States that the foregoing is
2 true and correct to the best of my knowledge and belief.

3 Executed this 18th day of May, 2007, at Metuchen, New Jersey.

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7 S. Merrill Weiss
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Hennigan, Bennett & Dorman LLP
lawyers
los angeles, california

EXHIBIT 5

TO DECLARATION OF ALAN P. BLOCK IN
SUPPORT OF PLAINTIFF ACACIA MEDIA
TECHNOLOGIES CORPORATION'S MEMORANDUM
OF POINTS AND AUTHORITIES IN OPPOSITION TO
ROUND 3 DEFENDANTS' MOTION FOR SUMMARY
JUDGMENT OF INVALIDITY UNDER 35 U.S.C. § 112
OF THE '992, '863, AND '702 PATENTS; AND
SATELLITE DEFENDANTS' MOTION FOR
SUMMARY JUDGMENT OF INVALIDITY OF THE
'992, '863, AND '720 PATENTS

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

In Re)
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)
ACACIA MEDIA TECHNOLOGIES)
CORPORATION)
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_____)

Case No. C-05-01114JW

**DECLARATION OF
STEPHEN M. WALTERS**

Declaration of Stephen M. Walters

Submitted on behalf of Time Warner Cable Inc. and CSC Holdings, Inc.

in Case No. C-05-01114JW

I, Stephen M. Walters, under penalty of perjury, declare as follows:

Introduction and Qualifications

1. I am currently an independent telecommunications consultant. I live and work in Holmdel, New Jersey. I have personal knowledge of the facts stated herein.

2. I received a Bachelor of Electrical Engineering degree from Auburn University in 1974, and M.S. and Ph.D. degrees in Electrical Engineering from Virginia Tech in 1976 and 1977, respectively. While at Virginia Tech I also held a full-time faculty position (Instructor) and taught Electrical Engineering courses to undergraduates. I was elected a member of the Eta Kappa Nu Electrical Engineering Honor Society, the Phi Kappa Phi graduate student honor society and the Sigma Xi scientific research honor society. One of my primary areas of concentration in my graduate studies was communications systems and technologies - including switching systems and transmission systems. For example, for my Master's thesis I developed a novel switching system and transmission system. My Ph.D. research focused on computer science concepts relating to the computational capabilities of specialized computer architectures known as "tessellation automata." This work involved advanced software concepts and mathematics.

3. Prior to receiving my college degrees, I served in the United States Air Force for six years as an Electronics Switching Systems Specialist. In that capacity, I installed transmission systems and switching systems throughout Asia in support of the Vietnam War effort. I was awarded the US Air Force Commendation Medal for meritorious service and was honorably discharged.

4. After receiving my Ph.D. degree in 1977, I went to work for Bell Telephone Laboratories ("Bell Labs") where I helped pioneer the world's first Digital Signal Processor chip

address *As a noun*, the value that represents an individually accessible storage location. In a typical computer, each memory location has a separate address. The addresses for the memory system are numbered 0, 1, 2, and so on, up to the maximum possible number of locations supported . . .

As a verb, to reference a storage location.

Microsoft Dictionary p. 12.

relative address . . . A location, as in a computer's memory, that is calculated in terms of its distance (displacement) from a starting point (base address). A relative address is typically computed by adding an offset to the base - in everyday terms, this is similar to creating the address 2001 Main Street, in which the base is the 2000 block of Main Street and the offset is 1, which specifies the first house from the beginning of the block.

Microsoft Dictionary p. 336.

39. "Addressing" and "relative addressing" had the same meaning in 1991 as they have today.

40. I have been asked whether "time codes" must be used to address data. The answer is that neither the concepts of "addressing" nor "relative addressing" are limited to the use of time codes. Many ways of "addressing" and "relative addressing" other than using time codes are well known. For example, "relative addressing" can be achieved by using simple sequential numbering of data blocks from 1 to N in conjunction with the storage location of the start of the file. Those of ordinary skill in the art would not understand the concepts of addressing or relative addressing to be limited to the use of time codes.

I declare under penalty of perjury that the foregoing statements are true and correct.

Dated: 17 July 2007

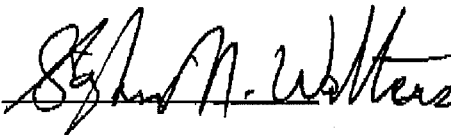
By: 
Stephen M. Walters

EXHIBIT 6

TO DECLARATION OF ALAN P. BLOCK IN
SUPPORT OF PLAINTIFF ACACIA MEDIA
TECHNOLOGIES CORPORATION'S MEMORANDUM
OF POINTS AND AUTHORITIES IN OPPOSITION TO
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OF THE '992, '863, AND '702 PATENTS; AND
SATELLITE DEFENDANTS' MOTION FOR
SUMMARY JUDGMENT OF INVALIDITY OF THE
'992, '863, AND '720 PATENTS

March 28, 2008

VIA EMAIL AND FIRST CLASS MAIL

Alan P. Block, Esq.
Hennigan Bennett & Dorman
601 South Figueroa Street
Suite 3300
Los Angeles, California 90017

Re: *In re Acacia Media Technologies Corp.*
(Civ. Action No. 5:05 cv 1114)

Dear Alan:

Pursuant to the schedule proposed by Acacia, the Internet Defendants and the Cable Defendants, which was adopted by the Court by Order of March 12, 2008, the following is the list of § 112 motions the Cable Defendants, the Internet Defendants and DIRECTV¹ intend to make in this phase of the action:

1) Based on the Court's determination that "identification encoder" is indefinite (1st CCO at 18-21; 34-36; 2nd CCO at 15-18), '702 claims 1-42 are invalid for failure to satisfy the definiteness requirement of 35 U.S.C. § 112.

2) Based on the Court's determination that "sequence encoder" is indefinite (1st CCO at 31-34; 2nd CCO at 6-15), '702 claims 1-26, 32 and 33 are invalid for failure to satisfy the definiteness requirement of 35 U.S.C. § 112.

3) Based on the Court's determination that "identification encoding means" is indefinite (1st CCO at 18-21), '992 claims 1-18 and '863 claims 10-13² are invalid for failure to satisfy the definiteness requirement of 35 U.S.C. § 112.

¹ It is our understanding that EchoStar will send you a separate letter detailing the motions it intends to make.

² These claims are no longer in the case.

4) Based on the Court's construction that "sequence of addressable data blocks" is not limited to sequencing based on time (3rd CCO at 27; 5th CCO at 14), '992 claims 19-22 and 41-46, '275 claims 2 and 5 and '863 claims 10-19 are invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.

5) Based on the Court's construction of "transmission system" and "identification encoder," '992 claims 19-22 and 41-46, '275 claims 2 and 5 and '863 claims 10-19 are invalid for failure to satisfy the definiteness requirement of 35 U.S.C. § 112. Further based on the Court's constructions of "processing station" and "central processing location" (4th CCO at 6, 20), '720 claims 6-8 and 11 are also invalid for failure to satisfy the definiteness requirement of 35 U.S.C. § 112.

6) Based on the Court's construction that "reception system" and "receiving system" mean the same thing (3rd CCO at 8-11), and its determination that "[t]here is no support in the written description or in the drawings for a reception system to communicate with another reception system" (4th CCO at 10; 3rd CCO at 35-37), '275 claims 2 and 5 are invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.

7) Based on the Court's construction that "items . . . containing information" are physical objects (3rd CCO at 14-15), and the Court's finding that "the specification does not contain any description of how the transmission system places items into the system" (5th CCO at 16), '863 claims 14-19 are invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.

8) Based on the Court's construction that "items . . . containing information" are physical objects (3rd CCO at 14-15), '863 claims 14-19 are invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112. Independent claims 14 and 17 both require "assigning a unique identification code to the item having information." The specification of the '863 patent contains no disclosure, or enabling disclosure, of assigning identification codes to the physical objects containing information.

9) Based on the Court's ruling that all of the steps of '992 claim 41 must be performed "by a transmission system" (3rd CCO at 29), that "items . . . containing information" are physical objects (3rd CCO at 14-15) and that "retrieve" means "to get something back" (1st CCO at 13), '992 claims 41-46 are invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.

10) Based on the Court's construction of "in response to" (4th CCO at 8-9), '863 claims 14-16 and '720 claims 4 and 8 are invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112. According to the specification, information is only stored in a reception system if the user requested a later time for viewing. ('992 18:14-19). The specification does not disclose transmission by a receiving system "in response to the stored . . .

data”, which the Court has construed to mean that the transmission “is initiated by the commencement of storing compressed, digitalized data or by the completion of storing compressed, digitalized data.” (4th CCO at 8-9).

11) The Court found that the phrase “means, responsive to the stored compressed, digitized data, for transmitting” in claim 4 of the ’720 patent is not supported by corresponding structure in the specification. (4th CCO at 19.) Based on the Court’s finding, ’720 claims 4, 6 and 7 are invalid as indefinite under 35 U.S.C. § 112, ¶¶ 2 and 6.

12) The Court found that the phrase “means for inputting items of audio/video information” in claim 7 of the ’720 patent is not supported by corresponding structure in the specification. (4th CCO at 21-28.) Based on the Court’s finding, ’720 claim 7 is invalid as indefinite under 35 U.S.C. § 112, ¶¶ 2 and 6.

13) Based on the Court’s construction that the preambles of ’992 claim 19 and ’275 claims 2 and 5 are limitations (3rd CCO at 4-5 and 34-35), and its construction that “items containing information” are physical objects (3rd CCO at 14-18), ’992 claims 19-22 and ’275 claims 2 and 5 are invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112. There is no disclosure, or enabling disclosure, of a user sending a request to a transmission system that identifies a physical object which contains information that the transmission system will compress and store in compressed form.

14) Based on the Court’s construction of “transmission system,” ’992 claims 19-22 and 41-46, ’275 claims 2 and 5, ’863 claims 10-19, ’720 claims 6-8 and 11 and ’702 claims 1-42 are invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112 for the following reasons:

- a) There is no disclosure, or enabling disclosure, of a “source material library” 111, depicted in Figure 2a, that is capable of performing the functions of the “source material library” described in the specification.
- b) There is no disclosure, or enabling disclosure, of a “converter” 113, depicted in Figure 2a, that is capable of performing the functions of the “converter” described in the specification.
- c) There is no disclosure, or enabling disclosure, of a “time encoder” 114, depicted in Figure 2a, that is capable of performing the functions of the “time encoder” described in the specification.
- d) There is no disclosure, or enabling disclosure, of a “compression means,” including pre-compression processor 115 and compressor 116 depicted in Figure 2a, that is capable of performing the functions of the “compression means” described in the specification.

e) There is no disclosure, or enabling disclosure, of a "compressed data storing means," including compressed data formatter 117 and compressed data library 118 depicted in Figures 2a and 2b, that is capable of performing the functions of the "compressed data storing means" described in the specification.

f) There is no disclosure, or enabling disclosure, of "transmission format conversion CPUs" 119, depicted in Figure 2b, that are capable of performing the functions of the "transmission format conversion CPUs" described in the specification.

g) There is no disclosure, or enabling disclosure, of a transmission system that is capable of transmitting requested information over all of the types of communications channels depicted in Figure 2b.

h) There is no disclosure, or enabling disclosure, of a "library system control computer" or a "library access interface," both of which are depicted in Figure 2b, that are capable of performing the functions of those devices described in the specification.

15) Based on the Court's construction of "receiving system," '992 claims 19-22, '275 claims 2 and 5, '863 claims 10-19, '720 claims 4, 6-8 and 11 and '702 claims 1-42 are invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112 for the following reasons:

a) There is no disclosure, or enabling disclosure, of a "receiver format converter" 202, depicted in Figure 6, that is capable of performing the functions of the "receiver format converter" described in the specification.

b) There is no disclosure, or enabling disclosure, of a "storage" 203, depicted in Figure 6, that is capable of performing the functions of the "storage" described in the specification.

c) There is no disclosure, or enabling disclosure, of a "data formatter" 204, depicted in Figure 6, that is capable of performing the functions of the "data formatter" described in the specification.

d) There is no disclosure, or enabling disclosure, of decompressor 205, depicted in Figure 6, that is capable of performing the functions of the decompressor described in the specification.

e) There is no disclosure, or enabling disclosure, of converters 211-214, depicted in Figure 6, that are capable of performing the functions of the converters described in the specification.

f) There is no disclosure, or enabling disclosure, of “user/computer interface” 207, depicted in Figure 6, that is capable of performing the functions of the “user/computer interface” described in the specification.

g) There is no disclosure, or enabling disclosure, of any component(s) of reception system 200, depicted in Figure 6, to perform the reception confirmation function described at '992 17:1-11, or how this is accomplished.

16) The Court found that “[e]very part of the specification states an intent by the inventors that the ‘transmission system’ and the ‘receiving system’ process, store, send and receive the information specifically in response to ‘users.’ In both the ‘Summary of the Invention’ and the ‘Description,’ the inventors clearly state that ‘transmission system’ and ‘receiving system’ mean specialized systems in which information is processed, stored and transmitted, and received in special ways so that it is responsive to requests made to the systems by individual users.” (6th CCO at 4 fn. 5.) Based on this finding, '992 claims 41-45, '863 claims 14-19 and '720 claims 8 and 11, which are not limited to transmission from the transmission system in response to user requests, are invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.

17) To the extent any apparatus claim encompasses either a transmission system or a receiving system that does not have the ability to receive and process user requests, it is invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.

18) The Court construed “time requested by the user” to mean that, at the time of ordering, “the user must designate an output time” which may be “a delayed output time. If so, the information is transmitted to the receiving system where it is stored and at the pre-designated time, the information is automatically output by the receiving system.” (3rd CCO at 21-24.) There is no disclosure, or enabling disclosure, of how either the transmission system or the receiving system accomplish this function. Therefore, '992 claims 19-22 and '275 claims 2 and 5 are invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.

19) Based on the Court’s construction of “local distribution system” as “a reception system . . . geographically close to subscriber receiving stations. . .” (4th CCO at 7-8), '863 claims 14-19 and '720 claims 8 and 11 are invalid for failure to satisfy the written description and definiteness requirements of 35 U.S.C. § 112. The specification does not describe the concept of a reception system geographically close to a subscriber receiving station, nor does it describe what distances constitute geographic proximity.

20) The '863 claim 17 step of transmitting “to at a plurality of subscriber receiving stations” renders '863 claims 17-19 invalid for failure to satisfy the definiteness requirement of 35 U.S.C. § 112.

21) The Court found that storage of information in compressed form is an essential aspect of the purported invention disclosed in the specification (6th CCO at 8). Based on this finding, '863 claims 17-19 are invalid for failure to satisfy the written description requirement of 35 U.S.C. § 112, as these claims do not require that compressed information be stored in the transmission system before being sent to a receiving system.

22) The Court stated that '275 claim 5 "requires using an 'optical fiber communication path' to send information from the transmission system to the reception system..." (3rd CCO at 37.) The specification of the '275 patent does not disclose "using an 'optical fiber communication path' to send information from the transmission system to the reception system..." Therefore, '275 claim 5 is invalid for failure to satisfy the written description requirement of 35 U.S.C. § 112.

23) The Court has held that each step of claim 41 must be completed before the step succeeding it is completed. (3rd CCO at 29.) The Court has also held that "storing" in the claim 41 step of "storing items having information in a source material library" requires only "retaining" physical items. (5th CCO at 17.) Because "retaining" is not a step which ever gets completed, none of the other steps of claim 41 can ever be completed. Because it is impossible to ever complete the steps of '992 claim 41, '992 claims 41-45 are invalid for failure to satisfy the definiteness requirement of 35 U.S.C. § 112.

24) The Court has held that "storing" in the claim 41 step of "storing items having information in a source material library" requires "retaining" physical items. (5th CCO at 17.) There is no disclosure, or enabling disclosure, of how the transmission system retains items having information in the source material library. '992 claims 41-45 are therefore invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.

25) The Court construed "remote location" in '992 claim 41 to mean "positions or sites distant in space from the transmission system." (3rd CCO at 11-12.) Based on this construction, the '992 claim 41 step of "sending at least a portion of the file to one of the remote locations" renders the claim invalid for failure to satisfy the written description, enablement and definiteness requirements of 35 U.S.C. § 112. There is no disclosure, or enabling disclosure, of sending information to one remote location which does not have a "receiving system." There is also no way to tell when the step of transmitting to a "remote location" has been completed.

26) The Court construed "subscriber selectable receiving stations" in '720 claims 4, 8 and 11 to mean "device or devices which can be designated by the subscriber." There is no disclosure, or enabling disclosure, of how this designation occurs. '720 claims 4, 8 and 11 are therefore invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.

27) The Court found that '992 claim 20 is "arguably indefinite" because it is inconsistent with claim 19. (3rd CCO at 25-26.) Claim 20 is indefinite for the reasons identified by the Court.

28) The Court stated with respect to '992 claim 20 that it "has received no evidence that one skilled in the relevant art at the time of the application was aware of an item containing information that would contain both analog and digital signals." (3rd CCO at 26.) '992 claim 20 is invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112 because the specification of the '992 patent contains no disclosure, or enabling disclosure, of processing both analog and digital information that was contained on a single physical item.

29) The Court found that '992 dependent claim 42 is "arguably indefinite" because the step of "converting the series of digital data bytes into formatted data with a predetermined format" duplicates the '992 independent claim 41 step of "placing the retrieved information into a predetermined format as formatted data." (3rd CCO at 31-32.) Claim 42 is indefinite for the reasons identified by the Court.

30) The Court found that '992 dependent claim 43 is "arguably indefinite" because the step of "converting the predetermined voltage levels into formatted data with a predetermined format" duplicates the '992 independent claim 41 step of "placing the retrieved information into a predetermined format as formatted data." (3rd CCO at 32.) Claim 43 is indefinite for the reasons identified by the Court.

31) '992 claim 44 is indefinite for the same reasons identified by the Court with respect to claims 42 and 43.

32) The Court found that '992 claim 45 is "arguably indefinite" after briefing by the parties specifically directed to this issue (3rd CCO at 33). The Court, however, declined to take any action with respect to claim 45 because no formal motion had been made by any of the parties. (5th CCO at 17.) Claim 45 is indefinite for the reasons identified by the Court and previously briefed by the defendants.

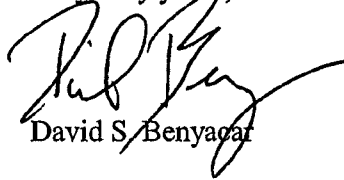
33) The Court previously asked for additional briefing with respect to when the '992 claim 46 step of "generating a listing of available items" occurs. (3rd CCO at 33-34). The parties subsequently briefed this issue. Claim 46 lacks written description because the specification of the '992 patent does not disclose the step of "generating a listing of available items."

34) The Court found that '863 claim 14 is "arguably indefinite" because, based on the language of the claim, there is no point in the process when the claimed step of "decompressing the compressed, digitized data..." can occur. (4th CCO at 3-5.) '863 claims 14-16 are indefinite for the reasons identified by the Court.

35) The Court found that '863 claim 14 is "arguably indefinite" because the claimed steps of "transmitting . . . a complete copy" and "sending at least a portion" are contradictory. (4th CCO at 11-12.) '863 claims 14-16 are indefinite for the reasons identified by the Court.

In accordance with the schedule and to reduce the burden on the Court and the parties, we look forward to meeting and conferring with you next week on what we hope will be a comprehensive list of stipulations that will obviate the need to proceed with many of these motions.

Very truly yours,

A handwritten signature in black ink, appearing to read "David S. Benyagar", written in a cursive style. The signature is positioned above the printed name.

David S. Benyagar

April 11, 2008

VIA EMAIL AND FIRST CLASS MAIL

Alan P. Block, Esq.
Hennigan, Bennett & Dorman LLP
865 South Figueroa Street, Suite 2900
Los Angeles, CA 90017

Re: *In re Acacia Media Technologies Corp.*
(Civ. Action No. 5:05 cv 1114)

Dear Alan:

We were very disappointed by your letter of April 4, 2008. The parties agreed to engage in a meet-and-confer process with the goal of entering into a joint stipulation that would narrow the issues to be resolved by the Court. Your letter and the accompanying unilateral stipulation by Acacia make clear, however, that Acacia will only stipulate (and has only stipulated) to essentially the same very few issues it was proposing to stipulate to before the parties submitted the February 29, 2008 Joint Case Management Statement. Moreover, your statement that "Acacia will urge the Court to not consider any other motion proposed by defendants" is a repudiation of the position Acacia advocated in the Joint Case Management Statement, a position which has since been adopted by the Court. For these reasons, it seems to us that Acacia is not proceeding in good faith.

Defendants will make 35 U.S.C. § 112 motions pursuant to the Court-ordered schedule, and will oppose any motion by Acacia seeking to have this case "packaged for appeal without any further delay" based on its stipulation. The following are the broadly-stated motions¹ the Cable and Internet Defendants will make in this phase of the action:

1) The claimed "transmission system" and "receiving system," and the claim steps required to be performed by a "transmission system" or a "receiving system," fail to satisfy the written description and enablement requirements of 35 U.S.C. § 112;

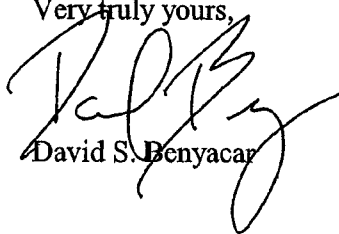
¹ These motions will address all of the particularized invalidity grounds itemized in my March 28 letter that were not included in Acacia's stipulation.

- 2) There is no written description or enablement for user request limitations in claims that are limited to user requests, and there is no written description or enablement for claims which are not limited to user requests;
- 3) "Sequence of addressable data blocks" and "ordered data blocks" fail to satisfy the written description and enablement requirements;
- 4) '992 claim 41 is indefinite because the steps of the claim can never be completed.

Defendants will also address the claim terms the Court has identified as "arguably indefinite" or has otherwise identified as having validity issues, and will ask the Court to rule that transmitting "to at a plurality of subscriber receiving stations" renders '863 claim 17 and its dependent claims indefinite (an issue which has already been briefed and argued by the parties, and which requires only a ruling by the Court).

As I said when I called you the other day, the defendants remain willing and eager to work with you on a more comprehensive joint stipulation that will reduce the number of issues for the Court to resolve.

Very truly yours,



David S. Benyacar

March 28, 2008

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Via E-Mail

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Re: *In re. Acacia Media Technologies Corp.*, Case No. 05-1114

Dear Alan:

Pursuant to the Court's March 12, 2008, schedule, the following is the EchoStar Defendants' list of proposed stipulations based on 35 U.S.C. § 112. A number of these proposals overlap with the proposals in David Benyacar's letter of today.

1. Based on the Court's determination that claim terms are indefinite or arguably indefinite, all claims that include the indefinite terms are invalid under 35 U.S.C. § 112 — '702 claims 1-42 ("identification encoder"); '702 claims 1-26, 32, and 33 ("sequence encoder"); '863 claims 10-13 ("identification encoding means");¹ '720 claims 4, 6, and 7 ("means, responsive to the stored compressed, digitized data, for transmitting"); '720 claim 7 ("means for inputting items of audio/video information"). Further, any claim that includes a "transmission system," "central processing location," or "processing station" is indefinite under 35 U.S.C. § 112 because under the Court's constructions of those terms, they must include an "identification encoder," which is indefinite.
2. Based on the Court's construction that "sequence of addressable data blocks" is not limited to sequencing based on time (3rd CCO at 27; 5th CCO at 14), '992 claims 41-45 and '863 claims 17-19 are invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.
3. The Court has previously construed "items . . . containing information" as physical objects (3rd CCO at 14-15). This construction and the Court's finding that "the specification does not contain any description of how the transmission system places items into the system" (5th CCO at 16), renders '863 claims 17-19 invalid for failure to

¹ As Acacia has acknowledged, these claims are no longer in the case. See Acacia 7/21/06 Br. p. 1.

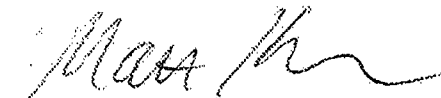
Alan P. Block, Esq.
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satisfy the written description and enablement requirements of 35 U.S.C. § 112. This construction of “items” — in combination with the Court’s ruling that all of the steps of ’992 claim 41 must be performed “by a transmission system” (3rd CCO at 29) and its construction of Claim 41’s first step to mean that “transmission system” must “retain” physical items (1st CCO at 13), and second step to mean that the transmission system must “retrieve” the physical items — also renders ’992 claims 41-45 invalid for failure to meet the written description and enablement requirements.

4. Based on the Court’s construction of “in response to” (4th CCO at 8-9), ’720 claims 4 and 8 are invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.
5. The ’863 claim 17 step of transmitting “to at a plurality of subscriber receiving stations” renders ’863 claims 17-19 invalid for failure to satisfy the definiteness requirement of 35 U.S.C. § 112.
6. The Court construed “subscriber selectable receiving stations” in ’720 claims 4, 8, and 11 to mean “device or devices which can be designated by the subscriber.” There is no disclosure, or enabling disclosure, of how this designation occurs. ’720 claims 4, 8, and 11 are therefore invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.
7. To the extent that any claim asserted against the Satellite Defendants is construed broadly enough to encompass a transmission system or a reception system that transmits information without a user request, the claim is invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.

We look forward to discussing with you the proposals to which Acacia will stipulate. The EchoStar Defendants intend to file motions regarding those proposals to which Acacia will not stipulate. Please let me know if you have any questions.

Best regards,



Matthew I. Kreeger

cc: All Counsel of Record

April 11, 2008

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Via E-Mail

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Re: *In re. Acacia Media Technologies Corp.*, Case No. 05-1114

Dear Alan:

This letter is in response to your letter of April 4, 2008, and, pursuant to the Court's March 12, 2008, Scheduling Order, outlines the motions that the Satellite Defendants¹ intend to file in light of Acacia's proposed stipulations. The list of motions is based on Acacia's non-opposition to certain proposed motions outlined in my letter of March 28, 2008.

1. Based on the Court's construction that "sequence of addressable data blocks" is not limited to sequencing based on time (3rd CCO at 27; 5th CCO at 14), '992 claims 41-45 and '863 claims 17-19 are invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.
2. The Court has previously construed "items ... containing information" as physical objects (3rd CCO at 14-15). This construction and the Court's finding that "the specification does not contain any description of how the transmission system places items into the system" (5th CCO at 16), renders '863 claims 17-19 invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112. This construction of "items" — in combination with the Court's ruling that all of the steps of '992 claim 41 must be performed "by a transmission system" (3rd CCO at 29) and its construction of Claim 41's first step to mean that "transmission system" must "retain" physical items (1st CCO at 13), and second step to mean that the transmission system must "retrieve" the physical items — also renders '992 claims 41-45 invalid for failure to meet the written description and enablement requirements.

¹ The Satellite Defendants consist of the EchoStar and DIRECTV Defendants.

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3. Based on the Court's construction of "in response to" (4th CCO at 8-9), '720 claims 4 and 8 are invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.
4. To the extent that any claim asserted against the Satellite Defendants is construed broadly enough to encompass a transmission system or a reception system that transmits information without a user request, the claim is invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.
5. The Court construed "subscriber selectable receiving stations" in '720 claims 4, 8, and 11 to mean "device or devices which can be designated by the subscriber." There is no disclosure, or enabling disclosure, of how this designation occurs. '720 claims 4, 8, and 11 are therefore invalid for failure to satisfy the written description and enablement requirements of 35 U.S.C. § 112.
6. The '863 claim 17 step of transmitting "to at a plurality of subscriber receiving stations" renders '863 claims 17-19 invalid for failure to satisfy the definiteness requirement of 35 U.S.C. § 112.

We were surprised that Acacia will now oppose filing *any* of the Defendants' § 112 motions. This position is expressly contrary to representations that Acacia made to the Court in the parties' February 29, 2008, Joint Case Management Statement, as well as statements made at the March 7, 2008, hearing. In both instances, Acacia argued for a schedule that provided for the orderly resolution of the § 112 motions to which Acacia would not stipulate. Only after the Court adopted Acacia's proposed schedule does Acacia now claim that motion practice is unnecessary.

Acacia's professed concern that these motions would cause unnecessary delay is unfounded. The Satellite Defendants have chosen targeted motions that rely primarily on the specification and the Court's claim constructions to show that there is no support for the relevant claim terms.² Therefore, there will be no factual disputes. Moreover, of the above proposed motions, we do not understand why Acacia would oppose motion number 3 in light of its stated non-opposition to our motion on nearly identical terms with respect to Claim 8 of the '720 patent, especially in light of the Court's explicit linkage between the claim terms in Claims 4 and 8. (4th CCO at 18.)

In contrast, Acacia's piecemeal approach is inefficient because it increases the potential for further proceedings in this Court and the need for serial appeals. Were Acacia to prevail on any grounds before the Federal Circuit, the parties would be back before the

² The Satellite Defendants expressly reserve their rights to raise additional invalidity motions along with their non-infringement motions.

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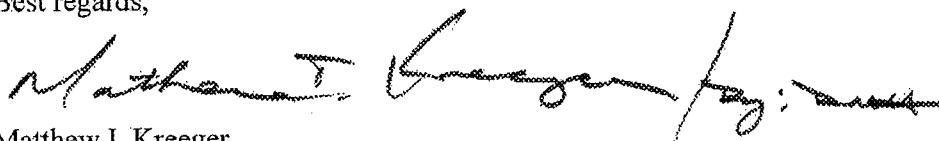
District Court litigating the same motions that the Defendants are prepared to bring now. Those proceedings would lead to yet another appeal, at which point the Federal Circuit would be required to familiarize itself all over again with the Yurt patents and the Court's claim construction orders.

Given the effort the Court and the parties have expended over the years, it makes little sense to send the case to the Federal Circuit to review so few issues. It is far more efficient to resolve the pending disputes according to the Court's March 7 schedule. The parties can then send to the Federal Circuit a comprehensive package of issues that more accurately reflects the issues in the case and the orders to date. More specifically, the Federal Circuit can hear disputes regarding *all* the Court's claim construction decisions, along with the § 112 motions to which those constructions naturally lead, rather than a select number of constructions that Acacia wants to appeal now.

Finally, Acacia's position that the Court's ruling on § 112 motions would amount to an "advisory opinion" is wrong. At least until judgment is entered, it is well within the Court's discretion to hear the Defendants' § 112 motions, and its March 7 schedule, which Acacia proposed, set out an orderly procedure to do just that. As outlined above, it is far more reasonable to hear these motions now than later. Moreover, the Satellite Defendants' counterclaims for declaratory judgment remain pending, including their inequitable conduct allegation and request for attorney fees under the "exceptional" requirement of 35 U.S.C. § 285. A finding of invalidity does not divest a district court of subject matter jurisdiction on these defenses. *See Monsanto Co. v. Bayer Bioscience N.V.*, 514 F.3d 1229, 1242-43 (Fed. Cir. 2008). Further, Acacia has not covenanted not to sue the Defendants or withdrawn its claims with prejudice. Indeed, the opposite is true — Acacia has explicitly reserved all its rights to pursue infringement against the Defendants should it prevail on appeal. Thus, a justiciable controversy remains between the parties. *See id.*; *see generally SanDisk Corp. v. STMicroelectronics, Inc.*, 480 F.3d 1372, 1381 (Fed. Cir. 2007).

We look forward to working with Acacia on drafting a stipulation in accordance with the Court's March 7 scheduling order. Please let me know if you have any questions.

Best regards,



Matthew I. Kreeger

cc: All Counsel of Record

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