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

17 In re) Case No. 05 CV 01114 JW
 18)
 19 ACACIA MEDIA TECHNOLOGIES) **PLAINTIFF ACACIA MEDIA**
 20 CORPORATION) **TECHNOLOGIES CORPORATION'S**
 21) **MEMORANDUM OF POINTS AND**
 22) **AUTHORITIES IN SUPPORT OF ITS**
 23) **MOTION FOR RECONSIDERATION AND**
 24) **CLARIFICATION OF THE JULY 12, 2004**
 25) **MARKMAN ORDER**
 26)
 27) **DATE:** September 8-9, 2005
 28) **TIME:** 9:00 a.m.
) **CTRM:** Hon. James Ware

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1 **I. INTRODUCTION**

2 Plaintiff Acacia Media Technologies Corporation (“Acacia”) hereby moves for
3 reconsideration and clarification of the Court’s July 12, 2004 Markman Order (“Markman Order”).

4 In this motion, Acacia seeks reconsideration of only three issues, and seeks clarification of
5 three more. Acacia shall address the Court’s analysis and construction of these terms and shall show
6 why the Court should reconsider or clarify its constructions.

7 Acacia seeks reconsideration of the Court’s construction of “transmission system” and
8 “transmission system at a first location” to assure that the construction for each makes clear that the
9 location of the transmission system is not limited to a single facility; i.e., the transmission system
10 may be spread over a plurality of facilities. This is how the patentees specially defined the
11 transmission system in the specification, and the specification and claim language chosen by the
12 patentees fully supports this construction.

13 For the same legal and factual reasons, Acacia seeks reconsideration of the Court’s
14 construction of “reception system at a second location” to make clear that the location of the
15 reception system is not limited to a single facility.

16 For the final issue for reconsideration, Acacia seeks claim construction of the phrase,
17 “sequence encoder.” Based solely on the intrinsic patent records, the Court tentatively ruled in its
18 Markman Order that it could not construe the claim term “sequence encoder.” The term “sequence
19 encoder” is definite and should be construed as a “time encoder,” because the specification teaches
20 one of ordinary skill in the art that a time encoder places information into a sequence of addressable
21 data blocks. Acacia will present expert testimony at the evidentiary hearing demonstrating that
22 persons of ordinary skill in the art in January 1991 would have understood the meaning of “sequence
23 encoder” when the claims are read in light of the specification. Further, this construction is
24 confirmed by the rules of claim construction most recently enunciated in the Federal Circuit’s *en*
25 *banc* decision of *Phillips v. AHW Corp.*, ___ F.3d ___, 2005 U.S. App. LEXIS 13954 (Fed. Cir.
26 2005) (*en banc*)¹ and by established claim construction rules, such as claim differentiation.

27 _____
28 ¹ The Lexis version of the opinion in the *Phillips* case is attached as Exhibit 4 to the Block

1 Acacia seeks clarification of the Court’s analysis of the construction of “identification
2 encoder” to clarify an inconsistency in the Markman Order itself. The Court construed
3 “identification encoder” as “a structure that assigns a unique identification code,” but then made
4 statements in the Markman Order that the “identification encoder” is “insolubly ambiguous” and
5 “arguably indefinite.” Acacia will present expert testimony at the evidentiary hearing demonstrating
6 that persons of ordinary skill in the art in January 1991 would have understood the meaning of
7 “identification encoder” when the claims are read in light of the specification, and the Court, based
8 on that expert evidence and the intrinsic patent evidence, should delete from its order any statements
9 describing the “identification encoder” as “indefinite” or “insolubly ambiguous.”.

10 Finally, Acacia seeks clarification of one sub-phrase and one term contained in the Court’s
11 construction of the phrase “in data communication with.” The Court construed that phrase as “one
12 or more devices connected such that data is being transferred between the devices in real time.” The
13 sub-phrase “one or more devices” we clearly believe was intended by the Court to read “two or
14 more devices,” and this clarifying change should be made.

15 Based on the Court’s order, we also understand that the Court selected the term “real-time”
16 to describe the transfer of data between devices to exclude transferring data via diskette. We do not
17 seek to disturb that intended result. We seek, however, to clarify, consistent with the express
18 teachings of the intrinsic patent documents, that the transmission system may transmit video
19 information in a fraction of the time it takes for a viewer to watch the video. Without this
20 clarification, we suspect a jury will be confused and require the data to be sent from the transmission
21 system to the receiving system at precisely the speed a viewer would watch a video, which of course
22 is not contemplated by the specification at all.

23 Acacia looks forward to the evidentiary hearing on September 8 and 9 and respectfully
24 requests that the Court adopt Acacia’s proposed modifications to the Markman Order.

25
26
27
28 Declaration.

1 **II. THE COURT SHOULD MODIFY ITS MARKMAN ORDER IN LIMITED**
2 **RESPECTS**

3 **A. Acacia's Grounds for Reconsideration of the Court's Analysis and Construction**
4 **of the Claim Term "Transmission System"**

5 **1. Acacia's Proposed, Reconsidered Construction of the "Transmission**
6 **System"**

7 Acacia respectfully requests that the Court amend its proposed construction of "transmission
8 system" to reflect the following changes:

9 "an assembly of elements, hardware and software, that function
10 together to convert items of information for storage in a computer
11 compatible form and subsequent transmission to a reception system,
12 the transmission system being located in one or more facilities."

13 This requested change is needed to avoid potential juror confusion. The fact that the Court's
14 construction of "transmission system" does not specify that the transmission system may be spread
15 over a plurality of facilities means that a defendant whose transmission system is spread over a
16 plurality of facilities may attempt to argue that they do not infringe any of the claims of the '992
17 patent for this reason. The patentees clearly defined the transmission system as being located in one
18 facility or spread over a plurality of facilities in the specification and they are entitled to a
19 construction that includes this definition. (See, '992 patent, 5:61-63 and '702 patent, 5:58-60;
20 Exhibits 2 and 3).

21 **2. The Court Should Consider Acacia's Contention that the Transmission**
22 **System is Located in One Facility or Spread Over a Plurality of Facilities**

23 In its Markman Order, the Court declined to include in Acacia's requested claim construction
24 that the transmission system may be located in one facility or may be spread over a plurality of
25 facilities when considering its construction of the term "transmission system." (Markman Order, at
26 page 27, n 19; Exhibit 1). Instead, the Court stated that it would address Acacia's contention when
27 considering the claim terms "at a first location" and "at a second location." (*Id.*) For the reasons
28 expressed below, this issue needs to be addressed in connection with both the "transmission system"

1 and the “at a first location” elements of both the ‘992 and ‘702 patent claims to avoid prejudice to
2 Acacia, and to impart clarity and consistency to the Markman Order in connection with this single
3 issue that affects two different claim terms.

4 The term “transmission system” is found in all of the claims of the ‘992 patent and in all of
5 the claims of the ‘702 patent. In the ‘992 patent claims, unlike the ‘702 patent claims, the language
6 “at a first location” is not present.² There is no language in the ‘992 patent claims susceptible to the
7 meaning that the transmission system must be or even might be located only at a single, particular
8 location. Similarly, there is no language in the ‘992 patent claims which precludes the transmission
9 system from being spread over a plurality of facilities or from being located in more than one
10 location.

11 The identical specification of the ‘992 and ‘702 patents could not be clearer in describing the
12 transmission system as being located in one facility or spread over a plurality of facilities:
13 “Transmission system 100 may either be located in one facility or may be spread over a plurality of
14 facilities.” (‘992 patent, 5:61-63 and ‘702 patent, 5:58-60). The Federal Circuit emphasizes the
15 importance of the specification in claim construction and the importance of construing a claim term
16 consistent with a special definition given to the term by the patentee. *See, Phillips v. AHW Corp.*,
17 ___ F.3d ___, 2005 U.S. App. LEXIS 13954, *33-*34 (Fed. Cir. 2005) (*en banc*) (“Consistent with
18 that general principle [that the specification informs the proper construction of the claims], our cases
19 recognize that the specification may reveal a special definition given to a claim term by the patentee
20 that differs from the meaning it would otherwise possess.”) The patentees in this case gave the term
21 “transmission system” an expansive geographical meaning—it could be located in a plurality of
22 facilities. That definition needs to be given effect in our claim construction.

23
24
25 ² See, e.g., claim 19 of the ‘992 patent: “A distribution method responsive to requests from a
26 user identifying items in a *transmission system* containing information to be sent from the
27 *transmission system* to receiving systems at remote locations . . . storing, in the *transmission system*,
28 information from items. . . sending a request, by the user to the *transmission system*, . . . sending at
least a portion of the stored information from the *transmission system* to the receiving system. . .”

1 **B. Acacia’s Grounds for Reconsideration of the Court’s Analysis and Construction**
2 **of the Claim Term “Transmission System at a First Location”**

3 **1. Acacia’s Proposed, Reconsidered Construction of “Transmission at a**
4 **First Location”**

5 Acacia respectfully requests that the Court amend its proposed construction of “transmission
6 system at a first location” to reflect the following changes:

7 “a transmission system at one or more particular locations separate
8 from the location of the reception system.”

9 Again, this change is needed to conform the claim construction to the teachings of the
10 specification. Moreover, as explained below, it is required to correct an error of law concerning the
11 legal meaning to be accorded the word “comprising” in claim drafting, and certain mistakes of fact
12 concerning the disclosures of the patent specification.

13 **2. The ‘702 Patent Not Only Expressly States That the Transmission**
14 **System Can Be at More Than One Locations, it Sufficiently Explains**
15 **How a Transmission System at More than One Location Would Operate**

16 In its Markman Order, the Court, in considering whether the phrase “transmission system at
17 a first location” is limited to one particular location, stated: “[a]s is often the case in the Yurt family
18 of patents, the specification discloses a “high level block diagram” of the invention but does not
19 explain the actual structural components (e.g. software or hardware) required to have a transmission
20 system at more than one location. (‘702 patent, 4:1). Thus, it is conceivable that the patentees
21 limited the claim to not cover a transmission system in more than one location in an effort to
22 preserve validity of the claims.” (Markman Order, at page 30, n 23; Exhibit 1).

23 These statements by the Court are not correct. With respect to the statement that the patents
24 only disclose “high level” diagrams, the patents do disclose “detailed block diagrams” of the
25 invention (*See*, ‘702 patent, 3:28-30: “FIGS. 2a and 2b are *detailed block diagrams* of preferred
26 implementation of the transmission system of the present invention.” *See also*, ‘702 patent, at 5:56-
27 18:53 and Figures 2a and 2b; Exhibit 3; emphasis added).

28

1 The Court’s statement that the patent specification does not explain the structural
2 components required to have a transmission system at more than one location is also incorrect. The
3 specification describes how a transmission system that is spread over a plurality of facilities would
4 operate. For instance, the specification provides examples of transmission systems having multiple
5 source material libraries and/or multiple compressed data libraries and describes how such
6 transmission systems would operate. (See, e.g., '702 patent, 6:19-29; '702 patent, 10:19-24; '702
7 patent, 11:22-30; '702 patent, 12:41-47; '702 patent, 12:59-65; '702 patent, 14:43-45; '702 patent,
8 15:49-52; '702 patent 17:7-18; Exhibit 3). Regardless, there is no legal requirement for the patentees
9 to have explained every structural element necessary to operate a transmission system that is spread
10 over a plurality of facilities – the patentees are only required to provide an enabling disclosure such
11 that one of skill in the art would have been able to make and use the invention without undue
12 experimentation. *Koito Manufacturing Co., Ltd. v. Turn-Key-Tech, LLC*, 381 F.3d 1142, 1155-56
13 (Fed. Cir. 2004), *quoting*, *In re Gay*, 309 F.2d 769, 774 (CCPA 1962) (“Not every last detail is to
14 be described, else patent specifications would turn into production specifications, which they were
15 never intended to be.”).

16 Further, the Court’s statement above that “it is conceivable” that the patentees limited the
17 claims of the ‘702 patent to a single location to preserve the validity of the claims is unsupported
18 and in fact contradicted by the intrinsic patent documents. This issue was not raised in any of the
19 prosecution histories, and the claim language used by the patentees was clearly intended to capture
20 transmission systems located at multiple locations, so long as none of those transmission system
21 facilities are located at the reception system.

22 The claiming convention used by the patentees and their prosecuting attorney demonstrate an
23 intent to provide an expansive geographic meaning to the phrase “transmission system at a first
24 location.” The claims of the ‘702 patent use the open-ended transition term “comprising,” meaning
25 that the entire claim is presumptively open-ended. *See, The Gillette Company v. Energizer*
26 *Holdings, Inc.*, 405 F.3d 1367, 1372 (Fed. Cir. 2005) (“The word ‘comprising’ transitioning from
27 the preamble to the body signals that the entire claim is presumptively open-ended.”). Open-ended
28 means it is not limited. Therefore, the article “a” in the phrase “at a first location” should be

1 interpreted to mean “one or more than one.” (Markman Order, at 29:23-27, *citing*, *Elkay Mfg. Co. v.*
2 *Ebco Mfg. Co.*, 192 F.3d 973, 977 (Fed. Cir. 1999) and *Abtox, Inc. v. Exitron Corp.*, 122 F.3d 1019,
3 1023 (Fed. Cir. 1997)). Had the patentees intended to limit the transmission system to a single
4 location, they would have used a closed transitional term, such as “consisting of,” or they would
5 have specified in the claim that they intended to limit the transmission system to a single location by
6 stating, for instance: “a transmission system at a *single* first location.” The patentees did not use
7 such language in the claims.

8 **3. Figures 1a, 1b, 1d, 1e, 1f, and 1g of the ‘702 Patent do not Illustrate a**
9 **Transmission System at a Single Location**

10 In its Markman Order, the Court states that “Figures 1a, 1b, 1d, 1e, 1f, and 1g of the ‘702
11 patent illustrate a transmission system at a single location.” (Markman Order, at 30:10-12; Exhibit
12 1). Based on this statement, the Court held that the specification supports construing the phrase “a
13 transmission system at a first location” to mean a transmission system at a single location and that
14 the specification does not rebut this construction. (Markman Order, at 30:9-14; Exhibit 1).

15 Figures in a patent are only understood in the context of the language of the specification that
16 refers to them. *See, e.g., Electro Scientific Indus., Inc. v. Dynamic Details, Inc.*, 307 F.3d 1343,
17 1349 (Fed. Cir. 2002) (“In the context of the entire specification, the depiction of separate work
18 pieces in Figure 6 does not limit the claim language). Stated differently, you read the text of the
19 specification to learn what the Figures mean, not vice-versa. The Court’s statement that “Figures 1a,
20 1b, 1d, 1e, 1f and 1g of the ‘702 patent illustrate a transmission system at a single location” is
21 apparently based upon the use of a single circle or a single rectangle in each identified figure to
22 denote the transmission system. However, it is not relevant whether, in the figures, the transmission
23 system is denoted in one or more rectangles or circles. The legally relevant question is the
24 following: what does the specification explain is depicted by that single circle or single rectangle in
25 each figure?

26 In each of Figures 1a, 1b, 1d, 1e, 1f, and 1g, the transmission system is identified by
27 reference numeral 100. Reference numeral 100 is used throughout the specification and the other
28 figures of the patent to identify the transmission system. The specification expressly defines the

1 transmission system, identified as reference numeral 100, as being located in one facility or spread
2 over a plurality of facilities: “*Transmission system 100* may either be located in one facility or may
3 be spread over a plurality of facilities.” (‘702 patent, 5:58-60; Exhibit 3; emphasis added). Thus,
4 the transmission systems shown in Figures 1a, 1b, 1d, 1e, 1f, and 1g and identified by reference
5 numeral 100 depict transmission systems that are located in one facility or are spread over a plurality
6 of facilities. These Figures therefore do not support limiting the phrase “transmission system at a
7 first location” to a transmission system at a single location. *Electro Scientific*, 307 F.3d at 1349.

8 Even if these Figures did depict the transmission system at a single location, which they
9 clearly do not for the reasons we have explained, these Figures alone cannot limit the claim to a
10 transmission system at a single location. See, *Anchor Wall Systems, Inc. v. Rockwood Retaining*
11 *Walls, Inc.*, 340 F.3d 1298, 1306-07 (Fed. Cir. 2003) (“Similarly, the mere fact that the patent
12 drawings depict a particular embodiment of the patent does not operate to limit the claims to that
13 specific configuration.”)

14 4. The Term “At” Does Not Limit the Phrase “Transmission System at a 15 First Location” to a Single Location

16 In its Markman Order, the Court stated that the term “at” in the phrase “at a first location” is
17 used to indicate presence or position, and thus this term limits the phrase “transmission system at a
18 first location” to a transmission system at a single location. (Markman Order, at 30:1-9; Exhibit 1).

19 The use of the preposition “at” in the phrase “at a first location” does not require that the
20 “transmission system” be limited to a single location, because the preposition “at” is not used in the
21 patent specification and in other claims in the Yurt family of patents to indicate presence or position
22 at only a single location. Instead, the term “at” is used in the specification of the patent and in other
23 claims to mean presence or position at *multiple* locations:

24 “It is possible to process orders and operate a database of available
25 titles *at multiple locations* remote of the source material library 111.”
26 (‘702 patent, 14:43-45; Exhibit 3) (emphasis added).

1 Further, the term “at” is used in other claims of the Yurt family of patents to indicate
2 presence or position at more than one location.³ *See, Phillips*, ___ F.3d at ___, 2005 U.S. App. LEXIS
3 13954, at *28 (“Because claim terms are normally used consistently throughout the patent, the usage
4 of one term in one claim can often illuminate the meaning of the same term in other claims.”);
5 *Inverness Med. Switz. Gmbh v. Princeton Biomeditech Corp.*, 309 F.3d 1365, 1371 (Fed. Cir., 2002)
6 (“A claim term used in multiple claims should be construed consistently”).

7 The patentees’ use of the term “at” in the specification and in other related claims should be
8 dispositive that the term “at” does not limit the phrase “transmission system at a first location” to a
9 transmission system at a single location. *See, Phillips*, ___ F.3d at ___, 2005 U.S. App. LEXIS at *29,
10 quoting, *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996) (“As we stated
11 in *Vitronics*, the specification ‘is always highly relevant to the claim construction analysis. Usually,
12 it is dispositive; it is the single best guide to the meaning of a disputed term.’”)

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14
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16
17 ³ *See*, Claims 19 and 47 of the ‘992 patent and claims 2 and 5 of U.S. Patent No. 5,253,275
(the ‘275 patent: Exhibit 5):

18 “19. A distribution method responsive to requests from a user identifying items in a
19 transmission system containing information to be sent from the transmission system to receiving
20 systems *at remote locations*, the method comprising the steps of . . .” (‘992 patent, Claim 19;
Exhibit 2);

21 “47. A distribution system including a transmission system and a plurality of receiving
22 systems at remote locations, the transmission system being responsive to requests identifying items
containing information to be sent from the transmission system to the receiving systems *at the*
remote locations, the distribution system comprising: . . .” (‘992 patent, Claim 47);

23 “2. A distribution method responsive to requests from a user identifying items in a
24 transmission system containing information to be sent from the transmission system to receiving
systems *at remote locations*, the method comprising the steps of: . . .” (‘275 patent, Claim 2); and

25 “5. A distribution method responsive to requests from a user identifying items in a
26 transmission system containing information to be sent from the transmission system to receiving
systems *at remote locations*, the method comprising the steps of: . . .” (‘275 patent, Claim 5).

1 **5. The Court Should Construe the Article “A” in the Phrase “at a First**
 2 **Location” to Mean “One or More than One”**

3 In its Markman Order, the Court correctly states that the “articles ‘a’⁴ or ‘an’ may mean ‘one
 4 or more than one’ in particular instances, especially in claims that use the transitional term
 5 ‘comprising.’” (Markman Order, at 29:23-27; Exhibit 1), *citing, Elkay*, 192 F.3d at 977 and *Abtox*,
 6 122 F.3d at 1023. Although the claims of the ‘702 patent use the open-ended transitional term
 7 “comprising,” the Court does not construe the article “a” in the phrase “at a first location” to mean
 8 “one or more than one.” The Court did not explain why it did not construe “a” to mean “one or
 9 more than one.”

10 The fact that the claims of the ‘702 patent use the open-ended transition phrase “comprising”
 11 “signals that the *entire claim* is presumptively open-ended.” *Gillette*, 405 F.3d at 1372 (emphasis
 12 added). Therefore, the Court should construe the article “a” in the phrase “at a first location” to
 13 mean “one or more than one.” The fact that the term “a” follows the term “at” is irrelevant. As
 14 discussed above, the term “at” does not limit the phrase “transmission system at a first location” to a
 15 transmission system at a single location. Instead, the term “at” was used in the patent specification
 16 and in other claims to indicate presence or position at multiple locations.

17 Thus, the phrase “at a first location” should be construed as “at one or more than one
 18 location.” This construction is consistent with the definition given by the patentees in the patent
 19 specification that the transmission system may be located at one facility or spread over a plurality of
 20 facilities. (‘702 patent, 5:58-60; Exhibit 3). It is also consistent with the construction of the term
 21 “transmission system,” which, as discussed earlier, is construed to permit the “transmission system”
 22 to be located in one facility or spread over a plurality of facilities, and therefore conforms to the rule
 23 that a claim term used in multiple claims should be construed consistently. *See, Inverness*, 309 F.3d
 24 at 1371; *Phillips*, ___ F.3d at ___, 2005 U.S. App. LEXIS 13954, at *28.

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 26
 27 ⁴ There is a typographical error in the Markman Order: “. . . articles ‘an’ or ‘an’ may mean . . .”
 28 Acacia proposes that the Court correct this typographical error in its reconsidered Markman Order.

1 **6. The Terms “First Location” and “Second Location” Are Repeated**
2 **Instances of the Same Element**

3 In its Markman Order, the Court rejected Acacia’s assertion that the use of the terms “first”
4 and “second” is a common patent law convention to distinguish between repeated instances of an
5 element or limitation. (Markman Order, at page 30, n 21; Exhibit 1). In rejecting Acacia’s
6 assertion, the Court merely states that it “does not consider the use of the phrases ‘at a first location’
7 and ‘at a second location’ to qualify as repeated instances of an element or limitation.”

8 Recently, the Federal Circuit held that the terms “first,” “second,” and “third,” (referring to
9 razor blades) used in a claim having the open-ended transition phrase “comprising” could not be
10 construed as limiting the claim to three blades. *Gillette*, 405 F.3d at 1373. In *Gillette*, the court held
11 that the fact that the claim “does not follow a consecutive order (i.e., it does not discuss the second
12 blade after the first)” means that “the claim is thus clearly not using the ordinals-first, second, and
13 third-to show a consecutive numerical limit but only to distinguish or identify the various members
14 of the group.” *Gillette*, 405 F.3d at 1373.

15 The same is true in this case. The claims of the ‘702 patent do not follow a consecutive
16 order; it is irrelevant whether the transmission system is at the “first location” or the “second
17 location” and likewise whether the reception system is at the “first location” or the “second
18 location;” the only requirement is that the transmission system and the reception system not be at the
19 same location. Clearly then, the terms “first” and “second” are used in the claims of the ‘702 patent
20 to distinguish between the locations of the transmission system and the reception system,” not to
21 provide a numerical limit or serial limitation on the location of the transmission system.⁵ *See*,
22 *Gillette*, 405 F.3d at 1373, *citing*, *3M Innovative Properties Co. v. Avery Dennison Corp.*, 350 F.3d
23 1365, 1371 (Fed. Cir. 2003) (“use of the terms ‘first’ and ‘second’ is common patent-law convention
24 to distinguish between repeated instances of an element” and should not necessarily be interpreted to
25 impose a serial limitation on a claim.)

26 _____
27 ⁵ Although not explicitly stated by the Court, it appears that the Court construed the term “first”
28 to mean “single,” i.e., “at a single [first] location.” Based on *Gillette* and *3M*, however, the term
“first” should not be construed as a numerical limitation, such as “single.”

1 For all these reasons Acacia respectfully requests the Court to adopt Acacia’s proposed
2 reconsidered construction of the phrase “transmission system at a first location.”

3 **C. Acacia’s Grounds for Reconsideration of the Court’s Analysis and Construction**
4 **of the Claim Phrase “Reception System at a Second Location”**

5 **1. Acacia’s Proposed, Reconsidered Construction of the Phrase “Reception**
6 **System at a Second Location”**

7 Acacia respectfully requests that the Court amend its proposed construction of the phrase
8 “Reception System at a Second Location” to reflect the following changes: “A reception system at
9 one or more particular locations separate from the location of the transmission system.”

10 **2. The Factual and Legal Arguments Presented in Connection With**
11 **Reconsideration of the Construction for “Transmission System at a First**
12 **Location” Apply With Equal Force to the Reconsideration of the**
13 **Construction for “Reception System at a Second Location”**

14 In its Markman Order, the Court construed the phrase “reception system at a second
15 location” as “a reception system at one particular location separate from the location of the
16 transmission system.” (Markman Order, at 31:15-18; Exhibit 1). The Court cited the case of
17 *Andrew Corp. v. Gabriel Elec., Inc.*, 847 F.2d 819 (Fed. Cir. 1988) for the proposition that a
18 patentee may claim less than the entire invention. From this statement, it appears that the Court
19 believed that the invention could encompass reception systems at one or more than one location, but,
20 because the patentees used the terms “at” and “second location,” the Court believed the patentee had
21 limited the reception system to a single location, for the same reasons that it did for the transmission
22 system.

23 For the reasons discussed above with respect to “transmission system at a first location,” the
24 Court’s construction of reception system is incorrect and the patent specification and claims
25 evidence no such narrowing intent. The entire claim is presumptively open-ended, because the
26 claims use the transitional term “comprising.” *Gillette*, 405 F.3d at 1372. Because these are open-
27
28

1 ended claims, the term “a” in the phrase “at a second location” should be construed to mean “one or
2 more than one.” The use of the terms “at” and “second” do not affect this construction.⁶

3 For all these reasons, Acacia respectfully requests the Court to adopt Acacia’s reconsidered
4 construction of the phrase “reception system at a second location.”

5 **D. Acacia’s Grounds for Reconsideration of the Court’s Analysis of the Claim**
6 **Term “Sequence Encoder”**

7 In its Markman Order, the Court held that it could not construe the term “sequence encoder.”
8 The Court found that the term “sequence encoder” never appears in the specification of the ‘702
9 patent and that the term “sequence encoder” does not have a plain and ordinary meaning.
10 (Markman Order, at 32:4-10; Exhibit 1) The Court also found that one of ordinary skill in the art
11 would not know what a sequence encoder is and would not be able to understand the bounds of the
12 “sequence encoder” claim element, because the term does not appear in the specification of the ‘702
13 patent. (Markman Order, at 32:23-24 and 33:12-13; Exhibit 1). The Court held that “the legal
14 consequence of claiming an apparatus which has no plain meaning and which is not defined or
15 referred to in the specification is for the Court to declare the patent claim indefinite.” (Markman
16 Order, at 32:11-13; Exhibit 1). The Court also found that the “sequence encoder” of dependent
17 claim 7 of the ‘702 patent (which adds the limitation that the sequence encoder “transforms digital
18 data blocks into a group of addressable data blocks”) is a time encoder that places digital data
19 blocks into a group of addressable data blocks. (Markman Order, at 32:26-33:3; Exhibit 1)

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23 ⁶ There is an additional error in the Court’s analysis of “reception system” that should be
24 corrected. The Court states at 28:17-18 that: “The term ‘reception system’ does not appear in the
25 specification.” This is an incorrect statement, because the term “reception system” does appear
26 numerous times in the specification of the patents. (*See, e.g.*, ‘702 patent, 3:60-67; 4:7-12; 4:13-17;
27 4:18-29; 4:30-36; 4:37-42; 4:43-50; 4:51-59; 4:62 - 5:7; 5:8-18; 5:19-29; 5:31-41; 6:39-42; 10:22-
28 24; 11:33-36; 12:51-55; 14:28-31; 14:63-65; 15:14-18; 15:62-64; 16:1-8; 16:13-15; 16:24-33;
16:34-45; 16:55-56; 16:64-66; 17:18-27; 17:33-36; 17:55-57; 18:34-45; 18:49-52; 19:4-10; 19:13-
18; Figures 1a, 1b, 1c, 1d, 1e, 1f, and 1g, Reference Nos. 200, 200', 200", and 200"', and Figure 6,
Reference No. 200; Exhibit 2). Acacia proposes deleting this sentence from the Markman Order.

1 **1. The Court Applied the Wrong Legal Standard In Construing “Sequence**
 2 **Encoder”**

3 In its Markman Order, the Court held that “the legal consequence of claiming an apparatus
 4 which has no plain meaning and which is not defined or referred to in the specification is for the
 5 Court to declare the patent claim indefinite.” (Markman Order, at 32:11-13; Exhibit 1). The
 6 Court’s statement of law is directly contradicted by the Federal Circuit’s *Bancorp* case. *Bancorp*
 7 *Serv., LLC v. Hartford Life Ins. Co.*, 359 F.3d 1367 (Fed. Cir. 2004). As the court held in *Bancorp*,
 8 a patent claim may be definite even though the claim term was not defined or referred to in the
 9 specification and even though the claim term has no plain meaning, if the meaning of the term could
 10 be inferred by persons of skill in the art from the specification. *Bancorp*, 359 F.3d at 1372-74
 11 (failure to define a claim term in the specification is not fatal “if the meaning of the term is fairly
 12 inferable from the patent.”); *See also, All Dental Prodx, LLC v. Advantage Dental Products, Inc.*,
 13 309 F.3d 774, 779 (Fed. Cir. 2002), *citing, Edelstein v. Frank*, 52 F.3d 1035, 1038 (Fed. Cir. 1995)
 14 (“However, the failure of the specification to specifically mention a limitation that later appears in
 15 the claims is not a fatal one when one skilled in the art would recognize upon reading the
 16 specification that the new language reflects what the specification shows has been invented.”)⁷

17 Further, the Federal Circuit’s test for indefiniteness does not require that the claim term at
 18 issue have a plain meaning or that it be defined or referred to in the patent specification:
 19 “Determining whether a claim is definite requires an analysis of ‘whether one skilled in the art
 20

21 ⁷ The Court’s statement of law is also directly contradicted by the Manual of Patent Examining
 22 Procedure (M.P.E.P.). In the M.P.E.P., patent examiners are instructed that there is no requirement
 23 that the words in a claim must match those used in the specification; the only requirement is that the
 24 terms used define the invention with a reasonable degree of clarity and precision:

25 The mere fact that a term or phrase used in the claim has no antecedent basis in the
 26 specification disclosure does not mean, necessarily, that the term or phrase is
 27 indefinite. There is no requirement that the words in the claim must match those used
 28 in the specification disclosure. Applicants are given a great deal of latitude in how
 they choose to define their invention so long as the terms and phrases used define the
 invention with a reasonable degree of clarity and precision.

(M.P.E.P., § 2173.05(e), Seventh Edition, July 1998; Exhibit 6 to Block Decl.).

1 would understand the bounds of the claim when read in light of the specification . . . If the claims
2 read in light of the specification reasonably apprise those skilled in the art⁸ of the scope of the
3 invention, § 112 demands no more.” *Id.* (citing *Miles Lab., Inc. v. Shandon, Inc.*, 997 F.2d 870, 875
4 (Fed. Cir. 1993)).⁹ (Markman Order, at 33:7-11; Exhibit 1).

5 **2. The Court Must Consider Expert Testimony When Determining the**
6 **Meaning of “Sequence Encoder”**

7 In its Markman Order, the Court states that expert testimony may not be useful in construing
8 “sequence encoder,” because the term “sequence encoder” does not appear in the patent
9 specification and because “the intrinsic evidence appears unambiguous.” (Markman Order, at 33:21
10 – 34:3; Exhibit 1). The Court has invited expert testimony on this issue, presumably to revisit and
11 reexamine this entire issue.

12 By considering expert testimony, the Court avoids potentially reversible error if it were to
13 definitively rule on claim construction or indefiniteness based solely on the intrinsic record. *Verve,*
14 *LLC v. Crane Cams, Inc.*, 311 F.3d 1116, 1119-1120 (Fed. Cir. 2002);¹⁰ *See also AFG Indus., Inc. v.*

15 _____
16 ⁸ In its Markman Order, the Court also states that “Acacia cannot suggest that the *general public*
17 is on notice of the scope of the term ‘sequence encoder’ as the term never appears in the
18 specification.” (Markman Order, at 33:19-21; Exhibit 1 to Block Decl.; emphasis added). Whether
19 the “general public” is on notice of the scope of “sequence encoder” is irrelevant, because patents
20 are written for persons of ordinary skill in the art, not the general public. *W.L. Gore & Associates,*
21 *Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1556 (Fed. Cir. 1983) (“Patents, however, are written to enable
22 those skilled in the art to practice the invention, not the public.”)

23 ⁹ Further, a claim is not indefinite merely because it poses a difficult issue of claim
24 construction. *Bancorp*, 359 F.3d at 1372; *S3, Inc. v. nVidia Corp.*, 259 F.3d 1364, 1369 (Fed. Cir.
25 2001). If, in light of a fully developed record, the claim is amenable to construction, i.e., it is not
26 insolubly ambiguous, it is not invalid for indefiniteness. *Bancorp*, 359 F.3d at 1372. Thus, if the
27 meaning of the claim is discernible, “even though the task may be formidable and the conclusion
28 may be one over which reasonable persons will disagree, we have held the claim sufficiently clear to
avoid invalidity on indefiniteness grounds.” *Id.*, (quoting, *Exxon Research & Eng'g Co. v. United*
States, 265 F.3d 1371, 1375 (Fed. Cir. 2001)). Courts are also instructed, in considering whether a
claim is indefinite, to respect the statutory presumption of patent validity and “protect the inventive
contribution of patentees, even when the drafting of their patents has been less than ideal.” *Id.*
“Close questions of indefiniteness in litigation involving issued patents are properly resolved in
favor of the patentee.” *Bancorp*, 359 F.3d at 1372, (quoting, *Exxon*, 265 F.3d at 1380).

¹⁰ In *Verve*, the Federal Circuit vacated a summary judgment of indefiniteness, which was
based solely on the intrinsic record, and remanded for “further proceedings, including any
appropriate recourse to extrinsic evidence concerning the usage and understanding of the [disputed]
term . . . in relevant context.” *Verve*, at 1120. The Federal Circuit reasoned that: “[T]he court erred

1 *Cardinal IG Co.*, 239 F.3d 1239, 1248-49 (Fed. Cir. 2001) (vacating summary judgment that was
 2 based on district court’s erroneous claim construction: “This case presents a good example of how
 3 extrinsic evidence can and should be used to inform a court’s claim construction, and how failure to
 4 take into account the testimony of persons of ordinary skill in the art may constitute reversible
 5 error. . . .”); *Key Pharms. v. Hercon Labs. Corp.*, 161 F.3d 709, 716-18 (Fed. Cir. 1998) (“[A] trial
 6 court is quite correct in hearing and relying on expert testimony on an ultimate claim construction
 7 question in cases in which the intrinsic evidence . . . does not answer the question. . . .”). Acacia
 8 will be providing expert testimony to the Court on this subject, and it is confident the Court will
 9 better understand why the term “sequence encoder” is not indefinite.

10 **3. The ‘702 Patent Specification and its Claims Teach Persons of Ordinary**
 11 **Skill in the Art that the Sequence Encoder is a Time Encoder**

12 In determining the meaning of the term “sequence encoder,” the Court must examine the
 13 specification of the patent and its claims. *See, Phillips*, __ F.3d at __, 2005 U.S. App. LEXIS
 14 13954, at *25-28. Here, the specification and the claims of the ‘702 patent teach persons of ordinary
 15 skill in the art that the “sequence encoder,” as used in claims 1, 17, 18, and 32, is a time encoder.¹¹

16 The patent specification teaches one of ordinary skill in the art that the “sequence encoder” is
 17 a time encoder:

18 The transmission system 100 of the present invention also preferably includes
 19 ordering means for placing the formatted information into a *sequence of*

20
 21 in law, in requiring that the intrinsic evidence of the specification and prosecution history is the sole
 22 source of meaning of words that are used in a technologic context. . . . The question is not whether
 the [disputed term] has a fixed meaning . . . , but how the phrase would be understood by persons
 experienced in[the] field . . . , upon reading the patent documents.” *Id.* at 1119-1120.

23 ¹¹ At the evidentiary hearing on September 8 and 9, Acacia shall present the expert testimony of
 24 Mr. S. Merrill Weiss and Dr. Peter Alexander, both of whom (from the perspectives of different
 25 education and experience in the same relevant art, both of whom are competent to testify on this
 26 precise issue) will testify that, based on the teachings of the specification and based on the
 27 knowledge and understanding of one of ordinary skill in the art, such a person would have
 understood the meaning of “sequence encoder” in January 1991 to be a time encoder. The substance
 of Mr. Weiss’ and Dr. Alexander’s testimony is substantially contained in their declarations which
 Acacia filed on October 20, 2004 in the Central District of California litigation in connection with
 Acacia’s opposition to defendants’ motion for summary judgment.

1 addressable data blocks. As shown in FIG. 2a, the ordering means in the
2 preferred embodiment includes *time encoder 114*. . . . The *sequence of*
3 addressable data blocks which was time encoded and output by *time encoder*
4 *114* is preferably sent to precompression processor 115.”¹²
5 (‘702 patent, at 7:50-54; 8:46-49; emphasis added).

6 Thus, one of ordinary skill in the art, when reading the claims in light of the patent
7 specification, would understand the term “sequence encoder” to be a “time encoder.” *See, Phillips,*
8 *___ F.3d at ___, 2005 U.S. App. LEXIS 13954, at *24* (“Importantly, the person of ordinary skill in
9 the art is deemed to read the claim term not only in the context of the particular claim in which the
10 disputed term appears, but in the context of the entire patent, including the specification.”)

11 That the “sequence encoder” of claim 1 is understood to be a time encoder is confirmed by
12 the presence of dependent claim 7.¹³ “Under the doctrine of claim differentiation, ‘each claim in a
13 patent is presumptively different in scope.’” *See, Ecolab, Inc. v. Paraclipse, Inc.*, 285 F.3d 1362,
14 1375 (Fed. Cir. 2002), *quoting, Intermatic, Inc. v. Lamson & Sessions Co.*, 273 F.3d 1355, 1364
15 (Fed. Cir. 2001).

16 Claim 1 identifies a “sequence encoder,” but does not describe in the claim any function of
17 the “sequence encoder.” Claim 7 depends from claim 1 and adds the functional limitation that the
18 “sequence encoder transforms digital data blocks into a group of addressable data blocks.” The
19 functional limitation of claim 7 further defines a particular capability of the sequence encoder,
20 which is not expressly described in claim 1.¹⁴ Other functions of the sequence encoder (time
21

22 ¹² Further evidence that the “sequence encoder” refers to the time encoder is found in claim 17
23 of the ‘702 patent. *See, Phillips, ___ F.3d at ___, 2005 U.S. App. LEXIS 13954, at *28* (“Because
24 claim terms are normally used consistently throughout the patent, the usage of one term in one claim
25 can often illuminate the meaning of the same term in other claims.”) In claim 17, the sequence
encoder is “in data communication with said digital data output [of the converter].” (‘702 patent,
20:50-51). As shown in Figure 2a of the ‘702 patent, the time encoder 114 is in data communication
with the converter 113.

26 ¹³ Claim 7 of the ‘702 patent depends from claim 1 and adds the limitation that “said sequence
encoder transforms digital data blocks into a group of addressable data blocks.” Claim 33 of the
‘702 patent depends from claim 32, which depends from claim 27, and adds the same limitation.

27 ¹⁴ Functional limitations are permitted, as described in M.P.E.P. § 2173.05(g):
28

1 encoder) than that single function described in claim 7 are clearly described in the patent
 2 specification. These include, among others, receipt of audio and video data from the converter, ‘702
 3 patent at 8;6-9; the assignment of relative time markers by the time encoder to the audio and video
 4 data as it passes from the converter through the time encoder, Id.; and delivery of a sequence of
 5 addressable data blocks as its output to the precompression processor, ‘702 patent, Col. 8:46-48. As
 6 will be fully explained through expert testimony, the patent specification adequately informs one of
 7 ordinary skill in the art concerning the meaning of the term “sequence encoder.”

8 **4. The Court’s Finding that the “Sequence Encoder” In Claim 7 is a Time**
 9 **Encoder Which Transforms Digital Data Blocks Into a Group of**
 10 **Addressable Data Blocks Confirms that “Sequence Encoder” in Claim 1**
 11 **is a “Time Encoder”**

12 In its Markman Order, the Court understood that the term “sequence encoder” of claim 7 is a
 13 “time encoder” which performs the additional functions set forth in claim 7 of transforming digital
 14 data blocks into a group of addressable data blocks:

15 *A time encoder*¹⁵ that is described in dependent claim 7 of the ‘702 patent is a
 16 limitation describing an additional function of the sequence encoder but does

18 “A functional limitation is an attempt to define something by what it does, rather
 19 than by what it is (e.g., as evidenced by its specific structure or specific
 20 ingredients). There is nothing inherently wrong with defining some part of an
 invention in functional terms. Functional language does not, in and of itself, render
 a claim improper. *In re Swinehart*, 439 F.2d 210, 169 USPQ 226 (CCPA 1971).

21 A functional limitation must be evaluated and considered, just like any other
 22 limitation of the claim, for what it fairly conveys to a person of ordinary skill in
 the pertinent art in the context in which it is used. A functional limitation is often
 23 used in association with an element, ingredient, or step of a process to define a
 particular capability or purpose that is served by the recited element, ingredient or
 step.”

24 (M.P.E.P., § 2173.05(g), Seventh Edition, July 1998; Exhibit 6 to Block Decl.).

25 ¹⁵ The Court obviously had no difficulty determining that the “sequence encoder” is a “time
 26 encoder” that performs the functions of claim 7. In fact, the adult internet defendants who argued
 the original Markman proceedings instructed the Court that claim 7 should be construed as a time
 27 encoder that performs the algorithm of a time encoder. (*See* Defendants’ Responsive Claim
 Construction Brief re ‘702 Patent at 18:4-6; Exhibit 7 to Block Decl.)

1 not assist one skilled in the art with defining the boundaries of the claimed
2 element, “a sequence encoder.”

3 (Markman Order, at 32:26 – 33:3; emphasis added).

4 Although the Court correctly found that the “sequence encoder” of claim 7 is a time encoder
5 with the additional functional limitation of transforming digital data blocks into a group of
6 addressable data blocks, the Court stated that claim 7 does not assist one skilled in the art with
7 defining the boundaries of the “sequence encoder.”¹⁶ This is not the case, as will be demonstrated
8 by expert testimony. If the “sequence encoder” of claim 7 is understood to be a time encoder with
9 the additional function of transforming digital data blocks into a group of addressable data blocks, as
10 indicated by the Court in its Markman Order, then, pursuant to the doctrine of claim differentiation,
11 the sequence encoder of claim 1 must be broader, i.e., a time encoder that is not limited to this
12 function. *See Ecolab*, 285 F.3d at 1375; *Phillips*, ___ F.3d at ___, 2005 U.S. App. LEXIS 13954, at
13 *60-61.¹⁷ As described above, the patent specification teaches a number of functions of the
14 sequence encoder (time encoder) beyond the single function identified in claim 7. (‘702 patent, at
15 7:54-8:12; 8:47-49).

16 _____
17 ¹⁶ To the extent that the Court believes that there remains any ambiguity in construing
18 “sequence encoder,” the Court should apply the doctrine that “claims should be so construed, if
19 possible, as to sustain their validity.” *Phillips*, ___ F.3d at ___, 2005 U.S. App. LEXIS 13954, at *64-
20 65, quoting, *Liebel-Flarsheim Co. v. Medrad, Inc.*, 358 F.3d 898, 911 (Fed. Cir. 2004), and *Rhine v.*
21 *Casio, Inc.*, 183 F.3d 1342, 1345 (Fed. Cir. 1999). In this case, it is reasonable to infer that the PTO
22 would not have issued an invalid patent. *Phillips*, ___ F.3d at ___, 2005 U.S. App. LEXIS 13954, at
23 *66. In allowing claims 1 and 7 of the ‘702 patent, the Examiner focused on the term “sequence
24 encoder.” The Patent Examiner refused to allow original claim 33 (corresponding to claim 1 of the
25 ‘702) without the “sequence encoder,” but agreed to allow original dependent claims 39 and 40 if
26 they were rewritten in independent form. Claim 39 added the sequence encoder to claim 33. Claim
27 40 added to claim 39 that the sequence encoder transformed digital data blocks into a group of
28 addressable data blocks.

23 The Examiner is presumed to have followed M.P.E.P. § 608.01(o), which instructs examiners to
24 scrutinize patent claims for claim terms that are not recited in the specification and to ensure that
25 such terms are supported by the specification and are capable of being construed. (M.P.E.P.,
26 § 608.01(o), Seventh Edition, July 1998; Exhibit 6 to Block Decl.).

26 ¹⁷ It appears that the Court reached this decision based on its belief that the time encoder in all
27 instances (including claim 1) must only transform digital data blocks into a group of addressable
28 data blocks. There is, however, nothing in the patent specification or in the claims which states or
implies that, in order to qualify as a time encoder, the time encoder must only transform digital data
blocks into a group of addressable data blocks.

1 **5. Acacia’s Proposed, Reconsidered Construction of “Sequence Encoder”**

2 Acacia contends that the proper construction of the phrase “sequence encoder,” as used in
3 claims 1, 17, 18, and 32 of the ‘702 patent, should be:

4 “a time encoder.”

5 Acacia further contends that the proper construction of the phrase “sequence encoder” in
6 claims 7 and 33 of the ‘702 patent, should be:

7 “a time encoder that transforms digital data blocks into a group of addressable
8 data blocks.”

9 **E. Acacia’s Grounds for Clarification of the Court’s Analysis of the Claim Term**
10 **“Identification Encoder”**

11 In its Markman Order, the Court construed the term “identification encoder” to mean “a
12 structure that assigns a unique identification code.” (Markman Order, at 35:24 – 36:1; Exhibit 1).
13 Although the Court was able to construe this term, the Court stated that the “identification encoder”
14 was “insolubly ambiguous” and “arguably indefinite.” (Markman Order, at 35:22, 23; Exhibit 1).

15 Acacia does not seek reconsideration of the Court’s construction of “identification encoder.”
16 Instead, Acacia seeks clarification of the Court’s aforementioned statements in the Markman Order.
17 In addition, because the Court invited Acacia to present expert testimony in the Markman Order,
18 Acacia will present expert testimony at the evidentiary hearing on September 8 and 9 regarding the
19 understanding of persons of ordinary skill in the art as to the meaning of “identification encoder”
20 when the claims are read in light of the specification.

21 **1. The Court Should Clarify Its Markman Order to State that the**
22 **Specification of the ‘702 Patent States that the Identification Encoder**
23 **Includes Software**

24 In its discussion of the “identification encoding means,” the Court states that “[o]ther than
25 the term itself, the specification contains no description of the structure of an ‘identification
26 encoder.’ It is unclear whether it is hardware, software, or as claimed with another element, a
27 human being.” (Markman Order, at 19:9-11; Exhibit 1). The Court also states that “[h]ere, the
28 specification of the ‘702 patent only discloses an identification encoder as a box that performs the

1 function of assigning a unique identification code. ('702 patent, 6:30-39; Exhibit 3). The
 2 specification does not disclose an algorithm, software, or apparatus to perform the function of
 3 assigning a unique identification code.” (Markman Order, at 35:17-20). Certain of these statements
 4 are factually incorrect for the reasons set forth below.

5 Figure 2A of the ‘702 patent depicts the identification encoder with reference numeral 112
 6 and the specification states that reference numeral 112 is the identification encoder (See, e.g., ‘702
 7 patent, 6:31-42; Exhibit 3). In Figure 2A, the identification encoder 112 is designated as the
 8 “identification encoding *process*.” Acacia will present expert testimony at the evidentiary hearing
 9 showing that the term “process” as used in the patent documents would have been understood in
 10 January 1991 to a person of ordinary skill in the art to refer to the execution of a computer program.
 11 Thus, the ‘702 patent does describe the structure of the identification encoder as including software.

12 Further, the Court construed the term “transmission system” to mean “an assembly of
 13 elements, *hardware and software*, that function together to convert items of information for storage
 14 in a computer compatible form and subsequent transmission to a reception system.” (Markman
 15 Order at 28:12-14). Thus, as claimed, the “identification encoder” is part of the transmission
 16 system, and therefore is one element of the assembly of elements (hardware and software) which
 17 comprise the transmission system. At the evidentiary hearing Acacia’s experts will explain why this
 18 disclosure is sufficiently definite to one of ordinary skill in the art.

19 **2. The Court Should Clarify its Markman Order to Remove the Statements**
 20 **that the term “Identification Encoder” is “Insolubly Ambiguous” and**
 21 **“Arguably Indefinite”**

22 Although the Court construed the term “identification encoder,” the Court also stated that the
 23 term was “insolubly ambiguous” and “arguably indefinite.”¹⁸ (Markman Order, at 35:22, 23).

24 _____
 25 ¹⁸ The fact that the Court’s construction of “identification encoder” may be broad is not a
 26 ground for finding the term “identification encoder” to be indefinite. The breadth of a claim term is
 27 not equated with indefiniteness. *SmithKline Beecham Corp. v. Apotex Corp.*, 403 F.3d 1331, 1340-
 28 1341 (Fed. Cir. 2005), *quoting, In re Gardner*, 427 F.2d 786, 788 (C.C.P.A. 1970) (“The test for
 indefiniteness does not depend on a potential infringer’s ability to ascertain the nature of its own
 accused product to determine infringement, but instead on whether the claim delineates to a skilled
 artisan the bounds of the invention. . . . ‘breadth is not indefiniteness.’”); *See also* M.P.E.P.

1 Additionally, in footnote 26 on page 35, the Court stated that it “considers the term ‘identification
2 encoder’ to be indefinite consist [sic] with the Court’s analysis of the term “identification encoding
3 means.”¹⁹

4 These statements contradict the fact that the Court construed the term “identification
5 encoder.” These statements therefore do not belong in the Markman Order.

6 **F. Acacia’s Grounds for Clarification of the Court’s Construction of the Claim**
7 **Phrase “in Data Communication with”**

8 In its Markman Order, the Court construed the phrase “in data communication with” as “one
9 or more devices connected such that data is being transferred between the devices in real-time.”
10 (Markman Order, at 29:19-20; Exhibit 1). The Court based this construction on its belief that “[t]he
11 plain and ordinary meaning to one of ordinary skill in the art of the phrase ‘in data communication
12 with’ is ‘one or more devices connected such that data is being transferred between the devices in
13 real-time.’” (Markman Order, at 29:9-11; Exhibit 1). This meaning for “in data communication
14 with” is not found in the specification of the patent or in the *IEEE Dictionary* cited by the Court.
15 There also was no expert testimony to support a finding that this is the plain and ordinary meaning
16 to a person of ordinary skill in the art. The Court further explained that the meaning of “in data
17 communication with” excludes transferring a diskette: “transferring a diskette from one computer to
18 another would not make the two computers ‘in data communication with’ one another.” (Markman
19 Order, at page 23, n 17; Exhibit 1).

21 § 2173.04, Seventh Edition, July 1998 (“Breadth of a claim is not to be equated with indefiniteness.
22 [citation omitted]. If the scope of the subject matter embraced by the claims is clear, and if
23 applicants have not otherwise indicated that they intend the invention to be of a scope different from
that defined in the claims, then the claims comply with 35 U.S.C. 112, second paragraph) (Exhibit 6
to Block Decl.)

24 ¹⁹ The statement that the Court considers the term “identification encoder” to be indefinite
25 consistent with the Court’s analysis of the term “identification encoding means” is a legal non-
26 sequitur and should be eliminated. The analysis of definiteness for a term such as “identification
27 encoding means” which is construed under 35 U.S.C. § 112, ¶ 6, is very different than the analysis
for definiteness of a term such as “identification encoder.” The Court expressly held that
28 “identification encoder” was not to be construed under 35 U.S.C. § 112, ¶ 6. (Markman Order, at
35:4-5; Exhibit 1).

1 Acacia seeks clarification of the Court’s construction of “in data communication with” in
2 two respects. First, the Court’s construction of “in data communication with” refers to “*one* or more
3 devices.” The Court obviously did not mean “one or more devices,” because one device cannot be
4 in data communication with itself. Acacia proposes modifying the construction of “in data
5 communication with” to refer to “two or more devices.”

6 The second issue to be clarified within the Court’s construction of “in data communication
7 with” refers to the data being transferred in “real-time.” Acacia recognizes from the Markman
8 Order that the “real-time” limitation adopted by the Court in its construction was intended to
9 exclude the transfer of data by diskette, and Acacia does not seek to disturb the Courts intended
10 result on that issue. Unfortunately, the use by the Court of the term “real-time” to accomplish that
11 objective creates a new and separate claim construction problem. The term “real-time” is used in
12 the patent specification differently than it is apparently being used by the Court in its construction.
13 The Court is apparently using the term “real-time” to refer to the time for the data to be transferred.
14 In the patent, however, the term “real time” is used to indicate the amount of time necessary to view
15 a video program. Therefore, as described in the patent, the transmission of a video program can
16 occur in a *fraction* of real time, i.e., the time to send the video is less than the time to watch the
17 video program (for example, a two-hour movie can be transmitted in one hour):

18 A still further object of the present invention is to provide a picture
19 and sound transmission system wherein the selected audio/video
20 material is sent over any one of several existing communications
21 channels *in a fraction of real time* to any location chosen by the user
22 that has a specified receiver

23 (‘992 patent, 1:67 – 2:4; Exhibit 2).

24 Acacia is concerned that the different possible meanings for “real-time” could cause juror
25 confusion. If “real-time” in the Court’s construction were misunderstood to mean the time
26 necessary to view a video program, then the construction of “in data communication with” would be
27 unduly limited to only instances where the data is transferred at the same rate as necessary to view
28

1 the video program. Acacia does not understand that it was the Court’s intent to so limit its
2 construction of the phrase “in data communication with.”

3 **1. Acacia’s Proposed Clarified Construction of “in Data Communication**
4 **With”**

5 Acacia proposes that the Court clarify its construction of “in data communication with” by
6 modifying the construction to state as follows:

7 “two or more devices connected while data is being transferred
8 between the devices.”

9 **III. CONCLUSION**

10 For the foregoing reasons, Acacia respectfully requests that the Court reconsider its
11 Markman Order constructions and that the Court adopt Acacia’s modified constructions.

12 DATED: July 29, 2005

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14
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