EXHIBIT E

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asserted claims will bear only one interpretation: that the "driving surface" limitation is limited to flat driving surfaces.")¹⁷

Thus, the claim construction rules used to determine whether a claim at issue will bear only one interpretation (based on the disclosures in the specification and the prosecution history) shall take precedence over the doctrine of claim differentiation. Defendants reverse this order of precedence; defendants argue that the doctrine of claim differentiation takes precedence over the rules of claim construction relating to the specification and the prosecution history. According to defendants, even if the construction of a claim term is limited by the specification and/or the prosecution history, all of those claim construction rules are ignored, and the claim term is construed broader than the specification or the prosecution history can support. This is not the law. Toro, 199 F.3d at 1302 ("However, the doctrine of claim differentiation does not serve to broaden claims beyond their meaning in light of the specification, [citation omitted], and does not override clear statements of scope in the specification and the prosecution history.")

In this case, the parties agree that the only "sequence encoder" disclosed in the specification is the "time encoder." (Defendants' Claim Construction Brief re the '702 patent filed on May 7, 2004 at 29:17-20 and Defendants' Opposition filed on May 13, 2004 at 14:4-5). Thus, the specification of the '702 patent will bear only one interpretation for the term "sequence encoder" in claim 1-- the time encoder. The fact that claim 7 depends from claim 1 and adds the limitation that the sequence encoder

See also, Tandon, 831 F.2d at 1023-24 ("Thus two claims which read differently can cover the same subject matter... Whether or not claims differ from each other, one can not interpret a claim to be broader than what is contained in the specification and claims as filed." The court held that the inclusion of the term "non-gimballed" in claim 5 did not require that claims 1 and 12 be read to encompass a gimbaled first transducer.); Toro, 199 F.3d at 1302 ("These documents [specification and prosecution history] require that clause [6] be construed to mean that the restriction ring is permanently affixed to and included as part of the cover."); Wang Laboratories, Inc. v. America Online, Inc., 197 F.3d 1377, 1383 (Fed. Cir. 1999) ("However, all of the claims recite 'frames,' which are shown in the specification as only character-based. The claim differentiation argument of itself does not support interpreting 'frames' as unlimited to any protocol.") unlimited to any protocol.")

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"transforms digital data blocks into a group of addressable data blocks" does not mean that the "sequence encoder" is interpreted as being broader than the only support in the specification. Rather, according to the cases cited above, the rule that the "sequence" encoder" of claim 1 is interpreted consistent with its support in the specification takes priority over claim differentiation. Thus, similarity with claim 7 must be tolerated. 18

C. **Temporary Storage Device**

1. Defendants' Discovery Responses Stated that the Temporary Storage Device Was a Device that Existed Only Temporarily

At the May 19 hearing, Acacia's counsel pointed out that, in their discovery responses, defendants proposed that the term "temporary storage device" be construed as a device that existed only temporarily. (May 19, 2004 Transcript, at 134:15-18 and 139:10-15; Exhibit 4 to accompanying Block Decl.) Defendants' counsel denied that their discovery response contained such a construction. (Id. at 136:2-3). Acacia's counsel then offered to lodge defendants' discovery responses with the Court.

Defendants' discovery responses were already filed with the Court by Acacia as Exhibit 21 to Acacia's Supplemental Appendix re the '992 patent terms filed on January 22, 2004. On page 47 of Exhibit 21, defendants' proposed construction for "temporary storage device" is:

> This claim limitation means that the storage device in the reception system is not permanent.

Obviously, such a construction would be ludicrous and without merit.

The cases cited by defendants in their opposition regarding the '702 patent claim terms are distinguished from these cases. In each of those cases—Wenger Mfg. v. Coating Mach. Sys., 239 F.3d 1225, 1233 (Fed. Cir. 2001); Ecolab, Inc. v. Paraclipse, Inc., 285 f.3d 1362, 1375 (Fed. Cir. 2002); and Sunrace Roots Enterprise Co. v. SRAM Corp., 336 F.3d 1298, 1303 (Fed. Cir. 2003)—the independent claim was not limited by the specification or the prosecution history. The specification and prosecution history could support the breadth of the claim when differentiated from the dependent claim. In the present case, the specification cannot support a broader construction of the claim term at issue, and therefore similar claims must be tolerated.