

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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-----X Docket#
WEB TRACKING SOLUTIONS, et al.: 08-CV-3139 (RRM) (RER)
      Plaintiff,                :
                                :
      - versus -                : U.S. Courthouse
                                : Brooklyn, New York
GOOGLE, INC.,                  :
      Defendant                 : April 29, 2010
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TRANSCRIPT OF CIVIL CAUSE FOR MARKMAN HEARING
BEFORE THE HONORABLE RAMON E. REYES, JR.
UNITED STATES MAGISTRATE JUDGE

A P P E A R A N C E S:

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1 THE CLERK: All Rise. The Honorable Ramon E.
2 Reyes, Jr. presiding. Criminal Cause for a Markman
3 Hearing, docket number 08-cv-3139, Web Tracking
4 Solutions, Inc. v. Google.

5 Counsel for plaintiff please state your name
6 for the record.

7 MR. FLYNN: My name is Edward Flynn. I
8 represent the plaintiffs Daniel Wexler and Web Tracking
9 Solutions.

10 MR. LESKO: Paul Lesko for the plaintiffs.

11 MR. HAYES: Stephen Hayes, also for plaintiffs.

12 THE COURT: Good morning.

13 MR. FLYNN: Good morning, your Honor.

14 MR. HAYES: Good morning, your Honor.

15 MR. LESKO: Good morning.

16 THE CLERK: Counsel for the defendant?

17 MR. VERHOEVEN: Good morning, your Honor.

18 Charles Verhoeven, Quinn Emmanuel representing
19 defendant Google.

20 MR. DeFRANCO: Ed DeFranco, your Honor, also
21 for Google.

22 MR. CURRAN: Patrick Curran, your Honor, also
23 for Google.

24 MS. LACERERA: Catherine Lacerera in-house
25 counsel at Google.

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1 THE COURT: Good morning. Please be seated
2 everyone. Okay. I am ready to be educated with the
3 tutorials but understand, I have some familiarity with
4 computers, the internet. You know, I am not -- I grew up
5 in the computer age, so you don't have to start at square
6 one but to the extent you want to say anything, use the
7 full tutorials, go right ahead.

8 We've taken a look at them already and think we
9 know what's going on. We have some questions about
10 certain things but I will let the plaintiffs take it
11 away.

12 MR. FLYNN: Thank you. I appreciate it, your
13 Honor. You know, we've put these -- since you've looked
14 at these slides, you know, that our technology, tutorial
15 presentation is pretty basic in terms of presenting. I
16 guess on the old fashioned thing. The best I can do is
17 Power Points. So I will try not to kill us all with the
18 Power Point slides.

19 I've got to tell you, I hope you indulge me
20 just a little bit at the beginning. I couldn't help but
21 notice Tuesday's New York Times, the front page. There
22 was an article, "We have met the enemy and he is Power
23 Point." And I'm trying to figure out the Power Point
24 slide this afternoon, so I (indiscernible) the situation.
25 So I will do my best not to become the enemy with Power

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1 Point. I would invite you now knowing how much
2 familiarity that you did have with that technology, I
3 would invite you that if I start going through slides
4 that are more elemental and you already have that
5 familiarity, please feel free to tell me and I will be
6 happy to move on to the slides where you have more
7 questions about.

8 THE COURT: Fair enough. And I will say I
9 would like to know who did the voice for you tutorial.
10 It's a great voice. Go ahead, Mr. Flynn.

11 MR. FLYNN: By the time, I am finished,
12 your Honor, you won't have to ask what my voice is.
13 There we go. Okay.

14 (Power Point presentation begins.)

15 MR. FLYNN: Your Honor, we'll start our
16 tutorial presentation with just some of the key dates,
17 just to give some time context to the Wexler invention.
18 In April 1993, not all that long ago is when the first
19 release of the mosaic web browser occurred and that was
20 the first publicly available use of the browser for
21 purposes of being on the internet and the web.

22 By the end of 1994, there was obviously rapid
23 growth. There were approximately 10 million users of the
24 internet and the web. July of 1995 is widely recognized
25 to be the advent of e-commerce with Amazon.com after

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1 Amazon.com came online. That exploded the growth of the
2 knowledge and use of the internet even more so, so that
3 by the end of 1996, there were now over 36 million users
4 and there were approximately 500,000 websites with -- and
5 again, just to put it in context, Wexler filed it's
6 patent application on October 11, 1996. So it as still
7 in the very early stages of this rapid explosion and
8 growth of internet usage.

9 With that rapid growth, it gave rise then to
10 the increased use of web advertisement. Web
11 advertisement had a significant advantage over
12 traditional forms of media advertisement. In fact, of
13 all the media; television, radio, print. Web
14 advertisement quickly began to have the greatest exposure
15 to new users for those kinds of advertisement than any of
16 the other media.

17 So the publishers, what we're referring to as
18 publishers, are any entity that had websites such as the
19 example that we use, CNN.com but it could be any website
20 that had part of its website space, the display
21 advertisers advertisements as part of those web pages as
22 the web pages were displayed the user's browser.

23 The advantage of web advertisement over
24 traditional forms of media was that it could be two-way
25 interactive. Rather than us just reading what's in the

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1 newspaper or hearing what's on the radio or seeing what's
2 on TV, we the users could be more interactive with what
3 we saw as an advertisement. We could decide whether we
4 wanted to see more or hear more. We could decide if we
5 were enticed to do so, to click on the advertisement and
6 we could be taken to the advertiser's website to learn
7 more information about the advertisement of the products
8 that they were advertising.

9 When the user clicks on the ad that is
10 displayed as part of the publisher's web page, that is
11 the effecting of clicking on ad. There is a right that
12 takes the user's browser to the advertiser's website.
13 What we'll be talking about today is in what form or --
14 and what are the steps at which -- or by which the user's
15 browser is taken to the advertiser's website.

16 One of the advantages of web advertisement is
17 it allowed for contextual placement of ads, so that ads
18 could be placed on a web page contextually with the type
19 of web page that it was. So that if a user visited a
20 particular type of website, those ads could be placed on
21 that website, that fit contextually with the content of
22 that web page.

23 So for example, you can't see it -- at least I
24 can't see it very well, I don't know if you can, but it's
25 in the materials. The publisher's website here is

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1 Ultralightflying.com It's an ultra light flying
2 magazine, obviously about flying. So with contextual
3 placement of advertisements, you would be able to place
4 ads on that web page that had to do with flying on the
5 assumption, of course, that people who visited that
6 website would be interested in other types of advertising
7 related to those kinds of topics. And you can see, in
8 fact, at the bottom of this web page the banner area that
9 displays three separate ads, they are all flying-type
10 ads, relating to flying schools and training.

11 Just to quickly go over some of the terminology
12 with respect to web advertisements, there are
13 impressions. An impression is referred to the number of
14 times that an advertisement is actually displayed on the
15 web page, the number of times it can be available for
16 viewing or to be seen by the user, as opposed to click
17 throughs or clicks which is actually when the user will
18 click on the advertisement that is displayed as part of
19 that web page.

20 The ad pricing was either based initially on
21 impressions. An advertisement would pay a publisher for
22 the number of times that that publisher's web page would
23 display the actual ad. So how ever many times that page
24 was displayed and the ad was there, that would be the
25 number of impressions on the basis of which the publisher

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1 would charge the advertiser.

2 That form of pricing pretty soon gave way
3 primarily at least to the click -- the cost per click
4 form of advertising because, of course, the clicks were
5 more useful to the advertisers to determine the
6 effectiveness of their ad. Just having an impression up
7 there or the ad being displayed on the page didn't tell
8 the advertiser whether or not the user even saw the
9 advertisement, let alone whether the user would be
10 sufficiently enticed to click on the advertisement. So
11 by being charged on the basis of the number of clicks,
12 that was a more effective measure for the advertiser to
13 determine the effectiveness of that ad.

14 As the web advertisement industry then grew,
15 and CPC pricing method was the more acceptable pricing
16 method, it became important then for advertisers and
17 publishers to have accurate counting statistics of the
18 number of times that users counted or clicked on the ads.

19 The problem was that advertisers and publishers
20 could get different numbers based upon their own servers
21 but the numbers didn't match up. So that -- and there
22 were lots of reasons for that. Some of them were
23 technical reasons. So if a user clicked -- especially in
24 the early days because we had -- if you remember, we had
25 dial-ups and we had slow modems and we had conductivity

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1 problems and we had problems with the Windows 95
2 operating system. So it could result in different
3 technical reasons why a user who clicked on the ad and
4 would therefore be registered in the publisher's server
5 wouldn't necessarily get to the advertiser's website if
6 there was that kind of loss of connection.

7 So right off the bat for technical reasons,
8 there would usually be a disparity between the
9 publisher's numbers upon the user's click and the
10 advertiser's numbers of how many people actually arrived
11 at the advertiser's website.

12 In addition to that, there was of course always
13 the concern that the publishers for whether it be
14 deliberate or inadvertent, would have a higher number of
15 clicks than were actually valid to have. If the
16 publisher was counting invalid clicks, if the publisher
17 was counting double clicks, if the user quickly double-
18 clicked on a particular ad and both clicks were counted.

19 So whether it was deliberate or inadvertent,
20 because it was in the context of this two-party
21 transaction, advertiser and publisher and advertiser
22 paying publisher based on the number of clicks, there was
23 this distrust that occurred, a natural distrust that
24 occurred on the part of the advertiser not wanting to
25 trust the publisher's numbers, how many times the

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1 publisher say use this click and the publisher conversely
2 not wanting to trust the advertiser just based on the
3 advertiser's numbers on how many people actually arrived
4 at the advertiser's website.

5 That was the problem that the Wexler patent
6 addressed. That was what Mr. Wexler encountered in early
7 1996 and that's what led to the conception of his
8 invention and his invention was for a third-party online
9 counting system. So that rather than the publisher
10 having to rely upon the advertiser or the advertiser
11 having to rely upon the publisher, there would be an
12 intermediary third party that both the advertiser and the
13 publisher would understand and agree would be the one to
14 count and it would be that third party's numbers that
15 both publisher and advertiser would agree to accept for
16 price determination purposes.

17 So the rather than the publisher counting when
18 the user clicks on the ad that is displayed as part of
19 the publisher's web page, instead -- and we'll go through
20 a very basic description of the patent initially and
21 we'll get back to it in more detail later, but instead
22 when the user clicked on the ad displayed as part of the
23 publisher's web page, the user would be taken to the
24 third party site. The third-party site would click the
25 log or count the clicks and the log developed into that

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1 clicked information and then the third-party would
2 ultimately redirect the user's browser to the
3 advertiser's website after the third-party site finished
4 performing its functions.

5 And this next slide is just a very basic
6 diagram of what the third-party accounting system looks
7 like, the publisher's website, the third-party site, the
8 advertiser's website and, of course, the user's browser
9 on the left, so that when the web browser obtains the
10 coded web page from the publisher's site that contains an
11 advertisement, the user clicks on the advertisement, the
12 user's browser would be sent to the third-party site that
13 would count, log, redirect the user's browser to the
14 advertiser's website. That's very basic and we'll go into
15 a little bit more detail when we get into the specific
16 issues.

17 And here perhaps is when you can start telling
18 me whether you have sufficient familiarity as to whether
19 I need to go into all of that but what we would like to
20 start doing is talking about some of the relevant
21 technologies that are related to the -- relevant to the
22 issues that we're going to be talking about for claim
23 instructions. And a couple of those are http and html.
24 Both of those are significant with respect to the claims
25 instruction which is what we're going to be talking about

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1 today.

2 Rendering a web page is very significant to
3 some of the issues that we're going to be talking about
4 today. Clicks or client side script for what's necessary
5 to -- for the user's browser to construct the web page;
6 the server side script. When the server's on the website
7 side have to execute programs in order to do the things
8 that those servers need to do on that side. And, of
9 course, the redirecting that will be -- that's involved
10 in the Wexler patent.

11 Just a few http basics; hypertext transfer
12 protocol. Client's server protocol, the client referring
13 to the user's web browser and the server referring to the
14 website. The http protocol is based on a series of
15 request, response interactions. The user sends a
16 request, gets a response. And there's no disagreement, I
17 don't think, between the parties in this case that under
18 the http protocol for each request message there is a
19 single response. The dispute is what that single
20 response has to e. But for each request, there is a
21 response.

22 Most web applications back in 1996 and today,
23 most web applications using the http protocol involved
24 multiple request response pairings. Very few, is there
25 only one request and one response because of the

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1 complexity of the functions that needed to be performed
2 in the transactions that are going on.

3 I would like to talk for just a couple of
4 minutes on the technology related to rendering a web
5 page. As I indicated a minute ago, web pages have to be
6 constructed by the user's web browser. When a user
7 visits a publisher's website and requests a web page,
8 what is returned is not a page as it is displayed in the
9 user's browser. What's returned is a cover page written
10 in hypertext mark language, html. And it's referred to
11 as a hypertext source file that's written in html.
12 That's coded when it arrives at the user's browser. The
13 browser is usually equipped with an interpreter to
14 interpret not only that code but other things that we'll
15 be talking about later. That browser interprets the
16 coding which tells the user's browser what the browser
17 needs to do in order to render the web page as it is
18 displayed at the browser so that the user can see it on
19 his screen, so that the web page consists of the base
20 page which is that hypertext source file written in html
21 and it may also include other objects that have to be
22 retrieved by the user's browser that are also displayed
23 as part of the web page.

24 So for example, an image, any time there's an
25 image, that would be an object. And an image cannot be

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1 embedded within the html code which we'll talk about in a
2 minute. That's a separate object that has to be in a
3 file. It has to separately be retrieved by the user's
4 browser again as a result of subsequent request response
5 pairings.

6 The web objects that are displayed as part of
7 the web page may come from one website. It may come from
8 multiple websites. This is just an example of the
9 rendering of a web page. And in this example, it shows a
10 web page that's going to be -- all of the objects of the
11 web page will be served from one website, the website
12 S1.com, www.S1.com.

13 So the first thing is that the user enters the
14 URL of that website into his browser. As a result of
15 that, the user's browser generates a request message to
16 the publish -- or to the website, S1.com for its web
17 page. That's what the docket html is, for its web page.

18 The website returns the response to that
19 request, to the user's browser. That response is the
20 hypertext source file written in html and there on the
21 right is the -- for purposes of this simple example, the
22 html page. And so what it has in it, it has actually
23 text. There are beautiful sunflowers that can be seen in
24 the summer and it also has what's referred to as a source
25 attribute which because this web page is ultimately going

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1 to display an image a part of the web page, the source
2 attribute when it's received at the user's browser, tells
3 the user's browser what it now needs to do to go get the
4 image.

5 So upon returning the html page to the user's
6 browser, it has the text in it already, so the web
7 browser can only display the text. But now because of
8 that source attribute, the web browser now has to send a
9 separate request message over to the Sl.com website which
10 then responds with the image.

11 THE COURT: And that's why it takes --
12 sometimes takes time for the pictures and the videos to
13 load after the text has already been loaded.

14 MR. FLYNN: That's right. Once that response
15 is received, the user's browser displays the full web
16 page text and image. If an image is part of the
17 ultimately displayed web page, there must be a separate
18 request response paring in order to retrieve that image
19 because the image cannot be embedded into the html
20 itself. All that can be embedded is the source attribute
21 that tells the web browser where to go to get the file
22 that has the image.

23 But one of the nice things about the internet
24 is it allows interaction with multiple resources. So
25 this example is basically the same example except now

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1 instead of both text and image coming from the same
2 website, the text is coming from one website and the
3 image is coming from another website. So the same thing,
4 the user enters into his browser the URL only on the
5 first website, S1.com. It generates that request for the
6 html page.

7 The same html page is returned to the user's
8 web browser hypertext source file and html. The only
9 difference is that now -- I didn't point it out in the
10 first one, I hope perhaps you saw it --

11 THE COURT: Uh-huh.

12 MR. FLYNN: -- now the source attribute
13 indicates S2.com is the location of the file that
14 contains the image, in the prior example of this S1.com,
15 it was identified in that source attribute.

16 So now when that -- when the user's browser
17 receives the hypertext source file, it has the text --
18 it's capable of displaying the text but it now has to
19 send a separate request message, this time because the
20 source attribute to S2.com texts the image and S2.com
21 returns the image to the browser and again, the web page
22 text and flower are all displayed as part of the web page
23 the user can see in his browser.

24 It's important to note that even though this
25 time there were multiple websites involved that served

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1 the objects that comprised the web page, the user's
2 browser or the user still did the exact same thing he did
3 in the first example --

4 THE COURT: He just types in the first URL.

5 MR. FLYNN: He just entered the URL of the
6 first -- S1.com; that's exactly right and didn't have to
7 do anything further.

8 Just a couple of other quick terminology type
9 things. Dynamic web pages -- the dynamic web
10 applications allows for again not -- it allows for the
11 server side to be able to do certain things, execute
12 certain programs that it needs to do in order to perform
13 some functions, including some of the functions that
14 we'll be talking about in connection with the Wexler
15 patent.

16 Static web pages mean just that; it was one
17 page. If the person who prepared the content of the web
18 page didn't change it, and every time the entry -- the
19 user entered the URL of the publisher's website, the same
20 web page would be displayed to the user's browser. The
21 web page, the content of it, was not based on any input
22 from the user.

23 Dynamic web page, however, was just the
24 opposite. Now it could be different content displayed as
25 part of the web page that did depend upon the input from

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1 the user. Dynamic web applications are built using the
2 client side script and server side scripts.

3 So first I just want to talk about a little bit
4 about client side scripts, the primary example
5 JavaScript. The JavaScript is a script in language
6 that's used to write programs and it's used -- it's the
7 language that's used to develop the client side scripts.
8 A web browser executes the JavaScript and as a result of
9 executing that script, it renders the web page if it's
10 using solely the client side script to do so.

11 Dynamic web pages using client side scripts --
12 this is an example of that -- is seeing the top portion
13 of it -- I'm not doing a good job with my laser in any
14 event wherever it is, and the yellow where it says there
15 D equals new data. That is actual script that's embedded
16 in the html. So that when the -- if the user requests
17 the page -- that it receives a script back from the
18 server, the browser can execute that script and in this
19 example, what it does as a result of executing that
20 script, the current date is displayed. So that's all
21 that has to be done at that point as a result of
22 executing the script.

23 In the bottom example, the script itself is not
24 embedded within the html. Again, that's source attribute
25 that we saw in the other examples. It tells the user's

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1 browser that what it has to do is it has to go to another
2 location, either back to the same server or in the case
3 of the bottom example, to a different server to obtain
4 the JavaScript that once it is then returned to the
5 user's web browser, again the web browser executes that
6 script for purposes of displaying the web page.

7 This is an example of the server side script.
8 The example here is based on somebody, a user wanting to
9 find out the email address of an employee within the
10 company. And this program then or this web page will be
11 displayed as a result of executing a server side script.

12 So the user enters the URL. That generates a
13 request to website S1.com for the form that the website
14 returns to the user's browser that just allows the --
15 contains the blank box for the user to enter the name of
16 the employee and a submit button the user can click after
17 he enters the name.

18 The user enters the name Smith into the box,
19 clicks on the submit button and that generates another
20 request response to the server. That request -- I said
21 request response -- I didn't mean request response. It
22 generates another request. That request now instead of
23 saying just get html document, now it's that db search
24 question mark. That's not what I wanted to do, is it?

25 That db search question mark now is telling the

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1 S1.com server that when it gets that request, it has to
2 execute a program in order to find in its database the
3 information that's being inquired. So the server does
4 the search to its database, passing on the parameter of
5 Smith. The database returns the email address of Smith
6 and the S1.com responds to the user's browser and when it
7 gets back to the user's browser, it now displays the
8 information that the user was looking for, the email
9 address of Smith. So that's just a very basic example of
10 the client side -- a server side script executing a
11 program to display a web page that depending on -- if
12 it's Jones that's entered, the content will be a
13 different web page next time.

14 And finally redirecting the user to the
15 advertiser's website where -- I guess we should talk
16 about some http status codes. These are three digit
17 codes, two series, three series, four series, five
18 series, and the first number of those series basically
19 tells you what kind of -- what category of response it
20 is. What we're concerned about with here is number three
21 which is the redirect response.

22 And there are two redirects that we just want
23 to talk about today -- there are more than two but we are
24 just going to talk about the (indiscernible) because it's
25 relevant to the issues here. And the first type is at

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1 301 redirect. When a user enters the URL into its
2 browser but the website that he wants to go to has been
3 permanently moved, a 301 redirect response will be
4 returned to the user's browser and it will basically tell
5 the user's browser to reconfigure itself permanently so
6 that the next time that the user enters that URL into the
7 browser, it's going to go to the new location rather than
8 to the old location.

9 A third party that would try to use a 301
10 redirect response would only be able to tell the user's
11 browser to go to the new location after first having come
12 to the third party one time because if the third party
13 issues that 301, the next time the user enters the URL
14 into his browser, it's not going to go to the third
15 party. It's going to go directly to the new location
16 because its browser has been reconfigured.

17 A 302 redirect however, indicates that the site
18 -- it's a code response that indicates that the site has
19 only been temporarily moved, so that when the 302
20 response is returned by a third party site, for example,
21 it doesn't tell the user's browser to reconfigure itself
22 now permanently, so that the next time the user enters
23 the URL it goes automatically to the new location. It's
24 a temporary redirect, so that every time the user enters
25 the old URL, it's still going to pass through the third

Proceedings

1 party.

2 THE COURT: And that's critical because that's
3 how you count the clicks.

4 MR. FLYNN: Exactly. And that's what's used in
5 the Wexler patent.

6 We've talked about websites and obviously we've
7 used very basic examples and those we've used are about
8 two servers for a website but, in fact, one server for a
9 website, two different websites. In fact, websites could
10 be made of -- made up of multiple servers and this is
11 just an illustration of basically the architecture of a
12 potential website where coming in through the internet is
13 a high volume traffic of requests that get processed
14 through initially the load balancer that receives and
15 makes the determination which of the web servers in layer
16 one would be the most appropriate server to process that
17 request or those requests. That load balance determines
18 which ones -- which web server to send the request to.
19 The web servers process those requests. If it has the
20 information on those servers, it can pass the response
21 back. Nothing else has to be done. But if those
22 requests contain requests to execute programs, then the
23 web servers have to pass the request of the application
24 servers here, so the fee application servers can execute
25 the programs.

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1 And as we saw with the J. Smith email address,
2 it has to go to a database, it will do that and then
3 ultimately in response will pass back to the -- through
4 the internet to be used as (indiscernible).

5 THE COURT: Do the responses go back through
6 each level, each layer or does it -- can they go --

7 MR. FLYNN: Yes, it --

8 THE COURT: -- can it go directly to the
9 (indiscernible).

10 MR. FLYNN: It goes back through each layer.
11 It doesn't necessarily have to go back through the load
12 balancer but if a web server passes the response to -- or
13 the request to layer to the application server, the
14 application server has to respond back through the layer.

15 THE COURT: Okay. I got you.

16 MR. FLYNN: All right. So we're just going to
17 talk a little bit here real quickly about the problems
18 that the Wexler's patent intended to address.

19 The problem with counting impressions the way
20 it was done initially was that only the publishers could
21 count the impressions. They were the ones -- it was
22 their web page. It was their server that would have the
23 information. Users couldn't count the number of times an
24 advertisement was displayed and have them rely upon the
25 publisher for -- that could access the publisher's

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1 surfing logs but that wasn't going to happen. The
2 publishers aren't going to open their surfing logs to the
3 advertisers.

4 Clicks -- when it was -- when it evolved into
5 the click mode, advertisers could only track by analyzing
6 their servers again to determine the number of users who
7 actually arrived at the sites. Again, that didn't
8 necessarily mean how many times there were clicks.
9 Publishers could own and track clicks using a redirect
10 process. And that's because when the user enters that
11 URL of a publisher and the publisher's web page as
12 constructed, however it's constructed, is ultimately
13 displayed in the browser, the browser no longer has
14 connection with the publisher's site.

15 So that if the user clicks on the ad, the only
16 way that the publisher can count that click is to
17 configure the ad which brings the user's browser back to
18 the publisher's website, so the publisher's website can
19 count and then the publisher redirects the user's browser
20 to the advertiser (indiscernible).

21 Otherwise, if the user clicked on the ad and
22 went directly to the advertiser's website, there would be
23 no way to for the publisher being able to count that
24 click.

25 So enter URL and publisher, request the web

Proceedings

1 page. It's returned with html instructions to how the
2 user is to instruct that web page that includes an
3 advertisement. Here where it was just the publisher and
4 the advertiser, the advertisement was configured to point
5 back to the publisher's site when the user clicked. When
6 the user clicks it goes back with a request for the
7 publisher's website to execute a program. The publisher
8 counts and logs the click which is part of that execution
9 and then issues a redirect grant to the user's browser
10 taking the user's browser to the advertiser's web page --
11 website and then the advertiser's web page is ultimately
12 going to determine the user's browser.

13 The third-party accounting system of Wexler
14 when the request was sent to the publisher's website and
15 the publisher's website returned the html page with
16 instructions for how to display the ad and the ad was
17 displayed, now the ad is configured to point not to the
18 publisher's website but to the third party website. So
19 that when the user clicks on the ad, the browser's going
20 to go back now to the third-party website which executes
21 the program to count and log the click information, sends
22 the redirect command back to the user's browser which
23 then goes to the advertiser's website and receives and
24 responds to that request, the advertiser's web page.
25 That's essentially it as far as the tutorial. Thank you.

Proceedings

1 I think what we decided to do -- how did I do?
2 How long was that? I'm trying to --

3 THE COURT: About a half hour.

4 MR. FLYNN: All right.

5 THE COURT: A little less, a little less.

6 MR. FLYNN: I think what we're trying to do is
7 we're trying to go through -- each side go through all of
8 their stuff, technology tutorial and then claim
9 construction argument and the other side get up. I think
10 that's the way we talked about doing it.

11 THE COURT: Whatever you want to do, that's
12 fine with me with one caveat. As the need arises, we may
13 have to hear from the other side within each side's
14 discussion with me of the claim construction. I mean I
15 may have questions. I don't want to just deal with one
16 side and then let them sit down and then deal with the
17 other side. I like things to be a little more free
18 falling than that.

19 MR. FLYNN: Absolutely. Any interaction you
20 want to have, any questions you want to have and whatever
21 it was (inaudible).

22 THE COURT: All right.

23 MR. VERHOEVEN: I would say, your Honor,
24 sometimes at Markman hearings, the Judges prefer to go
25 issue by issue.

Proceedings

1 THE COURT: Uh-huh.

2 MR. VERHOEVEN: Which we're prepared to do, if
3 you prefer to do that, your Honor.

4 THE COURT: You know, I --

5 MR. VERHOEVEN: It's up to your Honor.

6 THE COURT: I actually -- I think sort of my
7 thought is this. The nut, if you will, deals with the
8 fourth website and the first URL locator issue. The
9 fourth website, you know, first, second, third website,
10 whether it's owned and operated independently or --

11 MR. VERHOEVEN: Uh-huh.

12 THE COURT: -- independently owned and --
13 however it is.

14 MR. VERHOEVEN: Right.

15 THE COURT: And the issue of bias.

16 MR. VERHOEVEN: Right.

17 THE COURT: That's -- that and how the -- where
18 the first -- the URL comes from.

19 MR. VERHOEVEN: Okay.

20 THE COURT: And how it gets there.

21 MR. VERHOEVEN: Okay.

22 THE COURT: That is the critical issue.

23 MR. FLYNN: And those were essentially two
24 separate claims, your Honor. And although there are -- I
25 think I kind of right that there are eight disputed claim

Proceedings

1 terms, we're only going to be talking about four of them
2 because of the combination of the issues. So fourth
3 website, fourth notice; the same issue.

4 THE COURT: Exactly.

5 MR. FLYNN: So we'll just talk about those.

6 THE COURT: The banner issue is more easily
7 handled and we may want to -- although it seems to me to
8 be any secondary issue that if -- depending upon the
9 resolution of the first couple of issues, really is not
10 going to be critical but I would like to talk about that
11 first because it's easier to talk about. Sort of getting
12 rolling (indiscernible). So why don't we talk about
13 that?

14 MR. FLYNN: Sure. I'm going to --

15 THE COURT: You know, if I take you off the
16 track that you wanted to go on, because you know -- just
17 let me know. I'm very flexible.

18 MR. FLYNN: Sure.

19 THE COURT: I would like to start there.

20 MR. FLYNN: I actually have -- we have a
21 separate set of Power Point slides for our claim
22 construction argument and I have some extra hard copies
23 for both you (indiscernible), if you would like to follow
24 along.

25 THE COURT: Uh-huh.

Proceedings

1 MR. FLYNN: If you will please, just give me a
2 second to get the other set of Power Points up.

3 THE COURT: Actually, let's -- let me handle
4 one issue, sort of an overriding issue. In construing
5 the claims, when you first look at the claims, if the
6 meaning is there, then we look at the specifications and
7 then the prosecution history in that order; correct?

8 MR. FLYNN: Yes, actually we had -- if you
9 wouldn't mind if it would be helpful, we have as part of
10 these presentation slides a brief set of slides that go
11 through some of the basic claim construction principles
12 which addresses some of those. So if you wouldn't mind,
13 we'll --

14 THE COURT: All right.

15 MR. FLYNN: -- (indiscernible).

16 THE COURT: Why don't you start there?

17 MR. FLYNN: We'll just start through there;
18 okay.

19 THE COURT: As I said to you folks when we had
20 our initial conference, you know, I am in the
21 (indiscernible) as far as Markman hearings are concerned,
22 although I have some computer knowledge. So I am looking
23 for your guidance on these issues.

24 MR. FLYNN: Absolutely.

25 THE COURT: I don't know if that gives you any

Proceedings

1 comfort but it's the truth.

2 MR. FLYNN: Okay. I am going to have to click
3 through some of these slides to get to where I want to
4 get to for those, if you will. That's just the Wexler
5 patent that shows that Daniel Wexler was the inventor,
6 filed his patent application on October 11, 1996 and it
7 was issued September 28, 1999.

8 The legal framework, the two seminal cases are
9 of course Markman and the federal circuit level and
10 supreme court level and the Phillips. There are lots of
11 others but those are the two seminal cases that basically
12 set the framework.

13 And indeed, infringement analysis is a two step
14 process. One of the first things that the Court needs to
15 do as a matter of law is to determine what the terms of
16 the patent mean and that's what the Markman process is
17 all about. It's not about the second step of that
18 process which is the ultimate determination of
19 infringement because that can't be done until the Court
20 first construes the claim terms themselves. Only after
21 that construction is done, then can you embark upon an
22 infringement analysis. So, any infringement analysis
23 that's attempted before construction of the claim terms
24 is really untimely and inappropriate.

25 The sources of evidence that the Court has

Proceedings

1 available to it in its effort to interpret the claim
2 terms are intrinsic and extrinsic. And the intrinsic
3 evidence is usually given priority over the extrinsic
4 evidence for the simple fact that the intrinsic record --
5 intrinsic evidence is a matter of public record and the
6 purpose of it is to be able to inform those of ordinary
7 skill in the art how to make and use the invention. So
8 the intrinsic evidence consists of the claims themselves,
9 the claim language, the specification as you indicated
10 and the prosecution history. Those are the three forms
11 of intrinsic evidence.

12 Extrinsic evidence, dictionary definitions; in
13 this case there's been some deposition testimony cited,
14 and they would be examples of extrinsic evidence which
15 can still be useful but it's the intrinsic evidence that
16 is more useful as long as the meaning of the claim terms
17 can be ascertained clearly from that intrinsic evidence.

18 THE COURT: So the question I have is and maybe
19 you're going to get to this, but in looking at the
20 intrinsic evidence --

21 MR. FLYNN: Yes.

22 THE COURT: -- first look at the claims, let's
23 say the claims are clear, do I stop there? Or if they're
24 not clear, do I then go to the specific points and if the
25 clarity's there, I stop there and ignore the prosecution

Proceedings

1 history? Or is it -- you know, it's put all in the mix
2 and see what you get.

3 MR. FLYNN: To the extent -- the analysis
4 always starts with the claims themselves. To the extent
5 it's necessary to go beyond the claims to determine the
6 meaning, there's no magic priority of specification first
7 prosecution history, prosecution history, first
8 specification. But you always start the analysis with
9 looking at the claims themselves.

10 THE COURT: But doesn't Phillips say that the
11 specifications are highly relevant to claim construction
12 and usually dispositive?

13 MR. FLYNN: If there's -- if it's not apparent
14 from the claim language itself, the meaning of the claim
15 terms, the specification is very useful in helping to
16 construe the claim terms. The prosecution history can
17 also be useful to help interpret the claim terms
18 particularly to determine if during prosecution of the
19 patent, the applicant narrowed the scope of the claims.

20 THE COURT: Uh-huh.

21 MR. FLYNN: So those things are all important
22 to look at but the analysis always starts with the claims
23 language.

24 THE COURT: I understand that but there's some
25 language in Phillips that sort of jumped out at me and I

Proceedings

1 was trying to figure out -- I like process and I like to
2 figure out what the process is that I need to go through.
3 And Phillips says, "The specification is always highly
4 relevant to the claim construction analysis. Usually it
5 is dispositive. It is the single best guide to the
6 meaning of disputed term."

7 So if I look at the claim and I don't find the
8 result there --

9 MR. FLYNN: Correct, Judge.

10 THE COURT: -- and I see in the specification
11 what appears to me to be the clarity that I need, there
12 could be something in the prosecution history that sheds
13 light on the meaning of the claim term. But if the
14 specification itself provides all the clarity I need,
15 don't I stop there and say I am not going to -- because
16 it's usually dispositive, and the single best guide
17 (indiscernible) disputed terms.

18 MR. FLYNN: Yes and I think that language --
19 focusing on that language, I don't know that there's any
20 hard and fast rule that says if you get your answer from
21 the specification, you don't have to look at anything
22 else. You don't look at anything else.

23 I think what the Court has essentially said is
24 that it's trying to set forth some guidelines and so that
25 you know, if you find the answer to the specification, it

Proceedings

1 doesn't mean that you don't look at the prosecution
2 history. You can still look at the prosecution history
3 and that may shed some other light or additional light.

4 So you can still look at all of the sources of
5 intrinsic evidence to assist you in your claim
6 determination.

7 THE COURT: Do you agree with that?

8 MR. VERHOEVEN: More or less, Yes, your Honor.
9 The way that -- in terms of process, the way that I
10 always analyze it myself and the way I believe that
11 Philips directs us to analyze it is first you look at the
12 claims and then you look at the spec and prosecution
13 history.

14 THE COURT: Yes.

15 MR. VERHOEVEN: They're roughly equivalent.

16 THE COURT: Okay.

17 MR. VERHOEVEN: In answer to your follow-up
18 question, if you found the answer in the specification,
19 you still would need to look at the prosecution history
20 for -- to see if there's anything inconsistent with that
21 but also because we have this doctrine of prosecution
22 history disclaimer. And so a lot of times what will
23 happen in a patent is they'll start out going broad. And
24 the specification will be written broad because that's
25 what they hope to get.

Proceedings

1 THE COURT: Uh-huh.

2 MR. VERHOEVEN: But the patent office says no,
3 I found this art and you can't claim as broad as you want
4 because it's not inventive. And then they make a deal
5 with the patent office and they say okay, well then we'll
6 limit our claims to only be X or Y instead of A, B, C
7 plus X or Y. And even though the spec doesn't reflect
8 that limitation because the spec's cast in stone, you
9 don't rewrite the spec, you just narrow the claims during
10 this whole process.

11 So the spec will still be written really
12 broadly and you won't know until you go to the
13 prosecution history where you'll see that the examiner
14 has said no, that's not inventive. I will let you have a
15 patent on little piece of this and they had the back and
16 forth and they gave up claims scope.

17 And in that situation, it will be very
18 important to even though you think you have the answer in
19 the spec, look at the prosecution history and see how
20 that might be narrowed.

21 THE COURT: All right.

22 MR. FLYNN: And actually a couple of these
23 slides here will address those issues that you've asked
24 about. Again, we'll start with the claims. If the
25 claims of the patent that define the invention, it's not

Proceedings

1 the purpose of the specification to limit, as the quote
2 says, the patent -- the scope of the invention. The
3 specification is only used for interpreting claim terms.
4 It's the claims themselves that limit the patent.

5 In looking at the claims, often times all
6 that's necessary is to apply to the -- in looking at the
7 claims, often times all that's necessary is to apply to
8 the claim language; what is ordinary and generally
9 accepted definitions or meanings of those claim terms.

10 The specification, while it can be useful to
11 construe the claims as Philips said, can often be the
12 most useful thing. What is very important to remember is
13 that again, the specification is used to help determine
14 the meaning of the claims but what is improper is to
15 import from the specification, limitations into the claim
16 that don't otherwise appear in the claim.

17 So it can sometimes be a difficult line, and
18 sometimes a fine line between saying you look at the
19 specification to help you figure out what the claim terms
20 mean but you don't import limitations from the
21 specification into the claim.

22 So that if the claim as you can construe the
23 claim, however you need to construe it, if it has no
24 limitation or does not have a particular limitation, and
25 yet in the specification -- you read the specification

Proceedings

1 and it appears to you that well wait a minute, this
2 specification's talking about limitation, it's improper
3 to take that limitation out of the specification and
4 import it into the claim, to limit the claim and the
5 claim itself does not limit itself.

6 In order for there to be a limitation of claim
7 scope using the specifications, the standard is that
8 there has to be an intentional disclaimer or disavow of
9 claim scope. It has to be clear when you're looking at
10 it that based upon what the specification says, that the
11 patentee intended to disclaim this particular scope or to
12 limit the scope of that claim.

13 Specifications including the specification of
14 the Wexler patent, will often talk about exemplary
15 embodiments and they are just that, they are exemplary.
16 They give examples. And it's another important claim
17 construction principle that the exemplary embodiments do
18 not confine the scope of the patent to those embodiments.
19 They're just examples but they are not exclusive examples
20 of the claim scope.

21 Even when there is only a single embodiment
22 that's mentioned in the patent, there is no limitation of
23 the claims scope unless there are words or expressions of
24 manifest exclusion or restriction. That's some of the
25 lingo of the standard that you'll see in the case; words

Proceedings

1 or expressions of manifest exclusion or restriction.

2

3 When you talk about looking at the prosecution
4 history, again it could be helpful to construe the claim
5 terms. And as Mr. Verhoeven talked about how you can
6 narrow the patent -- you can narrow the scope of the
7 claim during the prosecution if you gave something up, we
8 certainly agree with that. But again the standard when
9 looking to the prosecution history to see if claims scope
10 has been narrowed, is whether there has been a clear and
11 unmistakable disavowal of claim coverage.

12 It can't be something that is ambiguous in the
13 prosecution history because the prosecution, the dynamic
14 is back and forth negotiations between the applicant and
15 the examiner, the PTO. So as a result of those back and
16 forth negotiations and interactions, there can often be
17 what appears to be ambiguity in the prosecution history.
18 It's often not as clear as you would like it to be and
19 that's important when you remember the standard that
20 before the prosecution, before the claim scope could be
21 narrowed during prosecution, it has to meet that standard
22 of clear and unmistakable disavowal of claim coverage.
23 To the extent, therefore, that the prosecution history is
24 ambiguous, the prosecution history is less useful in
25 interpreting the scope of the claims.

Proceedings

1 There is no -- and obviously I am not going to
2 read this big long quote but we have it in the slides, so
3 we (indiscernible) to you for your convenience. There is
4 no clear and unmistakable disavowal of claim coverage if
5 there is that kind of ambiguity or if the prosecution
6 history or statements made during prosecution can be
7 subject to more than one reasonable interpretation.

8 The extrinsic evidence that we talked about,
9 dictionaries, can certainly be helpful in claim
10 construction but again it's important to remember that
11 dictionary definitions can't be used to contradict the
12 specific usage of the term in the specification. So if
13 it's clear that the applicant or that the patentee used a
14 particular term, it appears in the specification that he
15 used it in a particular way, even if that usage then is
16 contradicted by general dictionary definition, it is the
17 usage in the specification that trumps the dictionary
18 definition.

19 And the inventor testimony is another form of
20 extrinsic evidence. It is less useful because the
21 understanding, the inventor's understanding of the
22 invention is often not what the claims actually recite.
23 It is usually the patent attorney that is drafting the
24 claim language. So the invention may have his own
25 understanding of what it is he invented but when the

Proceedings

1 claim language is drafted, particularly in the legalese,
2 which I can say archaic legalese that it most of the time
3 is, the inventor doesn't necessarily have the
4 understanding of his invention that is in accord with the
5 actual claim language as it should.

6 So with -- and those are basically the claim
7 construction principles that I wanted to go through with
8 those. We can turn to the disputed claim terms and it's
9 up to you if you want to start with banner or fourth
10 website. I can do either one.

11 THE COURT: I want to start with banner.

12 MR. FLYNN: Banner. It's a quick one. It's a
13 quick issue. I just have to run through my slides.

14 Banner appears in claim two of --

15 THE COURT: Undefined term in the claims.

16 MR. FLYNN: That's correct. It's an undefined
17 term in the claims themselves. The claim just refers to
18 Banner. And it is a -- claim two is a dependent claim.
19 It depends on claim one. And so it says where the
20 advertising published by the first publisher is a banner
21 that is associated with the first URL, and you know, we
22 highlighted at the time banner appeared and there are --
23 you see there's -- it involves multiple published -- it
24 refers to first publisher or second publisher
25 (indiscernible) combined the terms for convenience.

Proceedings

1 THE COURT: What is the crux of the dispute?

2 MR. FLYNN: The crux of the dispute is whether
3 Banner includes text, as well as graphics --

4 THE COURT: Or just graphics.

5 MR. FLYNN: -- or just graphics. That's the
6 crux of the dispute. Google takes the position that it
7 only includes graphics. Well there -- these are the
8 competing constructions. Plaintiffs say that it's an
9 area of a web page used to display logos, advertisements
10 or other content to potentially entice the user to obtain
11 further information pertaining to the banner and Google's
12 proposal is that it's an area of a web page used to
13 display logos or other graphical images. So their
14 construct limits banner to graphical images.

15 THE COURT: And what does -- what do the
16 plaintiffs cite to from the specifications and
17 prosecution history that defines the term banner?

18 MR. FLYNN: Okay. So first of all, before I
19 answer that question --

20 THE COURT: Sure.

21 MR. FLYNN: -- let me just tell you that in the
22 claim there is no limitation in the claim itself for what
23 a banner is. So if there is going to be a limitation to
24 banner that is going to come from the specification --

25 THE COURT: It's got to be clear and --

Proceedings

1 MR. FLYNN: Clear and unmistakable.

2 THE COURT: Unmistakable.

3 MR. FLYNN: We have a bet as to how many times
4 I am going to remember how to say that.

5 THE COURT: Okay.

6 MR. FLYNN: I think I am going to lose the bet.

7 THE COURT: Yes.

8 MR. FLYNN: It's definitely -- it's that
9 standard. It's that clear standard.

10 So what -- we say there's no limitation in the
11 claim itself as to what a banner is. And not only is
12 that -- is there no clear and unmistakable disavow as in
13 the specification where those words or expressions of
14 manifest disclaimer or restrictions. In fact, the
15 specification supports plaintiff's construction. The
16 banner can include more than graphical images and what we
17 point to in the specification is what's highlighted here
18 as an example and that the cite on the slides as to where
19 these things come from, we've pulled them out but the
20 column and line numbers are on the bottom right corner in
21 the slide.

22 And so what this language in the specification
23 says is that the banner is an area of the web page that
24 can be used to display logos, et cetera, not limited to
25 logos, not limited to graphic images, particularly with

Proceedings

1 the following language that will hopefully entice the
2 user reading the banner to obtain further information
3 pertaining to the banner.

4 The use of the phraseology, logos, et cetera,
5 not limited to logos, not limited to graphical images and
6 the use of the language user reading the banner connotes
7 if not denotes that the banner can be text, not image,
8 that's what the user is going to be reading is the text
9 when he reads the banner, not reading an image. That's
10 the language in the specification that we suggest
11 actually supports clearly and unmistakably the banner is
12 not limited to graphics but in no case does the
13 specification language provide those words or expressions
14 of manifest exclusion or restriction that would limit
15 banner to just graphics.

16 THE COURT: That's it?

17 MR. FLYNN: That's it for our presentation on
18 the banner. I told you that would be a quick one.

19 THE COURT: Why don't I hear from Google on
20 this.

21 MR. VERHOEVEN: I can do that, your Honor. I
22 have to say that counsel's adopting a method of analysis
23 in the claim construction rules that I strongly object to
24 and I object to the characterization that your Honor's
25 job here is to look at the specification and see if

Proceedings

1 there's clear and ambiguous manifest exclusion. That's
2 not the rule. So perhaps I could start by making a
3 presentation of my understanding of the rules of the road
4 as he did and then get to the banner. Would that be
5 acceptable?

6 THE COURT: Sure. Let's do that but I am going
7 to take a five minutes break.

8 MR. VERHOEVEN: That's fine.

9 THE COURT: All right.

10 MR. VERHOEVEN: Thank you, your Honor.

11 (Off the record)

12 MR. VERHOEVEN: Okay. And then we have a
13 single stack of slides here. How many copies do you
14 need?

15 MR. FLYNN: Two.

16 MR. VERHOEVEN: And, your Honor, I am going to
17 start on slide 20 which is the first slide on the claim
18 construction rules.

19 THE COURT: Okay.

20 MR. VERHOEVEN: So before I go into the detail
21 in the slides, there's a couple of things, that's sort of
22 thematic that we object to with the characterization by
23 counsel for the plaintiffs on how to go about the rules
24 of applying the rules of claim construction. One is I
25 get the sense from counsel's presentation that he's

Proceedings

1 urging the Court to after looking at the claims, look at
2 the specification and prosecution history and ask a
3 single question, that question being is there a clear and
4 unambiguous manifest expression of disavowal and if there
5 is not, then the Court should use some broad abstract
6 construction of the term from the claims.

7 And that's not what Phillips says, your Honor.
8 The specification is to be looked to to provide the
9 meaning and give meaning to the claim. You don't look --
10 you don't say well if there's no express disavowal that's
11 unambiguous, I can't use the specification to give
12 meaning to these abstract terms. That's the exact
13 opposite of what Phillips is saying.

14 And the second thematic point here is the
15 Philips decision was (indiscernible) decision that --
16 where there was competing ways the Courts were going
17 about interpreting claim construction. And the other
18 approach was what was referred to the Texas Digital
19 approach. And the Texas Digital approach would start
20 with claim language in the abstract and then look to the
21 dictionary definitions for a particular term; say coupled
22 to or any sort of technical term. And district courts
23 were starting to use this approach and then they would
24 look at the specification and say is there anything in
25 the spec that says I can't use that definition?

Proceedings

1 And the whole -- if you go through Phillips and
2 read it, what Phillips is saying is that's not the right
3 approach. You don't start with abstract dictionary
4 meanings of these terms divorced from their context and
5 from the intrinsic evidence. It's not even appropriate
6 to look at dictionary definitions in those abstract terms
7 in the first instance. What you look at is the
8 specification and in my opinion, that quote that you read
9 from Phillips about the specification was made -- that
10 statement was made in the context of distinguishing
11 between dictionary -- looking at dictionary definitions
12 to find a meaning versus looking at the intrinsic
13 evidence to find the meaning.

14 So the specification usually provides you with
15 the meaning to fill in that abstract term of the claim
16 language that's usually dispositive in that sense, your
17 Honor. So we strongly disagree with the notion which was
18 applied by counsel and looking at banner, for example,
19 that you only look to the spec to see if there's an
20 express exclusion of something.

21 THE COURT: Maybe the point is a little more
22 nuance than that though. Maybe it's -- you know, you
23 look at the claim. If the term in the claim is not
24 defined, you then look at the specs in the prosecution
25 history to define the term and unless there is some

Proceedings

1 express manifest, whatever you want to call it,
2 limitation in that definition, it -- you take that
3 definition and you construe it somewhat broadly.

4 MR. VERHOEVEN: I don't think -- I wouldn't
5 characterize it quite that way, your Honor. I think that
6 what Phillips is saying -- if you take any client --

7 THE COURT: Oh, no, I am not saying that that's
8 what Phillips stood for.

9 MR. VERHOEVEN: Okay.

10 THE COURT: I'm saying maybe that's what the
11 plaintiffs --

12 MR. VERHOEVEN: Oh, okay.

13 THE COURT: -- are arguing.

14 MR. VERHOEVEN: Possibly. I still would submit
15 that that's not appropriate. That they're giving too
16 little rate to the importance of the specification, the
17 prosecution history and providing meaning to the claims.
18 So the whole debate in Phillips is -- versus Texas
19 Digital was when you go about this process, do you just
20 read a word in a claim and saying the abstract, what is
21 that -- what could that word mean? And as your Honor
22 knows -- well you might not have gone through this
23 exercise but what happens is if you do that exercise, a
24 lot of the times there will be 15 possible meanings in
25 the dictionary and then courts were erring on the side of

Proceedings

1 picking a broad definition from the dictionary and
2 applying it without fully limiting those claim terms by
3 the spec, by what the meaning and the spec was.

4 And so it's really a word game almost between,
5 are you interpreting the meaning of the claim or are you
6 limiting the meaning of the claim but if you read
7 Phillips it's very clear that they're saying -- that that
8 circuit is saying to give meaning to the claim, to
9 populate that abstract claim with meaning, you look to
10 the spec and the prosecution history.

11 And so if I could just -- I will go through
12 these pretty quickly, your Honor, but I think it's
13 helpful to actually read the words here of this analysis.
14 So this is Phillips, slide 20 and there the federal
15 circuit says, "Because the meaning of the claim term is
16 understood by persons of skill in the art, it's often not
17 immediately apparent and because patentees frequently use
18 terms idiosyncratically, the Court looks to those sources
19 available to the public to show what a person of skill in
20 the art would have understood the disputed claim language
21 to mean."

22 So just to take a step back, one thing neither
23 of us really mentioned, your Honor, is this viewpoint
24 that you're taking of the meaning of the claims is not
25 viewpoint. It's a viewpoint of this abstract entity

Proceedings

1 called a person of ordinary skill in the art which is
2 created by the federal circuit. And there's a time period
3 of that, too.

4 So what does it mean? Well you've got to place
5 yourselves in the shoes of this abstract person, this
6 person of ordinary skill in the art and then you have to
7 ask as of particular time frame. And the time frame is
8 the filing date of the patent.

9 The Court continues, "Those sources include the
10 words of the claims themselves, the remainder of the
11 specification, the prosecution history and extrinsic
12 evidence." And it goes on.

13 The next slide, please. Phillips says that,
14 "It's undisputed that it's a bedrock principle of patent
15 law that the claims of the patent define the invention
16 and the words of the claim are generally given their
17 ordinary and customary meaning. The ordinary meaning of
18 the claim is it's meaning to the ordinary artisan after
19 reading the entire patent."

20 So the ordinary person is not just looking at
21 the word in the abstract. They're looking at the words
22 in the claims understanding the full disclosure and how
23 that disclosure has added populated meaning to those
24 terms, your Honor.

25 The next slide, this is the quote your Honor

Proceedings

1 read out already about specification being important,
2 highly relevant, usually it's dispositive. It's the best
3 source for understanding a technical term is the
4 specification for which it arose. And formulated as by
5 the prosecution history.

6 Now on the next slide, this is another point of
7 disagreement that I want to highlight for your Honor
8 between the parties on the rules of the road for claim
9 construction. Counsel for the plaintiff has said you
10 can't use the specification to limit the claim. And they
11 are going to use that phrase and say every time we point
12 to the specification that we're attempting to limit the
13 claim.

14 Well my understanding of the law is if you have
15 a patent and it's got ten embodiments in the
16 specification, it's inappropriate to point to one of
17 those ten embodiments and say that specific example
18 should be used to limit that claim language because you
19 could look at the whole specification and see that the
20 patentee intended it to claim more than just that
21 example.

22 So it's absolutely true that you don't pick a
23 specific example from a spec and use that to limit the
24 claims. However, there's abundant case law that says in
25 the event that a specification, that all of the examples

Proceedings

1 in the specification have a certain attribute, and it's
2 clear from reading the specification that that was the
3 boundary of what was being discussed as the innovation,
4 that that can be used to come up with your claims
5 construction; whether you call it limiting it or whether
6 you call it giving it meaning, in my view that's a little
7 bit of semantics but that can be used to give it meaning.

8 And another really important point is -- and
9 I'll get to this -- is when the specification or the
10 prosecution history refers -- and these are ex parte
11 documents drafted by the patentee's attorney, okay, when
12 these documents refer to an attribute or a limitation as
13 being a limitation of "the present invention" or "the
14 invention," the federal circuit has unambiguously said
15 that limits the claim. You have limited your claim. You
16 cannot say that that limitation is inappropriate to
17 import into the claim because it's from a specification.
18 The case law is that is a limitation and that was -- and
19 that is the way a person of order and skill would read it
20 because the drafter who is the patentee's attorney and
21 who knows the rules of how you draft things, chose to use
22 that phrase to limit the patent.

23 So we think these are points of disagreement
24 that are important because these rules need to be applied
25 as we go through these different claims and this would be

Proceedings

1 a strong one here. On slide 23, we've just listed out
2 some cases along the lines of what I just articulated,
3 your Honor. For example in the In Pearl licensing case,
4 the federal circuits stated "The district court correctly
5 observed that the only host interface described in the
6 specification is a direct parallel bust interface.
7 Although the claims need not be limited to the preferred
8 embodiment when the invention is more broadly described,
9 neither do the claims enlarge what is patented beyond
10 what the inventor has described as his invention in the
11 specification."

12 And that in the Toro case, the federal circuit
13 in 1999 stated, "The specification shows only a structure
14 whereby the restriction ring is part of the cover in
15 permanent attachment. This is not simply a preferred
16 embodiment. It is the only embodiment."

17 So in that case, the Court said it is
18 appropriate to construe the claims as being consistent
19 with that only embodiment.

20 And then finally in Wang Labs, your Honor, the
21 federal circuit in 1999 again said, "The only embodiment
22 described in the 669 patent specification is the
23 character-based protocol and the claims are correctly
24 interpreted as limited thereto."

25 So not only is it inappropriate to say we're

Proceedings

1 not going to limit the claims based on the spec unless
2 there's a manifest unambiguous expression of disavowal.
3 You could see that in several cases and these are just
4 examples, where you have a spec that makes clear that the
5 scope of the invention is bounded by particular
6 boundaries, that that can be used appropriately by the
7 Court to put boundaries on the claim, as well.

8 Next slide, slide 24, your Honor, now I am
9 switching to the prosecution history, Phillips says the
10 prosecution history can often inform the meaning of the
11 claim language by demonstrating how the inventor
12 understood the invention and whether the inventor limited
13 the invention in the course of prosecution, making claims
14 scope narrower than it would otherwise be.

15 So there's two things here; one, you look to
16 the prosecution history to see what the inventor's
17 understanding of the invention was. That's the same
18 analysis you go through with the specification. So if
19 there's words in the prosecution history like the present
20 invention does not allow X, that would be highly relevant
21 for determining what the boundaries of the claim are.
22 That's just your regular interpretation just like in the
23 specification.

24 But then there's another doctrine that we'll
25 get into here, called prosecution history disclaimer and

Proceedings

1 that's the scenario where I talked about earlier today
2 about the patentee went for a broader claim and wrote a
3 broader specification but the patent office found prior
4 art that wouldn't anticipate that invention. And the
5 patentee then narrowed the claim language to get around
6 that art. And in certain circumstances, that can be
7 considered a disclaimer that would limit the claim, even
8 though the specification might read a little bit more
9 broadly.

10 The next slide; this is the quote -- one
11 example of a quote where the patentee describes certain
12 features into the present invention, your Honor. So this
13 is a 2007 federal circuit case, Verizon v. Vonage,
14 federal circuit stated "When a patent does describes the
15 feature of the present invention," and you'll notice
16 that's in quotes -- subquotes -- "as a whole, this
17 description limits the scope of the invention."

18 It doesn't have to say I am manifestly
19 excluding any other reasonable interpretation. All it
20 has to say is the present invention. And that will be a
21 limitation under the law.

22 Slide number 26, the next one recited a couple
23 of other cases that so similarly held, your Honor, so
24 it's relatively common for the federal circuit to hold
25 the claims are limited by the patentee's characterization

Proceedings

1 of some feature "as the present invention." And we cited
2 a couple of more cases but I won't go into them.

3 Next slide, and here's a slide talking about
4 the other doctrine, your Honor, prosecution history
5 disclaimer. And here's a quote from the Omega case,
6 federal circuit 2003, "The doctrine of prosecution
7 disclaimer is well-established in supreme court precedent
8 precluding patentees from recapturing through claim
9 interpretation specific means to disclaim through
10 prosecution."

11 And the federal circuit said in 2003, in the
12 Springs Window case, "A patentee may not state during
13 prosecution that the claims did not cover a particular
14 device and then change position and later sue a party who
15 makes that same device for infringement. The prosecution
16 history constitutes a public record of the patentee's
17 representations concerning the scope and meaning of the
18 claims and competitors are entitled to rely on those
19 representations when ascertaining the degree of lawful
20 conduct which only makes sense.

21 So if I am a competitor, your Honor, the
22 federal circuit is saying I am allowed to look at what's
23 publicly available and the prosecution history is a
24 publicly available file. And if the patentee says my
25 invention doesn't cover X, and they've made that deal to

Proceedings

1 get their patents, then a competitor should be able to
2 rely on that and not be afraid that two years later that
3 patentee having made that representation to the patent
4 office to get the patent, can then come back at the
5 competitor and say you do X and X is covered by my
6 client. And that's the whole point of this prosecution
7 history disclaimer.

8 All right. I think I will leave the rest of
9 this -- let me just make sure. I don't want to take up
10 too much time on this. Does your Honor have any
11 questions on these claim construction issues?

12 THE COURT: None yet.

13 MR. VERHOEVEN: Okay.

14 THE COURT: As we go along I may.

15 MR. VERHOEVEN: I have more slides in here
16 about Texas Digital and the analysis of Texas Digital,
17 your Honor, but in the interest of time, I will just --
18 if your Honor's interested, it's laid out here.

19 THE COURT: Okay.

20 MR. VERHOEVEN: I think I will skip over that.
21 One final notion, not so much counsel's argument but
22 since I am on the subject, I will finish off with this.
23 In the briefs, there appears to be some dispute about the
24 weight that should be given expert testimony or inventor
25 testimony. Inventor testimony is extrinsic evidence,

Proceedings

1 your Honor. And the plaintiff has cited some case law to
2 support the proposition, well you should have paid
3 attention to what our inventor says. And there's slide
4 36.

5 It's correct that the federal circuit will
6 greatly discount or disregard self-serving inventor
7 testimony. So if the patentee had its inventor under its
8 control, it's in a declaration saying I intended this to
9 be super broad to cover everything. They accord that no
10 weight.

11 But it's also true, your Honor, that if you
12 take a deposition of an inventor and the inventor makes
13 statements against interest under oath at the deposition,
14 that that can be a source that can be looked at and
15 relied on. It's not accorded as much weight as the
16 intrinsic evidence but it does carry some weight.

17 And certainly, for example, if the Court is,
18 you know, weighing the intrinsic evidence that doesn't
19 feel a hundred percent confident on something, it's
20 helpful that the inventor may corroborate one of the
21 party's positions, as long as it's in a statement against
22 interest but that's the law. That's the law.

23 THE COURT: How convenient.

24 MR. VERHOEVEN: Yes. So with that, I am done
25 with the arguments on claim construction. I can address

Proceedings

1 banner if you would like, your Honor.

2 THE COURT: Yes, please.

3 MR. VERHOEVEN: We need to go to slide 104,
4 please. Now banner is a very interesting term, your
5 Honor. I will get to the slides in more detail but
6 banner, if you look at the intrinsic evidence, there's
7 not a lot of explanation as to what a banner ad is. But
8 again, the beginning of your inquiry is what would a
9 person of ordinary skill in the art think it meant and
10 what would that person think it meant back in 1996 when
11 it was filed for.

12 And so here, this is a little bit different
13 than some of these other claim terms, I think, because
14 here, we believe there's extrinsic evidence and I will
15 get to that. I don't deal with it to the end because
16 that's what we are supposed to do under Phillips but
17 there's extrinsic evidence that at the time period,
18 that's what banner ads were. Banner ads were graphic
19 ads, as opposed to textual renditions. They're a graphic
20 product. And that's how people refer to banner ads in
21 the industry.

22 And I would submit and I will go through the
23 technical analysis but I would submit, your Honor, that
24 that's why there's not a lot of description about it in
25 intrinsic evidence. It's because everyone knew what a

Proceedings

1 banner ad was in 1996. It was a graphic ad. It got the
2 inventor's testimony. It says that that's what he
3 understands it be. I mean we tried to find a dictionary
4 for exactly 1996. We found one for 2001 which described
5 it exactly like that, as well.

6 So we think that this is a situation where a
7 court, a lawyer in 2010 is not going to have the same
8 understanding of what a banner ad is as a person of
9 ordinary skill in the art in 1996, way back then and back
10 then a banner ad was a graphic ad. And that's what it
11 would mean to a person of ordinary skill in the art.
12 Let's go to the --

13 THE COURT: Well what does that mean, a graphic
14 ad?

15 MR. VERHOEVEN: So it's like a type of file.
16 Like for example, the inventor said his understanding was
17 -- just one second, I will go to that slide, your Honor
18 -- 112, called it a jif (sic) file.

19 THE COURT: So is it dependent on the type of
20 file that the URL calls for to be loaded on to the first
21 users web browser.

22 MR. VERHOEVEN: Exactly. So it's a different
23 type of file. It's a jif file or another example would
24 be a JPEG file. These are graphic files as opposed to --
25 do you remember counsel talking about well html can't

Proceedings

1 handle graphics and that's why you had to have a second
2 call out if you download a web page.

3 THE COURT: Uh-huh.

4 MR. VERHOEVEN: Well banner ads were little
5 graphic files back then. And it doesn't talk about that
6 in the intrinsic evidence, I understand that. But that's
7 the way in 1996, if you were in the industry and you said
8 banner ad, that's what people would understand it to be.
9 It would be a graphic file.

10 THE COURT: So graphic file in -- meaning a
11 graphic computer file? Now I could -- I am not a
12 computer guru but couldn't you take text and put that
13 into a graphic file?

14 MR. VERHOEVEN: You could but it wouldn't be
15 something --

16 THE COURT: So --

17 MR. VERHOEVEN: It would be a graphic file
18 still.

19 THE COURT: So --

20 MR. VERHOEVEN: You could have a logo for
21 example, that had the image of lettering but it would be
22 an actual picture, if you understand what I am saying.

23 THE COURT: Yes, I understand. So it's not --
24 the presence of a logo is not determinative. It's the
25 type of file.

Proceedings

1 MR. VERHOEVEN: Exactly.

2 THE COURT: And it could be anything that the
3 advertiser wants.

4 MR. VERHOEVEN: It could be--

5 THE COURT: I could say if you're interested in
6 acai berry for your health, click here and it brings it
7 -- and that's just text in whatever font I want. They
8 could take a graphic file of that, put it on the
9 publisher's web page and that's a banner.

10 MR. VERHOEVEN: Right.

11 THE COURT: And it links to my --

12 MR. VERHOEVEN: Exactly.

13 THE COURT: After going through the third
14 party, it comes to me.

15 MR. VERHOEVEN: The key is -- you hit right on
16 the key, your Honor. The key is not the specific
17 content, whether it could be the letter T or TAG or just
18 a picture, the key is it's a graphic file. So if you go
19 back in time to when I was younger, the difference
20 between a file that was a Word document and you could
21 manipulate versus a fax, you can't do anything with a
22 fax. It's just a picture.

23 So a graphic file is just a picture. You can't
24 change it. You can't manipulate it whereas a text file,
25 you could do that. So it's a difference in the

Proceedings

1 attributes of the actual file itself and not so much the
2 content of the file.

3 Now you couldn't have a picture. The reason
4 you have banner ads is because you want to have pretty
5 pictures and you couldn't -- you know, if you just have
6 text -- a text ad, you wouldn't be having those graphic
7 pictures. And so that's why people used them. But you
8 could also have words that are graphically displayed next
9 to a picture or a logo.

10 So again, we asked the sole inventor here, Mr.
11 Wexler, what's a banner? And he says -- so the question,

12 "Question: And what's a banner?"

13 "Answer: My understanding?"

14 "Question: Yes.

15 "Answer: My understanding of the banner was
16 the graphic, the jif file that was part of the
17 advertisement."

18 And that's exactly what we think a person of
19 ordinary skill in the art would have understood a banner
20 ad to mean, as well.

21 Now if we can get back to the intrinsic
22 evidence though, there is a point on the intrinsic
23 evidence I think is relevant here, as well, your Honor,
24 and that is if you look at slide 107, please. So this
25 term appears in dependent claim, your Honor. It's 107.

Proceedings

1 THE COURT: Uh-huh.

2 MR. VERHOEVEN: And if you look at the -- so,
3 for example, dependent claim two talks about a first
4 banner. Do you see that, your Honor?

5 THE COURT: Uh-huh.

6 MR. VERHOEVEN: Well dependant claim two
7 depends on claim one -- independent claim one refers to
8 advertising. Now we've got competing constructions. Our
9 construction -- I mean we could wordsmith it a little bit
10 but it goes right to this notion you're talking about, a
11 graphic file.

12 THE COURT: I'm sorry, hold one second. You
13 mentioned wordsmithing --

14 MR. VERHOEVEN: Uh-huh.

15 THE COURT: -- which triggered a question that
16 we had. Do I have to decide on the competing claim
17 constructions or can I come up with my own? I mean not
18 -- I am not going to, you know, pick it out of the hat or
19 anything but craft --

20 MR. VERHOEVEN: If you make your own decision.

21 THE COURT: Yes.

22 MR. VERHOEVEN: Yes. Clearly the answer is the
23 latter. And, in fact, in my experience, we're open to
24 compromising as long as it's within the substance of what
25 we're talking about, if we get to that. We're not so

Proceedings

1 concerned with the formality of how you describe it, as
2 long as we get to the substance. So for example, on this
3 graphic file, if there's a way that your Honor's more
4 comfortable if it gets to that substance, we would
5 encourage the Court to fiddle with it a little bit and
6 also we're -- through today and even at the end of this
7 hearing willing to work with the other side if they have
8 compromises they would like to propose. The key here is
9 let's get it right and if that requires wordsmithing,
10 then we're all for it.

11 So back to claim 107 or slide 107, as you can
12 see the dependent claim or the independent claim just
13 talks about publishing advertising broadly; advertising
14 could be text files, could be graphic files; right? The
15 dependent claim limits claim one and noticeably doesn't
16 use the word advertising instead uses the word banner.
17 So banner, under the -- there's a proposition called
18 claim differentiation which I didn't cover, so maybe we
19 should take a second and cover that.

20 The whole point of claiming this way is you
21 have an independent claim that claims really broadly and
22 then you have these dependant claims that are much
23 narrower and tick off specific things, specific ways you
24 might do the independent claim. So here, claim two is
25 going to be narrower by logical necessity than claim one.

Proceedings

1 And that's -- and so people -- this principal who will
2 look at this principal to help interpret the claims and
3 it's called claim differentiation. So the notion here
4 would be the banner has to be narrower than advertising.
5 You have the Venn diagram, claim one would be a bigger
6 circle than claim two. And so that can't be disputed.

7 And so our problem with the plaintiff's
8 construction is they're proposed construction defines
9 banner to be any advertising. And so, therefore, we --
10 claim two is not more limited than claim one, even though
11 it's using this different word, banner which is clearly
12 narrower than advertising.

13 And that they're proposed construction, your
14 Honor, they don't limit what type of ad it is at all.
15 Their construction is simply an area of a web page that
16 can be used to display logos, advertisements --
17 (indiscernible) cursive of advertising in the independent
18 claim or other content. So it could even be something
19 that's not an ad, your Honor, to potential entice a user
20 to obtain further information pertaining to the banner or
21 to connect to an advertiser's website. Potentially
22 entice? How is a competitor supposed to know whether
23 something they put on that could be an ad or not an ad,
24 just content, might potentially entice somebody to do
25 something? This is not providing any meaningful limit on

Proceedings

1 the claim, your Honor. And it also violates the
2 principle of claim differentiation.

3 So of we go back to claim two, this is back to
4 107, if banner could be broader than even advertising,
5 then it's not more limited. It violates this principle
6 that we need to be more limited.

7 THE COURT: Well what is advertising? You see
8 in the New York Times full page ads in text with no logos
9 at all -- no pictures at all. It's an ad.

10 MR. VERHOEVEN: Right.

11 THE COURT: Sometimes they look exactly like or
12 very, very close to the articles that appear.

13 MR. VERHOEVEN: Right.

14 THE COURT: That's advertisement.

15 MR. VERHOEVEN: Right.

16 THE COURT: Right? So couldn't -- I mean
17 couldn't a banner come very, very close to the full
18 breath of advertising that is encompassed within claim
19 one? I mean, you know, using the Venn diagram.

20 MR. VERHOEVEN: Yes.

21 THE COURT: It's a bit circle. I mean it's
22 just -- a circle that's just infinitesimally smaller on
23 dependent claim two?

24 MR. VERHOEVEN: It could logically but it would
25 have to be smaller under the principle of claim

Proceedings

1 differentiation.

2 THE COURT: Uh-huh.

3

4 MR. VERHOEVEN: And that's my point. It has to
5 be smaller and the way they've defined advertising, it is
6 not. And secondly, we know that it has to be smaller --
7 a smaller circle, if you will. So then let's go and see
8 what is the best meaning we can come up for what a banner
9 would have meant to a person of ordinary skill in the art
10 in 1996 knowing that it's got to be a smaller circle than
11 just advertising.

12 And we submit to your Honor that the answer to
13 that is the graphic file. And that's the way the people
14 understood a banner ad in 1996 and that's why you have
15 this dependent claim. Because what they're doing is
16 they're saying we didn't limit ourselves to banner ads
17 that are in independent claims. But in our dependent
18 claims, we're saying a situation like this where the ad
19 at issue is a banner ad and people of skill in the art in
20 1996 knew what that meant so well that the patent didn't
21 even have to really go into what a banner ad was, at
22 least in our view, your Honor.

23 THE COURT: But isn't Google's interpretation,
24 you know, to some degree very narrow but also very broad?
25 I mean an area of a web page used to display logos or

Proceedings

1 other graphical images; think of -- that's unrelated to
2 advertising; right? It's broad. It's really broad. I
3 mean it could be advertising in the sense of, you know, I
4 am a college and I have my, you know -- using my alma
5 mater, my big red C; all they're doing is just want to
6 let people know we got our website, come look at it, you
7 know? But they're not advertising in the sense of trying
8 to make money.

9 So your client's construction is kind of broad
10 but it's also, you know, narrow that it's only logos or
11 graphical images in the sense of pictures -- I think it's
12 -- the true construction is somewhere in the middle of
13 what each side has proposed but I am not sure what -- how
14 to phrase it.²

15 MR. VERHOEVEN: I guess what we were trying to
16 do, your Honor, is focus in on the word banner. I think
17 -- let me look at the claims here again. Yes, so
18 advertising is also mentioned in claim two. And so what
19 we were trying to do, your Honor, is not try to define
20 what is advertising and not advertising and just talking
21 about whether this is banner --

22 THE COURT: I understand.

23 MR. VERHOEVEN: -- in conjunction with the
24 notion that it would be advertising. I don't think the
25 parties have really gotten into a dispute about what is

Proceedings

1 or isn't advertising; is that right?

2 MR. FLYNN: There's no disputes.

3 MR. VERHOEVEN: No, it's just as to what is a
4 banner.

5 THE COURT: I understand. I understand. that
6 but --

7 MR. VERHOEVEN: What is a banner. But I take
8 your Honor's comments and we would be perfectly happy to
9 further narrow this (indiscernible).

10 MR. VERHOEVEN: All right. Let me ask you
11 this.

12 MR. VERHOEVEN: Okay.

13 THE COURT: The term banner is not defined in
14 the claim. We know that.

15 MR. VERHOEVEN: Right.

16 THE COURT: In the specification it says -- I
17 think the only reference to banner that I found is column
18 three, line 54 -- it looks like line 54. The banner --

19 MR. VERHOEVEN: 54 through 58, your Honor.

20 THE COURT: Excuse me?

21 MR. VERHOEVEN: 54 through 58.

22 THE COURT: Yes. The banner is an area of the
23 web page that can be used to display logos, et cetera,
24 that will hopefully entice a user reading the banner to
25 obtain further information pertaining to the banner.

Proceedings

1 So you -- Google's proposed construction takes
2 -- just drops that last part of that sentence. The
3 concept of enticement which is really linking banner to
4 advertising.

5 MR. VERHOEVEN: We don't have a problem with
6 that aspect of it, of adding that to our proposed
7 construction, your Honor.

8 THE COURT: All right. You just want it to be
9 -- I guess the nut is or the dispute is --

10 MR. VERHOEVEN: The dispute is --

11 THE COURT: -- it's got to be a graphic image.

12 MR. VERHOEVEN: -- really is it test or gift --
13 or is it text or graphic.

14 THE COURT: Graphical image, however comprised,
15 whether it's text that is put into a graphic image or
16 text and logos and other pictures put into a graphic
17 image.

18 MR. VERHOEVEN: Yes, fine --

19 THE COURT: And yours is very broad. And --

20 MR. FLYNN: And actually, you know, this notion
21 that -- the only place where we really disagree from what
22 I am hearing is whether it can contain text or whether it
23 has to be an image because there's no question in our
24 mind -- when I hear that our construction says well it
25 can be anywhere, it can be any kind of advertising on the

Proceedings

1 page, no. I mean or there can be any kind of content if
2 it entices the reader.

3 I don't think there's any question, the slide's
4 been taken down, but I don't think there's any question
5 from the context of claim two that the banner's
6 associated with advertising. That's what claim two says
7 and it's associated with advertising.

8 There is a distinction between advertising and
9 claim one and banner and claim two. The distinction is
10 that advertising in claim one does not have to be within
11 a given area of the web page. If you remember that one
12 early technology to (indiscernible) stocks that we had up
13 there, which it showed the ultra light flying magazine
14 website and at the bottom of that web page, there was an
15 area containing three text ads. That's a banner. That's
16 an area that displays those ads. That's a banner within
17 the scope of claim two that is related to the advertising
18 or that contains the ads that are related to the
19 advertising, as opposed to being an advertisement just
20 placed anywhere else on the web page which is what would
21 be within the scope of claim one. That's how claim two
22 narrows the scope of the claim one.

23 THE COURT: Okay. Let's use that as a specific
24 example. I am trying to find it.

25 MR. VERHOEVEN: It's slide 4 of the technology

Proceedings

1 tutorial.

2 THE COURT: I know I am not supposed to
3 consider the issue of infringement --

4

5 MR. VERHOEVEN: Right.

6 THE COURT: -- in connection with the claim
7 construction but let's use this example and
8 coincidentally, these are ads by Google.

9 MR. FLYNN: And we took this from our
10 infringement contentions early on. That's
11 (indiscernible).

12 THE COURT: Is this -- you would say that this
13 is not a banner.

14 MR. VERHOEVEN: Those are text ads.

15 THE COURT: Those are text ads.

16 MR. VERHOEVEN: Yes. And the problem with the
17 proposed construction is the plaintiff is, you know,
18 advocating about area on the web page is -- that won't
19 distinguish between banner ads versus ads that are not
20 banner ads. I mean every ad is going to be an area on a
21 web page, your Honor. But this is an example -- these
22 are examples of text ads, not banner ads. And you know,
23 a banner ad is again, it's a -- in 1996, a banner ad was
24 a graphic file. And that's not what these are.

25 And just if I could, for completeness, your

Proceedings

1 Honor, put up slide 111. This is a -- from the 9th
2 Edition 2001 of the computer glossary.

3 THE COURT: I'm sorry, what page are we on?

4 MR. VERHOEVEN: I'm on 111, your Honor.

5

6 THE COURT: Uh-huh.

7 MR. VERHOEVEN: As I said, we tried to find one
8 1996 and we didn't have any luck finding a definition but
9 this is from 2001 and as you can see, again this is the
10 computer glossary. It's not a dictionary that doesn't
11 have anything to do with this technological area and here
12 it says a banner ad is a graphic image used on a website
13 to advertise or calling for service. And we've got that.

14 And then the next slide, your Honor, we've got
15 the inventor who also testified that he understood that a
16 banner ad would be a graphic file, a jif file.

17 THE COURT: Okay.

18 MR. VERHOEVEN: So this is one of these -- I
19 think this is one of these situations, your Honor, where
20 you go through the claims, the specification, the
21 prosecution history, and you still have a question. And
22 that -- and this is a case where you should look at the
23 extrinsic evidence. The inventor is -- the inventors are
24 presumed to be a person of ordinary skill in the art,
25 your Honor. The other side hasn't said that their

Proceedings

1 inventor is not a person of ordinary skill at the time of
2 filing. I doubt they would do that.

3 So this constitutes evidence from a party that
4 has -- against interest really as to what a person of
5 ordinary skill in the art in 1996 would have understood
6 those terms to mean. And we suggest that the dictionary
7 in this circumstance should be given a little bit more
8 weight, in those there are extrinsic evidence because
9 when you do look at the extrinsic evidence, there's
10 really nothing there. The specification doesn't define
11 it.

12 There is the one sentence in the specification
13 that appears two times identically. It doesn't really
14 say anything about what is -- what kind of file that is
15 or anything like that.

16 THE COURT: Let --

17 MR. VERHOEVEN: Go ahead.

18 THE COURT: I'm sorry. Just so I understand
19 the difference in the technology, the banners that you --
20 the banner that Google is proposing or the interpretation
21 of the banner is proposing --

22 MR. VERHOEVEN: Right.

23 THE COURT: -- is a graphic file. So when a
24 publisher's web page appears on the first user's website
25 -- browser --

Proceedings

1 MR. VERHOEVEN: Uh-huh.

2 THE COURT: -- there is the banner. The person
3 clicks on the banner. The script tells it -- in what
4 form is -- I mean it's a graphic file, I understand but
5 the text ad that we see in page 4 of the plaintiff's
6 tutorial, in what form does that appear? Is that in the
7 html language of the publisher's website?

8 MR. VERHOEVEN: Yes, that's html code.

9 THE COURT: That's html code.

10 MR. VERHOEVEN: A block of html code.

11 THE COURT: All right.

12 MR. VERHOEVEN: And you just heard counsel say
13 that html couldn't even handle graphic images and they
14 had to go call out and have those downloaded separately.
15 So --

16 THE COURT: So this gets downloaded directly
17 from the publisher's web page.

18 MR. VERHOEVEN: One second.

19 THE COURT: Okay.

20 (Counsel confer)

21 MR. VERHOEVEN: No, I am being told it's much
22 more complicated than that, your Honor.

23 THE COURT: All right.

24 MR. VERHOEVEN: It's not a simple -- this comes
25 from a Google server but it's much more complicated than

Proceedings

1 the simple --

2 THE COURT: Response redirect.

3 MR. VERHOEVEN: -- response request. So I
4 could take a break and get prepared to talk -- to give
5 you a high level overview of that. I was mostly focusing
6 on the intrinsic evidence here, your Honor.

7 THE COURT: Yes, yes. No, I mean I know I am
8 not supposed to look at -- again, to look at infringement
9 but so maybe I shouldn't even go there. All right.

10 MR. VERHOEVEN: Well the part -- the main point
11 here is that these are text ads. These are not graphic
12 ads. And anyone with ordinary skill would understand
13 that. Now --

14 THE COURT: And there is a difference.

15 MR. VERHOEVEN: You're not going to have -- if
16 you define -- the nice thing about claim construction is
17 you can get some boundaries that are useful and if we
18 prevail on this and the banner is construed to be a
19 graphic file, then we'll know what's in and out in this
20 case. And it's not going to take care of the whole case
21 but it would take care of the defendant claims that talk
22 about it, a banner ad.

23 THE COURT: Do you want to --

24 MR. FLYNN: Yes, I --

25 THE COURT: -- sum up on the --

Proceedings

1 MR. FLYNN: I would at this point.

2 THE COURT: Go ahead.

3 MR. FLYNN: Actually --

4 MR. VERHOEVEN: Thank you, your Honor.

5 MR. FLYNN: -- (indiscernible) going to
6 recapture it. Thank you.

7 If you keep in front of you -- first of all, I
8 need to make a technical correction to what was just
9 said. The text part of the ad is not part of the html
10 code. The text part of the ad is rendered by JavaScript
11 which is embedded into the html code such that when the
12 JavaScript is executed at the user's web browser, that's
13 what displays the next part of the ad. So there's a
14 difference between the actual text of the ad being in --
15 like in the earlier tutorials and slide -- 13 --

16 THE COURT: Uh-huh.

17 MR. FLYNN: These are beautiful sunflowers.
18 That's text that's actually within the html code.

19 THE COURT: So if it's a text ad --

20 MR. FLYNN: But the text ad would be part of
21 the JavaScript that would be so -- if you go then to the
22 tutorial slide 18, the top portion of that, the part in
23 yellow and that's JavaScript that's embedded within the
24 html code that when it's executed at the user's browser,
25 that particular JavaScript displays the current date.

Proceedings

1 That's the difference. Text person's -- text
2 embedded in with the html as opposed to JavaScript
3 embedded within the html, when the JavaScript is executed
4 by the user's web browser, that's what displays the ad.

5 THE COURT: So the text ad is JavaScript.

6 MR. FLYNN: Correct; which you were asking
7 about.

8 THE COURT: All right.

9 MR. FLYNN: You mentioned -- also just to point
10 out to you, you mentioned it's the only reference you saw
11 and the banner was in column three of the patent.

12 THE COURT: Uh-huh.

13 MR. FLYNN: There's also a reference --

14 THE COURT: Oh, column four, I just --

15 MR. FLYNN: Yes, and there's also a reference,
16 albeit the same reference in column three in column one.
17 It's basically the same language. If you look at column
18 one --

19 THE COURT: Yes, I am sorry.

20 MR. FLYNN: I lined it up for you -- I'm sorry,
21 I just wanted to point that out.

22 THE COURT: There's column one, line 49.

23 MR. FLYNN: Exactly.

24 THE COURT: And then column three and then
25 column four, line what, 48, 49 or something like that?

Proceedings

1 it just references the banner. All right. Okay.

2 MR. FLYNN: Yes, but those columns one and
3 three are the only ones that talk about what it means.

4 THE COURT: What it means.

5 MR. FLYNN: Yes. Exactly. So you know, again
6 when you go back to the wordsmithing idea, if it's
7 necessary to adjust the definition to be accurate, we are
8 in agreement because we are all for that. So when you go
9 to technology slide four, tutorial slide four of ours,
10 that area at the bottom of that page is what we would
11 call a banner. It actually contains both the graphic
12 which is the ads by Google and the text ads. And it is a
13 designated area on the web page.

14 So whoever we have to refer to that area of the
15 web page, but there's no dispute that the area of the web
16 page used to display the information or the -- is related
17 to the advertising, that the information within that
18 banner is related to the advertising, that's what claim
19 two says. So it is -- it's kind of like what you were
20 talking about with your New York Times pages; it is an
21 area, a set area, as opposed to outside of a boxed area
22 like that -- outside of a designated area like that where
23 a random ad can be placed anywhere in a web page.

24 That broad wide open location of an
25 advertisement would be within the scope of claim one.

Proceedings

1 Claim two does limit claim one by putting those ideas as
2 is shown on this slide in the designated area on the
3 portion of the (indiscernible).

4 So I don't know if there's a whole lot more --
5 if there is, I would be happy to try but I don't know
6 that there's a whole lot more I can say to inform the
7 Court's decision on the banner, whether it needs to
8 include only graphic or whether it can also include text.

9 But I do want to go back and address some of
10 the legal principles that my colleague recited to the
11 Court because I think it's important to point out a
12 couple of things. We are not giving insufficient weight
13 to the specifications. I certainly hope I was clear and
14 I certainly acknowledge the possibility that I wasn't. I
15 want to -- and let me try to state again what I was
16 trying to say before was that the claim construction
17 analysis starts with the claim language itself.

18 And what we were saying and that's showed on
19 the one slide, and I am going to have to get my slide
20 back up there, if I can to be able to go back to some of
21 these slides.

22 THE COURT: Hold on.

23 MR. FLYNN: What we were starting out with is
24 this slide when we're talking about looking at the claim
25 language and whether you need to go beyond the claim

Proceedings

1 language, this quote which I didn't read my first go
2 round but I will read this time in the second paragraph,
3 "In some cases, the ordinary meaning of claim language as
4 understood by a person of skill in the art may be readily
5 apparent even to lay judges and claim construction in
6 such cases involves little more than the application of a
7 widely accepted meaning of commonly understood words."

8 So that lingo expresses what I was attempting
9 to express, the concept that the claim language -- if all
10 you need to do to interpret the claim language is to be
11 able to apply those widely accepted meanings of those
12 kinds of words of commonly understood words, and that's
13 all that you need to do. At no point did I mean to say
14 that the specification should not be used to help
15 construe the claim language when it's necessary to
16 construe the claim language.

17 The principles that we were reciting were that
18 you can't use the specification to limit the scope of the
19 claims if the claims are not otherwise limited. So if
20 you can construe however you need to construe the claim
21 language to understand or to determine a meaning of the
22 claim term, but what you can't do is limit that defined
23 term. Limit the scope of it by importing from the
24 specification a limitation into the claim where the claim
25 doesn't contain that limitation.

Proceedings

1 The -- if you -- when we were talking about the
2 -- oh, the other thing I wanted to point out when we were
3 talking about that language that we were saying that you
4 must have an intentional disclaimer or disavow of claim
5 scope before you can limit the scope of the claim. If
6 there's any question that that is the correct standard,
7 that comes right out of Phillips and I will read right
8 from the case itself.

9 "In other cases, the specification may reveal
10 an intentional disclaimer or disavow of claim scope by
11 the inventor." That's the standard. Intentional
12 disclaimer or disavowal of claim scope. So we did not
13 incorrectly state the standard of what you cannot do with
14 the specification.

15 THE COURT: All right. Let's talk about the --
16 let's really get into the claims --

17 MR. FLYNN: Okay. I am just --

18 THE COURT: -- as opposed to the standards.

19 MR. FLYNN: Okay.

20 THE COURT: And I am not going to foreclose you
21 if you want to bring me back to the standards but let's
22 talk about --

23 MR. FLYNN: Okay. But one other thing that I
24 do want to point out about the inventor's testimony.

25 THE COURT: Uh-huh.

Proceedings

1 MR. FLYNN: The distinction that was drawn
2 between when the inventor was trying to broaden the scope
3 of his claims as opposed to when he is acting against his
4 interests by narrowing the scope of the claims, I read
5 this quote from -- this actually comes from this case
6 Hemetica (ph.) that we cited on our slide 15 where we
7 started and I quote though, however, perhaps we should
8 start it a little earlier. What the quote says it that,
9 "Wright argues that inventor testimony is relevant in the
10 cases where the inventor does not seek to enlarge the
11 scope of the claims in covering the accused product but
12 rather admits that the claims are limited to exclude that
13 product. Under such circumstances, according to Wright,
14 the testimony is reliable because it is against the
15 inventor's interest. We reject this distinction." That
16 comes from Hemetica which is 2008.

17 And by the way, what's up there then follows
18 that. We reject this distinction.

19 Do you want to get into the fourth website? Is
20 that where you want to go?

21 THE COURT: If you are ready to move on from
22 banner, I will go wherever you want to go.

23 MR. FLYNN: Oh.

24 THE COURT: I mean I just wanted to give you a
25 chance to answer Google's contentions on banner.

Proceedings

1 MR. FLYNN: Okay. So, yes, the banner -- you
2 know, the portion of the specification that we're relying
3 on for banner to show that it can be more than graphics
4 is the portion and specification that we had under 40 --
5 logos, et cetera. It entices the person, the user
6 reading the banner that that would suggest clearly that
7 it can be text, not just an image. And the area of the
8 web page that is -- that designated area of the web page
9 to contain those banners as we saw in the bottom of
10 tutorial slide four is the example of a banner that -- an
11 area of the web page used to display text ads.

12 So that's really it. We really have nothing
13 further to say on banner, your Honor.

14 THE COURT: Okay.

15 MR. FLYNN: I guess we'll go to the fourth
16 website. I think that was one of the unbiased issues,
17 what you had indicated as one of the --

18 THE COURT: Yes, I mean fourth website, fourth
19 node, I guess.

20 MR. FLYNN: Yes, fourth website, four node; the
21 same argument.

22 THE COURT: And then also there was a dispute
23 on first, second and third website and this all, I think
24 encompassed within this, so --

25 MR. FLYNN: First, second and third website is

Proceedings

1 the flip side of (indiscernible).

2 THE COURT: Yes.

3 MR. FLYNN: So if you resolve fourth website,
4 yo u essentially resolve first (indiscernible).

5 THE COURT: Uh-huh. We'll begin the discussion
6 with the understanding that fourth website, fourth node,
7 et cetera, they are undefined in the claims themselves
8 with the exception of the general construct of what the
9 invention is, as -- I was going to use the word separate
10 but as distinct things; correct? It doesn't say anywhere
11 in the claims or the words owned and operated
12 independently or however you characterize it and unbiased
13 are not in the claims; correct?

14 MR. FLYNN: That's correct, your Honor.

15 THE COURT: All right. So we need to then look
16 at the specifications in the prosecution history. And if
17 it's unanswered, then the testimony and other extrinsic
18 evidence --

19 MR. FLYNN: That's right.

20 THE COURT: All right.

21 MR. FLYNN: That's correct. I guess the only
22 exception I would take to something that you said is
23 there's no dispute that what the fourth website is. It's
24 the third party accounting site that performs the
25 accounting function.

Proceedings

1 THE COURT: Yes, yes.

2 MR. FLYNN: Accounting (indiscernible) a lot of
3 information.

4 THE COURT: Yes, yes.

5 MR. FLYNN: So that's -- and it performs the
6 functions that are recited. They are in the various
7 steps of claim one. So that's correct what you said
8 about this idea of being unbiased or, you know, owned and
9 operated by an entity independent from. That's not in
10 the claim language. That's why we have to go to the
11 prosecution history for that.

12 THE COURT: Okay.

13 MR. FLYNN: So the steps then that are
14 performed with the fourth website, the third-party
15 accounting site, are the receiving of the first URL when
16 -- which is generated -- which is sent from the user's
17 browser to the fourth website, the third -- I'm going to
18 say the third-party accounting site.

19 THE COURT: Yes, please.

20 MR. FLYNN: Okay. To the third-party
21 accounting site when the user clicks on the ad, it is
22 displayed as part of the web page through its browser.
23 So the user clicks on that ad that sends the URL to the
24 third-party accounting site. So that receiving step is
25 the receipt of that URL back to the click.

Proceedings

1 THE COURT: So the web browser sends the
2 request to the publisher. The publisher sends a 302 --
3 no?

4 MR. FLYNN: No, not quite. When the user
5 enters the publisher's URL into the browser, that sends a
6 request message to the publisher for the publisher's
7 (indiscernible).

8 THE COURT: I got you. And the publisher sends
9 its web page --

10 MR. FLYNN: Or instructions for how --

11 THE COURT: To --

12 MR. FLYNN: -- to follow -- to construct that
13 (indiscernible).

14 THE COURT: Exactly.

15 MR. FLYNN: Yes.

16 THE COURT: Exactly. And then the ad appears.

17 MR. FLYNN: And then the ad appears.

18 THE COURT: And then when they click on the ad,
19 it doesn't -- it goes directly to the third-party
20 accounting service that sends the 302 to the advertiser.

21 MR. FLYNN: That's correct.

22 THE COURT: Okay.

23 MR. FLYNN: The ad is --

24 THE COURT: I knew that.

25 MR. FLYNN: Yes, the ad is configured to point

Proceedings

1 to the third-party.

2 THE COURT: Right.

3 MR. FLYNN: Because the third-party issues the
4 redirect.

5 THE COURT: All right.

6 MR. FLYNN: That's correct. So really it comes
7 down to while there is some different window between the
8 two definitions, the real issue I think is has been
9 narrowed in the briefs is this whole thing about unbiased
10 and what unbiased means.

11 THE COURT: So is it -- one of the questions I
12 had is there any meaningful difference between owned and
13 operated by an entity that is independent from and owned
14 and operated independently from?

15 MR. FLYNN: You're asking --

16 THE COURT: Anyone.

17 MR. VERHOEVEN: Well, your Honor, we use these
18 -- these terms are being bandied about. There's
19 independently owned and operated independently from.
20 There's the notion of unbiased. I think the core issue
21 frankly and the core thing, if you want to get down to
22 what's the real issue is under this patent, given the
23 statements that were made to the PTO to get this patent,
24 can this claim language encompass a situation where this
25 third-party, where that party's revenue or fees are

Proceedings

1 dependent upon the click through statistics.

2 And that's exactly -- and I will go through my
3 slides but if you look at the prosecution history, that
4 is the evil that they were dealing with. That is how the
5 prior art is distinguished right at the prosecution
6 history. The problem was that the entity that was doing
7 the calculating was getting fees depending upon how the
8 calculations come out. And when the patentee
9 distinguished the first rejection, it's exactly what the
10 patentee said and then used an example and said this is
11 similar to television.

12 THE COURT: No, I understand that.

13 MR. VERHOEVEN: So --

14 THE COURT: But you both have proposed in your
15 constructions some phraseology that is similar.

16 MR. VERHOEVEN: Right.

17 THE COURT: And I am just focusing on that. Is
18 there really any difference between that segment of each
19 of the things?

20 MR. VERHOEVEN: And what I am saying to your
21 Honor is, my prediction is after we go through an hour of
22 this back and forth, you're going to conclude -- and I
23 could be wrong but I think you're going to conclude that
24 the core issue here is whether or not the word
25 independent or the word unbiased or the word third-party

Proceedings

1 means --

2 THE COURT: Deriving revenue.

3 MR. VERHOEVEN: -- that that entity cannot get
4 their money based on statistics because that is what
5 we're getting at here. That is the thing that they claim
6 the sole thing they claim is unique which having this
7 third-party service that would get rid of the "inherent"
8 distrust that's a perception that he talks about.

9 What is that distrust? What is that perception
10 of bias? It is that because that entity who is doing the
11 statistics is getting paid depending on how many clicks
12 there are, that there's a perception that that entity
13 can't be trusted or that it might be biased or it might
14 not be as accurate as it could be.

15 And whether you call that independent or you
16 call it bias or you call it third-party, our view, your
17 Honor -- you know, I talked about this earlier, we're
18 willing to wordsmith as long it goes to the substance of
19 the dispute. That's the core dispute.

20 When we finally see in their reply papers, in
21 their rebuttal papers, the response to it, that they
22 basically come out and say that. Because they want to be
23 able to take the position after this is over whether
24 they're called independent or not or third-party or not,
25 that it's okay, you still infringe -- you still meet the

Proceedings

1 elements of being the fourth website even if you get a
2 dollar for each click through that you calculate.

3 So there's a strong incentive have more click
4 throughs. You're still meeting that claim limitation
5 because you're independently owned and operated and we
6 think that that's not what was the distinction here. The
7 distinction was having somebody that's a neutral, just
8 like the Nielsen ratings whose compensation for how they
9 get paid does not correlate to their click through
10 statistics. They're not dependent on each other. We
11 think that's the core issue. And if you clarify that
12 issue one way or the other, you will have resolved the
13 dispute.

14 MR. FLYNN: I won't agree with the
15 characterization of what they finally saw in our reply
16 briefs. We were just making arguments from the get go.
17 That aside, what we will agree with is what their
18 construction reduces this conflict down to is this;
19 whether or not when the claim language says receiving in
20 a fourth website, locking in a fourth website,
21 redirecting at the fourth website, whether essentially
22 what we're going to do is add a limitation into that
23 claim that says and wherein the fourth website, third-
24 party accounting site can't be paid based on the number
25 of clicks. That's the limitation that they want to be

Proceedings

1 able to impose into this claim. That's what this dispute
2 reduces down to.

3 And so that is a significant limitation of
4 claim scope with respect to that third party accounting
5 service fourth website, to justify that kind of
6 limitation of the claim scope, if there was ever a time
7 when the standards that we site were applicable that you
8 need that clear and unmistakable disavowal of claim
9 scope, of claim coverage, this is it.

10 If you put that kind of a limitation in that
11 claim, it better be clearly stated somewhere. We suggest
12 to you, in all due respect unto our colleagues that there
13 is no such support in the intrinsic evidence to import
14 that kind of Draconian limitation into this claim term.

15 So in terms of the way we stated it initially,
16 we thought maybe there was an issue between the
17 difference between owned and operated by an entity that
18 is independent from the other entities, the other
19 websites entities and the way they stated it, owned and
20 operated independently from the other websites. Not so
21 sure anymore now that we've both have been able to comb
22 through our arguments, I am not so sure anymore that
23 there's a real dispute. I would take exception to one of
24 the things that they said in their brief that our
25 position is that it's okay. All that the fourth website

Proceedings

1 has to be is owned by a different legal entity. And
2 that's not what we said. And we clarified that in the
3 brief.

4 What we said is in that's construction. It has
5 to be owned and operated by an entity that's independent
6 from the entities that owned and operate the other
7 website. The reason we have used that kind of
8 phraseology is because it comes directly out of the
9 prosecution history. We'll point that out when we get to
10 that portion of the prosecution history.

11 THE COURT: All right.

12 MR. FLYNN: So again, there's nothing in the
13 claim language -- sorry, I keep going in the wrong
14 direction. There's nothing in the claim language itself
15 that talks about how the fourth website is paid or can be
16 paid; nothing about that whatsoever.

17 So the first support that they have pointed to
18 support their attempt to import this kind of a limitation
19 into the claim is the specification and there are two
20 portions -- yes, two sections of the background of the
21 invention section of the specification where the word
22 unbiased is used. And we -- on these slides, 21 and 22
23 have highlighted those two portions of the background of
24 the invention that used the term unbiased and it's really
25 in the same area. It starts in column two, line 7 and

Proceedings

1 goes down to 35. That's the whole block of the
2 specification of the background of the invention portion
3 of the specification where the term unbiased appears.

4 So the first one is where it's calling to line
5 7 to 18. And you know before this what we have called
6 out there, before this they were talking about whether
7 the advertiser was paying the publisher on the basis of
8 impressions or click throughs. Regardless of the fee
9 basis, impressions or click throughs, both the advertiser
10 and the publisher essentially will typically have an
11 interest in knowing certain statistics pertaining to
12 advertising effectiveness. If the fee for the
13 advertisement was based on number of clicks, both parties
14 want the statistics.

15 The advertiser could obtain this information by
16 interrogating an access log maintained by the advertiser
17 website. This information, however, is not directly
18 available to the banner publishing site. While it can be
19 obtained from the advertiser, the publisher would
20 presumably receiving the relevant statistics from an
21 unbiased source.

22 So the first use of the term unbiased is in the
23 context of the two-party transaction; advertiser web site
24 publisher where one has to depend upon the other to give
25 the information about the click statistics. And in that

Proceedings

1 case, it's saying publisher would rather not have to rely
2 on the advertiser to give that information. Publisher
3 would rather rely on what's referred to as an unbiased
4 source. What we suggest is as taught in the invention,
5 the third-party accounting service that is the subject of
6 the invention. Nothing there about how the third-party
7 accounting service is paid or cannot be paid.

8 The second reference further down, lines 26 to
9 35, here the context is talking about when advertisers
10 advertise at more than one publisher location, they have
11 an interest in determining how effective each publisher
12 is at generating leads or clicks on the advertisements
13 that are displayed at those publishing websites.

14 In other words, they will be interested knowing
15 the percentage of the total number of clicks on the
16 banner generated by each publishing site. Currently,
17 such information is not readily available. To obtain it
18 requires that the appropriate expertise is available and
19 that the server at the advertiser website is
20 appropriately configured.

21 In view of the value of such statistics and the
22 relative inconvenience in obtaining such information, a
23 need presently exists for an unbiased readily available
24 source of statistical accounting information for internet
25 advertisers and the advertising publishers.

Proceedings

1 In that context, which is the only other time
2 unbiased is used in the specification, you're talking
3 about technical issues. They're talking about the need
4 to have the appropriate expertise at the advertiser's
5 site, the appropriate configuration of the advertiser's
6 server. That's what it is talking about in the
7 (indiscernible) of inconvenience in obtaining such
8 information.

9 THE COURT: But what does unbiased have to do
10 with that? I mean you could have a biased person that or
11 biased entity that can provide the other side with a
12 convenient way to access the information, make it readily
13 available.

14 MR. FLYNN: You can have that -- you can have
15 any third-party and if it is biased in the sense that --
16 it's simply being third-party in and of itself is not
17 what we're suggesting makes it independent. There are
18 other requirements to make that third-party an
19 independent third-party. And we're going to get into
20 more of that.

21 All I am saying here, in the context in which
22 unbiased is used in the specification which is the first
23 place that Google points to, to support the limitation of
24 how the third-party can be paid, there's nothing there in
25 the specification that is that those words or expressions

Proceedings

1 of manifest exclusion and restriction. There's nothing
2 there at all about how the third-party source is paid.

3 We are now going to move into the prosecution
4 history which is really where the focus of the argument
5 has been, about whether during prosecution Mr. Wexler
6 narrowed the scope of his invention such that the third-
7 party could not be paid based on the number of clicks.
8 The only point about the specification here is that there
9 is none of that clear and unmistakable disavow there. So
10 we will go to the prosecution history.

11 Google has argued that Mr. Wexler narrowed the
12 scope of his claim during prosecution to require the
13 third-party to be "unbiased." That's what they have put
14 into their construction. At no time during the
15 prosecution of this patent was the term unbiased ever
16 used with respect to the third-party accounting service
17 nor at no time during the prosecution was there any
18 mention of how the third-party could be paid or could not
19 be paid.

20 I just want to take a real quick review of what
21 the prosecution history does reveal. Again, Google's
22 suggestion was that this narrowing of claim scope --

23 THE COURT: Go ahead.

24 MR. FLYNN: This narrowing of claim scope was
25 to overcome rejections that were based on the prior art.

Proceedings

1 And, therefore, they presuppose that we have narrowed the
2 scope of the claim with respect to the third-party that
3 it has to be unbiased meaning it can't be paid based on
4 the number of clicks to overcome the prior art references
5 upon which the admission -- the examiner initially
6 rejected the claims. We suggest that that is not what
7 happened in the prosecution history.

8 So briefly, this slide 24, I believe, shows the
9 claims that were initially submitted by Mr. Wexler to the
10 PTO and as you can see, claim 1 as originally submitted
11 and claim 7, which is the note, but you can focus on
12 claim 1, as originally submitted, specified a method for
13 online third-party accounting and in step A it specified
14 receiving at a third party website.

15 But there was only one publisher recited in the
16 claim when it was initially submitted. When the examiner
17 rejected -- issued his initial rejection of the claims as
18 originally submitted, the examiner cited the prior art
19 references; two Grabers (ph.), one Kirsch (ph.). And the
20 examiner said that each of those references did disclose
21 a third-party as had been recited in the Wexler drafted
22 claims.

23 So Wexler came back in response to that
24 rejection and amended his claim. And now as amended,
25 claim one now adds first publisher and second publisher.

Proceedings

1 So claim one adds multiple publishers where original
2 claim one as originally submitted did not.

3 With respect to the prior art references that
4 rejected the claims because of the examiner's belief that
5 the prior art references recited the third party,
6 however, what Wexler specifically states is the claims
7 have been amended to clarify the distinction between the
8 present invention and the prior art.

9 In other words, he wasn't changing anything
10 about this third-party accounting service with his
11 amendment. What he was doing was attempting to explain
12 to the examiner no, no, you've got it wrong. Prior art
13 references don't disclose the third-party. What the
14 difference is between those prior art references and this
15 invention, they don't have the third-party that I am
16 reciting in mine.

17 And as part of that explanation, he submitted
18 this statement, that the present invention enables the
19 accounting site to be owned and operated by an
20 independent entity. That's where we got our language;
21 one that is not associated with either the publisher or
22 the advertiser. And he goes on to say a disadvantage
23 with internet accounting systems in the prior art is that
24 the accounting is performed by either the publisher or by
25 the advertiser.

Proceedings

1 So he's attempting to explain to the examiner
2 how his invention is different than the prior art
3 references by saying that the third-party accounting
4 service here, it's an independent entity that is neither
5 the publisher nor the advertiser and that in the prior
6 art over which the examiner rejected the claims, the
7 prior art, the accounting was performed by either the
8 publisher or the advertiser. So he was simply explaining
9 the difference between his invention of the prior art.

10 Now Google has focused on this language which
11 immediately follows and because of the amount of money
12 paid by the advertiser to the publisher is dependent on
13 the accounting statistics collected, there is or is
14 perceived to be that temptation by the one doing the
15 accounting, the bias, the statistics in its favor. In
16 other words, advertisers don't completely trust
17 publishers to be honest and publishers don't completely
18 trust advertisers either.

19 The home base here from which we proceed is
20 that we're talking about in this two-party context when
21 it's advertiser and publisher, whether it be a matter of
22 honesty, whether it be a matter of disparity in numbers
23 because of the technical reasons that we talked about
24 before, when it's those two, an advertiser is paying
25 publisher, neither the advertiser wants to trust the

Proceedings

1 publisher nor the publisher wants to trust the
2 advertiser.

3 So it's in that context in which the language
4 says that there is or perceives to be the temptation by
5 the one doing the accounting when it was either the
6 advertiser or the publisher, to bias the statistics in
7 its favor. It was not referring to the third-party
8 accounting service. The third-party accounting service
9 was the solution to this problem.

10 Now getting back to the point raised a minute
11 ago --

12 THE COURT: But there's a reason for that
13 because the perception was that whether -- if this -- the
14 accounting was done by either the advertiser or the
15 publisher, there would be bias because of the financial
16 incentive. So we need a third-party neutral who does not
17 have the financial incentive to do the counting. I mean
18 that was -- that's the way I see the new -- the
19 innovation that's being provided through this patent.

20 MR. FLYNN: And our response to that is you do
21 want to have an independent third-party intermediary but
22 in order to be that independent party, all you need is
23 for that third-party to be one that both the advertiser
24 and the publisher by their agreement can trust to provide
25 reliable statistics to (indiscernible).

Proceedings

1 THE COURT: Here's how you do it. Here's how
2 you could do it without it being independent. The
3 publisher says I am going to set up a separate server.
4 I'm going to give you all of the codes, all of the access
5 codes. It's going to be transparent. It's going to be
6 open. It's a third-party. Right? It's a separate
7 thing. You can go in and check as much as you want. You
8 could give the code, the html, whatever it is that does
9 the counting to your own guy to take a look at it, gal,
10 whoever, to make sure it's all up above boards. And that
11 provides the transparency that you want.

12 MR. FLYNN: What you have just described --

13 THE COURT: That would, you know -- that's the
14 prior art; right?

15 MR. FLYNN: You just described Kirsch.

16 THE COURT: So you are adding a different
17 element where you have this independent entity that your
18 specifications case is unbiased and the bias comes not
19 because it's difficult to get the information
20 technologically, the unbiased nature comes from the fact
21 that it is not being paid per click or some other way,
22 some other back channel incentive for it to skew the
23 statistics one way or the other.

24 MR. FLYNN: Okay.

25 THE COURT: Was that really what he was trying

Proceedings

1 to do here?

2 MR. FLYNN: No. So let me -- well not the way
3 you phrased it. So let me try to take each one of those
4 on as best I can to recall them sequentially.

5 THE COURT: All right. Okay.

6 MR. FLYNN: The first thing you did was when
7 you said here's the way you could do it with an
8 independent third-party, have the publisher have another
9 server.

10 THE COURT: Uh-huh.

11 MR. FLYNN: And give the advertiser open access
12 to that server, so that the advertiser can verify the
13 information. I think I fairly paraphrased what you said.
14 That's what Kirsch did. They had -- there was a third
15 server but it was the Kirsch server. It was still the
16 publisher. So what you've described is by setting up
17 that third server doesn't cure the problem because you
18 don't really have an independent third-party website.
19 That third server as you've described isn't independent
20 from Kirsch. It's still the publisher. It's still
21 within the control of the publisher. And that's what
22 Wexler came back ultimately when he went through that
23 first series of explanation to the examiner and said that
24 his third-party is neither the publisher nor the
25 advertiser.

Proceedings

1 And the examiner came back -- again, this is
2 the second rejection -- he came back and said, you're out
3 of the Graber reference and he says no, they each
4 disclosed a third-party. Wexler then said, if I can use
5 more colloquial lingo --

6 THE COURT: Please.

7 MR. FLYNN: -- he's not getting it. He
8 requested an interview with the examiner and he went to
9 the interview with his patent attorney and they discussed
10 the third-party references, the interview summary which
11 we don't have up on a slide that's part of the
12 prosecution history. The interview summary actually
13 shows that they specifically discussed the Graber and
14 Kirsch references and that the examiner would reconsider
15 the claims in light of the explanation and the
16 discussions that occurred during that interview.

17 And on the basis of that interview, following
18 that interview and based on those discussions, Wexler
19 came back and submitted the second amendment. That
20 second amendment on this slide shows the identical
21 language from the first amendment but this time he added
22 this language to explain to the examiner, no you're
23 mistaken. Neither Kirsch nor Graber disclosed a third
24 party. That other server that you described was still
25 Kirsch. It was still the publisher.

Proceedings

1 And Graber, they were doing it on behalf of the
2 advertiser. There was no independent website, no
3 independent accounting service that was neither the
4 publisher nor the advertiser. That's what I am. I'm
5 independent because I am not associated and I am not
6 either you advertiser, nor you publisher. I'm a third-
7 party.

8 And so now if you agree to have me as the
9 third-party intermediary, what you're saying is we're
10 going to -- you don't have to choose me but if you do, if
11 you contact with me and agree to have me be that third
12 party intermediary, you are agreeing that you can trust
13 me to give you reliable statistics.

14 And so that perception of the temptation to
15 bias when it was just the advertiser and the publisher
16 before, how can I trust you? Well with that third-party
17 there now, both publisher and advertiser are agreeing to
18 trust the third-party. There was nothing in any of this
19 discussion during the prosecution history about how that
20 third-party was to be paid.

21 And Google's suggestion that if the third-party
22 is paid based on the number of clicks, ah, that makes it
23 biased. We count on the number of clicks based on the
24 number of clicks. Is Google saying they're biased? That
25 their accounting -- when they count the clicks for

Proceedings

1 publishers and advertisers, are they saying that they're
2 biased? Well if you parse through their briefs, I think
3 you get the idea that no, we're not really biased but we
4 could be perceived to be biased. And, therefore we're not
5 that third-party. They acknowledge there are ways to
6 overcome that perception of bias but it's not in patent
7 how you do that.

8 So sometimes you're not quite sure whether
9 Google is saying it is biased when it's the third-party
10 but you kind of come away with the idea that they're not
11 biased, that they're unbiased even though they're paid
12 based on the number of clicks but they must not be the
13 third-party accounting service that Wexler talks about.
14 But Wexler never talked during prosecution about how the
15 third-party is to be paid. Wexler only focused on the
16 fact that it was an independent third-party meaning
17 independent that it was neither the publisher nor the
18 advertiser, an independent third-party entity that both
19 would agree to trust to provide reliable statistics.

20 And indeed, just because the third-party -- so
21 without any discussion in the prosecution history as to
22 how the third-party is to be paid or can be paid, you
23 can't use the absence of discussion therefore to satisfy
24 that requirement that it be a clear and unmistakable
25 disavow of claim scope to be able to limit that claim

Proceedings

1 language in claim 1 to add language in that claim that
2 says and wherein the fourth party website cannot be paid
3 based on the number of clicks. There's no such language
4 in the prosecution history that would satisfy that clear
5 and unmistakable standard.

6 There is another reason and again, we stated
7 this in the brief, there are other reasons why indeed
8 that neither the publisher nor the advertiser when they
9 agree to have a third-party like Google do the accounting
10 and to rely on the third-party's numbers, that even
11 though the third-party is based on the -- is paid based
12 on the number of clicks, why the advertiser and the
13 publisher can still feel assured and reassured that they
14 can trust that third-party to provide reliable accounting
15 statistics. And those reasons are the reality of the
16 marketplace.

17 They cited in their brief when they were
18 talking about litigation that had been filed against
19 them, they cited in their brief the special master's
20 report in one of those cases; the Tusner (ph.) report,
21 appointed to conduct an investigation as to whether or
22 not Google was making reasonable efforts to filter out
23 invalid clicks in their accounting process.

24 And the special master ultimately determined
25 that they were making reasonable efforts and at the end

Proceedings

1 of his report, he succinctly explained why even when
2 they're being paid based on the number of clicks, why
3 that would not lead either the advertiser or the
4 publisher who has agreed upon Google to be the third-
5 party to perceive that Google might be tempted to bias.
6 And he explained that in the market place, it would be
7 foolish for Google to exaggerate the number of clicks
8 just so it would get paid more because other market place
9 considerations primarily the lost trust of the
10 advertisers would be a death blow to its business. It
11 would be a terrible business model to do that.

12 Indeed, when you read through that Tusner
13 report, you hear this discussion about all of that Google
14 does to bend over backwards not to act on behalf of
15 publishers but to protect the advertisers because they
16 know if they lose the trust of the advertisers, it's
17 over.

18 That I think can fairly be assumed is part of
19 their marketing to their potential advertiser customers
20 and publisher customers who join their network who agreed
21 voluntarily, both to contract with Google. They both
22 contract Google is the agreed upon third-party. As the
23 agreed upon third-party with all of the efforts that that
24 can be made to show that even though we're getting paid
25 based on the number of clicks, you can still trust us.

Proceedings

1 That's the kind of reason those market place
2 considerations, that they can still be independent,
3 unbiased, whatever you want to say, while still being
4 paid based on the number of clicks. It doesn't just boil
5 down to being paid based on the number of clicks.

6 And in the context of this claim, and whether
7 or not there is a clear and unmistakable disavowal of
8 claim scope that can be derived from the prosecution
9 history, there is nothing in there that talks about how
10 the third-party is paid.

11 And the reference to Nielsen, it was just again
12 to say Nielsen's the third-party that's neither the
13 advertiser nor the TV network. We're the third-party
14 that both advertisers and TV networks agree they'll go by
15 our ratings. There's nothing in the prosecution history
16 about how Nielsen's paid. There's nothing in there that
17 says that the focus on using Nielsen is how it's paid.

18 THE COURT: But to be fair, I mean there's no
19 -- nothing in Google's proffered construction that
20 references payment at all. It just says --

21 MR. FLYNN: But they way their --

22 THE COURT: -- unbiased. I mean how they're
23 going to argue what the term unbiased means I don't know
24 that it's necessary for me to determine that. I mean
25 they're just saying an entity that's owned and operated

Proceedings

1 independently from the first second and third websites
2 that performs the function of an unbiased third-party
3 accounting and statistics service which it could be
4 unbiased even though it gets paid based on the number of
5 clicks because of what you said; right?

6 MR. FLYNN: Theoretically, that is correct.
7 The problem that we have with that is twofold. First,
8 they're arguing that unbiased does mean it can't be paid
9 by the clicks. It doesn't mean that you have determined
10 that that's what unbiased means but that's what they're
11 arguing unbiased means.

12 THE COURT: Well how does that work? Let's say
13 I agree with their construction and I recommend to
14 Judge Townes (sic) that it's as they argue, then --

15 MR. FLYNN: Without saying that what unbiased
16 means.

17 THE COURT: Without saying what unbiased means.
18 Then we go to -- and we finish discovery and all of that.
19 We go to trial. They argue to the jury their
20 interpretation of what unbiased is. And then you argue
21 what yours is.

22 MR. FLYNN: It can work that way theoretically,
23 that's correct.

24 THE COURT: You see, I am just -- I don't
25 understand what the fear of the word unbiased is when

Proceedings

1 number one, it doesn't necessarily mean that the claim is
2 construed that way, there's no infringement here. And
3 number two, it's in the specs. I mean that's what the
4 need was. We need an unbiased entity to perform this
5 accounting service, regardless of how it gets paid.

6 MR. FLYNN: And I will just take one more stab
7 at explaining the additional concern. If you put into
8 the definition that that third-party is independent and
9 there's no dispute that that third-party by either side
10 that that third-party needs to be independent, whether
11 you say it's an independent entity or operated and owned
12 independently. If that is independent and then you also
13 layer on top of that, unbiased, that could suggest to the
14 jury if turned into a jury instruction, that could
15 suggest to the jury that indeed something more than being
16 an independent entity is necessary. Something must be
17 more -- something more must be meant by the term
18 unbiased. You are now adding another layer of limitation
19 to the claim scope which you can't import from the
20 specification because it's not that standard. And
21 there's nothing about it in the prosecution history.

22 So that's the danger of putting unbiased in the
23 same construction with independent. It suggests to the
24 jury that something more is required and that's what we
25 started off arguing in our opening brief that it could

Proceedings

1 likely lead to jury confusion, prejudicing plaintiff's
2 position -- prejudicing our ability to argue that you can
3 be unbiased even if you're paid by the click.

4 THE COURT: Well you did a perfectly good job
5 of it explaining it to me. And it's -- if you know look
6 at prejudice, I mean Mr. Wexler's the one who put the --
7 or whoever was prosecuting the patent form is the one who
8 put the word unbiased in the specs, not Google.

9 So, you know, you -- isn't there some cannon of
10 claim construction that says you used the word, you know,
11 you're stuck with it. You can't just sweep it away and
12 say no, no, no, that's not what I meant?

13 MR. FLYNN: That is true if it first satisfies
14 the standard that it be that clear and unmistakable
15 disavowal of claim coverage. If it be words or
16 expressions of manifest exclusion or construction. If it
17 meets that standard, we agree he can't run away from it.

18 THE COURT: Let's say that there's a third-
19 party accounting service that both sides, publisher,
20 advertiser contract with and the advertiser has a side
21 deal with them.

22 MR. FLYNN: I'm sorry, I --

23 THE COURT: An advertiser has a side deal with
24 them.

25 MR. FLYNN: With the third-party?

Proceedings

1 THE COURT: Or no it's -- with the third-party
2 to pump up the number of clicks. Does that fall within
3 the patent? I mean they're biased. They're pumping up
4 the number of clicks. They can't be trusted.

5 Or take the converse of that and let's say
6 there's a third-party accounting service, a fledgling
7 company, whose got its servers and ready to roll and it
8 goes to a big advertiser and says look, why don't you let
9 us have some space in your office. We'll -- you know,
10 you could hold this out as a reputable third-party
11 accounting service -- I mean publisher rather, not an
12 advertiser. And we'll do all of your stuff for you at
13 half the rent, in addition to being paid by both sides;
14 biased.

15 MR. FLYNN: Here's what you're doing there.
16 You're -- you can't use an assumption that the third-
17 party -- that both advertiser and publisher agree to
18 trust. You cant then defeat that by assuming a scenario
19 whereby the third-party is going to be dishonest. That's
20 -- that assumed fraud or illegality, or whatever you want
21 to call it; dishonesty. That's not within the scope of
22 the claim terms.

23 You could, if we have a dispute with Google and
24 if you either sit on the bench or in private practice, we
25 agreed upon you being our third-party neutral arbitrator,

Proceedings

1 by us both agreeing to have you as our neutral, we're
2 showing that both of us trust you to render a fair
3 decision. You would be unbiased, even if -- within the
4 context of the patent, that was what the patent was
5 claiming that was cited. Even if then ultimately you
6 went to -- you came to me and said can I cut a deal with
7 you? The fact that you committed that type of dishonesty
8 would not mean that you were not unbiased within the
9 scope of what was recited when it was set up to have a
10 third-party and we both agreed to retain you.

11 So even if a third-party would go and do that,
12 and go and cut a deal with the advertiser or cut a deal
13 with the publisher, he was being dishonest in the
14 implementation of his function; yes but he wasn't biased
15 such that would prevent him from being a third-party as
16 we cited by Wexler.

17 THE COURT: Okay.

18 MR. FLYNN: If I can just check my notes to
19 make sure that there's nothing else that --

20 MR. VERHOEVEN: While he's doing that,
21 your Honor, I don't know if we've been timing counsel's
22 arguments but I think it might be close to two hours
23 already. I was just wondering how you're planning out
24 the day.

25 THE COURT: I'll give you as much time as you

Proceedings

1 need. I don't want to hold folks up. I have three
2 conferences at 2 o'clock; one that may take about a half
3 an hour. The other two are a matter of five minutes
4 each, so -- and I'm here until you need me.

5 MR. VERHOEVEN: May I inquire at this point,
6 your Honor, whether you are or --

7 THE COURT: We need to take a --

8 MR. VERHOEVEN: -- the parties (indiscernible).

9 THE COURT: We need to each.

10 MR. VERHOEVEN: Yes.

11 THE COURT: As does everybody else.

12 MR. VERHOEVEN: Okay.

13 THE COURT: Are you done?

14 MR. VERHOEVEN: It may make sense --

15 MR. FLYNN: (Indiscernible).

16 THE COURT: All right. Do you want to take a
17 lunch break now.

18 MR. VERHOEVEN: It's a good breaking point --

19 THE COURT: Let's do it.

20 MR. VERHOEVEN: -- because I have a lot of --

21 THE COURT: Sure. Let's do that. Let's come
22 back at 1:30. Can we do that? We can go for a half an
23 hour before the other conferences. Take a break.

24 MR. VERHOEVEN: Sounds good.

25 THE COURT: Or we'll break when it makes sense.

Proceedings

1 I don't want to stop your flow artificially at 2 o'clock.
2 So we'll take a break when it makes sense, do those other
3 conferences and then resume; all right?

4 MR. FLYNN: So what time do you want us back?

5 THE COURT: 1:30.

6 MR. FLYNN: 1:30.

7 THE COURT: Yes.

8 MR. FLYNN: Thank you.

9 THE COURT: Bye. Thanks.

10 MR. VERHOEVEN: Thank you, your Honor.

11 (Court recesses.)

12 THE COURT: Be seated. Go ahead,

13 Mr. Verhoeven.

14 MR. VERHOEVEN: Thank you, your Honor. So I'm
15 addressing the fourth website, together with all of the
16 associated claims on the same module we've been talking
17 about, your Honor.

18 THE COURT: Okay.

19 MR. VERHOEVEN: I would like to start by
20 pointing out counsel for plaintiff has said you have to
21 have a clear and unpressed disavowal to limit the claim.
22 We've already covered how we disagree with how that
23 applies under Philips but I think it's important to note
24 here that even the plaintiff through their position has
25 conceded that there has been -- that that standard has

Proceedings

1 been met through the prosecution history disclaimer.

2 There's no where in the claims that there's a
3 statement about independence or a limitation of
4 independent ownership we're operating. The claim just
5 says fourth website. And where they have admitted to you
6 that they've gotten their independent limitation, it's
7 from the statement made in the very same paragraph in the
8 prosecution history, your Honor, that we're pointing to.

9 So the issue here really isn't has there been a
10 clear enough statement in the prosecution history
11 limiting claim scope of a prior art. It is undisputed
12 that there has been. The issue is was the scope of that
13 further limitation; that's what we're arguing about here,
14 your Honor. So let me start by going through the
15 prosecution history if I may.

16 THE COURT: Sure.

17 MR. VERHOEVEN: So if you go to slide 45 -- we
18 may have to turn this on.

19 THE COURT: Oh. Slide 45 that is?

20 MR. VERHOEVEN: 45, your Honor. I'm skipping
21 around a little bit in the interest of time.

22 THE COURT: Do you have a plane to catch or
23 something?

24 MR. VERHOEVEN: No comment on that, your Honor.
25 I had a plane to catch. It's okay. It's all right.

Proceedings

1 This is much more important.

2 THE COURT: Okay.

3 MR. VERHOEVEN: So on October 1996, that's when
4 the application was filed. And in July of 1998, there
5 was a first office action and the patent office rejected
6 all of the claims. Now the patent office in doing so
7 found that the prior art references disclosed a third-
8 party. And then they also said that it met all of the
9 other attributes.

10 In response to that, go to the next slide, on
11 November 18, 1998, the patentee filed an amendment and
12 also a response to the office action which they made
13 these statements. And as the intro to that response, we
14 brought up here -- this is November 18, 1998, page 5 of
15 their response, "After studying the references, the
16 claims have been amended to clarify the distinction
17 between the present invention and the prior art."

18 THE COURT: Is that phrase, "the present
19 invention" just something that patent prosecuting
20 attorneys use to say this -- our invention or my client's
21 invention?

22 MR. VERHOEVEN: It's something that a patent
23 prosecutor knows if he or she uses that phrase, that
24 they're characterizing the entire invention, not
25 preferred embodiment that is an example but the entire

Proceedings

1 invention.

2 And so they -- and the reason they use -- you
3 might ask yourself, why would they ever use that phrase
4 then because it can be used by people like me later
5 saying they've limited it. Well you have to remember,
6 they don't know they're going to get a patent when
7 they're doing this. And so they're giving something to
8 the patent office. And the patent office also knows when
9 they say the present invention that they are limiting the
10 scope . They're saying this art is different from us.
11 We're different because we're financially independent.
12 And those guys aren't financially independent. And then
13 they get their patent based on that limiting
14 representation. And the way the doctrine works, it says
15 you can't turn around and recapture that now. You're
16 stuck with it.

17 And so one of the questions that gets asked
18 when you're doing this analysis is -- and this is called
19 argument based prosecution of history disclaimer. It's
20 argument based. It's not claim -- you saw something
21 about well we never amended the claim to say it's here,
22 why; it doesn't matter. This is a doctrine that applies
23 to arguments you make that characterize your invention
24 before the PTO. You don't have to amend your claim in
25 order to have this applied.

Proceedings

1 What you have to do is you have to be limiting
2 yourself to get around prior art, to distinguish yourself
3 from prior art. So one of the questions on argument
4 based estoppel is, is this really -- is he really trying
5 to limit himself to get around prior art or does he just
6 say it for some other reason, this statement?

7 Well here as you can see, the very introduction
8 leaves no ambiguity. There's no reason for
9 reasonableness disagreement here. They're distinguishing
10 the prior art. They're distinguishing the present
11 invention from the prior art; very clear words limitation
12 from the prosecution history.

13 Now if you go to the next slide, what did they
14 say in that response? They made three or four
15 arguments. This is the second argument they made. And
16 we put it up on the screen. And this is from the
17 November 18 office action. "Second, the present
18 invention enables the accounting site to be owned and
19 operated by an independent entity, one that is not
20 associated with either the publisher or the advertiser."

21 Now let me stop there for a second, your Honor.
22 Counsel for plaintiff has pointed to this sentence in his
23 argument and said that's where they got the independent.
24 Okay. Well then we don't have a disagreement. There has
25 been a disclaimer. They even admit that this reason,

Proceedings

1 this argument at least, is a disclaimer.

2 So the real question is what is the scope of
3 that disclaimer? There has been one. And they want to
4 stop at the first sentence of this paragraph. And I urge
5 the Court to read on because when you read on, it
6 clarifies what they mean by an independent entity. So it
7 goes on -- I'll re-read it for the record.

8 So the first sentence says, "Second, the
9 present invention enables the accounting site to be owned
10 and operated by an independent entity, one that is not
11 associated with either the publisher or the advertiser."

12 The next sentence, "A disadvantage with
13 internet accounting systems in the prior art is that the
14 accounting is performed by either the publisher or the
15 advertiser and because the amount of money paid by the
16 advertiser to the publisher is dependent on the
17 accounting statistics collected, there is or is perceived
18 to be the temptation by the one doing the accounting to
19 bias the statistics in its favor." Okay?

20 This is explaining what the problem, the
21 disadvantage was in the prior art that they're addressing
22 with their invention, the present invention. And the
23 problem is -- exists because the amount of money paid by
24 the advertiser to the publisher is dependent upon the
25 accounting statistics collected. That is the reason for

Proceedings

1 the problem. It is the core of the thing they
2 distinguished from the prior art.

3 That's what they meant when they said owned and
4 operated by an independent entity. They're just further
5 clarifying exactly what they mean by an independent
6 entity. It's an entity as your Honor said, third-party
7 financial neutral or third-party neutral, I think you
8 used that phrase. That's a perfectly fine phrase.
9 That's what we're talking about. It's a neutral.

10 When we talk about bias, what are we talking
11 about? We're talking about financial -- because you're
12 getting paid by how many clicks you do, there's a
13 perception that there might be a financial bias. It's a
14 financial concept we're talking about here. It's very
15 clear in the prosecution history.

16 We'll go to the next slide and the next
17 paragraph, this slide 48, the patentee went on to further
18 elaborate what the patentee meant, your Honor, by
19 independent. And the patentee said, "The situation
20 analogous to that in the television advertising." And
21 then the next sentence, "Because the television
22 advertising fees are based on the ratings, television
23 stations don't trust advertisers to tally the ratings and
24 advertisers don't trust the television stations."

25 It's the exact same formulation as the sentence

Proceedings

1 in the earlier paragraph. The problem that they had with
2 television was the same as the prior art. What is that
3 problem? Because the television advertising fees were
4 based on ratings, there's a lack of trust. That's the
5 problem. The solution to the problem is to have an
6 independent third-party neutral or financially
7 independent entity.

8 And then this continues, if I may, your Honor,
9 therefore the need existed -- now this is in the
10 television context, therefore the need -- because of this
11 problem, therefore the need existed for what? For what
12 an independent entity. Well here they're very clearly
13 linking the concept of being independent with the idea
14 that you're not getting paid based on the statistics.
15 That's what they're getting at here. That's what they're
16 distinguishing.

17 Independent entity should be construed to mean
18 -- we all agree, the plaintiffs even agree, they need to
19 put a limitation on this to be something. They call it
20 independently operated and owned. We want to have this
21 concept that's got to be financially unbiased,
22 financially neutral; third-party neutral. Here, if you
23 just look at this prosecution history, there's no
24 question that that's what they're talking about.

25 It continues, your Honor, "In the same way that

Proceedings

1 television advertising needed an independent entity to
2 tally ratings," what did they mean when they said it
3 needed an independent entity? An entity that doesn't get
4 paid -- get its fees based on the ratings. That's what
5 they meant. Anybody reading this, they can't dispute
6 that that's what they meant.

7 "In the same way that television advertising
8 needed an independent entity to tally ratings, the
9 internet needs an independent entity to account for the
10 referrals from publishers to advertisers."

11 Next sentence, "The present invention enables
12 that independent entity." There can't be any doubt when
13 you go through this, your Honor, that what they're
14 talking about if you want to get precise, is this entity
15 that has to be financially neutral. It can't be getting
16 paid based on the clicks. That's what it is getting at.

17 Now I heard repeated -- I saw the briefs and I
18 heard repeated, at least two times I think today, in
19 opposition to our proposed construction there's nothing
20 in the intrinsic evidence, counsel has said, that
21 addresses how people are going to get paid. Google's
22 just trying to import that.

23 Well we beg to differ. Let's look back at
24 slide 47. This is the intrinsic evidence, your Honor.
25 It says right on its face that the problem was how the

Proceedings

1 money was paid. Yes, they do address how the money gets
2 paid in the intrinsic evidence. That's the core of the
3 distinction they made.

4 And on the next slide, slide 48, they repeat
5 the same thing in the analogy of the television
6 advertising.

7 THE COURT: But to be fair though, it --
8 Google's proposed construction isn't directly linked to
9 the manner in which the third-party accounting services
10 paid. I don't think it's --

11 MR. VERHOEVEN: Yes, that's a good point,
12 your Honor. We're trying to get at a way that would be
13 accept -- as close to acceptable as possible but still
14 meet the limitation we think is important. And so we
15 tried to make it a little bit broader than that and just
16 get this notion of independent and unbiased in there.

17 THE COURT: Uh-huh.

18 MR. VERHOEVEN: We think that if you're doing a
19 Venn diagram that basing --

20 THE COURT: You like Venn diagrams.

21 MR. VERHOEVEN: -- fees on clicks would be a
22 smaller sample. What? I'm sorry.

23 THE COURT: You like Venn diagrams, don't you?

24 MR. VERHOEVEN: Yes. You know, I've just run
25 out of other vehicles, I guess.

Proceedings

1 THE COURT: Okay.

2 MR. VERHOEVEN: But it would be a subset
3 getting paid based on the amount of clicks would be an
4 example in our view of a situation where you would not be
5 financially neutral. You would have -- you know, it's
6 like if you're going to hire an arbitrator, you would
7 make sure the arbitrator's compensation was neutral
8 between the parties; right? If the arbitrator is getting
9 paid \$100 more per hour by your adversary, you would be
10 worried that the arbitrator might come out on that guise
11 -- on your adversary's favor; right? Of course you need
12 a neutral in that sense.

13 This is the same sort of concept that the
14 patent's talking -- it's actually not a technical concept
15 at all, your Honor, which is perhaps an argument for
16 another day. I don't know if you've noticed, your Honor,
17 but there's nothing in this patent that talks about any
18 new technology at all. Even the redirect technology
19 they're talking about is pre-existing of html technology
20 that the only difference between that and their alleged
21 invention is that the redirect goes to a different entity
22 than it did in the prior art.

23 THE COURT: Let me -- I know again I am not
24 supposed to get into infringement --

25 MR. VERHOEVEN: Uh-huh.

Proceedings

1 THE COURT: -- but even with your client's
2 proposed construction of fourth website, et cetera,
3 plaintiffs could still make the argument that there is
4 infringement here.

5 MR. VERHOEVEN: Well we don't think they could.
6 And maybe what you're saying to me is you don't interpret
7 our construction exactly the way I would but I would
8 interpret this to be independent and unbiased in a
9 financial sense. And that would preclude having a
10 situation where you would be getting paid --

11 THE COURT: But doesn't that put your client in
12 kind of an awkward position to say -- saying to the
13 world, yeah, we're biased.

14 MR. VERHOEVEN: Well we might have --

15 THE COURT: I mean that's fine.

16 MR. VERHOEVEN: We might have rathered use a
17 different term but the term is in the intrinsic evidence,
18 your Honor, and that's the term they used to get at this
19 notion. And the notion is really in my view, this idea
20 -- this notion that the tabulator of the click through or
21 in the television context by analogy of the ratings, has
22 skin in the game. And they would get more money if they
23 were to find more clicks or higher ratings, they get more
24 money. If they found less clicks or lower ratings, they
25 would get less money or visa versa. That is the whole

Proceedings

1 point here of what they're talking about when they're
2 saying that they're independent and unbiased is they're
3 talking about that perception. So we would think that
4 what we're proposing would cover that.

5 THE COURT: Let's say I adopt your client's
6 construction or something similar and the word unbiased
7 is in there. It would be for Judge Townes to figure out
8 how to charge the jury -- I'm sorry, is it
9 Judge Mauskopf?

10 MR. FLYNN: Yes, your Honor.

11 MR. VERHOEVEN: Yes, your Honor.

12 THE COURT: It was -- was the case transferred
13 from Judge Townes at one point?

14 MR. FLYNN: It was always with her.

15 THE COURT: It was always with her? I'm sorry,
16 I don't know why I said that. It would be for
17 Judge Mauskopf to figure out how to charge the jury on
18 what unbiased means or what independent means.

19 MR. VERHOEVEN: Well I -- no. The answer is
20 no. That's your job and his job.

21 THE COURT: Her job.

22 MR. VERHOEVEN: You mean just as the process.

23 THE COURT: Her job.

24 MR. FLYNN: What? Her job.

25 THE COURT: Her job.

Proceedings

1 MR. VERHOEVEN: Her job.

2 THE COURT: You're not from around here, are
3 you? Don't worry about it. She's just --

4 MR. VERHOEVEN: First Venn diagrams, now this.

5 THE COURT: Yes, right.

6 MR. VERHOEVEN: No, let me just back up to
7 elaborate.

8 THE COURT: Uh-huh.

9 MR. VERHOEVEN: If there's a genuine dispute
10 about the meaning -- so the meaning of independent,
11 meaning of biased, then I would urge the Court to resolve
12 that dispute because that really is the meaning of the
13 claim terms. And the reason -- the only reason we aren't
14 specifically tying our construction to the situation
15 where you get paid more if you have more click through is
16 because there's other instances in which you could be
17 financially biased and that would be too limiting.

18 So we're not going -- we're not trying to limit
19 and say that's the only way that you could be biased or
20 non-independent. However, your Honor, it's got to be the
21 case in light of this prosecution history that if you --
22 that this is one example of a way that you are
23 financially biased is if your compensation is based on
24 the click through rate because that's expressly stated in
25 here as an example of the problem of the prior art that

Proceedings

1 is solved by this -- using this third party.

2 And so again, if you're making categories, I'll
3 stay away from Venn diagrams, this would be a subset that
4 would be a more specific subset, we believe of something
5 that's financially -- that would be considered
6 financially biased or non-independent. Do you follow
7 what I am saying?

8 THE COURT: I understand what you're saying.

9 MR. VERHOEVEN: But we would urge the Court to
10 not leave that question open. That's the whole point of
11 claim construction is would this be covered or not.

12 THE COURT: But the question is somewhat left
13 open by both -- by Google's proposed construction because
14 it doesn't say -- I'm just looking at the words that have
15 been given to me, it doesn't say -- it says "Only
16 performs the function of an unbiased third-party
17 accounting and statistical service."

18 MR. VERHOEVEN: That's correct, your Honor.

19 THE COURT: And I would have to like say, comma
20 for example, one that is not paid based on the number of
21 clicks --

22 MR. VERHOEVEN: Or you could --

23 THE COURT: -- or something --

24 MR. VERHOEVEN: Correct. Or you could, I think
25 it would be sufficient to say you could adopt our

Proceedings

1 construction and say in a written order that this would
2 be an example from the prosecution history of one
3 instance but I am not going to limit it to that one
4 instance. And so here is the actual formal construction.
5 That happens a lot of the time.

6 But that way at least you get -- you don't want
7 to limit it to just this one instance. I don't think --
8 I wouldn't urge the Court to do that because I do think
9 that there would be some exposure on appeal because
10 they'll come back and say well there could have been some
11 other way that they could gain the numbers and be
12 financially biased and not just this one way of getting
13 paid according to click rates. So you don't want to be
14 that narrow.

15 However, that is definitely and undisputedly it
16 cannot be denied, is the specific example of an instance
17 where there isn't where this isn't financial
18 independence, where there isn't a situation where the
19 parties are unbiased in the prosecution history, that is
20 given to distinguish the prior art and as such, it needs
21 to be made clear that they can't come back and get that.

22 Now having gotten their patent by saying that,
23 they can't come back and get Google now on this one
24 element and say oh, we didn't mean that that's an example
25 of it. In fact, all that this really means is you need

Proceedings

1 to be owned by somebody else. That is the -- a poster
2 child for prosecution history disclaimer. I mean it's
3 just not going to be allowed.

4 THE COURT: Okay.

5 MR. VERHOEVEN: And people like Google should
6 be able to look at the prosecution history and say ah,
7 this is what they mean by independent. We know -- we may
8 not know -- we may not know what the borders are exactly
9 of what's independent but we know because they stuck this
10 example in here of an example of something that's
11 independent. That if we do exactly what they said the
12 prior art does and they don't do, we're okay.

13 And if you adopt their construction, this
14 person I've invented who is doing that would not be okay.
15 And two years later having relied on this, the plaintiff
16 would be able to come back and charge them with
17 infringement. The Courts say you can't do that. That is
18 not fair. This whole prosecution process is an ex parte
19 process. The burden is on the patentee to get it right.
20 If they wished they hadn't said something a certain way,
21 that's tough luck for them because it's only between them
22 and the patent office. And they're bound by what they
23 say and us third parties who aren't part of that
24 prosecution process are entitled to look at what they say
25 in this prosecution history about what the prior art does

Proceedings

1 and how that's different from what they're claiming and
2 rely on that. And that's all we're saying.

3 So yes, we think that this specific example
4 should be addressed in your order, your Honor. But we
5 would prefer that your Honor would keep the claim
6 construction a little broader than that example so that
7 you cover other instances that we may not have thought of
8 that would be clear examples of bias. So you still
9 capture that. You'll not be too narrow but you're just
10 right, you're enough to cover what they specifically
11 disclaim that other people are relying on.

12 THE COURT: That's real easy to do with the
13 federal circuit; right, looking over this? What is the
14 reversal rate with --

15 MR. VERHOEVEN: I can tell you my rate if you
16 want to hear it.

17 THE COURT: All right.

18 MR. VERHOEVEN: You're not going to take the
19 bait; okay.

20 THE COURT: No.

21 MR. VERHOEVEN: All right. Well I am going to
22 skip over a couple of slides here, your Honor. I should
23 probably finish this, right, before we go -- this module
24 before we go to the other folks.

25 THE COURT: Yes.

Proceedings

1 MR. VERHOEVEN: Okay.

2 THE COURT: Yes.

3 MR. VERHOEVEN: It may take me ten or 15
4 minutes to do it.

5 THE COURT: That's fine.

6 MR. VERHOEVEN: Okay.

7 THE COURT: That's fine. They'll wait.

8 MR. VERHOEVEN: So going to slide 51, I have
9 already covered this but just to be a lawyer and cover it
10 too much, I just want to point out again on slide 51, we
11 put up the Verizon case which is just one example but
12 it's well-established that when a patent describes the
13 features as the present of the -- of the present
14 invention as a whole, that that description limits the
15 scope of the invention.

16 And then the next slide is the different
17 doctrine here. They both fold in together on this
18 particular element but the doctrine, you cannot
19 distinguish prior art prosecution and then later claim
20 that your claims cover that very same thing you
21 distinguished.

22 I'll address these very briefly, your Honor,
23 starting on slide 53 and this is in our paper, so I won't
24 belabor the point but the sole inventor in this case has
25 also given testimony that's entirely consistent with the

Proceedings

1 construction that we're proposing, your Honor. So that's
2 corroborative evidence that is against interest and is of
3 some value and that isn't much value, I would submit,
4 your Honor, as in banner where we didn't have the clear
5 intrinsic evidence showing the particular meeting. Here
6 with fourth website, we do but nevertheless, it is of
7 some use and we submit that to your Honor.

8 Then we go to slide 54. He testified that his
9 company which was an embodiment of the patent was not
10 paid by the click. So it was independent in the sense
11 and then finally, on slide 55, asking you what do you
12 think you meant by third-party and his answer in my
13 opinion, the third-party is believable by two sides. It
14 has credibility and is trusted. Basically, they have
15 confidence, party A and party B has confidence in party C
16 that they're going to be truthful and give accurate
17 statistics. Again, that's consistent with this notion
18 that we're talking about here about financial neutral.

19 Let's go to slide 57 please. Now I am going to
20 address a couple of statements made by counsel for the
21 plaintiff if I may, your Honor, real briefly, in their
22 papers. In their pending brief, Web Tracking made a
23 number of statements, your Honor, that was consistent
24 with the construction that we're proposing. So for
25 example, page 18 of their opening brief, they admit that

Proceedings

1 the focus of the independent third party, distinction
2 over the prior art was the perception of bias created
3 because the amount of money paid by the advertiser to the
4 publisher is dependent upon the accounting statistics
5 collected which is entirely consistent with what we're
6 saying, your Honor. So this is a cut out of their brief.

7 And they say, "Moreover, Wexler does not
8 purport to preclude every potential bias, rather the
9 focus" -- so this next sentence is talking about what it
10 does preclude, "Rather the focus is on the perception of
11 bias, if either the publisher or advertiser is the source
12 of the accounting statistics. As stated in the
13 prosecution history," and they quote, "'because the
14 amount of money paid by the advertisers, the publishers
15 depended on the accounting statistics collected, there is
16 or is perceived to be the temptation by the one doing the
17 accounting to bias the statistics in his favor.'" That's
18 exactly what we're talking about.

19 Now they come back and they say to argue
20 against it, Well, Wexler's not concerned about every
21 potential bias but they are concerned and it's the focus
22 as they admit in this paper, on the perception of bias
23 created by this payment scheme. That's exactly what they
24 said in the prosecution history. It's not just any bias,
25 it's this bias. We agree, it's this bias.

Proceedings

1 So their own citation and argument, I would
2 submit supports our proposed construction on slide 58.
3 And this is just one example, your Honor, in their
4 papers. Web Tracking admits this third party accounting
5 service can't just be independent also as to what,
6 trustworthy, reliable; their own papers. And this is
7 page 18 again. Wexler reduces this perception, that's
8 the perception we just saw that was referencing when the
9 payment was dependent on clicks -- "Wexler reduces this
10 perception by disclosing a third-party accounting service
11 that both the publisher and advertiser consider to be
12 reliable. As such, Wexler discloses a method that
13 precludes the need for the advertiser and publisher to
14 trust or rely on each other."

15 Well it has to be more than just independent
16 then. It has to be reliable. It has to be trustworthy.
17 But what are we getting at? We're getting at what is the
18 payment example that's used in the prosecution history.
19 That's what we're really getting at. We're going to use
20 these big words like reliable and trustworthy but what do
21 we really mean? What we really mean is when you're
22 getting paid depending on how you count.

23 Let's go to the next slide. In their tutorial
24 that Web Tracking presented to you -- I'm on slide 59,
25 your Honor.

Proceedings

1 THE COURT: Uh-huh.

2 MR. VERHOEVEN: And I am depicting page 6 of
3 the tutorial that was just presented to you by counsel
4 for plaintiff. They have made here that there's an
5 inherent distrust between the advertiser and publisher
6 when either one of them is doing the counting. That's
7 our point exactly. That's what the patent is talking
8 about.

9 What's the bias? It's when one of these -- it
10 is when whoever is doing the accounting, that is going to
11 be -- their payment is going to get affected by that.
12 And this inherent mistrust is what they're talking about
13 in the prosecution history, too. The same with the
14 perception.

15 Let's go to slide 60. In their brief at page
16 19, the next page, your Honor, Web Tracking even admits
17 that our construction is simply redundant to their
18 construction. They say "To insert" -- this is page 19 of
19 the brief, "To insert the term unbiased into this
20 definition is redundant."

21 Well if it's redundant, then why can't we just
22 clarify by putting it in the claim, so that it's clear
23 that it's part of the claim.

24 THE COURT: So let's say I drop the word
25 unbiased but insert the concept into this the

Proceedings

1 construction of these claims, an independent -- a third-
2 party independent third-party accounting service,
3 accounting and statistical service that is not paid based
4 on the number of clicks.

5 MR. VERHOEVEN: We're fine with that, your
6 Honor. You might want to make it a little bit broader
7 and make that an example is the only thing because --

8 THE COURT: So it --

9 MR. VERHOEVEN: For our purposes, it's fine.
10 You just want to be careful on appeal that it's not too
11 narrow. That's the only thing I am going to say on that.
12 So but I think that that would be totally acceptable.

13 THE COURT: Okay.

14 MR. VERHOEVEN: And if you want to achieve a
15 broad -- if you don't like unbiased and you want to
16 achieve a broader statement, that still has that language
17 on the end but a little broader intro, I like your
18 reference to third-party neutral or financially neutral.
19 Those I think convey the same notion that -- so if you
20 think biased is too broad and too wiggly of a term and
21 you don't know exact -- bias with respect to what? It's
22 really this financial notion, that you're neutral
23 financially. But to answer your question, what you
24 propose would be acceptable to us.

25 THE COURT: Okay.

Proceedings

1 MR. VERHOEVEN: In the interest of time,
2 although I have a number of other slides, I think I have
3 conveyed my points and so we can move on if you would
4 like.

5 THE COURT: All right. Yes. Let's do --

6 MR. VERHOEVEN: Unless you have any further
7 questions on this particular --

8 THE COURT: I don't. Let me ask you this
9 question for -- are the tutorials typically entered as
10 exhibits in --

11 MR. VERHOEVEN: No, your Honor.

12 MR. FLYNN: They're not evidentiary.

13 MR. VERHOEVEN: No.

14 THE COURT: They're just -- they're not
15 evidentiary. They're --

16 MR. FLYNN: They're not evidentiary. They're
17 submitted for the assistance of aid.

18 THE COURT: Okay.

19 MR. VERHOEVEN: However, the slides for the
20 arguments typically are put on to the record and filed
21 for the record. Do you have a personal preference on
22 that?

23 THE COURT: When I say tutorials, I really
24 was --

25 MR. VERHOEVEN: So there's a --

Proceedings

1 THE COURT: -- tied to everything.

2 MR. VERHOEVEN: Yes, there's a difference
3 between the argument and how that's treated in the
4 tutorial. Typically my experience, the tutorials are not
5 on the record and can't even be cited by agreement of the
6 parties usually.

7 THE COURT: I wouldn't cite to the tutorials.

8 MR. VERHOEVEN: Right. But then the Markmans
9 are on the record. They're actually -- they're
10 (inaudible) to be on the record and counsel had set of
11 Markman files, as well, then it would be on the record.

12 THE COURT: Have you put them on ECF?

13 MR. FLYNN: No but we will after today, your
14 Honor.

15 THE COURT: Okay. Good. And you have it --
16 the slides themselves are not evidence. It's what's in
17 the slides.

18 MR. VERHOEVEN: Exactly and hopefully if not
19 all of them, the vast majority are simply pull outs from
20 the briefs.

21 THE COURT: Can ECF handle this, do you think?

22 MR. VERHOEVEN: Yes, we've done it before.

23 MR. FLYNN: Yes.

24 THE COURT: Yes? Okay. It just seems like it
25 would be a lot of big files to put down but it can.

Proceedings

1 Can I take these other conferences or --

2 MR. VERHOEVEN: Absolutely, your Honor.

3 THE COURT: All right. Let me do that. Do you
4 have a guesstimate of when we should be back roughly?

5 THE COURT: I would say a quarter of. A
6 quarter of, 3 o'clock, around there.

7 MR. FLYNN: So, your Honor, when we come back
8 then we will start with the next claim -- actually I
9 would like just a couple of minutes of rebuttal to some
10 of the things that Mr. Verhoeven has said on this claim
11 term but then we will move into the next claim term?

12 THE COURT: Well you were going to move into --

13 MR. VERHOEVEN: I was.

14 THE COURT: -- something different?

15 MR. VERHOEVEN: I was.

16 THE COURT: Okay.

17 MR. FLYNN: Yes, I think we're going to -- I
18 think we had it set up is that the plaintiffs would go to
19 the next claim term before we finished with it.

20 MR. VERHOEVEN: Do you want to still want to
21 take argument on this, it's up to your Honor, but --

22 THE COURT: No, I will just hear a couple of
23 minutes of rebuttal.

24 MR. FLYNN: That's fine.

25 THE COURT: Just a couple of minutes and then

Proceedings

1 move on to the next thing. I don't want -- you know, I
2 want Mr. Verhoeven to be able to catch the next plane --
3 he's constantly checking his watch.

4 MR. FLYNN: He apparently takes so many planes,
5 I am sure there's another one.

6 THE COURT: Yes.

7 (Off the record)

8 THE CLERK: Back on the record. Web Tracking
9 Solutions, Inc. v. Google.

10 MR. FLYNN: Your Honor, just briefly in
11 rebuttal to some of the statements that Mr. Verhoeven
12 made, I hope I am not dating myself with his
13 instructions. It really is the proverbial request to
14 have your cake and eat it too. They're asking you to put
15 a limitation -- put a construction for this claim term
16 that severely limits the scope of the claim, that renders
17 Google financially biased so that they can avoid
18 infringement of this patent.

19 But then to go further and to put in an
20 explanation within the construction, not even limited to
21 example, but they actually put further explanation into
22 instruction that would then allow them, once they had
23 their cake, to eat it by being so limited there's no way
24 that they would ever have to worry about going to a jury
25 and telling a jury that indeed, they are biased, that

Proceedings

1 they are not trustworthy, that they are not reliable when
2 they are counting for advertisers and publishers whether
3 it be CNN or anybody else that they assert.

4 They ask you to put into the claim construction
5 for this website or for this claim term, not only the
6 fact that it's independent, not only then on bias, but
7 then they want you to go ahead and elaborate on the
8 construction claim, making sure that unbiased in the
9 construction means it can't be paid based on clicks.

10 They ask you to do that because they take a
11 word that appears in the specification in the context of
12 a two party transaction, advertisement publisher. It
13 never appears in the prosecution history. It never
14 refers to the third-party accounting service.

15 So they ask you to put a word in there unbiased
16 and further defined, meaning you can't be paid based on
17 clicks when there is no mention anywhere specification or
18 prosecution history of how the third-party is paid. And
19 ignore instead the language that is explicitly in the
20 prosecution history that Mr. Wexler made very clear to
21 the examiner how his invention was distinguished from the
22 prior art, that when the examiner had said the prior art
23 that Kirsch and Graber references closed to third party,
24 Wexler explained; no they didn't.

25 Our third-party is not what Kirsch disclosed.

Proceedings

1 Kirsch may have disclosed a third server but it was still
2 Kirsch. It was not an independent third-party. We
3 vehemently disagree with the characterization that this
4 -- these amendments narrowed the scope of the claim with
5 respect to the third party. The amendments added
6 multiple publishers. With respect to third-party, it
7 clarified that indeed Kirsch and Graber did not disclose
8 a third-party whereas Wexler's invention did.

9 The references to Nielsen again, in the
10 prosecution history, there's nothing referencing how
11 Nielsen was paid. But the fact of the matter is, it's
12 common knowledge, Nielsen's paid by the networks, not by
13 the advertisers. The advertisers pay to the networks
14 based on the ratings that Nielsen gives. So there's only
15 one party paying Nielsen, the networks. And the higher
16 those ratings, the more the networks are going to make
17 than the advertiser and of course it then logically
18 follows that the more the networks are making, since
19 they're only dealing with Nielsen and Nielsen is getting
20 paid by the networks, the more Nielsen stands to gain in
21 their dealings with the networks as to how much they get
22 paid.

23 The fact of the matter is, the Wexler patent
24 does not guarantee against all bias or potential for
25 bias. What it does do is exactly what Mr. Wexler said in

Proceedings

1 his testimony that Mr. Verhoeven cited on page 55 of his
2 slide. When you use the term third-party, what are you
3 referring to? In my opinion, a third-party is a party
4 who is believable by two sides who has credibility and is
5 trusted. Basically, they have confidence, party A and
6 party B has confidence party C that they are going to be
7 truthful and give accurate statistics. That's the
8 independent third-party that the Wexler invention
9 teaches. Not one that dictates or determines the precise
10 method by which that third-party is paid but one that
11 teaches that the third-party is believable to both the
12 advertiser and the publisher, that it is -- that it has
13 credibility and is trusted, that the advertiser and the
14 publisher have confidence that that third-party will give
15 them accurate statistics. It says nothing in the
16 prosecution history about how the third-party is to be
17 paid.

18 By them asking you to not only give to this
19 claim term that otherwise has no limitation about
20 unbiased or how the third-party is paid, they want you to
21 write that into that claim term knowing that if you do
22 that, they don't have to worry about ever explaining it
23 to a jury. And, in fact, the obligation of the Court is
24 not what was stated. The obligation of the Court is to
25 construe the term. It's not the obligation of the Court

Proceedings

1 during the Markman process to then say what the terms
2 means. That's for a later infringement -- in the later
3 stages of the infringement analysis.

4 These constructions get turned into jury
5 instructions. It's up to the trial court to then use
6 those instructions to a jury and if the trial court
7 determines to elaborate on those jury instructions for
8 how the jury is to interpret them. It is not the purpose
9 of the Markman court to not only give the construction
10 but to explain what the construction means. That's
11 simply not it.

12 MR. VERHOEVEN: Your Honor, I can address this
13 later but there are two points I need take less than one
14 minute.

15 THE COURT: All right.

16 MR. VERHOEVEN: First, your Honor, I just have
17 to take exception with the statement repeated twice and
18 then three times just now that it's not for the Court and
19 part of the marketing to say what the terms means. I beg
20 to differ.

21 MR. FLYNN: That's not what I said.

22 MR. VERHOEVEN: That's -- well that's what I
23 wrote down and maybe I misheard, your Honor, but
24 obviously we disagree with that. That's the entire
25 purpose. That's what claims construction is, saying what

Proceedings

1 the claim terms means.

2 Secondly, the point about with no evidentiary
3 support whatsoever, that Nielsen is paid by the networks,
4 you didn't hear -- I don't know if that's true or not off
5 the top of my head, but you didn't hear counsel say that
6 Nielsen's paid more by the networks if they have higher
7 ratings. And that's the key. If the payment is teed
8 off, it changes, increases or decreases, depending on the
9 outcome of statistical analysis. That's where the
10 perception of bias is and that's why they're talking
11 about Nielsen. Thank you, your Honor.

12 MR. FLYNN: And that's the point, your Honor.
13 There's nothing in there about how Nielsen is paid
14 because that wasn't the focus. The focus is that there
15 was a third party that both sides could trust. And I
16 didn't say that it wasn't the purpose of the Court to
17 construe the claims. I said it's not the purpose of the
18 Court to construe the claims and then to interpret what
19 the constructions means. It's only the purpose of the
20 Court to construe the claims which are then turned into
21 jury instructions.

22 The next claim term that we're talking about is
23 the first uniformed resource locator is obtained by the
24 first user's web browser from the first website. It
25 appears in the first step of claim one which is the

Proceedings

1 receiving step. And again, going back to what I have
2 explained before, the receiving steps, all of the steps
3 in this patent, once -- they start from the point where
4 the user has clicked on the end but in this particular
5 step, it says wherein the first uniformed resource
6 locator is obtained by the first user's web browser from
7 the first website, that obtaining the first URL has
8 already occurred before the user clicks on the ad, that
9 the receiving step is when the user clicks on the ad and
10 sends the URL to the third party.

11 So there is no -- in the competing
12 constructions, plaintiff's proposal is that that claim
13 term means that the first URL is acquired as a result of
14 interaction between the first user's web browser and the
15 first website.

16 For example, when the user enters the website's
17 URL into the browser and accesses the publisher's website
18 -- I'm not sure if I said that the way I meant to say it
19 -- when the user enters the publisher's URL into the
20 browser and accesses, logs onto the publisher's website,
21 as opposed to Google's construction, that that claim term
22 means that it is part of the web -- the first URL is part
23 of the web page and that it is downloaded from the first
24 website, the publisher's website to the first user's
25 browser.

Proceedings

1 That we suggest is thematic about how Google
2 claim term after claim term attempts to narrow the scope
3 of the claim by inserting -- restrictive terminology into
4 the claim term itself -- into the claim language itself.

5 There is no question and there is no dispute
6 that the user's web browser must obtain the first URL
7 from the publisher's website. And the URL is the URL
8 that is associated with advertising for the advertiser.
9 There's no dispute about that. The dispute is what
10 obtain means.

11 It goes back to this tutorial slide that we did
12 this morning that relates to how a web page is rendered.
13 And again if you recall, this web page depicted or I am
14 sorry, this slide depicted that when the user enters the
15 publisher's URL, it generates a request from the website
16 for an html coded page, a hypertext source file written
17 in html. That html coding instruct's the user's browser
18 what it needs to do to construct that web page.

19 And in this example that we used, the html
20 indicated that the flower image was located at a
21 different website, S2.com. So that when the browser
22 received that html coding, it resulted in the browser
23 sending a second request this time to S2.com which is
24 where the flower image was stored. And S2.com returned
25 the user's browser and displayed that image on the

Proceedings

1 browser's web page.

2 So if you substitute the advertisement that
3 contains the first URL or that includes the first URL for
4 this flower image, it's the same thing. The way the user
5 obtained that first URL is simply by logging on to the
6 publisher's website, in this case by analogy the S1.com
7 website.

8 And as a result of the html instructions and
9 the page returned from the S1/publisher's website, the
10 user's browser automatically was sent to the S2.com
11 website, a different website all together. The browser
12 didn't know that. The only thing browser did was to
13 access the first website's -- the S1.com website or the
14 publisher's website, so that in the event -- in the
15 advertisement publisher context, in the event that the
16 user logs onto the CNN.com website and the html page
17 that's returned from CNN to the user's browser contains
18 coding that directs the user's browser to go to a
19 different website all together, including a third-party
20 website, to retrieve the advertisement that includes the
21 first URL which is then sent back to the browser, it's
22 the same process.

23 The user only entered the -- or only accessed
24 the CNN.com website. In fact, it couldn't have gone
25 anywhere else to get the ad, other than to go to CNN.com.

Proceedings

1 That's the significance of the distinction and the
2 restriction that Google tries to impose by saying that
3 the advertisement or that the URL has to be downloaded
4 from the publisher's website. No it doesn't. That's
5 contrary to the reality of how a web page is rendered.
6 It only has to be attained from the first website which
7 the user's browser does when it obtains the coding that
8 directs the user's browser where to go to get that
9 advertisement that has the URL. That's how the user's
10 browser obtains the first URL from the publisher's
11 website.

12 This specification directly supports that
13 interpretation. This specification, in column 4, lines
14 18 to 36, it describes what happens when the link is
15 established by the user entering the URL of the website
16 into the browser. Once that link is established, the
17 browser sends it down, no request signal to the website.
18 That's what we were talking about before to get the html
19 instructions or the html page. In response the website
20 downloads information to the user's web browser and the
21 download of information includes a copy of the requested
22 hypertext source file operable to generate a web page
23 having a banner.

24 It doesn't say a copy of the requested
25 hypertext source file that itself includes the

Proceedings

1 advertisement or the URL. It says a copy of the
2 requested hypertext source file operable to generate a
3 web page having a banner. All that means is that when
4 the user's browser gets back the hypertext source file
5 from the publisher's website that has html instructions
6 for where the user's browser is to go to get the
7 advertisement, to get the URL, that's how the requested
8 hypertext source file is operable to generate a web page.

9
10 It doesn't say in the specification that it has
11 to go back to the publisher's website to get an
12 advertisement. It just says operable to generate the web
13 page, having the banner. So that if the hypertext source
14 file was operable to send the user's browser to another
15 website to get the URL, that's how the hypertext source
16 file is operable to generate that web page having a
17 banner. In either case, the only place the user went by
18 deliberate effort was to the publisher's website, the
19 only place he could have gone, the only URL he could have
20 entered into his browser to get that advertisement was to
21 go to that publisher's website.

22 Google relies upon figure 2 and figure 2 of the
23 patent, first of all it is expressly stated that figure 2
24 describes an exemplary embodiment of the invention,
25 meaning that it is -- the scope of the claims are not

Proceedings

1 limited to this embodiment, but it's an exemplary
2 embodiment.

3 Even so, Google says well look, the lines we're
4 talking about, the website on the bottom of the screen,
5 that is a misfigure of the publisher's website. I'm not
6 very good with this (indiscernible) right there. That's
7 the publisher's website.

8 And so that when the link is established and
9 the browser sends a request, what's sent back, 11(b),
10 that's the hypertext source file, he says look, they're
11 on the other arrows, pointing from the web browser to
12 anywhere else to get the URL or the ad containing the
13 URL. So it obviously must be what comes from the website
14 already has the URL. All 11(b) says is the hypertext
15 source file operable to generate the web page that has
16 the banner. It's not critical to the Wexler invention
17 how that hypertext source file operates. It's not the
18 purpose of figure 2 to then depict every other thing that
19 happens as a result of the html instructions that are
20 downloaded from the publisher's website. It's only
21 depicting the fact that the user's browser obtains the
22 hypertext source file from the web site and however
23 that's operable to generate a web page, however that
24 operates to generate that web page having the banner,
25 then once the user clicks on that ad or that banner as

Proceedings

1 it's described, the user then is directed to the third-
2 party site and then redirected to the advertiser's site.

3 So there's nothing in figure 2 that limits or
4 that justifies or supports the limitation that Google
5 would insert into this claim that the URL that's part of
6 the advertisement has to be downloaded from the website.
7 To the contrary, only the hypertext source file needs to
8 be downloaded from the publisher's web site to the user's
9 browser.

10 Google also relies on figure 3 in its briefing
11 and again, it talks about in that language, the language
12 on the bottom that's highlighted, it says look, it says
13 the aforementioned coding referring to the hypertext
14 source file, the aforementioned coding includes the URL
15 according to the third-party website. See that proves
16 that the URL must be downloaded from the publisher's
17 website. What they failed to point out is what's up
18 above. That figure 3 is an exemplary method. In fact,
19 we don't have this portion up there -- in fact, in the --
20 in column 3, lines 7 and 8, if I am counting them
21 correctly, it says figure 3 is a flow diagram of an
22 illustrative method for implementing the system of figure
23 2. So figure 3 and the language in the specification
24 that's describing figure 3 is only describing an
25 illustrative method of figure 2.

Proceedings

1 Again, it does not confine the scope of the
2 claim to say that the URL must be downloaded from the
3 publisher's website. In fact, since figure 3 is an
4 illustrative method of figure 2, and figure 3 is
5 specifying that the URL is downloaded from the
6 publisher's website, well then logically that would lead
7 you to conclude that the method depicted in figure 2, it
8 isn't and can just be a hypertext source file that
9 directs the user's browser to somewhere else to get the
10 ad that has the URL. So that then when the user clicks
11 on the ad, the URL is sent to the third-party website.

12 And finally, your Honor, the plaintiff's
13 definition of obtain is indeed consistent with widely
14 accepted meaning of commonly understood words which is
15 one of the principles of claim construction. The
16 definition of obtain to come into possession or enjoyment
17 by one's own effort or by request, to procure or gain as
18 a result of purpose and effort generally to acquire.

19 Applying that -- that comes from a 1989 version
20 of the Oxford English Dictionary which Google apparently
21 complains well that's not 1996. Well that's the closest
22 to 1996 but to satisfy their objection, the definition of
23 obtain from the Oxford English Dictionary of 2010 is
24 about the same, as are the definitions of download.

25 Compare the definition of obtain to download,

Proceedings

1 how much more restrictive is the definition of download
2 than obtain? So when the claim term says -- uses the
3 word obtained, it should be given its commonly and widely
4 accepted meaning of that word, not a much more
5 restrictive word that again finds no support in the
6 intrinsic evidence and is contradicted by the intrinsic
7 evidence. That's all I have for this.

8 THE COURT: Okay.

9 MR. FLYNN: Do you want us to finish at this
10 point redirect and then go back to do this one and
11 redirecting on the defense side or do you want to go term
12 by term? There's only redirecting left after this one.

13 THE COURT: Let's go --

14 MR. FLYNN: Would you rather hear his response?

15 THE COURT: I want to hear the response --

16 MR. FLYNN: Okay.

17 THE COURT: -- while it's fresh in my mind.

18 MR. FLYNN: Okay.

19 MR. VERHOEVEN: I will just switch monitors
20 again. I apologize.

21 MR. FLYNN: Oh, sure.

22 MR. VERHOEVEN: Bear with me one second, your
23 Honor.

24 THE COURT: Take your time.

25 (Pause.)

Proceedings

1 MR. VERHOEVEN: Refer to slide 7, please.

2 THE COURT: Before you go, Mr. Flynn?

3 MR. FLYNN: Yes, sir.

4 THE COURT: Claims 7 and 8, just are
5 complimentary to claim one and complimentary is not the
6 right word.

7 MR. FLYNN: Claim 7 is broader than claim 1.
8 Claim 1 or claim 7 refers to nodes rather than website.
9 So claim 1 is a web-based application claim. The node
10 can be broader than that. So what we were saying before
11 that the issue with respect to fourth website, for
12 example, and fourth node in claims 1 and 7 respectively,
13 are the same. It's the required and dependence.

14 Here, there is no comparable disputed claim
15 term or corresponding disputed claim term in claim 7 that
16 corresponds to the one that we just discussed from claim
17 1.

18 THE COURT: So when claim 7 uses the phrase
19 download in reference to the fourth node throughout --

20 MR. FLYNN: I'm sorry, sir where are you --

21 THE COURT: Claim 7, a method for third-party
22 accounting on a network that compromises a plurality of
23 nodes, ya-dah, ya-dah, ya-dah, then it says receiving at
24 a fourth node, a first download request signal?

25 MR. FLYNN: Yes, I mean first of all that's not

Proceedings

1 even at issue here. That's not a disputed claim term
2 here and that's different than --

3 THE COURT: It --

4 MR. FLYNN: So again, it's not like we were
5 disputing -- like we were disputing fourth node in claim
6 7, we were disputing fourth website in claim 1, same
7 arguments. But the only claim term we're disputing here
8 is in claim 1. We're in the first URL is obtained by the
9 user's browser from the first website. There is no
10 corresponding dispute in this claim term or in this
11 claim, sir.

12 THE COURT: I --

13 MR. FLYNN: And so it's a different thing all
14 together.

15 THE COURT: Okay. All right. Go ahead,
16 Mr. Verhoeven.

17 MR. VERHOEVEN: Thank you, your Honor. I will
18 bring on slide 7(e), Google's slide deck, your Honor. So
19 we start by just illustrating -- again, the starting
20 point here is the language of the claim itself. So I
21 will start and go through the normal analysis process, so
22 start with the claim language. The phrase is, "Wherein
23 the uniform resource locator is obtained by the first
24 user's browser from the first website."

25 The dispute here, your Honor, is whether this

Proceedings

1 is coming from the first website as we argue and which we
2 think the claim language expressly defines or whether you
3 can have 15, 20, 30 intermediate transfers but because
4 you started by clicking a URL to the first website, as
5 long as it's a but for cause, 15, 16 transfers down the
6 road that it comes back to you, that that means it's
7 obtained from the first website. We would say no.
8 That's contrary to the express language of the claim.
9 The claim itself is very particular.

10 This is not some pioneering patent here. This
11 is a patent by their own admission, the only thing it did
12 with the prior art is it switched the request response
13 from the publisher to a "third-party entity." It's the
14 exact same request response, the exact same redirect --
15 the requested redirect, this is already in the prior art
16 by admission. So this is a narrow patent that's talking
17 about a very specific tweak on how to do things.

18 And so it's important -- and that's why it's
19 specifying as you go through these different elements,
20 specific websites and specific files and URLs, a very
21 specific type of address file and saying specifically
22 where it comes from and where it goes to. And so this
23 dispute is primarily -- our primary argument, your Honor,
24 is based on the language of the claim itself. The
25 language of the claim itself expressly says that the file

Proceedings

1 -- that the URL is obtained from the first website. And
2 that's all -- that is the crux of the dispute.

3 Now if you look at the claim constructions that
4 are proposed, Google's construction is a first uniformed
5 resource locator is part of the web page generated by the
6 first website and downloaded from the first website to
7 the first user's web browser.

8 Now we've got some language in there we could
9 wiggle with, your Honor. Part of the web page, we could
10 probably take that out if there's an objection to that
11 and just say the first uniformed resource locator is
12 generated by the first website and downloaded from the
13 first website to the first user's web browser. I know
14 there's some talk about well you don't really download a
15 web page, you just download an instruction. Fine. Take
16 that out.

17 The key here is that this first URL is
18 downloaded by the first website to the first web browser.
19 It comes from the first website. Now if you look at the
20 plaintiff's construction, they obliterate that
21 limitation. So they say the first uniformed resource
22 locator is acquired as a result of interaction between
23 the first user's web browser and the first website. Well
24 that means it doesn't have to come from the first user's
25 website or excuse me, it doesn't have to come from the

Proceedings

1 first website.

2 There's nothing in the claim language talking
3 about acquiring as a result of interaction. The claim
4 language says from the first website. Our proposed
5 construction says from the first website. It tracks that
6 claim language. The plaintiff's construction completely
7 obliterates that limitation.

8 Let's go to slide 73, please. As your Honor
9 knows, the most important thing you look to when you're
10 doing claim analysis is the claim terms themselves. The
11 starting point for any claim construction must be the
12 claims themselves. The Courts may not redraft claims
13 because this would interfere with the function of the
14 claims and putting competitors on notice of the scope of
15 the claimed invention.

16 So I noticed that in making their argument,
17 counsel for the plaintiff did not refer you to the claim
18 initially at least or to the specification. They
19 referred you to slide 37 of their argument slides. This
20 looks familiar to me and I looked it up on the tutorial
21 slides and it looks like it's -- with the different
22 colored background, slide 14 of the tutorial slide.

23 So this isn't even evidence, your Honor. This
24 is an illustrative document that doesn't even come from
25 the intrinsic evidence. It's not even submitted with an

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1 expert declaration. It's just an illustration the
2 lawyers put together. But what's interesting about it is
3 a couple of things, if I might, your Honor. And I will
4 work off the tutorial slides, if I might.

5

6 Slide 14 which I think is the same thing with a
7 different background --

8 MR. FLYNN: Your Honor, it is and I think I
9 made it perfectly clear that it was the tutorial slide.

10 MR. VERHOEVEN: -- slide 57.

11 MR. FLYNN: It is the same slide.

12 MR. VERHOEVEN: Now, if you --

13 THE COURT: Well wait a second, the wrong book;
14 sorry.

15 MR. VERHOEVEN: It's this book here.

16 THE COURT: Sorry.

17 MR. VERHOEVEN: Under tab A, Exhibit A.

18 THE COURT: Got it.

19 MR. VERHOEVEN: All right. So this is just an
20 illustrative document but what's interesting is what
21 counsel was talking about here in the tutorial was a gif
22 file, a graphic file. And you may remember, counsel was
23 pointing your Honor up here to the html code. And this
24 is coming from where? It's coming from this first
25 website; right? Well if you look at the spec, it -- and

Proceedings

1 so it's -- the URL is not the gif file, okay? The URL is
2 a code. It's not a graphic file.

3 And so they're trying to equate a gif file that
4 the client needs to go out and fetch, I think you used
5 the word, as part of the download process, is completely
6 misleading. The question is URL. And what's interesting
7 is this is where the html language is depicted, even in
8 their illustration, your Honor.

9 And if you look at the spec, which is the
10 actual intrinsic evidence and I'll go to slide 76 -- I
11 couldn't anticipate every argument they'd make, so these
12 slides don't lay out exactly sequentially. But if I
13 could go back to my slide, slide 76, you will see -- I
14 don't know if you have it yet or not, your Honor.

15 MR. VERHOEVEN: I got it.

16 THE COURT: You'll see this is a depiction, a
17 cut and past from Cohen (indiscernible) 47 through 53,
18 according to operation block 101, "The hypertext file
19 that generates the web page in the banner is edited or
20 originally coded so that the banner is operable in
21 conjunction with the user's web browser to form a
22 hypertext link to the third-party website when clicked
23 upon. The aforementioned coding --" what coding is that,
24 your Honor? Your Honor, if you just look up, that's this
25 code here, okay -- "the aforementioned coding includes

Proceedings

1 the URL pointing to the third-party site."

2 So number one, this isn't in evidence. This is
3 not evidence at all. This is just an attorney
4 illustration but it's helpful to show that if you look at
5 the intrinsic evidence, what they're talking about even
6 in the spec is consistent with our proposed construction
7 from the claim language that the URL -- that is pointing
8 to the third-party site, comes from the first website in
9 the specification, as well as obviously to the plain
10 language of the claims.

11 Final comment on this example is this is an
12 option. Even if this was true, even if you had to go out
13 and gif file which you don't for URL, the very -- the
14 immediately preceding slide says you can do it from the
15 first website. All right? You could go back and fetch
16 the gif file from the same website. So just because it's
17 possible to configure it so it would fetch it from a
18 different website, is meaningless.

19 It's possible to do all kinds of different
20 things. The claim says it comes from the fist website.
21 That's where that URL has to come from. It can't come
22 from somewhere else, otherwise you're violating the claim
23 language.

24 And if you could go back one slide, your Honor,
25 to slide 75, the download process -- I'm sorry about

Proceedings

1 jumping back and forth, your Honor.

2 THE COURT: It's okay.

3 MR. VERHOEVEN: The download process and this
4 is just figure two, you can just look on the screen if
5 you want. The download process we're talking about is
6 illustrated very specifically and one of -- essentially
7 the only figure depicting how this thing works as between
8 the browsers and the various websites. And it very clear
9 shows that the URL is coming from that first website to
10 the web browser.

11 There's no depiction of it going somewhere
12 else, some intermediate place, three or four times and
13 then as a result of that interaction it then ends up on
14 the web browser. That's not what this spec talks about.
15 That's not what the claims talk about.

16 And I've got an illustration, a simulation on
17 slide 77. We're going to get fancy here, your Honor.
18 This is essentially what they're doing if I can
19 illustrate it. Go ahead. They're crossing out this
20 limitation and they're adding this. That's the import of
21 their construction. If you go with their construction,
22 it's not from the first website, it's from any source;
23 unlimited.

24 Now in the -- your Honor, in their briefs,
25 although I didn't hear it in oral argument, we were told

Proceedings

1 that there is no -- and this is a quote in the brief at
2 slide -- at page 16, your Honor, we were told, "There's
3 no explicit teaching that the hypertext source file that
4 is downloaded to the user's browser must include," I'm
5 reading from slide 78. I will start over. I apologize.
6 "There's no explicit teaching that the hypertext source
7 file that is downloaded to the user's browser must
8 include the actual advertisement or URL." And that's at
9 least at page 16 of their brief.

10 To the contrary, your Honor, we just looked at
11 it. The specification expressly says that the html file
12 "includes the URL pointing to the third-party site 13."

13 So there is an explicit teaching that that's
14 how it works in the spec which corroborates and reaffirms
15 the claims statement in the claims. We were told that
16 well, the specification uses the word exemplary and the
17 specification uses the word illustrative. So therefore,
18 you can't use the specification to interpret the claims.
19 That's not the law. The law doesn't look to whether a
20 patentee says this is just exemplary and then that's the
21 end of the day. If that was the case, then patent
22 lawyers would say that in every single patent and we
23 would never have any limitations.

24 What the Courts look to is what's the substance
25 of what's disclosed in the specification, not whether the

Proceedings

1 patentee characterizes it as illustrative or exemplary.
2 So what the Court's look at, are there five or six
3 different embodiments and we're only picking one and
4 that's inappropriate. Or alternately, is there only one
5 embodiment or is there three embodiments and they all
6 function exactly the same way with respect to this
7 attribute such that I believe a person -- I believe as
8 the judge, the person of ordinary skill would have
9 understood that that was a limitation of the claim.
10 That's how you analyze this stuff.

11 And the fact that the -- you could find a word
12 that says exemplary or illustrative, that doesn't end the
13 analysis. That's not even part of the analysis. So
14 what's the case here? Well the case here is that the
15 only method of URL delivery in the specification anywhere
16 is the method that I just went through where it comes
17 from the first website to the first browser. There is no
18 other example in the spec.

19 Now I don't think that you could even argue
20 that this would be taking the spec to limit the claim.
21 The claim says it comes from the first website. However,
22 the spec corroborates the plain meaning of the claim in
23 this situation, your Honor.

24 THE COURT: Now let me --

25 MR. VERHOEVEN: And has weight in that sense.

Proceedings

1 THE COURT: Technologically, a URL is an html
2 file; is that correct?

3 MR. VERHOEVEN: Let me just make sure I am -- I
4 think I know the answer is true. So to be really
5 precise, a URL could be in a file that gets transmitted
6 by html but a URL itself is commonly understood as an
7 address that you use of the internet.

8 THE COURT: Okay.

9 MR. VERHOEVEN: So it would come down with the
10 html and it would -- its function would be to be used as
11 an address that you could then send a request out to.

12 THE COURT: The URL is indicated in what way?
13 Like the -- there's -- like the code that precedes it is
14 http: something -- backslash or something like that?

15 MR. VERHOEVEN: No, you're looking at these --

16 THE COURT: I'm looking at the guy with the
17 information. You don't know this.

18 MR. VERHOEVEN: If you want to get up and talk,
19 go ahead. Answer the question.

20 THE COURT: Okay. So if I'm looking for a URL
21 within an html code, how do I find it?

22 MR. CURRAN: If you're looking for the URL in a
23 html file or a web page, one way to do that is using a
24 web browser to choose one of the options to talk which is
25 to voice the source of the page. Every browser lets you

Proceedings

1 do this, let's you look at not the rendered pretty html
2 in your browser but sort of the ugly non-human readable
3 code. And one of those codes for an object on a web page
4 that's clickable, that's a linked object, will be what's
5 called an anchor tag. So it's a bracket with the letter
6 A and it says H-track (sic) which stands for hypertext in
7 brackets. And after the H-track code is listed, it's the
8 URL and that code tells the browser I want you to link
9 the object that comes after this anchor tag to a specific
10 internet address, so that if someone clicks on the
11 rendered object, the browser will know to go to that
12 address.

13 THE COURT: And that anchor tag and the address
14 would be in the html code for the web page.

15 MR. CURRAN: That's correct, your Honor.

16 THE COURT: And the html code for the web page
17 comes from, in this context, the publisher.

18 MR. CURRAN: That's correct. To return to the
19 one that's not in evidence but just for the technical
20 portion, you had heard several times today people talk
21 about the base page or the coding.

22 THE COURT: Uh-huh.

23 MR. CURRAN: And then there are discussions
24 about other things that a browser might go fetch based on
25 that coding. Well the URL is part of the base page, the

Proceedings

1 coding. The html code that is downloaded from the
2 publisher's page to the browser. It's part of those
3 first seven instructions that start the thing off
4 (indiscernible). It's some of that text that you would
5 see before other elements are fetched. If a image takes
6 a long time to load, and you see text and you'll see
7 linked text as well. The text that you see at first
8 before anything else loads will have those blue
9 underlines or links because the code to link that text or
10 image or whatever, was downloaded along with the initial
11 first set of html instructions.

12 THE COURT: Thank you.

13 MR. VERHOEVEN: Thanks, Pat.

14 THE COURT: Do you mind if I stand up?

15 MR. VERHOEVEN: Absolutely not, your Honor.
16 I'll try to finish this off really quickly.

17 THE COURT: Take -- I am not trying to rush
18 you.

19 MR. VERHOEVEN: I think I will just jump to the
20 notion of the dictionary definitions and the dictionary
21 definitions of obtain, address that and I'll finish off
22 with this particular element, your Honor.

23 You'll recall when I was talking about the
24 debate between the Phillips approach and the Texas
25 Digital approach earlier today and the Texas Digital

Proceedings

1 would start with dictionary definitions. Phillips said
2 that was inappropriate. Well this definition of obtain
3 is a really good example of why there's danger in using
4 dictionary definitions.

5 As your Honor knows, the word obtain is not
6 limited to use in the field of computer science. Obtain
7 is used in a vast array of different areas and uses,
8 either technological or non-technological. And what
9 these definitions are pointing to is trying to
10 accomplish, is a definition that covers all of them, all
11 right? That's not appropriate when we're talking about a
12 very specific claim language where you're dealing with a
13 communication of a URL from a website to a browser.

14 You're not talking about some general notion of
15 obtaining something regardless of computer science.
16 That's the danger of using these sorts of definitions.
17 So the very argument that counsel's making that you
18 should use this word obtain as everybody understands that
19 this is the definition of obtain, that misses the point.
20 I could go try to find dictionary definitions that
21 defined obtain a little differently or what not. This is
22 what was happening with Texas Digital that bothered the
23 federal circuit. You don't do that.

24 And the way you conduct the analysis is you
25 look at the claim first and then you look at the spec to

Proceedings

1 see how the spec's using it. And at most, you might look
2 at a dictionary if your questions aren't answered. But
3 here the questions are answered. And looking -- taking a
4 look at this definition of obtain is incredibly broad and
5 overreaching and goes well beyond any use in the computer
6 science area that this is being used in, not to mention
7 that it's from 1989. You know, we're talking about
8 internet functionality that did not exist in 1989,
9 your Honor.

10 You heard the tutorial that the other side
11 submitted where they went all of the way back to the
12 formation of the world wide web. That happened after
13 1989. It happened in the '90 to the '95 time frame,
14 depending on how you count it but undisputedly not until
15 after 1989.

16 So looking at a general purpose broad
17 definition before the internet existed as we know it to
18 define a specific one word in a larger phrase that's
19 specifically talking about connecting a transfer or a
20 download of the URL from one website to one specific
21 browser is the height of any appropriateness in our
22 opinion, your Honor. And with that, I will, unless your
23 Honor has any further questions, I will move along.

24 MR. FLYNN: Your Honor, may I have our slides
25 back, please?

Proceedings

1 THE COURT: Oh, oh, yes.

2 MR. FLYNN: I guess I need to talk into this
3 for the (indiscernible).

4 THE COURT: It would help; yes.

5 MR. FLYNN: If I could, your Honor, I would
6 like to chime in on the technical question, the technical
7 clarification you requested about the URL.

8 THE COURT: Uh-huh.

9 MR. FLYNN: If you would go back please -- you
10 have our tutorial booklet up there, I believe, because
11 Mr. Verhoeven just referred you to it.

12 THE COURT: Uh-huh.

13 MR. FLYNN: If you would look at slide 18 from
14 our tutorial.

15 THE COURT: Okay.

16 MR. FLYNN: That was the slide that showed an
17 example of JavaScript and JavaScript in two different
18 ways with the JavaScript on the top part of the slide was
19 actually embedded as part of the html coding and the
20 bottom part of the slide, it -- there was a source
21 attribute that told the user's browser where to go to get
22 the JavaScript. In either case, the JavaScript had to be
23 executed at the user's browser.

24 So one way of obtaining a URL or one way of
25 getting that URL is for the JavaScript when it's executed

Proceedings

1 at the user's browser then tells the user's browser how
2 to fetch the ad that has the URL. So that when we're
3 going back to that slide that we had that showed the
4 analogy from the tutorial slide, this one, I think I made
5 it perfectly clear but I apologize if I didn't, that what
6 we were talking about was that the flower image -- no,
7 we're not equating that, I was using that by analogy,
8 that if you substituted the URL for that flower which I
9 am not saying that they're the same, but the end result
10 is the same, if there was coding in the html that told
11 the user's browser to go to another website to retrieve
12 the ad that had the URL, that's what's analogous about
13 it. The end result is the same.

14 What the user's browser downloaded from the
15 first website analogous to the publisher's website was
16 the coding that when interpreted at the user's browser
17 took the user's browser to a different website to get the
18 ad, to get the URL. That's what we're talking about when
19 I
20 -- that's why I put this tutorial slide back into this
21 part of the presentation to remind you of the discussion
22 that we had earlier this morning about that.

23 So it's not necessary and that's the point,
24 it's not necessary to download the actual URL from the
25 publisher's website. It's only necessary that the user's

Proceedings

1 browser download instructions, coding from the
2 publisher's website that in turn tells the user's browser
3 how to construct that web page, including going to
4 another website to fetch the ad for the URL.

5 They continue, your Honor, to rely -- it was
6 their slide 76 which you don't have to look for theirs,
7 it's basically that, the bottom portion of that, and we
8 actually highlighted the same last sentence. They
9 continue to rely on that when they say the specification
10 makes clear, look the URL points to the third-party
11 websites. So the URL or the coding is configured that's
12 received from the publisher's website and points to the
13 third-party's website. It's an illustrative method of
14 figure two that doesn't say that; totally misstated our
15 argument and our position to say that we are suggesting
16 an exemplary embodiment cannot be used to construe the
17 claim. We never said that.

18 What the principle is that an exemplary
19 embodiment cannot be used to limit the scope of the
20 claim. It doesn't confine claim scope to what's
21 described in the exemplary embodiment. This particular
22 language that they are primarily relying upon is
23 describing figure 3 which is an illustrative method of
24 figure 2, of describing figure 2. That means that figure
25 3 illustrative method cannot confine the scope of the

Proceedings

1 claim to this particular embodiment.

2 The bottom line is this. There's the
3 highlighted language of claim 1 with this step. So what
4 they would do is they would -- where it says wherein the
5 first URL is obtained, they would just change the word
6 obtained. They would actually alter the claim language
7 and make it downloaded -- is downloaded by the first
8 user's browser from the publisher's website. I can't do
9 the animation he did showing the change in the claim
10 language but that would, in essence, be what the change
11 would be. They would change obtained to downloaded.
12 It's downloaded by it.

13 THE COURT: Yes, but to be fair, a
14 commonsensical reading of that claim would indicate that
15 you're construction of it is eliminating the word from or
16 the words from the first website --

17 MR. FLYNN: No, sir.

18 THE COURT: -- because it's getting it from
19 somewhere else. The information is coming from the first
20 website but is obtaining the URL from somewhere else.

21 MR. FLYNN: The coding that tells the user's
22 browser what it has to do to go get the URL, under this
23 claim term that coding must be downloaded from the
24 publisher's website. That's what must be downloaded.

25 But if the coding tells the user's browser to

Proceedings

1 go to another website to get the ad, that's the
2 significance of the word obtained. And so we're not
3 using broad, wide-open usage of obtain. We are using it
4 in the context of this technology which was the purpose
5 of using the tutorial slide by analogy that in the
6 context of how a web page is rendered, the user's browser
7 obtains the coding that tells the browser how to get the
8 ad from the publisher's website.

9 THE COURT: Now let me ask you this question.
10 The first user's web browser obtains or gets or receives
11 from the first website when it types in www.S1.com.

12 MR. FLYNN: CNN.com -- yes, that's right. In
13 that example, S1.com.

14 THE COURT: It obtains from that website html
15 code that tells its web browser this is how you render
16 this particular web page.

17 MR. FLYNN: That's right. The S1.com's website
18 actually serves the html code to the user's browser. And
19 that coding has to be interpreted at the user's browser.
20 And the user's browser acts in accordance with those
21 instructions.

22 So again it's -- and by the way, essentially
23 Google's counsel concede in his remarks to you when he
24 was talking about how he went from our slide 14 in our
25 tutorials and went back to slide 13 in our tutorial,

Proceedings

1 slide 13 showed only a single serve, S1.com when the html
2 coding sent the user's browser back to S1 to get the
3 flower image, he was saying well that's just -- but the
4 one in 14 then in just an option. That's absolutely
5 correct. It's an option to either get it from the same
6 server, in this case with a publisher, it's an option
7 within the claim scope to -- for the user's browser to be
8 sent back to the publisher's web site to get the ad that
9 contains the URL.

10 But it's also an option within the claim scope
11 for that html coding to send the user's browser to
12 another website option depicted in slide 14 analogously
13 to get the ad that contains the URL.

14 And that's the point. When you have options,
15 you're not within the claims scope when there's no
16 limitation within the claim that would justify changing
17 obtained to download. When you have options, both are
18 within the claim scope.

19 So again, so that -- I don't misstate anything
20 or that you don't misunderstand due to my inarticulation
21 what I am trying to say, we're not trying to write out
22 from; that html coding has to be served from the
23 publisher's website. It just doesn't mean that the URL
24 has to be downloaded from the publisher's website.

25 MR. VERHOEVEN: We just heard the concession

Proceedings

1 that something has to be from the first website but now
2 we're hearing oh, no, it's just the html code, it doesn't
3 have to be the URL. So let's get back to basics. What
4 does the claim say is from the first website? The claim
5 says, "Wherein the first uniformed resource locator,"
6 it's right there, "wherein the first uniformed resource
7 locator is obtained from the first website," not wherein
8 the html code that loads the page is obtained from the
9 first website. It specifically says the address we're
10 looking at, the URL is from the first website.

11 So now we're hearing well, okay, I can see
12 something has to be from the first website, or else we
13 give up from the first website. So now they're writing
14 out what it is that has to be from the first website, the
15 first html code --

16 THE COURT: The first html.

17 MR. VERHOEVEN: -- not the URL. But the claim
18 says the first URL is obtained from the first user's
19 website. Okay? Their claim language expressly says I
20 don't care if it's an option or not, the claim language
21 says this is the option we're using. This is the claim
22 limitation. And they're trying to obliterate that claim
23 limitation. I am done with that, your Honor.

24 Counsel -- Mr. DeFranco, my partner, whose got
25 a technical degree and will be happy -- he's dying to

Proceedings

1 tell you about the technology. So if you want to ask
2 some follow-ups about how this html stuff works, I
3 encourage you to take two minutes and talk to him a well
4 but it's up to your Honor if you have any further
5 questions on the technology.

6 THE COURT: Well if he wants to --

7 MR. DeFRANCO: I think it's covered, your
8 Honor. I don't get dinner tonight from my wife unless I
9 can tell her I said something. So I will just say, just
10 so it's clear, when we're talking about this html file,
11 it's the file that renders the page. When I go to my
12 browser and I want to see a publisher's page like
13 CNN.com, that html code as you have heard, is a set of
14 instructions, right, pipe up these letters, this headline
15 in this color and put it in this font and put it here.
16 It's got that sort of code in between the brackets.

17 It can also say and by the way, I am going to
18 give you an address embedded in that code, as well
19 because I want you to go get something from some place
20 else. That's what the URL is. It's a uniformed resource
21 locator. It's a location on the web that has some
22 information.

23 So in sending out an html file that's going to
24 be rendered when you go to CNN.com, it's got all of that
25 html code in there that puts in the color and the

Proceedings

1 graphics and all of that information. It can also have
2 an address embedded in there. And that -- this claim
3 doesn't talk about rendering the html code specifically
4 in the browser CNN.com because one skilled in the art
5 knows that's what this is all about.

6 What does it do? It specifically points out
7 that URL. It goes right to the money of what this
8 invention is all about and says look, ultimately you're
9 going to go to an advertiser's website. That's the URL
10 we're talking about. That has to be embedded in the code
11 when that first CNN.com page is rendered. And where do
12 you get that from? It tells you exactly where you get it
13 from. It's got to come from the first web page. It goes
14 right to the money. It goes right to that portion of the
15 html code and explicitly identifies exactly where it
16 comes from.

17 So to take that clause and say well there are
18 other possibilities when the inventor went out of his way
19 to say this is what my invention is all about, that's the
20 exact opposite of claim construction. It's a very
21 specific portion of how that page is rendered and it very
22 specifically identifies exactly what (indiscernible).

23 MR. FLYNN: Your Honor, again just a final
24 point to clarify, we are not writing anything out of the
25 claim. We are not saying you do not have to obtain --

Proceedings

1 that the user's browser doesn't have to obtain the URL
2 from the publisher's website. You do have to obtain the
3 URL from the publisher's browser. The simple question is
4 how does the browser obtain it? It obtains it, it does
5 one thing. It can't go to the third-party website
6 directly to get the ad if that's where the ad is. The
7 only thing the user does and can do to get that ad as the
8 URL is to enter the URL address of the publisher's
9 website. It then depends what's in the html coding from
10 that publisher's website where the user's browser is then
11 sent to download the URL, obtain does not mean download.
12 In the context of the technology, just like my colleague
13 Mr. DeFranco just said, that coding then tells the user's
14 browser where to go to get the advertisement that has the
15 URL. The browser has obtained that coding from the
16 publisher's website. And the coding tells the browser
17 what to do to get the ad.

18 It is within the claim scope, why else -- this
19 language that we were looking at, why else would figure 3
20 which is an illustrative embodiment of figure 2 or an
21 illustrative method of figure 2, specifically state that
22 the coding includes the URL but figure 2 itself, a
23 description of the portion and specification referring to
24 figure 2 simply say that the hypertext source file is
25 operable to generate a web page having a banner. In

Proceedings

1 other words, figure 2 itself does not limit the
2 embodiment that the coding includes the URL, only figure
3 3, the illustrative embodiment of figure 2 does that.
4 And the claim construction principle says you can't limit
5 claim scope by a specific embodiment.

6 THE COURT: Now let's move on to the last -- I
7 think the last term; right?

8 MR. FLYNN: Yes, this is the last term.

9 THE COURT: All right.

10 MR. FLYNN: And it is analogous here to
11 transmitting claim -- a step in claim 9. I actually got
12 up on the screen if you want to look at the two different
13 claims. So the redirecting is in claim 1 and the
14 transmitting is claim 1. Somebody's going to look at the
15 redirecting step of claim 1 because again it's the same
16 argument.

17 The claim term says redirecting at the fourth
18 website, the first user's web browser to the third
19 website in response to the receipt of the first URL. The
20 plaintiff's don't think that there's any construction
21 necessary for this claim term and should be given as
22 plain an ordinary meaning subject to the term redirecting
23 upon which the parties have agreed. The agreed upon
24 definition of redirecting is transferring a point from
25 one place to another; for example, from one website to

Proceedings

1 another website or from one node to another node.

2 Given that agreed upon definition of
3 redirecting, the plaintiffs do not believe that any
4 further construction is necessary other than plain and
5 ordinary meaning for this claim term subject to the
6 agreed upon definition of redirecting.

7 Google's proposal is, however, that this claim
8 term be construed to say that it is redirecting to the
9 third website as the response to the first browser's
10 request containing the first URL. So a comparison of the
11 claim language to Google's proposal shows that it's
12 nothing more than a blatant attempt to change the claim
13 language to suit their purposes to try to avoid the
14 infringement.

15 The claim language actually says in response
16 to. They changed that to as the response to. They don't
17 even try to construe the claim term. They just try to
18 change it. They do this going back to -- and this is
19 what we discussed this morning as part of our tutorial,
20 the http protocol and the request response parities.
21 They justify this attempt to alter the claim language by
22 saying the http is get response -- request response, so
23 that if the request that is sent to the third-party as a
24 result of the user clicking on the ad that is displayed
25 as part of his web page, that's the request. Well since

Proceedings

1 http is a request response paring, there must be a single
2 response. Therefore that single response must be the
3 redirect command back to the user's browser redirecting
4 the user's browser to the advertiser's website. There
5 can't be anything else. That's the one and only response
6 based on this http protocol.

7 But again, that just ignores the actuality of
8 the technology. We agree for each request there is a
9 single response. That's the end of our agreement because
10 the web applications in reality involve multiple request
11 response pairings, so that saying that there must be a
12 single response to an http request is not the same thing
13 as saying and there is one and only response that it can
14 be. In fact, it can be a number of different responses,
15 a single response, but it doesn't have to be one and only
16 one response.

17 So for example, the response or the request
18 that is generated to the third-party site when the user
19 clicks on the ad, that's the request message. The
20 response that comes back to the user's browser, it could
21 be redirecting the user's browser to the advertiser's
22 website at that point but it could also be redirecting
23 the user's browser back to the third-party site before
24 the third-party site issues another redirect command to
25 the user's browser ultimately redirecting the user's

Proceedings

1 browser to the advertiser's website.

2 What the actual claim language allows or
3 requires, I should say, is only that after the third-
4 party receives the first URL that was -- which it does as
5 a result of the user clicking on the ad, that the third-
6 party site ultimately redirect the user's browser to the
7 advertiser's website but it does not have to be the
8 immediate response to that request message. There can be
9 an intermediary step or steps as long as the third-party
10 site ultimately redirects the browsers to the advertisers
11 website.

12 THE COURT: But what would be the intermediary
13 steps?

14 MR. FLYNN: Okay.

15 THE COURT: I'm trying to get a sense of it.

16 MR. FLYNN: So let me try to explain using --
17 if I can first let me just point to you -- I mean I can
18 come back to this but here's the portion of the
19 specification that supports what I just said that all
20 that's required is that the user's browser ultimately be
21 redirected to the advertiser's website. This comes from
22 the specification on the left side. That quote is from
23 the abstract. The right side is from column 5, lines 1
24 through 3. And it makes explicitly clear that "A third-
25 party accounting service in the abstract receives a

Proceedings

1 download request signal ultimately intended for an
2 advertiser website."

3 In claim 5 which is a detailed description of
4 the invention, it's the download request received by the
5 third-party service is ultimately intended to obtain
6 information from the advertisers. That's the support and
7 specification for our interpretation in response to the
8 question that you just asked what would be the purpose of
9 it. This would be one of the purposes of an intermediate
10 redirect.

11 So an example, I said -- and this by the way on
12 the right side, this is the logging step of claim 1.
13 After the receiving, before the redirecting step, in
14 between there is the logging step.

15 THE COURT: Yes, but I don't think Google's
16 disputing that that's a step that takes place before
17 redirecting.

18 MR. FLYNN: No, no, that's right. But I am
19 just saying that that's a function that has to be
20 performed at the third-party website.

21 THE COURT: Okay.

22 MR. FLYNN: Or one of the ways to facilitate
23 that function being performed at the third-party website
24 might be to -- for the third-party website, after it
25 gets the URL that was sent to it after the -- when the

Proceedings

1 user clicked on the ad, instead of immediately
2 redirecting the user's browser to the advertiser's
3 website, it might redirect it back to itself to
4 facilitate the --

5 THE COURT: The log.

6 MR. FLYNN: -- performance of those logging
7 functions.

8 THE COURT: You have no problem with that.

9 MR. FLYNN: I think they do have a problem with
10 that.

11 MR. VERHOEVEN: Yes, we do.

12 MR. FLYNN: Because --

13 THE COURT: But logically, I mean if you look
14 at the claim, we're talking about redirecting. You're
15 trying to define redirecting. Prior to redirecting,
16 there's logging.

17 MR. VERHOEVEN: Yes, I just apologize. I was
18 writing a note and so I want to make sure I understand
19 the question. The question is we don't have a problem
20 with what, the --

21 THE COURT: No, I am just trying to get a sense
22 of what intermediate steps there are other than immediate
23 response -- request for the first -- clicking on the
24 first URL, the ad. It goes to the third-party website
25 and then the third-party website sends the 302 response;

Proceedings

1 right?

2 MR. VERHOEVEN: Yes.

3 MR. FLYNN: Right.

4 THE COURT: That's your contention of what
5 redirecting is; right?

6 MR. VERHOEVEN: Essentially, yes. Our
7 contention is that what's disclosed and the appropriate
8 way to interpret this is you've got a request response
9 pairing, two sides of the -- two halves of the same
10 exchange and so that dispute or the crux of the dispute
11 is I think, your Honor, is we think that the redirect is
12 the second half of that exchange; the request and
13 response. And they want to say oh, no, you can have a
14 whole bunch of things they refer to as intermediate
15 redirects and we don't know what that means either, your
16 Honor, in between that pairing such that I guess what
17 they're trying to accomplish -- they could speak for
18 themselves, is a situation where the redirect does not go
19 to the publisher. It goes somewhere else and then it
20 gets redirected somewhere else. And then it gets
21 redirected somewhere else. And then it gets redirected
22 somewhere else. And then it eventually ends up at the
23 publisher.

24 And our problem with that is many fold but
25 primarily that what we're talking about here is a single

Proceedings

1 request and response. There's no -- it's not but for
2 causation we're talking about. It's a pairing of request
3 and response.

4 Now do we say logging can't occur? Of course,
5 not. Logging can occur, too but that's a separate
6 activity besides the request in response. That could
7 happen -- I guess it could happen. I checked with my
8 co-counsel but I think it could happen contemporaneous
9 with or even after you could log some information. But
10 what we're focusing on in this language is the redirect
11 that's a response to the request. I don't know if that's
12 helpful or not.

13 MR. FLYNN: It's --

14 MR. VERHOEVEN: It's so-so.

15 MR. FLYNN: I like to think of it, it's like a
16 baseball diamond, your Honor. It says you go to first
17 base and then you go to second base. You can't go from
18 first to third. You can't go anywhere else in between.
19 There is a logging. You're stepping on the base when you
20 get to first. That's the logging. That's done.

21 But there's a redirection that immediate
22 follows in response of that request, that goes to the
23 advertiser's site. That's where the user intended to go
24 when they first clicked on the ad. The patent claim very
25 clearly lays out that there's a request and response and

Proceedings

1 all it talks about is that one 302 response. That's why
2 that language says in response to.

3 Now the dispute between the parties is, we say
4 that is the only response to this. Mr. Verhoeven said
5 there's no other place you can go. It says you go from
6 first base to second base. You can't go from first to
7 third or anyplace else you can imagine because that's not
8 what this invention is all about.

9 And also if the inventor wanted to include
10 those possibilities, he should have used that language.
11 It's crystal clear in internet drafting of code that
12 there are request response pairs. When he says in
13 response to, that's why someone skilled in the art would
14 think of that pair. There's a request and a response and
15 he explicitly says the only response I am using in one of
16 the claims is the 302. So there's one request, one
17 response. He can't send you someplace else first with an
18 additional redirect. That's the dispute.

19 THE COURT: Perhaps logging is not a good
20 example of the intermediary steps because I think that's
21 covered in the claim itself.

22 MR. FLYNN: Yes. No, I think you're
23 misunderstanding with respect to --

24 THE COURT: Maybe I am.

25 MR. FLYNN: -- about the logging function. And

Proceedings

1 respect to Mr. DeFranco, this is not a patent that covers
2 baseball, going from first base to second base. This an
3 accounting, a third party accounting that uses redirects.
4 The very use of the word redirects means that something
5 is not going directly from first to second base.
6 Something is being detoured to somewhere else before it
7 gets to second base. The baseball diamond analogy, I
8 love baseball, it's not appropriate. It's no where even
9 close to being appropriate.

10 THE COURT: Are you a Yankees or a Mets fan or
11 neither?

12 MR. FLYNN: I'm from Pittsburgh. We just gave
13 you Santonio Holmes. So -- are you a Jets fan?

14 THE COURT: I'm a Jets fan.

15 MR. FLYNN: Then you should be thankful.

16 THE COURT: I am thankful. We needed another
17 receiver. All right.

18 MR. FLYNN: But a four game suspension is all
19 he gets.

20 THE COURT: What are the other intermediary
21 steps. What can happen under this patent other than
22 first URL, 302 response.

23 MR. FLYNN: Okay.

24 THE COURT: Going to the advertiser.

25 MR. FLYNN: This is what can happen and that is

Proceedings

1 a possibility within the scope of the claim language
2 because the claim language says in response to, not as
3 the response to. So it does explicitly allow for
4 options, not just immediate response going to the
5 advertiser's website, it includes that option but it's
6 not limited to.

7 So one option gets it, immediately redirects
8 the advertiser's website. Another option, that's what I
9 was trying --

10 THE COURT: Uh-huh.

11 MR. FLYNN: -- I'm sure inarticulately to
12 explain, when the third party gets the URL after the user
13 clicks on the ad, it issues a response to that request
14 message and the response is a redirect message back to
15 the user's browser. But the redirect message instead of
16 directing the user's browser to the advertiser's website,
17 it directs it back down to the third-party website.

18 The reason I brought in the logging functions
19 is because there's no limitation within the claim as to
20 when those logging functions are performed. It may be
21 that they're all performed before even the first redirect
22 response is issued but it may that some of them are
23 performed at that point but for whatever reasons, then
24 the third-party site issues a redirect to the user's
25 browser to bring it back to the third-party site to allow

Proceedings

1 the third-party site to complete performing those logging
2 functions.

3 So for whatever reasoning there may be at the
4 third-party site, what reasons they may have, they want
5 to do some of the logging functions first, some of the
6 logging functions after the user's browser comes back to
7 it a second time, or to do all of the logging functions
8 after it comes back a second time, again the patent
9 doesn't get into the detail. It's not critical to this
10 invention what the details of how the third-party site
11 performs all of those functions are.

12 That would be an example of how an intermediate
13 redirect would be issued to the user's browser to come
14 back to the third-party site to allow the server there at
15 that site to perform some other functions before
16 ultimately redirect -- sending a redirect message that
17 takes the user's browser to the advertiser's website.
18 That's why Google has to change the language from in
19 response to, to as the response to because they know that
20 in response to allows those intermediary steps. It
21 includes within the claim scope the ability to do an
22 intermediate redirect that would allow a third-party site
23 such as Google to perform whatever functions it wants to
24 perform before it then redirects the user's browser to
25 the advertiser's site. That's what in response to allows

Proceedings

1 as the response to doesn't.

2 So they're just blatantly changing the claim
3 language to limit the scope of the claim with no
4 justification for doing so.

5 MR. VERHOEVEN: Again, that's -- you know, I
6 talked about that (inaudible).

7 THE COURT: Okay. You have an abstract.

8 MR. VERHOEVEN: Yes, and then column 5 is
9 within the detailed description of invention.

10 THE COURT: Column 5. Okay. Hold on.

11 The word ultimately though, isn't that --
12 that's from the -- that's the first user's perspective.
13 That's where they want to go. It's not where -- it's not
14 from the third-party accounting service. It's like oh,
15 yes, we'll send you there eventually. So it's -- you
16 have to look at that word from the perspective of the
17 first user.

18 And further on the abstract it says the third
19 party sends a redirect signal to the user, web browser
20 causing it to send a download request to the advertiser
21 website.

22 MR. FLYNN: I'm sorry, your Honor?

23 THE COURT: In the abstract, it doesn't talk
24 about any additional redirect messages or any redirect
25 other than first user to the third website, third website

Proceedings

1 back redirecting it to the advertiser.

2 MR. FLYNN: The question is not whether the
3 specification specifically talks about other redirects.
4 The question is whether the claim, even using the
5 specification to help interpret the claim term, whether
6 it limits intermediate redirects, whether it precludes
7 it.

8 You don't have to include in the specification
9 every single way you could do it. What you -- again,
10 that's the importance of the claim construction
11 principles of what we were talking about earlier this
12 morning. They can't import limitations on the
13 specification into the claim. It's not necessary to
14 recite the detail or to recite every way in which you can
15 do it as long as you haven't limited it.

16 And so it's you don't have to -- if I
17 understand what you're saying in your question, you don't
18 have to find language in the specification that
19 specifically talks about intermediate redirects, as long
20 as there isn't any explicit disclaimer that would allow
21 those intermediate redirects.

22 And so where that specification is talking
23 about there, in that column 5 in the abstract, that
24 download request signal -- I mean everything is
25 ultimately from the user's perspective because the user

Proceedings

1 doesn't know any of the stuff that's happened. But when
2 that user clicks on the ad and the download request
3 signal is being sent to the third-party website, when it
4 says it's ultimately intended for the advertiser's
5 website, that supports that the specification did not
6 limit an intermediate redirect to the advertiser's
7 website. It allows for intermediate redirects as long as
8 the download request signal of the user's browser is
9 ultimately redirected to the advertiser's site.

10 So you just have to be careful not to go at it
11 in reverse from what's in the specification and what's
12 not in the specification, as long as there's no explicit
13 disclaimer that allows within the claim scope, that
14 allows an intermediate redirect that's within the scope
15 of claim.

16 Do you want to stay here or should I go to the
17 next slide?

18 THE COURT: Go ahead.

19 MR. FLYNN: I'm just about -- if you also look
20 at the top of claim 1, the preamble of claim 1, that's
21 the part that just starts, "The method for accounting."

22 THE COURT: Uh-huh.

23 MR. FLYNN: At the end of that preamble it says
24 "The method comprising." And comprising is a term of
25 art. It's an open-ended claim term. It is different

Proceedings

1 than consisting of or consisting essentially of. It
2 means it's opened-ended. It's biased by the use of that
3 term comprising. It allows for additional steps, other
4 than those than what are recited. Because it is a
5 comprising claim, the addition of other steps to those
6 that are recited can't be relied upon to defeat the
7 infringement, so long as the recited steps are met.

8 So that if there are additional redirecting
9 steps as long as the ultimate redirect of the user's
10 browser to the advertiser's website is met, the addition
11 of those additional steps does not take it outside the
12 claim scope. That's the significance of using the word
13 comprising in that claim.

14 MR. VERHOEVEN: Can we take a short break for
15 the reporter or should we muster on -- there is no
16 reporter.

17 THE COURT: Yes.

18 THE CLERK: You can actually adjust it and
19 bring it up if you need to

20 . MR. VERHOEVEN: Thank you.

21 THE COURT: Can you look to, in interpreting
22 the claim, construing a claim, can you look to the other
23 claims?

24 MR. VERHOEVEN: Yes.

25 THE COURT: Right.

Proceedings

1 MR. VERHOEVEN: Yes, you can.

2 THE COURT: Consistency, the other things
3 meaning --

4 MR. VERHOEVEN: There's a number of different
5 rules that apply in that area. For example, different --
6 there's different words chosen. The presumption is --

7 THE COURT: They meant different things.

8 MR. VERHOEVEN: They meant different things;
9 not necessarily though. You can overcome that
10 presumption.

11 THE COURT: Uh-huh.

12 MR. VERHOEVEN: Claim differentiation is
13 another doctrine, your Honor. So did you have a more
14 specific question or -- I'm going to start -- I am going
15 to ask your Honor -- okay. I'm going to start with this
16 notion of comprising claim and whether you could add
17 additional steps, whether that makes any sense here.

18 But first let's talk about the claim language,
19 okay? The parties have actually agreed and stipulated as
20 to what redirecting means, your Honor. And it's right up
21 here on the slide. And if you want to look at the hard
22 copy, this is slide 103 of our submission.

23 According to the parties' stipulation,
24 redirecting means, "transferring or pointing from one
25 place to another. For example, from one website to

Proceedings

1 another website or from one node to another node."

2 So the concept of redirecting as stipulated by
3 the parties expressly requires the concept of taking it
4 from one place to another place; two specific places.
5 That's how you're redirecting it by definition, by the
6 parties' stipulated definition.

7 Now plug that into the claim language which we
8 have depicted here below in the box and it identifies the
9 two places that you're redirecting in the claim language.
10 So we know that redirecting means transferring or
11 pointing from point 1 to point 2. So let's plug that
12 into the plain meaning of this claim language.
13 Redirecting at the fourth website, the first user's web
14 browser to the third website. Okay. That means you're
15 pointing -- you're transferring from the fourth website
16 to the third website. It couldn't be any more clearer,
17 your Honor.

18 And what they're proposing by saying you should
19 interpret this so that any multiple number of
20 "intermediate redirects" should be -- shouldn't take us
21 out of the infringement of this claim is a whole scale
22 obliteration of the very concept of redirecting.
23 Redirecting is specifically moving from point A to point
24 B. You have to know what point A is and you have to know
25 what point B is.

Proceedings

1 If you could have 100 "intermediate redirects"
2 you're not doing that. You're not redirecting by the
3 parties own stipulation. And you're certainly not
4 redirecting from the fourth website to the third website.
5 If there's an intermediate redirect, that means you're
6 redirecting from the fourth website to somewhere else.
7 And then that website, unknown and undisclosed, never
8 talked about the clients, never talked about inspect,
9 that website is redirecting somewhere else and that
10 website's redirecting somewhere else.

11 So you've got a situation where the plaintiff,
12 if they get their construction will be able to say you're
13 infringing even if you don't redirect to the publisher's
14 site. Somehow eventually the publisher ad gets or the
15 user gets taken to the publisher's site. But that's not
16 the functionality that's claimed in this patent.

17 The claim language expressly says you're
18 redirecting from one point to another. Those two points
19 are the fourth website to the third website. You can't
20 have intermediate redirects and have this not explode the
21 meaning of redirect as stipulated by the parties,
22 your Honor. So I think that's a very important point
23 here.

24 If you go back one slide, counsel pointed to
25 the doctrine -- the claim construction doctrine

Proceedings

1 concerning the use of the word comprising and this is
2 another claim construction doctrine, your Honor, if you
3 use -- if you say consisting of, you're usually limited
4 to the specific things that follow the words consisting
5 of. If you say comprising, and you list four steps, you
6 could do other things in addition to those four steps and
7 still infringe because you do those four steps. In a
8 nutshell, that's the doctrine.

9 But that doctrine doesn't get rid of the claim
10 construction principles that say that the claim itself,
11 the elements of the claim itself have to be met. And if
12 you can -- in our contention, your Honor, internet --
13 intermediate redirects between these two steps would not
14 meet the element -- it's not about adding additional
15 elements, you're not meeting the element that's already
16 in the claim. In other words, you're not going back to
17 this next side, you're not redirecting at the fourth
18 website, the first user's web browser to the third
19 website because you're doing a bunch of intermediate
20 redirects. So that step's not met.

21 To talk about the fact that it's a comprising
22 claim and you could add additional steps is a red
23 herring. The question is what does this element mean and
24 what meets it and what doesn't meet it. That is the
25 analysis today. And we would submit that construing the

Proceedings

1 claims to eliminate the in response to and the redirect
2 language would violate the claim -- the meaning of the
3 claims and the stipulated meaning of redirect agreed to
4 by the parties.

5 Now I will try to briefly and quickly go
6 through --

7 THE COURT: Just so you know, I have about a
8 half an hour.

9 MR. VERHOEVEN: I will be done well before
10 then.

11 THE COURT: I have some place to be.

12 MR. VERHOEVEN: If we go to slide 88, so the
13 claim language in the -- so the first step is to look at
14 the claim language, your Honor, and to look at the
15 parties stipulated claims. We've done that. That
16 support -- we would proffer that supports our
17 construction.

18 Now if we turn to the specification, we feel
19 the specification again supports our argument, I would
20 submit, your Honor. On slide 88 we've highlighted the
21 paragraph. I'm not going to read the whole thing where
22 the patentee admits and talks about how there are various
23 standard protocols that people of skill in the art
24 already know about and that if you look at the other
25 highlighted portion, should have highlighted to the end

Proceedings

1 of this sentence but it says, "The process of
2 establishing communication links are known to those
3 skilled in the art and will not be described herein
4 except as appropriate to understand the present
5 invention."

6 No description of intermediate redirects. So
7 apparently the patentee didn't think that was relevant to
8 the present invention.

9 If you go to slide 89 where they do talk about
10 some things that are relevant to the invention and they
11 talk about http, and they identify that as the computer
12 language underlying the internet. This is the protocol
13 for transferring that's contained within there.

14 Http, your Honor, contains these paired request
15 response messages that we talked about being two halves
16 of the same coin. If you go to slide 90 --

17 THE COURT: Hold on. Go back.

18 MR. VERHOEVEN: Yes.

19 THE COURT: Is that --

20 MR. VERHOEVEN: We're back.

21 THE COURT: That's the same -- all right.

22 MR. VERHOEVEN: Yes, this is the same.

23 THE COURT: Http server program at the third-
24 party site is configured to issue a 302 redirect response
25 when a specific URL is requested.

Proceedings

1 MR. VERHOEVEN: Right.

2 THE COURT: Doesn't that -- I know the
3 plaintiffs say that's one embodiment.

4 MR. VERHOEVEN: Yes.

5 THE COURT: And there can be other --

6 MR. VERHOEVEN: Yes.

7 THE COURT: -- embodiments.

8 MR. VERHOEVEN: Yes.

9 THE COURT: But does that language indicate to
10 you that in fact when it gets the URL it issues a 302
11 or --

12 MR. VERHOEVEN: In this description, there's no
13 question that's what it is saying. So the question then
14 is if you look at the claims --

15 THE COURT: What else does it say.

16 MR. VERHOEVEN: -- is it a little bit broader
17 than 302 and I would concede that the claims are a little
18 bit broader than just the 302. There's different -- I
19 will show you, your Honor, there's different paired
20 request responses in http and we also have claim 5, I
21 believe it is.

22 THE COURT: Uh-huh.

23 MR. VERHOEVEN: I will get to it in my slides,
24 which specific -- a dependent claim which specifically
25 calls out the 302 as a way to do the redirect.

Proceedings

1 THE COURT: One way.

2 MR. VERHOEVEN: One way. And as you'll recall
3 when I was telling your Honor about the doctrine of claim
4 differentiation in terms of different disputed claim, the
5 way that that works is the independent claim is always
6 broader. I am not going to use the Venn diagram again
7 but the independent claim is always broader and the
8 dependent claim is a more specific example of that. And
9 so we would -- I would concede that you don't want to say
10 it's specifically the 302 in the construction because
11 there's a more specific independent claim that talks
12 about that. So that would indicate to me in the
13 independent claim the consent is --

14 THE COURT: It's more broad.

15 MR. VERHOEVEN: -- in the dependent claim -- so
16 the independent claim's got to be broader -- it's
17 probably broader than just the 302 request but we can --
18 we do contend that it has to be one of these paired
19 response requests that's a redirect. And the whole -- I
20 am not going to repeat myself as it was gone into, the
21 concept of a redirect is mutually inconsistent with the
22 concept of "intermediate redirects."

23 And so I don't know if that answers your
24 questions. I will get to these slides though to help
25 flush this out. So, for example, if we're looking at

Proceedings

1 this slide and it specifically talks about the 302
2 redirect response, if you go to the next slide, http is a
3 standard setting organization specification that's used
4 industry-wide, your Honor. And so we depicted here,
5 there's the http protocol and I think -- I don't know if
6 this is covered in the tutorial but it a protocol is
7 simply a way for communicating. So the rules of the road
8 are for communicating, is basically what a protocol is in
9 computerese.

10 And the http specifies -- and it sounds simple
11 but it's actually much more complex and the reason that
12 http is a standard is everyone needs to have the same
13 rules or else they won't be able to communicate.

14 So if you look at the http protocol which is a
15 standards document, the -- you can see there's several
16 different possibilities for redirects that are just out
17 there just using http.

18 So again, I wouldn't construe redirecting an
19 independent claim as being only one of those for example
20 for redirect possibilities. However, I point this out to
21 show that all of these possibilities are paired and I'll
22 try to argue the significance of this to your Honor, all
23 of these redirects are paired response requests pairings.
24 They're not consistent with the notion of "intermediate
25 redirects occurring between the request and the

Proceedings

1 response." None of them would work if that was it. They
2 wouldn't be able to communicate.

3 And this is the only example that's in the spec
4 is using http. And, in fact, the only example of a
5 redirect in the spec is the 302. So if we wanted to take
6 a more aggressive position we might argue it has to be in
7 the 302 because it's the only example. We're not taking
8 that position but we are taking the position that all of
9 these communications are http paired request response
10 communications in the specification which is consistent
11 with the reading of the claims.

12 If you go to the next slide, 92 -- oh, did I
13 not show the slide before that? I'm sorry, this is what
14 I was talking about. Sorry about that, your Honor.

15 THE COURT: 3 --

16 MR. VERHOEVEN: So there's several different
17 redirects that are in the protocol and you can look them
18 up yourself online. It's part of the publicly available
19 standard. Let's go to the next slide, which is really
20 the sole figure of what the invention is, you see the
21 request response pairings, the two halves of the single
22 exchange in each instance. And you could see they even
23 label them (a) and (b); sub (a) and sub (b). 19(a),
24 19(b), 15(a), 15(b); why? Because they're paired
25 together. They're a request in response. They go

Proceedings

1 together as part of the protocol.

2 To insert, you know, X, Y, Z in between 11(a)
3 and 11(b) would be to remove them from being a redirect
4 or from being a paired response request. The spec does
5 not ever talk about any scenario like that and never
6 discloses anything like that. There's no disclosure in
7 the specification of "intermediate redirect." Your Honor
8 asked counsel for plaintiff to find such a disclosure.
9 All the plaintiff pointed to what was the ultimately
10 language from their briefs which as your Honor pointed
11 out, from the user's perspective, ultimately the user
12 wants to get to the ad. That's why the word ultimately
13 is there.

14 Certainly none of the text that you were shown
15 by counsel for plaintiff in the specification disclosed
16 what you asked was disclosed which is disclosure of
17 intermediate redirect; simply no disclosure whatsoever.
18 There's nothing that they could point to that they can
19 say that's an intermediate redirect. It just is -- the
20 concept itself is mutually inconsistent with the notion
21 of a redirect.

22 The next slide; I will note for the record it's
23 undisputed that we put four examples or more from the
24 plaintiff, counsel for the plaintiff, that the http
25 protocol uses paired, request response or request

Proceedings

1 response pairings. And in their response brief at 19,
2 "The http protocol utilizes a request response pairing
3 format. The web browser, the web server communicate in
4 the http protocol through multiple request and response
5 messages."

6 There's really no dispute. This is how it
7 works. So we would submit that a person of ordinary
8 skill reading this at the time would understand that http
9 would understand the protocol, would read the
10 specification in the examples, would understand what a
11 redirect is and would understand that there is in the
12 bunch of intermediary redirects that happened between the
13 response and the redirect command. There are two sides
14 of the same coin and you can't add a bunch of stuff in
15 the middle.

16 Let's go to slide 96. Now in their brief,
17 your Honor, Web Tracking has advocated against our
18 proposed construction on the grounds that it violates the
19 concept of claim differentiation. And they pointed to
20 claim 5, I believe. I don't know if you have the patent
21 handy, your Honor, but claim 5 states "A method of claim
22 1 further comprising, configuring a hypertext transfer
23 protocol server program at the fourth website to issue a
24 302 redirect response when the first uniformed resource
25 locator is received."

Proceedings

1 That may have been the genesis of your question
2 at the outset. So one doctrine that would be applicable
3 here is claim differentiation. So the independent claim
4 is bigger than the dependent claim. They have argued
5 that our proposed construction would violate that
6 doctrine. We don't think it would, your Honor. It might
7 if we tried to construe this as limited to a 302 request
8 or 302 redirect, as opposed to just the general meaning
9 of redirect. But that's not what we have done.

10 What Web Tracking is confusing here, we would
11 submit, are two separate issues. The type of redirect
12 response message --

13 THE COURT: The manner.

14 MR. VERHOEVEN: -- or versus whether they can
15 be intermediate redirects between the two, we aren't
16 saying -- go to the next slide -- we are not saying on a
17 proposed construction that a redirect can't -- a redirect
18 message is limited solely to a 302 redirect. There's
19 other redirect messages. All it has to be is a redirect
20 message, your Honor.

21 And so we're not violating the principle of
22 claim differentiation because our construction for this
23 phrase and the independent claims is broader than it is
24 in claim 5. And so we're perfectly consistent with that
25 doctrine, your Honor, and --

Proceedings

1 THE COURT: Could I ask Mr. Curran or
2 Mr. DeFranco a question?

3 MR. VERHOEVEN: Yes.

4 THE COURT: What is a 301 redirect? You can
5 stay there and answer it.

6 MR. CURRAN: One is the item is permanently
7 removed, your Honor and one is temporarily -- it's been
8 temporarily removed. So if redirect basically sends you
9 to a place and you find out what you're looking for is no
10 longer there, so one of the two --

11 MR. DeFRANCO: 301.

12 MR. CURRAN: -- 301 is permanent.

13 THE COURT: 301 is permanent. 302 is
14 temporary.

15 MR. CURRAN: And 302 is temporary.

16 THE COURT: 303?

17 MR. CURRAN: 303 and 304 are even more
18 esoteric. I don't even know if we have those there.

19 MR. DeFRANCO: 303 relates to capturing
20 instructions. 303 and 307 operate just like a 302 but
21 with additional directions. Instead of a browser, it's
22 going to definitely keep a copy in the cache so that you
23 don't have to look at the (indiscernible) or set up that
24 you do not do that, so that you always don't always
25 cache. But in terms of their operation, or that the

Proceedings

1 browser maintains a permanent restructuring table in the
2 301 redirect, they don't do that. They're
3 (indiscernible) 302 redirect. It's an initial caching
4 function.

5 THE COURT: So it's Google's contention that
6 claim 1 can be any of these things but claim 5 has to be
7 a 302.

8 MR. VERHOEVEN: Right. Correct.

9 THE COURT: And --

10 MR. VERHOEVEN: And claim 1 has to be a
11 redirect --

12 THE COURT: it has to be a redirect.

13 MR. VERHOEVEN: -- which as the parties have
14 agreed what a redirect is and that is not -- it does not
15 permit the notion of "intermediate redirects," whatever
16 those are, in between this change of pointing between the
17 fourth website and the third website.

18 THE COURT: I understand.

19 MR. VERHOEVEN: So going back to slide 98, so
20 we were just talking about different types of redirects.
21 There's no claim differentiation problems with the types
22 of redirects as we have agreed that the independent claim
23 covers the different types of redirects, as long as it is
24 a redirect. The first claim filed might not.

25 But what the real issue is that they're trying

Proceedings

1 to do, is they're trying to say you could have
2 intermediate redirects in between the request and
3 response. So that's sort of -- we would characterize
4 that as the number of redirects, although that's
5 technically not particularly accurate. It's really
6 whether you could have redirects in between the response
7 and the ultimate redirect which the claims don't permit.

8 In both claim 1 and claim 5, similarly are
9 identical in the sense of they're talking about a
10 redirect from one spot to another and neither of them
11 permit "multiple intermediate redirect." They're both
12 the same and that's the real issue. And we would submit
13 that you cannot -- it's logically inconsistent with what
14 a redirect is to have this notion of multiple
15 intermediate redirects.

16 Next slide please. In their response briefs,
17 Web Tracking page 20 claims that, "Google's construction
18 would thereby preclude embodiments of the claimed
19 invention whereby upon receiving the URL, the third-party
20 site issues intermediate redirects before redirecting the
21 user's browser to the advertiser's website."

22 That's what they say in their brief,
23 your Honor. It's completely incorrect. You yourself
24 asked the plaintiff -- asked counsel for plaintiff, where
25 are these embodiments that show intermediate redirects?

Proceedings

1 Counsel is unable to show you a single one. We are not
2 precluding any such embodiment. The only embodiment in
3 the specification is the 302 redirect. We're not
4 excluding that. So that statement in their brief is
5 completely incorrect. There's no citation by the way, in
6 their brief to any such embodiments. It's not an
7 accurate statement.

8 In the specification, at the risk of repeating
9 myself, the next slide, there's only one redirect. It's
10 right there. It's redirect response 15(b). There's
11 never multiple intermediary redirects, but just that one.
12 And it's redirecting from the fourth website to the third
13 website.

14 That concludes my presentation, your Honor.

15 THE COURT: Thanks. Mr. Flynn?

16 MR. FLYNN: Excuse me one second.

17 THE COURT: Take your time.

18 MR. FLYNN: I will try my best certainly --

19 THE COURT: I'm sorry.

20 MR. FLYNN: That's okay.

21 THE COURT: Go ahead.

22 MR. FLYNN: Could I just ask you to put mine
23 back on for one second? Certainly you've now have heard
24 enough of my voice that I will try not to be repetitious.

25 I think we need to clarify a couple of things.

Proceedings

1 When you asked me where can I show you in the
2 specification where it talks about intermediate
3 redirects, the answer is, I don't have to. It doesn't
4 have to be in the specification for that to be
5 intermediate redirects.

6 That's not the issue of whether the
7 specification talks about intermediate redirects. It's
8 whether the specification clearly and unmistakably limits
9 the scope of the claim to preclude intermediate redirects
10 and it doesn't. There is no disavowal of the scope of
11 the redirecting step of claim 1 that would include
12 intermediate redirects.

13 So it's really a misstatement of the case law
14 to suggest that I have to be able to point out to you
15 where in the specification it talks about intermediate
16 redirects. That's not what the standard is and that's
17 not what's necessary.

18 The other thing is that I need to point out
19 just from again a technical perspective which I think has
20 gotten kind of lost in all of this, if you would just be
21 so kind as to look at the tutorial slide 21 from this
22 morning -- and by the way, your Honor, it's just kind of
23 late in the day, so I sometimes -- and I am tired, I
24 admit it, so when I said I don't have to, you understood
25 what I meant by that; right? It means the law means that

Proceedings

1 I don't have to point out where the specification it
2 talks about --

3 THE COURT: I'm not thin-skinned; don't worry
4 about. it. All right. 21?

5 MR. FLYNN: 21; right. So you see how the
6 redirect command is coming from the third-party website
7 to the user's browser and then redirecting it to the
8 advertiser's website?

9 THE COURT: Uh-huh.

10 MR. FLYNN: That's the redirect command, not
11 this top arrow that goes to the third-party website.
12 It's this redirect command from the third-party website
13 to the web browser -- to the advertiser's website. That
14 could be a 302 redirect.

15 Alternatively, if that redirect command,
16 instead of sending the user's web browser to the
17 advertiser's website, if it sent the user's browser back
18 to the third-party website, that would also be a 302
19 redirect. And then when the request -- the resultant
20 request message that is sent from the user's browser back
21 to the third-party website as a result of having been
22 redirected back to that third-party website, that would
23 be a separate request message and then there would be a
24 separate response message to that.

25 So each one of these arrows is request

Proceedings

1 response, request response, all consistent with the http
2 protocol. So if this redirect command took the user's
3 browser back to the third-party site, it would be just
4 another arrow request response. And then if that
5 response was a 302 redirect, excuse me, at this point to
6 the advertiser's website, that then would be request to
7 the advertiser's website, response to the user's browser
8 with the coding for the browser to display the
9 advertiser's web page.

10 So these are all http request response pairings
11 and that's what would be used or could be used is the 302
12 redirect. So unless I misunderstood, I seemed to be
13 hearing some suggestion that well we wouldn't be using
14 the 302 redirect. No, it would be a 302 redirect. It's
15 just taking the user's browser instead of the
16 advertiser's site, redirecting with the 302 redirect,
17 back to the third-party site to allow the third-party for
18 example -- that's the example I was using before, to
19 allow at that point the third-party to perform whatever
20 business or functions it wants to do. It wasn't the
21 purpose of the patent to detail how the third-party
22 performs all of the functions that the third-party
23 performs.

24 So it could be a 302 redirect back to the
25 third-party's website at which point the third-party

Proceedings

1 website would issue a separate 302 redirect to the
2 advertiser's website. So I just wanted to clarify that
3 from the technical perspective.

4 When we used the language that it would
5 preclude -- that Google's construction would preclude
6 embodiments that would allow for intermediate redirects,
7 I believe that's been somewhat distorted to suggest that
8 we were saying there were other embodiments and the
9 specification that talked about intermediate redirects.
10 That's not what we said at all.

11 What we said was their construction would
12 preclude any other embodiment anywhere that would allow
13 the use of intermediate redirects. We weren't suggesting
14 that there were other embodiments that were described in
15 the specification.

16 I close with this question. If it's so clear
17 as Google suggests that it is, what this claim term
18 means, why is it necessary for Google to alter the claim
19 language from in response to to as the response to? If
20 it's so clear why do they have to alter the claim
21 language? That's it.

22 THE COURT: All right.

23 MR. VERHOEVEN: Your Honor, I've got one point.
24 Let's go back to tutorial that counsel just referred to,
25 page 21.

Proceedings

1 THE COURT: Uh-huh.

2 MR. VERHOEVEN: And if you could grab the claim
3 language, claim 1.

4 THE COURT: Yes.

5 MR. VERHOEVEN: Counsel just said -- I think he
6 just said that there would be infringement in this case
7 if instead of redirecting to the advertiser's website the
8 third-party website redirected to itself and then later
9 after it got another response redirected to the
10 advertiser's website. So let's look at the claim
11 language. The claim language says redirecting at the
12 first website, the first user's web browser to the third
13 website in response to the receipt of the first uniformed
14 resource locator.

15 So his example would not be covered by the
16 claims. Redirecting to yourself is not met by this claim
17 element, your Honor. And if there's later a redirect
18 code that somehow later goes to the advertiser's website,
19 then that's not going to be met by this either,
20 your Honor, because this is talking about two specific
21 points; the fourth website and the third website, your
22 Honor, and that's what redirect is all about. You're
23 moving from one point to another. And so redirecting to
24 a different place, your Honor, would not meet the claim
25 language.

Proceedings

1 THE COURT: But before we leave this in the
2 last two minutes, there's a paragraph in column 6 or
3 whatever, right before the claims, "Although specific
4 embodiments of this invention have been shown and
5 described herein, it is to be understood that these
6 embodiments are merely illustrative of the many possible
7 specific arrangements and methods that can be devised in
8 the application -- in application of the principles of
9 the invention, numerous and varied other arrangements and
10 methods can be devised in accordance with these
11 principles by those of ordinary skill in the art without
12 departing from the scope and spirit of the invention."

13 Is that boilerplate that everybody puts in?

14 MR. VERHOEVEN: That's right, your Honor and
15 the federal circuit has said so you don't -- that doesn't
16 mean anything. You look to what the actual embodiments
17 are. This is boilerplate language. The people -- you
18 know, if it meant something you would have seen it in
19 their briefs, your Honor. This is something that every
20 patentee sticks in at the end. You'll notice it's right
21 at the end right before the claims. It's done as a
22 matter of course because obviously they feel it helps
23 them but the Courts have looked at that and they looked
24 beyond the boilerplate to the substance of the
25 embodiments when they look at that.

Proceedings

1 So similar to what I talked about earlier when
2 the patentees are always saying that every illustration
3 is exemplary, they feel that that creates a better record
4 down the road. Well the courts look beyond how they
5 window dress this stuff and they look at what's actually
6 disclosed. Is what's actually disclosed 16 different
7 ways of doing something that the defendants are only
8 picking one of to try to limit the claims or in reality,
9 is what's disclosed in the specification a full boundary
10 of the claim such that it's -- for example, they use the
11 present invention or if there's five specifications that
12 all do exactly the same way, they use restrictive
13 language saying something like the invention cannot do X
14 or some language that indicates that they're talking more
15 broadly instead of just about one example of a whole
16 bunch.

17 THE COURT: Uh-huh.

18 MR. VERHOEVEN: But sticking in the window
19 dressing language should not be interpreted as meeting
20 that standard and we haven't submitted case law in this,
21 your Honor. We can't give like because there is some
22 case law on that.

23 THE COURT: I'm sure we can find it.

24 MR. VERHOEVEN: Okay. Thank you very much,
25 your Honor.

Proceedings

1 THE COURT: Anything else?

2 MR. FLYNN: We don't have to rely on that
3 language. The language that they put up there
4 specifically talked about if -- an embodiment, an
5 exemplary embodiment. So we weren't relying on that
6 language. We are relying upon other language that
7 they've cited as an exemplary embodiment. But again,
8 that's just getting back to being repetitious. I
9 promised I was going to close with a question.

10 THE COURT: All right.

11 MR. FLYNN: So I am done.

12 THE COURT: Thank you very much for your
13 patience and I don't know if this has been an unusually
14 long hearing in your experience. If it is, it's my
15 fault, so --

16 MR. FLYNN: Thank you, your Honor.

17 THE COURT: Thanks.

18 MR. FLYNN: I appreciate your taking the time.

19 MR. VERHOEVEN: Your Honor, I very much
20 appreciate your attention to us. Thank you.

21 THE COURT: Thank you.

22 MR. VERHOEVEN: And to your clerk, as well.

23 (Matter concluded)

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C E R T I F I C A T E

I, ROSALIE LOMBARDI, hereby certify that the foregoing transcript of the said proceedings is a true and accurate transcript from the electronic sound-recording of the proceedings reduced to typewriting in the above-entitled matter.

I FURTHER CERTIFY that I am not a relative or employee or attorney or counsel of any of the parties, nor a relative or employee of such attorney or counsel, or financially interested directly or indirectly in this action.

IN WITNESS WHEREOF, I hereunto set my hand this 3rd day of May, 2010.


Rosalie Lombardi
Transcription Plus II