



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

First Named Inventor:	)	Title:	<b>Interactive Communication System</b>
<b>Takeya Okamoto</b>	)		<b>for Communicating Video Game</b>
	)		<b>and Karaoke Software</b>
Control Nos: <b>90/009,521 &amp;</b>	)	Patent No.:	<b>6,488,508</b>
<b>95/001,234</b>	)	Art Unit:	<b>3992</b>
	)	Examiner:	<b>William H. Wood</b>
Reexam Filed: <b>08/17/2009</b>	)		

**PATENT OWNER'S APPEAL BRIEF**

Attn: Central Reexamination Unit

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

This is an appeal of the Examiner's adverse decision in *Inter Parties* reexamination of U.S. Patent No. 6,488,508 (hereafter the '508 Patent). The re-examination proceeding Control No. 90/009,521 has been merged with a third party reexamination request Control No. 95/001,234.

This paper is Patent Owner's Appellant Brief in the above-captioned matter.

The appropriate fee of \$1,000.00 pursuant to 41.20(b)(2)(ii) for filing a brief in support of an appeal in an *inter partes* reexamination proceeding is being paid in conjunction with the filing of this Appeal Brief.

Patent Owner has reviewed the Guidance to Reduce Non-Compliant Briefs provided by the Patent Office and believes this Appeal Brief to be fully compliant.

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United States Patent & Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

Signed:   
John Whitaker

Dated: **November 25, 2013**

### **Real Party in Interest**

The real party in interest is ADC Technology, Inc. of Nagoya, Japan.

### **Related Appeals and Interferences**

In the interest of complete disclosure, Patent Owner brings to the Board's attention the following:

Case No. 2:08-CV-01579-RSM in the Western District of Washington, currently stayed, is related to this appeal. The litigation matter includes the following patents, which are all undergoing re-examination proceedings:

1. US Patent No. 6,875,021 : Merged Re-examination 90/009,520 & 95/001,237

Awaiting Examiner's Answer to Patent Owner's Appeal and Third Party Requester's Cross Appeal. Third Party Requester's Respondent Brief filed 10/09/2013 and Patent Owner's Respondent Brief filed 10/07/2013.

2. US Patent No. 6,488,508: Merged Re-examination 90/009,521 & 95/001,234

Current Appeal.

3. US Patent No. 6,702,585: Merged Re-examination 90/009,522 & 95/001,236

Patent Owner filed Notice of Appeal 10/03/2013. Third Party Requesters filed Notice of Cross Appeal 10/17/2013.

4. US Patent No. 5,775,995: Merged Re-examination 90/009,523 & 90/010,663

Decision of the Board issued. Reexamination certificate issued. All claims confirmed as-issued.

5. US Patent No. 6,193,520: Merged Re-examination 90/009,524 & 90/010,666.

Decision of the Board issued. Several claims confirmed as-issued.

### **Status of Claims**

Claims 1-31 are subject to reexamination and currently stand rejected. Claims 1-31 stand rejected under 35 U.S.C. § 102 and/or 35 U.S.C. § 103(a).

Patent Owner is appealing claims 1-7.

### **Status of Amendments**

After the mailing of the Action Closing Prosecution dated 19 April 2013, Patent Owner filed an amendment on 23 May 2013, which was entered. Claims 1, 2, and 5 are all original claims without any amendments.

### **Summary of Claimed Subject Matter**

The invention of the '508 Patent is directed at an interactive communication system. The '508 Patent issued with seven claims: six independent claims (claims 1, 3, 4, 5, 6, and 7). Claims 1 and 5 are original claims. Claim 1 is directed at a software distribution system and Claim 5 is directed at a method of software distribution. Claims 3, 4, 6, and 7 have been amended during re-examination. Amended Claim 3 is directed at a game information distribution system and amended Claim 6 is directed at a method for game information distribution. Amended Claim 4 is directed at a karaoke information and movie data distribution center and amended claim 7 is directed at a method for karaoke information distribution and movie data distribution.

Claim 1 recites a software distribution system for transmitting at least one of the program, the data, and a combination of the program and data stored in a database provided in a distribution center to a requested communication terminal device via communication lines. The transmitted program, data, or combination of program and data is stored in a memory in the communication terminal device. Execution of the program is enabled or data processing is enabled according to the program, the data, or combination of program and data in the memory. A distribution center transmits the program, the data, or the combination of the program and data at the request of the communication terminal device. The transmitted program, the data, or the combination of the program and data is charged a use fee by direct debit against an account in a banking institution.

### **Issues to be Reviewed on Appeal**

Claims 1-7 are subject to reexamination and currently stand rejected.

The issues to be reviewed on appeal are:

- I. Whether the Patent Office erred by failing to recognize that the art under consideration does not teach all the recited claim elements in Claims 1-7 as required for a rejection under 35 U.S.C. § 102; and
- II. Whether the Patent Office erred by failing to recognize that the combination of art under consideration does not teach or suggest all the recited claim elements in Claims 1-7 as required for a rejection under 35 U.S.C. § 103.

## ARGUMENT

Claims 1, 3, 4, 5, 6, and 7 are independent claims. The following arguments are organized by issues on appeal.

**I. The Patent Office erred by failing to recognize that the prior art does not teach or suggest all the recited claim elements in Claims 1-7 as required for a proper rejection under 35 U.S.C. § 102**

**A. The Cited References Must Show *All Three Transmission Types***

Two of the as-issued independent claims (Claims 1 and 5) recite “transmitting at least one of the program, the data, and a combination of the program and data stored in a database provided in a distribution center to a requested communication terminal device via communication lines,” “transmitting the program, the data, or the combination of the program and data at the request of said communication terminal devices to said communication terminal device,” and “charging a fee” (claim 1) or “charging a use fee” (claim 5) on the transmitted program, the data, or combination of the program and data.

The Patent Office adopts TPR's argument that “the claim limitation should be read disjunctively,” referring to “the program, the data, or the combination of the program and data” limitation (RAN: pg 52). Further, the Patent Office states it is logically false that “in order for the communication terminal device to be able to request the program, the data, or the combination of the program and data, all three must be available.” Then, the Patent Office explicitly states that “[t]he claim language does not require a system 'capable of transmitting' the program, data, 'and' a combination of the two” (RAN: pg 52). The Patent Owner disagrees with that position.

Likewise, TPR argues that the claim limitation should be read disjunctively (TPR comments, 2013-06-01, pg 2). In addition, TPR argues that the Patent Owner is attempting to read the “or” as an “and” and that the Patent Owner's construction is contrary to the law, the plain meaning of the phrase, and the specification (TPR comments, 2013-06-01, pg 2). However, in contrast to TPR's position, the Patent Owner's construction of the claim is consistent with the law, is the plain meaning of the phrase(s), is consistent with the specification, and does not attempt to substitute “or” for an “and” or “and” for an “or” for any of the claim elements.

First, it is important to note that both “and” and “or” are used several times throughout Claim 1 when reciting the invention and that the use of both terms is consistent through out the

claim and each of their use is appropriate. Claim 1 is recited below with emphasis added to the words “or” and “and”:

1. (Original) A software distributing system for transmitting at least one of the program, the data, and a combination of the program and data stored in a database provided in a distribution center to a requested communication terminal device via communication lines, storing the transmitted program, the data, and the combination of the program and data in a memory provided in the communication terminal device, and enabling execution of the program or data processing according to the program, the data, and the combination of the program and data in the memory, said distribution center comprising:

means for transmitting the program, the data, or the combination of the program and data at the request of said communication terminal device to said communication terminal device; and

means for charging a use fee on the use of the transmitted program, the data, or the combination of the program and data in said communication terminal device and for direct debit against an account in a banking institution.

Because Claim 1 is a “system” claim, a determination on whether the system must be capable of transmitting all three types must be considered. *Schumer v. Lab. Computer Sys., Inc.* 308 F.3d 1304, 1312 (Fed. Cir. 2002). As noted in *Schumer*, the concept of capability is relevant for apparatus or product patents, and also for a process patent if the claims are tied to a “particular machine or apparatus.” Even though *Schumer* found that the method was performed if any of the three alternatives were performed, the *Schumer* decision turned on the fact that the claims were “method” claims and that the method claim was not tied to a particular device. In contrast, in the '508 Patent, Claim 1 is a system claim, not a method claim. Claim 1 recites a software distributing system. In *Schumer*, the term “and” was used in the preamble and the term “or” was used in claim elements. In contrast, Claim 1 in the '508 Patent uses both of the terms, “and” and “or”, in the claim elements to give meaning to the invention.

Claim 1 recites “software distributing system for transmitting at least one of the program, the data, and a combination of the program and data stored in a database provided in a distribution center to a requested communication terminal device via communication lines.” There is no universal rule for the construction of the phrase “at least one of,” but is rather fact-specific and constructed to be consistent with the specification of the patent.” *Rowe International Corp. v. Ecast, Inc.*, 500 F.Supp.2d 891, 909 (N.D. Ill. 2007). The construction of the phrase “at least one of” to mean that the software distributing system is capable of

transmitting all three types is consistent with the rest of the claim language and is also consistent with the specification of the patent.

If the entire specification is reviewed to construe the meaning consistent with the patent, one would soon realize that the specification supports three distinct types: (1) data; (2) program; and (3) combination. The data can be, for example, game data for playing games, karaoke data for playing karaoke music, image data for displaying static images like still pictures or dynamic images like movies, audio data for reproducing sound or playing music, character data for composing documents, and the like. The program includes, for example, a large-scale program, such as a program for word processing, a program for computing with a spread sheet, or a program for communication, and a plug-in- program to be incorporated in a main program. Transmitting a combination of the program and data means, for instance, transmitting a karaoke executing program and the data indicative of karaoke music to be played, or a set of a word processing program and the data indicative of document examples ('508 specification at Col. 4, lines 12-31).

As further support, the '508 Patent states that when the game (e.g., program) progresses and the player wishes to play on a more advanced map data (e.g., data), the player can purchase and download the advanced map data (e.g., data). Column 8, lines 28-32, of the '508 Patent states:

Map data of a role-playing game may be divided according to the progress degree of the story and the divided map data be sold separately. When the game progresses and the player wishes to play on a more advanced map data, the player purchases and downloads the advanced map data.

A use fee is then charged on the use of the transmitted program, the data, or the combination of the program and data as recited in Claim 1. The '508 Patent itself distinguishes between “the program” and “the data.” For that reason, in order to meet the subject limitation of transmitting either the program, the data, or the combination of program and data, the applied reference must teach a system capable of transmitting separate “program” and “data,” and also a “combination of program and data.” To fail to do so erroneously ignores the plain language of the claims and teachings of the specification.

Again, as recited in the operative claims, *at the request of said communication terminal device, either the program, or the data, or the combination of the program and data are transmitted to said communication terminal device.* A system which is incapable of transmitting ei-

ther the program or the data separate from the other does not satisfy this claim element. Likewise, a system that is capable of transmitting only program or data separately, does not satisfy this claim element. It is legal error to suggest that a prior art reference need not show the entire claim limitation, but need only teach one-third of it or two-thirds of it.

One of the benefits of the claimed invention is that as players progress in a certain game, additional map data can be sold separately to keep the users interested in the game, which is less expensive than creating a whole new game. The Patent Office's adoption of TPR's argument that the claim limitation should be read disjunctively totally ignores the '508 specification and that interpretation would be inconsistent with specification, and would render the claim language superfluous.

Therefore, if the meaning of Claim 1 is construed consistent with the patent, the software distributing system of Claim 1 must be construed as being capable of handling any of the three alternate types (e.g., "A software distributing system for transmitting at least one of the program, the data, and a combination of the program and data stored in a database provided in a distribution center to a requested communication terminal device via communication lines). Then, the request for transmission should be construed as requesting one of the three types (e.g., "transmitting the program, the data, or the combination of the program and data at the request of said communication terminal device to said communication terminal device"). If the patent drafter had written "transmitting the program, the data, **and** the combination of the program and data at the request of said communication terminal device to said communication terminal device", the interpretation for this phrase would most likely have been that all three types are sent in one request. The patent drafter specifically used "at least one of" and "and" with regards to the software distributing system, but then used "or" in regards to the transmission by the distribution center.

This interpretation is reinforced when the other independent claims of the '508 Patent are considered. For example, original Claim 3 is directed at game information ("A game information distribution system for transmitting game information", "transmitting the game information at the request of said communication terminal device to said communication terminal device") and original Claim 4 is directed at karaoke information ("A karaoke information distribution system for transmitting karaoke information", "transmitting the karaoke information at the request of



said communication terminal device to said communication terminal device”). This clearly shows that the patent drafter understood how to limit a claim to one transmission type and, in fact, in certain instances specifically did limit the transmission type to one type.

The Patent Office and TPR seem to focus solely on the instances in Claim 1 in which “or” is used and then seem to entirely overlook the limitations in Claim 1 in which “and” is used. Furthermore, the Patent Office and TPR attempt to allege that the Patent Owner is substituting “and” for an “or.” However, as discussed above, the Patent Owner is actually reading Claim 1 in its entirety and is considering *every claim element as written*.

TPR's inability to comprehend the subtle differences between “and” and “or” is also evident in their analysis of the Patent Owner's dispenser analogy of a device that dispenses coffee, milk, and combination of coffee and milk at the request of a user. TPR states that “Patent Owner continues to substitute an 'and' for the 'or' ” and that “Patent Owner's substitution is contrary to the plain language of the claim as well as established law that 'or' is construed to mean one or the other, not both” and cites *Schumer v Lab. Computer Sys., Inc.*, 308 F.3d 1304 (Fed. Cir. 2002) for holding that use of “or” in a claim meant that items in sequence were alternatives to each other.” However, TPR misreads the holding of *Schumer* and fails to mention that *Schumer* specifically states:

Giving the term “or” its accepted definition, however, is not the end of the inquiry. A question remains as to whether the claims should be interpreted to mean that the method must be capable of translating each of the three alternative variables, i.e., point of origin, angle of rotation, and scale, as the district court apparently held. If this were a product patent, the concept of capability would have relevance. So too it would have relevance if this process patent were tied to a “particular machine or apparatus.”

*Schumer* at 1312. Therefore, the Patent Owner reiterates that the teachings in *Schumer* mandates that a determination must be made on whether the system must be capable of transmitting all the alternatives. It appears from TPR's argument that they are in disagreement with the teachings of *Schumer*.

The Patent Office adopts TPR's erroneous argument that if a prior art reference teaches transmission of program and data, the prior art discloses the claim limitation with regard to the “program, data or combination of program and data” element (RAN, pg 58; citing TPR Com-

ments: section II.A.2). TPR erroneously states that if Claim 1 is interpreted to require transmission of a program, data, and combination of program and data, the third element is redundant of the first two (TPR Comments 06-19-2013, pg 6). Again, this illustrates TPR's failure to appreciate the subtleties of the interpretation for the “and” and “or” in Claim 1. As described above, if the meaning of Claim 1 is construed consistent with the patent, the software distributing system of Claim 1 must be construed as being capable of handling any of the three alternate types (e.g., “A software distributing system for transmitting at least one of the program, the data, and a combination of the program and data stored in a database provided in a distribution center to a requested communication terminal device via communication lines). Then, the request for transmission should be construed as requesting one of the three types (e.g., “transmitting the program, the data, or the combination of the program and data at the request of said communication terminal device to said communication terminal device”).

Therefore, in contrast to TPR's allegation that the third element is redundant, Patent Owner again asserts that there are three distinct transmission types: (1) data; (2) program; and (3) combination. The data can be game data for playing games, karaoke data for playing karaoke music, image data for displaying static images like still pictures or dynamic images like movies, audio data for reproducing sound or playing music, character data for composing documents, and the like. The program includes a large-scale program, such as a program for word processing, a program for computing with a spread sheet, or a program for communication, and a plug-in- program to be incorporated in a main program. Transmitting a combination of the program and data means, for instance, transmitting a karaoke executing program and the data indicative of karaoke music to be played, or a set of a word processing program and the data indicative of document examples ('508 specification at Col. 4, lines 12-31).

The Patent Office also adopts TPR's argument that because transmission of video games includes both a program and data, a prior art reference teaching transmission of a video game teaches the transmission of a program, data, and combination of the program and data (RAN, pg 59; citing TPR Comments: section II.A.3). Again, this illustrates TPR's failure to appreciate the subtleties of the interpretation of the “and” and “or” in Claim 1. The Patent Office's adoption of TPR's argument that transmitting a video game teaches all three distinct transmission types would render the claim language superfluous and would be inconsistent with the specification. The Patent Owner contends that “information” or “data” or whatever the lowest level term that a

patent drafter uses to describe the transmission of 0's and 1's does not teach all other transmissions of 0's and 1's. Instead, each prior art reference must be reviewed in its entirety to determine what is taught by its use of the chosen term, rather than taking the term out of context.

The Patent Owner reiterates that prior to the present invention there was no single prior art reference or combination of references that taught or suggested a system that allowed players who progressed in a certain game, the ability to download additional map data that was sold separately in order to keep the user interested in the game, without requiring a manufacturing to create a whole new game to download in order to keep the user interested. Contrary to TPR's argument that because video games include both a program and data, a prior art reference teaching transmission of a video game teaches the transmission of a program, data, and combination of the program and data, the '508 specification groups a "video game" as a program. Therefore, a prior art reference teaching the transmission of video games does not teach or suggest a system capable of transmitting all three distinct transmission types.

As discussed above, the '508 Patent supports three types of transmission: "program," "data," and a "combination of program and data." For example, Figure 2 of the '508 Patent illustrates a game database 101, a karaoke database 103, and an other data database 105. Game request data includes an identification number of the calling personal communicator and the desired game number. The game associated with the desired game number is retrieved from the "game database" and stored in the memory. When game play is instructed by the next operation, the game stored in the memory is started. '508 Patent, col. 6, lines 14 to 40. Thus, the "game database" 101 includes games that can be played (i.e., programs). In addition to games, the '508 Patent also supports "data." For example, the '508 Patent states that when the game (i.e., program) progresses and the player wishes to play on a more advanced map data (i.e., data), the player is to purchase and download the advanced map data. '508 Patent, col. 8, lines 30-32. Thus, the '508 Patent not only distinguishes between "program" and "data," but groups video games into "program". Therefore, TPR's argument would render the claim language superfluous and would be inconsistent with the specification. TPR reiterates the Patent Office's position that having "a game program without game data, of some sort, is useless to a consumer" (ACP at 53, TPR Comments at 10). However, neither TPR nor the Patent Office recognize the illogical conclusion of that statement; to wit, if software and games (i.e., programs) inherently have "data", a system capable of transmitting all three transmission types could not exist and would render

Claim 1 useless. Therefore, Claim 1 must be interpreted consistent with the specification which supports three transmission types.

The above arguments for the interpretation of Claim 1 are also applicable to Claim 5. Even though Claim 5 is a method claim, according to *Schumer*, the concept of capability is relevant for a process patent that is tied to a “particular machine or apparatus.” The method of Claim 5 is tied to a particular machine or apparatus.

**B. The Prior Art Does Not Show All the Recited Claim Elements**

Ground AW rejected claims 1 and 5 under 35 U.S.C. § 102(b) as being anticipated by *Matsuda* and Ground AX rejected claims 1 and 5 under 35 U.S.C. § 102(b) as being anticipated by *Bush*(RAN, pg 9). Both *Matsuda* and *Bush* are discussed below.

**1. Matsuda**

*Matsuda* is directed at an information rental system, which “allows users to rent desired information without going all the way to rental stores.” *Matsuda* discloses an information rental system that includes an information center linked with a terminal block arranged in a house via a communication line. A user of the terminal accesses the center to get desired information and references the index information attached to the obtained information to determine whether to rent or not. If rental is chosen, the rental information is transmitted to storage means of the terminal block via communication line for use at the terminal block. Pg. 5, first full paragraph. *Matsuda* further discloses that the information center holds various kinds of information including game information, educational information, video information, and audio information. Pg. 5, bottom paragraph to Pg. 6 first line. *Matsuda* further describes that the information center corresponds to a current rental store such as a game rental store, a video rental store, or an audio rental store. *Matsuda*, pg 6.

As explained in the problem solved section of *Matsuda*, the information rental system allows software products to be rented so that users do not need to go all the way to a rental store. Through-out the specification, *Matsuda* is consistent in stating that it is an information rental system that allows “software products” to be rented so that users do not need to go all the way to a rental store. TPR's argument fails to show how *Matsuda* discloses all three distinct transmis-

sion types. The Patent Office's adoption of TPR's argument that *Matsuda* anticipates all of the elements in the '508 claims is not supported and should be overturned.

In one argument, TPR contends that because *Matsuda* teaches transmission of a “program”, that is sufficient to reject Claims 1 and 5 under 35 U.S.C. § 102(b) (TPR Comments 06/19/2013, pg 4). However, this argument is based on the erroneous interpretation that a prior art reference need only to show one transmission type. As explained above, this interpretation is not correct.

## 2. *Bush*

*Bush* is directed at a “Pay Per View Entertainment System.” According to the Abstract, in a pay per view entertainment system, recorded entertainment such as musical works are distributed to subscribers over a cable network. Pay per view systems are quite different than on-demand systems. Pay per view systems determine the programming of prerecorded entertainment (col. 2, lines 45-46) and provide the same prerecorded programmed entertainment to all subscribers (col. 2, lines 48-50). The prerecorded programmed entertainment includes previews and the entire musical works (col. 1, lines 56-64). When a user wants to record an entire musical work, a selection is made and the musical work is recorded on a cassette (col. 4, lines 7-11, col. 6, lines 11-48). In contrast to the pay per view entertainment system disclosed in *Bush*, claims 1 and 5 in the '508 Patent recite “**transmitting** the program, the data, or the combination of the program and data **at the request of said communication terminal device.**” This element is quite different than the pay per view system disclosed in *Bush* in which the same data (i.e., prerecorded programmed entertainment) is provided to all the subscribers and there is no request to transmit any program, data, or combination of the program and data. Thus, for at least this reason, the claims are patentable over *Bush*.

In addition, as described above, , *Bush* also does not disclose a system capable of transmitting all three types. There is no teaching or suggestion in *Bush* regarding “**transmitting** the program, the data, or the combination of the program and data **at the request of said communication terminal device.**”

For any one of these reasons, the rejections of Claim 1 and 5 should be overturned.

**II. The Patent Office erred by failing to recognize that the prior art does not teach or suggest all the recited claim elements in Claims 1-7 as required for a proper rejection under 35 U.S.C. § 103**

*Matsuda, Bush, Stokey, Suzuki, Sanbe, Tsumura, Tashiro, and Rhoades* have been combined in various ways in an attempt to prevent Claims 1-7 from being patentable. Patent Owner believes that the Patent Office has not carried its burden of demonstrating that the subject claim limitations are taught or suggested by the art of record. Furthermore, none of the additional references remedy the failures of *Matsuda* and *Bush* as discussed above. Accordingly, the rejections of Claims 1-7 should be overturned for any of the following reasons.

**A. “Facilitate interactive communication” Claim Element**

Claims 3 and 6 both recite “transmitting the game information to at least another communication terminal device to facilitate interactive communication between the at least two communication terminal devices regarding the game information.” The Patent Office has adopted TPR’s argument that “transmitting...to at least another communication terminal device to facilitate interactive communication between the at least two communication terminal devices” is taught by *Tashiro*. (RAN, pg 54). However, the system taught by *Tashiro* falls short of teaching a system through which rented software, such as a game, can be downloaded and then played in an interactive fashion. Here, the Patent Office merely suggests that it would have been obvious to combine *Tashiro* with *Matsuda* out of a motivation for commercial success. *Id.*

The Patent Owner disagrees with this position and contends that the Patent Office has mischaracterized the teachings of *Tashiro*. For convenience, Claim 3 is copied below with emphasis added:

3. **A game information distribution system for transmitting game information stored in a game software database provided in a distribution center to a requested communication terminal device via communication lines, transmitting the game information to at least another communication terminal device to facilitate interactive communication between the at least two communication terminal devices regarding the game information; storing the game information in a memory provided in the respective communication terminal device, and enabling game play in accordance with the game information stored in the memory of the respective communication terminal device,**  
 said distribution center comprising:  
     means for **transmitting the game information at the request** of said communication terminal device to said respective communication terminal device;  
 and

means for **charging a use fee on the use of the transmitted game information** in said respective communication terminal device and for **direct debit against an account in a banking institution**, wherein the game information comprises game data and the at least two communication terminal devices display the number of players who can participate in the game play.

Tashiro discloses coin-operated game machines and discloses a video game that is pre-loaded on each coin-operated game machine. The pre-loaded video game is not transmitted to the coin-operated game machine by a “game information distribution system.”

The Examiner has already acknowledged that *Matsuda* does not teach or suggest “transmitting the game information to at least another terminal device to facilitate interactive communication between the at least two communication terminal devices regarding the game information.” *Tashiro* fails to remedy this lack of disclosure. As recited in the claim, the game information is stored in a game software database provided in a “distribution center.” At the request of a communication terminal device, the distribution center transmits the game information to the respective communication terminal device.

Furthermore, Claim 3 recites “the game information comprises game data.” Neither *Matsuda* nor *Tashiro* teach or suggest transmitting game data stored in a distribution center to a respective communication terminal device. As discussed above, the '508 Patent states that when a game (e.g., program) progresses and the player wishes to play on a more advanced map data, the player purchases and downloads the advanced map data (e.g., data). Column 8, lines 34-38, of the '508 Patent states:

Map data of a role-playing game may be divided according to the progress degree of the story and the divided map data be sold separately. When the game progresses and the player wishes to play on a more advanced map data, the player purchases and downloads the advanced map data.

The Examiner is mischaracterizing “transmission data” taught in *Tashiro* for teaching this limitation. However, the “transmission data” taught in *Tashiro* includes “game state data” and “data identification codes.” Col. 3, lines 20-24. The “game state data” is data representative of the progress of the game in each of the game machines and “data identification codes” are used to specify a game machine corresponding to the game state data. Col. 3, lines 24-27. Neither the “game state data” nor the “data identification codes” are stored in a game information distribution system and transmitted to a communication terminal device upon request and then charged a use fee on the use of the transmitted game data as recited in Claim 3. Therefore,

neither *Matsuda* nor *Tashiro* teach or suggest “transmitting the game information to at least another communication terminal device to facilitate interactive communication between the at least two communication terminal devices regarding the game information.”

In addition, *Matsuda* and *Tashiro* cannot be properly combined because nothing in *Tashiro* suggests that any game information can be downloaded, nor does anything in *Matsuda* suggest that a game may be played cooperatively. There is no motivation at all to combine, despite the Office Action's conclusory statement that commercial success alone is somehow a sufficient suggestion to combine, given that the Office does not indicate from where such knowledge of commercial success would come. The Office fails to identify any actual commercial success that would justify its supposed motivation to combine. A mere conclusory statement without evidence is insufficient to support an obviousness objection. *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006). See also *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398 (2007) (quoting Federal Circuit statement with approval). Neither *Tashiro* nor *Matsuda* teach or suggest the recited claim elements.

The Patent Office has also adopted TPR's argument that “transmitting...to at least another communication terminal device to facilitate interactive communication between the at least two communication terminal devices” is also taught by *Tsumura*. (RAN, pg 12, TPR 02/27/2013 TPR comments section III.I). In TPR's argument, the erroneous proposition that *Matsuda* teaches transmitting program and data and *Tsumura* teaches transmitting a combination of program and data forms the basis of the argument. Furthermore, the erroneous proposition that *Tsumura* teaches the interactive communication is relied upon. In fact, upon reading the portions cited for supposedly teaching transmitting the combination of the program and data, the Patent Owner contends that *Tsumura* actually teaches away from “***transmitting...at the request of said communication terminal device.***” For example, col. 7, line 51 to col. 8, line 39, describe a system in which a plurality of game data is assembled into an incoming stream of game data that is transmitted to a game machine. Each of the game data has an associated ID code. If a code has been input from the control panel that matches one of the storage enable ID codes incorporated into the incoming stream of game data, the game data containing the matching ID code will be stored by the game machine. The game data received by the tuner 32 is not therefore automatically stored in its totality. *Tsumura states that by transmitting an incoming stream of game data enables the transmission of large volumes of data at extremely high speed*



and, since the bulk of the communication of the invention depends on broadcasting techniques, traffic congestion has no effect at all on the processing of the incoming data. Therefore, *Tsumura* teaches broadcasting and not transmitting at the request, thus does not teach or suggest “**transmitting...at the request of said communication terminal device**,” but rather discloses a system similar to a pay per view system that has pre-programmed content from which selected content may be stored (i.e., no requests to transmit).

This pay per view configuration is further supported in col. 5, lines 3-23 (cited by TPR) which states “[T]he transmission device 12 and the receiving device 13 are used to carry out data transfer by way of a communication satellite 11. Communication takes place in one direction only, from the transmission device 12 to the receiving device 13.” Therefore, *Tsumura* can not possibly teach “**transmitting...at the request of said communication terminal device**” because data transfer is only one way.

*Tsumura* also fails to teach or suggest the claim element in which recites “facilitate interactive communication”. Contrary to TPR's arguments, *Tsumara* does not teach or suggest “interactive communication”, but rather a system that can be suspended and then re-started. Suspending a game and then restarting does not teach or suggest “interactive communication between the at least two communication terminal devices regarding the game information.” Claim 6 recites “charging a use fee on the use of the transmitted game information” wherein the “game information comprises game data”. Neither Matsuda, Bush, nor *Tsumura* teach or suggest “transmitting game data”, and especially do not teach or suggest charging a use fee on the use of the game data.”

The Patent Office has adopted the TPR's argument that Claim 6 is also suggested by *Rhoades* in view of *Bush* in further view of *Tsumura*. (RAN, pg 32, TPR 02/09/2011 TPR comments section IV.M). In general, *Rhoades* is directed at a digital, interactive communication system designed to provide a plurality of remote subscribers with any one of a variety of stored information service software packages. *Rhoades* discloses at Col. 6, lines 5-7 that a video game software program may be selected. However, *Rhoades* fails to disclose, or even suggest, downloading either “program, data, or a combination of program and data.” In fact, it appears that at best *Rhoades* only discloses that the video game software program itself is downloaded and fails to disclose or suggest even transmitting just game data. Accordingly, *Rhoades* does not overcome the failings of *Bush* and *Tsumura*.

For at least any one of these reasons, the rejection of Claims 3 and 6 should be overturned.

**B. “Karaoke information and movie data” Claim Element**

Claims 4 and 7 both recite “karaoke information and movie data” that are stored in different databases, and that are both transmitted to a communication terminal device. The Patent Office has maintained its argument in the ACP (RAN pg 55), based on the Patent Offices position that *Matsuda* teaches storing karaoke information and movie data in different databases. See Office Action at page 28. However, an examination of *Matsuda* reveals just the opposite. First, nowhere does *Matsuda* teach storing karaoke information and movie data in different databases and making them both available through the same distribution system. In fact, *Matsuda* does not teach even one of any of those three elements. *Matsuda* does not teach storing karaoke information at all. *Matsuda* does not teach storing actual movie data, although *Matsuda* does teach storing “video information.” Nor does *Matsuda* teach storing any information of any kind in *separate* databases.

In regards to Grounds BK and BL (RAN, pg 15) a combination of *Sanbe* with *Matsuda* is far from either proper or obvious. Indeed, making the conclusory statement that two references can be combined falls fatally short of actually demonstrating that they even *could* be combined. In fact, nothing in *Sanbe* or *Matsuda* suggests such a combination.

*Matsuda* is a system for electronically transmitting information to a remote location that would otherwise reside at a rental store. The information is then stored at the remote location. See *Matsuda* at page 7, lines 10-15, page 8 lines 20-27. In contrast, *Sanbe* teaches that karaoke data is centrally stored on a “large hard disk storage device.” *Sanbe* at page 945, col. 2. That karaoke data is merely “reproduced” (not stored) on a remote “karaoke reproduction device” for display at a user’s home or business. *Sanbe* at page 947, col. 1. Nothing in *Sanbe* suggests renting or storing any data locally (it is only rendered in RAM), and nothing in *Matsuda* teaches or suggests a remote karaoke system. In short, there appears to be no reason to combine the two references other than the ACP’s conclusory statement that it could be done. Such a lack of motivation or even reason to combine references is improper. See *In Re Ravi Vaidyanathan*, No. 2009-1404 (Fed. Cir. 2010)(holding that an obviousness rejection requires a reviewable explanation of the evidence and rationale behind the rejection).

For a claim to be anticipated by the prior art, “[t]here must be no difference between the claimed invention and the reference disclosure.” *Scripps Clinic & Res. Found. v. Genentech, Inc.*, 927 F.2d 1565, 1576 (Fed. Cir. 1991). To that end, the failure of the *Matsuda* reference to teach even one of the elements for which it is relied upon renders the Office Action's rejection fatal.

For at least any one of these reasons, the rejections of Claims 4 and 7 should be overturned.

**C. “Display a number of players who can participate” Claim Element**

The Patent Office has maintained its rejection (RAN pg 55). In the rejection, the Patent Office states that “despite Patent Owner's considerable semantic gymnastics in this argument, the claim language simply requires “devices display the number of players who can participate.” Interestingly, in the next sentence, the Patent Office states that “the cited prior art shows a display indicating the number of players who can play in the broadest sense”, which totally ignores the argument presented by the Patent Owner. Therefore, again the Patent Office does not appreciate the subtle differences of claim terms. ACP states:

*Matsuda* did not explicitly state wherein the at least two communication terminal devices display the number of players who can participate in the game play. *Tashiro* demonstrated that it was known at the time of invention to display a number of players who can participate in an interactive game play (*Tashiro*: column 6, lines 1-5; figure 7). It would have been obvious to one of ordinary skill in the art at the time of invention to implement the game software system of *Matsuda* with terminals displaying a number of players who can participate in the game play as found in *Tashiro*'s teachings. This implementation would have been obvious because one of ordinary skill in the art would be motivated to extend the *Matsuda*'s potential market and commercial success to as many areas as possible including multiplayer games which are desirable (*Tashiro*: column 1, lines 20-24); and further because such an implementation is an application of known techniques and known elements to yield a predictable result.

Thus, the Patent Office contends that *Tashiro* demonstrates this limitation, but does not describe how *Tashiro* actually teaches or suggests this limitation. Rather, the Office Action merely states “*Tashiro* demonstrated that it was known at the time of invention to display a number of players who can participate in an interactive game play.”

However, *Tashiro* does not teach displaying a number of people who “can participate” in the game — *Tashiro* does not teach displaying anything related to the number of players who *can* play the game. Rather, *Tashiro* teaches only limiting the number of players who can play, by limiting the number of physical game machines. *Tashiro* at col. 6, lines 1-5. At best, *Tashiro* might suggest showing a car for each player who *is* currently *playing* the game, but this does not teach or suggest displaying how many *can* play the game. The Patent Office argues that displaying cars for the players who are playing teach or suggest this claim element. However, even if one could discern the ***number of players who are currently playing*** the game by counting the number of cars on the display, this is quite different than displaying a number of players “***who can participate***” in a game.

Still further, a review of Fig. 7 of *Tashiro* reveals that indeed the system disclosed does not, in fact, display a number of players who *can* participate in gameplay. Rather, Fig. 7 reveals that the system of *Tashiro* merely displays the number of players who *are* participating. Fig. 7 demonstrates that only those players who are in fact currently participating are displayed even though the game may, as described, have a maximum number of players. *Tashiro* at Fig. 7, col. 6, lines 1-5 (only 4 players shown--nowhere shows that 8 players *can participate*).

That particular teaching is especially meaningful in view of the Federal Circuit's recent holding in *Kinetic Concepts, Inc. et al. v. Wake Forest University Health Sciences*, Case 2011-1105, at page 32 (Fed. Cir. August 13, 2012). In *Kinetic Concepts*, Smith & Nephew (Appellee) argued that one piece of prior art taught that “negative pressure” could be used to treat a wound and thereby taught a missing element of other cited references. However, the Federal Circuit disagreed and concluded that the additional reference may have taught the use of “negative pressure” to treat a wound, however it only did so in the context of aspirating pus from an abscess—in essence the other reference “taught away” from the combination.

The same situation exists here. Even if *Tashiro* could be read as suggesting that when eight players are *in fact* playing the same game in which only eight players *can* play, that suggestion is a mere coincidence. Indeed, the teachings of Fig. 7 of *Tashiro* make clear that the number of players shown is actually the number of players who are *in fact* playing and not those who *can* play. Exactly as in *Kinetic Concepts*, *Tashiro* teaches away from the element for which it is offered.

The difference is also illustrated by the context of the *Tashiro* teachings. *Tashiro* teaches that a group of physical game machines “within the same game space” are multi-player enabled. See *Tashiro* at col. 2, lines 19-20. In that context, there is no need to display the number of players who *can* play—all an individual need do is look around. In contrast, the system addressed by Patent Owner’s claims enable geographically disparate players (who cannot simply look around) to know how many players *can* engage in a multi-player game. Therefore, *Tashiro* fails to remedy this lack of disclosure. For at least this reason, the rejections of the claims reciting displaying the number of players “*who can participate*” in the game play should be withdrawn.

**D. “Charging ... varied in accordance with newness” Claim Element**

Claims 2 was rejected under 35 U.S.C. 103(a) as being unpatentable over *Matsuda* in view of *Stokey*. The Patent Office maintains its argument (RAN, pg 15). The ACP adopted the third party comments in section III.D. *Stokey* fails to remedy *Matsuda*'s failure to teach all the elements in the independent claims. In fact, *Stokey* does not teach or suggest a “use fee” that is varied in accordance with the newness of the program, the data, and the combination of the program and data. Instead, *Stokey* teaches that products are very expensive when they first appear on the market, then, over a period of time the price declines (first paragraph). Thus, there is no teaching of varying a use fee in accordance with the newness of the program, the data, and the combination of the program and data.

*Stokey* is an article entitled “Intertemporal Price Discrimination” that is not even related to *Matsuda*, but is being combined in an impermissible hindsight reconstruction of the claims.

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**Conclusion**

Patent Owner respectfully asserts that the standing rejections of claims 1-7 are unsup-

ported by the cited art, and the arguments to the contrary are unfounded. Accordingly, Patent Owner respectfully requests that all pending rejections be overturned.

Respectfully submitted,

Dated: November 25, 2013

By: 

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## Claims Appendix

The claims stand as follows:

1. (Original) A software distributing system for transmitting at least one of the program, the data, and a combination of the program and data stored in a database provided in a distribution center to a requested communication terminal device via communication lines, storing the transmitted program, the data, and the combination of the program and data in a memory provided in the communication terminal device, and enabling execution of the program or data processing according to the program, the data, and the combination of the program and data in the memory, said distribution center comprising:

means for transmitting the program, the data, or the combination of the program and data at the request of said communication terminal device to said communication terminal device; and

means for charging a use fee on the use of the transmitted program, the data, or the combination of the program and data in said communication terminal device and for direct debit against an account in a banking institution.

2. (Original) A software distributing system according to claim 1, wherein said charging of the use fee is varied in accordance with the newness of the program, the data, and the combination of the program and data.

3. (Amended) A game information distribution system for transmitting game information stored in a game software database provided in a distribution center to a requested communication terminal device via communication lines, transmitting the game information to at least another communication terminal device to facilitate interactive communication between the at least two communication terminal devices regarding the game information; storing the game information in a memory provided in the respective communication terminal device, and enabling game play in accordance with the game information stored in the memory of the respective communication terminal device,

said distribution center comprising:

means for transmitting the game information at the request of said communication terminal device to said respective communication terminal device; and

means for charging a use fee on the use of the transmitted game information in said respective communication terminal device and for direct debit against an account in a banking institution, wherein the game information comprises game data and the at least two communication terminal devices display the number of players who can participate in the game play.

4. (Amended) A karaoke information and movie data distribution system for transmitting karaoke information stored in a karaoke database and movie data stored in another database provided in a distribution center to a requested communication terminal device via communication lines, storing the karaoke information or the movie data in a memory provided in the communication terminal device, and enabling karaoke music play in accordance with the karaoke information stored in the memory,

said distribution center comprising:

means for transmitting the karaoke information or the movie data at the request of said communication terminal device to said communication terminal device; and

means for charging a use fee on the use of the transmitted karaoke information or the transmitted movie data in said communication terminal device and for direct debit against an account in a banking institution, wherein the use fee is varied in accordance with the newness of the karaoke information or the movie data and the karaoke information comprises word data and accompaniment data associated with a song.

5. (Original) A method of software distribution for transmitting at least one of the program, the data, and a combination of the program and data stored in a database provided in a distribution center to a requested communication terminal device via communication lines, storing the transmitted program, the data, and the combination of the program and data in a memory provided in the communication terminal device; and enabling execution of the program or data processing according to the program, the data, and the combination of the program and data in the memory, said method comprising the steps of:



transmitting the program, the data, or the combination of the program and data at the request of said communication terminal devices to said communication terminal device; and

charging a use fee on the use of the transmitted program, the data, and the combination of the program and data in said communication terminal device and for direct debit against an account in a banking institution.

6. (Amended) A method for game information distribution for transmitting game information stored in a game software database provided in a distribution center to a requested communication terminal device via communication lines, transmitting the game information to at least another communication terminal device to facilitate interactive communication between the at least two communication terminal devices regarding the game information, storing the game information in a memory provided in the respective communication terminal device, and enabling game play in accordance with the game information stored in the memory of the respective communication terminal device, said method comprising the steps of:

transmitting the game information at the request of said communication terminal device to said respective communication terminal device; and

charging a use fee on the use of the transmitted game information in said respective communication terminal device and for direct debit against an account in a banking institution, wherein the game information comprises game data.

7. (Amended) A method for karaoke information distribution for transmitting karaoke information stored in a karaoke database and for movie data distribution for transmitting movie data stored in another database provided in a distribution center to a requested communication terminal device via communication lines, storing the karaoke information or the movie data in a memory provided in the communication terminal device, and enabling karaoke music play in accordance with the karaoke information stored in the memory, said method comprising the steps of:

transmitting the karaoke information or the movie data at the request of said communication terminal device to said communication terminal device; and

charging a use fee on the use of the transmitted karaoke information or the transmitted movie data in said communication terminal device and for direct debit against an account in a banking

institution, wherein the karaoke information comprises word data and accompaniment data associated with a song.

**Evidence Appendix**

None.

**Related Proceedings Appendix**

Appendix A : Decision on Appeal dated 11/10/2011 regarding US Patent No. 5,775,995: Merged Re-examination 90/009,523 & 90/010,663, in which all claims were confirmed as-issued.

Appendix B : Decision on Appeal dated 1/11/2013 regarding US Patent No. 6,193,520: Merged Re-examination 90/009,524 & 90/010,666, in which most claims were confirmed as-issued.

Appendix C : Decision on Request for Rehearing dated 07/30/2013 regarding US Patent No. 6,193,520.



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

First Named Inventor:	)	Title:	<b>Interactive Communication System</b>
<b>Takeya Okamoto</b>	)		<b>for Communicating Video Game</b>
	)		<b>and Karaoke Software</b>
Control Nos: <b>90/009,521 &amp;</b>	)	Patent No.:	<b>6,488,508</b>
<b>95/001,234</b>	)	Art Unit:	<b>3992</b>
	)	Examiner:	<b>William H. Wood</b>
Reexam Filed: <b>08/17/2009</b>	)		

**PATENT OWNER'S APPEAL BRIEF**

Attn: Central Reexamination Unit  
 Commissioner for Patents  
 P.O. Box 1450  
 Alexandria, VA 22313-1450

Dear Sir:

This is an appeal of the Examiner's adverse decision in *Inter Parties* reexamination of U.S. Patent No. 6,488,508 (hereafter the '508 Patent). The re-examination proceeding Control No. 90/009,521 has been merged with a third party reexamination request Control No. 95/001,234.

This paper is Patent Owner's Appellant Brief in the above-captioned matter.

The appropriate fee of \$1,000.00 pursuant to 41.20(b)(2)(ii) for filing a brief in support of an appeal in an *inter partes* reexamination proceeding is being paid in conjunction with the filing of this Appeal Brief.

Patent Owner has reviewed the Guidance to Reduce Non-Compliant Briefs provided by the Patent Office and believes this Appeal Brief to be fully compliant.

**Certificate of Mailing:**

I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as First Class Mail in an envelope addressed to:

Mail Stop "Inter Partes" Reexam  
 Attn: Central Reexamination Unit  
 Commissioner for Patents  
 United States Patent & Trademark Office  
 P.O. Box 1450  
 Alexandria, VA 22313-1450

Signed:   
 John Whitaker

Dated: **November 25, 2013**

### **Real Party in Interest**

The real party in interest is ADC Technology, Inc. of Nagoya, Japan.

### **Related Appeals and Interferences**

In the interest of complete disclosure, Patent Owner brings to the Board's attention the following:

Case No. 2:08-CV-01579-RSM in the Western District of Washington, currently stayed, is related to this appeal. The litigation matter includes the following patents, which are all under-going re-examination proceedings:

1. US Patent No. 6,875,021 : Merged Re-examination 90/009,520 & 95/001,237

Awaiting Examiner's Answer to Patent Owner's Appeal and Third Party Re-quester's Cross Appeal. Third Party Requester's Respondent Brief filed 10/09/2013 and Patent Owner's Respondent Brief filed 10/07/2013.

2. US Patent No. 6,488,508: Merged Re-examination 90/009,521 & 95/001,234

Current Appeal.

3. US Patent No. 6,702,585: Merged Re-examination 90/009,522 & 95/001,236

Patent Owner filed Notice of Appeal 10/03/2013. Third Party Requesters filed Notice of Cross Appeal 10/17/2013.

4. US Patent No. 5,775,995: Merged Re-examination 90/009,523 & 90/010,663

Decision of the Board issued. Reexamination certificate issued. All claims confirmed as-issued.

5. US Patent No. 6,193,520: Merged Re-examination 90/009,524 & 90/010,666.

Decision of the Board issued. Several claims confirmed as-issued.

### **Status of Claims**

Claims 1-31 are subject to reexamination and currently stand rejected. Claims 1-31 stand rejected under 35 U.S.C. § 102 and/or 35 U.S.C. § 103(a).

Patent Owner is appealing claims 1-7.

### **Status of Amendments**

After the mailing of the Action Closing Prosecution dated 19 April 2013, Patent Owner filed an amendment on 23 May 2013, which was entered. Claims 1, 2, and 5 are all original claims without any amendments.

### **Summary of Claimed Subject Matter**

The invention of the '508 Patent is directed at an interactive communication system. The '508 Patent issued with seven claims: six independent claims (claims 1, 3, 4, 5, 6, and 7). Claims 1 and 5 are original claims. Claim 1 is directed at a software distribution system and Claim 5 is directed at a method of software distribution. Claims 3, 4, 6, and 7 have been amended during re-examination. Amended Claim 3 is directed at a game information distribution system and amended Claim 6 is directed at a method for game information distribution. Amended Claim 4 is directed at a karaoke information and movie data distribution center and amended claim 7 is directed at a method for karaoke information distribution and movie data distribution.

Claim 1 recites a software distribution system for transmitting at least one of the program, the data, and a combination of the program and data stored in a database provided in a distribution center to a requested communication terminal device via communication lines. The transmitted program, data, or combination of program and data is stored in a memory in the communication terminal device. Execution of the program is enabled or data processing is enabled according to the program, the data, or combination of program and data in the memory. A distribution center transmits the program, the data, or the combination of the program and data at the request of the communication terminal device. The transmitted program, the data, or the combination of the program and data is charged a use fee by direct debit against an account in a banking institution.

**Issues to be Reviewed on Appeal**

Claims 1-7 are subject to reexamination and currently stand rejected.

The issues to be reviewed on appeal are:

- I. Whether the Patent Office erred by failing to recognize that the art under consideration does not teach all the recited claim elements in Claims 1-7 as required for a rejection under 35 U.S.C. § 102; and
- II. Whether the Patent Office erred by failing to recognize that the combination of art under consideration does not teach or suggest all the recited claim elements in Claims 1-7 as required for a rejection under 35 U.S.C. § 103.



## ARGUMENT

Claims 1, 3, 4, 5, 6, and 7 are independent claims. The following arguments are organized by issues on appeal.

**I. The Patent Office erred by failing to recognize that the prior art does not teach or suggest all the recited claim elements in Claims 1-7 as required for a proper rejection under 35 U.S.C. § 102**

**A. The Cited References Must Show *All Three Transmission Types***

Two of the as-issued independent claims (Claims 1 and 5) recite “transmitting at least one of the program, the data, and a combination of the program and data stored in a database provided in a distribution center to a requested communication terminal device via communication lines,” “transmitting the program, the data, or the combination of the program and data at the request of said communication terminal devices to said communication terminal device,” and “charging a fee” (claim 1) or “charging a use fee” (claim 5) on the transmitted program, the data, or combination of the program and data.

The Patent Office adopts TPR's argument that “the claim limitation should be read disjunctively,” referring to “the program, the data, or the combination of the program and data” limitation (RAN: pg 52). Further, the Patent Office states it is logically false that “in order for the communication terminal device to be able to request the program, the data, or the combination of the program and data, all three must be available.” Then, the Patent Office explicitly states that “[t]he claim language does not require a system 'capable of transmitting' the program, data, 'and' a combination of the two” (RAN: pg 52). The Patent Owner disagrees with that position.

Likewise, TPR argues that the claim limitation should be read disjunctively (TPR comments, 2013-06-01, pg 2). In addition, TPR argues that the Patent Owner is attempting to read the “or” as an “and” and that the Patent Owner's construction is contrary to the law, the plain meaning of the phrase, and the specification (TPR comments, 2013-06-01, pg 2). However, in contrast to TPR's position, the Patent Owner's construction of the claim is consistent with the law, is the plain meaning of the phrase(s), is consistent with the specification, and does not attempt to substitute “or” for an “and” or “and” for an “or” for any of the claim elements.

First, it is important to note that both “and” and “or” are used several times throughout Claim 1 when reciting the invention and that the use of both terms is consistent through out the

claim and each of their use is appropriate. Claim 1 is recited below with emphasis added to the words “or” and “and”:

1. (Original) A software distributing system for transmitting at least one of the program, the data, and a combination of the program and data stored in a database provided in a distribution center to a requested communication terminal device via communication lines, storing the transmitted program, the data, and the combination of the program and data in a memory provided in the communication terminal device, and enabling execution of the program or data processing according to the program, the data, and the combination of the program and data in the memory, said distribution center comprising:

means for transmitting the program, the data, or the combination of the program and data at the request of said communication terminal device to said communication terminal device; and

means for charging a use fee on the use of the transmitted program, the data, or the combination of the program and data in said communication terminal device and for direct debit against an account in a banking institution.

Because Claim 1 is a “system” claim, a determination on whether the system must be capable of transmitting all three types must be considered. *Schumer v. Lab. Computer Sys., Inc.* 308 F.3d 1304, 1312 (Fed. Cir. 2002). As noted in *Schumer*, the concept of capability is relevant for apparatus or product patents, and also for a process patent if the claims are tied to a “particular machine or apparatus.” Even though *Schumer* found that the method was performed if any of the three alternatives were performed, the *Schumer* decision turned on the fact that the claims were “method” claims and that the method claim was not tied to a particular device. In contrast, in the '508 Patent, Claim 1 is a system claim, not a method claim. Claim 1 recites a software distributing system. In *Schumer*, the term “and” was used in the preamble and the term “or” was used in claim elements. In contrast, Claim 1 in the '508 Patent uses both of the terms, “and” and “or”, in the claim elements to give meaning to the invention.

Claim 1 recites “software distributing system for transmitting at least one of the program, the data, and a combination of the program and data stored in a database provided in a distribution center to a requested communication terminal device via communication lines.” There is no universal rule for the construction of the phrase “at least one of,” but is rather fact-specific and constructed to be consistent with the specification of the patent.” *Rowe International Corp. v. Ecast, Inc.*, 500 F.Supp.2d 891, 909 (N.D. Ill. 2007). The construction of the phrase “at least one of” to mean that the software distributing system is capable of

transmitting all three types is consistent with the rest of the claim language and is also consistent with the specification of the patent.

If the entire specification is reviewed to construe the meaning consistent with the patent, one would soon realize that the specification supports three distinct types: (1) data; (2) program; and (3) combination. The data can be, for example, game data for playing games, karaoke data for playing karaoke music, image data for displaying static images like still pictures or dynamic images like movies, audio data for reproducing sound or playing music, character data for composing documents, and the like. The program includes, for example, a large-scale program, such as a program for word processing, a program for computing with a spread sheet, or a program for communication, and a plug-in- program to be incorporated in a main program. Transmitting a combination of the program and data means, for instance, transmitting a karaoke executing program and the data indicative of karaoke music to be played, or a set of a word processing program and the data indicative of document examples ('508 specification at Col. 4, lines 12-31).

As further support, the '508 Patent states that when the game (e.g., program) progresses and the player wishes to play on a more advanced map data (e.g., data), the player can purchase and download the advanced map data (e.g., data). Column 8, lines 28-32, of the '508 Patent states:

Map data of a role-playing game may be divided according to the progress degree of the story and the divided map data be sold separately. When the game progresses and the player wishes to play on a more advanced map data, the player purchases and downloads the advanced map data.

A use fee is then charged on the use of the transmitted program, the data, or the combination of the program and data as recited in Claim 1. The '508 Patent itself distinguishes between "the program" and "the data." For that reason, in order to meet the subject limitation of transmitting either the program, the data, or the combination of program and data, the applied reference must teach a system capable of transmitting separate "program" and "data," and also a "combination of program and data." To fail to do so erroneously ignores the plain language of the claims and teachings of the specification.

Again, as recited in the operative claims, *at the request of said communication terminal device, either the program, or the data, or the combination of the program and data are transmitted to said communication terminal device.* A system which is incapable of transmitting ei-

ther the program or the data separate from the other does not satisfy this claim element. Likewise, a system that is capable of transmitting only program or data separately, does not satisfy this claim element. It is legal error to suggest that a prior art reference need not show the entire claim limitation, but need only teach one-third of it or two-thirds of it.

One of the benefits of the claimed invention is that as players progress in a certain game, additional map data can be sold separately to keep the users interested in the game, which is less expensive than creating a whole new game. The Patent Office's adoption of TPR's argument that the claim limitation should be read disjunctively totally ignores the '508 specification and that interpretation would be inconsistent with specification, and would render the claim language superfluous.

Therefore, if the meaning of Claim 1 is construed consistent with the patent, the software distributing system of Claim 1 must be construed as being capable of handling any of the three alternate types (e.g., "A software distributing system for transmitting at least one of the program, the data, and a combination of the program and data stored in a database provided in a distribution center to a requested communication terminal device via communication lines). Then, the request for transmission should be construed as requesting one of the three types (e.g., "transmitting the program, the data, or the combination of the program and data at the request of said communication terminal device to said communication terminal device"). If the patent drafter had written "transmitting the program, the data, **and** the combination of the program and data at the request of said communication terminal device to said communication terminal device", the interpretation for this phrase would most likely have been that all three types are sent in one request. The patent drafter specifically used "at least one of" and "and" with regards to the software distributing system, but then used "or" in regards to the transmission by the distribution center.

This interpretation is reinforced when the other independent claims of the '508 Patent are considered. For example, original Claim 3 is directed at game information ("A game information distribution system for transmitting game information", "transmitting the game information at the request of said communication terminal device to said communication terminal device") and original Claim 4 is directed at karaoke information ("A karaoke information distribution system for transmitting karaoke information", "transmitting the karaoke information at the request of

said communication terminal device to said communication terminal device”). This clearly shows that the patent drafter understood how to limit a claim to one transmission type and, in fact, in certain instances specifically did limit the transmission type to one type.

The Patent Office and TPR seem to focus solely on the instances in Claim 1 in which “or” is used and then seem to entirely overlook the limitations in Claim 1 in which “and” is used. Furthermore, the Patent Office and TPR attempt to allege that the Patent Owner is substituting “and” for an “or.” However, as discussed above, the Patent Owner is actually reading Claim 1 in its entirety and is considering *every claim element as written*.

TPR's inability to comprehend the subtle differences between “and” and “or” is also evident in their analysis of the Patent Owner's dispenser analogy of a device that dispenses coffee, milk, and combination of coffee and milk at the request of a user. TPR states that “Patent Owner continues to substitute an 'and' for the 'or' ” and that “Patent Owner's substitution is contrary to the plain language of the claim as well as established law that 'or' is construed to mean one or the other, not both” and cites *Schumer v Lab. Computer Sys., Inc.*, 308 F.3d 1304 (Fed. Cir. 2002) for holding that use of “or” in a claim meant that items in sequence were alternatives to each other.” However, TPR misreads the holding of *Schumer* and fails to mention that *Schumer* specifically states:

Giving the term “or” its accepted definition, however, is not the end of the inquiry. A question remains as to whether the claims should be interpreted to mean that the method must be capable of translating each of the three alternative variables, i.e., point of origin, angle of rotation, and scale, as the district court apparently held. If this were a product patent, the concept of capability would have relevance. So too it would have relevance if this process patent were tied to a “particular machine or apparatus.”

*Schumer* at 1312. Therefore, the Patent Owner reiterates that the teachings in *Schumer* mandates that a determination must be made on whether the system must be capable of transmitting all the alternatives. It appears from TPR's argument that they are in disagreement with the teachings of *Schumer*.

The Patent Office adopts TPR's erroneous argument that if a prior art reference teaches transmission of program and data, the prior art discloses the claim limitation with regard to the “program, data or combination of program and data” element (RAN, pg 58; citing TPR Com-

ments: section II.A.2). TPR erroneously states that if Claim 1 is interpreted to require transmission of a program, data, and combination of program and data, the third element is redundant of the first two (TPR Comments 06-19-2013, pg 6). Again, this illustrates TPR's failure to appreciate the subtleties of the interpretation for the "and" and "or" in Claim 1. As described above, if the meaning of Claim 1 is construed consistent with the patent, the software distributing system of Claim 1 must be construed as being capable of handling any of the three alternate types (e.g., "A software distributing system for transmitting at least one of the program, the data, and a combination of the program and data stored in a database provided in a distribution center to a requested communication terminal device via communication lines). Then, the request for transmission should be construed as requesting one of the three types (e.g., "transmitting the program, the data, or the combination of the program and data at the request of said communication terminal device to said communication terminal device").

Therefore, in contrast to TPR's allegation that the third element is redundant, Patent Owner again asserts that there are three distinct transmission types: (1) data; (2) program; and (3) combination. The data can be game data for playing games, karaoke data for playing karaoke music, image data for displaying static images like still pictures or dynamic images like movies, audio data for reproducing sound or playing music, character data for composing documents, and the like. The program includes a large-scale program, such as a program for word processing, a program for computing with a spread sheet, or a program for communication, and a plug-in program to be incorporated in a main program. Transmitting a combination of the program and data means, for instance, transmitting a karaoke executing program and the data indicative of karaoke music to be played, or a set of a word processing program and the data indicative of document examples ('508 specification at Col. 4, lines 12-31).

The Patent Office also adopts TPR's argument that because transmission of video games includes both a program and data, a prior art reference teaching transmission of a video game teaches the transmission of a program, data, and combination of the program and data (RAN, pg 59; citing TPR Comments: section II.A.3). Again, this illustrates TPR's failure to appreciate the subtleties of the interpretation of the "and" and "or" in Claim 1. The Patent Office's adoption of TPR's argument that transmitting a video game teaches all three distinct transmission types would render the claim language superfluous and would be inconsistent with the specification. The Patent Owner contends that "information" or "data" or whatever the lowest level term that a

patent drafter uses to describe the transmission of 0's and 1's does not teach all other transmissions of 0's and 1's. Instead, each prior art reference must be reviewed in its entirety to determine what is taught by its use of the chosen term, rather than taking the term out of context.

The Patent Owner reiterates that prior to the present invention there was no single prior art reference or combination of references that taught or suggested a system that allowed players who progressed in a certain game, the ability to download additional map data that was sold separately in order to keep the user interested in the game, without requiring a manufacturing to create a whole new game to download in order to keep the user interested. Contrary to TPR's argument that because video games include both a program and data, a prior art reference teaching transmission of a video game teaches the transmission of a program, data, and combination of the program and data, the '508 specification groups a "video game" as a program. Therefore, a prior art reference teaching the transmission of video games does not teach or suggest a system capable of transmitting all three distinct transmission types.

As discussed above, the '508 Patent supports three types of transmission: "program," "data," and a "combination of program and data." For example, Figure 2 of the '508 Patent illustrates a game database 101, a karaoke database 103, and an other data database 105. Game request data includes an identification number of the calling personal communicator and the desired game number. The game associated with the desired game number is retrieved from the "game database" and stored in the memory. When game play is instructed by the next operation, the game stored in the memory is started. '508 Patent, col. 6, lines 14 to 40. Thus, the "game database" 101 includes games that can be played (i.e., programs). In addition to games, the '508 Patent also supports "data." For example, the '508 Patent states that when the game (i.e., program) progresses and the player wishes to play on a more advanced map data (i.e., data), the player is to purchase and download the advanced map data. '508 Patent, col. 8, lines 30-32. Thus, the '508 Patent not only distinguishes between "program" and "data," but groups video games into "program". Therefore, TPR's argument would render the claim language superfluous and would be inconsistent with the specification. TPR reiterates the Patent Office's position that having "a game program without game data, of some sort, is useless to a consumer" (ACP at 53, TPR Comments at 10). However, neither TPR nor the Patent Office recognize the illogical conclusion of that statement; to wit, if software and games (i.e., programs) inherently have "data", a system capable of transmitting all three transmission types could not exist and would render

Claim 1 useless. Therefore, Claim 1 must be interpreted consistent with the specification which supports three transmission types.

The above arguments for the interpretation of Claim 1 are also applicable to Claim 5. Even though Claim 5 is a method claim, according to *Schumer*, the concept of capability is relevant for a process patent that is tied to a “particular machine or apparatus.” The method of Claim 5 is tied to a particular machine or apparatus.

## **B. The Prior Art Does Not Show All the Recited Claim Elements**

Ground AW rejected claims 1 and 5 under 35 U.S.C. § 102(b) as being anticipated by *Matsuda* and Ground AX rejected claims 1 and 5 under 35 U.S.C. § 102(b) as being anticipated by *Bush*(RAN, pg 9). Both *Matsuda* and *Bush* are discussed below.

### **1. Matsuda**

*Matsuda* is directed at an information rental system, which “allows users to rent desired information without going all the way to rental stores.” *Matsuda* discloses an information rental system that includes an information center linked with a terminal block arranged in a house via a communication line. A user of the terminal accesses the center to get desired information and references the index information attached to the obtained information to determine whether to rent or not. If rental is chosen, the rental information is transmitted to storage means of the terminal block via communication line for use at the terminal block. Pg. 5, first full paragraph. *Matsuda* further discloses that the information center holds various kinds of information including game information, educational information, video information, and audio information. Pg. 5, bottom paragraph to Pg. 6 first line. *Matsuda* further describes that the information center corresponds to a current rental store such as a game rental store, a video rental store, or an audio rental store. *Matsuda*, pg 6.

As explained in the problem solved section of *Matsuda*, the information rental system allows software products to be rented so that users do not need to go all the way to a rental store. Through-out the specification, *Matsuda* is consistent in stating that it is an information rental system that allows “software products” to be rented so that users do not need to go all the way to a rental store. TPR's argument fails to show how *Matsuda* discloses all three distinct transmis-



sion types. The Patent Office's adoption of TPR's argument that *Matsuda* anticipates all of the elements in the '508 claims is not supported and should be overturned.

In one argument, TPR contends that because *Matsuda* teaches transmission of a “program”, that is sufficient to reject Claims 1 and 5 under 35 U.S.C. § 102(b) (TPR Comments 06/19/2013, pg 4). However, this argument is based on the erroneous interpretation that a prior art reference need only to show one transmission type. As explained above, this interpretation is not correct.

## 2. *Bush*

*Bush* is directed at a “Pay Per View Entertainment System.” According to the Abstract, in a pay per view entertainment system, recorded entertainment such as musical works are distributed to subscribers over a cable network. Pay per view systems are quite different than on-demand systems. Pay per view systems determine the programming of prerecorded entertainment (col. 2, lines 45-46) and provide the same prerecorded programmed entertainment to all subscribers (col. 2, lines 48-50). The prerecorded programmed entertainment includes previews and the entire musical works (col. 1, lines 56-64). When a user wants to record an entire musical work, a selection is made and the musical work is recorded on a cassette (col. 4, lines 7-11, col. 6, lines 11-48). In contrast to the pay per view entertainment system disclosed in *Bush*, claims 1 and 5 in the '508 Patent recite “**transmitting** the program, the data, or the combination of the program and data **at the request of said communication terminal device**.” This element is quite different than the pay per view system disclosed in *Bush* in which the same data (i.e., prerecorded programmed entertainment) is provided to all the subscribers and there is no request to transmit any program, data, or combination of the program and data. Thus, for at least this reason, the claims are patentable over *Bush*.

In addition, as described above, *Bush* also does not disclose a system capable of transmitting all three types. There is no teaching or suggestion in *Bush* regarding “**transmitting** the program, the data, or the combination of the program and data **at the request of said communication terminal device**.”

For any one of these reasons, the rejections of Claim 1 and 5 should be overturned.

**II. The Patent Office erred by failing to recognize that the prior art does not teach or suggest all the recited claim elements in Claims 1-7 as required for a proper rejection under 35 U.S.C. § 103**

*Matsuda*, *Bush*, *Stokey*, *Suzuki*, *Sanbe*, *Tsumura*, *Tashiro*, and *Rhoades* have been combined in various ways in an attempt to prevent Claims 1-7 from being patentable. Patent Owner believes that the Patent Office has not carried its burden of demonstrating that the subject claim limitations are taught or suggested by the art of record. Furthermore, none of the additional references remedy the failures of *Matsuda* and *Bush* as discussed above. Accordingly, the rejections of Claims 1-7 should be overturned for any of the following reasons.

**A. “Facilitate interactive communication” Claim Element**

Claims 3 and 6 both recite “transmitting the game information to at least another communication terminal device to facilitate interactive communication between the at least two communication terminal devices regarding the game information.” The Patent Office has adopted TPR's argument that “transmitting...to at least another communication terminal device to facilitate interactive communication between the at least two communication terminal devices” is taught by *Tashiro*. (RAN, pg 54). However, the system taught by *Tashiro* falls short of teaching a system through which rented software, such as a game, can be downloaded and then played in an interactive fashion. Here, the Patent Office merely suggests that it would have been obvious to combine *Tashiro* with *Matsuda* out of a motivation for commercial success. *Id.*

The Patent Owner disagrees with this position and contends that the Patent Office has mischaracterized the teachings of *Tashiro*. For convenience, Claim 3 is copied below with emphasis added:

3. **A game information distribution system for transmitting game information stored in a game software database provided in a distribution center to a requested communication terminal device via communication lines, transmitting the game information to at least another communication terminal device to facilitate interactive communication between the at least two communication terminal devices regarding the game information; storing the game information in a memory provided in the respective communication terminal device, and enabling game play in accordance with the game information stored in the memory of the respective communication terminal device,**  
 said distribution center comprising:  
     means for **transmitting the game information at the request** of said communication terminal device to said respective communication terminal device;  
 and

means for **charging a use fee on the use of the transmitted game information** in said respective communication terminal device and for **direct debit against an account in a banking institution**, wherein the game information comprises game data and the at least two communication terminal devices display the number of players who can participate in the game play.

Tashiro discloses coin-operated game machines and discloses a video game that is pre-loaded on each coin-operated game machine. The pre-loaded video game is not transmitted to the coin-operated game machine by a “game information distribution system.”

The Examiner has already acknowledged that *Matsuda* does not teach or suggest “transmitting the game information to at least another terminal device to facilitate interactive communication between the at least two communication terminal devices regarding the game information.” *Tashiro* fails to remedy this lack of disclosure. As recited in the claim, the game information is stored in a game software database provided in a “distribution center.” At the request of a communication terminal device, the distribution center transmits the game information to the respective communication terminal device.

Furthermore, Claim 3 recites “the game information comprises game data.” Neither *Matsuda* nor *Tashiro* teach or suggest transmitting game data stored in a distribution center to a respective communication terminal device. As discussed above, the '508 Patent states that when a game (e.g., program) progresses and the player wishes to play on a more advanced map data, the player purchases and downloads the advanced map data (e.g., data). Column 8, lines 34-38, of the '508 Patent states:

Map data of a role-playing game may be divided according to the progress degree of the story and the divided map data be sold separately. When the game progresses and the player wishes to play on a more advanced map data, the player purchases and downloads the advanced map data.

The Examiner is mischaracterizing “transmission data” taught in *Tashiro* for teaching this limitation. However, the “transmission data” taught in *Tashiro* includes “game state data” and “data identification codes.” Col. 3, lines 20-24. The “game state data” is data representative of the progress of the game in each of the game machines and “data identification codes” are used to specify a game machine corresponding to the game state data. Col. 3, lines 24-27. Neither the “game state data” nor the “data identification codes” are stored in a game information distribution system and transmitted to a communication terminal device upon request and then charged a use fee on the use of the transmitted game data as recited in Claim 3. Therefore,

neither *Matsuda* nor *Tashiro* teach or suggest “transmitting the game information to at least another communication terminal device to facilitate interactive communication between the at least two communication terminal devices regarding the game information.”

In addition, *Matsuda* and *Tashiro* cannot be properly combined because nothing in *Tashiro* suggests that any game information can be downloaded, nor does anything in *Matsuda* suggest that a game may be played cooperatively. There is no motivation at all to combine, despite the Office Action's conclusory statement that commercial success alone is somehow a sufficient suggestion to combine, given that the Office does not indicate from where such knowledge of commercial success would come. The Office fails to identify any actual commercial success that would justify its supposed motivation to combine. A mere conclusory statement without evidence is insufficient to support an obviousness objection. *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006). See also *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398 (2007) (quoting Federal Circuit statement with approval). Neither *Tashiro* nor *Matsuda* teach or suggest the recited claim elements.

The Patent Office has also adopted TPR's argument that “transmitting...to at least another communication terminal device to facilitate interactive communication between the at least two communication terminal devices” is also taught by *Tsumura*. (RAN, pg 12, TPR 02/27/2013 TPR comments section III.I). In TPR's argument, the erroneous proposition that *Matsuda* teaches transmitting program and data and *Tsumura* teaches transmitting a combination of program and data forms the basis of the argument. Furthermore, the erroneous proposition that *Tsumura* teaches the interactive communication is relied upon. In fact, upon reading the portions cited for supposedly teaching transmitting the combination of the program and data, the Patent Owner contends that *Tsumura* actually teaches away from “***transmitting...at the request of said communication terminal device.***” For example, col. 7, line 51 to col. 8, line 39, describe a system in which a plurality of game data is assembled into an incoming stream of game data that is transmitted to a game machine. Each of the game data has an associated ID code. If a code has been input from the control panel that matches one of the storage enable ID codes incorporated into the incoming stream of game data, the game data containing the matching ID code will be stored by the game machine. The game data received by the tuner 32 is not therefore automatically stored in its totality. *Tsumura states that by transmitting an incoming stream of game data enables the transmission of large volumes of data at extremely high speed*

and, since the bulk of the communication of the invention depends on broadcasting techniques, traffic congestion has no effect at all on the processing of the incoming data. Therefore, *Tsumura* teaches broadcasting and not transmitting at the request, thus does not teach or suggest “**transmitting...at the request of said communication terminal device**,” but rather discloses a system similar to a pay per view system that has pre-programmed content from which selected content may be stored (i.e., no requests to transmit).

This pay per view configuration is further supported in col. 5, lines 3-23 (cited by TPR) which states “[T]he transmission device 12 and the receiving device 13 are used to carry out data transfer by way of a communication satellite 11. Communication takes place in one direction only, from the transmission device 12 to the receiving device 13.” Therefore, *Tsumura* can not possibly teach “**transmitting...at the request of said communication terminal device**” because data transfer is only one way.

*Tsumura* also fails to teach or suggest the claim element in which recites “facilitate interactive communication”. Contrary to TPR's arguments, *Tsumara* does not teach or suggest “interactive communication”, but rather a system that can be suspended and then re-started. Suspending a game and then restarting does not teach or suggest “interactive communication between the at least two communication terminal devices regarding the game information.” Claim 6 recites “charging a use fee on the use of the transmitted game information” wherein the “game information comprises game data”. Neither Matsuda, Bush, nor *Tsumura* teach or suggest “transmitting game data”, and especially do not teach or suggest charging a use fee on the use of the game data.”

The Patent Office has adopted the TPR's argument that Claim 6 is also suggested by *Rhoades* in view of *Bush* in further view of *Tsumura*. (RAN, pg 32, TPR 02/09/2011 TPR comments section IV.M). In general, *Rhoades* is directed at a digital, interactive communication system designed to provide a plurality of remote subscribers with any one of a variety of stored information service software packages. *Rhoades* discloses at Col. 6, lines 5-7 that a video game software program may be selected. However, *Rhoades* fails to disclose, or even suggest, downloading either “program, data, or a combination of program and data.” In fact, it appears that at best *Rhoades* only discloses that the video game software program itself is downloaded and fails to disclose or suggest even transmitting just game data. Accordingly, *Rhoades* does not overcome the failings of *Bush* and *Tsumura*.

For at least any one of these reasons, the rejection of Claims 3 and 6 should be overturned.

**B. “Karaoke information and movie data” Claim Element**

Claims 4 and 7 both recite “karaoke information and movie data” that are stored in different databases, and that are both transmitted to a communication terminal device. The Patent Office has maintained its argument in the ACP (RAN pg 55), based on the Patent Offices position that Matsuda teaches storing karaoke information and movie data in different databases. See Office Action at page 28. However, an examination of Matsuda reveals just the opposite. First, nowhere does *Matsuda* teach storing karaoke information and movie data in different databases and making them both available through the same distribution system. In fact, *Matsuda* does not teach even one of any of those three elements. *Matsuda* does not teach storing karaoke information at all. *Matsuda* does not teach storing actual movie data, although Matsuda does teach storing “video information.” Nor does *Matsuda* teach storing any information of any kind in *separate* databases.

In regards to Grounds BK and BL (RAN, pg 15) a combination of *Sanbe* with *Matsuda* is far from either proper or obvious. Indeed, making the conclusory statement that two references can be combined falls fatally short of actually demonstrating that they even *could* be combined. In fact, nothing in *Sanbe* or *Matsuda* suggests such a combination.

*Matsuda* is a system for electronically transmitting information to a remote location that would otherwise reside at a rental store. The information is then stored at the remote location. See Matsuda at page 7, lines 10-15, page 8 lines 20-27. In contrast, *Sanbe* teaches that karaoke data is centrally stored on a “large hard disk storage device.” *Sanbe* at page 945, col. 2. That karaoke data is merely “reproduced” (not stored) on a remote “karaoke reproduction device” for display at a user’s home or business. *Sanbe* at page 947, col. 1. Nothing in *Sanbe* suggests renting or storing any data locally (it is only rendered in RAM), and nothing in *Matsuda* teaches or suggests a remote karaoke system. In short, there appears to be no reason to combine the two references other than the ACP’s conclusory statement that it could be done. Such a lack of motivation or even reason to combine references is improper. See *In Re Ravi Vaidyanathan*, No. 2009-1404 (Fed. Cir. 2010)(holding that an obviousness rejection requires a reviewable explanation of the evidence and rationale behind the rejection).

For a claim to be anticipated by the prior art, “[t]here must be no difference between the claimed invention and the reference disclosure.” *Scripps Clinic & Res. Found. v. Genentech, Inc.*, 927 F.2d 1565, 1576 (Fed. Cir. 1991). To that end, the failure of the *Matsuda* reference to teach even one of the elements for which it is relied upon renders the Office Action's rejection fatal.

For at least any one of these reasons, the rejections of Claims 4 and 7 should be overturned.

**C. “Display a number of players who can participate” Claim Element**

The Patent Office has maintained its rejection (RAN pg 55). In the rejection, the Patent Office states that “despite Patent Owner's considerable semantic gymnastics in this argument, the claim language simply requires “devices display the number of players who can participate.” Interestingly, in the next sentence, the Patent Office states that “the cited prior art shows a display indicating the number of players who can play in the broadest sense”, which totally ignores the argument presented by the Patent Owner. Therefore, again the Patent Office does not appreciate the subtle differences of claim terms. ACP states:

*Matsuda* did not explicitly state wherein the at least two communication terminal devices display the number of players who can participate in the game play. *Tashiro* demonstrated that it was known at the time of invention to display a number of players who can participate in an interactive game play (*Tashiro*: column 6, lines 1-5; figure 7). It would have been obvious to one of ordinary skill in the art at the time of invention to implement the game software system of *Matsuda* with terminals displaying a number of players who can participate in the game play as found in *Tashiro*'s teachings. This implementation would have been obvious because one of ordinary skill in the art would be motivated to extend the *Matsuda*'s potential market and commercial success to as many areas as possible including multiplayer games which are desirable (*Tashiro*: column 1, lines 20-24); and further because such an implementation is an application of known techniques and known elements to yield a predictable result.

Thus, the Patent Office contends that *Tashiro* demonstrates this limitation, but does not describe how *Tashiro* actually teaches or suggests this limitation. Rather, the Office Action merely states “*Tashiro* demonstrated that it was known at the time of invention to display a number of players who can participate in an interactive game play.”

However, *Tashiro* does not teach displaying a number of people who “can participate” in the game —*Tashiro* does not teach displaying anything related to the number of players who *can* play the game. Rather, *Tashiro* teaches only limiting the number of players who can play, by limiting the number of physical game machines. *Tashiro* at col. 6, lines 1-5. At best, *Tashiro* might suggest showing a car for each player who *is* currently *playing* the game, but this does not teach or suggest displaying how many *can* play the game. The Patent Office argues that displaying cars for the players who are playing teach or suggest this claim element. However, even if one could discern the ***number of players who are currently playing*** the game by counting the number of cars on the display, this is quite different than displaying a number of players “***who can participate***” in a game.

Still further, a review of Fig. 7 of *Tashiro* reveals that indeed the system disclosed does not, in fact, display a number of players who *can* participate in gameplay. Rather, Fig. 7 reveals that the system of *Tashiro* merely displays the number of players who *are* participating. Fig. 7 demonstrates that only those players who are in fact currently participating are displayed even though the game may, as described, have a maximum number of players. *Tashiro* at Fig. 7, col. 6, lines 1-5 (only 4 players shown--nowhere shows that 8 players *can participate*).

That particular teaching is especially meaningful in view of the Federal Circuit's recent holding in *Kinetic Concepts, Inc. et al. v. Wake Forest University Health Sciences*, Case 2011-1105, at page 32 (Fed. Cir. August 13, 2012). In *Kinetic Concepts*, Smith & Nephew (Appellee) argued that one piece of prior art taught that “negative pressure” could be used to treat a wound and thereby taught a missing element of other cited references. However, the Federal Circuit disagreed and concluded that the additional reference may have taught the use of “negative pressure” to treat a wound, however it only did so in the context of aspirating pus from an abscess—in essence the other reference “taught away” from the combination.

The same situation exists here. Even if *Tashiro* could be read as suggesting that when eight players are *in fact* playing the same game in which only eight players *can* play, that suggestion is a mere coincidence. Indeed, the teachings of Fig. 7 of *Tashiro* make clear that the number of players shown is actually the number of players who are *in fact* playing and not those who *can* play. Exactly as in *Kinetic Concepts*, *Tashiro* teaches away from the element for which it is offered.



The difference is also illustrated by the context of the *Tashiro* teachings. *Tashiro* teaches that a group of physical game machines “within the same game space” are multi-player enabled. See *Tashiro* at col. 2, lines 19-20. In that context, there is no need to display the number of players who *can* play—all an individual need do is look around. In contrast, the system addressed by Patent Owner’s claims enable geographically disparate players (who cannot simply look around) to know how many players *can* engage in a multi-player game. Therefore, *Tashiro* fails to remedy this lack of disclosure. For at least this reason, the rejections of the claims reciting displaying the number of players “*who can participate*” in the game play should be withdrawn.

**D. “Charging ... varied in accordance with newness” Claim Element**

Claims 2 was rejected under 35 U.S.C. 103(a) as being unpatentable over *Matsuda* in view of *Stokey*. The Patent Office maintains its argument (RAN, pg 15). The ACP adopted the third party comments in section III.D. *Stokey* fails to remedy *Matsuda*'s failure to teach all the elements in the independent claims. In fact, *Stokey* does not teach or suggest a “use fee” that is varied in accordance with the newness of the program, the data, and the combination of the program and data. Instead, *Stokey* teaches that products are very expensive when they first appear on the market, then, over a period of time the price declines (first paragraph). Thus, there is no teaching of varying a use fee in accordance with the newness of the program, the data, and the combination of the program and data.

*Stokey* is an article entitled “Intertemporal Price Discrimination” that is not even related to *Matsuda*, but is being combined in an impermissible hindsight reconstruction of the claims.

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**Conclusion**

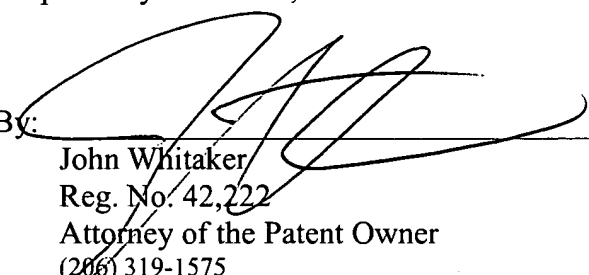
Patent Owner respectfully asserts that the standing rejections of claims 1-7 are unsup-

ported by the cited art, and the arguments to the contrary are unfounded. Accordingly, Patent Owner respectfully requests that all pending rejections be overturned.

Respectfully submitted,

Dated: November 25, 2013

By:



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## Claims Appendix

The claims stand as follows:

1. (Original) A software distributing system for transmitting at least one of the program, the data, and a combination of the program and data stored in a database provided in a distribution center to a requested communication terminal device via communication lines, storing the transmitted program, the data, and the combination of the program and data in a memory provided in the communication terminal device, and enabling execution of the program or data processing according to the program, the data, and the combination of the program and data in the memory, said distribution center comprising:

means for transmitting the program, the data, or the combination of the program and data at the request of said communication terminal device to said communication terminal device; and

means for charging a use fee on the use of the transmitted program, the data, or the combination of the program and data in said communication terminal device and for direct debit against an account in a banking institution.

2. (Original) A software distributing system according to claim 1, wherein said charging of the use fee is varied in accordance with the newness of the program, the data, and the combination of the program and data.

3. (Amended) A game information distribution system for transmitting game information stored in a game software database provided in a distribution center to a requested communication terminal device via communication lines, transmitting the game information to at least another communication terminal device to facilitate interactive communication between the at least two communication terminal devices regarding the game information; storing the game information in a memory provided in the respective communication terminal device, and enabling game play in accordance with the game information stored in the memory of the respective communication terminal device,

said distribution center comprising:

means for transmitting the game information at the request of said communication terminal device to said respective communication terminal device; and

means for charging a use fee on the use of the transmitted game information in said respective communication terminal device and for direct debit against an account in a banking institution, wherein the game information comprises game data and the at least two communication terminal devices display the number of players who can participate in the game play.

4. (Amended) A karaoke information and movie data distribution system for transmitting karaoke information stored in a karaoke database and movie data stored in another database provided in a distribution center to a requested communication terminal device via communication lines, storing the karaoke information or the movie data in a memory provided in the communication terminal device, and enabling karaoke music play in accordance with the karaoke information stored in the memory,

said distribution center comprising:

means for transmitting the karaoke information or the movie data at the request of said communication terminal device to said communication terminal device; and

means for charging a use fee on the use of the transmitted karaoke information or the transmitted movie data in said communication terminal device and for direct debit against an account in a banking institution, wherein the use fee is varied in accordance with the newness of the karaoke information or the movie data and the karaoke information comprises word data and accompaniment data associated with a song.

5. (Original) A method of software distribution for transmitting at least one of the program, the data, and a combination of the program and data stored in a database provided in a distribution center to a requested communication terminal device via communication lines, storing the transmitted program, the data, and the combination of the program and data in a memory provided in the communication terminal device; and enabling execution of the program or data processing according to the program, the data, and the combination of the program and data in the memory, said method comprising the steps of:

transmitting the program, the data, or the combination of the program and data at the request of said communication terminal devices to said communication terminal device; and

charging a use fee on the use of the transmitted program, the data, and the combination of the program and data in said communication terminal device and for direct debit against an account in a banking institution.

6. (Amended) A method for game information distribution for transmitting game information stored in a game software database provided in a distribution center to a requested communication terminal device via communication lines, transmitting the game information to at least another communication terminal device to facilitate interactive communication between the at least two communication terminal devices regarding the game information, storing the game information in a memory provided in the respective communication terminal device, and enabling game play in accordance with the game information stored in the memory of the respective communication terminal device, said method comprising the steps of:

transmitting the game information at the request of said communication terminal device to said respective communication terminal device; and

charging a use fee on the use of the transmitted game information in said respective communication terminal device and for direct debit against an account in a banking institution, wherein the game information comprises game data.

7. (Amended) A method for karaoke information distribution for transmitting karaoke information stored in a karaoke database and for movie data distribution for transmitting movie data stored in another database provided in a distribution center to a requested communication terminal device via communication lines, storing the karaoke information or the movie data in a memory provided in the communication terminal device, and enabling karaoke music play in accordance with the karaoke information stored in the memory, said method comprising the steps of:

transmitting the karaoke information or the movie data at the request of said communication terminal device to said communication terminal device; and

charging a use fee on the use of the transmitted karaoke information or the transmitted movie data in said communication terminal device and for direct debit against an account in a banking

institution, wherein the karaoke information comprises word data and accompaniment data associated with a song.

**Evidence Appendix**

None.

**Related Proceedings Appendix**

Appendix A : Decision on Appeal dated 11/10/2011 regarding US Patent No. 5,775,995: Merged Re-examination 90/009,523 & 90/010,663, in which all claims were confirmed as-issued.

Appendix B : Decision on Appeal dated 1/11/2013 regarding US Patent No. 6,193,520: Merged Re-examination 90/009,524 & 90/010,666, in which most claims were confirmed as-issued.

Appendix C : Decision on Request for Rehearing dated 07/30/2013 regarding US Patent No. 6,193,520.