

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SDI Technologies, Inc.
Petitioner

v.

Bose Corporation
Patent Owner

Case IPR2014-00346
Patent 8,364,295

**PATENT OWNER BOSE CORPORATION'S
PRELIMINARY RESPONSE**

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Statutes

35 U.S.C. § 103	passim
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UPDATED LIST OF EXHIBITS

Patent Owner Exhibit Number	Exhibit Description
BOSE 2101	06-28-2013 Bose's Preliminary Infringement Disclosure filed in <i>Bose Corp. v. SDI Technologies, Inc.</i> , Case No. 13-cv-10277-WGY (D. Mass.) (" <i>Bose v. SDI</i> case") (Previously filed)
BOSE 2102	Excerpts of 01-15-2014 court hearing held <i>Bose v. SDI</i> case (Previously filed)
BOSE 2103	Excerpt from Webster's Third New International Dictionary of the English Language (unabridged 1993), which includes a copy of the reference's definition of "respond" on page 1935 of that reference (Filed with Patent Owner Preliminary Response)

I. INTRODUCTION

U.S. 8,364,295 (“the ‘295 patent”) contains 78 claims and is the subject of a second Petition filed by Petitioner SDI Technologies, Inc. (“SDI”). The Board has already instituted trial on claims 1-12, 24, 27, 29-47, 50, 63, 64, 68-70, 73, 74, 77, and 78 of the ‘295 patent based on a subset of grounds raised in a Petition for *Inter Partes* Review filed by SDI on July 25, 2013. *See* IPR2013-00465, Paper 14 (“Prior Decision”).

Months before SDI filed its first Petition, Bose sued SDI for patent infringement of the ‘295 patent and its sister patent, U.S. Patent 8,401,682 (“the ‘682 patent”) in Massachusetts federal court, *Bose Corp. v. SDI Technologies, Inc.*, Case No. 13-cv-10277-WGY (D. Mass.) (“*Bose v. SDI* case”). In that litigation, on June 28, 2013, Bose served and filed its Preliminary Infringement Disclosure identifying its infringement contentions, which included the claims that are the subject of IPR2013-00465, as well as claims 25, 26, 51, 52, 53, 55-59, 60-62, 75, and 76 of the ‘295 patent, which are now the subject of SDI’s second Petition (“the Amended Petition”) filed on January 30, 2014. *See* Ex. 2101 (06-28-2013 Bose’s Preliminary Infringement Disclosure filed in *Bose v. SDI* case). Because Bose served its Disclosure six months prior to SDI’s filing of its second Petition directed to the ‘295 patent, there is no good reason why SDI could not have made its filing sooner.

In its Amended Petition, SDI falsely asserts that claims 25, 26, 51, 52, 53, 55-59, 60-62, 75, and 76 of the ‘295 patent were only recently asserted against it. *See* Amended Petition, p. 1 (“[Bose] **has now** accused SDI of infringing additional claims of the ‘682 Patent [sic: ‘295 Patent], directed to a feature in which the speaker is also ‘configured to respond to signals received from the computer.’ These claims—25, 26, 51, 52, 53, 55-59, 60-62, 75, and 76—can be grouped as follows”).¹ That position is completely indefensible in view of the record. SDI’s real reason for filing its Amended Petition as late as it has done is to attempt to extend the trial schedule of the existing IPR proceeding as to the ‘295 patent (and that of co-pending IPR2013-00350 as to the ‘682 patent) and thereby also adversely affect the schedule of the pending *Bose v. SDI* case, which has been stayed through December 13, 2014, pending the outcome of the existing IPR proceedings. *See* Ex. 2102 (Excerpts of 01-15-2014 court hearing held in *Bose v. SDI* case).

With respect to the merits, the Amended Petition now proposes two grounds for unpatentability for a subset of the ‘295 claims (claims 25, 26, 51, 52, 53, 55-59, 60-62, 75, and 76) under 35 U.S.C. § 103 based upon combinations of multiple references, all of which, with only one exception, are already the subject of the existing IPR proceedings. The Amended Petition fails to establish a reasonable

¹ Emphasis added here and throughout, unless otherwise indicated.

likelihood that SDI will prevail with respect to at least one of the challenged claims because the Amended Petition fails to establish a *prima facie* case of obviousness on the basis of the proposed combinations set forth in its Amended Petition.

It is well-settled that “rejections on obviousness cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007) (quoting *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)). *See also Kinetic Concepts, Inc. v. Smith & Nephew, Inc.*, 688 F.3d 1342, 1366 (Fed. Cir. 2012) (“Even if the references disclosed all of the limitations of the asserted claims, which they do not, S & N still needed to proffer evidence indicating why a person having ordinary skill in the art would combine the references to arrive at the claimed invention.”). The Board’s recent decision in *Heart Failure Technologies, LLC v. Cardiokinetix, Inc.*, 2013 Pat. App. LEXIS 5602, at *10-11 (July 31, 2013), emphasizes this point. In *Heart Failure Technologies*, the Board denied an IPR petition that proposed multiple combinations of references. The Board stated:

The fact that Murphy, Khairkhahan, and Lane all concern human heart repair is not in itself sufficient rationale for making the combination. Many heart repair devices exist. That fact alone would not make it obvious to combine their features. Petitioner must show some *reason*

why a person of ordinary skill in the art would have thought to combine *particular* available elements of knowledge, as evidenced by the prior art, to reach the claimed invention. *See KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398, 418 (2007). This, the Petitioner has not done. That the references relied upon all relate to human heart repair does not amount to “some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” *See id.* (internal quotations omitted).

Id. (emphasis in original).

Here, the Amended Petition fails to articulate a rational underpinning for either of the proposed combinations of references. The Lippman declaration upon which the Amended Petition relies offers no more than broad, hindsight-based, conclusory statements based upon selective readings of the references. *See Ex. 1017, Lippman Decl'n*, ¶¶ 24-50. More significantly, nowhere in that declaration does Dr. Lippman discuss or even mention the key limitations which, according to the Amended Petition itself, are at the heart of this second filing by SDI:

- a) “the sound reproduction device is configured to respond to signals received from the computer” in claims 25, 26, 51, and 52; and
- b) that the connector is configured to “(iii) receive signals from the computer” in claims 53 and 59.

See Amended Petition, pp. 1-2. Moreover, the references themselves, as well as evidence of record in related patent litigation involving the parent of the ‘295 patent (U.S. 7,277,765), contradict the proposed rationale for the combinations.

Patent Owner’s Preliminary Response is accompanied by one new exhibit, numbered Ex. 2103.

II. BACKGROUND OF THE ‘295 PATENT

The ‘295 patent and the ‘682 patent issued from continuations of U.S. 7,277,765, which was the subject of a prior lawsuit the Patent Owner Bose filed in 2009 against the Petitioner SDI and other defendants in the U.S. District Court for the District of Massachusetts, Civil Action No. 1:09-cv-11439-WGY (“the ‘765 Patent Litigation”). That litigation ended in 2013 and is presently pending in the Federal Circuit, where both SDI and Bose have filed petitions for rehearing.

As a continuation, the ‘295 patent shares a common specification with its parent, and like the parent ‘765 patent, the ‘295 patent relates to a remote-controlled audio system. The specific claims relate to an audio system that is configured to connect to a computer. Independent claim 1 characterizes the computer as “configured to provide audio information from any one of a plurality of sources, including digital music files stored on the computer and a network accessible by the computer.” Independent claim 27 characterizes the computer as having “a plurality of user functions, a subset of the user functions relating to

control of audio information.” One example of a computer that is configured to connect to the audio system of claims 1 and 27 is a desktop personal computer (PC). Another example is a mobile computer, such as a smartphone.

The audio system includes a sound reproduction device and a remote control. The remote control is configured to transmit at least two types of commands from a user to the sound reproduction system. The first type of command controls a user function of the sound reproduction system (*e.g.*, speaker volume), while the second type of command controls a user function of the computer relating to control of audio information (*e.g.*, selecting and playing a music file). When the remote control transmits the second type of command to the sound reproduction system, control circuitry included in the sound reproduction system transmits a signal to the computer for controlling the designated user function of the computer. The architecture of the audio system set forth in the ‘295 patent claims reflects the inventors’ idea of controlling the audio functions of a multi-functional computer via the much simpler sound reproduction system.

III. CLAIM CONSTRUCTION

Independent claim 1 requires “an audio system configured to connect to a separate computer that is configured to provide audio information from any one of a plurality of sources, including digital music files stored on the computer and a network accessible by the computer.” The claim further requires that the audio

system comprises a sound reproduction device that comprises “a connector ... between the sound reproduction device and the computer, wherein the connection includes one or more signal paths configured to ... (i) receive audio information from the computer corresponding to the digital music files stored on the computer and audio information from the network via the computer.”

In its Prior Decision, the Board, using claim 1 as a representative claim, construed the terms “computer,” “network,” “audio information from the network via the computer,” and “computer that is configured to provide audio information from any one of a plurality of sources, including digital music files stored on the computer and a network accessible by the computer,” as set forth in the following chart. Prior Decision, pp. 7-15. For the reasons discussed below, Bose opposes the Board’s construction of the third term and respectfully requests that the Board revise its construction.

<u>Claim Term</u>	<u>Board’s Constructions from IPR2013-00350</u>
“computer”	“any machine capable of receiving input, processing, storing, and outputting data”
“network”	“an interactive computer network, such as the internet”
“computer that is configured to provide audio information from any one of a plurality of sources, including digital music files stored on the computer and a network	“[O]n the current record, consistent with the specification and the claim language, ‘computer that is configured to provide audio information from any one of a plurality of sources, including digital music files stored on the computer and a network accessible by the computer,’ requires a

<u>Claim Term</u>	<u>Board's Constructions from IPR2013-00350</u>
accessible by the computer”	computer configured to provide audio information from either one or more of digital music files stored on a computer, or one or more of different networks accessible by a computer, but it does not preclude providing the information from both types of sources.”
“audio information from the network via the computer”	This phrase “does not include digital music files downloaded from a network, stored on a computer, transferred to a second computer, and later supplied to the audio system by the second computer. Rather, on the current record, ‘audio information from the network via the computer’ is audio information received from the computer that the computer has downloaded from the network.”

Prior Decision, pp. 8-15.

A. The District Court’s Constructions

In connection with the *Bose v. SDI* case, on January 15, 2014, the District Court held a Markman hearing in which it construed several terms in the ‘295 and ‘682 patents. *See* exhibits filed in pending IPR2013-00465: BOSE 2016 (01-15-2014 Hearing Transcript) and BOSE 2017 (01-22-2014 Markman Order).

For the terms “computer,” network,” and “audio information from the network via the computer,” the District Court adopted constructions that correspond to those adopted by the Board. BOSE 2017, pp. 2-3. For the term “configured to provide audio information from any one of a plurality of sources

...,” the Court did not agree with the Board’s construction, but declined to adopt a construction at that time. BOSE 2017, p. 2. During the *Markman* hearing, the Court stated that it would prefer to avoid adopting a construction that conflicted with one from the Board, but said that it would be willing to do so once the case resumed. BOSE 2016, pp. 38-39.

In addition, for the term “the sound reproduction device is configured to respond to signals received from the computer,” the Court, without hearing argument, adopted “the ordinary and customary meaning of this term.” BOSE 2016, p. 21; and see BOSE 2017, p. 4.

**B. The Board Should Revise Its Prior Construction Of
“Configured To Provide Audio Information From Any One
Of A Plurality Of Sources, Including [Sources A and B]”**

In its Prior Decision, which the Board said was based “on the [then] current record,” the Board construed only a portion of the phrase “configured to provide audio information from any one of a plurality of sources” Relying on *Strunk & White* and a dictionary,² and limiting its analysis to just the two words “any one,” the Board construed “any one of a plurality of sources ...” to mean “only one source, although it could be any of the sources in the plurality.” Prior Decision, p.

² Cf. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1319-23 (Fed. Cir. 2005) (en banc) (rejecting claim construction methodology that elevates dictionary definitions over the specification).

13. This approach, in which the Board did not properly consider the entirety of the claim language and the specification, but, instead, limited its analysis to just a portion of the disputed claim phrase, was clear, reversible error. *See In re Abbott Diabetes Care Inc.*, 696 F.3d 1142, 1149 (Fed. Cir. 2012) (holding that Board’s construction of “electrochemical sensor” was “unreasonable and inconsistent with the language of the claims and the specification”).

Indeed, the Federal Circuit has repeatedly held that when construing a claim phrase, it is important to give weight to all of the words in the claim phrase. *See, e.g., Bicon, Inc. v. Straumann Co.*, 441 F.3d 945, 950 (Fed. Cir. 2006) (“claims are interpreted with an eye toward giving effect to all terms in the claim”); *Elektro Instrument S.A. v. O.U.R. Scientific Int’l, Inc.*, 214 F.3d 1302, 1305, 1307 (Fed. Cir. 2000) (refusing to adopt a claim construction which would render claim language “superfluous”). Here, the Board’s failure to consider the rest of the claim phrase is particularly problematic, since the remainder of the claim phrase makes clear that “any one of a plurality of sources” is referring to a conjunctive list of sources, and controlling Federal Circuit precedent holds that “any one of” must include each item in that conjunctive list.

Importantly, in the claim, the recited “plurality of sources” is further defined by the subsequent phrase “including digital music files stored on the computer and a network accessible by the computer.” These two sources of audio information

are recited in conjunctive form, not disjunctive form. These two sources of audio information are again recited in the body of the claims in conjunctive form as well.³ Thus, the context of the claims themselves, which the Board has overlooked, confirms that the computer must be configured to receive audio information from at least “digital music files stored on the computer ***and*** a network accessible by the computer.”

In *SuperGuide Corp. v. DirecTV Enters., Inc.*, the Federal Circuit considered a claim phrase having the exact same structure as here, and concluded that because the term “and” connotes a conjunctive list, the claim must be construed as including all elements of the list:

We agree with DirecTV. The phrase “at least one of” precedes a series of categories of criteria, and the patentee used the term “and” to separate the categories of criteria, which connotes a conjunctive list. A common treatise on grammar teaches that “an article of a preposition applying to all the members of the series must either be

³ Claim 1, *e.g.*, specifically requires the audio system to be configured to receive audio information from ***both*** “digital music files stored on the computer ***and*** audio information from the network via the computer.” Ex. 1001, claim 1; *see Phillips*, 415 F.3d at 1314 (emphasizing importance of “context in which a term is used”).

used only before the first term or else be repeated before each term.”

William Strunk, Jr. & E.B. White, *The Elements of Style* 27 (4th ed. 2000). ... Applying this grammatical principle here, the phrase “at least one of” modifies each member of the list, *i.e.*, each category in the list. Therefore, the district court correctly interpreted this phrase as requiring that the user select at least one value for each category; that is, at least one of a desired program start time, a desired end time, a desired program service, and a desired program type.

358 F.3d 870, 886 (Fed. Cir. 2004).

The phrase “any one of,” which precedes “plurality of sources” in the claim, simply conveys that the computer must be configured to receive audio information from “each of” these sources, albeit only one of them at a time. This is entirely consistent with the specification’s teachings, as the Board has already acknowledged. Decision, pp. 12-13.⁴

The Board also improperly disregarded the *Zapmedia* and *Kenall* cases previously cited by Bose. In *Kenall* and *Zapmedia*, courts construed claim language like the language at issue here—*i.e.*, with the phrase “any one of”

⁴ As the Board has also acknowledged (Prior Decision, p. 10), the Federal Circuit requires the PTO’s claim constructions to be “consistent with the specification.” *In re Suitco Surface, Inc.*, 603 F.3d 1255, 1260 (Fed. Cir. 2010).

followed by a number of other claim elements—to mean “each of” those elements. *See Kenall Mfg. Co. v. H.E. Williams, Inc.*, No. 09 C 1284, 2013 WL 427119, at *17 (N.D. Ill. Feb. 1, 2013) (construing “endplates . . . adapted for attachment to any one of [two types of bridges], and an endcap”); *Zapmedia Servs., Inc. v. Apple, Inc.*, No. 2:08-CV-104-DF-CE, 2010 U.S. Dist. LEXIS 49387, at *36-38 (E.D. Tex. May 19, 2010) (construing “wherein the plurality of referenced media assets can be accessed by any one of the authorized plurality of media player devices”), *adopted in relevant part*, No. 2:08-CV-104, 2010 U.S. Dist. LEXIS 144482 (E.D. Tex. Aug. 19, 2010).

The claim phrases in these cases are structured in the same way as the claim language here—“a separate computer that is configured to provide audio information from ***any one of*** a plurality of sources, including digital music files stored on the computer ***and*** a network accessible by the computer.” Ex. 1001, claim 1 (emphases added). Indeed, the “including” phrase emphasizes that the computer is configured to work with each of the listed sources.

The Board’s “broadest” interpretation must be reasonable, and must be in conformity with the invention as described in the specification. *In re Vaidyanathan*, 381 Fed. Appx. 985, 995-96 (Fed. Cir. 2010) (unpublished). Accordingly, the Board should revise its construction of this claim phrase to make clear that the computer is configured “to provide audio information ***from each of***

at least two sources, including digital music files stored on the computer and a network accessible by the computer.” This construction is compelled from the claim language itself and is supported by the specification, as the Board has already expressly found, which exclusively describes that the computer attached to the audio system “provides audio signals from a plurality of sources.” Ex. 1001, Abstract. *See also* Ex. 1001, 1:28-33; 2:25-32; and 5:55-65.

C. “Configured To Respond To Signals Received From The Computer”

Dependent claims 25 and 51 of the ‘295 patent (and also claims 26 and 52, which depend from these) recite that the sound reproduction device is additionally “configured to respond to signals received from the computer.” SDI’s Amended Petition does not expressly construe the term “configured to respond” in these claims, but in the claim charts, SDI takes the position that the limitation is met by a speaker system that takes some action as a result of signals received from a computer, *e.g.*, SDI asserts that the limitation may be met by a speaker system that turns on when it receives audio from a computer. *See* Amended Petition, pp. 19, 22-23. That implicit construction is wrong. The broadest reasonable construction of the term “configured to respond to signals received from the computer” that is consistent with the claims and specification is “configured to answer or reply to the computer, *i.e.*, send a responsive communication back to the computer.”

The word “respond” is used in only one passage of the ‘295 specification. In the Brief Summary of the Invention, the specification of the ‘295 patent uses the word “respond” in describing that the sound reproduction system of the invention may transmit a control signal to the computer system and can determine if the computer system “is in a responsive state” based on whether the computer system “responds to the control signal.”

In another aspect of the invention, an audio system includes a computer system and a sound reproduction system for reproducing audible sound from audio signals. The audio signals come from a plurality of selectable sources. A method for switching the sound reproduction system from an unpowered state to a powered state includes transmitting a control signal from the sound reproduction system to the computer system. If the computer system responds to the control signal, the method determining by the sound reproduction device that the computer system is in a responsive state and

If the computer system does not respond to the control signal, determining by the sound reproduction device that the computer system is in an unresponsive state.

See Ex. 1001, 1:60-2:5. In its Amended Petition, SDI cites to a portion of this passage (at p. 34), but fails to acknowledge that indeed the word “respond” is used

to refer to *an answer or a reply*. SDI also fails to acknowledge that the specification's use of the term is also entirely consistent with the ordinary and customary meaning of "respond." *See, e.g.*, Ex. 2103, Webster's Third New International Dictionary of the English Language (unabridged 1993) (identifying "answer" and "reply" as synonyms of the word *respond* and also defining the verb respond as "to say something in return : make an answer").

The specification clearly describes the bidirectional signal paths recited in claims 25 and 51. *See* Ex. 1001, 4:31-52 (describing interconnections between the computer 20 and the sound reproduction device 10 with respect to Figure 3).

In addition, in the passage quoted above, the answer or reply is sent by the computer system in response to receiving a control signal from the sound reproduction system. In claims 25 and 51, however, the sound reproduction system must be configured to reply to signals received from the computer. The specification provides an explicit example of this that relates to the computer's ability to automatically assign broadcast radio stations to preset buttons. *See* Ex. 1001, 9:24-51 and Figure 7.

In particular, the specification describes that in response to a user identifying a zip code (locator), the computer coupled to the sound reproduction device sends a signal to that device (which includes the radio tuner 12) directing it to scan for the broadcast frequencies having the strongest signals. *Id.* When the sound

reproduction device replies back identifying the strongest signals, the computer compares those to the radio stations available based on the entered zip code to assign those available broadcast radio stations having the strongest signals to the preset buttons:

In one embodiment, initial preset assignment of broadcast radio stations is done automatically. Referring to FIG. 7, there is shown a flow diagram of a process for automatically initial preset assignment by a computer program running on computer system 20. In step 100, a locator is entered, for example, by a user entering a “zip code” using keyboard 44. In optional step 102, the user enters radio format preference or preferences (i.e. such as news, talk, type of music as discussed above). At step 104, the computer program directs AM/FM tuner 12 to scan the applicable broadcast frequency band for strong signals. At step 106, the strongest signals are compared to available stations based on the locator and information about available radio stations, as discussed above in the discussion of audio system mode operation. At step 108, the broadcast frequencies of the strongest signals are assigned by the computer program to the presets.

Ex. 1001, 9:24-39. *See also* Ex. 1001, Figure 7, reproduced below.

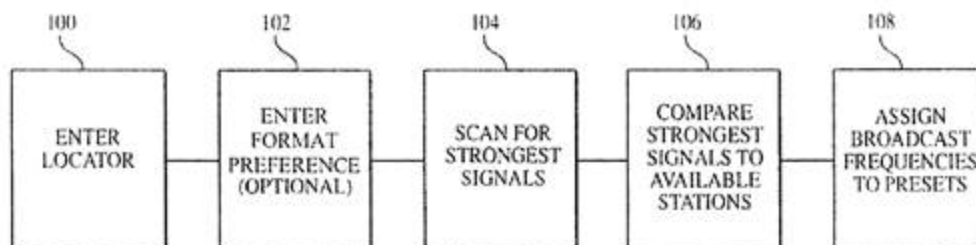


FIG. 7

Consequently, in view of the specification and claim language, the broadest reasonable construction for the term “configured to respond to signals received from the computer” is “configured to answer or reply to the computer, *i.e.*, send a responsive communication back to the computer” which is also entirely consistent with the ordinary and customary meaning of “respond.” *See In re Suitco Surface, Inc.*, 603 F.2d at 1260 (broadest reasonable construction rule requires always reading the claims “in light of the specification and teachings in the underlying patent.”).

IV. DEFECTS IN THE PROPOSED GROUNDS OF UNPATENTABILITY

Both proposed grounds of unpatentability are defective because each fails to establish a *prima facie* case of obviousness. Thus, each fails to meet the substantial likelihood of success threshold for *inter partes* review.

A. Ground I Is Defective

Proposed Ground I states: “Claims 25, 26, 51, 52, 53, 55-59, 60-62, 75, and 76 are invalid under 35 U.S.C. § 103 in view of the combination of *MP3!* book,

describing WinAmp (Ex. 1009), the IRMan Web Pages (Ex. 1010), and the Altec Lansing Manual (Ex. 1011) (or the Altec Lansing Press Release (Ex. 1012), describing the same device).” Amended Petition, p. 14.

1. The Board Should Disregard The Altec Lansing Press Release Because It Is Redundant

It is unclear from the Amended Petition whether the Altec Lansing Press Release is proposed in combination with the Altec Lansing Manual, or as an alternative to it. If the latter, then there are really two separate grounds being proposed, not one.

Neither the claim charts nor the Lippman declaration clarifies the purpose of the Altec Lansing Press Release. The claim charts simply refer to “Altec Lansing ADA310 Speakers” in the header, and then cite only portions of the Altec Lansing Manual. *See* Amended Petition, pp. 16-33.

The Amended Petition states that the Altec Lansing Manual and the Altec Lansing Press Release “describ[e] the same device.” Amended Petition, p. 14. Therefore, at best the Altec Lansing Press Release is redundant over the Altec Lansing Manual. Accordingly, if the Amended Petition is proposing combining each of these references individually with WinAmp and the IRMan Web Pages, thereby forming an additional and separate ground for unpatentability, then the Board should deny such additional ground as redundant on the basis of the Amended Petition’s admission that the Altec Lansing Press Release describes the

same device as the Altec Lansing Manual. On the other hand, if each reference does not form the basis of a separate ground, then the Board should strike the Altec Lansing Press Release because the Amended Petition fails to explain how it is to be combined with WinAmp and the IRMan Web Pages or how it discloses individual elements of the claims, particularly where the claim charts refer only to portions of the Altec Lansing Manual.

SDI's first Petition included the exact same defective grounds as to the Altec Lansing Press Release. *See* SDI's Petition, pp. 37-50 filed in IPR2013-00465. The Board denied these grounds as redundant. Prior Decision, pp. 26-27. The Board should reach a similar conclusion here.

2. The Proposed Combination (WinAmp, IRMan Web Pages, and the Altec Lansing Manual) Fails To Establish A *Prima Facie* Obviousness Case As To Claims 25, 26, 51, And 52

WinAmp is software that can be installed on a personal computer. It is a digital audio player. Ex. 1009, pp. 11-12. The Altec Lansing Manual describes speakers that can be connected to a personal computer. A remote control can be used to control certain functions of the speakers such as power on/off, volume, and mute. The Altec Lansing speakers include a USB input port, and the speaker functions can be controlled from the computer through the USB cable. *See* Ex. 1011, p. 3. The IRMan Web Pages describes a device that attaches to a personal

computer and allows a user to use the remote control from a TV, VCR, CD or stereo to control certain software running on the computer. Ex. 1010, p. 1.

As in its initial Petition, the Amended Petition proposes that it would have been obvious to combine the functionalities of IRMan and the Altec Lansing remote control “to reduce clutter and duplication.” Amended Petition, p. 15, citing Lippman Decl’n, ¶¶ 39-41. As before, it also proposes without any support that the combination would involve re-configuring the circuitry of the Altec Lansing speakers so that the remote communicated with the computer (the previous function of IRMan) through an infrared receiver and control circuitry located in the speaker. *Id.*

Even if the proposed combination of WinAmp (Ex. 1009), the IRMan Web Pages (Ex. 1010), and the Altec Lansing Manual (Ex. 1011) were made in the manner suggested by SDI and its expert Dr. Lippman, the resulting system would not satisfy claims 25, 26, 51, and 52 because the Altec Lansing Manual does not disclose “[a] sound reproduction device [that] is ***configured to respond to signals received from [a] computer***” as required by those claims.

As discussed above in Section III, under the broadest reasonable construction standard for the highlighted term, the claims plainly require that the sound reproduction device must be “configured to answer or reply to the computer, *i.e.*, send a responsive communication back to the computer.”

The Amended Petition critically fails to establish how this claim requirement is met by the proposed combination.

The Amended Petition points to a passage in the Altec Lansing Manual which describes that the computer “can control all speaker functions from the desktop” via software installed on the computer when the computer is coupled to the speakers through a USB port. *See* Amended Petition, pp. 19, 22-23, citing Ex. 1011, p. 3. No further information is given as to the implementation of such software. At most, the passage reasonably discloses that the user is able to adjust the volume of the speakers, *e.g.*, by having the computer transmit a command via USB to the speakers, which then adjusts the amplifier settings. There is no disclosure whatsoever that the speakers reply or answer back to the computer in response to receiving such a control signal.

The Amended Petition also cites to a statement in the Altec Lansing Manual which describes that “[w]hen audio is received ... the speaker turns on automatically.” *See* Amended Petition, pp. 19, 22-23, citing Ex. 1011, p. 3. The manual specifically states that this functionality is implemented via an audio sensing circuitry in the speaker. “An audio sensing circuit automatically turns the unit on when input signal is present. If no audio signal is present at the input of the amplifier for a prolonged period, the unit turns off automatically.” Ex. 1011, p. 3. In view of the described operation of the audio sensing circuitry, it is clear that the

speakers do not reply or answer back to the computer when audio information is transmitted to the speakers from the computer.⁵

Because neither passage of the Altec Lansing Manual upon which SDI relies discloses “[a] sound reproduction device [that] is *configured to respond to signals received from [a] computer*,” the proposed combination would not result in a system that would satisfy claims 25, 26, 51, and 52. Accordingly, the proposed combination of WinAmp, the IRMan Web Pages, and the Altec Lansing Manual fails to establish a *prima facie* case of obviousness with respect to claims 25, 26, 51, and 52.

B. Ground II Is Defective

Proposed Ground II states: “Claims 25, 26, 51, 52, 53, 55-59, 60-62, 75, and 76 are invalid under 35 U.S.C. § 103 over the Sony Music System Manual (Ex. 1002) in view of the Creative Nomad Manual (Ex. 1005) (or the Nomad Review (Ex. 1006), the Yepp Article (Ex. 1007), or the Samsung Yepp Press Release, Ex. 1008, *all describing the same device*), in further view of European Patent Application No. 0 929 170 (Exhibit 1018).” Amended Petition, p. 33.

⁵ Furthermore, SDI has failed to establish that audio information corresponds to “signals received from the computer” in view of the claims and specification.

**1. The Board Should Disregard The Nomad Review,
Yepp Article, And Samsung Yepp Press Release
Because They Are Redundant**

It is unclear from the Amended Petition whether the Nomad Review, Yepp Article, and Samsung Yepp Press Release are proposed in combination with the Creative Nomad Manual, or as alternatives to it. If the latter, then there are really four separate grounds being proposed, not one.

Neither the claim charts nor the Lippman declaration clarifies the purpose of these three references. The claim charts simply refer to “Nomad/Yepp” in the header, and then cite only portions of the Creative Nomad Manual. *See* Amended Petition, pp. 38-54. The Lippman declaration confuses things further by stating: “In my opinion, claims 1 and 28 would have been obvious by dint of the Sony Music System alone and in combination with the Creative Nomad or Samsung Yepp portable MP3 player.” Lippman Decl’n, ¶ 25. The Amended Petition does not propose a ground based upon the Sony Manual alone.

The Amended Petition states that the Creative Nomad Manual, Nomad Review, Yepp Article, and Samsung Yepp Press Release “all describ[e] the same device.” Amended Petition, p. 33. Therefore, at best the Nomad Review, Yepp Article, and Samsung Yepp Press Release are redundant over the Creative Nomad Manual. Accordingly, if the Amended Petition is proposing combining each of these three references individually with the Sony Manual, thereby forming three

additional and separate grounds for unpatentability, then the Board should deny each of these three grounds as redundant on the basis of the Amended Petition's admission that each describes the same device as the Creative Nomad Manual. On the other hand, if each reference does not form the basis of a separate ground, then the Board should strike these three references because the Amended Petition fails to explain how they are to be combined with the Sony Manual or how they disclose individual elements of the claims, particularly where the claim charts refer only to portions of the Creative Nomad Manual.

SDI's first Petition included the exact same defective grounds as to the Creative Nomad Manual, Nomad Review, Yepp Article, and Samsung Yepp Press Release. *See* SDI's Petition, pp. 11-24 filed in IPR2013-00465. The Board denied these grounds as redundant. Prior Decision, pp. 26-27. The Board should reach a similar conclusion here.

2. The Proposed Combination (Sony Manual And The Creative Nomad Manual) Fails To Establish A *Prima Facie* Obviousness Case As To Claims 1 And 59 Upon Which Claims 25, 26, 60-62, And 76 Depend

Ground II of the Amended Petition proposes to substitute the MP3 player described in the Creative Nomad Manual for the Sony MiniDisc recorder⁶

⁶ The Amended Petition refers to the device as a "player," but it is branded and called a MiniDisc "recorder" in the Manual. Ex. 1002, p. 41.

described in the Sony Manual. Amended Petition, pp. 38-54. This proposed combination fails to establish a *prima facie* case of obviousness because the proposed combination, even if made in the manner proposed by SDI and Dr. Lippman, would still not meet all of the requirements of claims 1 and 59 (upon which challenged claims 25, 26, 60-62, and 76 depend) because the Creative Nomad Manual (Ex. 1005) does not describe a computer that is capable of providing audio information from a computer network, as required by claims 1 and 55.

Independent claim 1 requires “an audio system configured to connect to a separate computer that is ***configured to provide audio information from any one of a plurality of sources***, including digital music files stored on the computer ***and a network accessible by the computer***.” The claim further requires that the audio system comprises a sound reproduction device that comprises “a connector ... between the sound reproduction device and the computer, wherein the connection ... [is] configured to ... ***receive audio information from the computer corresponding to*** the digital music files stored on the computer ***and audio information from the network via the computer***.”

Independent claim 59 similarly requires “an audio system configured to connect to a separate computer that has a plurality of user functions, a subset of the user functions relating to control of audio information, and is ***configured to***

provide audio information from any one of a plurality of sources, including digital music files stored on the computer *and a network accessible by the computer.*” And like claim 1, claim 59 further requires that the audio system comprises a sound reproduction device that comprises “an connector ... between the sound reproduction device and the computer, wherein the connection ... [is] configured to ... *receive audio information from the computer corresponding to the digital music files stored on the computer and audio information from the network via the computer.*”

As set forth above in Section III, under the broadest reasonable construction standard for the highlighted phrases, these claims plainly require an audio system that is configured to connect to a separate computer that is configured to provide audio information from *each of at least two audio sources*, including from digital music files stored on the computer and from an *interactive computer network such as the internet* that is accessible by the computer. It likewise requires that the claimed connection be configured to receive audio information from the computer corresponding to *audio information accessed from the computer network by the computer*. The Amended Petition critically fails to establish how these claim requirements are met by the proposed combination.

Although the Amended Petition characterizes the MiniDisc recorder described in the Sony Manual as a “computer,” Amended Petition, p. 38, it fails to

offer evidence that it is “configured to provide audio information from any one of a plurality of sources, including digital music files stored on the computer and a network accessible by the computer.” On the contrary, the Amended Petition relies upon the Creative Nomad Manual for this feature. However, the Creative Nomad Manual also fails to disclose this feature.

Fundamentally, the device described in the Creative Nomad Manual is not network accessible, *i.e.*, it is not configured to provide audio information from an interactive computer network such as the internet. As described in the manual, Nomad is a portable music player with flash memory that can store digital audio. Ex. 1005, p. 7. Using the accompanying software, a user can download MP3 music files to the device from a personal computer when the device is docked to the PC, and the user can also use the software to help organize the music. Ex. 1005, pp. 15-16, p. 23-25 (describing Nomad Manager software features). The Manual provides several websites from which a user can download MP3 files to his/her PC, then, using the Nomad Manager, transfer these to the Nomad player. Ex. 1005, pp. 22-25. Because the Manual describes that the PC, and not the Nomad, accesses the internet to obtain MP3 files, the Manual fails to establish that the Nomad is configured to provide audio information from a computer network. In addition, while the Manual states that the Nomad can provide music from stations available from the FM tuner integrated with the device, *see* Ex. 1005, p.

17, an FM tuner that receives radio broadcasts is not a “network” within the meaning of claim 1, as discussed above in Section III.

It is true that the Creative Nomad device can access stored digital music files. However, the phrase “any one of a plurality of sources, including ...” requires that the computer be configured to access audio information from *each* of the listed sources. There is no dispute that the Creative Nomad device lacks this ability.

Neither the Sony Manual nor the Creative Nomad Manual describes “an audio system configured to connect to a separate computer that is configured to provide audio information *from any one of a plurality of sources*, including digital music files stored on the computer *and a network accessible by the computer.*” Nor does either describe a connection between a sound reproduction device and a computer that is configured to ... “*receive audio information from the computer corresponding to* the digital music files stored on the computer *and audio information from the network via the computer.*” Therefore, regardless of whether the two references could be combined, the resulting combination would not include each element of claims 1 and 59, or their related dependent claims. Thus, the proposed combination of the Sony Manual and the Creative Nomad Manual fails to establish a *prima facie* case of obviousness with respect to claims 25, 26, 59, 60-62, and 76.

3. The Proposed Combination (Sony Manual, Creative Nomad Manual, And The EP Application) Fails To Establish A *Prima Facie* Obviousness Case Because The Combination Would Not Meet All The Requirements Of Claims 25, 26, 51, And 52

Even if the proposed combination of the Sony Music System Manual (Ex. 1002) and the Creative Nomad Manual (Ex. 1005) were made in the manner suggested by SDI and Dr. Lippman, and further, even if the so-called “HAVI architecture” described in EP 0 929 170 A2 (Ex. 1018, “EP Application”) were *somehow* used, the resulting system would not satisfy claims 25 and 51 and their related dependent claims (26 and 52), because the EP Application does not disclose “[a] sound reproduction device [that] is *configured to respond to signals received from [a] computer*” as required by these claims.

As discussed above in Section III, under the broadest reasonable construction standard for the highlighted term, the claims plainly require that sound reproduction device must be “configured to answer or reply to the computer, *i.e.*, send a responsive communication back to the computer.” The Amended Petition fails to establish how this claim requirement is met by the proposed combination.

The Amended Petition relies on passages in the EP Application where various devices are said to be “aware” of the status of other devices. For example, SDI quotes the Abstract of the EP Application, which states: “Devices of the

network are informed of the current status of the network after a local bus reset caused when a device ... is inserted into the network or when a device is removed from the network.” See Amended Petition, p. 35. SDI also quotes a portion of ¶11 in that application and also a portion of ¶5,⁷ both of which contains similar language. The various devices in the network are apparently made aware of the status of other devices by way of something called a “GUID list” which is forwarded to the devices and somehow keeps track of which devices were removed from the network after the bus reset and which were added to the network. See, e.g., EP Application at Abstract, ¶11.

SDI does not attempt to explain how it is that the feature of reporting device status information to devices on a network correlates to a “[a] sound reproduction device [that] is *configured to respond to signals received from [a] computer*.” A system that implements such a communication architecture does not disclose or suggest the configuration recited in the claims. Furthermore, although SDI submitted a declaration from its expert Dr. Lippman, his declaration does not even mention the EP Application.

⁷ SDI mistakenly refers to ¶5 of the EP Application as ¶42. See Amended Petition, p. 36.

Accordingly, the proposed combination of the Sony Manual and the Creative Nomad Manual, together with the EP Application, fails to establish a *prima facie* case of obviousness with respect to claims 25, 26, 51, and 52.

V. CONCLUSION

For the foregoing reasons, Patent Owner requests that the Board:

1. Rule that the Nomad Review (Ex. 1006), Yepp Article (Ex. 1007), Samsung Yepp Press Release (Ex. 1008), and the Altec Lansing Press Release (Ex. 1012) are each redundant of other cited exhibits and not adopt any grounds in view of them;
2. Deny Ground I as to claims 25, 26, 51, and 52 because the proposed combination of references fails to establish a reasonable likelihood that at least one of those claims is unpatentable; and
3. Deny Ground II as to claims 25, 26, 51, 52, 59, 60-62, and 76 because the proposed combination of references fails to establish a reasonable likelihood that at least one of the claims is unpatentable.

Please apply any fees or any credits to Deposit Account No. 06-1050.

Respectfully submitted,

Date: /April 29, 2014/

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR §§ 42.6(e)(4) and 42.205(b), the undersigned certifies that on April 29, 2014, a complete and entire copy of this Patent Owner's Preliminary Response was provided via email to the Petitioner by serving the correspondence email addresses of record as follows:

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