

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

CONTENTGUARD HOLDINGS, INC.,
Patent Owner.

Case IPR2015-00457
Patent 7,225,160 B2

Before JAMESON LEE, BENJAMIN D. M. WOOD, and
BARBARA A. PARVIS, *Administrative Patent Judges*.

WOOD, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
37 C.F.R. § 42.108

I. INTRODUCTION

A. *Background*

Apple Inc. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) to institute an *inter partes* review of claims 1–11 and 23–29 (the “challenged claims”) of U.S. Patent No. 7,225,160 B2 (Ex. 1011, “the ’160 patent”). ContentGuard Holdings, Inc. (“Patent Owner”) filed a Preliminary Response (Paper 8, “Prelim. Resp.”). We have jurisdiction under 35 U.S.C. § 314.

Institution of an *inter partes* review is authorized by statute when “the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). We determine that Petitioner has not shown a reasonable likelihood that it would prevail with respect to at least one of the claims of the ’160 patent. Accordingly, we deny the Petition and decline to institute an *inter partes* review.

B. *Related Proceedings*

Petitioner discloses that the ’160 patent has been asserted in two infringement actions pending in the Eastern District of Texas, and one infringement action pending in the Northern District of California. Pet. 2. Petitioner also indicates that the ’160 patent is the subject of another *inter partes* review proceeding, *Apple Inc. v. ContentGuard Holdings, Inc.*, Case IPR2015-00458. *Id.*

The ’160 patent was the subject of an earlier *inter partes* view in which the Board instituted a trial: *ZTE Corp. v. ContentGuard Holdings, Inc.*, Case IPR2013-00134 (PTAB June 19, 2013) (Paper 12) (“ZTE”).

C. *The '160 Patent*

The '160 patent is directed to supporting commercial transactions involving “digital works,” and, in particular, to enforcing “usage rights” that are associated with the digital works. Ex. 1011, Abstract, 1:15–16, 5:4–5. A “digital work” refers to any work that has been reduced to a digital representation, including any audio, video, text, or multimedia work, and any accompanying interpreter, *e.g.*, software, which may be required to recreate or render the content of the digital work. *Id.* at 5:20–24. “Usage rights” are rights granted to a recipient of a digital work that define the manner in which a digital work may be used and distributed. *Id.* at 5:26–30. “Usage rights are permanently associated with the digital work. . . . the usage rights and any associated fees assigned by a creator and subsequent distributor will always remain with a digital work.” *Id.* at 5:34–38.

The Specification states that a digital work’s usage rights are enforced by “repositories.” *Id.* at 5:39–40. “[R]epositories are used to store digital works, control access to digital works, bill for access to digital works and maintain the security and integrity of the system.” *Id.* at 5:40–43. A repository has both “a hardware and functional embodiment,” with the functional embodiment typically being software executed on the hardware embodiment. *Id.* at 12:27–29.

The '160 patent discloses dividing a digital work into two files: a contents file and a description tree file. *Id.* at 7:65–67. The contents file is a stream of addressable bytes, the format of which depends on the interpreter or rendering engine used to play, display, or print the digital work. *Id.* at 7:67–8:4. The description tree file contains the digital work’s usage rights, and makes it possible for the repository to examine the rights and fees

associated with the digital work without reference to the content of the digital work. *Id.* at 8:4–6, Fig. 7.

Figure 5 of the '160 patent, reproduced below, illustrates a contents file layout for a digital work. *Id.* at 4:16–18, 8:10.

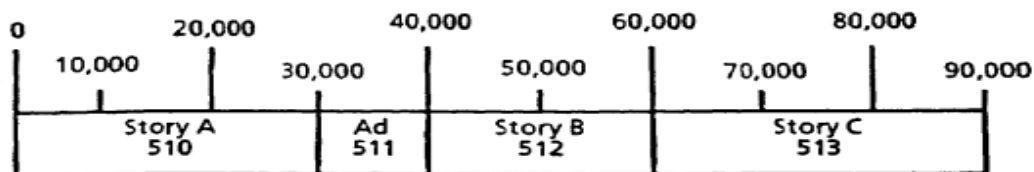
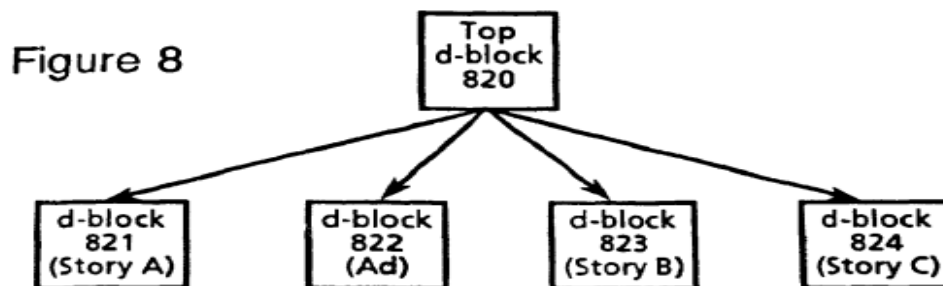


Figure 5

According to the contents file illustrated above, digital work 509 includes story A 510, advertisement 511, story B 512, and story C 513. *Id.* at 8:11–12. Digital work 509 is stored starting at a relative address of 0, with story A 510 stored at address of 0–30,000, advertisement 511 stored at address 30,001–40,000, etc. *Id.* at 8:12–18.

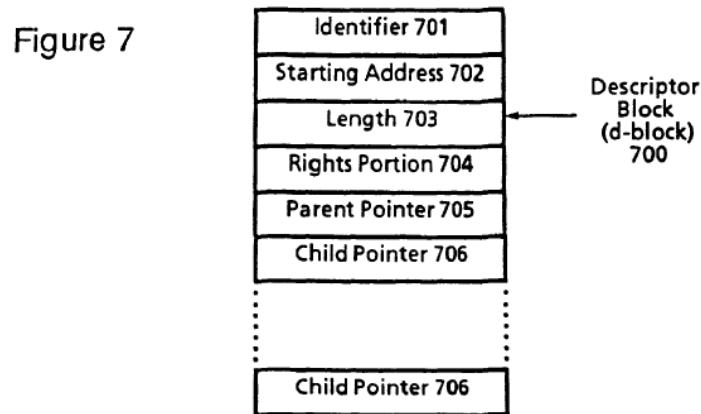
Figure 8 of the '160 patent, reproduced below, illustrates the description tree structure for digital work 509. *Id.* at 4:26–27, 8:55–56.



In the description tree illustrated above, digital work 509, as well as each of its components, has a corresponding descriptor block (“d-block”) arranged in a tree structure representing the relationship of the various

works. *Id.* at 8:56–58. Thus, d-block 820 corresponds to digital work 509 and points to: (1) d-block 821 representing story A 510; (2) d-block 822 representing advertisement 511; (3) d-block 823 representing story B 512; and (4) d-block 824 representing story C 513. *Id.* at 8:58–61. Figure 9 of the '160 patent further illustrates that d-block 821 is structured in much the same way, pointing to a separate d-block for each component of story A 510. *Id.* at 4:28–29, 8:62–63, Fig. 9.

Figure 7 of the '160 patent, reproduced below, illustrates the information provided by each d-block:



As depicted in Figure 7, each d-block contains, *inter alia*, unique identifier 701 for the digital work in the repository, starting address 702 of the first byte of the work, length 703 representing the number of bytes in the work, and rights portion 704, which maintains the work's granted usage rights and their status data. *Id.* at 8:29–36. “The rights portion 704 will contain a data structure, such as a look-up table, wherein the various information associated with a right is maintained.” *Id.* at 8:42–44.

D. Illustrative Claims

Claims 1 and 23 are independent. Independent claim 1 is illustrative:

1. A computer readable medium having embedded thereon a digital work adapted to be distributed within in a system for controlling the use of digital works, said digital work comprising:

a digital content portion that is renderable by a rendering device;

a usage rights portion associated with said digital content portion and comprising one or more computer readable instructions configured to permit or prohibit said rendering device to render said digital content portion, said usage rights portion being expressed as statements from a usage rights language having a grammar defining a valid sequence of symbols, and specifying a manner of use relating to one or more purposes for which the digital work can be used by an authorized party; and

a description structure comprising a plurality of description blocks, each of said description blocks comprising address information for a least one part of said digital work, and a usage rights part for associating one or more usage rights portions.

E. Prior Art Relied Upon

Petitioner relies upon the following prior-art references:

Stefik '980	US 5,629,980	May 13, 1997 (filed Nov. 23, 1994)	Ex. 1023
Kahn	US 6,135,646	Oct. 24, 2000	Ex. 1018

F. Asserted Grounds of Unpatentability

Petitioner contends that the challenged claims are unpatentable under 35 U.S.C. §§ 102 and/or 103 based on the following specific grounds (Pet. 2, 56–57):

Reference[s]	Basis	Claims Challenged
Stefik '980	§ 102	1–11 and 23–29
Stefik '980 and Kahn	§ 103	1 and 10

II. ANALYSIS

A. Claim Construction

The '160 patent has expired. *See* Ex. 1011, 1:6–11; 35 U.S.C. § 154(a)(2). The Board interprets claim terms in expired patents as would a district court, by applying the claim construction principles outlined in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc). *In re Rambus Inc.*, 694 F.3d 42, 46 (Fed. Cir. 2012). Only those terms in controversy need to be constructed, and only to the extent necessary to resolve the controversy. *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999). In this case, we determine that no express claim construction is required.

B. Whether Stefik '980 is Prior Art

Stefik '980 issued May 13, 1997 from an application filed November 23, 1994. Ex. 1023, at [22], [45]. The '160 patent issued May 29, 2007 from an application filed December 17, 2001, and asserts entitlement to the November 23, 1994 filing date of a great-grandparent application. Ex. 1011, at [22], [45], [60]. Petitioner contends that the '160 patent is not entitled to an effective filing date earlier than its actual filing date, because its parent application, U.S. Application No. 09/778,001 (“the '001 application”) does not adequately describe the '160 patent claims as required by 35 U.S.C. § 120.

Priority claims to an earlier-filed U.S. patent application must comply with 35 U.S.C. § 120, which requires the earlier application to disclose the later-filed claims in the manner provided by § 112 ¶ 1.¹ Petitioner's dispute concerns the written-description requirement of § 112 ¶ 1. Pet. 7–10. A written description adequately supports a claim under 35 U.S.C. § 112 ¶ 1 when it “reasonably conveys to those skilled in the art that the inventor had possession of the claimed subject matter as of the filing date.” *Ariad Pharma., Inc. v. Eli Lilly & Co.*, 598 F.3d 1336, 1351 (Fed. Cir. 2010) (en banc). Thus, the issue is whether the '001 application reasonably conveys to a person of ordinary skill in the art that the inventors had possession of the claimed subject matter of the '160 patent.²

The burden is on Petitioner to show a reasonable likelihood that it would prevail on a ground of unpatentability. 35 U.S.C. § 314(a). This burden includes, *inter alia*, showing that any reference on which it relies is prior art under 35 U.S.C. § 102. *See Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1576 (Fed. Cir. 1996) (holding that accused infringer “bore the burden of persuasion . . . on all issues relating to the status of [the asserted reference] as prior art”). But a patent is not presumed to be entitled to the earlier filing dates of an ancestral application that does not share the same disclosure with the patent. *Polaris Wireless, Inc. v. TruePosition, Inc.*, Case

¹ Section 4(c) of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”) redesignated 35 U.S.C. § 112 ¶ 1 as 35 U.S.C. § 112(a) when the act took effect on September 16, 2012. Because the '160 patent has a filing date prior to September 16, 2012, we refer to the pre-AIA version of 35 U.S.C. § 112.

² Unless otherwise noted, the following discussion applies to all of the claims at issue.

IPR2013-00323, slip op. at 29 (Nov. 15, 2013) (Paper 9). When, as here, Petitioner identifies differences between the ancestral application and the patent that allegedly result in the ancestral application's failing to provide adequate written-description support for the patent claims, Patent Owner bears the burden of going forward³ with evidence showing its entitlement to the earlier filing date. *Id.* This requires Patent Owner "to show not only the existence of the earlier applications, but why the written description in the earlier application supports the claim." *Tech. Lic. Corp.*, 545 F.3d at 1327.

Petitioner argues that the '001 application does not adequately describe the '160 patent claims for three primary reasons. First, Petitioner contends that although the '001 application discloses that usage rights are "attached to" digital works, and portrays such attachment as a 'key feature' and 'fundamental' component" of the invention, the challenged claims are drawn more broadly to digital works comprising usage rights that are "associated with" the content of digital works. Pet. 10–16, 27–28. Second, Petitioner contends that although the '001 application defines "digital work" as "digital information to which is attached usage rights," the '160 patent redefines "digital work" to omit this requirement and make usage rights "optional." *Id.* at 17. Third, Petitioner argues that even though the '001 application makes clear that the use of repositories is an "essential" element of the invention, and does not provide support for anything that does not require the use of repositories, the '160 patent claims do not recite the use of

³ The burden of "going forward with evidence—sometimes referred to as the burden of production— . . . mean[s] both producing additional evidence and presenting persuasive argument based on new evidence or evidence already of record." *Tech. Lic. Corp. v. Videotek, Inc.*, 545 F.3d 1316, 1327 (Fed. Cir. 2008)

repositories. Pet. 23–27. Petitioner argues that under *Gentry Gallery, Inc. v. Berkline Corp.*, 134 F.3d 1473, 1479 (Fed. Cir. 1998), the ’001 application does not support the claims because of their failure to recite this essential element. Pet. 25–27.

1. “Associated” vs. “Attached” Usage Rights

Petitioner contends that the ’001 application, which describes usage rights as being “attached to” a digital work, does not provide adequate written-description support for the claims of the ’160 patent, which recite usage rights that are “associated with” the digital work’s contents. Pet. 10–16. Petitioner asserts that the ’001 application “portrays as a ‘key feature’ and ‘fundamental’ component of its putative invention that usage rights are permanently attached to digital works.” Pet. 10–11 (citing Ex. 1053, 16, 26) (emphasis omitted). According to Petitioner, the ’160 patent’s “depiction of usage rights as being ‘associated’ with rather than ‘attached to’ digital works significantly broadens this element of the invention.” *Id.* at 13. Therefore, the ’001 application’s purportedly narrower disclosure of usage rights that are “attached to” digital works does provide adequate written-description support for the ’160 patent claims. *Id.*

In opposition, Patent Owner contends that when the ’001 application uses the term “attached,” it “does not mean a literal permanent attachment as argued by Apple, [rather] ‘attachment’ is a metaphor for a logical association.” Prelim. Resp. 27. In support of this argument Patent Owner notes that “when the ’001 application states a ‘key feature of the present invention is that usage rights are permanently ‘attached’ to the digital work’ (Ex. 1053 at 16), the term ‘attached’ is put into quotation marks.” *Id.* at 25–26. Patent Owner further observes that in the preferred embodiment

described by the '001 application, usage rights that are “attached to” a digital work are actually stored in a separate file from the contents. *Id.* (citing Ex. 1053, 22–23, Figs. 5–7). According to Patent Owner, “Figures 5 and 6 illustrate the digital work of the preferred embodiment separate and distinct from any fees or usage rights[, and] Figure 7 illustrates the ‘attachment’ between the usage rights file and the contents file of the preferred embodiment consisting of an address or pointer that associates the usage rights file with the work.” *Id.* at 27 (citing Ex. 1053, 22–23, Figs. 5–7).

Thus, Patent Owner disputes that the term “attached to” as used in the '001 application is narrower than “associated with,” and therefore relies on those excerpts from the '001 application that discuss usage rights that are “attached to” digital works to provide sufficient written description support for the claim limitation reciting usage rights “associated with” digital work contents. Patent Owner has met its burden of coming forward with evidence on this point. Although the terms “attached to” and “associated with” are different, a difference in terminology does not establish a difference in scope. *See Brookhill-Wilk I, LLC v. Intuitive Surgical, Inc.*, 334 F.3d 1294, 1303–04 (Fed. Cir. 2003) (holding that amending claim term “remote location beyond the range of direct visual contact” to read “remote location beyond the range of direct manual contact” did not broaden the scope of the claim); *In re Lukach*, 442 F.2d 967, 969 (CCPA 1971) (stating that “invention claimed does not have to be described *in ipsius verbis* in order to satisfy the description requirement of § 112”).

Moreover, as Patent Owner argues, the '001 application’s placement of quotation marks around “attached” suggests that it is using the term metaphorically. One usually thinks of “to attach” as referring to the joining

together of physical objects, but usage rights and digital works exist only as digital information or files. The '001 application does not define, expressly, what it means to “attach” digital files together. The application makes clear only what it does *not* mean: combining usage rights and digital work contents into a single file. As Patent Owner notes, in the preferred embodiment described by the '001 application, a digital work is divided into two separate files, one file containing the “contents” of the digital work, and the other file—a “description tree” file—containing the usage rights. Ex. 1053, 22. Therefore, because “attached” in this context does not mean combined into the same file, the record supports Patent Owner’s position that “attached” refers to an “association” of usage rights and digital works, which Patent Owner asserts is depicted in Figure 7. Prelim. Resp. 7.

Petitioner makes two arguments in support of its position that the “attached to” disclosure is narrower than the “associated with” claim limitation. First, Petitioner contends that usage rights can be “associated with a digital work, yet be stored in a different repository than the repository in which the digital work is stored,” whereas usage rights that are “attached to” a digital work, as described by the '001 application, must be stored together with the digital work in the same repository. Pet. 14–15. Petitioner apparently bases this contention on the fact that claim 10 of the '160 patent recites that the “digital content portion” and the “usage rights portion” of the digital work are stored on different physical devices. *Id.* at 15. Petitioner acknowledges that the '001 application describes just such a configuration, but asserts that the '001 application makes clear that the two storage devices are part of “a single storage system that is within a single repository.” *Id.* at 15–16 (citing Ex. 1053, 32–33) (emphasis omitted).

We do not find this argument persuasive. We have reviewed the '160 patent and found nothing that teaches or suggests that usage rights can be associated with digital work contents and yet be stored in a different repository than the contents. Further, as Petitioner acknowledges, the '001 application describes the configuration recited in claim 10, i.e., one in which the usage rights and the contents of the digital work are stored on different physical devices. Ex. 1053, 32. Although the '001 application makes clear that these two physical devices are contained in a single repository, the '160 patent does so as well. In fact, the same language in the '001 application on which Petitioner relies to make this point appears in the '160 patent. *Compare* Pet. 14–15 (citing Ex. 1053, 32–33), *with* Ex. 1011, 12:37–39, 54–64.

Second, Petitioner contends that the '001 application “differentiates ‘attachment’ of usage rights from the more general and informal concept of ‘association’” in the following excerpt:

Assuming that a session can be established, Repository 2 may then request access to the Digital Work for a stated purpose, i.e., manner of use step 104. . . . Repository 1 checks *the usage rights associated with the digital work* to determine if the access to the digital work may be granted, step 105. The check of the usage rights essentially involves a determination of whether a *right associated with the access request [from Repository 2] has been attached to the digital work* and if all conditions associated with the right are satisfied.

Id. at 12–13 (quoting Ex. 1053, 17) (bracketed material in original) (emphasis modified). We do not read this excerpt as differentiating “attached to” from “associated with.” Instead, the excerpt appears to use the terms interchangeably. It discusses, for example checking usage rights “associated with” the digital work, which involves determining whether a

right associated with the access request has been “attached to” the digital work. Thus, “associated with” and “attached to” refer to the same relationship between usage rights and a digital work.

2. *Alleged Redefinition by the '160 patent of “Digital Work”*

Petitioner argues that although the '001 application defines “digital work” as “digital information to which is attached usage rights,” the '160 patent redefines “digital work” to omit this requirement and make usage rights “optional.” Pet. 17 (emphasis omitted). Petitioner also contends that the '160 patent “recasts ‘content’ from being the digital work itself (i.e., the ‘raw bits’ representing the digital work) as is expressly stated in the '001 application to being simply something derived from rendering of a digital work (i.e., information obtained by rendering the digital work).” *Id.* at 17–18 (emphasis omitted). Finally, Petitioner asserts that the '160 patent “redefines ‘usage rights’ to omit the requirement that each usage right specify one manner of use of the digital work, changing this requirement to be simply an “indication” of a manner by which a digital work can be used or distributed.” *Id.* at 20.

We do not find this argument persuasive. Setting aside the question whether the '160 patent does, in fact, redefine these terms in any meaningful way, we note that the Petitioner’s argument is based on the comparison of the '001 application with the '160 patent’s *Specification*. Our inquiry, however, requires a comparison of the '001 application with the '160 patent’s *claims*, to determine whether the former provides to the latter adequate written-description support under 35 U.S.C. § 112 ¶ 1. Petitioner’s argument is not particularly relevant to this inquiry. For example, even if

the '160 patent Specification suggests that usage rights may be an optional components of a digital work—and we are not convinced that a person of ordinary skill, reading the Specification as a whole, would reach this conclusion—the claims are drawn expressly to digital works comprising usage rights.

3. *Claims Do Not Require Repositories*

Finally, Petitioner argues that the claims do not require repositories, the use of which the '001 application makes clear is an “essential” element of the invention. Pet. 23–27. Petitioner argues that under *Gentry Gallery, Inc. v. Berkline Corp.*, 134 F.3d 1473, 1479 (Fed. Cir. 1998), the '001 application would not support these claims because of their failure to recite this essential element. *Id.* at 25–27.

In opposition, Patent Owner asserts that “the '160 patent’s claims are not directed to a repository, so [Petitioner’s] argument that an ‘essential element is missing is misplaced.” Prelim. Resp. 35. Patent Owner contends that claims 1 and 23 “recite a structure for the digital work itself, comprising content, usage rights, and a description structure,” and that Petitioner “is trying to force another and separately inventive aspect of the Stefik system, the handling of a digital work by and among repositories, into claims to the structure of the digital work itself.”

We are not persuaded that the absence of a specific limitation directed to the use of repositories means that the '001 application fails to provide written-description support for the '160 patent claims. Our reviewing court has stated that “it is not necessary that a claim recite each and every element needed for the practical utilization of the claimed subject matter, as it is entirely appropriate, and consistent with § 112, to present claims to only one

aspect.” *Carl Zeiss Stiftung v. Renishaw PLC*, 945 F.2d 1173, 1181 (Fed. Cir. 1991) (internal citation and quotation marks omitted). Here, Patent Owner argues that claims are directed to one aspect of its invention—digital works comprising content, usage rights, and a description structure—and not to another aspect of its invention, the handling of a digital work by and among repositories.” It stands to reason, therefore, that the claims do not recite, expressly, the use of repositories.

C. Petitioner’s Asserted Grounds of Unpatentability

Petitioner has not persuaded us that Stefik ‘980 qualifies as prior art such that it could be used in a ground raised under 35 U.S.C. § 102 or § 103 in an *inter partes* review of the ‘160 patent. See U.S.C. § 311(b). Consequently, Petitioner has not shown a reasonable likelihood of prevailing on its proposed grounds of unpatentability, both of which rely, at least in part, on Stefik ‘980.

III. CONCLUSION

We determine that the Petition fails to show that there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the claims challenged in the Petition

IV. ORDER

For the reasons given, it is

ORDERED that the Petition is *denied* and no trial is instituted.

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