

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COMCAST CABLE COMMUNICATIONS, LLC,
Petitioner,

v.

PROMPTU SYSTEMS CORPORATION,
Patent Owner.

Case IPR2018-00344
Patent No. 7,047,196

**PETITIONER'S REDACTED VERSION OF
PATENT OWNER'S SUR-REPLY**

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TABLE OF CONTENTS

I.	Claims 1 and 27: Petitioner’s attempts to explain away the flaws in its mappings for the independent claims further expose the flaw in its proposed combination.....	1
A.	Claims 1 and 27: The new explanation fails to teach the claimed partitioning.	1
B.	Claim 27: The new explanation fails to teach the claimed speech recognition system.....	3
II.	Claims 13 and 39: General disclosure of natural language processing does not disclose “processing said received speech channels from said user site based upon natural language for said user site.”	4
III.	The Reply is replete with new arguments, violating both the Board’s procedures and the APA.	4
A.	Presenting new theories or arguments in the Reply necessary to make out Petitioner’s unpatentability case-in-chief violates the Board’s procedures and the APA.	4
B.	Petitioner improperly attempts to use the Reply to establish Murdock is prior art based on new arguments not included in its Petition.....	5
C.	Petitioner similarly and improperly attempts to use the Reply to present its case-in-chief for the financial transaction claims with new arguments not included in its Petition.	9
IV.	Comcast’s arguments against Promptu’s secondary considerations evidence fail.....	10
A.	Promptu demonstrated a nexus between the secondary considerations and the claimed invention, whereas Comcast relies on an “incorrect interpretation” of Federal Circuit precedent.	11
B.	Promptu’s objective indicia are attributable to the novelty of the claimed combination.	12

C.	Comcast mischaracterizes the evidence of secondary considerations.....	13
1.	Promptu developed its own speech recognition technology.....	14
2.	Comcast praised the AgileTV product and Promptu’s patents.	14
3.	The AgileTV product deployed by Comcast overcame interference caused by plasma screen televisions.....	14
4.	AgileTV solved a long-felt need.....	15
5.	Comcast’s remaining criticisms fail.	15
V.	Conclusion	18

The primary disputes between the parties remain the same: (1) does a Julia combined with Nazarathy and Quigley disclose the claimed partitioning, and (2) does disclose Julia disclose both the wireline node and the speech recognition system, as claimed in claim 27. Petitioner's arguments attempt to hide the flaws of the cited art through new mappings rather than address the true issues head on. But their arguments fail because the art cannot be stretched to cover the claims without bending the claims so far that they become inconsistent with the prior mappings in the Petition.

I. Claims 1 and 27: Petitioner's attempts to explain away the flaws in its mappings for the independent claims further expose the flaw in its proposed combination.

A. Claims 1 and 27: The new explanation fails to teach the claimed partitioning.

Each of the challenged independent claims, claims 1 and 27, requires "receiving said back channel to create a received back channel" and "partitioning said received back channel into a multiplicity of received identified speech channels." To explain away the Petition's inconsistencies, Petitioner now argues that "When the remote server receives these voice requests, it is creating the 'received back channel' (Paper 29 at 9) and "the received back channel is created when Julia's remote server 108 receives voice commands from multiple users on the upstream channel of network 106 (i.e., the back channel)," (Paper 29 at 11).

Petitioner's explanation conflicts with its obviousness positions in the Petition because those positions require the "back channel" and the "received back channel" to be the same thing despite the claims requiring these channels to be two different things, one of which is created based on receipt of the other. As explained in the Petition, "Nazarathy and Quigley both disclose techniques for "partitioning" **an upstream data** channel carrying multiple user signals at a central cable headend," which the Petition asserts can be added to Julia to teach "partitioning **said received back channel.**" Paper 1 at 46-47 (emphasis added). Thus, the purported partitioning would occur on the "upstream channel of network 106" under the Petition's mapping. But in the Reply, Petitioner now asserts that the upstream channel is not the "received back channel"; instead, "the received back channel is created when Julia's remote server 108 receives voice commands from multiple users on the upstream channel of network 106 (i.e., the back channel)." Paper 29 at 11. Accordingly, the partitioning in the Petition fails to teach or suggest "partitioning said received back channel," as required by the independent claims, under Petitioner's new mapping because it is not partitioning anything created based on the back channel. And Petitioner has not identified (and in any case would not be allowed to identify) any different partitioning in its Reply.

B. Claim 27: The new explanation fails to teach the claimed speech recognition system.

For claim 27, Petitioner presents a new argument that the speech recognition system in claim 27 is the “processing logic 300.” Paper 29 at 12. This new argument is not only improper because it attempts to make Petitioner’s case in chief in the Reply, as explained below, but also because it fails to address the relationship of the speech recognition system (now mapped to processing logic 300) to the elements the claim requires the speech recognition system to comprise:

a back channel receiver, for receiving said back channel
to create a received back channel;

a speech channel partitioner, for partitioning said
received back channel into a multiplicity of received
identified speech channels; and

a processor network executing a program system
comprised of program steps residing in memory
accessibly coupled to at least one computer in said
processor network; . . .

Ex. 1001, cl. 27. Neither the Reply nor the Petition explains how these elements would be taught under the new mapping where the speech recognition system is processing logic 300. Indeed, the Petition mapping for each of these elements relies on the speech recognition system being Julia’s remote server 108 (Paper 1 53-55), which Petitioner now asserts is the claimed wireline node and not the

claimed speech recognition system (Paper 28 at 12-13). Accordingly, the Petition fails to establish that claim 27 is unpatentable for this additional reason.

II. Claims 13 and 39: General disclosure of natural language processing does not disclose “processing said received speech channels from said user site based upon natural language for said user site.”

Petitioner attempts to map claims 13 and 39 to natural language spoken in a request. Paper 29 at 17-18. But Petitioner does not explain why the claims should be construed in such a way. *Id.* Indeed, the plain language of the claims is not referring to what is in the request but rather what is used to process the request—“processing said received speech channels from said user site **based upon** natural language for said user site.” Ex. 1001, cl. 13, 39 (emphasis added). Accordingly, the Petition fails to establish that these claims are obvious.

III. The Reply is replete with new arguments, violating both the Board's procedures and the APA.

A. Presenting new theories or arguments in the Reply necessary to make out Petitioner's unpatentability case-in-chief violates the Board's procedures and the APA.

The APA requires adequate notice of matters of facts and law asserted and the opportunity to respond with facts, arguments, and rebuttal evidence to the noticed facts and law. *See* 35 U.S.C. §§ 554, 556. To ensure compliance with the APA and the corresponding Federal Circuit caselaw, the Board issued an updated trial practice guide (TPG) indicating that “Petitioner may not submit new evidence or argument in reply that it could have presented earlier, e.g. to make out a prima

facie case of unpatentability.” TPG, p. 14. Indeed, the Board may disregard an entire Reply if it finds that the Reply is raising a new issue or belatedly presenting evidence rather than sort out which portions of the Reply are proper. *Id.* at 15. The updated TPG also provides guidance on what is an improper new argument, for example, adding “new theories or arguments necessary to make out petitioner’s case- in-chief for the unpatentability.” *Id.* Rooting out these new arguments is of particular importance because, while the TPG replaces observations with sur-replies, it does not permit the inclusion of rebuttal evidence with the sur-reply. *See id.* at 14.

B. Petitioner improperly attempts to use the Reply to establish Murdock is prior art based on new arguments not included in its Petition.

The Petition failed to establish that Murdock is prior art. As noted in the Institution Decision, the Petition argued that “Murdock is 35 U.S.C. § 102(e) prior art to the ’196 Patent because Murdock is entitled to the benefit of priority to the filing date of the Murdock Provisional. Pet. 10.” Paper 10 at 24. And neither the Petition nor the Institution Decision challenged the ’196 patent’s effective filing date:

- Petition: “The effective filing date of all claims in the ’196 Patent is therefore no earlier than June 8, 2000.” Paper 1 at 4.

- Institution Decision: “Murdock was filed on November 16, 2000, after the effective filing date of the ’196 Patent.” Paper 10 at 24. And “Petitioner has not shown that Murdock is prior art to the ’196 Patent.” *Id.* at 26.

However, rather than including what Petitioner acknowledged as a requirement of establishing Murdock as prior art, Petitioner chose to violate the Board's rules and incorporate by reference its argument that Murdock is entitled to the benefit of priority to the filing date of the Murdock Provisional. Paper 10 at 25-27. In response, the Board indicated that it would not consider the material that was improperly incorporated by reference because it violated the Board's rules. *Id.* at 26.

Petitioner now attempts to pull the necessary and improperly incorporated argument into its Reply. Paper 29 at 3-8. Petitioner argues that this is not new argument because “all evidence cited here was submitted with the petition.” *Id.* at 3, fn. 1. This is a blatant attempt to circumvent not only the Board's rules on incorporation by reference but also the Panel's prior order that this material would be disregarded. Accordingly, Patent Owner was not on notice that this material would be considered and considering it now would violate the APA. *Supra* at A. Thus, for this reason, the Board should disregard at least the Murdock argument in the Reply as improperly introducing new argument and evidence in the Reply.

In addition to the new provisional priority argument, the Reply asserts for the first time that Murdock is prior art even if not entitled to its provisional date. Paper 29 at 2-3. First, this is a new argument and it should not be considered. *Supra* at A. Second, this case is not like prior cases because here the Petition attempted to satisfy its initial burden based solely on Murdock's provisional date; Petitioner did not assert in its Petition that Murdock could be prior art in any other way.¹ Paper 1 at 10 ("Murdock is entitled to the benefit of the provisional application's filing date (i.e., November 17, 1999) and is therefore prior art to the '196 Patent under at least 35 U.S.C. § 102(e)"). The Institution Decision also appeared to read the sole basis of Petitioner's prior art assertion to be Murdock's priority claim: "Murdock was filed on November 16, 2000, after the effective filing date of the '196 Patent." Because of this, Patent Owner was not on notice that the priority claim of the '196 patent was being challenged or even pertinent—indeed, Petitioner still does not even assert that the '196 patent is not entitled to priority of the provisional application—and it would violate the APA to now

¹ For example, in *Sonos, Inc. v. D&M Holdings Inc.*, the Petition stated that "it should be noted that Petitioner disagrees that the '294 Patent is entitled to such an effective filing date." IPR2017-01045, Paper 1 at 13.

require Patent Owner to prove that the '196 patent is entitled to its priority date after entry of new evidence for the case is closed. *Supra* at A.

Furthermore, under either theory, Petitioner is incorrect that it met any burden of production in its Petition. Even if Petitioner's reliance upon *Dynamic Drinkware, LLC v. National Graphics, Inc.* is sound, that case states that a party meets this burden by "presenting persuasive argument." 800 F.3d 1375, 1379 (Fed. Cir. 2015). As shown above, nowhere in the Petition did Petitioner make the arguments it now seeks to make in its Reply.

Moreover, even if Petitioner were correct that it satisfied its initial burden, the portion of the decision in *Dynamic* shifting a burden to patent owner is inconsistent with subsequent precedent. 800 F.3d at 1380. For example, in *SAS*, the Supreme Court explained that it is the plain text of the statute that governs. *See SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018). Accordingly, *Dynamic*'s burden shifting logic based on the presumption of priority not being justified because examiners do not necessarily consider the priority issue (which is also the case for previously uncited prior art) cannot override the statute's plain text that puts the burden on petitioners for all issues necessary to show the claims are unpatentable—including establishing that a reference is prior art. *Compare Dynamic*, 800 F.3d at 1380 with 35 U.S.C. 316(e).

C. Petitioner similarly and improperly attempts to use the Reply to present its case-in-chief for the financial transaction claims with new arguments not included in its Petition.

For the financial transaction claims, claims 5, 6, 31, and 32, Petitioner now heavily relies on Gordon and Banker to disclose the claimed “assessing” step. Paper 29 at 14-16. In doing so, Petitioner walks through an entire explanation of how Gordon and Banker disclose the claimed “assessing step” while simultaneously asserting that “Patent Owner never rebuts Petitioner’s argument that Julia combined with Gordon or Banker discloses the ‘assessing’ step.” Paper 29 at 14-15. Accordingly, this argument is unambiguously not responsive to any argument made in the POR. Indeed, none of the Petition sections on the “assessing” step mention Gordon and Banker, which is why the Board found that “We have reviewed the record and, on the record before us, we agree with Patent Owner that Petitioner appears to be relying on Julia for teaching the ‘creating a financial consequence’ limitation.” Paper 10 at 44. In addition, the Board found that “Petitioner’s expert does not point to any persuasive evidence to support his position that the Diva video-on-demand system provides ‘pay-per-view functionality’ or that a person of ordinary skill in the art would have known that the Diva video-on-demand system would ‘require a purchase, resulting in a bill’ in response to a request for a video-on-demand content.” *Id.* at 43-44 While Petitioner chose not to request supplemental information on this topic after the parties’

preliminary call with the Board, Petitioner now attempts to add new evidence in its Reply. Paper 29 at 16. That is improper.² Thus, the arguments with respect to the financial transaction claims are based on impermissible new arguments that should not be considered.

IV. Comcast's arguments against Promptu's secondary considerations evidence fail.

Against the evidence of secondary considerations proffered by Promptu proving that the claimed invention would not have been obvious to one of skill in the art at the time of the invention, Comcast argues that: (1) the law requires such

² Moreover, even if considered, the testimony cited by Comcast from the 94-year-old founder of Diva does not prove what Comcast says it proves. First, the testimony at most states that Diva (the company) offered pay-per-view. Exhibit 1024 at 249:5-17. The testimony is not referencing a specific product nor does it reference the disclosure of Julia. Second, the testimony is imprecise as to the time period during which Diva purportedly offered pay-per-view functionality. *Id.* Thus, even if the testimony is interpreted to mean that the Diva system provided pay-per-view functionality, there is no testimony that the Diva system referenced in Julia provided that functionality or that it provided that functionality prior to the date of Julia and/or the priority date of the '196 Patent.

evidence be tied to the “novel element” of the claims, (2) the cited evidence was due to speech recognition, (3) Promptu did not develop its own speech recognition, and (4) speech recognition was known in the art and therefore Promptu's evidence may be disregarded because it is not tied to a “novel element.” Paper 29 at 18-24. Each link in Comcast's argument is legally or factually flawed.

A. Promptu demonstrated a nexus between the secondary considerations and the claimed invention, whereas Comcast relies on an “incorrect interpretation” of Federal Circuit precedent.

Promptu proffered substantial evidence of nexus, both under the presumption of nexus (i.e., the evidence of secondary considerations was tied to a specific product that is disclosed and claimed in the patent) and directly (i.e., the objective evidence was due to the merits of the claimed invention). Paper 20 at 28-33. Either suffices.

Comcast offers no evidence to rebut the presumption of nexus. *WBIP, LLC v. Kohler Co.*, 829 F.3d 1317, 1329 (Fed. Cir. 2016) (“a patent challenger cannot rebut the presumption with argument alone—it must present evidence”). Comcast nowhere disputes that the secondary considerations evidence was tied to the AgileTV system, nor does Comcast dispute that the AgileTV system is disclosed and claimed in the '196 patent. Comcast even admits it sought a license from Promptu to avoid infringement when it deployed the AgileTV system. Paper 29 at 24-25. These undisputed facts establish nexus.

Comcast only challenges direct nexus and, even then, Comcast seeks to sweep Promptu's evidence under the rug not by disputing that the cited evidence is tied to the claims, but rather by arguing that it is tied to non-novel aspects of the claims such as speech recognition. *See, e.g.*, Paper 29 at 18-23. In the words of the Federal Circuit, Comcast's argument "relies on an incorrect interpretation of [the Federal Circuit's] case law." *WBIP*, 829 F.3d at 1330.³ "Where the allegedly obvious patent claim is a combination of prior art elements, . . . the patent owner can show that it is the claimed combination as a whole that serves as a nexus for the objective evidence; proof of nexus is not limited to only when objective evidence is tied to the supposedly 'new' feature(s)." *Id.* at 1330 (citing *Rambus Inc. v. Rea*, 731 F.3d 1248, 1257 (Fed. Cir. 2013)).

B. Promptu's objective indicia are attributable to the novelty of the claimed combination.

Promptu tied the claimed combination as a whole to the objective evidence of nonobviousness. *See, e.g.*, Paper 20 at 28-41. Comcast argues certain evidence should be entirely disregarded because it relates to "voice control in a cable

³ *WBIP* was the primary case relied upon by Promptu in its Patent Owner Response (Paper 20 at 33-39) and is directly on point. Comcast's Reply does not even address this case and each of the cases cited by Comcast is easily distinguished.

television network” or “voice recognition.” *See, e.g.*, Paper 29 at 21, 22-23.

Comcast invites reversible error, as the Federal Circuit has rejected the “categorical claim that objective evidence must be tied exclusively to claim elements that are not disclosed in a particular prior art reference in order for that evidence to carry substantial weight.” *WBIP*, 829 F.3d at 1331. “This is especially true for situations like those at issue here, where the claimed invention is, admittedly, a combination of elements that were known individually in the prior art.” *Id.* at 1332; *see also Rambus*, 731 F.3d at 1257-58. Taking Comcast at its word, that is precisely the situation here. Paper 29 at 1 (arguing “the cited prior art references disclose every element of the challenged claims.”). Here, the objective indicia were due to the claimed combination as a whole, namely speech recognition processing for multiple users in a cable television network using a back channel containing a multiplicity of identified speech channels for speech recognition at a wireline node in a network supporting video or cable television delivery.

C. Comcast mischaracterizes the evidence of secondary considerations.

Comcast’s remaining arguments relating to specific objective indicia misstate the record.

1. Promptu developed its own speech recognition technology.

Comcast asserts without factual support that Patent Owner did not develop any algorithms or software for voice recognition processing. Paper 29 at 23 n.5. This is false, as Dr. David Chaiken, Promptu's former Chief Technology Officer, testified that Promptu's speech recognition was "almost entirely written by AgileTV or by Promptu" and that, although portions were developed by a third-party, it was a partnership for which Promptu spent "a lot of time" writing code and making the deployed speech recognition work. *See, e.g.*, Ex. 1025 at 22:22-23:21, 25:21-27:4, 41:6-41:20.

2. Comcast praised the AgileTV product and Promptu's patents.

Comcast does not dispute that it (the largest industry participant) and its CEO widely and publicly praised the AgileTV solution. *See, e.g.*, Paper 20 at 36-37.

3. The AgileTV product deployed by Comcast overcame interference caused by plasma screen televisions.

Comcast seeks to diminish the import of Promptu's "Kudlow and Cramer" appearance because the live demo did not work. Paper 29 at 23. The live demo did not work because plasma televisions (on the stage) bathed the stage with IR, interfering with the IR signal from the AgileTV remote. Ex. 1025 at 96:14-103:2. Comcast asked Promptu to solve that problem, which Promptu did by

reengineering its IR remote to overcome this issue. *Id.* Comcast deployed the AgileTV system in which this problem had been solved. *See id.*; *see also id.* at 116:17-117:12. Moreover, the aired piece shows the demo working backstage while away from the plasma televisions. Exs. 2018, 2019 at 1.

4. AgileTV solved a long-felt need.

Comcast misrepresents Dr. Chaiken's declaration to argue that the long-felt need arose in 2000. Paper 29 at 20-21. Dr. Chaiken's testimony was that "[a]s early as 2000, AgileTV recognized" the problem and began to formulate their solution. Ex. 2032 ¶¶ 6-12. According to Dr. Chaiken, by 2000 the problems (which he identified) with manual navigation and with speech recognition had been known "for years in the industry." *Id.* Had Comcast sought to clarify Dr. Chaiken's testimony on how many years this had been known prior to 2000, it could have asked him during his deposition. Comcast did not.

5. Comcast's remaining criticisms fail.

Comcast raises a few other criticisms of Promptu's evidence of objective indicia of nonobviousness, each of which ring hollow.

Comcast disparages its prior licensing of Promptu's patents for [REDACTED] by arguing that Comcast later received a refund of its license fee. Paper 29 at 23-24. The fact that Promptu later refunded Comcast its license fee does not change the fact that Comcast valued the "limited license" (Paper 29 at 24-25) to

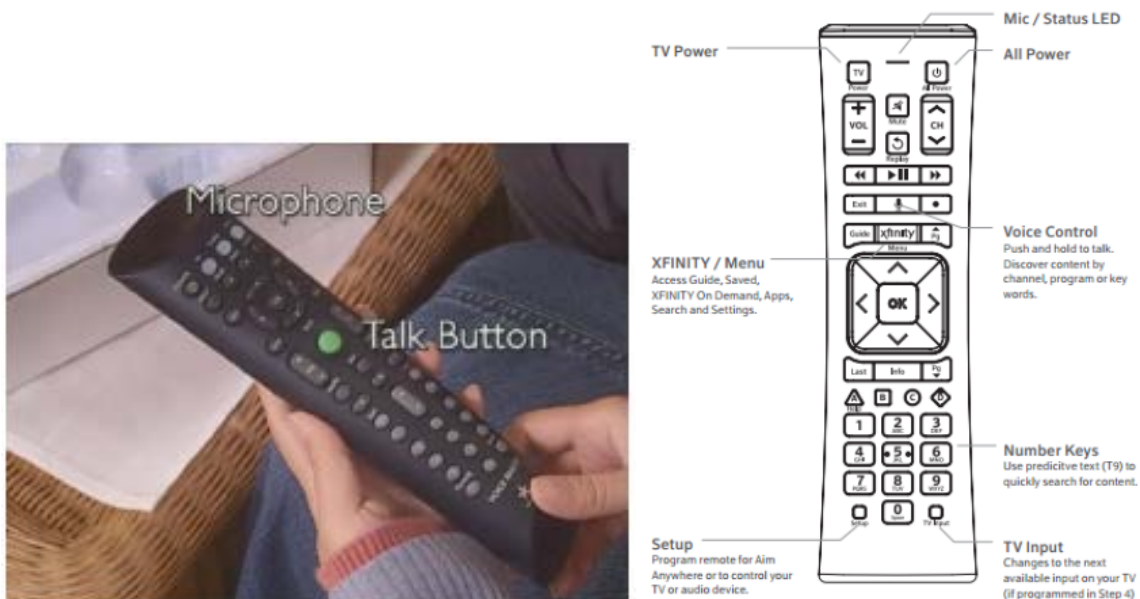
Promptu's patents, including the patent application that resulted in the '196 Patent, as being worth [REDACTED] (Paper 20 at 38-39; Ex. 1024 at 156:5-9).⁴ Besides, Promptu refunded the money to Comcast a decade ago only to prove that Promptu did not need Comcast's money to survive. Ex. 1024 at 160:5-161:25. The refund bears no relation to the value of the '196 Patent.

Comcast says it did not copy. Paper 29 at 25-26. Comcast cannot dispute it deployed the AgileTV system in its network in a Comcast-branded box with Comcast-branded materials in the mid-2000s:

⁴ Comcast's actions in this proceeding undermine the argument in its Reply that the [REDACTED] figure was simply a loan that bears no relation to its assessment of the value of the '196 Patent. Comcast argues, in a Motion to Seal (Paper 31), that the royalties under the "proposed patent license" and the "specific amount of consideration" that Comcast paid for a license to the '196 Patent are "confidential," the public disclosure of which is likely to harm Comcast "in negotiations with other third parties." This can only be true if the amount bears some relation to Comcast's assessment of the value Comcast placed on its "limited license" of the Promptu patents.



Ex. 2028 at 1. Nor can Comcast dispute the striking similarities between the first voice remote for use in a cable television system (the AgileTV system) and the Comcast “solution” released a decade later, specifically as it concerns the placement of the microphone and the voice button:



Ex. 2026; *see e.g.*, Ex. 1017 at 28, 41, 49. Not only has Comcast copied the AgileTV voice remote, Promptu detailed how Comcast also copied the AgileTV system architecture claimed in the '196 Patent (Ex. 1017 at 38-81).

Comcast's criticism of Dr. Chaiken's declaration as "conclusory" (Paper 29 at 18-19) falls flat. Dr. Chaiken, Promptu's former CTO, provided detailed testimony that the specification of the '196 patent was coextensive with the AgileTV solution and the foundations of its system architecture. *See, e.g.*, Ex. 2032 ¶¶ 13-16. The mere fact that Dr. Chaiken is not a patent attorney, and therefore did not perform claim construction, cannot detract from his testimony that the four corners of the '196 Patent describe the architecture of the AgileTV system. Nothing from his deposition refutes these facts and Comcast offers nothing but attorney argument in response.

Finally, Comcast implies that Promptu did not receive an "actual award" for the "Most Innovative Solution." Paper 29 at 22-23. Even if aspects of Promptu's press-release are self-congratulatory, Comcast cannot seriously dispute that AgileTV received this award.

V. Conclusion

For the aforementioned reasons, Petitioner fails to meet its burden of showing why the claims are unpatentable.

Respectfully submitted,

Dated: December 28, 2018

By: /Joshua L. Goldberg/
Joshua L. Goldberg, Reg. No. 59,369

CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), I, Joshua L. Goldberg, certify that
PATENT OWNER'S SUR-REPLY contains 3,977 words, excluding those
portions identified in 37 C.F.R. § 42.24(a), as measured by the word-processing
system used to prepare this paper.

Dated: December 28, 2018

By: /Joshua L. Goldberg/
Joshua L. Goldberg, Reg. No. 59,369

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I, Lisa C. Hines, certify that on December 28, 2018, a copy of **PATENT OWNER'S SUR-REPLY** was served upon the below-listed counsel by electronic mail:

James L. Day
jday@fbm.com

Daniel Callaway
dcallaway@fbm.com

calendar@fbm.com

Leo L. Lam
llam@keker.com

Dated: December 28, 2018

By: /Lisa C. Hines/
Lisa C. Hines
Litigation Legal Assistant
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, LLP