

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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**DOLBY LABORATORIES, INC.**

Petitioner,

v.

**INTERTRUST TECHNOLOGIES CORPORATION**

Patent Owner.

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Case IPR2020-00660

U.S. Patent No. 6,785,815

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**PETITIONER'S REPLY TO  
PATENT OWNER'S PRELIMINARY RESPONSE  
ADDRESSING APPLICABILITY OF § 314(a)**

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### UPDATED LIST OF EXHIBITS

Exhibit ("Ex-")	Description
1001	U.S. Patent No. 6,785,815 to Serret-Avila et al. (the "'815 patent")
1002	Declaration of Dr. Vijay K. Madisetti
1003	File History of U.S. Application No. 09/588,652, which led to U.S. Patent No. 6,785,815 (the "'652 Application")
1004	U.S. Provisional Application No. 60/138,171 to Serret-Avila et al. (the "Serret-Avila Provisional")
1005	Redline comparing Serret-Avila Provisional and the '815 patent
1006	International Publication No. WO 1999040702 to Hanna ("Hanna")
1007	U.S. Patent No. 5,629,980 to Stefik et al. ("Stefik")
1008	U.S. Patent No. 6,009,176 to Gennaro et al. ("Gennaro")
1009	Gennaro et al., How to Sign Digital Streams, I.B.M. T.J. Watson Research Center
1010	Declaration of Cornell University Library authenticating the Gennaro article (Ex. 1009)
1011	U.S. Patent No. 5,898,779 to Squilla et al.
1012	U.S. Patent No. 5,958,051 to Renaud et al.
1013	U.S. Patent No. 5,604,801 to Dolan et al.
1014	U.S. Patent No. 5,754,659 to Sprunk et al.
1015	U.S. Patent No. 5,907,619 to Davis
1016	U.S. Patent No. 6,697,948 to Rabin et al.
1017	Bruce Schneier, One Way Hash Functions, Dr. Dobbs' Journal, September 1991, at 148-151.
1018	U.S. Patent No. 7,761,910 to Ransom et al.
1019	Declaration of Crena Pacheco ISO Petition
1020	<i>Intertrust Techs. Corp. v. Cinemark Holdings, Inc.</i> , Case 2:19-cv-00266-JRG, Dkt. 45, Brief in Opposition (January 6, 2020)
1021	Intertrust Email to Dolby (October 10, 2018)
1022	<i>Dolby Labs, Inc. v. Intertrust Techs. Corp.</i> , Case 5:19-cv-03371-NC, Dkt. 1, Complaint (June 13, 2019)
1023	<i>Intertrust Techs. Corp. v. Cinemark Holdings, Inc.</i> , Case 2:19-cv-00266-JRG, Dkt. 1, Complaint (August 7, 2019)
1024	<i>Intertrust Techs. Corp. v. AMC Entm't Holdings, Inc.</i> , Case 2:19-cv-00265-JRG, Dkt. 1, Complaint (August 7, 2019)

1025	<i>Intertrust Techs. Corp. v. Regal Entm't Grp</i> , Case 2:19-cv-00267-JRG, Dkt. 1, Complaint (August 7, 2019)
1026	<i>Dolby Labs, Inc. v. Intertrust Techs. Corp.</i> , Case 3:19-cv-03371-EMC, Dkt. 25, Motion to Dismiss (August 9, 2019)
1027	<i>Dolby Labs, Inc. v. Intertrust Techs. Corp.</i> , Case 3:19-cv-03371-EMC, Dkt. 41, Redacted Version Motion to Dismiss(September 9, 2019)
1028	<i>Dolby Labs, Inc. v. Intertrust Techs. Corp.</i> , Case 3:19-cv-03371-EMC, Dkt. 56, Order (November 6, 2019)
1029	<i>Dolby Labs, Inc. v. Intertrust Techs. Corp.</i> , Case 3:19-cv-03371-EMC, Dkt. 63, Answer to Second Amended Complaint (December 11, 2019)
1030	<i>Dolby Labs, Inc. v. Intertrust Techs. Corp.</i> , Case 3:19-cv-03371-EMC, Redacted Disclosure (February 27, 2020)
1031	<i>Robert Bosch Healthcare Sys, Inc. v. Cardiocom, LLC</i> , Case No. C-14-1575 EMC, Order (July 3, 2014)
1032	<i>Capella Photonics, Inc. v. Cisco Sys, Inc.</i> , Case No. C-14-3348 EMC, Order (March 6, 2015)
1033	<i>Capella Photonics, Inc. v. Cisco Sys, Inc.</i> , Case No. C-14-3348 EMC, Order (October 14, 2014)
1034	<i>Riverbed Technology v. Realtime Data</i> , Case No.: C-17-03182 EMC, Civil Minutes (January 25, 2018)
1035	<i>Dolby Labs, Inc. v. Intertrust Techs. Corp.</i> , Case 3:19-cv-03371-EMC, Dkt. 73, Case Management and Pretrial Order (February 13, 2020)
1036	<i>Dolby Labs, Inc. v. Intertrust Techs. Corp.</i> , Case 3:19-cv-03371-EMC, Dkt. 72, Civil Minutes (February 13, 2020)
1037	<i>Dolby Labs, Inc. v. Intertrust Techs. Corp.</i> , Case 3:19-cv-03371-EMC, Dkt. 71, Joint CMC Statement (February 6, 2020)
1038	<i>Intertrust Techs. Corp. v. Cinemark Holdings, Inc.</i> , Case 2:19-cv-00266-JRG, Dkt. 104-2, Exhibit B-Agreed Terms (June 1, 2020)
1039	<i>Intertrust Techs. Corp. v. Cinemark Holdings, Inc.</i> , Case 2:19-cv-00266-JRG, Subpoena (February 21, 2020)
1040	<i>Dolby Labs, Inc. v. Intertrust Techs. Corp.</i> , Case 3:19-cv-03371-EMC, Dkt. 90-1, Exhibit A Contentions (July 24, 2020)
1041	<i>Intertrust Techs. Corp. v. Cinemark Holdings, Inc.</i> , Case 2:19-cv-00266-JRG, Exhibit 11 P.R. 3-1 Disclosures (November 6, 2019)
1042	<i>Aylus Networks, Inc. v. Apple Inc.</i> Case No. C-13-4700 EMC, Order (June 2, 2015)
1043	<i>Dolby Labs, Inc. v. Intertrust Techs. Corp.</i> , Case 3:19-cv-03371-EMC, Dkt. 98, Order (August 5, 2020)
1044	Declaration of Jonathan Bradford ISO Reply to POPR

Intertrust intentionally chose to litigate this patent in two different courts with two different schedules – California and Texas – against two different sets of parties, and with different claims of infringement. When the Texas cinema defendants in the second filed action attempted to move their litigation to California (where Dolby’s first filed action (“the California case”) was pending), Intertrust could not have been clearer on how it views the different parties, unequivocally representing to the Court that “[t]hese cases are *not* about Dolby,” that “there is limited similarity between these cases and Dolby’s declaratory judgment action,” “these cases ... are very different from the *Dolby* case” and “[t]he accused infringers... are not the same.” Ex. 1020, 1. Having cemented its multiple forum strategy, Intertrust now brazenly argues the exact opposite to the Board in the name of “efficiency.”

None of the *Fintiv* factors supports a discretionary denial of this petition, and Intertrust’s unclean hands should operate to cancel out any equitable consideration that could be argued otherwise.

## **I. FACTUAL BACKGROUND**

In October 2018, Intertrust wrote to Dolby about its patents. Ex. 1021. Intertrust and Dolby then engaged in discussions, after which, in June 2019, Dolby sought a declaratory judgment that its digital cinema equipment did not infringe. Ex. 1022. Dolby filed its complaint in NDCA, where Dolby and Intertrust have

their principal places of business. *Id.* at ¶¶ 3-4. Thereafter, in August, Intertrust chose to file separate infringement claims in EDTX against three cinema chains, asserting that they infringed ten Intertrust patents (“the East Texas cases”). Exs. 1023-25. Dolby was not named as a party. Two days later, Intertrust moved to dismiss the California case, arguing that Dolby had not established an actual controversy with Intertrust, and that Intertrust’s accusations against the cinemas did not give Dolby standing. Ex. 1026, 4-11. Intertrust repeated these in a second motion to dismiss filed in September. Ex. 1027, 7-12. In both motions, Intertrust also urged that the court should exercise discretion to dismiss Dolby’s declaratory judgment action. Ex. 1026, 11; Ex. 1027, 13-14. The court declined, finding Dolby had pleaded enough facts to establish an actual controversy. Ex. 1028, 13.

Despite having argued against adjudication of Dolby’s action, Intertrust later counterclaimed against Dolby for infringement of the same patents. Ex. 1029. On February 27, 2020, over eight months after Dolby had filed its original complaint, and over six months after Intertrust filed the East Texas cases, Intertrust first identified the claims it was asserting against Dolby. Ex. 1030, 2.

As noted above, the cinemas moved to transfer the East Texas cases to NDCA, so that those cases could be heard by the same judge handling the dispute between Dolby and Intertrust. Ex. 2019. Intertrust opposed transfer, representing

to the Court that “[t]hese cases are *not* about Dolby,” that “there is limited similarity between these cases and Dolby’s declaratory judgment action,” “these cases ... are very different from the *Dolby* case” and “[t]he accused infringers... are not the same.” Ex. 1020, 1. The motion to transfer is still pending.

## **II. THE *FINTIV* FACTORS DO NOT SUPPORT DISCRETIONARY DENIAL OF INSTITUTION UNDER § 314(a)**

### ***Fintiv* Factor 1: Contrary To Intertrust’s Argument, This Factor Does Not Weigh In Favor Of Discretionary Denial**

Intertrust incorrectly asserts that this factor weighs in favor of discretionary denial. Intertrust cites the *Fintiv* panel’s non-designated decision declining to infer how a court would rule should a stay be requested where the patent owner argued a stay was unlikely. POPR, 19. The *Fintiv* decision does not support Intertrust’s weighing of this factor. *Fintiv*, IPR2020-00019, Paper 15, at 12 (“This factor does not weigh for or against discretionary denial.”)

Moreover, Judge Chen (presiding over the Dolby litigation) has consistently stayed litigation of claims under review by the PTAB, while denying pre-institution motions as premature. *Robert Bosch Healthcare Systems, Inc. v. Cardiocom, LLC*, No. C-14-1575 EMC (granting where some IPRs had been instituted, others denied, and additional pre-institution IPR/EPR petitions were pending) (Ex. 1031); *Capella Photonics, Inc. v. Cisco Systems*, No. C-14-3348 EMC (granting post institution (Ex. 1032), denying pre-institution (Ex. 1033)); *Riverbed Technology v.*

*Realtime Data*, No. C-17-3182 EMC (granting where IPRs on three of four patents had been instituted and an institution decision on the fourth was pending) (Ex. 1034); *cf. Asylus Networks, Inc. v. Apple Inc.*, No. c-13-4700 EMC (denying where patent owner agreed to dismiss with prejudice any claim that had been instituted) (Ex. 1042). Dolby has indicated its intent to seek a stay. *See, e.g.*, IPR2020-00603, Paper 2 at 8.

***Fintiv* Factor 2: No Trial Date Has Been Scheduled In The Dolby Litigation**

*Fintiv* factor 2 weighs in favor of institution. In the Dolby litigation, dates for issuance of a claim construction order, completing fact discovery, expert discovery, dispositive motions, pretrial and trial have not been set. The court declined to schedule any proposed dates beyond a claim construction hearing, and even that date will be preceded by a further status conference and may change in light of an order received on August 5, 2020 requiring submission of a new claim construction briefing and hearing schedule. Exs. 1035, 1036, 1043. Indeed, even the parties' proposed schedule acknowledged that dates for pretrial and trial were uncertain ("≤", "subject to the Court's calendar"). Ex. 1037, 14.

None of the Board decisions cited by Intertrust were based on similar circumstances. Moreover, the schedule of the East Texas cases should not carry weight by Intertrust's own emphatic admission. None of the decisions cited by Intertrust under this factor relied on a case and trial schedule to which the petitioner



is not a party, as Intertrust attempts to do here. And none involved a patent owner refusing to consolidate separate litigations in favor of simultaneous litigation in separate forums with different schedules while delaying identification of claims allegedly infringed by the petitioner. This factor also favors institution.

***Fintiv* Factor 3: Considerable Work Remains to be Done In Litigation**

Fact discovery in the California case is far from complete. No fact witnesses or experts have been deposed. The court has not considered any of Dolby's petition grounds, and may issue a claim construction order before the Board issues a decision on institution. Moreover, the court's likely stay of the litigation upon institution will put a hold on future investment in the case.

Intertrust's arguments about invalidity contentions and claim construction in the East Texas cases are inapposite. Intertrust did not serve infringement contentions against Dolby until February 27, 2020, and Dolby began filing its petitions within a month, even before its April 13, 2020 deadline for serving its invalidity contentions. Within five months of receiving Intertrust's identification of asserted claims across ten patents, Dolby had filed twelve petitions challenging all of them. The claim construction order in East Texas did not resolve any grounds at issue in Dolby's petition. Indeed, no claim terms of the '815 were even construed. Exs. 2007, 1038. Also, the Board may not need to construe any disputed terms to institute a petition. This factor again favors institution.

***Fintiv* Factor 4: Intertrust Has Already Ensured Separate Battles On  
The Same Patents**

Intertrust's decision to file the East Texas cases after Dolby filed the California case already ensured that there will be separate litigations over its patents, proceeding on different timelines and against different parties with different claims of infringement. Even if the Board gives weight to Intertrust's argument that the East Texas cases may be tried first, the California case will continue, as Intertrust's emphatic argument about the separateness of the Texas and California cases guarantees. Thus, regardless of the outcome in Texas, the invalidity grounds presented in this petition serve as an alternative to Dolby having to litigating the same invalidity issues in California. This is exactly why the AIA statutes were drafted, and Intertrust's gamesmanship should not be credited to thwart the will of Congress.

In addition, expert reports have not been exchanged in the East Texas cases, and Intertrust has not responded to the cinemas' invalidity contentions. It is therefore premature to compare arguments, evidence, or issues. Further, there are ten patents asserted and many issues other than invalidity to be tried (e.g., non-infringement and damages) in the East Texas cases. Whether any particular invalidity contention will be considered in depth at trial, or even presented, remains completely uncertain. This factor does not favor discretionary denial.

***Fintiv* Factor 5: Dolby Is Not A Party To The East Texas Cases**

Intertrust has admitted that the East Texas cases “are *not* about Dolby,” that

“there is limited similarity between these cases and Dolby’s declaratory judgment action,” “these cases ... are very different from the *Dolby* case” and “[t]he accused infringers... are not the same.” Ex. 1020, 1. Dolby is not a party. It is represented by separate counsel, and has not intervened in the East Texas cases as an indemnitor or otherwise acknowledged any duty to indemnify, as Intertrust emphasized when arguing to dismiss the California case. Ex. 1026, 10; Ex. 1027, 12. While it has separately accused Dolby of infringement in NDCA, in the East Texas cases it has treated Dolby as a third party, issuing a subpoena for documents. Ex. 1039. Dolby is in the ordinary position of an arm’s-length vendor of DCI-compliant equipment that is included in some of the cinemas’ digital cinema systems. There are many other such equipment vendors. Ex. 1041. Dolby identified the cinema defendants as RPI to avoid unnecessary litigation at the PTAB. The cinemas’ only relationship with Dolby is that they purchase Dolby equipment in arm’s-length business transactions; knowing this, Intertrust insists that separate litigations should proceed. Intertrust’s citation to *Valve Corp. v Elec. Scripting Prods., Inc.*, IPR2019-00062, Paper 11 at 2, is not availing. The *Valve* decision addressed the question of exercising discretion under *General Plastic* factors when co-developers of an accused product, sued as co-defendants in the same case, file serial petitions – not even close to the case here. This factor favors institution.

***Fintiv* Factor 6: Balancing Equities, Including Strong Merits, Favors Institution**

The Board’s exercise of discretion is an equitable balancing of efficiency, fairness, and patent quality. Here, IPRs provide an efficient alternative to Dolby having to litigate the same grounds in district court, thus avoiding such litigation. Fairness is not served by crediting Intertrust’s deliberate decision to maintain separate, parallel litigation against different parties with different claims of infringement when it suits its litigation goals, but to cry foul otherwise.

Nor is patent quality served by maintaining plainly invalid claims in the public domain – claims that are actively being asserted against multiple companies, and may be asserted against more, based on Intertrust’s assertions that its patents are allegedly infringed by the entire digital cinema industry. *See, e.g.*, Ex. 1029, ¶¶ 12-14; Ex. 1023, ¶¶ 12-14; Ex. 1040, 6. Dolby’s petition demonstrates that the asserted ’815 claims are directed to well-known hashing techniques used in data transfer. One ground demonstrates that all claimed features are suggested by a single prior art reference, Gennaro, that was never before the examiner. Intertrust attacks Gennaro by comparing its specification to that of the ’815 patent, arguing that “asking for and receiving data is not a request to use that data in any particular way.” POPR, 55-56. But the claims are generically drafted, and the specification describes a “particular way” in the most generic of terms, including the “viewing” or “moving” of data from one location to another. Ex. 1001, 4:66-5:3.

For the other ground, Hanna also discloses all limitations of the claims, lacking only an explicit teaching of receiving and granting a request to use a file, which, of course, is a fundamental concept of any such arrangement. Tellingly, the POPR attacks Hanna individually, arguing that it does not disclose receiving and granting a request, but this is not the ground, and does not show non-obviousness. MPEP § 2145. The POPR's additional attack on Hanna and Stefik as non-analogous art ignores that they are directed to the same field of endeavor—digital file security—that addresses the problem of unauthorized manipulation of digital files.

Lastly, Intertrust's attempt to remove Hanna from the prior art similarly fails. Intertrust does not dispute that Figures 13 and 14 of the '815 patent, and their corresponding disclosures, teach retrieving signed hashes, in addition to retrieving a digital signature. Ex. 1001, 23:40-60, Fig. 14; *see also* 23:1-7, Fig. 13. Intertrust also does not dispute that these added figures and corresponding text were not in the provisional. POPR, 36. Instead, it argues to ignore the added support in favor of a disclosure of hashing received data and comparing the computed hash against a hash extracted from a signature. POPR, 41-42. Clearly, this is a conventional technique, as the provisional explains. Ex. 1004, 10-11. Such disclosure cannot support the claimed steps of “retrieving at least one digital signature and at least one check value associated with the file” and “verifying the authenticity of that check value using the digital signature” because the check value to

which Intertrust points is computed, rather than “retrieved” as recited in the claims.

Accordingly, the POPR does not take away from any grounds, and the strength of these grounds favor institution of the petition.

### **III. CONCLUSION**

The *Fintiv* factors support institution rather than discretionary denial under § 314(a). Thus, Petitioner respectfully asks the Board to institute.

Respectfully submitted,

Dated: August 6, 2020

/Scott McKeown/  
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**CERTIFICATE OF SERVICE**

The undersigned certifies that a copy of the foregoing PETITIONER'S  
REPLY TO PATENT OWNER'S PRELIMINARY RE-SPONSE ADDRESSING  
APPLICABILITY OF § 314(a) was served via electronic mail to the following  
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Dated: August 6, 2020

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