

**United States Court Of Appeals  
For The Federal Circuit**

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PERSONAL AUDIO, LLC,

*Appellant,*

v.

ELECTRONIC FRONTIER FOUNDATION,

*Appellee.*

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*Appeal from the United States Patent and Trademark Office,  
Patent Trial and Appeal Board, No. IPR2014-00070.*

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**REPLY BRIEF OF APPELLANT PERSONAL AUDIO, LLC**

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March 24, 2016

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**CERTIFICATE OF INTEREST**

Counsel for Appellant Personal Audio, LLC hereby certifies the following:

1. The full name of every party represented by me is:

Personal Audio, LLC

2. The names of the real parties in interest (if the party named in the caption is not the real party in interest) represented by me are:

None.

3. All parent corporations and any publicly held companies that own 10% or more of the stock of the party or amicus curiae represented by me are:

None.

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by us in the trial court or agency or are expected to appear in this Court are:

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Dated: March 24, 2016

Respectfully submitted,

*/s/ Jeremy S. Pitcock*

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## SUMMARY

There is a reason that a federal jury found the claims of the ‘504 patent not anticipated or obvious over Compton/CNN.<sup>1</sup> Nor are the claims anticipated by similar art such as Patrick/CBC. That is because the plain language of the claims teaches the distribution of old and newly available episodes together in a “compilation file” as a “series of episodes,” which is admittedly not taught or suggested by this prior art. The prior art of making available only new, unrelated content available does not render the invention obvious, and neither the Board nor the EFF have given a reason that one of skill in the art would have modified the prior art to render the invention obvious.

All of the arguments Personal Audio raises in its appeal were properly raised below. EFF nonetheless devotes a significant part of its brief objecting to Personal Audio’s rephrasing and clarification of its arguments trying to invoke the doctrine of waiver, because EFF cannot adequately address those arguments on the merits.

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<sup>1</sup> While EFF claims that “different” Compton references were put in front of the jury and the Board, both papers, written by Charles Compton, describe exactly the same art. *Compare* A871-928 with A2402-2407. The same arguments regarding this art were made in front of the jury as the Board. *E.g., compare* A559-560 with A2369 (“And you also saw the Compton reference several times during the trial. You saw the table of contents page from that article. It had multiple episodes with icons for each episode that you could click on and get the media files. Remember the radioactive vegetables and the story about Jupiter. The icons contain URL links to the videos, and the Compton article itself said it was updated daily.”).

Moreover, because a federal jury has already made all the factual determinations in connection with the prior art when rendering its verdict that the patent was valid, this Court is prohibited by the Seventh Amendment from reexamining those facts through the guise of administrative agency review.<sup>2</sup>

#### **A. The Claims Are Not Anticipated**

EFF's only analysis of the claim language focuses exclusively on the claim phrase "currently available episodes." Its argument that this phrase can logically cover multiple subparts of a single new program, is contradicted by several terms in the remaining claim language.

Personal Audio specifically disputed the Board's construction for "episodes" in its Patent Owner Response arguing "an 'episode' should be construed as 'a program, represented by one or more media files, *that is part of a series*'" while further clarifying that series means a serial sequence or ordering of distinct programs issuing one after the other. A654. Personal Audio's construction is consistent with the ordinary meaning. The Board's Decision and its improper construction of episodes, however, reads out the express and repeated claim limitation requiring that

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<sup>2</sup> Personal Audio reserves the right to challenge any of the Board's claim constructions under any new standard announced by the Supreme Court in *Cuozzo Speed Technologies LLC v. Lee*, cert. granted, 84 U.S.L.W. 3218 (U.S. Jan. 15, 2016) (No. 15-446).



the episodes issue serially over time. Thus, “episodes” do not encompass multiple subparts of a single program that become available at the same time.

Even under the broadest reasonable interpretation, claim construction analysis must begin with the ordinary meaning of the claim language. *See Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292, 1298 (Fed. Cir. 2015). Here, the ordinary meaning of “episode” in the context of a series of episodes refers to related programs that issue serially, one after the other, over time at different times, and not a subpart of a program.

Critically, the body of Claim 31 clarifies that series and episodes as used in the claims, mean episodes issuing serially, or in serial sequence, over time, at different times, consistent with its ordinary meaning, and not just any grouping of episodes (“from time to time, as new episodes represented in said series of episodes become available”).

Whether stated as a “segment” or a “program” or an “episode,” content that becomes available at the same time is not a “series of episodes” as recited and used in the claims.<sup>3</sup> This is confirmed by all the temporal language in claim 31, such as “from **time to time**, as **new** episodes represented in said **series** of episodes **become**

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<sup>3</sup> This Court should not confirm the Board’s decision at least for its refusal to construe the term “series of episodes.” *See In re Sang-Su Lee*, 277 F.3d 1338, 1343-45 (Fed. Cir. 2002) (the Board must explain the basis for its findings for this Court to conduct meaningful review).

**available**, storing an **updated** version of a compilation file . . . said **updated** version of said compilation file . . . describing **currently available** episodes in **said series** of episodes.”

The ordinary meaning of compilation is also relevant since the currently available episodes at issue are found in the limitation describing the updated version of the compilation file. Here, EFF offers no response or rebuttal to the fact that the Board’s construction of compilation file, as a file containing episode information, ignores the ordinary meaning of compilation as a collection of previously separate content. Additionally, the Board’s construction is incompatible with the claim limitations requiring that the compilation file collect previously separate episodes, namely, the previously issued and newly available episodes, “said series of episodes,” together in a single file. As argued previously, breaking up a single work into separate subdivided parts and replacing this content with entirely new content also broken up into subdivided parts as disclosed by the prior art references at issue *is exactly the opposite* of what the ordinary meaning of the term compilation conveys. Even under the broadest reasonable construction, a construction that gives meaning to every claim term is preferred. *Microsoft v. Proxyconn*, 789 F.3d at 1298.

If the ordinary meanings of “series” and “compilation” were not enough to demonstrate that multiple, previously separate and serially issued episodes are collected together in the updated compilation file, Claim 31 specifies in detail what

the updated compilation file must contain, namely, links and “attribute data describing currently available episodes in said series of episodes.” The use of the plural form of episodes in “currently available episodes” is followed by the inherently plural term series “in said series of episodes” which together make clear that links and attribute data for multiple, *serially issued* episodes identified in the preceding portion of the claim, “said series,” are found in the updated version of the compilation file.

EFF’s only argument addressed to the claim language—that the claim phrase “currently available episodes” can logically cover a single program divided into subparts, is contradicted by the use of the plural form of episodes. This plural use is further distinguished *three times* immediately thereafter by the singular use of episode in the very same part of the claim: “said attribute data for *each given one of said currently available episodes* including displayable text describing *said given one of said currently available episodes* and one or more episode URLs specifying the storage locations of one or more corresponding media files representing *said given one of said episodes*.” Claim 31 plainly distinguishes the single episode from the compiled series of plural or multiple, currently available episodes that must be described in the updated version of the compilation file.

Significantly, the claim then recites that each single episode may be broken out or divided into “one or more” individually selectable “episode URLs”

“specifying the storage locations of one or more corresponding media files” (or as EFF calls them “individually selectable” “tracks”), “representing *said given one of said episodes.*” In other words, the claim explicitly provides that the subdivided parts or “tracks” from a single program, collectively constitute “**said given one** of said episodes.” Thus, Claim 31 explicitly clarifies that the distribution of a single program through “individually selectable” and subdivided parts or “tracks” *does not* constitute the claimed, plural formed “currently available episodes in said series of episodes” in Claim 31.

To read the claim term “episodes” in “currently available episodes” and “series of episodes” as covering the distribution of a single program broken out into subparts distributed at the same time, renders *most* of the claim language superfluous, improperly vitiating multiple claim limitations. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1314 (Fed. Cir. 2005).

Claim 31 leaves no doubt that the “currently available episodes in said series of episodes” cannot consist of a single program broken up into “individually selectable” subparts since more than one episode in the series is contained in the updated version of the compilation file. Even under the broadest reasonable construction, plain language distinguishing between the singular and the plural forms of episodes should not be disregarded. *Harari v. Lee*, 656 F. 3d 1331 (Fed. Cir. 2011); *see also August Tech Corp. v. Camtek Ltd.*, 655 F.3d 1278 (Fed. Cir.

2011). Whether framed as an issue of improper claim construction, or in terms of the appropriate standard for anticipation, the Board's failure to identify where all the limitations of the compilation file as arranged or combined in the claims is found in either prior art reference constitutes legal error and should be reversed. *See Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F.3d 1359, 1369 (Fed. Cir. 2008) (in order to anticipate a claimed invention, a prior art reference must not only disclose all elements of the claim but must also disclose those elements arranged or combined in the same way as in the claim).

**B. None of the Intrinsic Evidence Cited By EFF Supports Its Selective Misreading Of The Claims**

EFF relies upon unrelated aspects of the embodiment to support its improper claim construction and invalidity arguments. Where the claim language is clear, the specification necessarily plays a more limited role in defining claim scope. *See StraightPath IP Group, Inc. v. Sipnet EU S.R.O.*, slip op. 15-1212 at 8 (Fed. Cir. Nov. 25, 2015) (“When claim language has as plain a meaning on an issue as the language does here, leaving no genuine uncertainties on interpretive questions relevant to the case, it is particularly difficult to conclude that the specification reasonably supports a different meaning.”).

For example, EFF claims that a collection of news stories can represent a series of episodes, because the specification discloses that programs may be selected by subject matter such as world news. However, the selected programs are never

identified as a “series of episodes” at all but as a program compilation. Neither the Board nor EFF demonstrate that this has anything to do with the claim terms at issue. EFF Br. at 33. Simply finding any aspect of the specification to support the construction does not render the construction reasonable. *Baran v. Med. Device Techs., Inc.*, 616 F.3d 1309, 1316 (Fed. Cir. 2010) (“It is not necessary that each claim read on every embodiment.”). The fact that the Board’s construction may cover more embodiments than Personal Audio’s construction does not render the Board’s construction reasonable, particularly when EFF has done nothing to tie the ordinary meaning of the words in the claim to particular embodiments. Disclosure of an alternative embodiment not encompassed by the claim construction does not outweigh the language of the claim, especially when a claim construction is supported by the intrinsic evidence. *TIP Sys., LLC v. Phillips & Brooks/Gladwin, Inc.*, 529 F.3d 1364, 1373 (Fed. Cir. 2008).

Even if one assumes that by “program segment” the specification means a subpart of a program rather than a complete program, the specification merely states that “a program segment **may** represent an episode in a series,” not that every program segment **must** represent an episode in a series. EFF Br. at 32. The specification clarifies when a “program segment” might be considered an episode in a series, particularly the passage stating that “the serialization mechanism may be used to provide **sequential presentation relationships between related programs**.”

For example, if a subscriber indicates an interest by selecting and actually playing a program **on an evolving topic**; for example, a news story about the America's Cup yacht races, **further news stories on that topic** may be assigned the same group ID number..." EFF Br. at 6. This contradicts EFF's position, and strongly supports Personal Audio's construction, by describing how separate programs are related sequentially and by explaining that a first news story can be considered an episode, when "**further** news stories" on an "evolving topic" are assigned the same group ID number." "[S]equential presentations" make up the series where each subsequent episode issues at different and later points in time "*on an evolving topic.*" *Id.* at 20:3-12 (A60).

Thus, even if a program's subparts could be considered episodes, those subparts would still need to issue successively on a particular topic and not just come out in unrelated fashion at the same time, since Claim 31 requires at least a previous and newly available episode in an updated "compilation file" as new episodes in "said series" become available. This limitation is not met by either Compton/CNN or Patrick/CBC, since all of the segments come out at the same time and are not related topically.

No deviation from the ordinary meaning of the claims is suggested by the specification, which consistently describes episodes and series of episodes as a serial sequence or ordering of related programs. EFF also fails to address these and other

passages demonstrating how segment is used and that program segment and program are always used interchangeably, including in every part of the specification describing *episodes*. See *e.g., id.* at 19:34-48 (A60).

To construe the claims to cover an apparatus distributing a single episode broken up into subdivided parts issued at the same time is to ignore the claim language and ordinary principles of claim construction, even under the broadest reasonable interpretation standard. Because the Board's findings are contradicted in every instance by the intrinsic evidence, its constructions and invalidity determinations have no support in the record and constitute reversible error.

### **C. The Hardware Configuration As Arranged and Combined In the Claims Is Not Disclosed**

As an initial matter, EFF does not rebut, and effectively concedes, Personal Audio's argument that the Board's Decision erroneously applies the wrong legal standard by adopting EFF's irrelevant argument that the claimed hardware components were necessarily disclosed by the disclosure of a web server. A21. In order to support a finding of anticipation, EFF must have shown that the claimed configuration—and not just the underlying components—are disclosed to one of ordinary skill in the art. See *Net MoneyIN, Inc.*, 545 F.3d at 1369. Even under the broadest reasonable construction, the presence of the components alone are insufficient. On this basis alone, this Court should find that the Board applied an



incorrect legal standard and that its finding concerning the back-end claim limitations is reversible legal error.

Second, EFF disingenuously misstates Personal Audio's "two processor" argument. Personal Audio does not argue that the data storage server was missing from the prior art references. EFF Br. at 27. Instead, it identified the additional processor as a missing limitation, and argued that the back-end host configuration required by Claim 31, particularly the additional processor is not disclosed by the CNN or CBC references. A645, A650, A661, A680. This argument does not misread the claim language, but instead gives meaning to **each and every** claim term, as required to properly construe the claims. Claim 31 does not recite a processor coupled to data storage, but a processor coupled to a data storage server. One of ordinary skill in the art would understand the data storage server identified in the claimed back-end configuration contains its own processor and that an additional, second processor is specifically identified and required by the claims.

As stated in the Opening Brief, Figure 1 of the specification discloses the claimed configuration. The Host Computer 101 is demarcated by a dashed line border, where everything inside the border make up the "host computer" including the web or HTML server and a FTP ("file transfer protocol") server (the data storage server, which would contain at least one processor used to transfer files from the program data library).

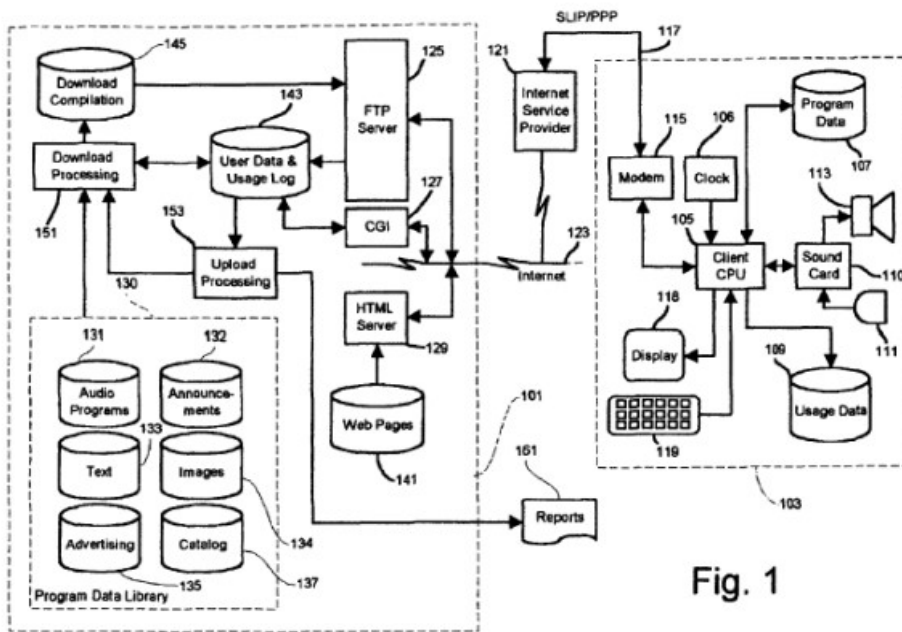


Fig. 1

Although described as a “Host Computer” in the dashed line, this term is used loosely, as each of the claimed components is shown individually attached to the Internet.

EFF then improperly argues, for the first time, that Compton/CNN’s disclosure of a separate encoding station connected to the “Internet Server” sufficiently discloses the claimed configuration. EFF Br. at 46. Since EFF chose strategically to limit its arguments below to the claimed components, it cannot now introduce new arguments on appeal that were not considered by the Board. For example, the Board has had no opportunity to consider whether the encoding station which records and transfers media files to the web server hosting the CNN Newsroom site meets the back-end claim limitations or represents hardware different from and additional to the back-end configuration; or whether the encoding station

performs any of the functions recited by Claim 31 (“one or more processors coupled to said one or more data storage servers and to said one or more communications interfaces **for: ... storing one or more media files... at a location specified by a unique episode URL... for storing an updated version of a compilation file in one or more data storage servers at a storage location identified by a predetermined URL....**”).

EFF also improperly contends, for the first time, that a “mirror server” disclosed in Patrick/CBC meets the claimed back-end limitations. EFF Br. at 48. As is the case with the new argument made for Compton/CNN, the Board has not considered this new argument, or whether, like the CBC web server, the configuration of this “mirror server” is not disclosed and therefore cannot inherently disclose the required back-end configuration.

Finally, Personal Audio’s expert never testified that the “two processor” hardware configuration was well known in the art, as EFF now claims again *for the first time*. Instead, Dr. Nelson’s testimony simply acknowledges that one of ordinary skill would know that a web server would typically include “data storage” which would typically be a hard drive in 1996. Separately, Dr. Nelson noted that alternative configurations were possible where “data storage could also be part of a different computer that was accessible to the web server.” Nelson Tr. at 115:1-116:11 (A1043-44). This testimony does not indicate that the “two processor hardware

configuration” was well known, or of general knowledge to one of ordinary skill in the art in 1996, but recognizes that alternate configurations are possible, which is exactly the point made by Personal Audio. No evidence supports EFF’s claim that this configuration was well known to one of ordinary skill in the art, particularly given the low level of skill in this field in 1996, as adopted by the Board. A14. The Board’s findings represent both legal and clear error not supported by substantial evidence. As a result of EFF’s strategic choice not to address the specific back-end configuration in its anticipation analysis, EFF fails to even address this missing element in its obviousness analysis.

**D. EFF Has Not Met Its Burden Of Demonstrating Obviousness In Light of the CNN Disclosure**

EFF’s brief merely highlights the deficiencies in the Board’s obviousness findings. At most, Compton discloses a method for distributing past content through a searchable database and the creation of a new html file distributing a single current episode. A691. Additionally, Compton’s disclosures of the back-end hardware generically refer to a host “web server.” Despite Compton/CNN’s detailed discussion of the technologies available for distributing media content at the time, at no point does it disclose the claimed invention. Instead, Compton/CNN states that the **same mechanisms**, namely the digital video magazine and library could be used to distribute *different types* of archived content. The thesis never mentions or

suggests modifying these mechanisms apart from the subject matter of the content to be distributed. A900.

The '504 patent discloses a new way of distributing episodic content that was not even conceived of or remotely suggested by the Compton/CNN reference. The Board's finding that it was technically feasible to distribute multiple episodes together through a single updated html file, is insufficient. EFF and the Board conflate the technical ability to modify with a reason or rationale for modifying the operation of Compton/CNN so that multiple episodes in a series, including previously issued and a newly available episode, would be distributed together through a compilation file updated by the claimed apparatus as new episodes become available. EFF offers no real reason or rationale for modifying the prior art because none can be found as reflected by both Compton/CNN and Patrick/CBC, which apparently operated for years without incorporating this feature and would certainly have been considered state of the art.

Compton/CNN's disclosure that new web pages incorporating links to various CNN content could be created similarly fails to specifically disclose any reason or rationale to modify the CNN Table of Contents file so that past episodes would be distributed with the newly available episode together in a series. EFF Br. at 55. Failure to identify a reason or rationale for one of skill in the art to modify a reference constitutes reversible error. *Plantronics, Inc. v. Aliph, Inc.*, 724 F.3d 1343, 1354

(Fed. Cir. 2013) (internal citations omitted) (a finding of obviousness requires “explicit and clear reasoning providing some rational underpinning”).

With respect to the missing back-end claim elements, EFF now seeks to remedy its failure to present *any* obviousness evidence to the Board regarding the second processor. This was EFF’s burden, which it did not meet. As stated above, EFF resorts to mischaracterizing Dr. Nelson’s testimony as evidence indicating that the claimed back-end configuration was well known to one of ordinary skill in the art. Yet, that testimony does not support EFF’s claims since it acknowledges nothing more than alternate configurations are possible and does not establish that the back-end configuration was well known to one of ordinary skill in the art, particularly given the low level of skill during that time period, as found by the Board.

Moreover, the Board’s Decision fails to develop and adequately explain the basis for its obviousness findings. A13-22. In finding obviousness, the Board fails to explain as it must why a person of ordinary skill in the art would modify the prior art references to create the claimed invention. *See In re Kotzab*, 217 F.3d 1365, 1371 (Fed. Cir. 2000); *In re Rouffet*, 149 F.3d 1350, 1359 (Fed. Cir. 1998). Conclusory statements are not enough to satisfy this obligation. *See In re Sang-Su Lee*, 277 F.3d at 1343-45 (the Board must articulate its reasoning for making its decision). Instead, the Board appears to simply assume the claims to be obvious in light of Compton, merely reciting the EFF’s deficient arguments without providing its own explanation

for why a skilled artisan would modify Compton to render the claims obvious. *See, e.g.*, A18-19. Thus, not only did EFF fail to meet its burden, but the Board erred in simply adopting EFF's arguments without sufficient discussion or analysis. On these grounds alone, the Board's decision should be reversed.

**E. All of Personal Audio's Claim Construction and Validity Arguments On Appeal Were Argued and Considered Below**

Personal Audio never conceded the Board's claim constructions related to episode and compilation file. Both in the Patent Owner Response and at the Oral Hearing, Personal Audio stated that it disagreed with the Board's claim constructions for both terms. Personal Audio further argued that two different sets of claim limitations were not met by Compton/CNN or Patrick/CBC since these disclosures did not arrange or combine the claim elements in the same way as required by the '504 patent claims. These missing limitations, pertaining to the specific back-end hardware configuration including an additional processor not inherently disclosed by the disclosure of a web server, and an updated version of the compilation file containing multiple episodes in a series, were addressed at the beginning of the Patent Owner's Response and included in charts identifying the missing claim elements for each prior art. A645, A661-63, A679-81, A689-90. All these issues were addressed at the Oral Hearing.

Personal Audio arguments on appeal are not simply about the Board's incorrect claim constructions for episodes/series of episodes and compilation file as

EFF contends. Personal Audio additionally argues, as it did below, that the Board's findings that the claim limitations for the back-end hardware configuration and the updated version of the compilation file are met by the prior art is legally erroneous in that these claim limitations are not found, arranged or combined in the way as required by the claims.

Personal Audio's arguments on appeal simply, clarify, restate and defend the original scope of its claims constructions and theory of validity argued below. In all material respects, its arguments are exactly the same and should be reviewed on the merits by this Court. *Interactive Gift Express, Inc. v. CompuServe, Inc.*, 256 F.3d 1323, 1346 (Fed. Cir. 2001) (a claim construction argument is considered "new" if a party changes the scope of the claim construction rather than clarifying or defending the original scope of its claim construction).

### **1. Personal Audio Disputed The Board's Constructions of Episodes/Series of Episodes**

Personal Audio disputed the Board's construction of episodes in its Patent Owner Response, "Patent Owner respectfully disagrees with the Board's foregoing construction of 'episode' as unnecessarily and improperly importing the concept of a 'segment' therein. The concept of a program "segment" is subtly distorted in EFF grounds for review to assert that divided portions of a singular posted program constitutes part of a serialized sequences of programs. More properly, an "episode"



should be construed as “*a program, represented by one or more media files, that is a part of a series*”. A654 (emphasis added).

Personal Audio specifically took issue with EFF’s use of the term episode to describe a single news story or newscast:

It is the position of EFF’s declarant ... that a newscast is episodic and “the contents of the newscast is -- are episodes as well”. ...This position...fails to account for the nature of serialized sequence of episodes and claim 31’s “compilation file” relative “a series of episodes represented by media files via the Internet as said episodes become available,” that is updated “from time to time, as new episodes represented in said series of episodes become available”. The particular cosmic collision on Jupiter or the genetically engineered vegetable “news story” content segment of the Figure 1 single May 19, 1994 CNN Newsroom is not episodic in a series or a serialized sequences of programs which is selected as a group by a subscriber.

A683. Here, Personal Audio was clearly disputing EFF’s use of the terms episodes and series to mean simply any related groups of content.

Having disputed the Board’s construction of episodes in its Patent Owner’s Response, Personal Audio’s disagreement with the Board’s claims construction was addressed at the Oral Hearing. Noting the distinction between program and segment found in the proposed constructions for episode, Personal Audio further argued that episodes refer to a serialized sequence of programs:

You can ask yourself a question does it matter which order you watch the news program in? If you watch the vegetable first, is that better than watching Jupiter? If it doesn’t matter, then it is probably not an episode in a series of episodes. There is no relationship to the order that they are in.... but there is a given order to episodes.

A767-68, A764-65. Thus, the Board's Decision finding that the meaning of "series" as used in the context of episodes was not disputed by Personal Audio is incorrect.

A8. Personal Audio argued both in its Patent Owner's Response and at the Oral Hearing that the serial nature of the episodes was critical and that series as used in the claims meant episodes occurring one after the other in a serial sequence or ordering of related programs. Despite EFF's cherry picking of the Oral Hearing transcript, the record shows that this was argued below, both in Personal Audio's proposed construction of episodes and its arguments concerning the scope of the prior art disclosures.<sup>4</sup>

Personal Audio's statements that the programs issuing in a series must be related in some way, e.g., by a "common theme" do not contradict its primary argument that the episodes in the series are *related* programs that issue as serialized sequences of programs. Using the example of *The Twilight Zone*, Personal Audio stated "***I wouldn't call it necessarily episodic.*** They are all different, not a single Twilight Zone am I aware of ***follows another one.***" A768 (emphasis added). In arguing that episodes must follow one another, Personal Audio directly addresses

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<sup>4</sup> Even the passages EFF quotes demonstrate that the constructions of episode/series of episodes and compilation file were disputed: "***CNN Newsroom is not episodic in a series or a serialized sequences of programs which is selected as a group by a subscriber***" and that that the news stories do not issue in a "***serialized sequences of programs***" "***because they were broadcast as part of the same newscast unit.***" EFF Br. at 21, citing A682-683 (emphasis added).

the point that episodes are related programs that issue in serial sequence over time, for example, on evolving topic matter.

Similarly, when describing the two news stories in the CNN Table of Contents file as “temporally related,” the point made was that the news stories were related only in that they were subparts of the same program which was insufficient to meet the “series of episodes” limitation. EFF Br. at 20. EFF highlights isolated portions of the record, latching on to semantic differences between arguments raised below and on appeal, to support its claim of waiver when in reality, the very same arguments on appeal, while perhaps stated a little differently, were all made below.

## **2. Personal Audio Disputed The Board’s Constructions of Compilation File**

Personal Audio also disputed the Board’s construction of “compilation file” in its Patent Owner’s Response stating: “But claim 31 further qualifies and defines ‘compilation file.’” A663-64. Personal Audio further argued in the context of Compton/CNN:

While the Table of Contents file is a “file that contains episode information,” that is plainly not all that claim 31 requires...For the reasons discussed above, the segments of an episode described by a the Compton/CNN Figure 1 Table of Contents file are not different “episodes” in a series, and the Table of Contents file is not updated as new episodes become available as claim 31 requires. To the contrary, the content of the single episode... never changes. The EFF positions have ignored the detailed, express description of the compilation file given by claim 31 and replaced that express language of the claim with the incorrect construction: “a file that contains episode information.”

A685-86.

The Board's claim construction for compilation file was further disputed at the Oral Hearing where Personal Audio reiterated the argument in its Patent Owner's Response that the compilation file must describe and collect over time multiple serial episodes or programs as new episodes become available in the updated version of the compilation file. Judge Anderson asked directly: **"Do you have a dispute at this time with the construction we gave to compilation file...?"** Personal Audio responded that it did:

**Yes, episode information. ...Here with either the CNN or CBC references, there is no compilation file. ...Each day is a brand new date in the CNN News. And each day on the radio for the Quirks series, an hour show broken into segments, it is the same show. ...They contain segment information, Your Honor, and they also lack any compilation.**

Judge Snedden demonstrated that he understood Personal Audio's arguments as follows:

**Let me see if I understand. The way I understand your argument, the way I read your response is that you are essentially arguing that the claim requires or references episodes. And what is disclosed in the CNN reference, for example, is not episodes, rather, what is being uploaded or put on the CNN web page are segments of a single episode...**

A760-A761 (at 32:10-33:20). Given this explicit recounting of the same arguments now raised on appeal, it is difficult to see how Personal Audio waived its right to raise these arguments before this Court. EFF Br. at 27. Personal Audio's positions are not "materially different" or a "reversal of course", as characterized by EFF in

its appeal. EFF simply objects to Personal Audio's semantic restatement of the very same substantive arguments in its appeal. EFF cannot argue that it was not on notice of these issues or that these issues were not considered by the Board.

**3. Personal Audio Argued Below That Multiple Episodes in the Updated Compilation File Are Not Disclosed By Either Compton/CNN or Patrick/CBC**

Personal Audio does not simply challenge the Board's improper claim constructions. Personal Audio argues in its Patent Owner's Response, at Oral Hearing, and now on appeal, that EFF failed to identify where each and every limitation for the updated compilation file is found in either prior art reference, as arranged or combined in the claims. Personal Audio repeatedly made this argument that the critical elements of the updated compilation file as arranged in Claim 31 were missing from both prior art references, particularly attribute data and links for multiple episodes in a series.

This unique combination of elements in Claim 31 provides the end user with the ability of going to one place on the Internet and having all of the episodes currently available in a series at his disposal for downloading to the user's client device for enjoyment. Nothing in the prior art comes close to matching the functionality or uniqueness of the claimed combination and arrangement of elements...

A689. This was repeatedly argued throughout the Patent Owner's Response. A656, A659-60, A662, A667-68, A669-70, A680-81, A683, A689-91 ("Compton/CNN...is clearly different from the challenged claims...because it does

not disclose a single predetermined URL where a user can access multiple episodes of a series of episodes at a single place”).

Personal Audio also argued at the Oral Hearing that neither Compton/CNN nor Patrick/CBC discloses an updated version of a compilation file properly construed as collecting previously issued and newly available episodes together as a series. Because the html files disclosed by these references distribute a single, current episode neither Compton/CNN nor Patrick/CBC disclose an updated version of a compilation file dynamically collecting and distributing over time multiple programs including previously issued and newly available episodes as the recited series of episodes required by the claims and specification. Tr. at 46:1-50:12 (A774-A778).

**4. Personal Audio Repeatedly Argued Below That the Claimed Back-End Configuration Is Not Disclosed By Either Compton/CNN or Patrick/CBC**

With respect to the hardware configuration, Personal Audio argued in its Patent Owner’s Response that the additional processor was missing from, but critical to Claim 31:

Specifically, the Patrick/CBC and Compton/CNN reference ...fail to disclose or teach at least one key requirement in independent claim 31 of the ‘504 Patent, which include: *a processor at the server*, from time to time as new episodes become available, *storing an updated compilation file* in a storage location identified by a predetermined URL.

A645 (emphasis added). Personal Audio elaborated:

Thus, when the claim to this apparatus with dynamic episodic updating capabilities recites ‘one or more processors...for...storing an updated compilation file,’ it is the one or more processors of that apparatus that are programmed to assemble and store an updated compilation file ‘as episodes become available.’ As discussed in more detail below, neither Patrick/CBC nor the Compton/CNN reference...discloses or suggests this claimed mechanism for delivering episodic content...

A650; *see also* A647-48 (“Claim 31’s requirement that the processor, from time to time, stores an updated version of the compilation file . . . is essential to successful operation of the claimed invention and is dispositive of the issues before the Board”), A666 (“There is no disclosure of the mechanism for identifying and associating episodes, so the underlying mechanism for creating a compilation is missing”), A669-70. The included claims charts again identify the missing limitations for each prior art reference in bold including the critical “**one or more processors** coupled to said one or more data storage servers. . .” assembling the compilation file as further described by the claim. A667, A680. This point was further reiterated in Personal Audio’s Declaration of Dr. Nelson. Nelson Decl. at ¶¶ 53 (A1196), 56 (A1996); A689-90.

While Personal Audio acknowledged that hardware components, specifically data storage, a processor and a communication interface would have been known to be present in a web server, it further argued that the specific arrangement or configuration of those components required by Claim 31, namely a data storage server coupled to an additional processor, was not inherently disclosed by the

reference to the web server in Compton/CNN or Patrick/CBC. This argument was made on two different occasions at the Oral Hearing.

A person of ordinary skill would realize that there is a -- well, a processor, at least on the client side, obviously, to inquire on the web. But what structure is behind, what the host server is comprised of, you would have no idea. ... He doesn't necessarily know exactly what is behind the curtain. To him it is, it is a server, but what is the structure of the server? What database does it have?

Tr. 42:12 - 43:4 (A770-71); *see also* 30:12-32:9 (A758-60). The argument, presented and yet apparently not addressed by the Board's Decision, was repeatedly made in the Patent Owner's Response, Dr. Nelson's expert declaration and at the Oral Hearing, that the specific back-end configuration or arrangement of hardware components required by Claim 31 was not inherently disclosed by the CNN and CBC disclosures of a web server. Therefore, Personal Audio disputes and respectfully disagrees with the characterization of its argument in the Board's Decision stating, "Patent Owner does not argue the computer components claimed, i.e., servers, communications interfaces, processors, or requesting client device, are not disclosed to a person of ordinary skill." A21. This finding simply acknowledges EFF's argument concerning the components, but does not even attempt to address the arguments made by Personal Audio concerning the claimed configuration.

**F. Personal Audio's Seventh Amendment Arguments Are Not Waived And Mandate This Court Not Reexamine Facts Determined By A Federal Jury**



Personal Audio timely raised the constitutional violation in its Petition for Rehearing which has now been briefed by both parties and should be addressed on the merits instead of deemed waived. First, the Board has no authority to consider constitutional challenges and decide constitutional issues such as the Reexamination Clause violations raised here. Second, the Board's constitutional violations occurred only after the Board issued its decision overturning the factual underpinnings of the jury verdict. *See Lujan v. Defenders of Wildlife*, 504 U.S. 555, 578 (1992) (litigant must actually be injured in order to have standing to raise Constitutional violation). Finally, Appellant raised the Board's constitutional violation of the Seventh Amendment's Reexamination Clause in its Request for Rehearing, immediately after the injury and using a timely procedure in the PTO which was not objected to below. *See* A795-810. Furthermore, because the right to a jury trial is fundamental, "courts must indulge every reasonable presumption against waiver." *Aetna Ins. Co. v. Kennedy*, 301 U.S. 389, 391 (1937). Given the importance of the Constitutional issue, and the fact that this issue comes on appeal from an administrative agency, this Court should decline to apply waiver. *See Singleton v. Wulff*, 428 U.S. 106, 120 (1976) (applying waiver within discretion of appellate court).

As argued in the Opening Brief, since the Supreme Court has always recognized that civil juries determine questions of fact related to patent validity (*see, e.g., Battin v. Taggart*, 58 U.S. (1 How.) 74, 85 (1854) ("the jury are to judge . . . the

novelty of the invention”) and that right must be preserved. *See Granfiancera, S.A. v. Nordberg*, 492 U.S. 33, 52 (1989).

However, recognizing that this panel cannot overrule *MCM Portfolio LLC v. Hewlett-Packard Co.*, No. 15-1091 slip op. (Fed. Cir. Dec. 2, 2015), this question still raises an important Constitutional question not raised in the MCM case—even if there were no Constitutional requirement for patent validity be reserved to a jury, does the Seventh Amendment requirement that “no fact tried by a jury, shall be otherwise reexamined in any court of the United States, than according to the rules of the common law” apply to the Board and/or to this Court? U.S. Const. amend. VII.

This Court recognizes that patent validity issues will be tried to juries to determine facts. *Kinetic Concepts, Inc. v. Smith & Nephew, Inc.*, 688 F.3d 1342, 1359 (Fed. Cir. 2012). As explained in the Opening Brief, the Board’s Decision ignores and directly contradicts a jury’s factual findings in the related district court proceeding particularly as it relates to Compton/CNN. While EFF misleadingly states that different prior art was before both bodies, the highly related Compton/CNN references were argued to teach exactly the same things to the jury that they were to the Board. Because identical factual issues relating to validity of the ‘504 patent in light of Compton/CNN were before a jury, which rendered a verdict in favor of validity, these factual findings are protected by the Reexamination

Clause of the Seventh Amendment and cannot now be reexamined by any Court in the United States, even the Supreme Court. *See Gasperini v. Ctr. for Humanities, Inc.*, 518 U.S. 415, 432 (1996). Courts are only permitted to review jury decisions to grant a new trial or for errors of law. *See Parsons v. Bedford*, 28 U.S. (3 Pet.) 433, 448 (1830). Thus, this Court is bound to follow the factual determinations of the jury, particularly with respect to Compton/CNN, and the decision below should be reversed as a matter of law with respect to those references.

### **CONCLUSION**

For the foregoing reasons, the Court should reverse the Board's final written decision cancelling claims 31-35 in favor of a finding of validity, or alternatively remand so as to correct the errors of the Board.

Dated: March 24, 2016

Respectfully submitted,

*/s/ Jeremy S. Pitcock*

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**PROOF OF SERVICE**

Appellant Personal Audio, LLC certifies that Appellee Electronic Frontier Foundation have been served this 24th day of March, 2016 electronically through the Court's ECF system.

*/s/ Jeremy S. Pitcock*

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Jeremy S. Pitcock

**CERTIFICATE OF COMPLIANCE**

Pursuant to Fed. R. App. P. 32(a)(7)(C)(i), Appellant Personal Audio, LLC certifies that this document contains 6,997 words in the brief. This word count was generated in compliance with Federal Rules of Appellate Procedure and Federal Circuit Rules by using the "Word Count" feature of Microsoft Word 2013.

*/s/ Jeremy S. Pitcock*

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Jeremy S. Pitcock