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JUDGMENT OF THE FEDERAL CIRCUIT COURT OF APPEALS (JULY 31, 2019)

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

CHESTNUT HILL SOUND INC.,

Appellant,

v.

APPLE INC.,

Appellee,

ANDREI IANCU, UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE,

Intervenor.

2018-1163

Appeal from the United States Patent and Trademark Office, Patent Trial and Appeal Board in No. IPR2016-00794.

Before: PROST, Chief Judge, NEWMAN and BRYSON, Circuit Judges.

THIS CAUSE having been heard and considered, it is

ORDERED and ADJUDGED:

PER CURIAM (PROST, *Chief Judge,* NEWMAN and BRYSON, *Circuit Judges*).

AFFIRMED. *See* Fed. Cir. R. 36.

ENTERED BY ORDER OF THE COURT

/s/ Peter R. Marksteiner
Peter R. Marksteiner
Clerk of Court

Date: July 31, 2019

USPTO PATENT TRIAL AND APPEAL BOARD
FINAL WRITTEN DECISION
35 U.S.C. § 318(A) AND 37 C.F.R. § 42.73
(SEPTEMBER 5, 2017)

UNITED STATES PATENT AND
TRADEMARK OFFICE

BEFORE THE PATENT TRIAL
AND APPEAL BOARD

APPLE INC.,

Petitioner,

v.

CHESTNUT HILL SOUND INC.,

Patent Owner.

Case IPR2016-00794

Patent 8,090,309 B2

Before: Rama G. ELLURU, David C. MCKONE, and John F. HORVATH, Administrative Patent Judges.

MCKONE, Administrative Patent Judge.

I. INTRODUCTION

A. Background

Apple Inc. ("Petitioner") filed a Petition (Paper 2, "Pet.") to institute an *inter partes* review of claims 1–14 of U.S. Patent No. 8,090,309 B2 (Ex. 1001, "the '309 patent"). Chestnut Hill Sound Inc. ("Patent Owner") filed a Preliminary Response (Paper 8, "Prelim. Resp.").

Pursuant to 35 U.S.C. § 314, in our Institution Decision (Paper 9, "Dec."), we instituted this proceeding as to claims 1–14.

Patent Owner filed a Patent Owner's Response (Paper 16, "PO Resp."), and Petitioner filed a Reply to the Patent Owner's Response (Paper 20, "Reply").

Petitioner relies on the testimony of M. Ray Mercer, Ph.D. (Ex. 1003, "Mercer Decl."). Patent Owner does not submit declaration testimony.

An oral argument was held on April 20, 2017 (Paper 31, "Tr.").

We have jurisdiction under 35 U.S.C. § 6. This Decision is a final written decision under 35 U.S.C. § 318(a) as to the patentability of claims 1– 14. Based on the record before us, Petitioner has demonstrated, by a preponderance of the evidence, that claims 1–14 of the '309 patent are unpatentable.

B. Related Matters

The '309 patent is the subject of *Chestnut Hill Sound, Inc. v. Apple Inc.*, Civil Action No. 1:15-cv-00261

(D. Del). Pet. 1; Paper 5, 1. In *Apple, Inc. v. Chestnut Hill Sound Inc.*, Case IPR2015-01463 (PTAB) ("the 1463 IPR"), Petitioner challenged claims 1–14 of the '309 patent, and we denied institution.

C. The Instituted Ground

We instituted *inter partes* review of claims 1–14, under 35 U.S.C.§ 103(a), over AbiEzzi (Ex. 1005, US 2005/0132405 A1, June 16, 2005) and Baumgartner (Ex. 1007, 8,156,528 B2, Apr. 10, 2012). Dec. 23.

D.The '309 Patent

The '309 patent describes an audio entertainment system. Figures 1 and 2B, reproduced below, illustrate an example:

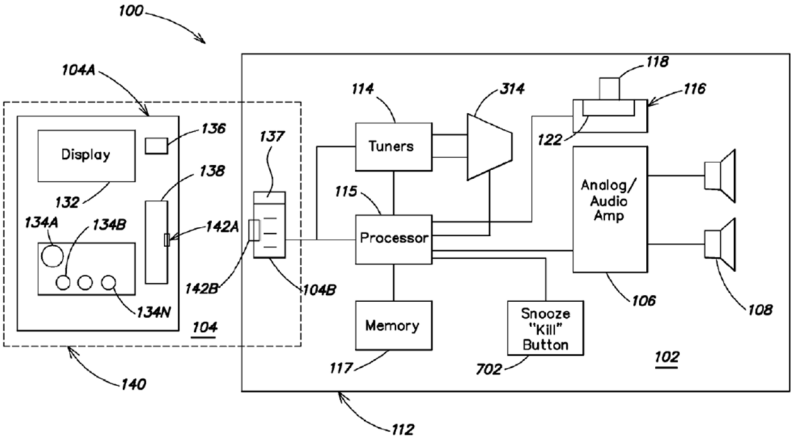

FIG. 1

Figure 1 is high-level block diagram of an audio entertainment system. Ex. 1001, 6:33–34.

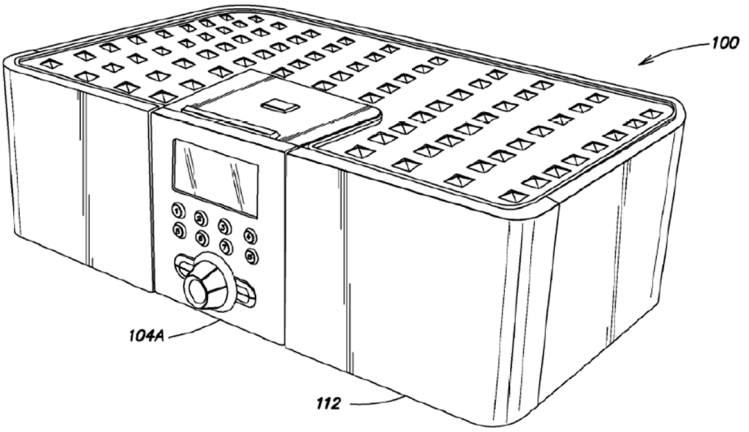

FIG. 2B

Figure 2B is a pictorial view of the entertainment system. *Id.* at 6:37–39.

Entertainment system 100 includes base unit (table unit) 102 and control sub-assembly 104. *Id.* at 3:21–32, 7:34–37. Detachable device 118 is preferably a digitally controlled device (*e.g.*, an iPod) that supplies an audio signal, via interface subassembly 116, to audio amplifier 106. *Id.* at 7:47–57. Control sub-assembly 104 may include a detachable control unit 104A and an interface 104B, in the base unit. *Id.* at 7:44–46. In a first mode ("docked mode"), control unit 104A is electrically connected to audio amplifier 106 and signal source electronics sub-assembly 116 via a set of connectors or terminals 142A, 142B, and its wireless transceiver is disabled. *Id.* at 8:58–62. In a second mode ("undocked mode"), control 104A is separated from the base unit and the connection between electrical connectors 142A, 142B is broken. *Id.* at 9:2–5.

The '309 patent specification explains that "the system may control a remote device (personal computer, etc.) which can then act as a server of music and other files to the base unit . . . or as a streaming audio source." *Id.* at 8:11–15. In addition, the remote device "may serve up content" from an attached portable music player (*e.g.*, such as an iPod device). *Id.* at 8:25– 26. The specification further explains that "the remote device and/or its music source may be controlled via a local control unit such as a detachable control unit 104A." *Id.* at 8:27–29. "Thus, for example, a user may be in one room of a house with control unit 104A and control the delivery of music from a source in that room, in another room (directly via wireless operation or via a network), or even from a source external to the house." *Id.* at 8:29–33. To facilitate operation of the control unit and the selection of music to be played, the control unit may operate upon metadata that serves to identify music selections by their source. *Id.* at 8:33–37.

Claims 1 and 9 are the only independent claims. Claim 1, reproduced below, is illustrative of the claimed subject matter:

> 1. A method of using a media device operable in first and second modes, the first mode comprising operation as a system for accessing a media source co-housed with or directly connected to said media device, the source configured to stream media files or media streams for output by said media device, and the second mode comprising operation of the media device as a remote controller system for controlling over a network a media source remote from the

media device, comprising:

operating the media device in the first mode, wherein when operated in the first mode, the media device performs operations of

displaying user-selectable media metadata on a display of the media device, at least one media file or stream being associated with each displayed media metadata and being available from the media source for playing by said media device,

receiving from a user a selection of media metadata from among the displayed media metadata, and indicating that said media device should play a media file or media stream associated with the selected media metadata, and

outputting the selected media file or media stream; and

operating the media device in a second mode, wherein when operated in the second mode, the media device performs operations of

connecting the media device with the media source, via a network interface,

transmitting a request, using the network interface, for media metadata from the media device to the media source,

receiving at the media device, using the network interface, media metadata from the remote media source, the media metadata indicating at least one media file

or media stream available from the media source,

displaying at least one received media metadata on a media device display,

generating a signal in response to a user selection of at least one said displayed media metadata, and the media device sending a corresponding signal from the network interface to the media source, wherein the corresponding signal includes at least one media file or media stream metadata identifying at least one media file or media stream available from the media source that, in turn, responds to the corresponding signal by accessing the identified media file or media stream and once accessed, and

sending the identified media file or media stream to a media output device separate from the media device.

II. ANALYSIS

A. Claim Construction

We interpret claims of an unexpired patent using the broadest reasonable construction in light of the specification of the patent in which they appear. *See* 37 C.F.R. § 42.100(b); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144–45 (2016). In applying a broadest reasonable construction, claim terms generally are given their ordinary and customary meaning, as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *See In re*

Translogic Tech., Inc., 504 F.3d 1249, 1257 (Fed. Cir. 2007).

In the Institution Decision, we concluded that, for purposes of that decision, we did not need to construe any claim terms expressly. Dec. 7. Following our decision, neither party proposes an express construction for any claim term. On the complete record, we conclude that no term requires express construction. *See Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) ("[O]nly those terms need be construed that are in controversy, and only to the extent necessary to resolve the controversy.").

B. Obviousness over AbiEzzi and Baumgartner

As explained above, the invention of the '309 patent, generally, is directed to operating a media device in a first mode, as a system for accessing a media source local to the media device, and in a second mode, as a remote controller system for controlling a remote media source. Petitioner contends that Baumgartner describes a media device that accesses a local media source (media stored on an internal hard-drive) and that AbiEzzi describes a media device that remotely controls a remote media source (an external DVD jukebox). Pet. 8–9. Thus, Petitioner contends that Baumgartner describes a device that operates in a first mode and that AbiEzzi describes a device that operates in a second mode. Petitioner argues that the prior art includes examples of combining the functionalities of two media devices into one device (*e.g.*, a digital video recorder combined with a DVD player/recorder or a set-top box with both digital storage and a VCR), and that, likewise, a skilled artisan would have combined the functionalities

of Baumgartner's and AbiEzzi's devices into one device. *Id.* at 10–11.

A claim is unpatentable under 35 U.S.C. § 103(a) if the differences between the claimed subject matter and the prior art are "such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." We resolve the question of obviousness on the basis of underlying factual determinations, including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of skill in the art; and (4) objective evidence of nonobviousness, *i.e.*, secondary considerations. *See Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

In an obviousness analysis, some reason must be shown as to why a person of ordinary skill would have combined or modified the prior art to achieve the patented invention. *See Innogenetics, N.V. v. Abbott Labs.*, 512 F.3d 1363, 1374 (Fed. Cir. 2008). A reason to combine or modify the prior art may be found explicitly or implicitly in market forces; design incentives; the "interrelated teachings of multiple patents"; "any need or problem known in the field of endeavor at the time of invention and addressed by the patent"; and the background knowledge, creativity, and common sense of the person of ordinary skill. *Perfect Web Techs., Inc. v. InfoUSA, Inc.*, 587 F.3d 1324, 1328–29 (Fed. Cir. 2009) (quoting *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 418–21 (2007)).

1. Level of Ordinary Skill in the Art

Neither party proposes a level of skill of a person of ordinary skill in the art. Nevertheless, we find that the level of ordinary skill is reflected by the prior art of record. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001); *In re GPAC Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995); *In re Oelrich*, 579 F.2d 86, 91 (CCPA 1978).

2. Scope and Content of the Prior Art

a. Overview of AbiEzzi

AbiEzzi discloses a virtual DVD jukebox. Ex. 1005 ¶ 6. AbiEzzi describes a "system and method for integrating home entertainment with home networking functionality that enables a jukebox (*e.g.*, a DVD jukebox or the like) to serve as a centralized storage of multiple video/audio titles that can be selected from and played on televisions or other display devices at different locations in the home." *Id.* Figure 2, reproduced below, illustrates an example:

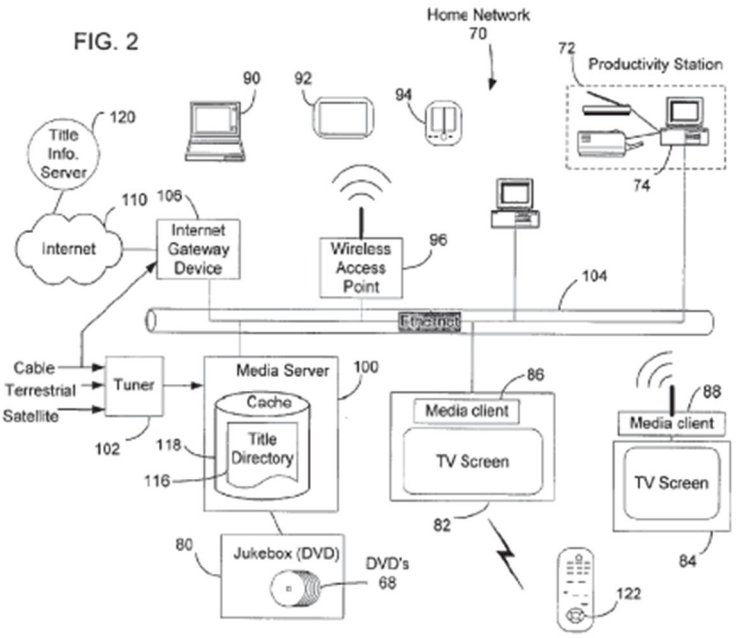

FIG. 2

Figure 2 is a schematic diagram of a home entertainment system integrated with a home network and a video jukebox. *Id.* ¶ 8.

In home network 70, media server 100 is connected to various components via IP-based Ethernet network 104. *Id.* ¶ 19. For example, media server 100 is coupled to television 82, with media client 86, via network 104, and to television 84, with media client 88, via network 104 and wireless access point (WAP) 96, which serves as a base station for a wireless local area network (LAN). *Id.*

Media server 100 is connected to jukebox 80, which, for example, can store and play back a plurality of DVDs 68. *Id.* ¶¶ 18, 20. Media server 100 can be implemented as a personal computer in an equipment

room or a dedicated microprocessor-based device such as a set-top box, for example. *Id.* ¶ 20. "The media server 100 functions as a proxy for the jukebox 80 to allow the jukebox to be discovered and controlled by other devices connected to the home network 70, such as the media clients 86, 88 of the televisions 82, 84." *Id.* ¶ 22. Media server 100 can use information from the DVDs, as well as information downloaded from the Internet, to build title directory 116, which can be sent to media client 86 for display on television 82 to allow a user to navigate the titles interactively and select titles for playback. *Id.* "When the user selects a title for viewing, the media server 100 controls the DVD jukebox 80 to read the contents on the DVD for that title, and transmits the contents to the media client of the display device. . . . " *Id.* ¶ 23.

According to AbiEzzi:

> The media server 100 enables integration of the home entertainment components/devices with the home network 70 to provide enhanced home automation experience. In particular, in accordance with the invention, the media server 100 enables the contents of the jukebox 80 to be selected and viewed on display devices at different locations in the house. . . .

Id. ¶ 21.

b. Overview of Baumgartner

Baumgartner discloses systems and methods for "providing an interactive television system for recording television programming." Ex. 1007, Abstract. The interactive television system may include components

for providing personal video recorder ("PVR") functionality, including a PVR device. *Id.* Figure 3, reproduced below, illustrates an example:

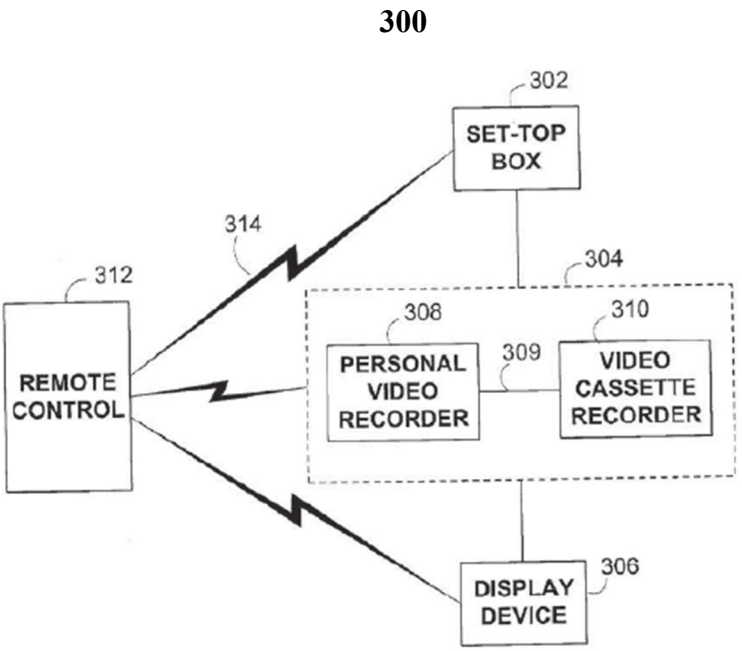

FIG. 3

Figure 3 is a block diagram of user television equipment 300. *Id.* at 3:6–7.

User television equipment 300 includes set-top box 302, recording device 304, display device 306, and remote control 312. *Id.* at 5:54–57. Set-top box 302 can be coupled to recording device 304, or recording device 304 can be integrated with set-top box 302 in a single device. *Id.* at 6:1–3, 6:19– 20. Recording device 304 can include PVR 308. *Id.* at 6:20. To record a program, a user tunes set-top box 302 to a channel and control signals are sent to recording device 304 to record a program on that channel. *Id.*

at 6:22–26. To play a stored program, set-top box 302 receives a user request to play a program from PVR 308. Set-top box 302 communicates with PVR 308 to obtain the program and sends audio/video signals to display device 306, which can be a television. *Id.* at 6:34, 6:37–48.

A user can interact with the components in user television equipment 300 and with an interactive television program guide (IPG) using remote control 312. *Id.* at 6:52–54. An illustrative recordings screen provided by an IPG is shown in Figure 27, reproduced below:

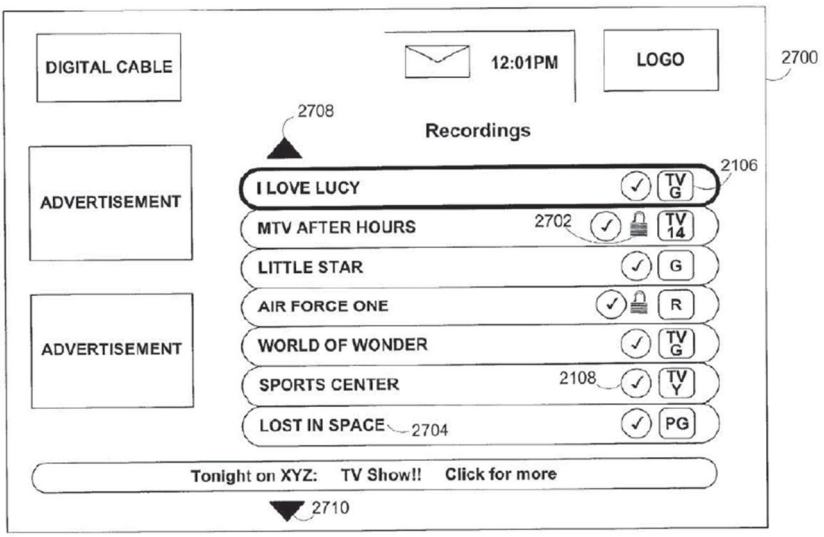

FIG. 27

Figure 27 is a picture of a display screen for accessing and viewing recorded programs, and is accessed by a user, with a remote control, via a menu screen. *Id.* at 3:42–44, 22:37–41. Recordings screen 2700 includes list of recorded programs 2704, television ratings 2106, and scroll indicators 2708, 2710 for interacting

with screen 2700. *Id.* at 22:50–60. When the user selects a recording to view, the IPG sends a request to the PVR to present the requested recording and, in response, the PVR generates a presentation of the recording on the display screen. *Id.* at 23:23–34.

3. Alleged Obviousness of Claims 1–14 over Abi-Ezzi and Baumgartner

a. Claims 1 and 9

Claim 1 recites "[a] method of using a media device operable in first and second modes." Petitioner refers to Baumgartner as teaching the claimed "first mode" and AbiEzzi as teaching the claimed "second mode." Pet. 11–13.

Claim 1 further recites "the first mode comprising operation as a system for accessing a media source co-housed with or directly connected to said media device, the source configured to stream media files or media streams for output by said media device." For this limitation, Petitioner argues that Baumgartner's PVR is a "media device" that can record programs on hard-drives and play back the recorded programs at a later time. *Id.* at 11–12 (citing Ex. 1007, 1:24–27, 6:1–3). Baumgartner explains that the PVR can include "storage devices" such as "hard-drives or any other suitable magnetic storage devices, optical storage devices, or any other suitable storage devices" co-housed within the PVR. Ex. 1007, 13:19–38; Fig. 8. Petitioner identifies these storage devices as a "media source." Pet. 11–12. Baumgartner further explains that when recorded content is selected for viewing, the content is streamed from storage for output by the PVR on the display screen. Ex. 1007, 1:24–37,

22:50–60, 23:32–34; Mercer Decl. ¶ 35. We find that Baumgartner's description of storing programs on a hard-drive within a PVR and streaming content from the PVR to a display screen teaches a "source configured to stream media files or media streams for output by said media device," as recited in claim 1, and that Baumgartner's description of the hard-drive as being within the PVR teaches "a media source co-housed with or directly connected to said media device."

Claim 1 also recites "the second mode comprising operation of the media device as a remote controller system for controlling over a network a media source remote from the media device." For this limitation, Petitioner refers to description in AbiEzzi that a "media client" (which Petitioner asserts is the claimed "media device") allows a user to "navigate . . . titles" loaded in a DVD jukebox accessible by the media client over a "home network." Pet. 12–13 (quoting Ex. 1005, Abstract, ¶ 24). AbiEzzi explains that its DVD jukebox is integrated with the home network and serves as a "centralized storage of multiple video/audio titles that can be selected and played on display devices, such as televisions at different locations in the home." Ex. 1005, Abstract. AbiEzzi explains that "media server 100 functions as a proxy for the jukebox 80 to allow the jukebox to be discovered and controlled by other devices connected to the home network 70, such as the media clients 86, 88 of the televisions 82, 84." *Id.* ¶ 22. We agree with Petitioner (Pet. 12–13) that AbiEzzi's media clients 86, 88 are "media devices," as recited in claim 1, and that the combination of AbiEzzi's media server 100 and jukebox 80 constitutes "a media source remote from the media device." Moreover, because AbiEzzi describes using media clients 86, 88

to navigate titles in jukebox 80 over network 104, we find that media clients 86, 88 operate as remote controllers for controlling jukebox 80, and that AbiEzzi teaches "controlling over a network a media source remote from the media device," as recited in claim 1.

With respect to the first mode, claim 1 recites

> operating the media device in the first mode, wherein when operated in the first mode, the media device performs the operations of displaying user-selectable media metadata on a display of the media device . . . receiving from a user a selection of media metadata . . . and outputting the selected media file or media stream.

We find that this limitation is taught by Baumgartner's description of displaying a list of selectable recorded programs with program titles and ratings on a display screen ("displaying user-selectable media metadata on a display of the media device . . . "); the user selecting a stored program from the list of titles ("receiving from a user a selection of media metadata . . . "); and displaying the program on the display screen ("outputting the selected media file or media stream"). Ex. 1007, 22:50–60, 23:40–41, Fig. 27; Pet. 13–16; Mercer Decl., ¶¶ 40–41. We also find that the stored programs are "associated with each displayed media metadata and being available from the media source for playing by said media device," as recited in claim 1. For example, the program titles shown in Figure 27 correspond to the stored programs and indicate that the programs can be selected and played. Ex. 1007, 22:50–60.

With respect to the second mode, claim 1

recites

> operating the media device in a second mode, wherein when operated in the second mode, the media device performs operations of connecting the media device with the media source, via a network interface, transmitting a request, using the network interface, for media metadata from the media device to the media source, receiving at the media device, using the network interface, media metadata from the remote media source, . . . [and] displaying at least one received media metadata on a media device display, wherein the metadata indicates at least one media file or media stream available on the media source.

We find that these limitations are taught by AbiEzzi's description of a media client (the "media device") querying the media server connected to the jukebox (together, the "media source") for information on titles stored in the jukebox; the media server receiving a request to use the jukebox from the media client on the home network; the media client receiving from the media server information on titles stored in the jukebox; and the media client presenting an interactive user interface, with information on stored titles, on the display device. Ex. 1005 ¶¶ 22–24, claims 1, 11; Pet. 16–19. For example, AbiEzzi explains that "the media server sends the title directory 116 and other user interface data to the media client 86 of the television for display on the television to allow the user to interactively navigate the titles and select a title for playback." Ex. 1005 ¶ 22.

Claim 1 next recites:

the media device performs operations of

. . .

generating a signal in response to a user selection of at least one said displayed media metadata, and the media device sending a corresponding signal from the network interface to the media source, wherein the corresponding signal includes at least one media file or media stream metadata identifying at least one media file or media stream available from the media source that, in turn, responds to the corresponding signal by accessing the identified media file or media stream and once accessed, and

sending the identified media file or media stream to a media output device separate from the media device.

Petitioner refers to disclosure from AbiEzzi that "when the user selects a title for viewing," "the media client sends [a] request to the media server, and the media server controls the DVD jukebox to retrieve the contents for that title." Pet. 19–20 (quoting Ex. 1005 ¶ 26). We agree with Petitioner (Pet. 20) that, because media server 100 responds to the media client's request by retrieving the contents of the particular title selected by the user, the request sent by the media client (the claimed "corresponding signal") includes information (the claimed "at least one media file or media stream metadata") identifying the particular title (the claimed "media file or media stream"). Ex. 1005 ¶ 26; Ex. 1003 ¶ 47. Moreover, AbiEzzi describes that, "[w]hen the user selects a title for viewing, the media server 100 controls the DVD

jukebox 80 to read the contents on the DVD for that title, and transmits the contents to the media client of the display device (*e.g.*, a television) being viewed by the user via the home network." Ex. 1005 ¶ 23. We find that AbiEzzi's display device, such as a television, is "a media output device separate from the media device" and that this disclosure from AbiEzzi teaches "sending the identified media file or media stream" to the media output device, as recited in claim 1. *See, e.g., id.* at Fig. 2 (showing that TV 84 is a media output device that is separate from media client 88 (media device)). Moreover, as Petitioner points out (Pet. 21), AbiEzzi also describes retrieving multi-channel audio from DVDs and sending it to an audio playback system separate from the media server. Ex. 1005 ¶ 18. This is another example of "sending the identified media file or media stream to a media output device separate from the media device," as recited in claim 1.

In sum, we find that AbiEzzi and Baumgartner teach each limitation of claim 1. We note that, although Patent Owner disputes whether a skilled artisan would have combined these references, Patent Owner does not challenge Petitioner's contentions that the two references teach each individual limitation of claim 1. We address Petitioner's proposed reasons to combine the references, and Patent Owner's response thereto, below.

Independent claim 9 is an apparatus claim directed to a "media device operable in first and second modes" and recites a network interface, a memory configured to store program instructions, a display unit, and a processor unit adapted to execute the stored instructions to cause the media device to operate in the first

mode or the second mode. The operation in the first or second modes is recited substantially the same as the steps of method claim 1.

Petitioner contends that AbiEzzi's television is "a display unit arranged to display a user interface having a number of user selectable items," as recited in claim 9. Pet. 25–26. We agree with Petitioner and note, in particular, that AbiEzzi describes that "the media server sends the title directory 116 and other user interface data to the media client 86 of the television for display on the television to allow the user to interactively navigate the titles and select a title for playback." Ex. 1005 ¶ 22. As to "a processor unit adapted to execute computer instructions stored in the memory and causing the media device to operate in said first mode or said second mode," as recited in claim 9, Petitioner cites to AbiEzzi's description of executable instructions and program modules being executed by a personal computer or other microprocessor-based or programmable consumer electronics. Pet. 26 (citing Ex. 1005 ¶ 11). As to the remainder of claim 9, the functional limitations that correspond to the method steps of claim 1, Petitioner cites to the same teachings discussed above for claim 1. Pet. 26–30.

Patent Owner does not challenge that AbiEzzi and Baumgartner teach the limitations of claim 9 that overlap with those of claim 1. Nevertheless, Patent Owner contends that the combination does not teach "a processor unit adapted to execute computer instructions stored in the memory and causing the media device to operate in said first mode or said second mode," as recited in claim 9. PO Resp. 10–13. Specifically, Patent Owner argues that the Petition "fails to allege that Baumgartner discloses a processor

unit at all" and "fails to establish by a preponderance of the evidence that the identified processor from AbiEzzi is enabled to perform the operations required for the first mode" of claim 9. *Id.* at 12. According to Patent Owner, "[t]here is no evidence that the mere existence of a processor would have been sufficient to switch between modes in the alleged configuration proposed by the Petitioner's Expert's Declaration, some further hardware or mechanical requirements could be implicated." *Id.*

In its Reply, at 4, Petitioner reiterates its argument from the Petition that it would have been obvious:

> to combine the devices of AbiEzzi and Baumgartner to produce a unified device that is i) operable in a first mode allowing a user to select locally-stored video content for playback on a connected display device (as described in Baumgartner); and ii) operable in a second mode to allow the user to select video content stored on a remote DVD jukebox for playback on the connected display device (as described in AbiEzzi).

Pet. 9. Petitioner notes (Reply 5) that its citations to Baumgartner for the first mode functionality of claim 1 describe the PVR as implemented using processor 812. Pet. 11 (citing Ex. 1007, 13:19–38, Fig. 8). As to Patent Owner's argument that a processor would not have been sufficient to switch between the claimed modes and that "some further hardware or mechanical requirements could be implicated" (PO Resp. 12), Petitioner argues that Patent Owner improperly reads unrecited limitations into claim 9, contrary to the '309 patent's broad description of a processor that

"can be implemented in any convenient way." Reply 7–8 (quoting Ex. 1001, 7:22– 30).

We agree with Petitioner. We understand Petitioner's position to be that a skilled artisan would have combined the functionalities of AbiEzzi and Baumgartner into a single device and that the two modes of claim 9 would have been implemented by executing programmable instructions using a single processor. Pet. 9, 26; Reply 4. We find that AbiEzzi teaches a general-purpose computer processor capable of executing such instructions. Ex. 1005 ¶ 11. We disagree with Patent Owner that claim 9 requires unrecited additional hardware or mechanical requirements to switch between modes. Patent Owner does not cite to the specification of the '309 patent or provide expert testimony in support of this argument. We agree with Petitioner that AbiEzzi describes its processor in approximately the same level of detail as the '309 patent describes its processor. *Compare* Ex. 1001, 7:22–30, *with* Ex. 1005 ¶ 11.

In sum, we find that AbiEzzi and Baumgartner teach each limitation of claim 9. We note that Patent Owner does not dispute that the two references teach each individual limitation of claim 9 other than the "processor unit" limitation discussed above.

b. Claims 2–5, 8, and 10–13

Claim 2 depends from claim 1 and adds "wherein the media device sends the selected metadata to the remote media source using a wireless network interface." Claim 10 depends from claim 9 and adds a substantially similar limitation. We find that AbiEzzi teaches these limitations through its description of media clients communicating with media server 100

over network 104 and wireless access point 96. Ex. 1005 ¶ 26. We note that Figure 2 of AbiEzzi (reproduced above), shows media client 88 as communicating wirelessly. Thus, we agree with Petitioner that media server 100 and media client 88 communicate wirelessly via wireless access point 96. Pet. 22.

Claim 3 depends from claim 1 and adds "wherein the media output device is remote from the remote media server." Claim 11 depends from claim 10 and adds "wherein the media output device is remote from the media source." We find that AbiEzzi teaches these limitations through its depiction of media client 88 and TV screen 84 as separated from media server 100 by network 104 and wireless access point 96. *See* Ex. 1005 ¶ 26.

Claim 4 depends from claim 3 and adds "wherein the sending of the selected media file or media stream to the media output device occurs at least partly via a wireless link." Claim 12 depends from claim 9 and adds a substantially similar limitation. We find that AbiEzzi teaches these limitations through its description and depiction of media server 100 communicating with media client 88 and television 84 via wireless access point 96. *See id.*

Claim 5 depends from claim 1 and adds "wherein the metadata includes at least one of title, album, artist, playlist, stream name, stream characteristic, and content location." Claim 13 depends from claim 9 and adds a substantially similar limitation. We find that AbiEzzi teaches these limitations through its example of a media client "retriev[ing] the title directory compiled by the media server" and "receiving from the media server the information on titles stored

in the jukebox." Ex. 1005 ¶ 26, claim 11 (emphases added).

Claim 8 depends from claim 1 and adds "wherein when the media device is operated in the second mode, the media source is connected via a local network." We find that AbiEzzi teaches this limitation through its description of media server 100 communicating with media client 88 via wireless access point 96, which AbiEzzi states can function as a base station for a LAN. Ex. 1005 ¶ 19.

We note that Patent Owner does not present separate arguments for claims 2–5, 8, and 10–13.

c. Claims 6, 7, and 14

Claim 6 depends from claim 1 and adds "wherein the remote media source is a server." Claim 14 depends from claim 9 and adds "wherein the media source is a server."

Petitioner contends that AbiEzzi's media server 100 and jukebox 80, together, constitute a "media source," as recited in claim 1. Pet. 17 (annotated Abi-Ezzi Figure 2 grouping media server 100 and jukebox 80 as "media source remote from the media device."). Petitioner cites its analysis of claim 1 to show that AbiEzzi's media source includes a media server, per claim 6. *Id.* at 25. In our Institution Decision, we explained that, contrary to Patent Owner's argument that Petitioner's position is ambiguous, we understood Petitioner to contend that the portion of AbiEzzi's system corresponding to a media source includes both media server 100 and jukebox 80. Dec. 12–13, 13 n.1. Petitioner contends that AbiEzzi teaches the corres-

ponding limitation of claim 14 for the same reasons as claim 6. Pet. 30.

Patent Owner responds by arguing that AbiEzzi's media server 100 and jukebox 80 are actually separate entities and should not be grouped together as a media source. PO Resp. 13–17. Specifically, Patent Owner argues, "the Petition cites to portions of AbiEzzi that consistently treat the server and the media source as distinct, exclusive elements," and only jukebox 80, where the content actually is stored, should be considered a media source. *Id.* at 13–14; *see also id.* at 14 ("Examples cited by the Petition indicating that the media source and the server are separate entities, include [Ex. 1005 ¶ 22, and claims 1, 11, cited at Pet. 12, 17]."), 14 ("[T]he Petition cites to and quotes portions of AbiEzzi [Ex. 1005 ¶ 24, cited at Pet. 8] that the media content is unquestionably stored in the DVD jukebox (*i.e.*, the media source)."), 14 ("[T]he cited portions [of Ex. 1005 ¶ 24, cited at Pet. 8] illustrate that the server is a separate entity that is connected to the media source, not the same entity as the media source."); 15 (In Figure 2 of AbiEzzi, "the Media Server (100) is its own distinct element. The Jukebox (80) is connected to but not the same as the media server."). Patent Owner argues that Petitioner's expert witness, Dr. Mercer, admitted that media server 100 is described as an entity separate from jukebox 80 in AbiEzzi. *Id.* at 16 (citing Ex. 2007, 73:7–10, 77:1–5). Patent Owner argues that "AbiEzzi does not identify a media source that is a server; instead, it identifies a media source connected to a server." *Id.*

In reply, Petitioner argues that nothing in the claims of the '309 patent require a media source to be limited to a single component or entity that stores

the media. Reply 9. Instead, Petitioner argues, the specification of the '309 patent describes a media source configured similar to AbiEzzi's media server and jukebox. Reply 9–10. Indeed, the '309 patent, in describing a music source, gives as an example a personal computer or similar device with an internal or external DVD player that, together, act as a server. Ex. 1001, 8:11–24 ("When a network adapter is used (wired or wireless), the system may control a remote device (personal computer, etc.) which can then act as a server of music and other files to the base unit (*e.g.*, from Apple Computer's iTunes service or the like) or as a streaming audio source. . . . The remote device may serve up music content from various sources, such as a hard (magnetic) disk drive, an optical medium (*e.g.*, CD or DVD), or electronic memory (*e.g.*, RAM), any of which may be internal or external to the processor which acts as a server.").

Petitioner further contends that AbiEzzi's media server 100 by itself, is incomplete and not a server because it does not include storage for the media it serves up. Reply 10. Rather, Petitioner argues, AbiEzzi's media server 100 and DVD jukebox 80, collectively function as the server described in the examples of the '309 patent. *Id.* We agree that AbiEzzi describes the relationship of media server 100 and jukebox 80 similarly to that of the examples of media sources in the '309 patent. Ex. 1005 ¶¶ 22 ("The media server 100 functions as a proxy for the jukebox 80 to allow the jukebox to be discovered and controlled by other devices connected to the home network 70, such as the media clients 86, 88 of the televisions 82, 84. . . . "), 23 ("When the user selects a title for viewing, the media server 100 controls the DVD jukebox 80 to read

the contents on the DVD for that title, and transmits the contents to the media client of the display device. . . . ").

In response to Patent Owner's cross-examination, Dr. Mercer confirmed that this is how a skilled artisan would have understood AbiEzzi:

> So while this [Ex. 1003 ¶ 42, citing Ex. 1005 ¶ 22] is not teaching specifically that the jukebox is a server, it really is teaching that the combination of the media server 100 and the jukebox 80 perform the function of a server together because that's what causes access to the material on the jukebox.
>
> And I'm not sure that one of skill in the art would get very—very tied up about whether these exact words are used to describe the jukebox as a—as a media server. I think the idea would be that the media server and the jukebox form [what] provides—it's a structure, and it provides a function. And the function is the function of sending the material on the jukebox, making it accessible to other media clients in the system.

Ex. 2007, 78:4–18. This testimony, elicited by Patent Owner's questioning, is consistent with the manner in which the '309 patent describes servers of media content and, thus, is credible.

Patent Owner argues that "under the doctrine of claim differentiation, because claims 6 and 14 affirmatively claim a media source that 'is a server,' the scope of claims 1 and 9, respectively, includes media sources that are not servers." PO Resp. 16. According

to Patent Owner, "[i]f claims 6 and 14 are interpreted such that the media source is not required to be a server, then the resulting absence of difference in meaning and scope would render the claims superfluous because claims 1 and 9 already cover embodiments where the media source is not required to be a server." *Id.* at 17. Patent Owner's argument is not persuasive. Claims 6 and 14 do require that the remote media source is a server. Claims 1 and 9 do not. Thus, claims 1 and 9 are of different scope than claims 6 and 14, and claim differentiation is inapplicable. A device that meets the narrower media server limitation of claims 6 and 14 necessarily also meets the broader media source limitation of claims 1 and 9. As discussed above, and further below, we find that AbiEzzi's media server 100 and jukebox 80 meet both limitations for this reason.

In light of the description in the '309 patent of an example media source comprising a personal computer acting as a server to serve up content from an external DVD player, along with credible testimony from Dr. Mercer, we read "wherein the remote media source is a server" to encompass a remote media source that includes both a processor to serve up media and a storage device, external to the processor, storing the media to be served. Patent Owner offers no persuasive evidence contradicting our understanding. As explained in detail above, AbiEzzi's media server 100 and DVD jukebox 80, collectively, store and serve up media to devices such as media clients 86, 88. Thus, we find that AbiEzzi's media server 100 and DVD jukebox 80, collectively, teach both the narrower media server limitations of claims 6 and 14, and the broader media source limitations of claims 1 and 9.

Claim 7 depends from claim 6 and adds "wherein when the media device is operated in the second mode, the server is remote from the media device." We find that AbiEzzi teaches this limitation through its depiction of media client 88 and TV screen 84 as separated from media server 100 by network 104 and wireless access point 96. We note that Patent Owner does not present separate arguments for claim 7.

d. Reasons to Combine

Petitioner argues that a skilled artisan would have modified AbiEzzi's device operable to access a DVD jukebox over a network to include the PVR functionality of Baumgartner "because such a modification amounts to simply combining prior art elements from the same field, according to known methods to yield predictable results." Pet. 9–10 (citing *KSR*, 550 U.S. at 417). Petitioner further argues that a skilled artisan would have had reason to make such a modification

> in order to eliminate the need to have two separate devices to perform the functions of AbiEzzi and Baumgartner, thereby reducing the amount of equipment a user needs to configure and maintain, reducing the space the equipment consumes in/on the user's television furniture, facilitating using the devices with a common remote control, and enabling one set of connections to the television.

Id. at 10. Similarly, Petitioner argues that a skilled artisan

> would also have been motivated to consolidate the similar video playback functionality of AbiEzzi and Baumgartner in a single device to allow the user to navigate a single interface to access both local recorded programs and remote DVDs from the jukebox, thereby producing a more unified and user-friendly viewing experience.

Id. Petitioner relies on the testimony of Dr. Mercer, who repeats these arguments. Ex. 1003 ¶ 26.

Relying on Dr. Mercer's testimony, Petitioner asserts that the prior art generally recognized combination devices with video players for more than one type of media. Pet. 10–11 (citing Ex. 1003 ¶ 27). Dr. Mercer testifies that "media devices allowing for playback of media from both local and remote sources were known in the art as of the effective filing date of the '309 patent," giving as examples Barton (Ex. 1011, US 8,577,205 B2) and Klements (Ex. 1009, US 2003/0236906 A1). Ex. 1003 ¶ 27. Petitioner argues that "combination devices with players for more than one type of media were also well known." Pet. 10–11. Petitioner's evidence supports this assertion. Barton, for example, describes "[a] digital video recorder (DVR) system with an integrated DVD recording device." Ex. 1011, Abstract. In another example, Baumgartner describes that its recording device 304 "may include one or both of PVR 308 and VCR 310." Ex. 1007, 6:20–22. Petitioner argues that because "AbiEzzi's media client provides, at the user's television, the functionality of its networked DVD jukebox player, combining it with Baumgartner's PVR produces an analogue to [a] combination DVD/PVR device," a device

Petitioner asserts was well known in the art. Pet. 11 (citing Ex. 1003 ¶ 27; Ex. 1011, Abstract).

Patent Owner responds by arguing that Petitioner's expert testimony is conclusory and based on hindsight reasoning.[1] PO Resp. 18. Patent Owner argues that Dr. Mercer provides piecemeal analysis that does not treat the claims in their totality and fails to opine on what result the proposed combination would achieve. *Id.* at 19.

Patent Owner focuses separately on paragraphs 25, 26, and 27 of the Mercer Declaration. As to paragraph 25, Patent Owner contends that "Petitioner's Expert does not address why it would have been obvious to make these combinations, instead only citing to the elements in Baumgartner and AbiEzzi that align with the claimed invention." *Id.* at 20. This argument is not persuasive, as Dr. Mercer provides such testimony in paragraph 26. For example, Dr. Mercer opines that a person skilled in the art would have found it obvious to make such a modification

> in order to eliminate the need to have two separate devices to perform the functions of AbiEzzi and Baumgartner, thereby reducing the amount of equipment a user needs to

[1] Patent Owner provides several pages of argument in support of the general position that Dr. Mercer's testimony "was largely unsupported by factual citations and was largely verbatim duplication from the Petition." PO Resp. 32–38. The only example Patent Owner discusses specifically is paragraph 26 of the Mercer Declaration. *Id.* at 35–36. Although some portions of Dr. Mercer's testimony might be conclusory or unsupported by a stated factual basis, the testimony challenged with specificity by Patent Owner (paragraph 26) is supported and credible, for the reasons given below.

> configure and maintain, reducing the space the equipment consumes in the user's television cabinet, facilitating using the devices with a common remote control, and enabling one set of connections to the television.

Ex. 1003 ¶ 26. These reasons are straightforward, logical, and have rational underpinning.

Patent Owner further argues that "Paragraph 26 discusses motivation to combine generally, but lacks any factual support." PO Resp. 21; *see also id.* at 21–22 ("[P]aragraph 26 has no citations to any references, the '309 patent, or any other document, figures, etc. . . . [P]aragraph 26 of Petitioner's Expert's declaration is completely unsupported by any evidence or factual citations of any kind. . . . Further it states that the results would have been predictable, but not what the predictable result would have been or why it would have been predictable given the state of the art."). This argument is not persuasive, as Dr. Mercer provides such testimony in paragraph 27. Ex. 1003 ¶ 27 (citing Ex. 1009, Abstract; Ex. 1011, Abstract). Dr. Mercer's citation to evidentiary bases for his opinions adds to the credibility of his testimony on this point.

As to paragraph 27, Patent Owner argues that it "has some citations to evidence, but it only discusses why the alleged results would have been predictable and not the reasons and motivations to combine the references in the first place." PO Resp. 21; *see also id.* at 23 ("Petitioner's Expert fails to state why a general knowledge of playback devices would have resulted in a predictable combination, or any probability of success in the combination. . . . [P]aragraph 27 of the Declaration only indicates that the combination would

achieve predictable results because playback from remote and local sources was 'known in the art' with no citation to how the references would have been combined or according to what methods."). Once again, Dr. Mercer testifies in paragraph 26 as to the reasons why a skilled artisan would have combined AbiEzzi and Baumgartner.

In sum, when read together, paragraphs 25, 26, and 27 of the Mercer Declaration explain how the references would have been combined, articulate reasons why a skilled artisan would have done so, and support these opinions with citations to evidence. We find this testimony credible. Patent Owner's attacks on individual paragraphs of the Mercer Declaration without considering related paragraphs together as a whole are unpersuasive. We note that Patent Owner does not offer expert testimony in support of its position.

On the complete record, we find that a skilled artisan would have had compelling reasons to combine AbiEzzi and Baumgartner

> to produce a set-top box that is i) operable in a first mode allowing a user to select locally-stored video content for playback on a connected display device (as described in Baumgartner); and ii) operable in a second mode to allow the user to select video content stored on a remote DVD jukebox for playback on the connected display device (as described in
>
> AbiEzzi).

Ex. 1003 ¶ 25. We find that such a combination would have been predictable and likely to succeed.

The reasons a skilled artisan would have combined the references include eliminating the need to have two separate devices, reducing the space the equipment consumes, facilitating the use of multiple functions with a common remote control, and enabling a single set of connections to a television. *Id.* ¶ 26. These reasons are supported by evidence showing that it was known to combine the functions of multiple audio/video playback devices within a single device, including additional prior art references and expert testimony that we find credible. Ex. 1011, Abstract; Ex. 1007, 6:20–22; Ex. 1003 ¶ 27.

4. Objective Indicia of Nonobviousness

In evaluating whether an invention would have been obvious, "[s]uch secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented." *Graham*, 383 U.S. at 17–18. It is Patent Owner's burden to introduce evidence supporting such objective indicia, *see Novo Nordisk A/S v. Caraco Pharm. Labs., Ltd.*, 719 F.3d 1346, 1353 (Fed. Cir. 2013), and Petitioner's ultimate burden of persuasion to show the unpatentability of the challenged claims in light of these objective indicia, *see* 35 U.S.C. § 316(e). Objective indicia should be considered along with all of the other evidence in making an obviousness determination. *See Eurand, Inc. v. Mylan Pharm. Inc. (In re Cyclobenzaprine Hydrochloride Extended–Release Capsule Patent Litig.)*, 676 F.3d 1063, 1076–77 (Fed. Cir. 2012) ("It is to be considered as part of all the evidence, not just when the decisionmaker remains in doubt after reviewing the art.") (quoting *Stratoflex, Inc. v. Aeroquip Corp.*,

713 F.2d 1530, 1538–39 (Fed. Cir. 1983)). According to the Federal Circuit, "objective considerations of non-obviousness must be considered in *every* case." *WBIP, LLC v. Kohler Co.*, 829 F.3d 1317, 1328 (Fed. Cir. 2016).

Patent Owner raises several alleged objective indicia of nonobviousness, including commercial success, industry praise, long-felt need, and copying, based on its George product, which Patent Owner argues embodies the '309 patent. For the reasons discussed below, none of these objective indicia are entitled to much weight, and thus, do not outweigh our finding that the asserted prior art reads on the challenged claims.

As the Federal Circuit has explained:

> For objective indicia evidence to be accorded substantial weight, we require that a nexus must exist between the evidence and the merits of the claimed invention. Where the offered secondary consideration actually results from something other than what is both claimed and novel in the claim, there is no nexus to the merits of the claimed invention. . . .
>
> In evaluating whether the requisite nexus exists, the identified objective indicia must be directed to what was not known in the prior art—including patents and publications— which may well be the novel combination or arrangement of known individual elements.

Novartis AG v. Torrent Pharm. Ltd., 853 F.3d 1316, 1330–31 (Fed. Cir. 2017) (internal quotation marks and citations omitted).

We recognize that "there is a presumption of nexus for objective considerations when the patentee shows that the asserted objective evidence is tied to a specific product and that product 'is the invention disclosed and claimed in the patent.'" *WBIP*, 829 F.3d at 1329 (quoting *J.T. Eaton & Co. v. Atl. Paste & Glue Co.*, 106 F.3d 1563, 1571 (Fed. Cir. 1997)). That is not the case here. Although Patent Owner argues that the George product is "embodied in part by Patent Owner's ['309 patent]," and "[t]he features embodied by the '309 patent are primarily based on research and development from the George™ project," PO Resp. 1, Patent Owner does not cite to persuasive evidence to support those assertions. *See also id.* at 26–27 (stating, without citation, that "[t]he inventions of the '309 patent, as embodied in the George system also received accolades from other sources"). In this case, Patent Owner's evidence is not sufficient to find that the George product is the invention disclosed in the '309 patent. Thus, we do not presume a nexus between Patent Owner's alleged objective indicia of nonobviousness and the challenged claims.

a. Commercial success and industry praise

Patent Owner cites to several press releases and articles purportedly awarding and praising its George product. PO Resp. 26–28. Patent Owner contends that "[t]hese sources highlight the commercial success of the inventions of the '309 patent, as well as how they [were] praised by others." *Id.* at 28.

For example, Patent Owner argues that its George product won various awards, such as a Best of Show Award from the editors of Macworld during the 2007 Macworld Expo and Conference and Editor's Choice

Awards from PC Magazine, LapTop, and Mac | Life. PO Resp. 26–27. In support of this argument, Patent Owner cites to two of its own press releases (Exs. 2015, 2016) expressing delight at having received these rewards. The press releases, however, fail to discuss the criteria for the awards or to explain what features of the George product contributed to receiving the awards.

Patent Owner also cites to a Macworld article reviewing the George product and describing it as "an impressive package of technology, a great iPod speaker system, and a very good desktop stereo." PO Resp. 27 (quoting Ex. 2008, 6). Patent Owner alleges, at a high level, that the Macworld article praised "features of the '309 patent, such as the two-mode system accessed with the remote control as a media device, as part of the value of the George system in which they were embodied," and that "[t]he elements of the '309 [patent] that were represented in the George system gave that system 'a unique and compelling combination of features' that was critically praised." *Id.* (quoting Ex. 2008, 7). As another example, Patent Owner cites to a PC Magazine article reviewing the George product and characterizing it as "super capable" and "advanced." *Id.* (quoting Ex. 2009, 13, 14). Patent Owner notes that the article identified among its "Pros," the "[d]etachable remote that controls a wide variety of functions." *Id.* (quoting Ex. 2009, 12).

Petitioner argues in reply that Patent Owner has failed to provide evidence of what aspects of the challenged claims are embodied by the George system and whether the praise and awards cited by Patent Owner were due to a novel claim limitation. Reply

22–23. According to Petitioner, Patent Owner's cited documents describe only high-level functionality of the George system. *Id.* at 23. Petitioner argues that Patent Owner's evidence is insufficient to show a nexus between the claimed invention and the evidence of praise. *Id.*

We agree with Petitioner. "Evidence of commercial success, or other secondary considerations, is only significant if there is a nexus between the claimed invention and the commercial success." *Ormco Corp. v. Align Tech., Inc.*, 463 F.3d 1299, 1311–12 (Fed. Cir. 2006). Likewise, "[i]ndustry praise must also be linked to the patented invention." *Geo. M. Martin Co. v. All. Mach. Sys. Int'l LLC*, 618 F.3d 1294, 1305 (Fed. Cir. 2010).

As Petitioner argues, Patent Owner's press releases and cited magazine articles describe features of the George product at a high level and do not purport to discuss implementation details of the George system. Patent Owner notes some features of the George product that received praise ("great iPod speaker system, and a very good desktop stereo," "two-mode system accessed with remote control as a media device"). PO Resp. 27. Nevertheless, Patent Owner does not identify sufficiently how this high-level praise relates to the aspects of the claims that Patent Owner contends are novel. As Petitioner points out,

> Patent Owner's Response lacks things like pin cites to specific disclosure in the evidence, claim charts or other analysis comparing the evidence to the claim elements, [an] analysis of what claim elements are considered novel and how these elements relate to the alleged secondary considerations, and

> expert testimony supporting the analysis and the interpretation of the claims and alleged secondary considerations evidence.

Reply 25. Without such argument or testimony explaining Patent Owner's position as to nexus, Patent Owner's high-level evidence is not compelling. *Cf. In re Affinity Labs of Tex., LLC*, 856 F.3d 883, 901 (Fed. Cir. 2017) ("Here, the Board correctly recognized that Affinity provided no explanation or analysis that corroborates the relationship between the claims of the '833 patent and the market for in-vehicle device integration technology generally."). Thus, Patent Owner's evidence of industry praise is minimally probative of nonobviousness and unpersuasive.

To show commercial success, we would expect Patent Owner to introduce evidence of a relevant market and the George product's performance in that market. *See, e.g., In re Applied Materials, Inc.*, 692 F.3d 1289, 1300 (Fed. Cir. 2012) ("[T]he more probative evidence of commercial success relates to whether the sales represent 'a substantial quantity in th[e] market.'") (quoting *In re Huang*, 100 F.3d 135, 140 (Fed. Cir. 1996)); *Huang*, 100 F.3d at 140 ("[E]vidence related solely to the number of units sold provides a very weak showing of commercial success, if any."). Patent Owner's press releases and magazine articles awarding and reviewing the George product do not purport to discuss the George product's economic performance in a particular market. Thus, it is entitled to no weight as evidence of commercial success.

Patent Owner argues that "George was commercially very successful, and was widely distributed through Petitioner's stores and other retailers like Best Buy." PO Resp. 1. Specifically, Patent Owner

argues that "the George system, embodying in part the challenged claims, was sold at approximately 80 stores owned and operated by the Petitioner, as well as other retailers such as Best Buy, Sharper Image, Tweeter, and Amazon.com." *Id.* at 25. In support, Patent Owner cites to allegations from its Complaint (Ex. 2014 ¶¶ 20–21) filed in the related district court litigation. The allegations are just that—allegations. They are not persuasive evidence and do not themselves cite to persuasive evidence.

b. Long-felt but unresolved need, failure of others in the art, recognition of a problem solved by the '309 patent, and copying

Patent Owner contends that, in October 2004, it met with Petitioner and informed Petitioner of its remote control system, related to the challenged claims, that could control Petitioner's iPod product and that Petitioner's representatives were impressed with those technology plans. PO Resp. 25 (citing Ex. 2014 ¶¶ 11, 15). Patent Owner further contends that, in August 2005, it demonstrated the George product to Petitioner's representatives and that, at this meeting, Petitioner's representatives asked to keep a prototype to show to their senior management. *Id.* at 28–29 (citing Ex. 2014 ¶ 17). Patent Owner argues that it again met with Petitioner in October 2005 to present its product strategy to Petitioner and specifically characterized its technology as "patent pending" at that meeting. *Id.* at 29 (citing Ex. 2014 ¶ 18).

After those meetings, Patent Owner argues, Petitioner filed an application for what became the Ko patent (Ex. 2006, US 7,702,279 B2, filed Dec. 20, 2005). *Id.* Patent Owner argues that Ko discloses "substan-

tially the same invention as is claimed in claims 1 and 9 of the '309 patent" and that both Ko and the '309 patent disclose "a system operable in a first and second mode, accessing remote and local media sources in similar fashions." *Id.* Patent Owner argues that "this evidence relates to the long felt but unresolved needs met by the '309 patent, the failure of others in the art, recognition of a problem solved by the '309 patent, and copying of the '309 patent by others." *Id.*

Patent Owner argues that "[i]n Ko, Petitioner described a long-felt need for a system and method like that embodied in the '309 patent." *Id.* at 31. Specifically, Patent Owner argues that Ko's Background section discusses multimedia playback systems available prior to the '309 patent and notes problems with those systems, such as performance, fidelity, and usability. *Id.* at 29 (citing Ex. 2006, 1:30–31). Patent Owner argues that Ko's disclosure indicates that Petitioner was aware, at the time of the invention of the '309 patent, of problems with those existing systems, including that "listeners were forced to make physical contact with existing players" as well as "equipment requirements and the associated high costs." *Id.* at 30 (citing Ex. 2006, 1:53–58, 2:3–5). Patent Owner further argues that, through Ko, Petitioner acknowledged a need in the art for a system that leverages existing devices, such as the iPod, to provide remote access and control that otherwise would require specialized equipment. *Id.* (citing Ex. 2006, 2:9–13).

Patent Owner's evidence is not particularly probative of long-felt but unresolved need, failure of others in the art, or recognition of a problem solved by the '309 patent, and is therefore entitled to little or no

weight. For example, Patent Owner's evidence that it met with Petitioner to demonstrate its ideas and product, and that Petitioner was impressed by those meetings, consists of allegations from Patent Owner's Complaint (Ex. 2014) filed in the related district court litigation. As explained above, such allegations are not persuasive evidence, do not themselves cite to persuasive evidence, and are entitled to no weight. As to the statements regarding the state of the art in Ko's Background section, we find them too general to evidence a long-felt need for the invention claimed in the '309 patent or failure of others to meet that need. Likewise, Patent Owner's conclusory statements that Ko recognized that, in the prior art, listeners were forced to make physical contact with players and providing remote control for devices such as the iPod would have required specialized equipment are not persuasive evidence of a recognized need for the invention of the '309 patent or that others failed to meet that need.

As to copying, the Federal Circuit has stated that it "requires the replication of a specific product. This may be demonstrated either through internal documents; direct evidence such as disassembling a patented prototype, photographing its features, and using the photograph as a blueprint to build a virtually identical replica; or access to, and substantial similarity to, the patented product (as opposed to the patent)." *Iron Grip Barbell Co. v. USA Sports, Inc.*, 392 F.3d 1317, 1325 (Fed. Cir. 2004) (internal citations omitted). To the extent that Patent Owner argues that Petitioner gained access to its patented technology via the meetings alleged in Patent Owner's district court Complaint (Ex. 2014), Patent Owner has not supported

those allegations with evidence. Moreover, as explained above, Patent Owner has not shown a nexus between the technology of the George product and the invention of the '309 patent. Similarly, to the extent Patent Owner argues that the Ko patent evidences replication of the invention of the '309 patent, Patent Owner does not analyze the disclosure of the Ko patent (outside of its Background section) or provide any other persuasive evidence that Ko describes the '309 patent's invention. Patent Owner confirmed at the oral argument that it did not provide any mapping of Ko to the claims of the '309 patent. Tr. 60:12–61:5.

In sum, Patent Owner's cited evidence of long-felt but unresolved need, failure of others in the art, recognition of a problem solved by the '309 patent, and copying is weak at best and entitled to little or no weight.

5. Conclusion of Obviousness

As explained above, AbiEzzi and Baumgartner teach each limitation of claims 1–14. Petitioner has introduced persuasive evidence that a skilled artisan would have had reasons to combine AbiEzzi and Baumgartner to arrive at these claims. We have weighed Petitioner's evidence and the objective indicia of nonobviousness presented by Patent Owner. For the reasons given above, we do not accord much weight to Patent Owner's objective evidence of nonobviousness. In sum, upon consideration of all the evidence, including the evidence in the Petition and Patent Owner's Response, including objective indicia of nonobviousness, we conclude that Petitioner has proved by a preponderance of the evidence that claims 1–14

would have been obvious over AbiEzzi and Baumgartner.

III. PETITIONER'S MOTION TO EXCLUDE

Petitioner moves to exclude several exhibits Patent Owner relies upon as objective indicia of nonobviousness. Paper 23. Specifically, Petitioner objects to Exhibit 2004 as hearsay and lacking authentication (*id.* at 1–4) and Exhibits 2008, 2009, and 2014–16 as hearsay (*id.* at 5–15).

We exercise our discretion and fully consider each of these exhibits. Accordingly, we overrule Petitioner's objections to those exhibits and deny the Motion to Exclude. As explained in detail above, however, those exhibits, even when fully considered, are insufficient objective indicia of nonobviousness to overcome Petitioner's strong prima facie case of obviousness.

IV. CONCLUSION

Petitioner has demonstrated, by a preponderance of the evidence, that claims 1–14 are unpatentable over AbiEzzi and Baumgartner.

V. ORDER

For the reasons given, it is:

ORDERED, based on a preponderance of the evidence, that claims 1–14 are unpatentable;

FURTHER ORDERD that Petitioner's Motion to Exclude (Paper 23) is DENIED; and

FURTHER ORDERED, because this is a final written decision, the parties to this proceeding seeking judicial review of our Decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.