

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNIFIED PATENTS INC.,
Petitioner,

v.

DRAGON INTELLECTUAL PROPERTY, LLC,
Patent Owner.

Case IPR2014-01252
Patent 5,930,444

Before NEIL T. POWELL, GREGG I. ANDERSON, and
J. JOHN LEE, *Administrative Patent Judges*.

POWELL, *Administrative Patent Judge*.

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

I. INTRODUCTION

Unified Patents Inc. (“Petitioner” or “Unified Patents”) filed a Petition requesting *inter partes* review of claims 1, 2, 7, 8, 10, 13, and 14 of U.S. Patent No. 5,930,444 (Ex. 1001, “the ’444 patent”). Paper 1 (“Pet.”). Dragon Intellectual Property, LLC (“Patent Owner”) filed a Preliminary Response. Paper 14.¹ As we authorized in Paper 15, Petitioner has filed a Reply Brief. Papers 18, 20.² We have jurisdiction under 35 U.S.C. § 314(a), which provides that an *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”

We determine that the information presented in the Petition and supporting evidence shows that there is a reasonable likelihood that Petitioner would prevail with respect to its challenge to claims 1, 2, 7, 8, 10, 13, and 14 of the ’444 patent. Accordingly, we institute an *inter partes* review of claims 1, 2, 7, 8, 10, 13, and 14 of the ’444 patent.

¹ Patent Owner filed a redacted, public version (Paper 14) and an unredacted, confidential version (Paper 10) of its Preliminary Response, as well as public and confidential versions of many of the exhibits associated with the Preliminary Response. We have considered all of the information in both versions of the Preliminary Response and associated exhibits. In this Decision, we cite to the public version (Paper 14) of the Preliminary Response. The confidential version (Paper 10) currently remains under seal.

² Petitioner filed two versions of its Reply Brief. Paper 18 is an unredacted, confidential version of the Reply Brief. Paper 20 is a redacted, public version of the Reply Brief. We have considered all of the content in both versions of Petitioner’s Reply Brief. In this Decision, we cite to the public version (Paper 20). The confidential version (Paper 18) currently remains under seal.

A. *Related Proceedings*

Petitioner indicates that Patent Owner has asserted the '444 patent in ten district court proceedings in the District of Delaware, and that Petitioner is not a party to any of those district court proceedings. Pet. 4.

B. *The '444 Patent (Ex. 1001)*

The '444 patent discusses perceived disadvantages with known video cassette recorders ("VCRs") that lacked the ability to record and play back simultaneously. *Id.* at col. 1, l. 47–col. 2, l. 35. The '444 patent notes that a person watching a program may encounter interruptions like telephone calls. *Id.* at col. 1, ll. 47–49. The '444 patent explains that known VCRs would allow a user to record the portion of the program that occurs during such an interruption for later viewing. *Id.* at col. 1, ll. 50–58. The '444 patent further explains, however, that such VCRs did not allow the user to watch immediately the remainder of the program from the point of the interruption to the end of the program. *Id.* at col. 1, l. 50–col. 2, l. 14.

The '444 patent addresses these perceived problems with an audiovisual recording and playback device that can provide substantially simultaneous recording and playback, allowing user-controlled programming delay. *Id.* at Abst. The '444 patent shows one embodiment of such a recording and playback device in Figure 3, reproduced below.

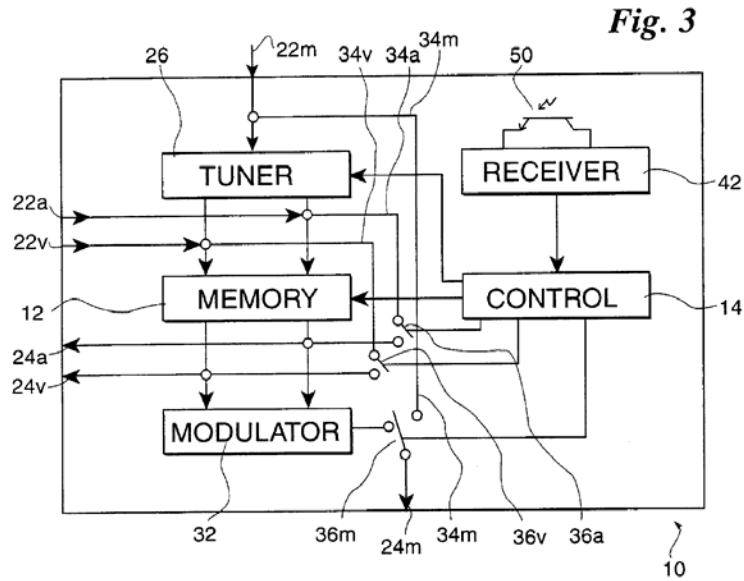


Fig. 3

Figure 3 shows recorder 10 and its components, including memory 12; control circuit 14; inputs 22a, 22v, and 22m; outputs 24a, 24v, and 24m; tuner 26; modulator 32; and receiver 42. *Id.* at col. 3, ll. 54–64, col. 4, ll. 35–53, col. 4, l. 59–col. 5, l. 4, col. 6, ll. 7–18. For use with recorder 10, the '444 patent shows one embodiment of a remote control unit in Figure 5, reproduced below.

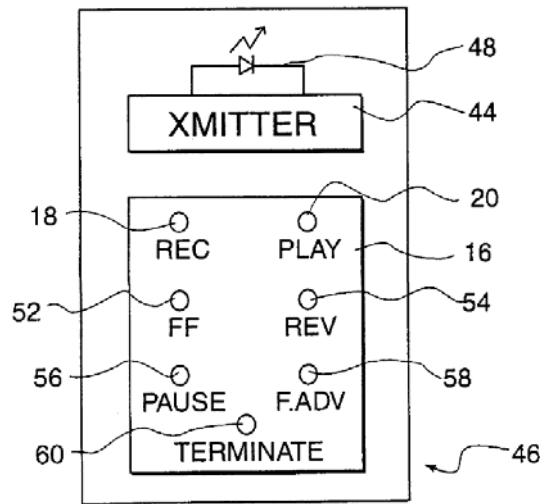


Fig. 5

Figure 5 shows remote control unit 46 and its components, including keyboard 16 and transmitter 44. *Id.* at col. 6, ll. 7–12, 25–28. Transmitter

44 of remote control unit 46 and receiver 42 of recorder 10 provide communication between remote control unit 46 and recorder 10. *Id.* at col. 6, ll. 8–19, 25–28. Keyboard 16 has a number of keys, including record key 18 and playback key 20. *Id.* at col. 3, ll. 65–67.

When a user actuates record key 18, audio and video information from inputs 22a and 22v or input 22m is stored in memory 12. *Id.* at col. 4, ll. 42–53. When a user actuates playback key 20, audio and video information is retrieved and coupled to outputs 24a and 24v or input 24m. *Id.* at col. 4, l. 59–col. 5, l. 4.

A user may actuate record key 18, for example, when a telephone call interrupts a program. *Id.* at col. 5, ll. 20–24. In response, control circuit 14 begins storing within memory 12 information received via input 22. *Id.* at col. 5, ll. 24–25. When the interruption ends, the user may actuate playback button 20. *Id.* at col. 5, ll. 25–27. In response, the system retrieves and displays the recorded information, starting from the point of the interruption, while continuing to store simultaneously information from input 22. *Id.* at col. 5, ll. 25–36.

C. Illustrative Claim

Petitioner challenges claims 1, 2, 7, 8, 10, 13, and 14 of the '444 patent. Claims 1 and 14 are independent. Claims 2, 7, 8, 10, and 13 depend, directly or indirectly, from claim 1. Claim 1 is illustrative and is reproduced below:

1. A recording and playback apparatus for the substantially immediate and seamless resumption of interrupted perception of program information based upon audio or video signals, or both, without

missing the program information presented during the interruption, comprising:

means for powering the apparatus;

a keyboard having a record key and a playback key;

a control circuit coupled responsively to said keyboard;

a memory unit coupled responsively to said control circuit, said memory unit having a medium for storage of information, said storage medium having structure which enables substantially random access to information stored in said medium for retrieval of the stored information from said storage medium;

at least one input, said input being connected to a user's audio/video program signal source and also being coupled to said memory unit so as to enable program information presented by the signal source to be transferred to and stored in said memory unit; and

at least one output, said output being connected to a user's audio or video display device or both, said output further being connected to said memory unit so as to enable the transfer of program information from said memory unit to the user's display device, said control circuit being configured so that substantially simultaneous recording and playback of program information is achieved when said record key is first actuated to begin a recording by initiating storage of the broadcast program information in said memory unit, and said playback key is subsequently and solely actuated to begin time delay playback of the recording from the beginning thereof by

initiating retrieval of the stored program information in said memory unit, with the interval of the time delay being the same as the time elapsed between the actuation of said record key and the subsequent actuation of said playback key.

Ex. 1001, col. 8, ll. 29–64.

D. The Prior Art

Petitioner relies on the following references in support of its ground for challenging the identified claims of the '444 patent (Pet. 6, Exhibit Appendix):

Exhibits Nos.	References and Declaration
1002	PCT Publication WO 89/12896 with certified translation (“Ulmer”) ³
1003	U.S. Patent No. 5,241,428 (“Goldwasser”)

E. The Asserted Ground of Unpatentability

Petitioner challenges the patentability of claims 1, 2, 7, 8, 10, 13, and 14 of the '444 patent based on the following ground (Pet. 6):

References	Basis	Claims Challenged
Ulmer and Goldwasser	§ 103	1, 2, 7, 8, 10, 13, and 14

³ In this Decision, we cite to the certified translation of Ulmer, which is appended to the original French version of Exhibit 1002.

II. ANALYSIS

A. *Claim Interpretation*

The Board interprets claims of an unexpired patent using the broadest reasonable construction in light of the specification of the patent in which they appear. 37 C.F.R. § 42.100(b); *see* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,766 (Aug. 14, 2012).

Petitioner proffers constructions for a number of claim terms. Pet. 18–24. No claim terms require express construction for purposes of this Decision.

B. *Real Party-in-Interest*

In the Petition, “Petitioner certifies that Unified Patents is the real party-in-interest, and further certifies that no other party exercised control or could exercise control over Unified Patents’[s] participation in this proceeding, the filing of this petition, or the conduct of any ensuing trial.” Pet. 2. Petitioner states that intellectual property professionals created Unified Patents in view of “concerns with the increasing risk of non-practicing entities (NPEs) asserting poor quality patents against strategic technologies and industries.” *Id.* Petitioner asserts that

Companies in a technology sector subscribe to Unified’s technology specific deterrence, and in turn, Unified performs many NPE-deterrent activities, such as analyzing the technology sector, monitoring patent activity (including patent ownership and sales, NPE demand letters and litigation, and industry companies), conducting prior art research and invalidity analysis, providing a range of NPE advisory services to its subscribers, sometimes acquiring patents, and sometimes challenging patents at the United States Patent and Trademark Office (USPTO).

Id. at 3. Petitioner further states that it has exclusive discretion over whether to challenge a patent and, if so, how to conduct the resulting challenge. *Id.* at 3–4. With respect to this case, Petitioner asserts that

Unified exercised its sole discretion and control in deciding to file this petition against the ‘444 Patent, including paying for all fees and expenses. Unified shall exercise sole and absolute control and discretion of the continued prosecution of this proceeding (including any decision to terminate Unified’s participation) and shall bear all subsequent costs related to this proceeding.

Id. at 4.

Patent Owner contends that the Petition does not identify all real parties-in-interest. Prelim. Resp. 2. Patent Owner argues that “[t]he Board should not permit Unified Patents and its members the ‘second bite at the apple’ the real party-in-interest requirement is intended to guard against.” *Id.* Patent Owner argues that the inquiry regarding real party-in-interest is not limited to issues of direction and control. *Id.* at 18.

Noting that the ‘444 patent has been asserted against ten companies in patent infringement proceedings (*id.* at 1), Patent Owner argues that the Petition does not identify all real parties-in-interest because Petitioner “failed to identify the parties who provided the funding for [Petitioner] to file this proceeding” (*id.* at 2). Patent Owner asserts that Petitioner accepted payments from other groups to pay for Petitioner’s *inter partes* review (“IPR”) activity, without listing any of those other groups as real parties-in-interest. *Id.* at 16. Patent Owner states that “a party cannot accept payment from another group to file an IPR and fail to name the company paying for the action.” *Id.*

Patent Owner also argues that Petitioner is like RPX Corporation (hereafter, “RPX”), the Petitioner in a number of cases styled *RPX Corp. v. VirnetX Inc.*: IPR2014-00171, IPR2014-00172, IPR2014-00173, IPR2014-00174, IPR2014-00175, IPR2014-00176, and IPR2014-00177 (“the RPX cases”). *Id.* at 16–17. In the RPX cases, RPX’s Petitions were denied because Apple Inc. (hereafter “Apple”) was found to be an unnamed real party-in-interest, and Apple was time-barred under 35 U.S.C. § 315(b). *See, e.g., RPX Corp. v. Virnetix Inc.*, Case IPR2014-00171, slip op. at 3 (July 14, 2014) (Paper 57) (public version of Paper 49). Patent Owner notes that RPX was found to be like a trade association (Prelim. Resp. at 6), and that “Unified Patents likens itself to a trade association” (*id.* at 10). Additionally, Patent Owner argues that, like RPX, Petitioner does not face a risk of having the ’444 patent asserted against it, nor the risk of a potential damages award in pending district court proceedings. *Id.* at 17. Patent Owner asserts that “it is quite obvious that Unified Patents is not the real party-in-interest.” *Id.*

In connection with these arguments, Patent Owner discusses extensively circumstances associated with the conduct of Petitioner’s business and the filing of the Petition in this case. *Id.* at 1–2, 7–20. For example, Patent Owner asserts that Unified Patents was formed in 2012 for the purpose of circumventing the estoppel provisions of 35 U.S.C. § 315. *Id.* at 1. Patent Owner alleges that “[t]he primary value offered by Unified Patents[] to its members is the challenging through *inter partes* review and similar proceedings of patents asserted in litigation by non-practicing entities against Unified Patents’ members.” *Id.* Patent Owner notes that the deterrence services Unified Patents purports to provide include patent acquisition, monitoring activity, and filing of *inter partes* review

proceedings. *Id.* at 10. Patent Owner similarly observes that Petitioner tries to emphasize aspects of its business other than IPR activities. *Id.* Patent Owner states, however, that “[m]ost of the non-IPR related activities of Unified Patents appear to be of little practical significance.” *Id.*

In response, Petitioner argues that none of its members participated in or directly paid for filing the Petition in this case. Paper 20, 1, 4–9.⁴ Petitioner again asserts that its members did not and could not exercise control over its conduct of this case, including the decision to file the Petition. *Id.* Petitioner adds that its members had no prior knowledge of Petitioner’s plan to file the Petition in this case. *Id.* at 1, 5–9. Conceding that Petitioner receives subscription fees for its services as a whole, Petitioner argues that there is no evidence that any member directly funded the present IPR proceeding. *Id.* at 1, 6–8.

Petitioner provided Patent Owner limited discovery relating to the real party-in-interest issue. The discovery included voluntary production of documents, interrogatory responses, and the deposition of a corporate representative of Petitioner, Mr. Kevin Jakel (Ex. 2001). All documents produced in the discovery and filed as exhibits in this proceeding are marked

⁴ In Paper 15, we authorized Petitioner to file a reply brief addressing the arguments Patent Owner presented in the Preliminary Response regarding the real party-in-interest issue. Petitioner filed two versions of its Reply Brief: Paper 20, a redacted, public version, and Paper 18, an unredacted, confidential version. We have considered all of the content in both versions of Petitioner’s Reply Brief. In this Decision, we cite to the public version (Paper 20). The confidential version (Paper 18) currently remains under seal.

as “HIGHLY CONFIDENTIAL-ATTORNEYS’ EYES ONLY,” pursuant to a Protective Order stipulated to by the parties (Ex. 1014).⁵

Patent Owner is correct that the inquiry regarding real parties-in-interest is not limited to determining who directed or controlled a proceeding. On the record at this stage of the proceeding, however, we are not persuaded by Patent Owner’s contention that one or more other organizations paid Petitioner to file the Petition in this IPR. Patent Owner does not allege to have any direct evidence of any organization giving funds to Petitioner for the purpose of filing the Petition in this case. Additionally, even if we assume to be accurate all of Patent Owner’s allegations about circumstances related to the conduct of Petitioner’s business and the filing of the Petition in this case, they do not demonstrate that another entity paid Petitioner for the purpose of conducting this IPR proceeding. For example, even if we accept Patent Owner’s allegations that Petitioner engages in no activity of practical significance other than filing IPR petitions with money received from its members, this does not demonstrate that any member paid, directed, or suggested to Petitioner to challenge the ’444 patent, specifically. *See, e.g.*, Prelim. Resp. 10. Nor do Patent Owner’s other circumstantial allegations, even if accurate, demonstrate as much.

By contrast, in the RPX cases, the evidence demonstrated that the actions of RPX and Apple were like certain prohibited behavior discussed in *In re Guan*, Reexamination Control No. 95/001,045 (Aug. 25, 2008) (Decision Vacating Filing Date), which stated that

⁵ There are several pending motions to seal that seek to keep the discovery and certain pleadings out of the public record. Papers 12, 17, 27, 28 and 30. Currently, we have not entered the Protective Order stipulated by the parties.

[a]n entity named as the sole real party in interest *may not receive a suggestion from another party that a particular patent should be the subject of a request for inter partes reexamination and be compensated by that party for the filing of the request for inter partes reexamination of that patent without naming the party [as a real party-in-interest] who suggested and compensated the entity for the filing of a request for inter partes reexamination of the patent.*

Guan at 7–8 (emphasis added); *see, e.g.*, IPR2014-00171, Paper 57, 7. Here, the present record does not demonstrate that any of Petitioner’s members suggested or compensated Petitioner for the filing of the Petition challenging the ’444 patent.

Given this, the alleged similarities between RPX and Petitioner do not persuade us that the result here should be the same as in the RPX cases. That Petitioner likens itself to a trade association does not persuade us that its members constitute real parties-in-interest. As the Office Trial Practice Guide (“Practice Guide”) explains, membership in a trade association does not make an entity automatically a real party-in-interest to a petition filed by the trade association. 77 Fed. Reg. 48,756, 48,760 (Aug. 14, 2012); *see also* Paper 20, 4. Additionally, without more compelling accompanying allegations, Patent Owner’s assertion that Petitioner faces no risk of having the ’444 patent asserted against it is unremarkable, as the filing of or threat of a lawsuit is not a prerequisite for a Petition for an IPR proceeding. *See* 77 Fed. Reg. at 47,459.

For the foregoing reasons, on this record, we are persuaded that Petitioner did not fail to name all real parties-in-interest in the Petition. We note, however, that this Decision does not foreclose Patent Owner from continuing to argue the real party-in-interest issue in the Patent Owner

Response. If the record should evolve in favor of Patent Owner on this issue, we would take appropriate action at that time.

C. Obviousness of Claims 1, 2, 7, 8, 10, 13, and 14 over Ulmer and Goldwasser

1. Ulmer (Ex. 1002)

Ulmer discloses a “[d]evice for simultaneous recording and playback of television images” and a method of operating such a device. Ex. 1002, 1. Ulmer discloses that by providing a device and method for recording television images and playing them back after a short delay, its invention serves to eliminate advertising segments and other sequences from a television program. *Id.*

Ulmer teaches that its device “uses a recording medium of the direct-access memory type.” *Id.* at 3. Ulmer teaches that “[t]he direct-access memory of the recording medium comprises a double-gate linear memory of semiconductor or other type, permitting simultaneous write and read access.” *Id.* at 4.

Ulmer further teaches that its devices use a playback mechanism that is separate and independent of its recorder mechanism. *Id.* at 3. The playback and recorder mechanisms can operate simultaneously, and can be positioned and moved independently on the recording medium. *Id.*

In one instance, Ulmer describes a method that includes the following five steps:

- recording a television broadcast on the recording medium;

- waiting for a time T that corresponds almost to the duration of all of the advertising breaks that it is wished to eliminate from the broadcast that it is desired to watch;
- starting playback of the recording medium in order to reproduce the recorded images on a television screen;
- at the beginning of each advertising break, reproducing the images by playback at accelerated speed so that the end of the advertising break can be identified;
- at the end of the advertising break, reproducing the recorded images at normal speed.

Id. at 2.

Ulmer also discloses that:

[In addition, i]t is pointed out that it is the television viewer himself or herself who identifies the start and end of the advertising break that he or she wishes to eliminate, and that it is he or she who controls the device of the invention, for example with a remote.

Id. at 1.

2. *Goldwasser (Ex. 1003)*

Goldwasser discloses a video recorder and playback device that allows recording and playing back program material simultaneously, as well as recording and playing back material independently. Ex. 1003, Abst, col. 1, ll. 55–60. The device allows “controllably varying a time delay between the recording and playback of recorded material.” *Id.*

When a person watching a program experiences an interruption, the user can operate the device to commence recording of the program. *Id.* at Abst., col. 1, ll. 43–49. When the interruption ends, the user can operate the device to begin playing back the program from the point of the interruption, while continuing to record the program simultaneously. *Id.* This allows a

user to watch the portion of the program remaining after the interruption, only delayed by the length of the interruption. *Id.* at col. 1, ll. 43–49.

Goldwasser shows one embodiment of its device in Figure 3, reproduced below.

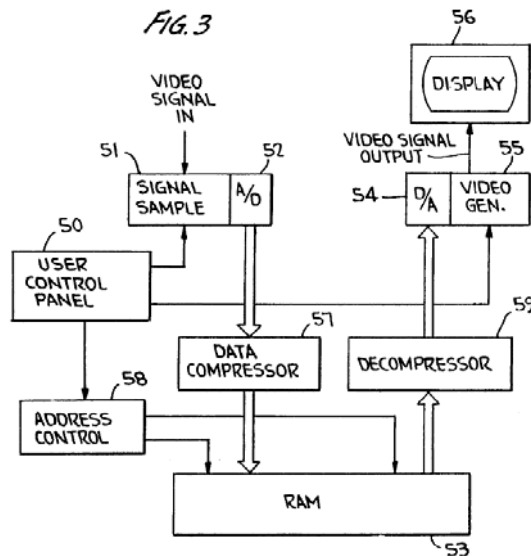


Figure 3 of Goldwasser shows the recording and playback device's various components, including user control panel 50, signal sampling circuit 51, analog-to-digital converter 52, random access memory 53, digital-to-analog converter 54, video signal generator 55, data compressor 57, address control 58, and decompressor 59. *Id.* at col. 6, ll. 25–55. In this embodiment, the playback and recording device receives a video signal at signal sampling circuit 51, processes the video signal, and stores video samples of the video in random access memory 53. *Id.* at col. 6, ll. 25–29. The device plays back material by retrieving video samples stored in random access memory 53 and processing those video signals to output a conventional video signal from video signal generator 55. *Id.* at col. 6, ll. 29–36.

3. *Claims 1 and 2*

Petitioner asserts that Ulmer discloses a recording and playback apparatus for audio or video signals, as recited in the preamble of independent claim 1. Pet. 35–36. Petitioner asserts that Goldwasser also discloses a recording and playback apparatus for audio or video signals. *Id.* at 36. Further addressing the preamble of claim 1, Petitioner asserts that “Goldwasser provides for the substantially immediate and seamless resumption of interrupted perception of program information without missing the program information presented during the interruption.” *Id.* at 36–37. Petitioner explains that a person of ordinary skill in the art would be motivated to combine Goldwasser’s disclosure with Ulmer’s because both references “address the same problem: providing simultaneous recording and playback as a mechanism to allow a viewer to skip commercials.” *Id.* at 25. Petitioner elaborates that due to extensive overlap between the systems of Ulmer and Goldwasser, a person of ordinary skill in the art would have been led to use various design details from Goldwasser’s teachings in a combination of Ulmer’s and Goldwasser’s systems. *Id.* at 25–26.

Petitioner asserts that Ulmer discloses most of the limitations in the body of independent claim 1, as well as the limitation in dependent claim 2. For example, Petitioner asserts that Ulmer’s system includes the “keyboard having a record key and a playback key” recited in claim 1, as well as the recitation in claim 2 that the claimed apparatus “further compris[es] a remote control unit, and wherein said keyboard is housed in said remote control unit.” Pet. 27–29, 37–38, 51. Petitioner notes that Ulmer explicitly discloses that its system includes a remote control unit. *Id.* at 28, 37, 51. Petitioner explains that a person of ordinary skill in the art would understand

that the remote control unit disclosed by Ulmer necessarily would have had a keyboard. *Id.* at 28 (citing Ex. 1013 ¶¶ 59–60 (Declaration of Sheila S. Hemami)); *see id.* at 37. Noting that Ulmer explicitly discloses that its system allows recording and playback, Petitioner further explains that a person of ordinary skill in the art would understand that Ulmer’s keyboard would have a record key and a playback key. *Id.*

Petitioner also asserts that Ulmer discloses a “memory unit,” “at least one input,” “at least one output,” and “substantially simultaneous recording and playback of program information,” as recited in claim 1. *Id.* at 29–31, 41–42, 45–47. Petitioner further asserts that a person of ordinary skill in the art would understand that Ulmer’s system includes the claim 1 limitation that

substantially simultaneous recording and playback of program information is achieved when said record key is first actuated to begin a recording by initiating storage of the broadcast program information in said memory unit, and said playback key is subsequently and solely actuated to begin time delay playback of the recording from the beginning thereof by initiating retrieval of the stored program information in said memory unit.

Id. at 48–49.

Because this claim language recites “said playback key is subsequently and solely actuated to begin time delay playback,” Petitioner describes claim 1 as requiring “one button playback.” *See, e.g., id.* at 1–2, 15–16, 31–32. Petitioner asserts that a person of ordinary skill would understand that Ulmer’s system includes this limitation. *Id.* at 31–32, 48–49. Petitioner notes that Ulmer discloses the following 5-step operation:

- recording a television broadcast on the recording medium;

- waiting for a time T that corresponds almost to the duration of all of the advertising breaks that it is wished to eliminate from the broadcast that it is desired to watch;
- starting playback of the recording medium in order to reproduce the recorded images on a television screen;
- at the beginning of each advertising break, reproducing the images by playback at accelerated speed so that the end of the advertising break can be identified;
- at the end of the advertising break, reproducing the recorded images at normal speed.

Ex. 1002, 2; Pet. 31–32.

Petitioner asserts that a person of ordinary skill in the art would understand that the step of starting playback involves pressing the playback key only. Pet. 32. Petitioner explains that a person of ordinary skill in the art would understand as much because Ulmer’s system allows simultaneous recording and playback, such that starting playback would not require stopping, pausing, or otherwise disturbing the pausing operation. *Id.* (citing Ex. 1013 ¶¶ 68–69).

Regarding the “means for powering the apparatus” recited in claim 1, Petitioner asserts that a person of ordinary skill in the art would understand that Ulmer’s system necessarily includes this limitation. *Id.* at 33–34 (citing Ex. 1013 ¶ 71). Specifically, Petitioner asserts that a person of ordinary skill in the art would understand that Ulmer’s apparatus is configured to be plugged into an AC wall outlet in a user’s home, and that Ulmer’s remote control would be powered by batteries. *Id.* at 33. Petitioner explains that consumer electronic devices like Ulmer’s are designed to be plugged into AC wall outlets, and that virtually all remote controls in the 1992 timeframe were powered by batteries. *Id.*

Relying on the testimony of Ms. Hemami, Petitioner also asserts that a person of ordinary skill in the art would understand that Ulmer's system includes a "control circuit coupled responsively to said keyboard," as recited in claim 1. *Id.* at 29, 38–41. Ms. Hemami explains that a person of ordinary skill in the art would understand that any remote-controlled/keyboard-controlled device needs a control circuit to execute commands entered at the keyboard. Ex. 1013 ¶ 61; Pet. 29. Additionally, given that Ulmer discloses control of the apparatus with the remote control, a person of ordinary skill in the art would understand that the control circuit is coupled responsively to the keyboard, Ms. Hemami explains. Ex. 1013 ¶ 62; Pet. 29.

Petitioner further asserts that the functional diagram illustrated in Figure 3 of Goldwasser could be used to implement the details of Ulmer's apparatus and control circuit (*id.* at 25). As noted above, Petitioner explains that a person of ordinary skill in the art would be motivated to combine Goldwasser's disclosure with Ulmer's because of the strong similarities in the purpose and configuration of the systems. *Id.* at 25–27 (citing Ex. 1013 ¶¶ 51–52).

On this record, we are persuaded that Petitioner's assertions and evidence provide rational underpinning for a conclusion that it would have been obvious to combine the teachings of Ulmer and Goldwasser. And we are persuaded Petitioner's assertions and evidence show sufficiently that the resulting system would include each of the limitations of independent claim 1 and dependent claim 2. Accordingly, we are persuaded that Petitioner has demonstrated a reasonable likelihood that it would prevail in demonstrating the unpatentability of independent claim 1 and dependent claim 2 over Ulmer and Goldwasser.

4. *Claims 7, 8, and 10*

Petitioner asserts that Ulmer’s system includes the limitations of dependent claims 7, 8, and 10. Pet. 34–35, 51–56. With respect to the limitations of each of these claims, Petitioner asserts either that Ulmer explicitly discloses the limitation, or that a person of ordinary skill would understand that Ulmer’s system includes the limitation. *Id.* On this record, Petitioner’s assertions and evidence persuade us that Petitioner has demonstrated a reasonable likelihood it would prevail in its challenge of dependent claims 7, 8, and 10 as unpatentable over Ulmer and Goldwasser.

5. *Claim 13*

Regarding the recitation in dependent claim 13 of “a timer circuit adapted to enable the pre programmed unattended initiation of recording,” Petitioner asserts that Goldwasser discloses such a timer circuit. *Id.* at 27, 56–57. Relying on the testimony of Ms. Hemami, Petitioner argues that a person of ordinary skill in the art would have had reason to modify Ulmer’s system to include Goldwasser’s timer circuit “to provide the benefit of delayed recording,” asserting that “[t]his was a common and important feature of VCRs in 1992, and users would simply demand such functionality if it were not already provided.” *Id.* at 27 (citing Ex. 1013 ¶ 53). On this record, Petitioner’s assertions and evidence demonstrate a reasonable likelihood that Petitioner would prevail on its challenge of dependent claim 13 as unpatentable over Ulmer and Goldwasser.

6. *Claim 14*

Regarding independent claim 14, Petitioner asserts that its limitations are nearly identical to those of independent claim 1. *Id.* at 57. Petitioner notes that claim 14 differs from claim 1 because claim 14 includes the language “begin playback of the stored program information by initiating retrieval of the program information stored in said memory unit from the beginning thereof.” *Id.* Petitioner states that “[t]his limitation basically requires starting playback from the beginning of the recording.” *Id.* Petitioner cites Ulmer’s disclosure that “[f]or reading, the RAR is initialized: - to zero if image reproduction is to start at the beginning of the memory” (Ex. 1002, 4) as teaching playback from the beginning of the recording. *Id.*

Petitioner also notes that claim 14 recites “actuating said record key upon the beginning of the interruption to initiate storage of the broadcast program information in said memory unit” and “actuating said playback key upon the conclusion of the interruption to initiate retrieval and display of the program information stored in said memory unit from the beginning thereof, while continuing to store the broadcast program information.” *Id.* at 57–58. Petitioner refers to these portions of claim 14 as the “actuating elements.” *Id.*

Petitioner asserts that a person of ordinary skill in the art would understand that the actuating elements necessarily are present in Ulmer. *Id.* at 58 (citing Ex. 1013 ¶ 56). Petitioner notes that Ulmer describes an example of a person starting to record a program and later starting to watch the program, in order that the person may fast forward through commercial breaks. *Id.* Given this, Petitioner reasons that a person of ordinary skill in the art would recognize that Ulmer’s delayed playback feature would lend

itself to use during an interruption, and that users naturally would operate the device in this manner. *Id.*

Additionally, Petitioner notes that Goldwasser expressly teaches using its apparatus in the manner recited in the actuating elements of claim 14. *Id.* Petitioner further argues that the overlap between Goldwasser's and Ulmer's recorders provides strong evidence that users and those of skill in the art would use Ulmer's apparatus for the same purpose, asserting that common sense requires the same result. *Id.* at 58–59 (citing Ex. 1013 ¶¶ 55–57). On this record, Petitioner's assertions and evidence demonstrate a reasonable likelihood that Petitioner would prevail on its challenge of independent claim 14 as unpatentable over Ulmer and Goldwasser.

III. CONCLUSION

Based on the arguments in the Petition, as well as the evidence of record, we determine that Petitioner has demonstrated a reasonable likelihood that it would prevail on its challenge to claims 1, 2, 7, 8, 10, 13, and 14 of the '444 patent.

We have not made a final determination as to the patentability of any challenged claim.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that *inter partes* review is instituted as to claims 1, 2, 7, 8, 10, 13, and 14 of the '444 patent as unpatentable over Ulmer and Goldwasser under 35 U.S.C. § 103;

FURTHER ORDERED that no ground other than those specifically

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granted above is authorized for the *inter partes* review as to the '444 patent;
and

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(a), *inter partes* review of the '444 patent is hereby instituted commencing on the entry date of this Order, and pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial.

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PETITIONER:

Michael Kiklis
cpdocketkiklis@oblon.com

Katherine Cappaert
cpdocketcappaert@oblon.com

Scott McKeown
cpdocketmckeown@oblon.com

PATENT OWNER:

Jason Angell
janfell@fawlaw.com
DragonIPR@fawlaw.com