

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

CHESTNUT HILL SOUND INC.,
Patent Owner.

Case IPR2015-01464
Patent 8,725,063 B2

Before RAMA G. ELLURU, DAVID C. MCKONE,
and JOHN F. HORVATH, *Administrative Patent Judges*.

MCKONE, *Administrative Patent Judge*.

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

I. INTRODUCTION

A. Background

Apple, Inc. (“Petitioner”) filed a Petition (Paper 2, “Pet.”) to institute an *inter partes* review of claims 1–61 of U.S. Patent No. 8,725,063 B2 (Ex. 1001, “the ’063 patent”). Chestnut Hill Sound Inc. (“Patent Owner”) filed a Preliminary Response (Paper 8, “Prelim. Resp.”). Upon consideration of the Petition and Preliminary Response, we conclude, under 35 U.S.C. § 314(a), that Petitioner has not established a reasonable likelihood that it would prevail with respect to any of the challenged claims. Accordingly, we decline to institute an *inter partes* review of any claim of the ’063 patent.

B. Related Matters

The ’063 patent is the subject of *Chestnut Hill Sound, Inc. v. Apple Inc.*, Civil Action No. 1:15-cv-00261 (D. Del). Pet. 1; Paper 4, 1.

The ’063 patent also is the subject of *Apple Inc. v. Chestnut Hill Sound Inc.*, Case IPR2015-01465 (PTAB). Pet. 1; Paper 4, 1.

C. References Relied Upon

Petitioner relies upon the following prior art references:

U.S. Publication No. 2002/0002039 A1, pub. Jan. 3, 2002 (Ex. 1005, “Qureshey”);

U.S. Publication No. 2003/0112585 A1, pub. June 19, 2003 (Ex. 1008, “Silvester”);

U.S. Patent No. 6,334,157 B1, iss. Dec. 25, 2001 (Ex. 1009, “Oppermann”);

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U.S. Publication No. 2003/0167318 A1, pub. Sept. 4, 2003 (Ex. 1010, “Robbin”);

U.S. Patent No. 7,606,790 B2, iss. Oct. 20, 2009, filed Mar. 3, 2004 (Ex. 1014, “Levy”).

Petitioner also supports its petition with the testimony of Melvin Mercer, Ph.D. (Ex. 1003, “Mercer Decl.”).

D. The Asserted Grounds

Petitioner contends that the challenged claims are unpatentable based on the following specific grounds (Pet. 3):

Reference(s)	Basis	Claim(s) Challenged
Qureshey	§ 103(a)	1–8, 13–16, 18, 19, 22, 24, 25, 28–35, 38–43, 45, 46, 48, 51, 55–61
Qureshey and Oppermann	§ 103(a)	9, 27, 37, 53
Qureshey and Silvester	§ 103(a)	10–12, 23, 26, 36, 44, 52, 54
Qureshey and Robbin	§ 103(a)	17, 20, 47, 49
Qureshey and Levy	§ 103(a)	21, 50

E. The '063 Patent

The '063 patent describes an audio entertainment system. Figures 1 and 2B, reproduced below, illustrate an example:

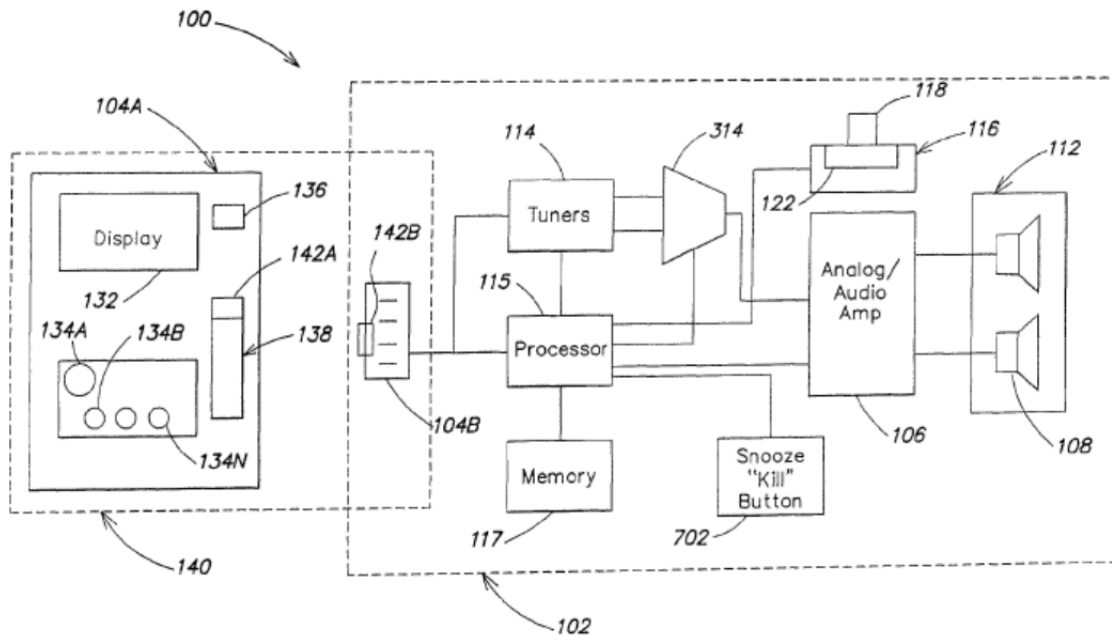


FIG. 1

Figure 1 is a block diagram of an entertainment system. Ex. 1001, 5:33–34.

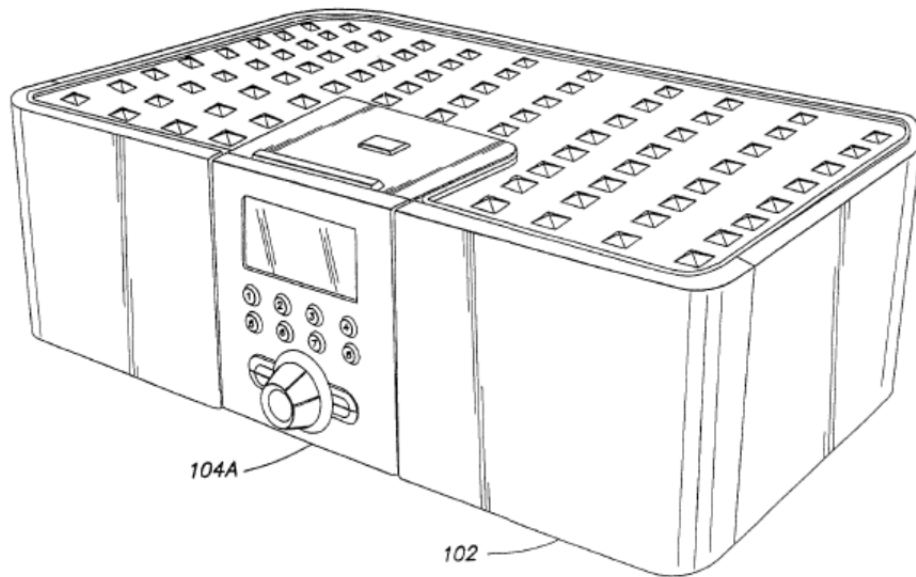


FIG. 2B

Figure 2B is a pictorial view of the entertainment system. *Id.* at 5:37–39.

Entertainment system 100 includes base unit (table unit) 102 and control sub-assembly 104. *Id.* at 6:31–34. Base unit 102 includes audio amplifier 106, speakers 108, AM/FM tuner 114, and signal source interface sub-assembly 116 for connecting to one or more detachable devices (Auxiliary Source Modules, or “ASMs”) 118. *Id.* at 6:34–41. Examples of ASM 118 include an MP3 player, such as an iPod, and a satellite radio receiver. *Id.* at 6:43–52, 11:66–12:17. When ASM 118 is plugged into interface sub-assembly 116, ASM 118 supplies audio signals to audio amplifier 106 under the control of processor 115. *Id.* at 6:52–55. For example, if ASM 118 supplies an audio signal in digital format, the audio signal first is routed through processor 115, which includes a decoder. *Id.* at 6:55–61. According to the ’063 patent:

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. With appropriate decoder software executing on processor 115 or another processor (not shown), the device can play songs provided in various music formats, such as WAV, MP3, WMA, and AAC, among others.

Id. at 6:64–7:5.

Control sub-assembly 104 includes detachable control unit 104A and interface 104B. *Id.* at 6:41–43. Detachable control unit 104A includes display device 132, input devices 134A–134N, and wireless transceiver 136. *Id.* at 7:7–9. In a first mode, detachable control unit 104A is docked in interface 104B. *Id.* at 7:18–22. In a second mode, detachable control unit 104A is undocked from the base unit and communicates with the base unit using wireless transceiver 136. *Id.* at 7:28–34, 11:57–60.

Claim 1, reproduced below (additional paragraphing supplied), is illustrative of the claimed subject matter:

1. A method of using a media device, comprising:
configuring the media device to operate in a first mode and in a second mode, selectively, wherein
 - (A) when in the first mode, the media device performs the operations of
 - (1) displaying, on a display of the media device, a list of digital media content stored on said media device,
 - (2) receiving from a user an indication to play a selected digital media content from among the displayed list of content, and
 - (3) playing the selected digital media content on the media device; and
 - (B) when in the second mode, the media device performs the operations of
 - (1) operatively connecting the media device with
 - (a) a separate, selected first media source via at least in part an internet or with (b) a separate, selected second media source via a local network, to permit the media device to effect, at least in part, operation of the selected media source, and
 - (2) sending, at least in part wirelessly, a media content control signal from the media device to the selected media source, said control signal causing the selected media source to download or stream media content responsive to the media content control signal from the selected media first or second source to a media output unit, for outputting via a media output unit that is separate from said media device,

whereby the user selectively controls the first media source and/or the second media source for content downloading or streaming.

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); *In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1278 (Fed. Cir. 2015). 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).

Petitioner does not propose any constructions. Pet. 6–7. Patent Owner proposes constructions for several terms. Prelim. Resp. 9–26. Nevertheless, it is not necessary to construe the terms proposed by Patent Owner to resolve the parties’ dispute. Even if Patent Owner’s arguments are rejected, Petitioner has not shown that it is reasonably likely to succeed. Accordingly, we decline to construe any terms expressly.¹

¹ In a Decision to Institute in IPR2015-01465, issued concurrently with this Decision, we construe several of the terms proposed by Patent Owner on substantially the same arguments and evidence presented in the instant Preliminary Response.

B. Asserted Grounds of Unpatentability

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. Overview of Qureshey

Qureshey describes a network-enabled “jukebox” for composing and listening to playlists of audio content. Ex. 1005, Abstract. Several devices

can be networked in an Internet Personal Audio Network (“IPAN”). *Id.*
Figure 15, reproduced below, illustrates an example:

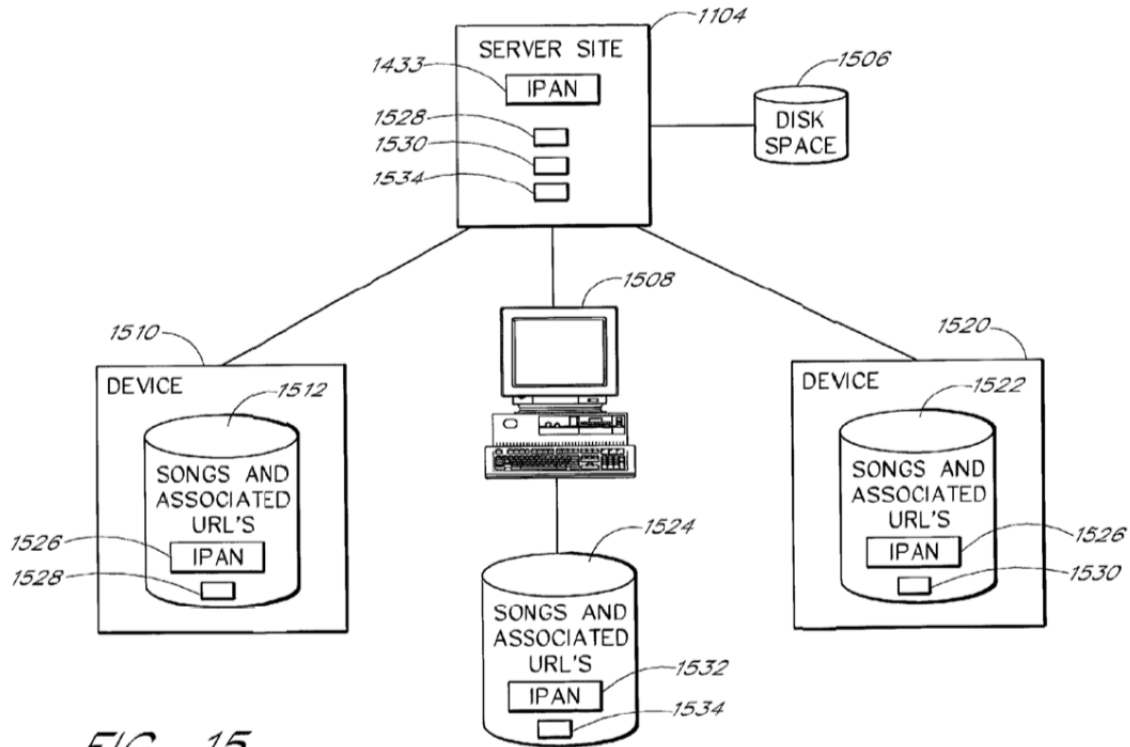


FIG. 15

Figure 15 is a block diagram illustrating a configuration among several network-enabled devices. *Id.* ¶ 46.

A user accesses server site 1104 with PC 1508 over a network connection. *Id.* ¶ 151. The user composes playlists from the server site using IPAN software 1433 and can assign playlists to other devices on the network, such as device 1510 and device 1520. *Id.* The playlists are stored on server site 1104 and include URLs indicating the locations from which the audio files associated with the song titles in the playlist can be downloaded. *Id.* When device 1510, for example, connects to server site 1104, the server site assigns a playlist to the device. *Id.* Device 1510 then proceeds to download the songs from the sites specified by the URLs and

stores the songs in disk space 1512. *Id.* If a particular URL is not working, server site 1104 will upload a different playlist from another device (e.g., device 1520) the next time device 1520 connect to the network. *Id.* When device 1510 again connects to the network, server site 1104 will download device 1520's playlist to device 1510. *Id.*

In assigning playlists, server site 1104 can catalog the songs stored on the various devices (1508, 1510, 1520). *Id.* ¶ 174. If all the songs on the playlist assigned to device 1510 already are stored on device 1510, IPAN software 1433 catalogs the songs as being present. *Id.* Otherwise, IPAN software 1433 forms a list of songs not present on device 1510 and seeks to complete the list by sending to device 1510 the URLs of the songs stored on device 1520. *Id.* Qureshey also states that the IPAN can include a network connection between device 1510 and device 1520, for example a home network, “so that the first device 1510 and the second device 1520 can have audio files downloaded from the first device 1510 to the second device 1520 almost instantaneously after the assignment of an audio file to the device 1510” without the need to connect to the Internet. *Id.* ¶ 179. If server site 1104 cannot locate an audio file, the song is not included on the playlist. *Id.* ¶ 174.

Figures 17A–17I illustrate displays that are produced by web pages provided by server site 1104 and displayed on PC 1508. *Id.* ¶ 155. Figures 17A and 17D, reproduced below, are examples:

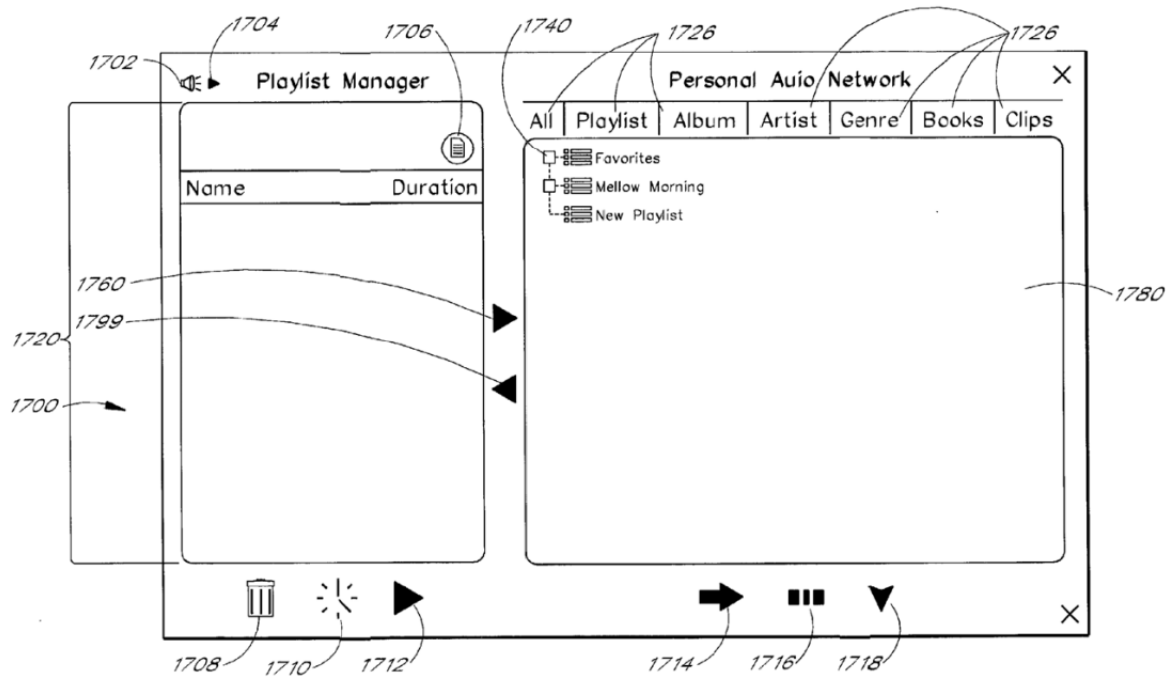


FIG. 17A

Figure 17A is a picture illustrating playlists when IPAN manager software is started. *Id.* ¶48.

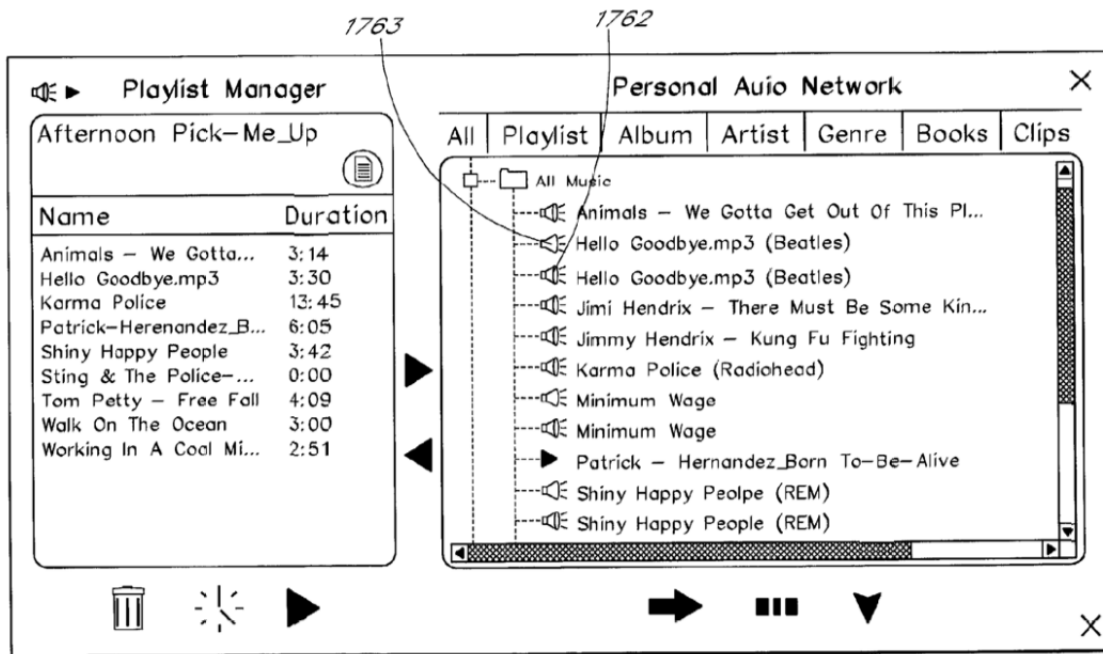


FIG. 17D

Figure 17D is a picture illustrating songs displayed in a playlist, with the playlist shown on the left and available songs listed on the right. *Id.* ¶ 160. Songs located on one of the devices shown in Figure 15 are shown as local audio files using icon 1762 (labeled in Figure 17D). *Id.* Songs located elsewhere on another device within the IPAN are shown using icon 1763 (labeled in Figure 17D). *Id.*

The user adds and deletes songs from the playlist using arrows 1799 and 1760 (labeled in Figure 17A), respectively. *Id.* ¶ 155. The user can schedule playlists to be played at designated devices using schedule button 1710 (labeled in Figure 17A). *Id.* ¶ 157. When the user edits a playlist, the user can press synchronize button 1718 (labeled in Figure 17A), such that the next time the target device connects to the server, the server will download the playlist to the device. *Id.*

Qureshey also describes adding an audio file found on the Internet to server site 1104. *Id.* ¶173. Specifically, without accessing the server site, the user, at PC 1508, seeks out and locates the audio file on an Internet website (not shown in Figure 15) as addressed by a URL and downloads the audio file to the PC. *Id.* When the PC later connects to server site 1104, the PC uploads the audio file to the server site, which then makes the audio file available for playing. *Id.*

2. Independent claims 1, 22, 31, and 51

Claim 1 (additional paragraphing supplied) recites, when in the second mode,

- (2) sending . . . a media content control signal from the media device to the selected media source,

said control signal causing the selected media source to download or stream media content responsive to the media content control signal

from the selected media first or second source to a media output unit,

for outputting via a media output unit that is separate from said media device

With reference to Figure 15 of Qureshey, Petitioner contends that PC 1508 is a media device and device 1510 is a media output unit. Pet. 9. As explained above, Qureshey describes that a user at PC 1508 can seek out and download an audio file from an Internet site (not shown in Figure 15) and that the PC later uploads the audio file to server site 1104 to make it available for playing. Ex. 1005 ¶ 173. Petitioner contends that this Internet site is a first media source. Pet. 17, 19–20. Regarding a second media source, Petitioner alternatively argues that it could be the internal storage of device 1510 (Pet. 18, 21) or a different network-enabled device, such as device 1520 (*id.* at 22).

Patent Owner argues that Petitioner has not shown that Qureshey teaches a media content control signal sent from PC 1508 to the Internet site of Ex. 1005 ¶ 173 that causes the Internet site to download media content to device 1510 (the identified output unit). Prelim. Resp. 32. We agree with Patent Owner.

Petitioner contends that “[t]he PC addressing a server on the Internet is the PC sending a control signal to the media source to cause it to download the file.” Pet. 19 (citing Ex. 1005 ¶ 173). Thus, Petitioner contends that a signal sent from PC 1508 to the Internet site of paragraph 173 is a media content control signal, as recited in claim 1. Petitioner further argues that “Qureshey teaches that the PC (the media device) signals

an Internet server (a first media source) to download audio files (media content), via the *PC*, to the networked audio devices (media output units) when the audio files are in the devices' assigned playlists.” Pet. 20.² Thus, Petitioner argues that the request from PC 1508 to the Internet site to download an audio file causes that file to be downloaded and further causes the file to be streamed or downloaded from PC 1508 to device 1510 in those instances when the audio file is on device 1510's playlist.

We are not persuaded by Petitioner's contentions. As detailed above, Qureshey describes that audio files are downloaded to device 1510 only after the user creates a playlist file on server site 1104, server site 1104 sends to device 1510 the playlist, and device 1510 requests the audio file using the URLs provided in the playlist file. Ex. 1005 ¶¶ 151, 173–74. Petitioner has not explained persuasively how the request sent from PC 1508 to the Internet site of paragraph 173 causes any of these steps.

Petitioner argues that this limitation “must be read broadly enough to cover downloading media content to the media output unit through the media device, as described by Qureshey, because claim 6 depends from and further limits claim 1.” Pet. 20. Petitioner does not advance an express construction of claims 1 and 6 and, other than to invoke claim differentiation, Petitioner does not advance argument or evidence to support an implicit construction.

² We note that we have considered the testimony of Dr. Mercer cited by Petitioner throughout its analysis of this claim limitation. *See, e.g.*, Ex. 1003 ¶¶ 31–36. This testimony, however, does little more than repeat (mostly verbatim) the arguments presented in the Petition, without citation to additional evidence or provision of additional meaningful explanation. Thus, we accord Dr. Mercer's testimony little weight.

We do not read claim 1 so broadly as to encompass Petitioner's theory of Qureshey. The signal from PC 1508 to the Internet site of paragraph 173 causes a file to be downloaded to the PC, and perhaps, indirectly, to server site 1104. A different signal (a playlist signal sent from server site 1104 to device 1510) causes device 1510 to seek out and download files on that playlist. Even assuming that the playlist signal causes device 1510 to download the file stored on PC 1508 originally downloaded from the Internet site, the playlist signal is a separate control that severs the causal connection between the download of the file from the Internet site to PC 1508 and its eventual download to device 1510.

The signal from PC 1508 to the Internet site, in essence, causes a file to be added to the IPAN library for later playback somewhere on the system. Under Petitioner's apparent reading of claim 1, any signal directly, or indirectly, adding a file to a device also causes any further movement or playing of that file in the future, merely because the existence of the file on that device is a necessary condition to it being moved from that device to another. Petitioner, however, has provided no persuasive argument or evidence to show that claim 1 should be read this broadly. We conclude that such breadth is unreasonable.

To prevail, Petitioner must show that the media content control signal, sent from media device to the first media source, causes the first media source to download or stream the content to the media output unit and that the media content is downloaded or streamed to the media output unit "responsive to the media content control signal." Petitioner has not introduced evidence or argument sufficient to establish that it is likely to show this causal link.

Petitioner also has not shown that Qureshey teaches sending a media content control signal to a second media source.³ As stated above, Petitioner alternately identifies the local storage of device 1510 (Pet. 21) and “a different network-enabled audio device,” which we assume to mean device 1520 (*id.* at 22) as the second media source. As to the local storage of device 1510, Petitioner argues that “Qureshey also teaches that the PC (the media device) sends a media content control signal to cause a network-enabled audio device to stream an audio file from its local storage (a second media source) for playback on the network-enabled audio device (a media output unit).” *Id.* at 21. As to the “different network-enabled audio device,” Petitioner argues that “Qureshey also teaches that playlists assigned by the PC (the media device) to a network-enabled audio device (the media output unit) can be downloaded from a different network-enabled audio device (a second media source) over a local network.” *Id.* at 22 (citing Ex. 1005 ¶ 179 (describing a home network allowing for transfer between device 1520 and device 1510)).

In each of these alternatives, Petitioner does not identify explicitly or explain what it alleges to be the media content control signal. Specifically, Petitioner does not identify a control signal sent from PC 1508 to device 1510 or to device 1520.

³ Patent Owner argues that the claims should be construed to require that the user selectively controls both the first media source and the second media source. Prelim. Resp. 19–22. We reject this argument in IPR2015-01465. Nevertheless, as explained above, it is not necessary to resolve the dispute in this proceeding, as Petitioner is not likely to show obviousness under a broader construction.

Petitioner's arguments as to a second media source are problematic for a second reason. Claim 1 further recites "whereby the user selectively controls the first media source and/or the second media source for content downloading or streaming." Petitioner presents arguments as to how the Internet site of Qureshey's paragraph 173 (the alleged first media source) is selectively controlled. Pet. 25.⁴ As Patent Owner points out (Prelim. Resp. 30–31), Petitioner makes no argument and presents no evidence as to whether the user selectively controls device 1510 or device 1520 (alternatives for the second media source). Petitioner cites to Dr. Mercer's testimony in support of its argument. Pet. 25 (citing Ex. 1003 ¶ 43). Dr. Mercer, however, also is silent as to whether a user selectively controls a second media source.

In sum, on this record, Petitioner is not reasonably likely to show that Qureshey teaches "sending . . . a media content control signal from the media device" either to a first media source or a to second media source, that control signal "causing the selected media source to download or stream media content responsive to the media content control signal from the selected media first or second source to a media output unit," as recited in claim 1. Nor is Petitioner reasonably likely to show that Qureshey teaches that a user selectively controls a second media source for content downloading or streaming, as recited in claim 1.

Independent claims 22, 31, and 51 recite limitations similar in substance to those of claim 1 that Petitioner has not shown to be taught by

⁴ This evidence and argument is not sufficient to overcome Petitioner's failure to show a media content control signal sent from a media device to a first media source.

Qureshey. Petitioner refers back to its analysis of claim 1 for these limitations. Pet. 35 (incorporating its analysis of “1.6” and “1.7” for limitations it identifies as “22.6” and “22.7”), 36 (chart referencing claim 1 analysis for claims 31 and 51). For the same reasons as given for claim 1, Petitioner is unlikely to show that Qureshey teaches the parallel limitations of claims 22, 31, and 51.

On this record, Petitioner has not demonstrated a reasonable likelihood that it would prevail with respect to claims 1, 22, 31, and 51 as obvious over Qureshey.

3. Remaining Obviousness Contentions

The remaining claims depend from claims 1, 22, 31, and 51. Petitioner’s contentions as to the dependent claims do not present argument or evidence overcoming the deficiencies noted above as to claims 1, 22, 31, and 51. Accordingly, Petitioner has not demonstrated a reasonable likelihood that it would prevail with respect to:

Claims 2–8, 13–16, 18, 19, 24, 25, 28–30, 32–35, 38–43, 45, 46, 48, and 55–61 as obvious over Qureshey;

Claims 9, 27, 37, and 53 as obvious over Qureshey and Oppermann;
Claims 10–12, 23, 26, 36, 44, 52, and 54 as obvious over Qureshey and Silvester;

Claims 17, 20, 47, and 49 as obvious over Qureshey and Robbin; or
Claims 21 and 50 as obvious over Qureshey and Levy.

III. CONCLUSION

We decline to institute an *inter partes* review of claims 1–61.

IV. ORDER

For the reasons given, it is

ORDERED that the Petition is *denied*.

FURTHER ORDERED that no *inter partes* review is instituted.

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