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IN THE UNITED STATES DISTRICT COURT
IN AND FOR THE DISTRICT OF DELAWARE

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VIDEOSHARE, LLC,) Civil Action
)
Plaintiff,)
)
v.)
)
GOOGLE INC. and YOUTUBE, LLC,)
)
Defendants.) No. 13-990-GMS

- - -

VIDEOSHARE, LLC,) Civil Action
)
Plaintiff,)
)
v.)
)
VIMEO, LLC,)
)
Defendant.) No. 13-992-GMS

- - -

Wilmington, Delaware
Tuesday, November 24, 2015
9:30 a.m.
Markman Hearing

- - -

BEFORE: HONORABLE GREGORY M. SLEET, U.S.D.C.J.

APPEARANCES:

MICHAEL J. FARNAN, ESQ.
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-and-
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5 CONO A. CARRANO, ESQ., and
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8 (Washington, D.C.)

9 Counsel for Defendants

10 - - -

11 THE COURT: Good morning, counsel. Please, take
12 your seats. Let's start out with introductions, if you
13 will, please.

14 MR. FARNAN: Good morning, Your Honor. Michael
15 Farnan on behalf of plaintiff. With me today are Rick Lyon
16 and Simon Franzini from Dovel & Luner out of California.
17 Also from VideoShare, Gad Liwerant.

18 THE COURT: Good morning.

19 MR. BLUMENFELD: Good morning, Your Honor. Jack
20 Blumenfeld from Morris Nichols for all of the defendants.
21 Along with me at counsel table are Cono Carrano and Ashraf
22 Fawzy from Akin Gump. In the first row, Demarron Berkley,
23 who is in house at Google.

24 THE COURT: Good morning.

25 Gentlemen, have you discussed how you would like
to proceed this morning?

MR. FRANZINI: We have, Your Honor. The parties
have agreed on an order of grouping of ten different terms.

:00:54 1 Plaintiffs will go first and defendants will follow with
:00:57 2 each.

:00:58 3 THE COURT: I will give plaintiffs the last
:01:00 4 short rebuttal on the terms.

:01:03 5 I am anticipating that this should go fairly
:01:06 6 quickly. There is a fair amount of repetition, it seems, in
:01:10 7 the terms, discussions. So let's get rolling.

:01:15 8 MR. FRANZINI: Very good.

:01:18 9 THE COURT: We will deal with the discovery
:01:20 10 issues, if they still remain, afterwards.

:01:27 11 MR. FRANZINI: Simon Franzini, good morning,
:01:43 12 Your Honor, for plaintiffs.

:01:47 13 There are two patents at issue in this case, the
:01:50 14 '302 patent and the '608 patent. The two patents were
:01:55 15 developed by Mr. Liwerant and his co-inventors in the 1990s
:02:05 16 while they were at their company, VideoShare.

:02:07 17 THE COURT: Did you have anything you wanted to
:02:08 18 hand up?

:02:09 19 MR. FARNAN: My apologies, Your Honor. We do.
:02:10 20 We have some slides.

:02:11 21 THE COURT: Why don't you pass them to your
:02:13 22 opponents and to Mr. Buckson.

:02:26 23 MR. FARNAN: May I approach, Your Honor?

:02:26 24 THE COURT: Yes.

:02:56 25 MR. FRANZINI: As I was saying, there are two

1 patents in this case. Although the two patents both relate
2 to video streaming technology and cover somewhat overlapping
3 subject matter, they are actually different patents that are
4 from different families. They have different
5 specifications. And they don't claim priority to the same
6 application. They stem from two different applications.

7 So the first set of terms that the parties are
8 going to address are the computer elements. These elements
9 all appear in a single independent claim from one of the
10 patents. They only relate to Claim 14 of the '302 patent.

11 I put Claim 14 on the board. Claim 14 recites a
12 number of computer elements, a first computer, a second
13 computer, and so forth.

14 These elements are in the format of a computer,
15 followed by a recitation of an operation in functional --

16 THE COURT: Let me ask this, gentlemen. Are you
17 going to discuss the technology during your arguments? How
18 do you plan to familiarize me? Because you briefed it.

19 MR. FRANZINI: My plan was to incorporate into
20 it my presentation. I can give the Court a brief overview.

21 THE COURT: That is fine.

22 MR. FRANZINI: Claim 14 claims a system for
23 transmitting streaming video and associated advertisement
24 over a network. The systems and methods claimed in the
25 patents all relate generally to the transmission of

1 streaming video, and some of them include an advertising
2 component as well.

3 This particular claim is a system claim. As I
4 was saying, it recites a number of elements that are in the
5 following format. There is a computer, and then they recite
6 an operation performed by that computer, and they describe
7 it in functional terms.

8 Our proposal is that these terms should be
9 construed according to their ordinary meaning. I have
10 placed an ordinary meaning construction that we have put
11 forward that I am going to get into in the second half of my
12 presentation.

13 Defendants, on the other hand, contend that
14 these are means-plus-function terms that should be construed
15 under Section 112, Paragraph 6. I am going to address that
16 part first.

17 Specifically, defendants' argument is the
18 following. They say that a claim that recites a computer,
19 followed by a function, is governing by Section 112,
20 Paragraph 6. And specifically, they say -- this is from
21 their brief -- they say that, "The Federal Circuit has
22 consistently required that the structure be more than simply
23 a general-purpose computer or microprocessor."

24 So their contention is that a computer isn't
25 enough, what's needed is a specific algorithm in the claim.

1 I am going to show Your Honor that this argument is
2 completely wrong. Here is why.

3 As the Court knows well, Section 112, Paragraph
4 6 sets forth a two-step process, two-step inquiry. The
5 first step asks, is the claim term a name for a structure or
6 not?

7 If the answer to that question is yes, if the
8 claim term is a name of a structure, that is where the
9 inquiry ends. The claim at issue is not a
10 means-plus-function claim. We don't need to go on to Step
11 2.

12 Only if the Court determines that the claim term
13 is not the name of a structure do we move on to Step 2. And
14 Step 2 asks whether there is corresponding structure in the
15 spec, in the specification. And the purpose of that is to
16 determine whether or not the claim is indefinite.

17 Now, the Federal Circuit case that defendants
18 cite to for the proposition that the Federal Circuit has,
19 quote, "consistently required that the structure be more
20 than simply a general-purpose computer," that is a case, the
21 Aristocrat case, that is about Step 2 of the
22 means-plus-function inquiry.

23 So what defendants ask the Court to do here --
24 and we can see this from the defendants' own brief. They
25 say that "in the context of an indefiniteness analysis."

:07:40 1 We are talking about Step 2 of the Section 112,
:07:43 2 Paragraph 6 inquiry.

:07:46 3 What defendants ask the Court to do here is to
:07:48 4 take this standard, this inquiry, from Step 2 of the Section
:07:54 5 112, Paragraph 6 inquiry, and apply that same standard to
:07:59 6 Step 1. They want to require an algorithm at Step 1 in the
:08:07 7 claim itself.

:08:08 8 The defendants cite two District Court cases,
:08:10 9 from California and from Texas. They say that the District
:08:14 10 Courts in those cases apply the same rationale in concluding
:08:20 11 that a term that recited a computer plus a function was
:08:24 12 subject to Section 112, Paragraph 6. When they say apply
:08:29 13 that same rationale, they mean the District Courts in those
:08:33 14 cases reason, let's apply that Aristocrat standard to Step
:08:33 15 1.

:08:38 16 I put those dates on the board because these
:08:41 17 District Court cases are from 2010 and 2011. And in 2014,
:08:46 18 the Federal Circuit had the opportunity to address this
:08:48 19 issue directly, the issue of whether the Aristocrat standard
:08:53 20 applies to Step 1, whether the algorithm is required at
:08:57 21 Step 1. It was the Apple v. Motorola case. In that case,
:09:02 22 the District Court did what the defendants ask the Court to
:09:07 23 do here. It applied Aristocrat to Step 1. The Federal
:09:12 24 Circuit held that that was error. It said the District
:09:15 25 Court misapplied our precedent by requiring claim

1 limitations themselves to disclose a step-by-step algorithm
2 as required by Aristocrat, the case defendants rely on. It
3 went on to say, Aristocrat only applies if a patentee has
4 invoked computer-implemented means-plus-function claiming,
5 which is the broad range in Step 2. And the parties
6 actually have agreed that they were construing the
7 means-plus-function claim. The Federal Circuit went on to
8 explain that the reasoning in the Aristocrat case does not
9 automatically apply to Step 1.

10 So the inquiry that the defendants asked the
11 Court to apply to Step 1 is not the correct inquiry for
12 Step 1. It is an inquiry that applies to Step 2. This
13 makes sense, Your Honor, because the standard for Step 1 is
14 different from the standard for Step 2.

15 The Federal Circuit has consistently required
16 not a particular structure, but a specific individual
17 structure, like an algorithm at Step 1. Rather, to
18 determine whether a claim element is a means-plus-function
19 claim, the correct inquiry is whether that term evokes a
20 variety of structures, even a broad class of structures is
21 enough.

22 It is important to know at this point, Your
23 Honor, that although the Williamson case held that the
24 strong presumption that was previously applied was no longer
25 strong, Williamson didn't change the fundamental inquiry at

:10:59 1 Step 1, which is, is the claim term the name of a structure
:11:03 2 or not?

:11:03 3 These cases are still good law. A class of
:11:06 4 structures is enough at Step 1 of the means-plus-function
:11:10 5 inquiry.

:11:15 6 So the correct inquiry to apply to these
:11:17 7 computer elements is -- by the way, in Williamson,
:11:22 8 Williamson actually cites Aristocrat, but it only cites it
:11:26 9 at Step 2. It doesn't cite Aristocrat at Step 1. That
:11:30 10 further confirms that Aristocrat is a Step 2 case, not a
:11:33 11 Step 1 case, and that Williamson doesn't change that.

:11:37 12 So the correct inquiry is this: Does the claim
:11:40 13 term name a class of structures, or is it tantamount to
:11:43 14 using the word means? That is a quote, "is it tantamount to
:11:49 15 use the word means" is a quote from Williamson.

:11:52 16 We have received some guidance from courts on
:11:54 17 how to apply this inquiry, how to determine whether a claim
:11:58 18 term is a name for a structure or instead is tantamount to
:12:01 19 the word means. I put on the left side of the screen words
:12:06 20 that courts have found to be the names of structure --
:12:10 21 processor, detector, and circuit. On the right I have
:12:14 22 placed some examples of words that were found to be
:12:21 23 tantamount to the word means -- widget, module, mechanism,
:12:25 24 device, element.

:12:27 25 Each one of the terms that courts have found to

1 correspond to structure identify a class of structure that a
2 person of ordinary skill in the art would recognize. For
3 example, a processor is a part of a computer that performs
4 operations and manipulates data, and a person of ordinary
5 skill in the art would recognized that as a particular
6 structure, for example, the Intel processor that I put on
7 the screen.

8 The same is true of detector. It is a class of
9 structure that detects analog signals and translates them
10 into digital ones. The particular example I have used is an
11 x-ray detector. And similarly circuit, that defines a class
12 of structure, a closed path through which electrical current
13 can flow. There is various examples in this class. You
14 could have the simple circuit that a school child might make
15 for a science fair project, like the one here, and you could
16 have instead a more complex circuit on a circuitboard.

17 What these terms have in common is that they
18 would be recognized to represent a class of structure. That
19 is as contrasted to the words that are tantamount to the
20 word means that don't actually correspond to any structure.
21 They don't invoke anything that you could actually hold or
22 recognize.

23 Allow me to illustrate. Consider a claim in the
24 format a blank for doing arithmetic. If the claim recites a
25 means for doing arithmetic, that claim would cover anything

1 at all that would be used to do arithmetic. It could cover
2 a pen and paper, an abacus, a calculator, or a computer. As
3 long as that thing is used to do arithmetic, then the claim
4 element is satisfied.

5 Now, if you replaced means with widget, module,
6 mechanism, device, element, all these words, they don't
7 restrict the scope of the claim at all. They still allow
8 anything that performs the function of doing arithmetic to
9 satisfy the claim.

10 Now, if they had, instead, if we replace that
11 word, if we replace means with a name of a class of
12 structure, like calculator, then all of a sudden the claim
13 no longer encompasses anything that performs a function. It
14 only encompasses a particular class of structure, in this
15 case the calculator. So the pen and paper, the abacus, the
16 computer, would no longer fall within the scope of the
17 claim.

18 That is the difference between the name of a
19 class of structures and one that is tantamount to the word
20 means.

21 The question for the Court is, is computer the
22 name of a structure or is it tantamount to using the word
23 means.

24 We know that "computer" corresponds to an actual
25 physical thing that we recognize. I am holding a computer.

1 I placed another type of computer on the screen. That is a
2 class of structure that we can recognize. It's not
3 tantamount to using the word means.

4 So "computer" belongs on the left side with
5 processor, detector, and circuit.

6 In fact, if you go back to our example from
7 before, if you think about a computer for doing arithmetic,
8 that doesn't include anything that can be used to do
9 arithmetic. A pen and paper would not fall within that
10 claim. A computer for doing arithmetic restricts the claim
11 to a particular class of structures.

12 So a claim in the format computer and then a
13 recitation of an operation is not a means-plus-function
14 claim.

15 Other courts have recognized this. I have put
16 on the board an example from the Southern District of New
17 York that's particularly good. In that case, the claim term
18 at issue was a central computer means, and the function of
19 the central computer means was stated in the claim language.
20 In that case, because it included the word means, the
21 presumption that it was a means-plus-function claim
22 attached. So it's the opposite presumption of what we have
23 here, since there is no means, there is a presumption that
24 is not a means-plus-function claim. Despite the
25 presumption, the Court in this case found that the claim was

1 not a means-plus-function claim. And that's because the
2 claim recites the entire structure necessary to perform the
3 claimed function. And the Court went on to explain, that
4 structure is a computer.

5 So the Court here recognized that a computer is
6 the name of a class of structure, so much so that it
7 overcame the presumption that attached in that case.

8 Defendants, too, recognize that computer has
9 structural meaning. There is other claim terms at issue
10 from other patents that I placed on the board, "a receiving
11 computer" and "a first computer." Defendants don't contend
12 that those terms are covered by Section 112, Paragraph 6.
13 They construe them according to ordinary meaning. And not
14 only that, they use the word computer in their own proposed
15 construction, which confirms that they recognize that
16 computer has meaning, computer tells you what the claim term
17 actually means.

18 Defendants' expert declaration of Mr.
19 Schonfeld --

20 THE COURT: Let me give some general guidance on
21 the issue of extrinsic evidence. If you think it is
22 necessary for me to understand the technology and you
23 convince me of that, that is fine. I think Vitronics is
24 still good law. I am going to resort first to the intrinsic
25 record. Do you think I need to resort to defendants'

:18:24 1 expert?

:18:24 2 MR. FRANZINI: No, Your Honor. My point was,
:18:26 3 their expert concedes that. I can move on. I think the
:18:29 4 Court can resolve this.

:18:29 5 THE COURT: I want to give that general guidance
:18:32 6 for you, sort of dispel the myth that I won't consider
:18:38 7 extrinsic evidence. I generally don't. I don't generally
:18:42 8 find it necessary. That's all.

:18:43 9 MR. FRANZINI: My point was just that
:18:45 10 defendants' expert also conceded this.

:18:49 11 I can move on.

:18:50 12 THE COURT: Okay.

:18:51 13 MR. FRANZINI: So, in sum, this is not a
:18:55 14 means-plus-function claim. It is not subject to 112,
:18:58 15 Paragraph 6. It doesn't clear Step 1. So the Court should
:19:01 16 not construe this claim under Section 112, Paragraph 6. It
:19:07 17 should instead apply the ordinary meaning.

:19:09 18 We have proposed an ordinary meaning
:19:11 19 construction. I have placed that on the board. I just
:19:14 20 wanted to go over this briefly.

:19:16 21 It has three parts. Each part of our
:19:19 22 construction is correct. It comes from the ordinary meaning
:19:25 23 of the claim, and it's confirmed by the claims and the
:19:29 24 specification.

:19:29 25 So starting with the first part, Part (a) says

1 that each of the computer terms, the first, second, third
2 computer, "may consist of two or more computers." And
3 Part (c) says that they also may be part of the same
4 computer.

5 This comes from the ordinary meaning of
6 computer -- a computer can include another computer within
7 it; a computer can be made up of, for example, a big server
8 can be made up of multiple computers, each of those
9 computers is part of a large computer, and the larger
10 computer is comprised of multiple computers.

11 In this case the dependent claims confirm that
12 the recited computers can be made up of a plurality of
13 computers in the '302 patent. One of the dependent claims,
14 Claim 14, recites, "The system of Claim 14 wherein one or
15 more of the computers comprises a plurality of computers."
16 Similarly, Claim 15 recites, "The system of Claim 14,
17 wherein two or more of those computers are part of the same
18 computer."

19 The third part of the construction, which is
20 labeled Part (b), says that each of the computers may
21 include "component parts that overlap" with other of the
22 recited computers.

23 And again, that is part of the meaning of the
24 term computer. And, in fact, the Federal Circuit has held
25 in other cases that just because you have a "first" or a

1 "second" before it doesn't mean they have to be completely
2 separate. They can overlap.

3 The specification also confirms that all three
4 of the pieces of our construction are correct.

5 Particularly, the part of the specification that I have put
6 on the board says that "The host computer 60 includes one or
7 more server computers 62, 62', 62''.

8 These are computers that defendants contend meet
9 one or more of the computer limitations.

10 I have put a figure just to illustrate this on
11 the board. Computer 60 is the whole big computer, and it is
12 shown by the dotted line that I have highlighted in red.
13 Within it are computers 62 and 62'. Those are server
14 computers.

15 This item shows that all three parts of our
16 construction are correct and supported by the specification.
17 The recited computers can include, may consist of two or
18 more computers. For example, computer 60 consists of server
19 computers 62 and 62'. The computers may include overlapping
20 components, for example, host computer 60 and server
21 computer 62 have overlapping components because server 62 is
22 part of computer 60. So all of those components overlap.

23 This item similarly shows that a computer can be
24 part of the same computer, the 62 computers are part of the
25 computer server.

1 Defendants have only one critique of our
2 ordinary-meaning construction. They say that the recited
3 computers cannot be identical to one another. This isn't
4 really a critique of our construction, because there is
5 nothing about our construction that would foreclose this.
6 And the claim already makes it clear that each of the
7 computers is different. It says a first computer, a second
8 computer, and so forth.

9 If the Court is inclined to incorporate this
10 concept into the construction, we wouldn't be opposed to
11 adding a fourth requirement that says this, that says that
12 each of the computers is not identical to any of the other
13 computers, and we think that would resolve defendants' only
14 criticism of our construction.

15 For those reasons, the Court should adopt our
16 proposed construction and reject defendants' proposal to
17 construe the terms as Section 112, Paragraph 6 terms.

18 THE COURT: Thank you for a clear presentation,
19 counsel.

20 MR. FRANZINI: Thank you, Your Honor.

21 MR. CARRANO: Good morning, Your Honor. Cono
22 Carrano for the defendants.

23 Just quickly, an overview of the patents. As
24 counsel pointed out, there are two patents at issue here.
25 While they are not technically related, in view of the

1 patent procedures, they are highly related as far as
2 disclosure, firstly -- very much the same disclosure, very
3 much the same figures, same inventors, conception date,
4 allegedly, around the same time.

5 So there is a lot of overlap between the
6 patents. And the terminology used in both patents is very
7 similar as well.

8 Just quickly on the claims, because this is
9 helpful to navigate through all these terms quite a bit,
10 each patent has two sets of claims, one method claim, Claim
11 1, and one system claim, which works out in both patents as
12 Claim 14. You will see very similar, in these particular
13 patents, very similar language in both.

14 Just to address one issue that counsel brought
15 up about defendants' construction of the computers, I think
16 the Court would recognize that the defendants are taking the
17 position that the computers in the system claims or the
18 apparatus claims are means plus function, which I will talk
19 about in a second, but the recited computers in the method
20 claims, since they are method claims which disclose the
21 steps, we are not taking the position that that is in itself
22 means plus function because that wouldn't make much sense.

23 The dichotomy which they bring about between not
24 wanting to take the position that "receives" appears in the
25 method claims, means-plus-function claims makes sense,

1 because it is a method claim, not an apparatus claim.

2 THE COURT: Counsel, I am over here.

3 MR. CARRANO: I am sorry.

4 THE COURT: You are an advocate. Come on.

5 MR. CARRANO: I will finish up here.

6 Claim 2 is a method claim. Claim 14 is the
7 apparatus claim.

8 So this is the means-plus-function terms. So
9 the issue here is whether or not the apparatus claims, the
10 recited computers of 112(6) are or not.

11 As the Court knows, in Williamson, the Federal
12 Circuit has eliminated the heightened standard for 112(6).
13 If, in looking at the claims, there is sufficiently
14 definitive structure, then 112(6) would apply. And the
15 courts are to look to see if the claims recite significant
16 or definite structure, or else the function is recited with
17 significant structure, then 112(6) wouldn't apply. Here we
18 submit that the computer terms do not have the definitive
19 structure as required.

20 So in our opening brief we relied on Williamson,
21 and we relied on other cases, and the in the reply,
22 including Aristocrat, but we didn't base our arguments
23 solely on Aristocrat. That notion I think is a false
24 premise. We applied Williamson. Indeed, when the Court
25 looks at the case law here, it is clear it has to be a

1 case-by-case basis. A recited computer claim in this case
2 is subject to 112(6), according to our position. It may not
3 be subject to 112(6) in every case. Indeed, they point out
4 that processor has found to be not subject to 112(6) in
5 their case.

6 We have a case we will show in a moment,
7 processor in another case was found to be subject to 112(6).
8 So it is a case-by-case basis, and it is not a blanket basis
9 that all computers are 112(6) or all computers are not
10 112(6). The Court has to look at it factually, and see in
11 this is this functional language being claimed without
12 significant definitive structure or not?

13 So we put up a couple cases on Slide 8 that are
14 more recent cases. The Sarif case was in this Court with
15 Judge Stark, where he ruled that "computer adapted to," and
16 it has the following functional language, did apply 112(6).
17 This is now post-Williamson, this was in August of this
18 year. Williamson was I think in June of this year, or July
19 of this year. And Judge Stark applied 112(6) in the Sarif
20 case, and the limitation issue was "a computer adapted to
21 control position and displacement of the tool."

22 Here's it is a close case in the sense that it
23 is a computer, it is post-Williamson, and 112(6) was
24 applicable. We also cite here on Slide 8 two other cases,
25 the Soque case and the Personal Audio case, both of which

1 are pre-Williamson, also found computer to be, in the first
2 case, the Soque case, computer to be subject to 112(6), and
3 in the Personal Audio case, that was, I believe, directed to
4 a processor, the Court there found 112(6) was applicable,
5 also.

6 This Personal Audio case, juxtaposed with
7 VideoShare's, or counsel's argument about processor, again,
8 this just illustrates this case-by-case analysis.

9 THE COURT: In your view, did your opponents
10 suggest a blanket approach to this?

11 MR. CARRANO: No. I am just illustrating that
12 point, that's all.

13 THE COURT: I suspect the Federal Circuit
14 wouldn't, either.

15 MR. CARRANO: So going back to the claim itself,
16 this is Claim 14 of the '302 patent, and it recites the nine
17 computers with functional language, not structural language.
18 And the claims are recited in the quintessential
19 means-plus-function claim, where it has, in this case, a
20 computer for performing a function. So the first sub-bullet
21 there is directly from the claims, "a third computer for
22 converting," "a seventh computer for imbedding."

23 Let me stop right there on this converting
24 aspect of it.

25 In the file histories of these patents, one

1 thing that becomes clear is the defendant got past the prior
2 art with respect to this converting aspect of the claims.
3 And that particular aspect is that the converting is done
4 independent of a command of a user or independent of a
5 command. One of their alleged points of novelty is this
6 converting aspect. If you go back to the claims and you
7 look at the claims, this computer term we are talking about,
8 this third computer, just talks about a third computer or
9 generic computer for converting, which is their point of
10 novelty, with no structural significance in the claim itself
11 other than the computer, if you want to say that that has
12 some structure.

13 That structure itself is a general part of the
14 computer. And that can't be definitive enough to capture
15 what they allege to be the point of novelty.

16 So our position basically is that the recited
17 computers in the apparatus claims are just generic and
18 general-purpose computers. And I don't think they dispute
19 that. And there is no specific guidance in the
20 specification to make these general or generic-purpose
21 computers to be anything more specific than just computers
22 themselves.

23 So in essence, the claims call for a computer,
24 which is akin to a means, for performing a recited function.
25 And there is no other structural limitations in the claim

1 that imports the requisite structure to avoid 112(6).

2 Going back to the Sarif case, the Judge Stark
3 case that was decided in August, this is a quote from that
4 case, it's basically, The computer-adapted term was subject
5 to 112(6) because it didn't have structure to show how the
6 computer was to perform the function. That is exactly what
7 we have here.

8 In the claims, there is no structure to say how
9 the recited computers recite the functions. And in that
10 Sarif case again, the claim, according to Judge Stark, was a
11 generic term and it lacked sufficiently definite structure.

12 The Sarif case we think is instructive here.
13 It's post-Williamson. It has the computer term. And it's
14 recited in the claims much like the claims in this case.

15 The plaintiffs -- this is Slide 12 -- the
16 plaintiffs won't squarely address Williamson or its progeny,
17 albeit it is only a short period after Williamson.

18 They now say today -- in their briefing they
19 didn't address in the specification, they didn't address
20 any cases that are directed to computer limitations,
21 although today they did cite one case from California. The
22 case they cited in their briefing --

23 THE COURT: Was there one or two? Two District
24 Court cases or one? I am trying to refresh my recollection
25 as to whether counsel is correct.

:33:27 1 MR. FRANZINI: We cited one case from the SDNY.

:33:31 2 THE COURT: You will get a chance to come back.

:33:34 3 MR. FRANZINI: Thank you, Your Honor.

:33:35 4 MR. CARRANO: They don't really address -- all
:33:38 5 their cases were pre-Williamson, again, other than that one
:33:41 6 case, none discussed computer limitations. The cases they
:33:45 7 do cite fall into two categories, both categories of which
:33:49 8 are distinguishable from our case here today.

:33:52 9 Linear Tech. calls for a circuit. Remember in
:33:55 10 their presentation they have circuit on the non-112(6) side.
:33:59 11 But if you look at Linear Tech., the case they cite, it
:34:03 12 calls for a second circuit for generating a control signal,
:34:07 13 a first state, it has a first state of circuit operation, it
:34:13 14 has a first feedback signal, it has switching transistors
:34:17 15 and output terminal. That is a lot of structure in the
:34:20 16 claim that describes definitively what that circuit is.

:34:27 17 We don't have that in this case. There is no
:34:29 18 structural inputs or outputs, states, or other signals, or
:34:34 19 even -- it has switching transistors, so that is an actual
:34:40 20 structure for that circuit.

:34:41 21 Linear Tech., one of the cases they rely on, is
:34:44 22 completely distinguishable by the claims themselves, very
:34:47 23 structural language in the claims. That doesn't exist in
:34:51 24 the claims in the claims this case.

:34:53 25 Personalized Media calls for a detector. Again,

1 even in this claim the detector had inputs and outputs. And
2 then, too, detector in this case, the Court found that it
3 had a very definitive meaning in the art. Again, this is a
4 case-by-case basis, factual inquiry.

5 The Smartflash case which they rely on calls for
6 processor and code. But again, if you look at that claim in
7 that case, it's a processor coupled to a user interface, a
8 data carrier interface, a program store. Again, the claim
9 itself had a lot of structural aspects to it. And it wasn't
10 like this case, where it's just a computer for performing a
11 recited function.

12 The three cases they rely on in their briefing
13 at least are very clearly distinguishable, factually, again,
14 on the claims themselves, and where there is structure in
15 the claims themselves, or the actual noun in the case of the
16 Personalized Media, digital detector, had some structure in
17 the claim. But also itself the Court found it had some
18 definitive meaning in the art.

19 One of the points here about the plaintiff's
20 construction is that, to illustrate our point, is they are
21 saying that any recited computer can be a number of
22 computers, it can be not overlapping or overlapping, or it's
23 just one component of computer. To us, this just
24 illustrates the breadth or the lack of structure of those
25 type of computers.

1 So just the list of ways of looking at their
2 construction, it "may consist of two or computers," it "may
3 include components," "parts that overlap with each other,"
4 it "may be part of the same computer." They are very
5 liberal in their understanding of computer, which just
6 illustrates the point that the recited computers don't have
7 any definitive structure.

8 Also, their position regarding computer and
9 module is just internally inconsistent. The parties agree
10 that module, which we will get to at the very end of today,
11 is subject to 112(6), but there is dispute as to whether or
12 not computer is. If you look at the claim language between
13 the '608 patent Claim 14, which calls for a format
14 conversion module, which everyone agrees is 112 Paragraph 6,
15 and the corresponding Claim 14 of the '302 patent, it's
16 clearly the same functional language in both circumstances,
17 but in one position, plaintiffs say module is 112(6), and in
18 the other instance they say the computer is not subject to
19 112(6). They base their sole argument on that computer is
20 sufficient structure. And we think in this particular case
21 it is not, especially with terms that they say are the point
22 of novelty, being like the converting means, or the
23 converting aspects.

24 That is the end of our discussion on computer.

25 THE COURT: So one of the concerns I have,

1 counsel, is whether you are conflating 112(6) and
2 indefiniteness. Could you talk about that.

3 MR. CARRANO: Sure. The answer is no. We do
4 have an alternative for many of our terms, not all computer
5 terms, many of the terms, 112(6) arguments for
6 indefiniteness. We are not conflating those. All we are
7 saying is that the law is basically, we are to do analysis
8 on the terms and see whether or not they have sufficiently
9 definite structure as to whether or not to apply 112(6) or
10 not. That is the inquiry, the first inquiry. That is what
11 we are focused on right now, that first inquiry. If there
12 is definite structure, then 112(6) would not apply. If
13 there is not, as we submit, the defendants submit, then
14 112(6) does apply. Then the courts do the analysis of
15 whether or not there is corresponding structure or whether
16 or not it is indefinite. The initial inquiry is whether or
17 not 112(6) should apply or not.

18 THE COURT: Okay. And earlier on in your
19 comments, you responded to Mr. Franzini's assertion that the
20 defendants recognize, or there is some inconsistency in
21 their view in your position with regard to the use of the
22 term computer. What was your point?

23 MR. CARRANO: Going back to the very beginning,
24 the inconsistency they point to is there are computer terms
25 in the method claim, and we are not applying 112(6) to those

1 particular computer claims because, in essence, what is
2 claimed in the method claims are steps. So we are not
3 saying 112(6) applies to those steps. We are just saying
4 that in the apparatus claims of the computer, the 112(6)
5 applies because that is structure. That is apparatus.

6 For the method claims, the computers are, I
7 wouldn't say work pieces, but they are secondary to the
8 steps. And the steps are, they are construction for the
9 steps themselves. But it is not inconsistent.

10 THE COURT: All right. Thank you.

11 This is where you may want to start, Mr.
12 Franzini.

13 I am back at Slide 19 of your presentation.

14 MR. FRANZINI: Thank you, Your Honor. Just a
15 very brief rebuttal.

16 We have prepared a slide on the fly.

17 MR. FRANZINI: With respect to the
18 inconsistency, Claim 14 of the '608 patent is also a
19 consisting claim and that claim recites a computer as well.
20 It wasn't briefed as a means-plus-function claim along with
21 the computers of Claim 14. It was briefed as a receiving
22 computer, with the non-means-plus-function claims. So it is
23 just not true that the defendants are making a distinction
24 between that and the system claims.

25 THE COURT: Could you react, before you go down

:43:51 1 your list of things you want to say, to Mr. Carrano's cite
:43:58 2 to the Brainlab case, Chief Judge Stark's?

:44:03 3 MR. FRANZINI: Your Honor, I am having trouble
:44:05 4 pulling it up.

:44:07 5 In that case, the parties didn't contend --
:44:11 6 basically, the issue that is before the Court here was never
:44:14 7 put before the Court in that case, because there the
:44:17 8 plaintiff contended that the computer terms took their
:44:25 9 structure from the disclosure of inputs, outputs, and so
:44:28 10 forth in the specification. And they didn't argue, as we do
:44:37 11 here, that the word computer itself is the recitation of
:44:40 12 structure that in the claims is sufficient to bring the
:44:44 13 claim term outside of Section 112, Paragraph 6.

:44:48 14 So we think that that case, to the extent it
:44:52 15 applied the Aristocrat standard at Step 1, that was a
:44:57 16 misapplication of precedent. I think the real issue is that
:45:00 17 the issue that is before this Court was never brought before
:45:03 18 the Court in that case.

:45:04 19 THE COURT: It is okay if you disagree with the
:45:06 20 Chief Judge. That is not a problem.

:45:10 21 Finally, before you resort to the things that
:45:15 22 you want to say, at Slide 12 of Mr. Carrano's presentation,
:45:18 23 he cites three cases, he cites them for the proposition --
:45:24 24 do you have it?

:45:25 25 MR. FRANZINI: May I approach and get it, Your

:45:27 1 Honor?

:45:27 2 THE COURT: Sure. Why don't you get it.

:45:33 3 He cites to me cases that in his view, I would
:45:36 4 say, colloquial speaking, a bunch of structure, whereas that
:45:40 5 is not the case here. Linear Tech., Personalized Media, and
:45:45 6 so on.

:45:46 7 MR. FRANZINI: So the Section 112, Paragraph 6
:45:51 8 inquiry starts with the claims. And it's proper to look in
:45:55 9 the specification to see whether a claim that does not have
:46:01 10 structure gets structure from the specification. So, for
:46:04 11 example, if a claim recited a means for doing arithmetic and
:46:11 12 in the specification the patent said, by "means," when I use
:46:15 13 "means" in the claims, I define that to mean computer, then
:46:18 14 that would be a proper way to use the specification, to look
:46:21 15 at what that term means in the claims and recognize that the
:46:25 16 term has structure within the claims.

:46:28 17 But here we don't even have to go there because
:46:31 18 the term computer itself recites structure. I don't think I
:46:34 19 heard Mr. Carrano assert otherwise.

:46:39 20 He never took on the core issue, which is, is
:46:43 21 the word computer a substitute for the word means? Does it
:46:47 22 apply to anything that performs a structure? Or is it a
:46:51 23 more restrictive class of structures? That is the correct
:46:53 24 inquiry, before and after Williamson.

:46:55 25 THE COURT: Okay. Why don't you proceed.

:47:06 1 MR. FRANZINI: One more point of the three
:47:08 2 points I wanted to make. The last point is the purported
:47:12 3 internal inconsistency between our construction of the
:47:16 4 "module" terms on the one hand and the construction of the
:47:18 5 "computer" terms on the other.

:47:20 6 Our response there is simple. In the computer
:47:22 7 terms, the patentee did not elect to rely on Section 112,
:47:29 8 Paragraph 6 claiming. The patent recited structure. Those
:47:32 9 claims are narrower because they are limited to a particular
:47:36 10 class of structures, computers.

:47:40 11 In the module claims the patentee did rely on
:47:46 12 Section 112, Paragraph 6 claiming. It said module. So it
:47:51 13 encompasses any means to accomplish the recited function.
:47:53 14 That is why in that case we need to look at the
:47:56 15 specification to determine which functions were actually
:47:59 16 disclosed.

:47:59 17 So the difference between our two approaches
:48:03 18 there is that one of the claims recites structure and the
:48:05 19 other one doesn't. And that's the correct inquiry under
:48:09 20 Step 1, both pre and post-Williamson.

:48:12 21 Thank you, Your Honor.

:48:12 22 THE COURT: Are you going handle the next
:48:14 23 matter?

:48:14 24 MR. FRANZINI: Yes, Your Honor.

:48:50 25 May I proceed?

:48:52 1 THE COURT: Yes, sir.

:48:52 2 MR. FRANZINI: Thank you, Your Honor.

:48:55 3 The next group of terms has two terms, "a
:48:57 4 receiving computer" and "a first computer." These terms are
:49:00 5 recited in Claims 1 and 14 of the '608 patent, and also in
:49:08 6 Claim 1 of the '302 patent. These are different terms than
:49:13 7 the ones we were just talking about. Neither party contends
:49:16 8 that these terms are subject to 112, Paragraph 6.

:49:21 9 I have placed Claim 1 of the '608 patent on the
:49:27 10 board. It cites "receiving, by a receiving computer," and
:49:29 11 then "executing, by the receiving computer," a series of
:49:32 12 steps" labeled (b1) through (b3). The '302 patent uses
:49:38 13 different language to claim a corresponding structure in
:49:41 14 that patent. It uses the term "the first computer." I put
:49:47 15 Claim 1 of the '302 on the board. That recites "executing
:49:51 16 by a first computer," and then recites a number of steps.

:49:55 17 In both cases, the computer at issue is the
:49:58 18 server computer, the host computer, that a user can send a
:50:03 19 video file to.

:50:04 20 THE COURT: Let me get you to react to the
:50:06 21 following suggestion, and then I may or may not have you
:50:12 22 proceed. I may want to hear from the defendants and give
:50:15 23 you a chance to come back.

:50:17 24 MR. FRANZINI: Yes, Your Honor.

:50:17 25 THE COURT: "One or more computers, other than a

1 second computer, at least one component of which receives a
2 video file from a user on a second computer."

3 Again, "One or more computers, other than a
4 second computer, at least one component of which receives a
5 video file from a user on a second computer."

6 MR. FRANZINI: That is only for the receiving
7 computer, Your Honor?

8 THE COURT: Yes, sir.

9 MR. FRANZINI: For the receiving computer, may I
10 confer with co-counsel for one second?

11 THE COURT: Yes.

12 (Pause.)

13 MR. FRANZINI: Thank you, Your Honor. Apologize
14 for that.

15 With respect to the "other than the second
16 computer," we think that's fine. It has a little redundancy
17 with the construction of a second computer, but that's okay.

18 THE COURT: Let me get your opponent, I am going
19 to get him up here, then we will see.

20 Mr. Carrano.

21 So you can see, maybe intuit, that you are sort
22 of swimming upstream a little on this one. Talk to me about
23 why you should prevail, if you still think you should.

24 MR. CARRANO: Sure. Do you mind if I just
25 answer one question about the computer, the previous term?

:51:51 1 THE COURT: No. I do mind. We are done with
:51:51 2 that.

:51:57 3 MR. CARRANO: Your Honor, I think the parties
:52:08 4 are in agreement that, with respect to Claim 1 of the '608
:52:13 5 patent, that the receiving computer needs to be distinct
:52:15 6 from the second computer. I think we are in agreement with
:52:21 7 that.

:52:21 8 THE COURT: If you are in agreement, why
:52:22 9 wouldn't my language, even if it is a little redundant, why
:52:25 10 wouldn't that work for you, other than the second computer?

:52:30 11 MR. CARRANO: I think that language generally
:52:32 12 would work for us. I think it addresses part of the
:52:34 13 problems we have with their construction.

:52:37 14 One problem was that, the distinctness
:52:40 15 internally in the claim, which, although I think they agree
:52:44 16 with it, Your Honor's construction resolves that. The other
:52:46 17 thing we had a problem with was the "capable of" aspect of
:52:50 18 it, where we think the claim requires affirmatively
:52:54 19 receiving a video file as opposed to being capable of
:52:58 20 receiving.

:52:58 21 THE COURT: Is Google in with the Court's
:53:00 22 proposed construction?

:53:00 23 MR. CARRANO: I believe so, yes.

:53:01 24 THE COURT: Okay. There it is. Let's move on.

:53:04 25 MR. CARRANO: That addresses this first term.

1 The second one is about the first computer
2 itself. This is the other claim.

3 THE COURT: Let's make sure we keep the order
4 straight, if we are going move on to a new term.

5 MR. CARRANO: Fair enough.

6 MR. FRANZINI: Thank you, Your Honor. I guess I
7 will keep this short.

8 Our objections to this claim, to their
9 construction, the objections are the same, our objection is
10 the same on the receiving computer. Unless the Court wants
11 to hear more on that, I don't feel compelled to give an
12 argument on that.

13 THE COURT: I would only suggest that both sides
14 refer to this clause first, as far as first computer as one
15 or more computers other than the second computer again.

16 MR. FRANZINI: We will be okay with that, Your
17 Honor.

18 THE COURT: Mr. Carrano.

19 MR. CARRANO: The only issue we want to be clear
20 on is that the first computer in the '302 claim, it can be
21 made of, comprised of many computers. As long as that
22 collection of computers performs all of those functions,
23 that would work for us. But what we are concerned about is
24 if you construe first computer to have let's say ten
25 computers, and we partition those ten computers, the first

1 five doing the first five functions and the next five doing
2 the next five functions, that's where we have an exception.

3 THE COURT: Is there some other language that
4 you would like to suggest that may address that?

5 MR. CARRANO: I think our construction, however
6 you want to define the distinct computer, performs all the
7 recited functions as a collective. Again, in the case here,
8 if the first computer has ten computers, all ten of those
9 computers participate in those ten functions in the claim,
10 we are okay with that. Not partitioning out, making it
11 broader, where you have five to do five functions and five
12 to do the other five functions. That we think broadens up
13 the claim.

14 THE COURT: So you think, with the Court's
15 proposal, that it might leave the door open.

16 MR. CARRANO: I haven't studied it, but
17 possibly. That is our only concern about the multiple
18 computers making up the first computer.

19 THE COURT: Let me get your colleague to react.
20 Maybe we can we can reach an accommodation here.

21 Mr. Franzini, you understand Mr. Carrano's
22 concern.

23 MR. FRANZINI: Yes, Your Honor. I understand
24 it. I am going to put the claim up so I can respond to it.

25 So I have placed the claim that Mr. Carrano is

1 concerned about on the board. The claim recites, "executing
2 by a first computer," then recites a number of steps. That
3 language requires the first computer to execute the steps
4 that follow. There is no need for further construction to
5 make that clear.

6 If the first computer doesn't perform each of
7 those steps, then this limitation of executing by a first
8 computer, the steps that follow is not met.

9 THE COURT: The Court's rendition makes it clear
10 it is other than a second computer.

11 MR. FRANZINI: Yes, Your Honor, with that
12 addition.

13 MR. CARRANO: Other than a second computer, that
14 is fine. It is just an issue of, in the instance we have
15 ten computers, that that collective ten computers, it's now
16 the first computer performs all those ten functions. That
17 is the only thing we are trying to make clear, is that you
18 are not going to broaden, one can't broaden the claim by
19 saying, okay, that first computer has --

20 THE COURT: I understand your point. Mr.
21 Franzini, I think, would probably respond that you feel that
22 you would be repeating yourself.

23 MR. FRANZINI: I stand by my response, Your
24 Honor.

25 THE COURT: I really do think it's adequate to

:57:06 1 your concern.

:57:06 2 MR. CARRANO: Very good. Thank you, Your Honor.

:57:08 3 THE COURT: That will be No. 3.

:57:10 4 Let's move on. Mr. Franzini.

:58:28 5 I am going get us to step back for a moment to

:58:31 6 what may be an oversight. That is why we hire these

:58:36 7 brilliant young people (indicating Law Clerk), to come and

:58:39 8 help us do our jobs.

:58:42 9 Let's go back to No. 3, "a first computer." I

:58:50 10 am going to get Mr. Carrano to come back up, actually,

:58:54 11 because I want you to be a little more specific and detailed

:58:57 12 concerning your concern. Ms. Okembo points out I think

:59:04 13 accurately to me that I may be setting this up for a further

:59:07 14 argument down the road at trial, and we should address what

:59:10 15 we can address at the Markman stage. So go ahead.

:59:13 16 MR. CARRANO: Very good. I was going to try to

:59:22 17 bring up the claim.

:59:24 18 Actually, this is perfect.

:59:25 19 This is Slide 19. Obviously, the claim calls

:59:29 20 for a first computer. As Mr. Franzini pointed out, the

:59:33 21 first computer executes all ten steps. We have annotated

:59:36 22 them [F.1] through [F.10].

:59:39 23 So if the Court's construction says this first

:59:42 24 computer is to be made up of, let's say, ten computers, our

:59:48 25 only concern is that, then, those ten computers work

1 together to perform each one of these ten functions, not
2 that those ten computers then can be in essence ten discrete
3 computers which each individually perform these functions.

4 So there would have to be some collective of ten
5 computers that as a unit performs those ten functions. That
6 is what is claimed, and that is what is required.

7 Otherwise, the claim gets broadened up. It is also
8 inconsistent with their other claims in the case.

9 Slide 21, for example, is what's claimed, the
10 first computer performing the ten functions. And then we
11 have Slide 22, which is an example, if we had four computers
12 that make up that first computer, then those four computers
13 have to perform those ten functions. You couldn't partition
14 some other way.

15 That is our concern, and that is what we are
16 trying to illustrate, is that the collective of computers
17 that make up that first computer have to just be involved
18 with those ten functions that are called for from the claim.

19 THE COURT: You feel that Mr. Franzini's
20 response is not really perhaps adequate?

21 MR. CARRANO: Just sometimes it is hard -- I am
22 I am not very articulate. I just want to drive home the
23 point that that's what we are trying to accomplish with
24 making this point, is that the claim scope is not broadened
25 with how you allocate the functions to different computers.

1 As long as they are the collective computers that perform
2 that first computer that is claimed, all work together to
3 execute or perform those functions, we are fine with that.

4 THE COURT: Let me get a further response to
5 that.

6 Do you have his concern in mind, the broadening
7 of the claim scope?

8 MR. FRANZINI: So I believe, Your Honor, that
9 Mr. Carrano would like each of the -- supposing the first
10 computer is made up of multiple computers, I think the
11 defendants are not proposing that each computer that makes
12 up the first computer needs to participate in each one of
13 the recited functions. To the extent that is his concern,
14 then I think that that improperly narrows the scope of the
15 claim. There is nothing in the claim that says that every
16 computer that makes up the first computer must participate
17 in each one of the recited functions of the first computer.
18 That's not something that came up in the briefing. I don't
19 remember reading about that in the brief. But I don't see
20 anything in the claim that would require the first computer
21 when it is made up of multiple computers, as the dependent
22 claims allow, to have those computers each participate in
23 each one of the recited functions.

24 THE COURT: Mr. Carrano, has Mr. Franzini
25 accurately understood?

:03:06 1 MR. CARRANO: Yes, I think he understands me
:03:08 2 now. We just disagree.

:03:10 3 THE COURT: You just disagree.

:03:11 4 MR. CARRANO: If the Court will indulge for a
:03:15 5 second.

:03:16 6 THE COURT: Sure.

:03:22 7 MR. CARRANO: Just to juxtapose the two claims
:03:26 8 here for the '302 patent, we have been talking about the
:03:30 9 first computer throughout the claim. Clearly, as recited,
:03:35 10 the first computer performs all these functions. They know
:03:38 11 how to claim multiple computers when they want multiple
:03:41 12 computers. In Claim 14, the apparatus claim, they claimed
:03:43 13 nine computers, each one of those performing a corresponding
:03:49 14 function.

:03:50 15 So what we want to ensure is that when you are
:03:56 16 using first computer in the method claim, it retains the
:04:01 17 scope of the claim, meaning that that first computer must
:04:04 18 perform all these functions, even if that first computer is
:04:08 19 made up of multiple computers. That is where the dispute is
:04:13 20 now between the parties.

:04:14 21 THE COURT: Why, in your view, would this not be
:04:17 22 an improper narrowing?

:04:19 23 MR. CARRANO: Sure. Just by way of, just
:04:21 24 looking at these two examples, the patentee knew when to
:04:24 25 recite multiple computers when they wanted to and when they

1 didn't want to. So in Claim 1 they just chose to, and the
2 notice provision, to those in the art, is that with respect
3 to Claim 1 you have a first computer doing all these
4 functions; with respect to 14 you can have nine computers,
5 each individually performing those functions.

6 It is a drafting choice, but a drafting choice,
7 in view of the notice provision, that the Court oughtn't
8 maintain.

9 THE COURT: All right. You can come back and
10 respond, and then let's move on.

11 You have in mind the reason for the dispute?

12 MR. FRANZINI: Your Honor.

13 I put Figure 1D up on the board. That shows
14 host computer 60, and that's right here, and it also shows
15 within host computer 60 a number of other computers, server
16 computer 62, storage array 64. And the specification
17 describes each one of these computers as performing discrete
18 functions. For example, the storage array is for storing,
19 the server is responsible for receiving, and possibly some
20 other steps.

21 So not only is there nothing in the claims that
22 would require each one of the multiple computers making up
23 the first computer to participate in each one of the recited
24 functions, but that construction would exclude preferred
25 embodiments, because in the preferred embodiments the

1 discrete computers perform discrete functions.

2 THE COURT: Thank you. Let's move on.

3 MR. FRANZINI: The next group is the "embedding"
4 phrases. The language to be construed by the Court is
5 "embedding the identification tag into a web page."

6 We contend that the meaning of this claim
7 limitation is clear, that it requires no further
8 construction, and so our proposal is just the claim language
9 itself, not for it to be construed.

10 The defendants' proposal starts with the claim
11 language, "embedding the identification tag into a web
12 page." They then replaced "web page" with "website" and
13 append the additional limitation "remote from the receiving
14 computer."

15 Both parts of this proposal are wrong. I will
16 address them one at that time. The first one is "website."

17 The word "web page" doesn't mean the same thing
18 as "website." We have some definitions on the board.

19 THE COURT: I think that's probably not a
20 controversial issue.

21 MR. FRANZINI: The important distinction between
22 the two is that a web page is a document. The word web page
23 doesn't have any location-based component to it. It's just
24 a web page. It can be anywhere. It says nothing about the
25 location.

1 A website is the location where a web page might
2 be. So it might be on a particular server. That seems to
3 be undisputed.

4 So changing "web page," which has no
5 location-based connotation, to "website" alters the scope of
6 the claim. And defendants have no justification for this
7 proposed change.

8 The second part of defendants' construction is
9 "remote from the receiving computer." Adding this
10 limitation has the effect of narrowing the claim to only
11 include web pages that are at a site that's remote from the
12 receiving computer. For the introduction of an additional
13 limitation like this to be warranted, defendants would need
14 a definition or an express disavowal in either the
15 specification or the prosecution history. Defendants don't
16 point to anything like that.

17 They point to -- I put up on the board all of
18 the specification cites that defendants rely on. There is
19 three of them. Each one of them starts with, "in one
20 embodiment," "in different embodiments," "in different
21 embodiments." These are just embodiments. They are not a
22 definition. They are not a disavowal. It is improper to
23 limit claim terms to preferred embodiments.

24 THE COURT: Why wouldn't plain and ordinary
25 meaning be adequate to the task for both sides?

:09:32 1 MR. FRANZINI: That is our proposal, Your Honor.

:09:36 2 I guess I should pass it.

:09:37 3 THE COURT: You say no construction is

:09:39 4 necessary, yes.

:09:40 5 MR. FRANZINI: By that we mean --

:09:42 6 THE COURT: You mean plain and ordinary meaning.

:09:44 7 I thought you said we could just use the writing, the words,

:09:50 8 as exemplified in the claim, that is, those exacts words.

:09:54 9 MR. FRANZINI: I just put that on the screen.

:09:55 10 We put it in our briefing to make clear we are not altering

:09:59 11 the claim and to make a distinction from defendants, who

:10:02 12 are. That is why we presented it like that.

:10:04 13 We would be happy with plain and ordinary

:10:06 14 meaning.

:10:06 15 THE COURT: Mr. Carrano.

:10:12 16 MR. CARRANO: So to address their first point,

:10:24 17 in our reply brief, we had as a compromise and further

:10:28 18 clarification, we had substituted out "website" and inserted

:10:33 19 "web page" into our construction.

:10:36 20 So that issue is mooted.

:10:39 21 The contention still remains about the remote

:10:42 22 aspect of it.

:10:44 23 So our construction is "embedding the

:10:47 24 identification tag into a web page remote from the receiving

:10:50 25 computer."

1 As counsel pointed out, there are a number of
2 embodiments in the patent, all of which, the identification
3 tag is embedded into a remote web page, all of them. So
4 they point out accurately, there is one embodiment,
5 different embodiments, what have you, all of which either
6 use the word remote or describes it in a way where the
7 identification tag is embedded in a page remote from the
8 receiving computer or remote from the host computer.

9 By way of example, we have here in the '608
10 patent, Column 8, 17 through 22, an instance where the
11 description shows that the web page is remote from the
12 receiving computer, although the word remote is not used.
13 In the previously slide, on 28, we have a couple of cites to
14 the specification where remote is actually used.

15 In all of the embodiments, the web page is
16 embedded with the identification tag, and that web page is
17 remote from the receiving computer and the host computer.

18 So while we agree there is no definition per se
19 in the specification, we are instructed that where a term is
20 used consistently throughout the specification, that is
21 tantamount to a definition. And the Santa Clara case is one
22 we pointed to.

23 So here the web page is always remote from the
24 receiving computer or the first computer. And that's the
25 only disclosure there is. There is no guidance about the

1 web page being anyplace else. If the claims are broad
2 enough to include that web page being elsewhere, there is no
3 disclosure for that and we may have a 112 problem or
4 something else.

5 But in the attempt to try to construe the terms
6 that preserve validity to some extent, we went through the
7 spec, specification, and the only place we could find
8 support for the web page being embedded is at the remote
9 location.

10 They didn't address the alternative
11 construction. But what is unclear about that construction,
12 the alternative one, is that it says, "including the
13 identification tag in a web page so that a computer is to
14 the user as part of the web page," that doesn't come from
15 the specifications themselves. It is unclear what appears
16 to a user to be part of a web page. We think this gives
17 insufficient guidance as to what the identification tag is.
18 So we think their construction is flawed for that reason,
19 because it is not supported in the specification and it in
20 itself is not clear.

21 THE COURT: Based upon your understanding of how
22 a POSA would understand this particular term, remote --

23 MR. CARRANO: Yes. The only guidance -- indeed,
24 at the time -- this is in our brief a bit -- as we pointed
25 out, this technology was allegedly developed in the late

:14:23 1 nineties. And the late nineties are not today, where you
:14:27 2 have social media and everyone gives up their control.
:14:31 3 People still retained control a little bit about their
:14:33 4 identity and what they are doing on the web back then.

:14:37 5 So this patent is written from that context,
:14:39 6 where it gave the sender or the owner of the video the right
:14:43 7 to or the control of where to embed the identification tag
:14:47 8 and who to share it with. Unlike today, where people have
:14:52 9 given up a lot of control and they just post things and they
:14:56 10 lose control, the patent is really directed to allowing the
:15:00 11 user to retain control of the video. So they would give the
:15:04 12 identification tag to the user and say, hey, embed it in
:15:06 13 your website, your remote site, or give it to your friends,
:15:10 14 whatever, but you control who sees it.

:15:12 15 This just reflects what's disclosed in the
:15:14 16 patent. Our construction here, and it also is consistent
:15:17 17 with at the time, your point about POSITA, control was still
:15:23 18 an important issue for users, less so today than then, but
:15:27 19 at that time, and you are looking at it through that lens at
:15:30 20 that time, this makes sense for this construction, that the
:15:34 21 user retains control, because they can embed the
:15:36 22 identification tag in their remote site or wherever they
:15:39 23 want. But they are the one who is doing it. Again, it is
:15:41 24 described in the patent as being remote from the host or the
:15:46 25 receiving computer or first computer.

:15:48 1 THE COURT: Mr. Franzini, does your POSA
:15:53 2 disagree with his POSA?

:15:55 3 MR. FRANZINI: Yes, Your Honor. I will explain
:15:56 4 why.

:16:09 5 So the question for a person of ordinary skill
:16:11 6 in the art is what the word phrase "embedding the
:16:16 7 identification tag into a web page" means. And a person of
:16:21 8 ordinary skill in the art would not understand that to mean
:16:24 9 that the web page has to be remote from the receiving
:16:27 10 computer, because the word web page doesn't say anything at
:16:31 11 all about location. This is just an additional limitation
:16:35 12 that the defendants are adding.

:16:39 13 THE COURT: Are they adding it without cause,
:16:42 14 given Mr. Carrano's argument?

:16:45 15 MR. FRANZINI: Yes, Your Honor. I will respond
:16:46 16 to that now.

:16:46 17 What they would need is a definition or
:16:50 18 disavowal that says, hey, this patent is only about remote
:16:54 19 web pages.

:16:55 20 THE COURT: So he cites a case, that if you use
:16:59 21 the word enough it is tantamount to just what you said, to
:17:02 22 you being your own lexicographer. Go ahead.

:17:05 23 MR. FRANZINI: Yes, Your Honor. That comes in,
:17:07 24 for example, if a patent used the word means but kept using
:17:17 25 it in the context where it was clear what they meant by

1 means was website remote from the receiving computer, then
2 that is a situation -- that is tantamount to a definition.
3 But when the patent describes a web page remote from the
4 receiving computer, clearly, that web page doesn't have to
5 be remote from the receiving computer. It's not using the
6 word web page to mean web page or remote from the receiving
7 computer.

8 In fact, Mr. Carrano's description that the only
9 web pages that are discussed in the specification are remote
10 from the receiving computer is incorrect on two levels. The
11 first thing is that the patent actually says the opposite,
12 that the identification tags can be embedded in any web
13 page, not just in remote websites.

14 I have put up one of the passages that the
15 defendants cite that says -- it's talking about embedding an
16 HTML code in a web page. What it says is, "This HTML code
17 can be pasted into any web page that supports the HTML
18 inserts," full stop. It doesn't say it can be pasted into
19 any web page so long as that web page is remote from the
20 receiving computer. It doesn't make that distinction at
21 all.

22 It goes on to say that "the feature of allowing
23 people to paste web pages" -- excuse me, HTML -- "enables
24 the user to place this video in any system that supports
25 HTML code," then it gives an example of personal web pages.

1 There is nothing about this that says, but hold on one
2 second, it can't be the same -- this web page can't be on
3 the receiving computer.

4 The second part is that when the patent
5 discusses this concept of a remote website, it is not
6 talking about a website that is remote from the receiving
7 computer. The receiving computer is the server computer
8 that receives the website. It is talking about a website
9 that's remote from the user, the user who is viewing the
10 website. So I put an example here. It is talking about the
11 viewer who visits the remote website. It's talking about a
12 remote website that's remote from the user, not remote from
13 the receiving computer.

14 So we don't think that there is any basis for
15 including this additional limitation that the web page has
16 to be hosted on a website that is remote from the receiving
17 computer.

18 THE COURT: Let me get guidance from both you.
19 If I were to decide this is plain and ordinary meaning but
20 POSAs disagree on the plain and ordinary meaning, will I
21 have done my job, according to 02 Micro?

22 MR. FRANZINI: Well, Your Honor, yes, because
23 the ordinary meaning doesn't include -- I think defendants
24 now admit that the word web page doesn't connote any sort of
25 location. So the ordinary meaning of embedding the

1 identification tag into a web page doesn't include any
2 concept of location of that web page. And that's exactly
3 why defendants need to add additional language to the claim
4 term itself to introduce this limitation.

5 THE COURT: Okay. All right. Got you.

6 Next term, counsel.

7 MR. LYON: New face, Your Honor. Rick Lyon,
8 Your Honor.

9 Your Honor, the next term is a "streaming video
10 file comprising a streaming video format." This appears in
11 all the independent claims of both patents, '114, the '608,
12 and the '302.

13 I have placed on the board VideoShare's
14 proposal. It is "streaming video file including a streaming
15 video format." This mirrors the claim language. The only
16 change is changing the word comprising into the more jury-
17 accessible term including.

18 We also offer an alternative construction that
19 explains the plain meaning of the word streaming. And that
20 construction is, "video file containing data or formatted
21 such that it is capable of (a) being transmitted over a
22 network and (b) being played before all of its data is fully
23 transmitted."

24 Those two capabilities, (a) and (b), that is the
25 universally accepted meaning of streaming. And that's not

:22:03 1 challenged by defendants. They haven't disagreed with that.

:22:08 2 I have put up on the board defendants' proposal.

:22:11 3 It starts out also reflecting the claim language "streaming

:22:15 4 video file including," they also change comprising to

:22:18 5 including. Then they replace "a streaming video format"

:22:22 6 with "format characteristics and format identifiers." So

:22:27 7 their construction reads, "streaming video file including

:22:30 8 format characteristics and format identifiers."

:22:34 9 So according to defendants, a streaming video

:22:38 10 format means format characteristics and format identifiers.

:22:44 11 But that is not true. If that were true, then one could

:22:47 12 determine whether a particular video file was in streaming

:22:51 13 video format by looking to see whether it had format

:22:53 14 characteristics and format identifiers. But it doesn't,

:22:57 15 because every video file has format characteristics and

:23:01 16 format identifiers. It tells us nothing about whether it is

:23:06 17 in streaming video format.

:23:07 18 For example, I have put two common video files

:23:10 19 on the board. One is a well-recognized non-streaming video

:23:13 20 file. One is a streaming video file. The non-streaming

:23:17 21 video file, just like the streaming video file, has format

:23:20 22 characteristics and format identifiers. It identifies the

:23:22 23 format as ISO 9660, a universally accepted non-streaming

:23:26 24 video format.

:23:28 25 So streaming video format does not mean format

:23:31 1 characteristics and format identifiers.

:23:33 2 So we must ask the question, where do defendants
:23:36 3 get this language from? This is from their brief on the
:23:40 4 board, this is from defendants' opening brief at Page 7.
:23:42 5 They say, "The specification states that the determination
:23:47 6 of a format," they impose the words streaming video, "that
:23:51 7 the determination of a format can be carried out by
:23:54 8 comparing the format to known format characteristics and
:23:58 9 format identifiers."

:23:59 10 This is what they quote here from the '608
:24:01 11 patent. This is the only reference in the entire intrinsic
:24:03 12 record to format characteristics and format identifiers.

:24:08 13 Now, if this were to limit what is meant by
:24:12 14 streaming video format, we would expect some sort of
:24:15 15 definition or disavowal of streaming video format in this
:24:18 16 passage. But there is not. There is nothing like that.

:24:21 17 What it is is a description of the analyzer
:24:25 18 module 1530. The analyzer module is responsible for the
:24:29 19 step of determining the format of a file. It says, "The
:24:33 20 determination of a format can be carried out by comparing
:24:36 21 the format to known format characteristics and format
:24:39 22 identifiers."

:24:41 23 Determining the format of a video file is not in
:24:44 24 the claims. That is an unclaimed step. What the claims are
:24:47 25 concerned about is converting the format of the video file.

1 That's a different module altogether, a different part of
2 the specifications. That is described by format conversion
3 Model 1540.

4 Under controlling Federal Circuit law, it is
5 improper to look to an unclaimed step and import limitations
6 from that unclaimed step into the claim language.

7 That is why defendants' construction should be
8 rejected.

9 I am going to if turn briefly to plaintiff's
10 alternative proposal.

11 Defendants do not take any issue in their
12 briefing with what it means to be streaming. This is their
13 sole critique of plaintiff's alternative proposal. This is
14 from their reply brief. It states, "VideoShare's
15 construction ignores the second aspect of the limitation, a
16 streaming video format limitation." So according to
17 defendants, our proposal doesn't adequately account for the
18 term format.

19 There is two ways to account for the term
20 format. One is to leave the term format in the claim
21 language, or, two, to see what does format mean and include
22 that in the claim language.

23 So all format is, it's an arrangement of data.
24 This is just from a computer dictionary telling us what
25 format means. It's a way of arranging data. That is

1 expressly incorporated into our proposal. It's a video file
2 containing data arranged in a way that it has those
3 properties of a streaming video file. That is our proposal.

4 In our reply brief we alternatively proposed, to
5 address this concern, "a video file containing data
6 formatted such that" it includes those two requirements of
7 what it means to be streaming. So either of those accounts
8 for defendants' sole critique of our construction.

9 THE COURT: Thank you.

10 MR. CARRANO: So the issue here is whether or
11 not, looking at the claim itself, there is a requirement
12 over and above what the streaming video file is. If you go
13 to the claim, this is on Slide 33, Claim 1 of the '608, it
14 clearly says "a streaming video file comprising a streaming
15 video format." Plaintiff's construction for the most part,
16 at least their first one, addresses what a streaming video
17 file is. But they never address the "comprising a streaming
18 video format." That is what we attempted to do in our
19 construction, is in view of the specification, what does the
20 streaming video format mean.

21 So on the top of Slide 34, we just partition the
22 claim language at issue into the two parts, a streaming
23 video file, and then comprising a streaming video format.
24 And we went to the specification. And for format, it does
25 disclose format characteristics and format identifiers.

1 So plain and ordinary meaning of the term, in
2 view of the specification, a streaming video file would have
3 format characteristics and format identifiers.

4 As far as the claiming, they didn't have to
5 claim comprising a streaming video format, but they did.
6 They could have stopped at streaming video file, if they
7 wanted to claim something broader, but they didn't. They
8 included this language.

9 So our construction addresses that, and we have
10 addressed it in view of the specification itself.

11 The specification also goes on to talk about
12 different types of formats, and then, as counsel correctly
13 points out, the format characteristics and identifiers are
14 discussed with a step about analyzing a video stream file.
15 But that doesn't mean anything other than -- it illustrates
16 our point that a streaming video file has characteristics
17 and identifiers.

18 That's the second point on Slide 35. This
19 illustrates our point that a streaming video file will have
20 these two attributes. And that's what's claimed in the
21 claims themselves.

22 Their construction effectively reads out
23 streaming video format. They really don't construe it. And
24 then we have gotten, you know, guidance from the Fed Circuit
25 as well that reading terms out or rendering terms

1 superfluous is improper as well.

2 So in short, they claim streaming video format
3 in addition to a streaming video file. The only guidance in
4 the spec on this issue are these characteristics in our
5 construction. Therefore, the Court needs to construe that
6 term, and, two, the only guidance we have is what is in our
7 construction, meaning format characteristics and format
8 identifiers.

9 This argument about importing a step into the
10 claim, we are not doing that. It is just the preferred
11 embodiments that they discuss, streaming video files both
12 with the step of analyzing and the step of converting. But
13 we are not importing the step of analyzing. It's just using
14 the discussion about what a video file has regarding its
15 streaming video, is what we are using.

16 THE COURT: Thank you, Mr. Carrano.

17 Let's move on to the next term. I have a 2:00
18 proceeding.

19 MR. LYON: Very good, Your Honor.

20 The next term, Your Honor, is "video frame
21 image." So there is two closely related claim phrases. One
22 appears in the '302 patent and one is in the '608 patent. I
23 have put them on the board.

24 The '302 patent is a "video frame image selected
25 from the streaming video file, the video frame image

:31:25 1 representing a subject matter of the streaming video file."

:31:28 2 The '608 patent analog is "comprising a video
:31:31 3 frame image representing a subject matter of the streaming
:31:34 4 video file and identifying the streaming video file."

:31:38 5 Now, I have placed on the board the parties'
:31:41 6 respective constructions for these terms. And there is
:31:43 7 really two issues that the parties have identified that
:31:47 8 differentiate the two constructions. I have highlighted
:31:50 9 those in defendants' construction there.

:31:52 10 The first dispute is whether the video frame
:31:55 11 image in the video file just needs to be one of the still
:31:59 12 images in the video file, as VideoShare contends, or if it
:32:02 13 must be a specific image, if it must be the middle image, as
:32:07 14 measured by the temporal duration over the video file, as
:32:13 15 defendants contend.

:32:15 16 The second issue only concerns the limitation in
:32:19 17 the '608 patent. That is defendants' attempt to import a
:32:23 18 different limitation, the URL or hyperlink" limitation of
:32:27 19 the claim. I am going to begin with the first issue, the
:32:30 20 middle image dispute.

:32:31 21 Defendants' construction fails at the outset by
:32:34 22 looking at the claim language itself, Your Honor. If we
:32:36 23 look at the claim language, this is the '302 patent, Claim
:32:40 24 2, it states, "a video frame image selected from the
:32:44 25 streaming video file."

1 Now, to select means to choose from the various
2 options, in this case to choose from the various video frame
3 images in the video file. If, as defendants contend, that
4 were predetermined, if it could only be the middle image,
5 then there would be no need for selection. The claim
6 language doesn't make sense in that context. We presented
7 this argument in our opening brief, and defendants failed to
8 address it in any way in response.

9 Now, where do defendants get the construction
10 from? It's right here. This is from defendants' opening
11 brief. It states, "In one embodiment, the software for the
12 VideoShare producer 20 software creates the thumbnail" --
13 that is the video frame image -- "by taking the middle image
14 of the entire video file measured by the temporal duration
15 of the file."

16 So defendants lift this out, and this became
17 their construction. But this fails by defendants' own
18 acknowledgment. They admit that this is just one
19 embodiment. And, of course, it is improper to import an
20 embodiment into the claims, especially when here the claims
21 themselves are inconsistent with this embodiment.

22 But what's worse in this case, Your Honor, is
23 the very next sentence states, "In another embodiment, the
24 selection of an image from which to make the thumbnail can
25 be left to the discretion of the user." That is, it need

1 not be the middle image. It could be any image. The user
2 can decide. That is fatal to defendants' position. And
3 defendants recognize that that is fatal to their position,
4 so they come up with an argument to try to explain away the
5 user selection embodiments.

6 This is defendants' argument. This is in their
7 brief at Page 8 in Footnote 7. They say, "This user
8 selection embodiment is not an embodiment that the claim
9 limitation is directed to because the claim limitation is
10 performed by the receiving computer, not the user."

11 What they are saying is that that disclosure in
12 the embodiment is talking about the user selecting the
13 image, but the claims say that the receiving computer
14 selects the image, therefore, there is an inconsistency,
15 that particular embodiment must not apply to the claims.

16 But in doing so, defendants misread the claims.
17 There is no inconsistency whatsoever. What the claims
18 require is that the receiving computer generate an
19 identification tag comprising a video frame image.
20 Generating is not the same as selecting. It's entirely
21 possible that the user selects the image from various images
22 presented to the user and that the computer then generates
23 the identification tag that incorporates the user's
24 selection image.

25 Now, if we look at the disclosure in the spec,

1 it draws the same distinction between generating and
2 selecting. It states, "In this embodiment, the selection of
3 the image from which to make the thumbnail can be left to
4 the discretion of the user."

5 So it differentiates between making the
6 thumbnail and the selection of the user. Defendants'
7 attempt to dismiss the user selection embodiment thus fails.
8 Is the video frame image limited to the middle image? No,
9 it is not. That is contradicted by the claim language
10 itself and the intrinsic record.

11 The second issue, must the identification tag
12 include a URL or a hyperlink? This only pertains to the
13 '608 claim. And what the '608 claim has is that additional
14 section highlighted there, that the identification tag
15 comprising a video frame image identifies the streaming
16 video file. So the correct construction accounts for how a
17 video frame image can identify a video file.

18 Plaintiff addressed this here in their proposal,
19 that the video frame image is used as a reference image to
20 identify the video. That is how an image can identify, a
21 user can see it and recognize that that corresponds to a
22 particular file.

23 This concept is absent from defendants'
24 proposal. Instead, they insert this URL or hyperlink
25 limitation.

1 If we turn to the specification, we see that is
2 in perfect alignment and compels VideoShare, the plaintiff's
3 construction. It also explains how the frame identifies.
4 It states it's a jpeg. still image that is used as a
5 reference image to the entire video file. It goes on to
6 explain that that thumbnail image is an identifier that a
7 user or viewer can observe.

8 Again, this is reflected by plaintiff's
9 construction. The concept of a URL hyperlink is completely
10 absent from the specification's description of how the image
11 identifies.

12 Where do the defendants get this URL or
13 hyperlink limitation? This is from their brief, this is
14 their opening brief from Page 10. It states, "The claims
15 each recite embedding the identification tag in a web page
16 for the purpose of serving, i.e., actively streaming, the
17 video file to users. And therefore, because a still image
18 can't accomplish this task, we must include a hyperlink or
19 URL, which would."

20 If we look to the claim language, it doesn't say
21 any such thing. The claim language does not state that the
22 purpose of the identification tag or the video frame image
23 is to serve a streaming video file. What for serving a
24 streaming video file refers to is the actual web page. That
25 is what immediately precedes for serving a streaming video

1 file.

2 If there is any doubt whatsoever what for
3 serving a streaming video file refers to, that is resolved
4 by looking at the dependent claim, Claim 13, which refers
5 back to as its antecedent basis the web page for serving the
6 streaming video file. It doesn't refer back to the
7 identification tag or video frame for serving the streaming
8 video file. Identification tags, frames, don't serve. They
9 identify.

10 Defendants make one additional argument. They
11 state that the specification states that the identification
12 tag can be embedded in a web page so that a visitor to the
13 web page can activate the identification tag, such as a link
14 to URL. And they quote from the patent here. This is a
15 passage from the patent where the identification tag is
16 actually an active link, includes an active link or URL.
17 Notably, this is just one embodiment that includes a link or
18 URL. This is in contrast to the embodiments that include
19 different identifiers, such as the claims that the Court is
20 being asked to construe that include a video frame image as
21 an identifier.

22 We know that the particular embodiment is not
23 directed to our claims, because, again, there is a dependent
24 claim, that is not before the Court, we are not asking the
25 Court to construe, that actually encapsulates this

:39:44 1 embodiment. That dependent claim adds the additional
:39:47 2 limitation "wherein the identification tag further comprises
:39:51 3 the URL." That is not claim language that we are asserting
:39:53 4 to you today.

:39:54 5 Does the identification tag include a URL or
:39:56 6 hyperlink? No, it does not.

:40:05 7 THE COURT: Thank you, counsel.

:40:06 8 MR. CARRANO: The two issues are obvious at this
:40:21 9 point, whether or not the claim requires two parts,
:40:25 10 something about the image representing the subject matter
:40:30 11 and a part regarding identifying the video, streaming video
:40:37 12 file.

:40:39 13 Let's take a look at the claim itself.

:40:41 14 The claim itself, this is Claim 1 of the '608
:40:44 15 patent, and the claim language at issue is at Step (b2), in
:40:49 16 the first instance, again, it calls for comprising a video
:40:53 17 frame image representing a subject matter of the streaming
:40:55 18 video file and identifying the streaming video file. And
:40:59 19 then part of our position here is that Step (b) expressly
:41:04 20 calls for serving the streaming video file. That is the
:41:10 21 active aspect of our construction.

:41:12 22 On Slide 40, we just outlined the outline the
:41:17 23 claim language in part, break it into two parts, [1] and [2]
:41:21 24 here. It is the identification tag has two parts of a video
:41:24 25 frame image representing a subject matter and identifying

:41:27 1 the streaming video file.

:41:30 2 On the first part about representing the subject
:41:32 3 matter, the only objective evidence we could find in the
:41:36 4 specification regarding representing the subject matter is
:41:40 5 what's provided in the specification about picking the
:41:43 6 middle image. Otherwise, this becomes a very subjective
:41:46 7 term of what an image represents. Does any particular image
:41:52 8 really represent the subject matter of the video? The only
:41:55 9 objective guidance in the specification is with respect to
:41:58 10 this middle image. So on that one aspect, the only guidance
:42:08 11 in the specification at all is the selection of the middle
:42:11 12 image, not some other way of choosing something
:42:15 13 representative of the video.

:42:17 14 With respect to the second portion of our
:42:19 15 construction, about requiring a URL or hyperlink, that just
:42:25 16 falls from the claim language itself that calls for serving
:42:28 17 the video file, serving the streaming video file. That's
:42:34 18 Step (b3), which we talked about earlier.

:42:39 19 So going back to the claim, we think the proper
:42:44 20 construction in this regard, in view of the guidance,
:42:47 21 objective guidance, is the middle, the video frame image
:42:52 22 being the middle frame and identifying the stream being able
:42:56 23 to serve it actively that is required in Step (b3) to be a
:43:01 24 URL hyperlink.

:43:02 25 THE COURT: Thank you, counsel.

:43:04 1 All right. I think we can move on. I have the
:43:06 2 arguments in mind.

:43:20 3 MR. LYON: So the next claim language, Your
:43:33 4 Honor, is the "automated function automatically performing"
:43:37 5 phrase. I put on the board the language that the parties
:43:40 6 are asking the Court to construe. It's the highlighted
:43:43 7 language there. It's "executing, in response to receiving
:43:48 8 the video file, an automated function automatically
:43:50 9 performing each of..."

:43:53 10 What is performing each of are those three
:43:55 11 steps: the converting step, the generating step, and the
:43:58 12 embedding step.

:43:59 13 This is from the '608 patent at Claim 1. The
:44:02 14 same language appears in Claim 14 as well.

:44:07 15 I put on the board the parties' respective
:44:11 16 constructions. I have highlighted in red there the words
:44:14 17 "in order" in defendants' construction. And that's the
:44:17 18 primary dispute between the parties. That's what I am going
:44:19 19 to address today.

:44:21 20 So the question is, must each of the steps be
:44:25 21 performed in order? Must each of (b1), converting, (b2),
:44:30 22 generating, and (b3), embedding, be performed or are they
:44:34 23 required to be performed in order?

:44:37 24 There is three questions that we must ask to
:44:39 25 make that determination. The first is, does the claim

:44:43 1 language actually recite an order? Does the logic or
:44:47 2 grammar of the claim language require each step to be
:44:50 3 performed in order? Or, three, does the specification
:44:54 4 disclaim any other orders?

:44:56 5 The answer to each of those three questions is
:44:58 6 no, Your Honor. So there is no requirement that each of the
:45:01 7 steps should be in order. And I am going to address them
:45:03 8 each in turn, beginning with the claim language.

:45:08 9 In defendants' brief, they note the prefixes
:45:13 10 (b1), (b2) and (b3), and they state that that implies an
:45:17 11 order. There is two problems with that, Your Honor. One,
:45:20 12 that is just an organizational construct common in claim
:45:24 13 drafting. It is no different in an apparatus claim, if we
:45:28 14 said the three elements, A, B, and C. There is no support
:45:33 15 and no law stating that that would ever imply an order.

:45:35 16 And second, implication of an order is not
:45:37 17 enough. What the law requires is that the claim actually
:45:40 18 recite an order. For example, if it said something like
:45:44 19 this on the board, performing each of the following steps in
:45:47 20 order, that would be reciting an order. That's not what the
:45:51 21 claim says. The claim language does not recite an actual
:45:54 22 order requirement.

:45:55 23 We can turn to the second question, where the
:46:01 24 logic or grammar of the claim language requires an order.
:46:04 25 There is a good example in the claim language of where logic

:46:08 1 and grammar does require an ordering step. And
:46:10 2 particularly, generating an identification tag, Step (b2),
:46:15 3 logically must be performed before embedding the
:46:17 4 identification tag into a web page. You can't embed an
:46:22 5 identification tag into a web page before you have generated
:46:25 6 the identification tag. Embedding the identification tag in
:46:30 7 Step (b3) depends on first generating an identification tag.

:46:35 8 We agree, Step (b2) must be performed logically
:46:38 9 before Step (b3). But when two steps of a claim need to be
:46:43 10 performed in order, that does not impute a requirement that
:46:46 11 all the steps need to be performed in an order. In
:46:49 12 particular here, the first step, converting the video file
:46:52 13 into a streaming video file, the file conversion step, does
:46:57 14 not depend on and it is unrelated to the step of generating
:47:00 15 and embedding an identification tag. It can be performed
:47:03 16 independently of those. There is no logical connection. So
:47:07 17 Step (b1), as a matter of logic and grammar, can be
:47:11 18 performed before, after, or at the same time as Step (b2),
:47:15 19 before, after, or at same time as Step (b3).

:47:19 20 Now, defendants disagree. This is from their
:47:22 21 brief. Defendants argue that Step (b2) generates an
:47:26 22 identification tag that represents a subject matter of the
:47:30 23 streaming video file which does not exist until the
:47:33 24 streaming video file is created in Step (b1). So it is
:47:38 25 referring to claim language there on the board that

:47:40 1 generating a video frame image representing a subject matter
:47:43 2 of the streaming video file cannot happen unless the file
:47:48 3 has been converted into a streaming video file as a matter
:47:51 4 of logic. That is incorrect, and I will demonstrate why
:47:55 5 that is.

:47:57 6 Here we have a video file. This is a
:48:01 7 non-streaming video file. We have it on the board. I have
:48:04 8 shown it there. This is a video file with a kitten playing
:48:08 9 with a baby. It is made up of a bunch of still images --
:48:11 10 that is what a video file is -- of a kitten playing with a
:48:14 11 baby. There is two ways we can proceed here. The first is
:48:17 12 to first convert that into a streaming format, like I have
:48:20 13 shown on the board. And at that point, that streaming video
:48:23 14 format also includes a bunch of still images, the same still
:48:27 15 images of a kitten with a baby. At this point, we can then
:48:33 16 generate the thumbnail from that streaming video file. And
:48:36 17 that generates an image here, and that video frame image
:48:40 18 represents a subject matter of the streaming video file.
:48:44 19 That subject matter of the streaming video file is the same
:48:47 20 subject matter of the non-streaming video file. It
:48:50 21 represents both.

:48:52 22 Now, another way you could do it is if we start
:48:55 23 with the generating step. First we have that video file.
:48:59 24 We have generated a thumbnail image. We generate a video
:49:03 25 frame image. Now, regardless of that step happening before

1 the converting step, it's the same image. It still
2 represents a subject matter of the streaming video file.

3 That subject matter is the same.

4 So if the claims had been drafted differently,
5 for example, as I have shown on the board here, and they
6 required a video frame image selected from a streaming video
7 file, then logic and grammar would require the steps be
8 performed in order, and we could have drafted, the patentee
9 could have drafted the claims this way, because they
10 actually did -- this is a dependent claim, this isn't a
11 claim at issue before the Court -- in this case, where the
12 video frame image is selected from that second streaming
13 video file, the conversion must have occurred first. But
14 that's not the claim language the Court is being asked to
15 construe. The claim language is merely "representing a
16 subject matter of the streaming video file." And that image
17 represents that subject matter regardless of whether or not
18 the converting has happened.

19 A nice way to illustrate this, Your Honor, is I
20 have put on the board a hypothetical claim. It talks about
21 converting an English book into a Spanish book. This is the
22 identical claim structure as the claim language at issue
23 here, but instead of converting a video file into a
24 streaming video file, we have converting an English book
25 into a Spanish book. And then we generate an identification

1 tag comprising an illustration representing a subject matter
2 of that Spanish book. So again, exact same claim structure.

3 If we look here at the example, we can have "The
4 Old Man And The Sea" converted to "El Viejo El Mar." Then
5 we have it generating an illustration. That illustration
6 represents the subject matter of the Spanish book, just as
7 it represents the subject matter of the English book. It
8 doesn't matter which occurs first. Either way, it's
9 logically the subject matter of the Spanish book.

10 So the logic of the claim language does not
11 require a particular order.

12 The third question we would need to ask is does
13 the specification limit the claim language to a particular
14 order. And this is from defendants' brief. They state that
15 the disclosed embodiment, including the figures, follows the
16 seem recited order of the claims and therefore we should
17 impose the order requirement.

18 But that's not the legal standard, Your Honor.
19 The legal standard asks whether or not the specification
20 unequivocally precludes a different order of steps. Here it
21 does not. Whether it emphasizes that order is important.
22 Here it does not.

23 If we look at our specification, it actually
24 does the opposite. It states that, The precise order of
25 some of the steps can be interchanged without a different

1 outcome. Interchanges in sequence are possible without a
2 different outcome.

3 That is exactly what I demonstrated in the
4 previous slides, that the outcome is the same regardless of
5 which order you go in, you get an image, and that image
6 represents the subject matter of the streaming video file.

7 So the answer to each of the three questions,
8 Your Honor, is no. As a result, the claim steps need not
9 all be performed in order.

10 THE COURT: Thank you, counsel.

11 MR. CARRANO: I am going to go to Slide 45. I
12 have outlined the law on this issue, which I think is pretty
13 clear at this point, that if the claims call for order, the
14 steps should be performed in that order, and particularly in
15 instances where a subsequent requires the result of a
16 previous step, that order should be maintained in a claim
17 construction.

18 One recent case in this Court, Judge Andrews in
19 the ART+COM case, on Slide 46, we have an example of a
20 previous step requiring the results of -- a subsequent --

21 THE COURT: It always fascinates me when counsel
22 say "this Court."

23 MR. CARRANO: I am sorry.

24 THE COURT: You are aware there is no law of the
25 district.

:53:23 1 MR. CARRANO: I will clarify. Judge Andrews.

:53:24 2 This claim on Slide 46 illustrates that there
:53:30 3 was a dividing into smaller sections and then a request for
:53:35 4 each of the small sections. And Judge Andrews found that a
:53:39 5 device cannot request higher resolution data before the
:53:43 6 preexisting step of dividing.

:53:46 7 So it's logic and it's also the claim itself.

:53:50 8 Defendants' construction is just seeking to
:53:53 9 maintain that order.

:53:54 10 Just one clarification on our presentation.

:53:57 11 This parenthetical on the first bullet here, "i.e., without
:54:01 12 a user interaction with the computer," that is not part of
:54:03 13 our construction. That was an error. If the Court wouldn't
:54:07 14 mind discarding that, that would be appreciated.

:54:10 15 But in the claim itself, Claim 1 here from the
:54:14 16 '608 converts a video file into a streaming video file.
:54:16 17 That's Step (b1). (B2) generates an identification tag
:54:23 18 representing the subject matter of the streaming video file,
:54:29 19 the converted file, not the original video file. That's
:54:34 20 clear as day in the specification. They could have, again,
:54:38 21 this is another instance where they could have claimed it
:54:41 22 some other way. They did not. And at the very least, the
:54:46 23 notice provision, they should be held to what is actually
:54:49 24 claimed here.

:54:51 25 So that's just a matter of ordering and just a

:54:55 1 matter of logic.

:54:56 2 They have already conceded that Step (b2) has to
:55:00 3 precede (b3), so there is no dispute at that point.

:55:03 4 The specification does describe getting an
:55:08 5 identification tag from the converted file consistently.
:55:14 6 With respect to these two steps of converting, it's
:55:17 7 converting Step 635 to Step 655. There is no disclosure in
:55:23 8 the specification that says these two steps could be
:55:25 9 swapped. So the claim itself is clear. The specification
:55:29 10 is consistent. The claims, obviously, as the Court knows,
:55:36 11 control. But at the very least, the specification is
:55:39 12 consistent in that regard.

:55:40 13 You heard plaintiff's argument. Their argument
:55:45 14 is basically the identification tag would be distilled from
:55:47 15 the pre-processed video file or the post-processed
:55:52 16 conversion video file. Looking at the claims themselves,
:55:54 17 that cannot be the case. It has to be generated from the
:55:59 18 converting video file or in essence -- or, indeed, the
:56:02 19 streaming video file.

:56:04 20 There is no disclosure otherwise.

:56:10 21 And that is the end of that.

:56:11 22 THE COURT: Thank you.

:56:13 23 Mr. Lyon, do you want to react a little bit to
:56:16 24 what you have heard? Why number things at all?

:56:23 25 MR. LYON: Why the (b1), (b2), (b3)? It's for

1 organizational purposes, Your Honor. It's a common claim
2 drafting principle, so when I am talking to you here today I
3 can refer to (b1) as opposed to (b2).

4 THE COURT: All right.

5 MR. LYON: One quick point. If you look at each
6 of the cases that defendants cite, it makes clear the
7 distinction that I drew to you between (b2) and (b3) in our
8 case, generating an identification tag, and then embedding
9 the identification tag, how that logically requires an
10 ordering of steps, how the subsequent step requires the
11 result of the previous step to have occurred. In each of
12 the cases cited by defendant, they mirror that circumstance.
13 None of them resemble the case where (b1), the conversion
14 step, is logically unrelated to Step (b2) and (b3).

15 THE COURT: All right.

16 MR. FRANZINI: May I proceed, Your Honor?

17 THE COURT: Yes, sir.

18 MR. FRANZINI: The next group of terms is what
19 we have termed "associating" phrases. I have placed the
20 language to be construed on the board. "Associating the
21 streaming video file with the advertisement," and
22 "selectively associates the streaming video file with an
23 advertisement based on predetermined criteria."

24 Our position is that there is no need to further
25 construe either of these claims, that the ordinary meaning

1 governs. I have represented that on the screen by repeating
2 the claim language.

3 Defendants start with the claim language itself,
4 and then they add a limitation to both claim terms,
5 "selected by a user." The effect of this limitation would
6 be to limit the claims to situations where the advertisement
7 that's associated with the streaming video file is selected
8 by the user. There is nothing in the claim or in the
9 ordinary meaning of advertisement that would require the
10 advertisement to be selected by the user. That's why
11 defendants have to keep the claim language as it is and then
12 add an additional limitation.

13 This is not something that comes from ordinary
14 meaning. It is also not required by the claim. There is
15 not some other step somewhere else that says, and the
16 advertisement needs to be selected by the user. So to add
17 something like this, again, they would need a definition or
18 a disavowal in the specification, something like, the claims
19 at issue in this case -- or in this patent are limited only
20 to situations where the advertisement associated with the
21 video file is selected by the user.

22 We don't have anything like that. Defendants
23 don't contend that we do .

24 What defendants argue is that the selection of
25 the advertisement by the user is a core feature of the

1 present invention, the core feature of the invention is that
2 the user selects the advertisement to be associated. That's
3 from their brief.

4 What they are relying on from the specification
5 for this point is the passage that I put on the board that
6 starts off with, "According to the principles of the present
7 invention."

8 They say that this requires the advertisement to
9 be selected by the user. We disagree that this portion of
10 the specification even does that. More fundamentally, that
11 an embodiment is according to the principles of the present
12 invention doesn't mean that the present invention is limited
13 to that embodiment. And this argument was made and rejected
14 by the Federal Circuit.

15 In the Liebel-Flarsheim case, we had the same
16 idea here, according to the principles of the present
17 invention, then there was a description of the particular
18 embodiment that was not found in the claims. The Federal
19 Circuit held that the reference to the principles of the
20 present invention does not limit the invention. And that
21 makes sense. That an embodiment is according to the
22 principles of the present invention doesn't mean that the
23 invention is limited to that embodiment.

24 But as I alluded to before, it's even worse in
25 this case, because the embodiment that defendants want to

1 limit the claims to actually allows for a selection not by
2 the user but by the host computer, the receiving computer,
3 the server side component. In fact, the embodiment they
4 point to says that the host computer 60 offers the sender an
5 opportunity to indicate the selection of an advertisement.
6 It's not required to select an advertisement. The user only
7 has an opportunity to do so.

8 Then it goes on to describe situations where the
9 sender, that is, the user, doesn't make a selection, leaves
10 the choice of the advertisement up to the VideoShare host
11 computer 60. That is the receiving computer, the host
12 computer. It goes on to explain that in those situations
13 the host computer 60 can select the advertisement. So the
14 embodiment that defendants are relying on actually allows
15 for selection not by a user but by the host computer. So
16 adding defendants' proposed additional limitation would
17 exclude this preferred embodiment.

18 Defendants have a second argument that I have
19 placed on the board, that every disclosed embodiment calls
20 for the user to select the advertisement. This is similar
21 to the argument they made earlier today. The problem with
22 this argument is -- I have this case now -- the Federal
23 Circuit has held it is not enough even if every disclosed
24 embodiment has a particular limitation, absent a disavowal
25 or a disclaimer, you can't limit the claims to that

1 particular embodiment disclosed. In this case, the Federal
2 Circuit held that even though every description had a
3 particular limitation, Claim 1 covers more than the
4 particular embodiments shown, even though every embodiment
5 had a particular limitation.

6 And then, again, as we mentioned before, it is
7 not true in this case that the embodiments, that every
8 disclosed embodiment calls for the user to select an
9 advertisement. The embodiment that I discussed earlier
10 allows for the host computer 60 to select an advertisement.

11 So for those reasons, the Court should not
12 import this additional limitation from the embodiments into
13 the claims, and the claims should be given their ordinary
14 meaning without this additional limitation.

15 THE COURT: Thank you, Mr. Franzini.

16 MR. FRANZINI: Thank you, Your Honor.

17 MR. CARRANO: So as far as the legal framework
18 in which our position is supported, it is in part on the
19 description of this issue as being the present invention, in
20 part, it being consistently used throughout the
21 specification. And it's those two principles that drive the
22 conclusion, in our view, that this term ought to be a user
23 selected advertisement, not one standing alone.

24 As you have already seen, the evidence that we
25 cite to, it talks about the selection of an advertisement by

1 sender 40, which is the user, and that's according to the
2 principles of the present invention. It doesn't say one
3 embodiment. It says the invention as a whole.

4 Further, in the specification of the '302,
5 citing Column 1, Lines 50 through 53, an object of the
6 invention is for a sender of a video to attach an
7 advertisement of the sender's choosing. Again, present
8 invention and object of the invention, not a preferred
9 embodiment.

10 The specification itself is littered with
11 disclosures of the sender selects one or more
12 advertisements, throughout the specification itself. And
13 there is over a dozen descriptions of the user selecting the
14 advertisement.

15 What counsel for VideoShare points out is
16 basically the one scenario where the sender is given the
17 option to associate an advertisement but chooses to defer to
18 the system to do it. But that is still a choice by the
19 user, and is consistent with our discussion earlier. At
20 this time in the late nineties, user control was more
21 important than maybe now. And this is just illustrative of
22 that concept, again, that the default was the user selects
23 and indeed all embodiments -- most of the embodiments
24 described the user selecting. But the user is always given
25 the choice to make the selection. That's what is supported

1 in our claim construction, is that it is a user-selected
2 advertisement.

3 So the aspects in which plaintiff points out on
4 the record are subparts of what the whole description is.

5 So VideoShare's description is underlined in
6 blue on Slide 56. Again, it is in the context of the user
7 having the opportunity to select, not the system, the
8 receiving computer or the host computer doing the selection
9 without the user's involvement.

10 THE COURT: Okay.

11 Why don't we take a quick stretch.

12 (Recess taken.)

13 THE COURT: Let's resume.

14 MR. LYON: Your Honor, the next terms is the
15 "via web page" phrases. I have put them on the board. They
16 are two closely related or similar limitations. The parties
17 issues overlap. The first is "receiving via a web page a
18 request to transmit the streaming video file." And the
19 second is "transmitting via a web page, the streaming video
20 file and the advertisement to a second computer on the
21 network," in the case of Claim 1. Claim 14 is the same
22 except it's to the tenth computer on the network.

23 I put the parties' constructions on the board.
24 You can see, VideoShare's construction is just plain and
25 ordinary meaning. I just have the same terms to illustrate

1 the distinction with defendants' construction. What they
2 have done here is two things. First, they have added user
3 limitations. They have changed "a request" to "a request
4 from a user." And then they have also changed "a second
5 computer on the network" to "the user that transmitted the
6 request." The second thing they did was they changed "web
7 page" to "web page remote from the first computer."

8 I am going to address them in turn. I will
9 start with the user limitations.

10 The first thing is, there is no support in the
11 claims for this. This isn't a case where there is terms in
12 the claim that require construction that we need to
13 determine what the meaning is of certain terms. They
14 retained all the same terms in the claim language. They
15 just simply add additional terms.

16 In the case of the first instance, when they add
17 "from a user," in the second one, even worse, they don't
18 just add, they change "a second computer on a network" to
19 "the user that transmitted the request."

20 So they have changed the scope of the claim
21 language.

22 Even in their construct, changing it to "user,"
23 their requirements require the requests come from the same
24 user that the video is transmitted to. That is contrary to
25 the specification. The specification chose, for example,

1 that it can be sent to a user's designee, the same user need
2 not request that be the same user who had sent it to.

3 Third and most glaring, defendants have not
4 attempted to justify this change in any way. There is no
5 mention whatsoever in their briefing about why or how this
6 change is justified. These modifications aren't addressed
7 by their briefs. There is no support in the intrinsic
8 record. There is no argument, no reason or rationale.

9 The second addition to defendants' construction
10 mirrors one earlier addressed by Mr. Franzini in the context
11 of the embedded limitations. This is the change from "web
12 page" to "web page remote from the first computer." And it
13 should be rejected for all the same reasons that Mr.
14 Franzini addressed. But there is two additional points I
15 would like to address here.

16 They make two arguments here. I put the first
17 argument on the board, on Page 6. They say that the
18 patentee chose to use a web page, not the web page, to refer
19 to these terms, and thus a person of ordinary skill would
20 understand the recited web pages and corresponding web
21 server computers on which they are hosted are distinct and
22 separate from the computer.

23 That is the entirety of this particular
24 argument. It is flawed at every step. It is pure
25 conclusion.

1 First off, that there are multiple references to
2 a web page means nothing. That can be the same web page or
3 it can be multiple web pages under basic tenets of patent
4 law. Second, even if there are multiple web pages, they can
5 be hosted on the same computer or server. There is no
6 reason or rationale or argument or evidence cited in the
7 defendants' brief that supports another conclusion.

8 Third, there is no suggestion in this argument
9 that the web server computer is distinct and separate from
10 the first computer. It's merely asserted.

11 Finally, even if it were supported with argument
12 or evidence, which it is not, the ultimate conclusion that
13 it be distinct and separate doesn't support the construction
14 they ask for. They ask for a remote construction. Remote
15 doesn't mean distinct and separate. Remote refers to a
16 location far removed. Two things can be distinct and
17 separate and not remote from one another.

18 Turning to the next slide, this is the second
19 argument they make. It is a prosecution history disclaimer
20 argument. Now, for there to be prosecution history
21 disclaimer, there must be a clear and unequivocal statement
22 in the prosecution history tied to the particular claim term
23 at issue here .

24 Now, this argument begins from the outset, we
25 see it cites to the prosecution of the '608 patent. The

1 claims terms we are addressing here are not from the '608
2 patent. They are in the '302 patent. They are unrelated
3 patents, Your Honor. There is no such thing as prosecution
4 history disclaimer from an unrelated patent.

5 Even if we were to pretend that this prosecution
6 history were for the '302 patent, their argument still fails
7 at several levels. First, by their own terms, what they are
8 arguing is it preserves the distinction between the function
9 performed on the client side computers and the server side
10 computers, i.e., the recited first computer. But that
11 distinction has already been addressed. That's not what is
12 at issue here. The server side computer is the first
13 computer and the client side computer is the second
14 computer. And it's agreed amongst the parties that the
15 second computer is a computer other than the first computer.
16 This doesn't inform anything about what the web page is.

17 If we look to the actual cited prosecution
18 history there, those pages, there is not even a mention of
19 web pages, let alone these particular web pages. And there
20 is no such thing, there cannot be prosecution history
21 disclaimer regarding terms that are not even mentioned in
22 the prosecution history. The prosecution history disclaimer
23 requires that it be particularly tied to the terms in
24 question.

25 For those reasons, defendants' proposal should

1 be rejected and plain meaning should govern, Your Honor.

2 THE COURT: Thank you, Mr. Lyon.

3 Mr. Carrano.

4 MR. CARRANO: So for this term, the support of
5 this term, the basis is in large part like the embedding
6 term, where the only place where the identification tag is
7 embedded is in a remote, a web page remote from the
8 receiving computer or the server.

9 So in the claim itself, it recites three web
10 pages, if we look. Page 59 of the slide says Claim 1 of the
11 '302 patent, receiving via a web page, transmitting via a
12 web page, those are the terms that are at issue here. Then
13 discussed earlier today, embedding the identification tag
14 into a web page, that's the third instance.

15 It's got three web pages cited here. And what
16 defendants have attempted to do is try to construe these
17 three web pages in a way that is consistent with the
18 specification. That is what the attempt was. That's what
19 the construction reflects, is that these web pages that are
20 recited here are consistent with the specification, that
21 they are always remote, always remote from in this case the
22 first computer.

23 That's the crux of our position, similar to the
24 embedding term. And there isn't any disclosure, as we
25 discussed earlier, about the identification tag of it being

1 anyplace other than the remote page. In view of the claim
2 itself, the person of ordinary skill would follow that the
3 web pages in the receiving term and the transmitting term
4 are indeed remote pages as well.

5 The issue about the file history on Slide 61, we
6 just have the intrinsic record, I won't go through that
7 again with Your Honor.

8 With respect to the file history, yes, the file
9 history we point to is with respect to the '608 patent.
10 These are closely related patents. We are not taking the
11 position that it is a disavowal. But it is indicative of
12 what the inventor thought the invention was. That was our
13 only point there.

14 THE COURT: We can move on.

15 I am not sure where we are.

16 MR. LYON: Your Honor, if I could make two quick
17 rebuttal points.

18 THE COURT: Go ahead.

19 MR. LYON: I want to note that we still have not
20 heard anything in support of the user limitations. There
21 was no argument or evidence in the brief, and we still
22 haven't heard anything on that. All the evidence and
23 argument is one way on that, in our favor.

24 Second, we heard continual references, and Mr.
25 Franzini addressed this earlier, to specification cites, to

1 remote from the receiving computer, remote from the first
2 computer. I just want to reiterate that those words never
3 appear anywhere in the specification. Whenever there is
4 reference to remote, it's in the context of in relation to
5 the viewer.

6 MR. FRANZINI: I may proceed, Your Honor?

7 THE COURT: Yes.

8 MR. FRANZINI: Very quickly, there are two
9 dependent claims before the Court. I would like to address
10 them briefly. The first is Dependent Claim 15, which
11 recites the limitation wherein two or more of the recited
12 computers are part of the same computer.

13 We think every part of this limitation is very
14 clear, that there is no need to add anything else for the
15 jury to understand what wherein two or more of the recited
16 computers are part of the same computer is needed.

17 Defendants' construction adds a wherein clause
18 to the end of the ordinary meaning. So it repeats the claim
19 limitation itself. And it says, "wherein each of the two or
20 more computers perform the recited function of that
21 computer."

22 The issue with the second dependent claim that's
23 before the Court, "wherein one or more of the recited
24 computers comprise a plurality of computers," the dispute
25 has a similar form. We think that the plain and ordinary

1 meaning of that phrase is clear. Defendants add a wherein
2 clause, "wherein the plurality of computers perform the
3 recited function for the corresponding one or more of the
4 first, second, third," and so forth, "computers."

5 There is two issues. The first is that there is
6 no need to add any additional construction for this term.
7 The second one is that the meaning of defendants' proposed
8 wherein clause is not particularly clear. In the briefing
9 they suggested that they were trying to make sure that it
10 was clear that each of the recited computers are not
11 identical to one another. At the hearing today we heard an
12 argument that the defendants are trying to suggest that each
13 one of the recited computers needs to participate in each
14 one of the functions.

15 With respect to the first interpretation, the
16 one in the briefing, we don't think the correct way to
17 incorporate that concept is by appending the wherein clause
18 to an easily understandable dependent claim. We think the
19 appropriate way to do that would be to add an additional
20 limitation to the construction of first, second, third and
21 so forth computer, which is what the actual issue is,
22 whether those computers are identical or whether they are
23 not .

24 And then, to the extent defendants are
25 attempting to introduce this concept of every part of the

1 computer participating in the functions through these
2 dependent claims, there is nothing about the words "wherein
3 one or more of the recited computers comprise a plurality of
4 computers," or "wherein two or more of the recited computers
5 are part of the same computer," there is nothing about that
6 concept in there. So we shouldn't add it to the claims.

7 Thank you, Your Honor.

8 THE COURT: Thank you, Your Honor.

9 Mr. Carrano.

10 MR. CARRANO: So we invariably touched upon this
11 with the receiving computer a bit, so I won't belabor the
12 point.

13 Our objective with our proffered construction is
14 to maintain the scope, the proper scope of the claim. If
15 you are going to be doing some substitution of a computer
16 having multiple computers or that the constituent computers
17 or 1 through 9 computers are part of the same computer, that
18 is our objective with our constructions and that alone.

19 If you look at the '302 claim again, Claim 14
20 calls for nine distinct computers, each one of them
21 performing a function, [F.1] through [F.9]. We have it
22 annotated there.

23 The first dependent claim, Claim 15, says that
24 two or more of those recited computers are part of the same
25 computer .

1 What we did here is try to illustrate -- it
2 shows better on my screen than the thing up here on the
3 board -- but if you take, for example, the first through the
4 fourth computer from the same computer, you have now the
5 same computer, but in that same computer you still have
6 constituent parts each performing its respective functions.
7 That is what our claim construction is trying to capture.
8 The same thing, the example here, we have the same computer,
9 the eighth and ninth computer, each one of those computers
10 performing the same functions.

11 With respect to the other dependent claim, 16,
12 this one is about calling for any one of those recited
13 computers having one or more or a plurality of computers.

14 And here, we have on Slide 68 an illustration of
15 what we think the proper scope of the claim is, the first
16 computer that performs [F.1], as a recited function of
17 [F.1], if that is going to be made up of a number of
18 different computers, we have first, second and third, those
19 collective three computers, have to perform that [F.1]
20 function, just as a matter of logic, straight claim
21 construction. This illustrates in part the issue we are
22 talking about with receiving computer earlier today.

23 Then in the specification, our constructions are
24 consistent with the discussion in the specifications. There
25 is no teaching of something broader than what we are

1 suggesting with our constructions.

2 THE COURT: Thank you, Mr. Carrano.

3 MR. FRANZINI: Thank you, Your Honor.

4 The next group of terms is the
5 means-plus-function elements. I have treated them together.
6 I think defendants may have done them separately. I will do
7 the first one first and let Mr. Carrano respond, unless the
8 Court would like to hear about them together.

9 THE COURT: First off, both agree that they are
10 means plus function.

11 MR. FRANZINI: Yes, Your Honor. Both parties
12 agree that these are means-plus-function elements. So now
13 we are in Step 2 of the means plus function.

14 THE COURT: I am not partial to how do you it.
15 However you want is fine.

16 MR. FRANZINI: I will start with the format
17 conversion module, that is one of the two
18 means-plus-function elements. The parties are almost in
19 agreement on the function. There is one small dispute. The
20 function comes from the claim language itself. The
21 converting by the format conversion module, that is the
22 claim term that needs to be addressed, the video file into a
23 streaming video file comprising a streaming video format.

24 So both parties' recitation of the function
25 mirrors the claim language itself. The only dispute is

1 concerning the words "one or more" versus "a." We contend
2 that the recitation of a streaming video file in a claim as
3 a matter of Federal Circuit law, as a matter of rule of
4 construction, means one or more. Defendants appear to want
5 to limit it to a single streaming video file. That is the
6 source of the dispute. We think our proposal should be
7 adopted, for all the same reasons I have gone over before
8 and won't repeat them.

9 Turning to the corresponding structure, I have
10 place the parties' competing constructions on the board. I
11 am going to go through them and start with ours.

12 Taking one step back, in a computer-implemented
13 means-plus-function claim, as the Court knows, what is
14 required is an algorithm in the specification. So our
15 construction matches a particular algorithm that's disclosed
16 in the specification, and that's disclosed in the form of a
17 flowchart. Now, I have placed that flowchart on the board.

18 The format conversion module comes into play
19 when the system determines that the video segment is not
20 compatible with the streaming video format. That is where
21 we start here in this algorithm.

22 The first step is to convert -- if the video
23 file is not in the streaming video format, it should be
24 converted into a streaming video format. That's Step 1.
25 Step 2 is that that file should be temporarily stored, and

:32:11 1 that's shown at Element 620 of Figure 6B. And the third
:32:19 2 step is converting the file to a streaming video format.
:32:23 3 And our proposal captures each of these three requirements
:32:26 4 from what is disclosed the specification.

:32:30 5 Point one, if it is not in a format that is
:32:32 6 compatible with the streaming video format, converting the
:32:35 7 video file into a format that is compatible. Step 2,
:32:38 8 temporarily storing the video file. And Step 3, converting
:32:42 9 the video file that is compatible with the streaming video
:32:45 10 format into at least one additional format that is also
:32:49 11 compatible.

:32:50 12 There is one step that I skipped over. That is
:32:52 13 the optional compression file, Step 623. The reason I
:32:57 14 skipped over that is because it says that this step is
:33:00 15 optional. If a step is optional, then it is not part of the
:33:04 16 required structure to carry out the function, and so should
:33:06 17 not be included in the corresponding structure in this
:33:10 18 construction.

:33:12 19 Defendants argue that our construction is based
:33:15 20 solely on functional language, and they contend that that is
:33:20 21 legally insufficient. And that is just wrong, Your Honor.
:33:23 22 For computer-implemented means-plus-function claims, the
:33:27 23 disclosed structure is not for a general-purpose computer
:33:30 24 but a special-purpose computer programmed to perform a
:33:35 25 disclosed algorithm, and that algorithm can be expressed in

1 any understandable terms, including as a flowchart. That is
2 exactly what we have identified, and that's what our
3 construction is based on, an algorithm expressed as a
4 flowchart.

5 Defendants argue that our proposal ignores the
6 specification's disclosure that the recited conversion is
7 performed by Microsoft's DirectShow. And they propose a
8 construction that incorporates this concept of Microsoft's
9 DirectShow. But Microsoft's DirectShow is a particular
10 embodiment, a particular software program that potentially
11 is involved in some of the steps. We will see, it is
12 actually not involved in any of the steps of the algorithm.

13 But there is no reason to limit the structure
14 that performs the claimed function to the Microsoft
15 DirectShow program, the specific program.

16 In fact, the specification teaches that in one
17 embodiment the format conversion module comprises a format
18 conversion module that creates a DirectShow graph. That's
19 where I am getting it from. But that is not a required part
20 of the algorithm. That is just one embodiment of the format
21 conversion step.

22 It is important to note that in this embodiment,
23 what the Microsoft DirectShow program is involved in is in
24 decompression of the video file. As the Court will recall,
25 the compression part, that was the optional step that should

1 not be included in the algorithm because it's not part of
2 the required steps that perform the algorithm.

3 So defendants' proposal and their critique of
4 our proposal fails for two reasons. One, it's just an
5 embodiment; and two, that embodiment isn't part of the
6 necessary step of the claimed recitation of the structure.

7 Thank you, Your Honor.

8 THE COURT: All right. Thank you.

9 MR. CARRANO: So I will address the conversion
10 module first, then we will go back.

11 So as the Court is has already identified,
12 112(6) applies here, and the question is what is the proper
13 recited function and what is the proper corresponding
14 structure.

15 On Slide 78, just in context, it calls for a
16 format conversion module, and then the rest of the claim
17 calls for converting via format conversion module into a
18 video file, into a streaming video file comprising, et
19 cetera.

20 As far as the function itself, in both these
21 last two terms, our position is that plain and ordinary
22 meaning is fine. No construction is necessary. We have an
23 exception to, in this term, their construction of the
24 function, which I will get to in a second. The function as
25 recited is consistent with the specification.

1 As far as the corresponding structure, as the
2 Court knows, once 112(6) is invoked, you have to look at the
3 corresponding structure. The quid pro quo is that the
4 applicant or the patentee can claim functional language,
5 high-level function language, but the exchange is that they
6 are limited to what is actually disclosed in the
7 specification.

8 For the conversion model, the only thing that is
9 expressly disclosed as to how the perform that conversion
10 function is DirectShow. There is nothing else.

11 So what the plaintiffs point to as far as their
12 corresponding structure is just again functional language.
13 It doesn't tell you, or it doesn't tell one of ordinary
14 skill how to perform the conversion. It just says convert.
15 That is insufficient legally.

16 So the only structure in the specification
17 that's linked to the conversion function on how to perform
18 that function is DirectShow. And the courts have held in
19 the past that corresponding structure that is commercial
20 software is sufficient if it is linked to the function and
21 it does show how that function is performed. Granted,
22 Microsoft's DirectShow handles functions other than
23 conversion. But as far as the conversion function, that's
24 what the corresponding structure is.

25 Plaintiff's construction of the recited

1 function, going back to the function for a moment, is they
2 include converting the video file into one or more streaming
3 video files. "One or more streaming video files," that is
4 not in the claim anywhere. It says "converting a video file
5 into a streaming video file," and then subsequent in the
6 claim, for the generating step and the embedding step -- I
7 am referring to now the '608, Claim 14, example -- it refers
8 back to "the streaming video file," "the streaming video
9 file." Not "one or more" of the streaming video files.
10 Just one.

11 So their construction again attempts to broaden
12 the claim, or narrow it, depending on how you look at it,
13 but a changed claim nonetheless is not called for in the
14 claim itself.

15 That is our objection to their proposed
16 construction.

17 The recited function, our position with that is
18 plain and ordinary meaning for the function itself.

19 For the corresponding structure they propose,
20 it's got two parts to it for the most part. We have three
21 reasons why we think it's improper. The first part is, they
22 call for an assemblage of one or more parts of software,
23 firmware, and/or hardware.

24 Now, the parties agree -- and it's in our joint
25 submission -- that a module is an assemblage of one or more

1 parts of software, firmware, and/or hardware. However, our
2 position here is that that is not sufficient structure to
3 perform this function, because, as counsel has pointed out,
4 you need hardware in the corresponding structure. You can't
5 opt out of it.

6 If they have an algorithm, which they don't
7 have, but if they had one, they still need hardware, a
8 computer. Under their construction, you can opt out of the
9 hardware part. That is part of the reason why we object to
10 their corresponding structure.

11 Second, their corresponding structure doesn't
12 account for, if the Court adopts their construction of the
13 recited function, doesn't correspond to one or more
14 streaming files being generated. That is another problem
15 with their corresponding structure.

16 The last part, a third objection to their
17 construction is that there is no linkage between what they
18 point to for conversion, as far as the corresponding
19 structure and the function. They kind of pick and choose
20 what they want to put in the corresponding structure. But
21 there is no specific guidance in the specification as to
22 what that corresponding structure is, other than DirectShow.
23 They have more or less modified the language of the
24 flowcharts to create their algorithm.

25 Then, indeed, on top of everything else, which I

:41:14 1 have touched upon before, the steps they point to, for
:41:17 2 example, convert file to a streaming multi-media format,
:41:22 3 that is just functional language. It doesn't tell you how
:41:25 4 to do it. It just tells you to do it, which is legally
:41:29 5 insufficient.

:41:30 6 Thank you.

:41:31 7 THE COURT: Thank you.

:41:32 8 MR. FRANZINI: Unless the Court has further
:41:42 9 questions on that module, I will move to the next one.

:41:46 10 THE COURT: Thank you.

:41:52 11 MR. FRANZINI: So the next term, which is also
:41:56 12 the last term, is the "identification module." That shows
:42:00 13 up in Claim 14 of the '608 patent. We have an agreed
:42:06 14 function for this one. We have a dispute over the
:42:10 15 structure. I will go through our structure first, then
:42:13 16 briefly address defendants' structure.

:42:15 17 We take the same approach for this
:42:18 18 means-plus-function term as we did in the last one. There
:42:21 19 is an algorithm in the specification that is disclosed as a
:42:25 20 flowchart on Figure 6B. It has two steps. The first is
:42:29 21 create and temporarily store a thumbnail identifier. The
:42:33 22 second one is create an identification tag. There is two
:42:38 23 additional steps that we skipped over here. The reason we
:42:42 24 skipped over them is that the specification discloses that
:42:46 25 these steps in Figure 6B, they can be performed in two

1 different embodiments, in the server-side embodiment and the
2 user-side embodiment.

3 Some of these steps only apply in the user-side
4 embodiment. For example, the transfer step, that involves
5 uploading a temporarily stored file to a host computer,
6 that's something that only needs to be done when this
7 algorithm is being performed by the user's computer.

8 Same with Step 650, delete temporary files to
9 conserve storage space on the user's computer.

10 These are steps that are specific to the
11 embodiment where this algorithm is being performed by the
12 user's computer. But the claim isn't about that algorithm.
13 The claim is about an identification module of the receiving
14 computer.

15 So when this algorithm is being carried out by
16 the receiving computer, those user computer specific steps
17 are not performed, can't be performed, and therefore need
18 not be included in the construction of this identification
19 module, the one of the receiving computer.

20 Legally insufficient argument I have addressed
21 before, so I won't repeat it.

22 They have a second argument, which is that we
23 selectively pick and modify language. We selected only two
24 out of four of Figure 6B's flow diagram, and we modify the
25 figure's language for those two steps. I have addressed the

:44:16 1 reason why we omitted Steps 645 and 650.

:44:21 2 The remaining complaints the defendants have are
:44:24 3 the following. They say that Figure 655 requires storing
:44:32 4 and uploading file and identifiers. Again, that is
:44:34 5 something that only makes sense when the algorithm is being
:44:37 6 performed by the user's computer. You wouldn't need to
:44:41 7 store an uploaded file and identifier when it is being
:44:44 8 performed by the server computer.

:44:46 9 Similarly, from Steps 640, it says the jpeg.
:44:49 10 Jpeg. is a particular format of file, as the Court probably
:44:54 11 knows, and that is not something that is necessary for the
:44:56 12 algorithm. That is just how the algorithm is being
:44:59 13 implemented in this particular embodiment.

:45:01 14 So those are the reasons why the Court should
:45:05 15 adopts ours.

:45:06 16 Just very briefly on defendants' proposed
:45:08 17 corresponding structure. They identify streaming server D,
:45:12 18 identification module 1560, or host computer 60, and they
:45:16 19 cite some specification passages. I have put those
:45:19 20 specification passages on the board. This is not an
:45:21 21 algorithm. This is a lengthy discussion of the preferred
:45:25 22 embodiments. So they don't actually identify the required
:45:28 23 algorithm.

:45:29 24 What is more, if you look at what they do
:45:31 25 identify as structure, the specification discloses that

:45:35 1 those structures perform lots of other steps that are not
:45:38 2 part of the claimed function, the agreed function. Taking
:45:42 3 host computer 60 as an example, we have seen this before,
:45:48 4 host computer 60 is a computer that is made up of several
:45:52 5 other computers. One of the computers within there is
:45:54 6 storage array 64.

:45:55 7 Storage array 64 is depicted in the other
:45:59 8 figure, Figure 1C. Figure 1C shows that storage array 64
:46:04 9 actually includes many different modules that are numbered.
:46:08 10 One of those modules, just as an example, is Module 1510.
:46:12 11 That module is a control module which controls memory. This
:46:15 12 is clearly not part of the structure that recites the
:46:18 13 function that the parties agree of the identification
:46:20 14 module.

:46:21 15 For those reasons, the Court should reject
:46:23 16 defendants' construction.

:46:25 17 THE COURT: Thank you, Mr. Franzini.

:46:28 18 MR. FRANZINI: Thank you, Your Honor.

:46:29 19 THE COURT: Mr. Carrano.

:46:30 20 MR. CARRANO: Identification module. The
:46:43 21 parties agree, it's 112(6). They agree on function. The
:46:46 22 only dispute is the corresponding structure.

:46:51 23 With respect to the corresponding structure,
:46:52 24 there are a number of embodiments in the patent. And
:46:56 25 defendants' corresponding structure tries to capture the

1 different embodiments in the disjunctive, to be fair-minded
2 about the scope of the claim.

3 So in various embodiments, they talk about
4 streaming, Server D, Identification Module 1560, and then
5 host computer 60, three different classes of embodiments.
6 And the corresponding specification support for those
7 systems, or those hardware aspects, are cited in our
8 construction, too.

9 So what we have done is gone through the
10 specification, defined the corresponding structure for
11 performing that function, and this is what we came up with,
12 these three hardware aspects, plus the corresponding text
13 which describes them.

14 The plaintiff's proposed construction to
15 corresponding structure, again, like we talked about the
16 conversion module, is deficient because it calls for
17 software, firmware, and/or hardware in the disjunctive,
18 meaning it doesn't necessarily have to have hardware. That,
19 as I mentioned before, is legally insufficient.

20 I just address the Court to the case WMS Gaming,
21 14 F.3d 1339, which stands for the proposition that a
22 means-plus-function term is a combination of hardware,
23 computer, and the algorithm.

24 So that's one aspect of their construction that
25 is deficient.

:48:29 1 Second is further guidance in the other cases,
:48:32 2 including the MPEP, the manual that the Patent Office uses
:48:36 3 with respect to means-plus-function terms. Again, these
:48:41 4 cases, the Finisar case, the WMS Gaming case, and the MPEP
:48:46 5 itself all require a combination of an algorithm and a
:48:50 6 computer or hardware.

:48:53 7 The second part of the issues we have with
:48:55 8 plaintiff's construction is the selectiveness about what
:48:59 9 language they pick for their construction. Counsel pointed
:49:02 10 to 6B as supporting their corresponding structure. But they
:49:08 11 also outline that they drop out some details, like, for
:49:12 12 example, the jpeg. aspect. Again, this goes back to means
:49:18 13 plus function. When you have a patentee that opts for 112
:49:23 14 Paragraph 6 terms, what goes along with it is what is
:49:25 15 disclosed in the specification for that corresponding
:49:28 16 structure. You can't pick and choose what you want with
:49:33 17 that.

:49:33 18 Here, if they are going to say that this is part
:49:35 19 of their algorithm, which we disagree with because it's
:49:39 20 still functional language, you can't pick and choose parts
:49:42 21 of it. You can't take parts of the algorithm out.

:49:45 22 Here, it discloses, if it does, which we
:49:47 23 disagree with, an algorithm for converting a jpeg. type
:49:52 24 file, then they are bound to that.

:49:55 25 But again, the other aspect of this issue is,

1 there is no clear guidance from the specification as to
2 their selection of attributes of their purported algorithm.
3 They just pick it. The specification doesn't say, of
4 course, other conversion algorithms could be used that are
5 not directed to jpeg.

6 The last point, again, there is no algorithm at
7 all. What they point to is basically blocks. For example,
8 the identification tag which we are talking about here,
9 "create identification tag to store or upload file
10 identifiers." Create identification tag. That is all they
11 tell you. That is functional language, just like the claim,
12 it doesn't tell you how that identification tag is created.
13 That is the problem with their purported algorithm. It is
14 not an algorithm at all. It is just functional language
15 said in the specification. It doesn't tell you how to do
16 it.

17 THE COURT: Thank you, Mr. Carrano.

18 That brings us to the end. Is there anything
19 else you want to say on this?

20 MR. FRANZINI: I don't have anything further on
21 this term, unless the Court would like to hear more.

22 THE COURT: No. I think I am okay.

23 Counsel, I will get an order out in 30 days,
24 give or take.

25 Let's talk about your discovery dispute. I have

1 signed the stipulation extending the deadlines, as you have
2 requested.

3 MR. FRANZINI: Thank you, Your Honor.

4 So there is two disputes that we would like to
5 bring before the Court today. The first one concerns our
6 Interrogatories 1 and 2. The reason they are numbered 1 and
7 2 is because they are part of our firm's list of
8 interrogatories we serve and they are very important to us.

9 Those two interrogatories ask for the complete
10 factual basis for defendants' contention that they do not
11 infringe the '302 patent and the '608 patent respectively.
12 It is very important for us to get answers to this, because
13 we go first in our infringement part. So we need to be able
14 to know why they think they don't infringe so we can address
15 whatever arguments they are going to bring up.

16 We served these interrogatories back in March.

17 I have some brief slides --

18 THE COURT: I don't need slides.

19 MR. FRANZINI: The basic gist of it is,
20 defendants first cited Rule 33(d) and said we are going to
21 serve documents that will be responsive to this
22 interrogatory. We said that's not good enough because this
23 is a contention interrogatory. We can't discern their
24 contentions based on a set of documents.

25 They then served a supplemental response that

1 said we don't infringe because we don't perform the
2 following steps, colon, and they listed 20, 25 limitations,
3 without a sufficient explanation.

4 Then we asked them, and said, that is still not
5 enough, this doesn't tell us what your basis is, this lists
6 a set of limitations and says we don't do them, without any
7 explanation.

8 They agreed to something again. What they did
9 is again cited to Rule 33(d) and said there is documents
10 responsive to this in Appendices A through D. Appendices A
11 through D are just a list of documents that span several
12 pages with no explanation. We don't think that satisfies
13 their discovery obligations.

14 We would request that the Court order defendants
15 to provide full responses to Interrogatories 1 and 2.

16 Thank you, Your Honor.

17 THE COURT: Who is going to handle this? Mr.
18 Blumenfeld.

19 MR. BLUMENFELD: Thank you, Your Honor.

20 Just to put this into perspective -- frankly, I
21 don't think this is an issue you really have to get into.
22 To put it into perspective, the way this played out was,
23 back in March, the plaintiff gave us its initial
24 infringement contentions based solely on public information,
25 very high level. At that time, our source code was

1 available to them. We made it available in January. They
2 never looked at it until last week. And so the level of
3 disclosure we got on infringement contentions was not based
4 on our own information. It was based on things that were
5 publicly available.

6 As counsel said, we supplemented our responses
7 twice, first to give them a list of claim terms which we
8 don't think we are meeting, and second, it wasn't just a
9 long list of documents. We grouped five sets of documents
10 by claim terms so that they could look at them.

11 But where I think we are is that they have now
12 started looking at our source code. I think we get their
13 infringement contentions before we have to give them more
14 specific noninfringement contentions.

15 We are really at two places in the case that I
16 think are helpful. The first is, they are now looking at
17 our source code, so hopefully, we can get more specific
18 information; and they have got technical documents, also,
19 that are not source code.

20 The second point is that, I know it was give or
21 take, but Your Honor just said that you intended to get us a
22 claim construction within about 30 days, which I assume will
23 affect their infringement contentions and our
24 noninfringement contentions. What seems to make sense to me
25 is to let that 30 days go by, I don't know what it will be,

1 that is Christmas Eve, but maybe a little bit after that,
2 whatever, once we have the claim constructions and they have
3 more technical information, for us to get more meaningful
4 infringement contentions and for us to give them more
5 meaningful noninfringement contentions. We are not fighting
6 doing that. We think the order to do that is that the
7 plaintiff goes first and we respond.

8 THE COURT: I agree.

9 MR. FRANZINI: May I have a brief moment, Your
10 Honor?

11 THE COURT: No. I agree with Mr. Blumenfeld on
12 this one.

13 What is the next one?

14 MR. FRANZINI: Your Honor, the second dispute
15 has to do with defendants' production, delayed production of
16 documents into supplemental interrogatory responses and
17 deposition dates. I am going to group the first two
18 together because they are related, and briefly address the
19 deposition topics.

20 THE COURT: Counsel, you know I generally don't
21 like to get into the weeds with you on things like this. I
22 am sure Mr. Farnan has told you that.

23 MR. FRANZINI: He has, Your Honor. I will keep
24 this to several sentences.

25 The basic point is, we have only received -- up

1 until November 9th, we had only received 854 documents
2 from -- I want to get the numbers right. We only received
3 607 documents --

4 THE COURT: Whatever the number is, it is.

5 MR. FRANZINI: The point is, we think we have
6 only gotten a very small percentage of their documents.

7 THE COURT: Why do you think that is? Do you
8 think they are being dilatory? Do you think they are not
9 wanting to present the documents?

10 MR. FRANZINI: We are afraid that we are going
11 to get to the day before the close of discovery and going to
12 have 200,000 documents produced --

13 THE COURT: You have two very fine Delaware
14 local counsel involved in this case. They both know what
15 this Court requires, and I do mean this Judge. So I am not
16 expecting, counsel, this is going to be a problem for you.
17 If it does come to pass that as you are approaching the now
18 revised deadlines, and you need to take this up with me
19 again, let's do that, okay? But I am not going to do this
20 today.

21 MR. FRANZINI: Thank you, Your Honor.

22 THE COURT: Counsel, take care. Have a good
23 Thanksgiving.

24 (Court recessed at 12:28 p.m.)

25 - - -

:57:40 1 **Reporter: Kevin Maurer**

:57:40 2

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