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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Inventor: Stefik et al.)
U.S. Patent No. 7,225,160)
Issued May 29, 2007)
Based on U.S. App. No: 10/015,951) Attorney Docket No: 14569-6G
Filed: December 17, 2001)
For DIGITAL WORKS HAVING)
USAGE RIGHTS AND)
METHOD FOR CREATING)
THE SAME)

**PETITION FOR INTER PARTES REVIEW OF U.S. PATENT NO.
7,225,160 UNDER 37 C.F.R. § 42.100**

Pursuant to 35 U.S.C. § 311 and 37 C.F.R. § 42.100, the undersigned, on behalf of and acting in a representative capacity for petitioner, ZTE Corporation and ZTE (USA) Inc. (“Petitioner” and real party in interest), hereby petitions for *inter partes* review of claims 1-11 and 23-29 of U.S. Pat. No. 7,225,160 (“the 160 Patent”), issued to ContentGuard Holdings, Inc. (“Patent Owner”).

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TABLE OF AUTHORITIES

Cases

ContentGuard Holdings Inc. v. ZTE Corporation et al.,
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Statutes

35 U.S.C. § 102 2, 7, 10, 13, 14, 32
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Other Authorities

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I. INTRODUCTION

On June 19, 2013, the Patent Trial and Appeal Board (“PTAB” or “Board”) instituted *inter partes* review of claims 12-22 and 30-38 of the 160 Patent based on, *inter alia*, European Patent Publication No. 0 567 800 (“EP 800”). *ZTE Corp. et al. v. ContentGuard Holdings Inc.*, Case No. IPR2013-00134, Dkt. 12 (P.T.A.B. June 19, 2013). The Board found that “ZTE has demonstrated a reasonable likelihood of prevailing on its assertion that independent claims 12 and 30 are anticipated by EP ’800.” *Id.* at 27. Claims 1-11 and 23-29 were not instituted. ZTE hereby presents this Petition for *inter partes* review with an accompanying Motion for Joinder to present new evidence why EP 800 anticipates or, in combination with newly cited art, renders obvious independent claims 1 and 23.

The Board did not find that any limitations in independent claims 1 and 23 to be missing from EP 800. Rather, the Board held that the “parameter table is not included within, or part of, the softcopy book. . . .” *Id.* at 24. The Board did not present a formal claim construction requiring the limitations of the claimed “digital work” to be all a single entity. Indeed, doing so would eliminate the preferred embodiment of the 160 Patent from the scope of the claims. Nonetheless, claims 1-11 and 23-29 of the 160 Patent were not instituted.

This second Petition demonstrates that, both in the 160 Patent preferred embodiment and in EP 800, the digital work includes multiple files. The structured

document of EP 800 (*i.e.*, the claimed digital content and usage rights portion) is a separate file from the Loaded Parameter Table of EP 800 (*i.e.*, the claimed description structure). Thus, EP 800 is an invalidating reference that operates in the same manner as the preferred embodiment of the 160 Patent.

Alternatively, if the PTAB maintains its rejection of EP 800 as an anticipatory reference, ZTE has submitted additional art that demonstrates that it would be obvious to package together the structured document and the Loaded Parameter Table of EP 800 to unequivocally teach even a restrictive reading of the “digital work” of the 160 Patent. Further, if the PTAB determines that the claims require the description structure to be included at the time the digital content is transmitted—notwithstanding the lack of any claim language to this effect—the same reference demonstrates this function to be obvious as well.

Petitioner hereby asserts that there is a reasonable likelihood that the Petitioner will prevail that at least one of the challenged claims is unpatentable and respectfully requests institution of an *inter partes* review of the 160 Patent for judgment against claims 1-11 and 23-39 as unpatentable under 35 U.S.C. § 102 and/or § 103.

II. MANDATORY NOTICES UNDER 37 C.F.R. § 42.8(A)(1)

A. REAL PARTY IN INTEREST

ZTE Corporation and ZTE (USA) Inc. are the real parties-in-interest for Petitioner.

B. RELATED MATTERS

Claims 12-22 and 30-38 of the 160 patent are subject to *inter partes* review in Case IPR2013-00134. Petitioner herein supplies new evidence and argument to support institution of claims 1-11 and 23-29, and requests joinder of this request for *inter partes* review, if instituted.

The 160 Patent is the subject of a patent infringement lawsuit brought by the Patent Owner against ZTE Corporation and ZTE (USA) Inc. in *ContentGuard Holdings Inc. v. ZTE Corporation et al.*, Civil Action No. 1:12-cv-0206-CMH-TCB, filed in the U.S. District Court for the Eastern District of Virginia on February 27, 2012 (transferred to the Southern District of California, Case No. 3:12-cv-01226 on May 21, 2012).

Petitions for *inter partes* review of the five other patents at issue in the above-referenced lawsuit have been filed. Those five patents are U.S. Patent Nos. 6,963,859, 7,139,736, 7,269,576, 7,359,884, and 7,523,072. *Inter partes* review has been instituted for all five patents.

C. NOTICE OF LEAD AND BACKUP COUNSEL

Pursuant to 37 C.F.R. § 42.8(b)(3) and 42.10(a), Petitioner provides the following designation of counsel.

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Pursuant to 37 C.F.R. § 42.10(b), a Power of Attorney accompanies this Petition.

D. SERVICE INFORMATION

Service information for lead and back-up counsel is provided in the designation of lead and back-up counsel, above. Service of any documents via hand-delivery may be made at the postal mailing address of the respective lead or back-up counsel designated above.

III. PAYMENT OF FEES

The undersigned authorizes the Office to charge \$24,200 to Deposit Account No. 23-1925 as the fee required by 37 C.F.R. § 42.15(a) for this Petition for *Inter Partes* Review. Review of 18 claims is being requested, so a post-institution excess claim fee is included in this fee calculation. The undersigned further authorizes payment for any additional fees that might be due in connection with this Petition to be charged to the above-referenced Deposit Account.

IV. REQUIREMENTS FOR *INTER PARTES* REVIEW

As set forth below and pursuant to 37 C.F.R. § 42.104, each requirement for *inter partes* review of the 160 Patent is satisfied.

A. GROUND FOR STANDING

Pursuant to 37 C.F.R. § 42.104(a), Petitioner hereby certifies that the 160 Patent is available for *inter partes* review and that the Petitioner is not barred or estopped from requesting *inter partes* review challenging the claims of the 160 Patent on the grounds identified herein. This Petition is accompanied by a

motion for joinder with Case IPR2013-00134 and has been timely filed within one month of the June 19, 2013 institution date of Case IPR2013-00134. The one year bar set forth in § 42.101(b) does not apply. 37 C.F.R. § 42.122(b).

B. IDENTIFICATION OF CHALLENGE

Pursuant to 37 C.F.R. § 42.104(b), the precise relief requested by Petitioner is that the Patent Trial and Appeal Board (“PTAB”) review and invalidate claims 1-11 and 23-29 of the 160 Patent.

1. The specific art and statutory ground(s) on which the challenge is based

The PTAB applies U.S. law in conducting an *inter partes* review. 35 U.S.C. §§ 311-319. Unpatentability is proven by a preponderance of the evidence. 35 U.S.C. § 316. *Inter partes* review of the 160 Patent is requested in view of the following references: European Patent Pub. No. 0 567 800 (“EP 800”) (Ex. 1011); U.S. Patent No. 5,477,263 to O’Callaghan et al. (“O’Callaghan”) (Ex. 1016); Henry H. Perritt Jr., “Knowbots, Permissions Headers and Contract Law,” Papers for the Conference on Technological Strategies for Protecting Intellectual Property in the Networked Multimedia Environment, April 30, 1993 (Retrieved from <http://archive.ifla.org/documents/infopol/copyright/perh2.txt> on January 4, 2013) (“Perritt”) (Ex. 1006); U.S. Patent No. 5,260,999 to Wyman (“Wyman”) (Ex. 1013); and U.S. Patent No. 263,160 to Porter Jr. (“Porter”) (Ex. 1014). Each one

of the publications listed above is prior art to the 160 Patent under 35 U.S.C.

§ 102(a), (b), and/or (e).

Claims 1-3, 8-9, and 23 of the 160 Patent are unpatentable under 35 U.S.C. § 102(b) as being anticipated by EP 800. Claims 2-4, 6-7, and 25-26 are unpatentable under 35 U.S.C. § 103(a) as being obvious over EP 800 in view of Perritt. Claims 2, 10, and 24-28 are unpatentable under 35 U.S.C. § 103(a) as being obvious over EP 800 in view of Wyman. Claim 5 is unpatentable under 35 U.S.C. § 103(a) as being obvious over EP 800 in view of Perritt and further in view of admitted prior art. Claims 11 and 29 are unpatentable under 35 U.S.C. § 103(a) as being obvious over EP 800 in view of Porter.

Claims 1-3, 8-9, and 23 of the 160 Patent are also unpatentable under 35 U.S.C. § 103(a) as being obvious over EP 800 in view of O'Callaghan. Claims 2-4, 6-7, and 25-26 are unpatentable under 35 U.S.C. § 103(a) as being obvious over EP 800 in view of O'Callaghan and further in view of Perritt. Claims 2, 10, and 24-28 are unpatentable under 35 U.S.C. § 103(a) as being obvious over EP 800 in view of O'Callaghan and further in view of Wyman. Claim 5 is unpatentable under 35 U.S.C. § 103(a) as being obvious over EP 800 in view of O'Callaghan and Perritt and further in view of admitted prior art. Claims 11 and 29 of the 160 Patent are unpatentable under 35 U.S.C. § 103(a) as being obvious over EP 800 in view of O'Callaghan and further in view of Porter.

2. How the challenged claims are to be construed

A claim subject to *inter partes* review receives the “broadest reasonable construction in light of the specification of the patent in which it appears.” 37 C.F.R. § 42.100(b); *see also SAP America, Inc. v. Versata Development Group, Inc.*, Case CBM2012-00001, Final Written Decision, p. 23 (P.T.A.B. June 11, 2013). Petitioner’s construction of claim terms is not binding upon Petitioner in any subsequent litigation related to the 160 Patent. Petitioner submits, for the purposes of this *inter partes* review only, that the claim terms take on the customary and ordinary meaning that the terms would have to one of ordinary skill in the art in view of the specification of the 160 Patent.

In the decision instituting Case No. IPR2013-00134, the Board noted the meaning of several terms used in the claims of the 160 Patent. “A digital work refers to any work that has been reduced to a digital representation, including any audio, video, text, or multimedia work, and any accompanying interpreter, *e.g.*, software, which may be required to recreate or render the content of the digital work.” *ZTE Corp. et al. v. Contentguard Holdings Inc.*, Case No. IPR2013-00134, Dkt. No. 12, at 3 (P.T.A.B. June 19, 2013) (citing the 160 Patent, 5:20-24.) “Usage rights refer to rights granted to a recipient of a digital work that define the manner in which a digital work may be used and distributed.” *Id.* (citing the 160 Patent, 5:26-30.) The Board further noted “[t]he ’160 patent discloses dividing a

digital work into two files: (1) a contents file; and (2) a description tree file.” *Id.* at 4 (citing the 160 Patent, 7:65-67.)

The Board held that “the recitations in the preambles of independent claims 1 and 23 immediately following ‘a digital work’—namely ‘adapted to be distributed within a system for controlling the use of digital works’—are mere statements of intended use for an invention that is already structurally complete as defined in the body of each claim.” *Id.* at 18. Regarding “description structure,” the Board held that “it is unreasonable to accord a meaning to the claim term ‘description structure’ that is different from the meaning of a ‘description tree.’” *Id.* at 20-21. The Board then construed “description structure” as “any acyclic structure that represents the relationship between the components of a digital work.” *Id.* at 22.

3. How the construed claims are unpatentable under the statutory grounds identified in paragraph (b)(2) of 37 C.F.R. § 42.104

An explanation of how claims 1-11 and 23-29 of the 160 Patent are unpatentable under the statutory grounds identified above, including the identification of where each element of the claim is found in the prior art patents or printed publications, is provided in Section VII, below, in the form of claim charts.

4. Supporting Evidence Relied upon to Support the Challenge

The exhibit numbers of the supporting evidence relied upon to support the challenge and the relevance of the evidence to the challenge raised, including identifying specific portions of the evidence that support the challenge, are provided below. An Exhibit List with the exhibit number and a brief description of each exhibit is filed herewith. The grounds for rejection in this detailed petition are supported by the analysis in the Declaration of Dr. Vijay K. Madiseti, filed as Exhibit 1017 to this petition (herein “Madiseti Decl.”). Dr. Madiseti provides background on the relevant technology and, in particular, discusses his work in distributed computing and digital rights management in his declaration. Dr. Madiseti also discusses several early articles addressing access control and rights management for digital content and other relevant issues.

V. BACKGROUND

The claims of the 160 Patent were allowed even though the primary reference cited during original prosecution disclosed the very claim limitations the Patent Owner alleged the prior art failed to disclose.

The 160 Patent is directed to a computer readable medium and method for controlling the use of a digital work. (*See* Ex. 1017, Madiseti Decl., ¶ 73.) During original prosecution, the Examiner issued an Office Action dated July 27, 2004, that rejected application claims 1 and 21 under 35 U.S.C. § 102(e) as being

anticipated by Hartrick et al., U.S. Patent No. 5,532,920 (“Hartrick”). (Ex. 1002-001345; *see also* Madisetti Decl., ¶ 74.) A subsequent amendment by the Patent Owner resulted in a Final Office Action mailed on November 16, 2005, that rejected application claims 1, 11, 21, and 27¹ under 35 U.S.C. § 103(a) as being unpatentable over Hartrick in view of Perritt. (Ex, 1002-001399; *see also* Madisetti Decl., ¶ 74.)

Subsequently, in an After Final Amendment dated February 14, 2006 and entered through a Request for Continued Examination dated March 10, 2006, the Patent Owner amended the claims to recite, *inter alia*, a description structure that describes the digital work, where the description structure comprises a plurality of description blocks, and where each description block comprises address information for at least a part of the digital work, and a usage rights part for associating one or more of associated usage rights. In supporting the claim amendments, the Patent Owner, in a single sentence, declared that Hartrick failed to disclose, teach, or suggest the claimed “description structure.” (Ex. 1002-001424 (Amendment After Final Rejection dated February 14, 2006, p. 8); *see also* Madisetti Decl., ¶ 75.)

¹ Corresponding to independent claims 1, 12, 23, and 30, respectively, of the issued 160 Patent.

In the subsequent Notice of Allowance dated January 24, 2007, the Examiner specifically identified that Perritt, which the Examiner indicated as the closest prior art, failed to disclose the claimed limitation of “*describing said digital work by a description structure comprising a plurality of description blocks, each of said description blocks comprising address information for at least one part of said digital work, and a usages rights part for associating one or more usage rights portions.*” (Ex. 1002-001519 (Notice of Allowance at p. 10) (emphasis in original); *see also* Madisetti Decl., ¶ 75.) However, as explained in detail below, Hartrick (and the related EP 800) discloses the very features the Examiner found lacking in Perritt.

During original prosecution and in the Office Action dated July 27, 2004, the Examiner rejected application claim 8² because “‘mark-up prices’ are old and well known to those of ordinary skill in retail.” (Ex. 1002-001347 (Non-Final Rejection dated July 27, 2004, p. 4).) At no point during the original prosecution did the Patent Owner traverse the Examiner’s reliance on common knowledge, and thus the Patent Owner has acknowledged that “mark-up prices” are common knowledge. Therefore, the Examiner’s common knowledge statement regarding “mark-up prices” is taken to be admitted prior art. (*See* MPEP § 2144.03.)

² Corresponding to dependent claim 5 of the 160 Patent.

VI. IDENTIFICATION OF THE REFERENCES AS PRIOR ART

The earliest potential priority date of the 160 Patent is the filing date of parent U.S. Patent Application No. 08/344,760, November 23, 1994. Assuming that the 160 Patent is entitled to the filing date of November 23, 1994 as alleged in the 160 Patent, the following references are cited as prior art in this Petition:

- European Patent Publication No. 0 567 800, published November 3, 1993 (“EP 800”) (Ex. 1011);
- O’Callaghan et al., U.S. Patent No. 5,477,264, filed May 26, 1994 and issued December 19, 1995 (“O’Callaghan”) (Ex. 1016);
- Henry H. Perritt Jr., “Knowbots, Permissions Headers and Contract Law,” Papers for the Conference on Technological Strategies for Protecting Intellectual Property in the Networked Multimedia Environment, April 30, 1993 (Retrieved from <http://archive.ifla.org/documents/infopol/copyright/perh2.txt> on January 4, 2013) (“Perritt”) (Ex. 1006);
- Wyman, U.S. Patent No. 5,260,999, issued November 9, 1993 (“Wyman”) (Ex. 1013);
- Porter, Jr. et al., U.S. Patent No. 5,263,160, issued November 16, 1993 (“Porter”) (Ex. 1014);

EP 800, Perritt, Wyman, and Porter are each prior art under 35 U.S.C. § 102(a) and (b). O’Callaghan is prior art under 35 U.S.C. § 102(e). (*See*

Madisetti Decl., ¶ 76.) O’Callaghan and Porter were not considered during original prosecution of the 160 Patent, nor were they relied upon in any rejection of the claims. Hartrick, a reference relied upon during original prosecution of the 160 Patent, and EP 800 both claim priority to U.S. Application Serial No. 08/857,919. Apart from the respective claims, Hartrick and EP 800 share a near identical specification. However, EP 800 is being presented in a new light as the cited portions of EP 800 disclosing the claimed “description structure” were never cited or relied upon during original prosecution. As detailed below, EP 800 discloses all of the limitations of independent claims 1 and 23 of the 160 Patent, including the “description structure” limitation emphasized in the Notice of Allowance.

Perritt was considered by the Examiner and relied upon during original prosecution of the 160 Patent. Wyman was cited during original prosecution as part of a large information disclosure statement that included 139 references, but was never relied upon in any rejection of the claims during original prosecution.

VII. DETAILED EXPLANATION OF THE GROUNDS FOR UNPATENTABILITY

A. GROUND 1: CLAIMS 1-3, 8-9, AND 23 ARE UNPATENTABLE UNDER 35 U.S.C. § 102(b) AS BEING ANTICIPATED BY EP 800

Claims 1-3, 8-9, and 23 of the 160 Patent are unpatentable under 35 U.S.C. § 102(b) as being anticipated by EP 800. (*See* Madisetti, Decl., ¶ 87.) Claims 12-

22 and 30-38 have already been instituted for *inter partes* review in view of EP 800. *ZTE Corp. et al. v. Contentguard Holdings Inc.*, Case No. IPR2013-00134, Dkt. No. 12, at 2 (P.T.A.B. June 19, 2013). Petitioner begins with the aspects of the EP 800 reference presented in IPR2013-00134, and then sets forth specific support for why the digital work disclosed in EP 800 includes a digital content portion, a usage rights portion, and a description structure.

1. EP 800 Discloses All of the Elements of Claims 1-3, 8-9, and 23.

EP 800 generally discloses a system and method for controlling the distribution and rendering of digital content in the form of softcopy books. (EP 800, Abstract.) In addition to the digital content and usage rights, EP 800 discloses a softcopy book reader, royalty payment programs, and other associated software that run on a system for recreating or rendering the digital content. (EP800, 8:35-49.) EP 800 explains that a structured document representing a softcopy book, a Loaded Parameter Table, and associated software are all stored in memory:

The memory 22 stores User Profile 23, the structured document, formatted text stream 25 (Fig. 4), Loaded Parameter Table 56L (Fig. 7), Display Buffer 26' (Fig. 5), BookManager Softcopy Reading Program 25, Royalty Payment Program 45 (Fig. 8), Communications Application Program 47, and Operating System 27.

(EP 800, 8:43-49; *see also* Madisetti Decl., ¶ 88).

The structured document of EP 800 can take the form of a digital softcopy book and can be implemented using computer readable instructions in Standardized General Markup Language (SGML). The structured document includes the textual content from the digital softcopy book, as well as corresponding special strings (*i.e.*, statements) in grammatical form, such as a royalty tag, to enforce usage rights of the digital softcopy book. (EP 800, 4:25-31; 5:19-38; 10:1-18; Figure 3B.) The royalty tag, *i.e.*, a usage right portion of a digital work, may specify a cost the user must pay before being allowed to print or copy the digital softcopy book, *i.e.*, a manner of use relating to one or more purposes for which the digital work can be used by used by an authorized party. (EP 800, 10:7-18; *see also* Madisetti Decl., ¶ 89.) In that regard, the structured document of EP 800 teaches the digital content portion and the usage rights portion of a digital work as recited in claims 1 and 23 of the 160 Patent.

EP 800 further teaches the description structure of a digital work through a Loaded Parameter Table. The Loaded Parameter table in EP 800 constitutes a description structure that describes the digital content portion of a digital work, *e.g.*, the structured document of the digital softcopy book in EP 800. The Loaded Parameter table comprises a plurality of description blocks, each of said description blocks comprising address information for a digital softcopy book, *i.e.*, address information for at least one part of a digital work, and specifically the

digital content portion of the digital work. The Loaded Parameter table also comprises a usages rights part for associating one or more usage rights portions. In particular, the Loaded Parameter Table in EP800 relates the special statements embedded in the structured document with their corresponding portions of the digital softcopy book:

Loaded Parameter Table 56L

	360 ↙	362 ↙	156 ↙	364 ↙	366 ↙	368 ↙
	Special Tags	Text String Loaded from Elements with Special Tags	Element Coordinates bk h1 h2 h3 p el	Dis- play Text	Book Royalty Flag	Chapter Royalty Flag
300L	bk	Book Title	1 0 0 0 0 1	yes		
302L	ed	Second Edition	1 0 0 0 1 1	yes		
304L	cpr	(C) ABC Co. 1990	1 0 0 0 2 1	yes		
306L	royalty	Book Repro...Fee	1 0 0 0 3 1	yes	x	
308L	amount	\$20.00	1 0 0 0 3 2	yes		
310L	phone	1-800-123-1234	1 0 0 0 3 3	yes		
312L	public key	13A723F9...6	1 0 0 0 3 4	no		
314L	validation	The Book ... Paid	1 0 0 0 3 5	no		
318L	royalty	Chapt...Repro Fee	1 1 0 0 1 1	yes		x
320L	amount	\$ 1.00	1 1 0 0 1 2	yes		
322L	validation	First Chapt...Paid	1 1 0 0 1 3	no		
344L	royalty	Chapt...Repro Fee	1 2 0 0 1 1	yes		x
346L	amount	\$ 2.00	1 2 0 0 1 2	yes		
348L	validation	Second Chapt..Paid	1 2 0 0 1 3	no		

Fig. 7

(EP 800, Figure 7; *see also* Madisetti Decl., ¶ 90.)

EP 800's Loaded Parameter Table includes element coordinates identifying a particular digital softcopy book included in the structured document, as well as portions from the softcopy book, *e.g.*, identifying a particular chapter of the book (EP 800, 13:44-58; 14:54-57; Figure 7.) A coordinate system defines an address system, and specifies address location information regarding textual portions

within the digital softcopy book as well as address location information for the special statements included in the structured document. For example, the coordinate of the royalty flag in row 318L has the coordinate 110011. The Loaded Parameter Table further includes usages rights fields for associating a royalty amount, validation, and/or flag for applying to the digital softcopy book as a whole or individual chapters of the digital softcopy book. (EP 800, 11:46-12:13; Figure 7; *see also* Madisetti Decl., ¶ 91.)

For at least the reasons described herein, EP 800 anticipates independent claims 1 and 23 of the 160 Patent, thereby rebutting the reasons for allowance recognized earlier in the prosecution history. Through the Loaded Parameter Table, EP 800 discloses a description structure of a digital work, *e.g.*, “a structure which describes the location of content and the usage rights and usage fees for a digital work.” (160 Patent, 47:31-37.) The Loaded Parameter Table comprises a plurality of description blocks, each of said description blocks comprising address information for at least one part of said digital work, and a usage rights part for associating one or more usage right portions. That is, the Loaded Parameter Table includes a plurality of entries (*i.e.*, description blocks) having an element coordinate (*i.e.*, address information) and specifying usage rights for the softcopy book (*i.e.*, comprising a usage rights part for associating one or more usage right portions). For example, entries 304L, 306L, 308L, 314L, 318L, 320L, 322L,

344L, 346L, and/or 348L in the Figure below relate a special tag to a number of different digital softcopy book characteristic as described in columns 362, 156, 364, 366 and 368. Therefore, each of these entries discloses a “description block” as recited in claims 1 and 23 of the 160 Patent:

Loaded Parameter Table 56L

	360, Special Tags	362, Text String Loaded from Elements with Special Tags	156, Element Coordinates bk h1 h2 h3 p el	364, Dis- play Text	366, Book Royalty Flag	368, Chapter Royalty Flag
300L	bk	Book Title	1 0 0 0 0 1	yes		
302L	ed	Second Edition	1 0 0 0 1 1	yes		
304L	cpr	(C) ABC Co. 1990	1 0 0 0 2 1	yes		
306L	royalty	Book Repro...Fee	1 0 0 0 3 1	yes	x	
308L	amount	\$20.00	1 0 0 0 3 2	yes		
310L	phone	1-800-123-1234	1 0 0 0 3 3	yes		
312L	public key	13A723F9...6	1 0 0 0 3 4	no		
314L	validation	The Book ... Paid	1 0 0 0 3 5	no		
318L	royalty	Chapt...Repro Fee	1 1 0 0 1 1	yes		x
320L	amount	\$ 1.00	1 1 0 0 1 2	yes		
322L	validation	First Chapt...Paid	1 1 0 0 1 3	no		
344L	royalty	Chapt...Repro Fee	1 2 0 0 1 1	yes		x
346L	amount	\$ 2.00	1 2 0 0 1 2	yes		
348L	validation	Second Chapt..Paid	1 2 0 0 1 3	no		

Fig. 7

(EP 800, Figure 7 (highlighting added); *see also* Madisetti Decl., ¶ 92.)

Thus, EP 800 cures the deficiency of the prior art references recognized in the prosecution history that resulted in the Notice of Allowance, thereby rebutting the reasons for allowance. (*See* Madisetti Decl., ¶ 93.)

2. The Claimed “Digital Work” May Consist of Multiple Files and Has No Timing Limitations

The Board’s decision in IPR2013-00134 states that “a digital work refers to any work that has been reduced to a digital representation, including any audio, video, text, or multimedia work, and any accompanying interpreter, *e.g.*, software, which may be required to recreate or render the content of the digital work.” *ZTE Corp. et al. v. Contentguard Holdings Inc.*, Case No. IPR2013-00134, Dkt. No. 12, at 3 (P.T.A.B. June 19, 2013) (citing the 160 Patent, 5:20-24.). As shown in exemplary claim 1, reproduced below, the “digital work” is the subject claimed:

1. A computer readable medium having embedded thereon a digital work adapted to be distributed within a system for controlling use of digital works, said digital work comprising:

a digital content portion that is renderable by a rendering device;

a usage rights portion associated with said digital content portion and comprising one or more computer readable instructions configured to permit or prohibit said rendering device to render said digital content portion, said usage rights portion being expressed as statements from a usage rights language having a grammar defining a valid sequence of symbols, and specifying a manner of use relating to one or more purposes for which the digital work can be used by an authorized party; and

a description structure comprising a plurality of description blocks, each of said description blocks comprising address information for at least one part of said digital work, and a usage rights part for associating one or more usage rights portions.

(*See* Madisetti Decl., ¶ 94.) In IPR2013-00134, the Board correctly held that the preamble is not limiting and that “adapted to be distributed within a system for controlling use of digital works” is merely a statement of intended use. *ZTE Corp. et al. v. Contentguard Holdings Inc.*, Case No. IPR2013-00134, Dkt. No. 12, at 18 (P.T.A.B. June 19, 2013.)

Relying upon flawed assertions by ContentGuard, the Board in IPR2013-00134 held that “EP ’800’s parameter table is not included within, or part of, the softcopy book *as is required by independent claims 1 and 23.*” *Id.* at 24 (Emphasis added.) ContentGuard irrelevantly contested EP 800 on the bases that the Loaded Parameter Table (the “description structure”) in EP 800 is generated after the usage rights are associated with the digital content—as it must be—and because it is “a separate and distinct entity.” *ZTE Corp. et al. v. Contentguard Holdings, Inc.*, Case No. IPR2013-00134, Dkt. No. 9, at 29 (P.T.A.B. May 13, 2013). Claims 1 and 23 do not require joining of the components into a single digital entity. Restricting the claims in this manner excludes the preferred embodiment disclosed in the Specification of the 160 Patent. (*See* Madisetti Decl., ¶ 95.)

The 160 Patent contemplates the claimed “digital work” as a built up collection of digital content data, as well as, other digital information. As the Board noted, the digital work can constitute multiple files. *ZTE Corp. et al. v. ContentGuard Holdings Inc.*, Case No. IPR2013-00134, Dkt. 12, at 4 (P.T.A.B.

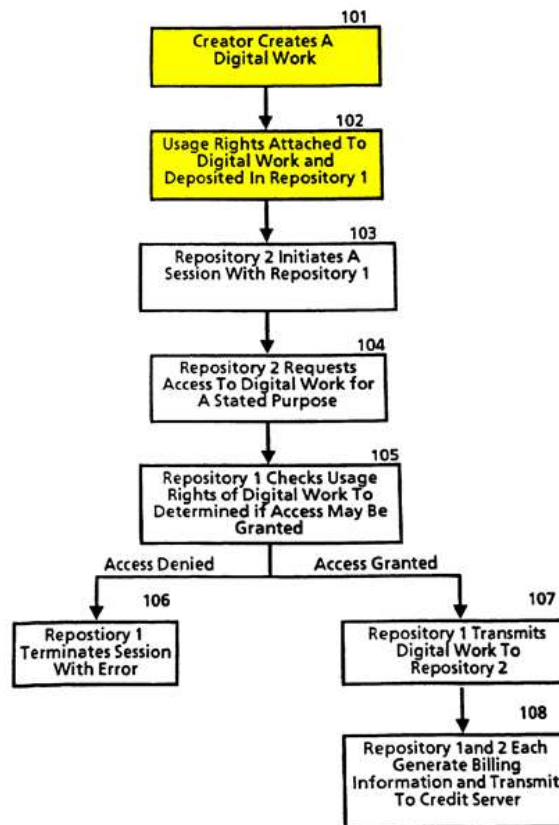
June 19, 2013.) The preferred embodiment of “digital work” in the 160 Patent is structured so that “the file information for the digital work is divided into two files: a ‘contents’ file and a ‘description tree’ file.” (160 Patent, 7:66-67.) Requiring that the description structure be included with or part of the digital content or usages rights portion of a “digital work” would wrongly exclude the preferred embodiment of the 160 Patent, which has the contents and description tree located in separate files. (160 Patent, 7:65-67.) Further, the 160 Patent contemplates that a folder containing files can be treated as a digital work. (160 Patent, 9:56-57; *see also* Madisetti Decl., ¶ 96.)

Moreover, claims 1 and 23 of the 160 Patent do require the description structure be generated simultaneously with the digital content portion or usage rights portion. ContentGuard’s criticism of EP 800’s Loaded Parameter Table as being generated after the digital work is created is misguided. The description structure component must be created after the digital content and usage rights are associated with the digital work. (*See* 160 Patent, 8:4-9.) As claimed, the description structure includes *address information* for at least one part of said digital work, and a usage rights part *for associating one or more usage rights portions*. The address information for the digital content and the usage rights portion must exist prior to generation of the description structure, otherwise the description structure would be unable to describe these portions of the digital work.

Without the digital content and usage rights already in place, the description tree has no relationships between the various components of the “digital work” to represent. (*See id.*; *see also* Madisetti Decl., ¶ 97.)

The 160 Patent contemplates the “digital work” being built up until it is the claimed “digital work” including content, usage rights, and a description structure. “Digital work” is first primarily digital content. (160 Patent, 5:56-57.) Next, the creator of content will “determine appropriate usage rights and fees and associate them with the digital work.” (160 Patent, 5:57-59.) This is shown in Figure 1, reproduced and highlighted below:

Figure 1



(*See* Madisetti ¶ 98.) After associating the usage rights, the digital work incorporates a “description tree file” (*i.e.* the claimed “description structure”). (160 Patent, 7:65-8:9.) “The description tree file makes it possible to examine the rights and fees for a work without reference to the content of the digital work.” (160 Patent, 8:4-6.) At this point, the “digital work” of the preferred embodiment becomes the claimed “digital work.” (*See* Madisetti Decl., ¶ 99.)

In IPR2013-00134, the Board has held that the preamble is not limiting. Further, there is nothing in the “computer readable medium,” or any other aspect of the claim or the specification, that is inconsistent with the “digital work” being stored as multiple items of digital data in memory. Nor are there any timing limitations imposing a cutoff of when the description structure must be added. Similarly, the claim does not require the digital content, the usage rights, and the description structure be generated by the same entity or processing system. (*See* Madisetti Decl., ¶ 100.)

3. EP 800 Discloses a Digital Work as a Combination of the Structured Document and the Loaded Parameter Table

EP 800 discloses a “digital work” stored as associated digital data stored in the same memory of EP 800, including the structured document and the Loaded Parameter Table. To the extent that Petitioner’s first Petition for *inter partes* review failed to explicitly state the elements that constitute the “digital work” in its

remarks, the present petition herein provides that analysis. (*See Madisetti Decl.*, ¶ 101.)

In IPR2013-00134, the Board held that ZTE’s position “does not properly account for ‘a digital work’ that includes ‘a description structure.’” *ZTE Corp. et al. v. Contentguard Holdings Inc.*, Case No. IPR2013-00134, Dkt. No. 12, at 25 (P.T.A.B. June 19, 2013). To be clear, ZTE’s position is not that the structured document alone is the “digital work” as claimed. Rather, the structured document of EP 800 discloses the “digital content portion” and the “usage rights portion” limitations of the claimed “digital work.” The Loaded Parameter Table in EP 800 provides the “description structure” limitation of the claimed “digital work.” Together, the structured document and the Loaded Parameter Table constitute the claimed “digital work.” (*See Madisetti Decl.*, ¶ 102.)

The claimed “digital work” in EP 800 constitutes multiple files, just like the preferred embodiment in the 160 Patent. The preferred embodiment of the claimed “digital work” in the 160 Patent discloses a “‘contents’ file and a ‘description tree’ file.” (160 Patent, 7:66-67.) That is, the digital content portion and usage rights portion and the description structure are in separate locations in memory. Nonetheless, both are present at the same time. (*See Madisetti Decl.*, ¶ 103.)

The “digital content portion” and “usage rights portion” are disclosed in one embodiment of EP 800 as a single structured document. (EP 800, 9:16-20.) As EP

800 explains, it is a simple design choice whether these components are combined as a single file or split into two files, and discloses the use of both formats:

In accordance with the invention, the publisher includes royalty payment information either within the structured document text of the book or in a royalty payment information file which accompanies the book.

(*Id.*; *see also* Madisetti Decl., ¶ 104.)

In the 160 Patent, the “description structure” is in a separate file from the digital content and usage rights portions. (160 Patent, 7:66-67.) EP 800 operates the same way. (EP 800, 8:43-49.) EP 800 explains:

In accordance with the invention, when the processor 20 searches through the formatted text stream 25 stored in memory 22 and detects the presence of the begin tag 306(a or the end tag 306b for the royalty message string 306c, the processor leads the royalty message string 306c into a specified partition 306l of the parameter table 56 shown in Fig. 6 in the memory 22 and it sets a flag 366 or 368 to indicate the presence of a royalty message string, as shown in Fig. 7.

(EP 800, 10:45-54; *see also* Madisetti Decl., ¶ 105.)

Thus, the “digital work” disclosed in EP 800 is not limited solely to the structured document in EP 800. To read it as such overlooks the difference between the claimed “digital content portion” and the claimed “digital work”. The structured document in EP 800 *includes* a digital content portion. However, the structured document is not *the entire* “digital work” stored in memory. Rather, the

“digital work” stored in the EP 800 memory includes at least the structured document and the Loaded Parameter Table. (EP 800, 8:43-49; *see also* Madisetti Decl., ¶ 106.)

In EP 800, the Loaded Parameter table is related to and logically associated with the structured document, thus forming the claimed “digital work.” As shown in Figs. 6 and 7 and discussed in EP 800, the Loaded Parameter Table is populated by a processor searching through the structured document’s formatted text stream and then populating the Parameter Table with the relevant tag, text string, address information, display information, and royalty information. (EP 800, 10:45-14:5, Figs. 6 and 7.) Moreover, a processing system populates and references Loaded Parameter Table to control access and rendering of the structured document. (EP 800, 10:45-54; 11:10-19; 15:23-33; 19:10-47; Figure 8.) The “digital work” of the 160 Patent behaves in a similar manner, as the description tree file makes it possible to examine the rights and fees for a work without reference to the content of the digital work. (160 Patent, 8:4-6; *see also* Madisetti Decl., ¶ 107.)

Further, even if the claims were construed to require that the Loaded Parameter Table be included within or part of the softcopy book entity, it is well within the grasp of EP 800 to do so. EP 800 already recognizes that the presence of data within one entity or in multiple entities is an uninventive design choice. (EP 800, 9:16-20, 15:1-10; *see also* Madisetti Decl., ¶ 108)

As demonstrated in the following claim chart, EP 800 discloses each limitation of claims 1-3, 8-9, and 23 of the 160 Patent. (See Madisetti Decl., ¶ 109.)

Claims 1-3, 8-9, and 23 of the 160 Patent	Disclosure of EP 800 (Ex. 1011)
<p>1. A computer readable medium having embedded thereon a digital work adapted to be distributed within a system for controlling use of digital works, said digital work comprising:</p>	<p>EP 800 discloses a system for managing a structured document of a softcopy book in accordance with royalty payment requirements. (EP 800, Title; Abstract; 5:19-23.) Specifically, EP 800 discloses a “digital work” as a combination of two associated entities that are stored together in a memory – a structured document and a Loaded Parameter Table. (EP 800, 8:43-49.)</p>
<p>a digital content portion that is renderable by a rendering device;</p>	<p>EP 800 discloses digital content portion of a digital work through a softcopy book that can be displayed, printed, stored, and transmitted. (EP 800, 2:21-28; 3:9-11.)</p>
<p>a usage rights portion associated with said digital content and comprising one or more computer readable instructions configured to permit or prohibit said rendering device to render said digital content portion,</p>	<p>EP 800 discloses a usage rights portion of a digital work through royalty payment information associated with the softcopy book. The royalty payment information associated with the softcopy book is included either within the structured document text of the softcopy book or in an accompanying royalty payment information file. (EP 800, 5:48-52.) When a processor identifies royalty payment tags embedded in the softcopy book, printing, copying, and transmitting (<i>i.e.</i>, rendering) of the softcopy book is inhibited unless royalty payment conditions are met. (EP 800, 10:1-18.)</p>
<p>said usage rights portion being expressed as statements from a usage rights language having a</p>	<p>The royalty payment information can be embedded within the softcopy book using Standardized General Markup Language</p>

Claims 1-3, 8-9, and 23 of the 160 Patent	Disclosure of EP 800 (Ex. 1011)
<p>grammar defining a valid sequence of symbols, and specifying a manner of use relating to one or more purposes for which the digital work can be used by an authorized party; and</p>	<p>(SGML) grammar, <i>e.g.</i>, SGML tags. (EP 800, 10:1-7; Figures 3A and 3B.) The royalty tag may specify a cost for printing or copying a softcopy book, <i>i.e.</i>, a manner of use relating to one or more purposes for which the digital work can be used by used by an authorized party. (EP 800, 10:7-18.)</p>
<p>a description structure comprising a plurality of description blocks, each of said description blocks comprising address information for at least one part of said digital work, and a usage rights part for associating one or more usage right portions.</p>	<p>EP 800 discloses a description structure of a digital work through a Loaded Parameter Table. The Loaded Parameter Table is a data structure that describes the softcopy book and includes multiple sections, including a plurality of entries storing usage rights information (<i>i.e.</i>, description blocks). (EP 800, Figure 7.) The Loaded Parameter Table includes element coordinates (<i>i.e.</i>, address information) for elements in the softcopy book and a usage rights entry can associate, for instance, a reproduction fee or validation (<i>i.e.</i>, usage rights portion) for a particular chapter or the softcopy book as a whole. (EP 800, 11:46-12:12; 13:44-58; Figure 7.)</p>
<p>2. The digital work as recited in claim 1, wherein said usage rights portion further specifies status information indicating the status of the digital work.</p>	<p>The [royalty] tag identifies that the digital work is associated with a royalty fee, thus indicating a status of the softcopy book. As another example, EP 800 discloses a [cpr] tag indicating that the softcopy book is copyrighted, and thus specifying a status of the softcopy book. (EP 800, 11:35-12:12; Figures 3A, 3B, and 7.)</p>
<p>3. The digital work as recited in claim 1, wherein said usage rights portion further specifies a usage fee associated with exercise of the manner of use, said usage fee comprising a fee</p>	<p>Royalty payment information includes a fee type identified through the [royalty] flag (<i>e.g.</i>, a royalty or book reproduction fee) and a fee parameter (<i>e.g.</i>, fee amount of \$20.00). (EP 800, 11:35-41; Figure 3A.)</p>

Claims 1-3, 8-9, and 23 of the 160 Patent	Disclosure of EP 800 (Ex. 1011)
type and fee parameters.	
8. The digital work as recited in claim 3 wherein said fee type is a best price fee and said fee parameters comprise an identifier to identify said best price.	Figure 3A of EP 800 disclose a royalty fee and an identifier to a royalty amount. The 160 Patent, at 22:59-61, specifies that the best price is “the best price that is determined when the account is settled.” Figure 3A discloses a single royalty fee to reproduce the softcopy book, and accordingly the best price when the royalty payment is paid. The [amount] tag thus identifies the best price.
9. The digital work as recited in claim 1 wherein said digital content portion and said usage rights portion are stored on the same physical device.	The royalty payment information can be embedded within the structured document text of the softcopy book and stored in a memory, <i>i.e.</i> , on the same physical device. (EP 800, 5:48-52; 10:24-27; Figure 3A.)
23. A computer readable medium having embedded thereon a digital work adapted to be distributed within a system for controlling use of digital works, said digital work comprising:	EP 800 discloses a system for managing a structured document of a softcopy book in accordance with royalty payment requirements. (EP 800, Title; Abstract; 5:19-23.) Specifically, EP 800 discloses a “digital work” as a combination of two associated entities that are stored together in a memory – a structured document and a Loaded Parameter Table. (EP 800, 8:43-49.)
a digital content portion that is renderable by a rendering device;	EP 800 discloses digital content portion of a digital work through a softcopy book that can be displayed, printed, stored, and transmitted. (EP 800, 2:21-28; 3:9-11.)
a usage rights portion associated with said digital content and comprising one or more computer readable instructions configured to permit or prohibit said rendering device to render	EP 800 discloses a usage rights portion of a digital work through royalty payment information associated with the softcopy book. The royalty payment information associated with the softcopy book is included either within the structured document text of the softcopy book or in an accompanying royalty payment

Claims 1-3, 8-9, and 23 of the 160 Patent	Disclosure of EP 800 (Ex. 1011)
<p>said digital content portion,</p>	<p>information file. (EP 800, 5:48-52.) When a processor identifies royalty payment tags embedded in the softcopy book, printing, copying, and transmitting (<i>i.e.</i>, rendering) of the softcopy book is inhibited unless royalty payment conditions are met. (EP 800, 10:1-18.)</p>
<p>said usage rights portion being expressed as statements from a usage rights language having a grammar defining a valid sequence of symbols, and specifying conditions relating to one or more purposes for which the digital work can be used by an authorized party; and</p>	<p>The royalty payment information can be embedded within the softcopy book using Standardized General Markup Language (SGML) grammar, <i>e.g.</i>, SGML tags. (EP 800, 10:1-7; Figures 3A and 3B.) The royalty tag may specify a cost for printing or copying a softcopy book, <i>i.e.</i>, conditions relating to one or more purposes for which the digital work can be used by used by an authorized party. (EP 800, 10:7-18.)</p>
<p>a description structure comprising a plurality of description blocks, each of said description blocks comprising address information for at least one part of said digital work, and a usage rights part for associating one or more usage right portions.</p>	<p>EP 800 discloses a description structure of a digital work through a Loaded Parameter Table. The Loaded Parameter Table is a data structure that describes the softcopy book and includes multiple sections, including a plurality of entries storing usage rights information (<i>i.e.</i>, description blocks). (EP 800, Figure 7.) The Loaded Parameter Table includes element coordinates (<i>i.e.</i>, address information) for elements in the softcopy book and a usage rights entry can associate, for instance, a reproduction fee or validation (<i>i.e.</i>, usage rights portion) for a particular chapter or the softcopy book as a whole. (EP 800, 11:46-12:12; 13:44-58; Figure 7.)</p>

B. GROUND 2: CLAIMS 1-3, 8-9, AND 23 ARE UNPATENTABLE UNDER 35 U.S.C. § 103(a) AS BEING OBVIOUS OVER EP 800 IN VIEW OF O'CALLAGHAN

Claims 1-3, 8-9, and 23 of the 160 Patent are unpatentable under 35 U.S.C. § 103(a) as being obvious over EP 800 (Ex. 1011) in view of O'Callaghan (Ex. 1016). (*See* Madisetti Decl., ¶ 110.)

As discussed above in Section VII.A, EP 800 discloses each element of a “digital work” as recited in independent claims 1 and 23. Specifically, EP 800 discloses a digital work as a combination of a structured document (*i.e.*, the claimed digital content and usage rights portions) and a Loaded Parameter Table (*i.e.*, the claimed description structure). EP 800 further discloses the structured document and Loaded Parameter Table are associated with one another and used in connection to access and render the softcopy book. (EP 800, 10:45-54; 11:10-19; 15:23-33; 19:10-47; Figure 8; *see also* Madisetti Decl., ¶ 111.)

O'Callaghan discloses a digital content distribution system for the transmission and distribution of video programming. (O'Callaghan, Abstract; 1:7-8.) Specifically, O'Callaghan teaches combining digital content (*e.g.*, video source material and audio source material) with other data into a data stream suitable for storage or transmission. (O'Callaghan, 1:66-2:6; Fig.1.) O'Callaghan teaches this other data includes a data structure describing the digital content in the form of a program map, which maps program identification numbers (“PIDs”) for a video

stream and audio stream for a particular program. (O’Callaghan, 2:47-50; Figure 1.) Accordingly, O’Callaghan teaches combining digital content with, *inter alia*, a description data structure to form a single entity, *e.g.*, data stream, suitable for transmission or storage. (*See* Madisetti Decl., ¶ 112.)

In applying the data combining teaching of O’Callaghan to the data elements of EP 800, the combination of EP 800 and O’Callaghan teach combining digital content (*i.e.*, the structured document of EP 800 with embedded royalty information) with a description data structure (*i.e.*, the loaded parameter table of EP 800) into a single entity. In that regard, the combination of EP 800 and O’Callaghan teach the “digital work” recited in claim 1 of the 160 Patent comprising the digital content portion, usage rights portion, and description structure combined into a single stream suitable for transmission or storage. (*See* Madisetti Decl., ¶ 113.)

One of ordinary skill in the art would have been motivated to combine EP 800 and O’Callaghan because both relate to the distribution and rendering of digital content. To the extent that claims 1-3, 8-9, and 23 are not anticipated by EP 800 alone, one of ordinary skill in the art would have been motivated to combine EP 800 and O’Callaghan to allow for the combining of digital content and other associated data, such as a description structure describing the digital content, into a single entity particularly suitable for storage or transmission. (O’Callaghan, 1:66-

2:6; Figure 1.) Such a combination would allow for adapting the digital work for suitable transmission and/or increased efficiency in storing the single stream in memory. (*See* Madisetti Decl., ¶ 114.)

Further, O’Callaghan demonstrates that it would be obvious to a person of ordinary skill in the art to include a “description structure” as part of the transmission to a user system, as opposed to generating the “description structure” on the user device as part of the reader software (or other rendering software.) In that regard, O’Callaghan discloses a video decoding system receiving an MPEG transport stream that *already* includes digital content and the program map description structure packaged into the transport stream. (O’Callaghan, 1:66-2:6; 2:60-3:24; Figure 2; *see also* Madisetti Decl., ¶ 115.)

To the extent that ContentGuard contends that the claims require a single entity upon transmission, it would be obvious for a person of skill in the art to do the “description structure” leg work ahead of time, just as O’Callaghan does when generating and transmitting the program map description structure with the video and audio streams as part of an MPEG transport entity. Put another way, the combined teachings of EP 800 and O’Callaghan disclose generating the Loaded Parameter Table (*i.e.*, description structure), combining the Loaded Parameter Table with the structured document (*i.e.*, digital content and usage rights portion) into a singled combined stream suitable for transmission, and transmitting the

combined entity (*i.e.*, a “digital work”) to a rendering system. (EP 800, 2:21-28; 3:9-11; 5:48-52.; 10:1-18; 10:45-54 (teaching a structured document with digital content and usages rights as well as generation of the Loaded Parameter Table); O’Callaghan, Figures 1-2; 1:66-2:6; 2:47-50; 2:60-3:24 (teaching generation of a data description structure and combining the data description structure with digital content prior to transmission to a rendering system (*e.g.*, the decoding system).)) Thus, to the extent claims 1 and 23 are construed to require a timing requirement with regards to the generation of the description structure prior to communication of the digital work, EP 800 in view of O’Callaghan nonetheless invalidate claims 1 and 23 of the 160 Patent. (*See* Madisetti Decl., ¶ 115.)

As demonstrated in the following claim chart, EP 800 in view of O’Callaghan discloses each limitation of claims 1-3, 8-9, and 23 of the 160 Patent. (*See* Madisetti Decl., ¶ 116.)

Claims 1-3, 8-9, and 23 of the 160 Patent	Disclosure of EP 800 (Ex. 1011)	Disclosure of O’Callaghan (Ex. 1016)
<p>1. A computer readable medium having embedded thereon a digital work adapted to be distributed within a system for controlling use of digital works, said digital work</p>	<p>EP 800 discloses a system for managing digital content in the form of a softcopy book in accordance with royalty payment requirements (<i>i.e.</i>, usage rights for controlling use of the softcopy book). (EP 800, Title; Abstract; 5:19-23.) As shown below, EP 800 discloses each of the elements of a “digital work” as recited in claim 1 through a</p>	<p>O’Callaghan discloses a digital content distribution system for the transmission and distribution of video programming. (O’Callaghan, Abstract; 1:7-8.) O’Callaghan</p>

Claims 1-3, 8-9, and 23 of the 160 Patent	Disclosure of EP 800 (Ex. 1011)	Disclosure of O’Callaghan (Ex. 1016)
comprising:	structured document (<i>i.e.</i> , a digital content portion and usage rights portion) and a loaded parameter table (<i>i.e.</i> , a description structure). It would have been obvious to one of ordinary skill in the art to apply the teachings of O’Callaghan to EP 800 to combine digital content (e.g., the structured document including usage rights) with the description structure (e.g., the loaded parameter table) into a single data stream suitable for storage or transmission.	teaches combining digital content (e.g., a video source material and audio source material) with other description data structures (e.g., a program map table) into a single stream of data suitable for storage or transmission. (O’Callaghan, 1:66-2:6; 2:15-17; Fig. 1; 2:47-50.)
a digital content portion that is renderable by a rendering device;	EP 800 discloses digital content portion of a digital work through a softcopy book that can be displayed, printed, stored, and transmitted. (EP 800, 2:21-28; 3:9-11.)	
a usage rights portion associated with said digital content and comprising one or more computer readable instructions configured to permit or prohibit said rendering device to render said digital content portion,	EP 800 discloses a usage rights portion of a digital work through royalty payment information associated with the softcopy book. The royalty payment information associated with the softcopy book is included either within the structured document text of the softcopy book or in an accompanying royalty payment information file. (EP 800, 5:48-52.) When a processor identifies royalty payment tags embedded in the softcopy book, printing, copying, and transmitting	

Claims 1-3, 8-9, and 23 of the 160 Patent	Disclosure of EP 800 (Ex. 1011)	Disclosure of O'Callaghan (Ex. 1016)
	<i>(i.e., rendering)</i> of the softcopy book is inhibited unless royalty payment conditions are met. (EP 800, 10:1-18.)	
said usage rights portion being expressed as statements from a usage rights language having a grammar defining a valid sequence of symbols, and specifying a manner of use relating to one or more purposes for which the digital work can be used by an authorized party; and	The royalty payment information can be embedded within the softcopy book using Standardized General Markup Language (SGML) grammar, <i>e.g.</i> , SGML tags. (EP 800, 10:1-7; Figures 3A and 3B.) The royalty tag may specify a cost for printing or copying a softcopy book, <i>i.e.</i> , a manner of use relating to one or more purposes for which the digital work can be used by used by an authorized party. (EP 800, 10:7-18.)	
a description structure comprising a plurality of description blocks, each of said description blocks comprising address information for at least one part of said digital work, and a usage rights part for associating one or more usage right portions.	EP 800 discloses a description structure of a digital work through a Loaded Parameter Table. The Loaded Parameter Table is a data structure that describes the softcopy book and includes multiple sections, including a plurality of entries storing usage rights information (<i>i.e.</i> , description blocks). (EP 800, Figure 7.) The Loaded Parameter Table includes element coordinates (<i>i.e.</i> , address information) for elements in the softcopy book and a usage rights entry can associate, for instance, a reproduction fee or	

Claims 1-3, 8-9, and 23 of the 160 Patent	Disclosure of EP 800 (Ex. 1011)	Disclosure of O’Callaghan (Ex. 1016)
	validation (<i>i.e.</i> , usage rights portion) for a particular chapter or the softcopy book as a whole. (EP 800, 11:46-12:12; 13:44-58; Figure 7.)	
<p>2. The digital work as recited in claim 1, wherein said usage rights portion further specifies status information indicating the status of the digital work.</p>	<p>The [royalty] tag identifies that the digital work is associated with a royalty fee, thus indicating a status of the softcopy book. As another example, EP 800 discloses a [cpr] tag indicating that the softcopy book is copyrighted, and thus specifying a status of the softcopy book. (EP 800, 11:35-12:12; Figures 3A, 3B, and 7.)</p>	
<p>3. The digital work as recited in claim 1, wherein said usage rights portion further specifies a usage fee associated with exercise of the manner of use, said usage fee comprising a fee type and fee parameters.</p>	<p>Royalty payment information includes a fee type identified through the [royalty] flag (<i>e.g.</i>, a royalty or book reproduction fee) and a fee parameter (<i>e.g.</i>, fee amount of \$20.00). (EP 800, 11:35-41; Figure 3A.)</p>	
<p>8. The digital work as recited in claim 3 wherein said fee type is a best price fee and said fee parameters comprise an identifier to identify said best price.</p>	<p>Figure 3A of EP 800 disclose a royalty fee and an identifier to a royalty amount. The 160 Patent, at 22:59-61, specifies that the best price is “the best price that is determined when the account is settled.” Figure 3A discloses a single royalty fee to reproduce the softcopy book, and accordingly the</p>	

Claims 1-3, 8-9, and 23 of the 160 Patent	Disclosure of EP 800 (Ex. 1011)	Disclosure of O'Callaghan (Ex. 1016)
	best price when the royalty payment is paid. The [amount] tag thus identifies the best price.	
9. The digital work as recited in claim 1 wherein said digital content portion and said usage rights portion are stored on the same physical device.	The royalty payment information can be embedded within the structured document text of the softcopy book and stored in a memory, <i>i.e.</i> , on the same physical device. (EP 800, 5:48-52; 10:24-27; Figure 3A.)	
23. A computer readable medium having embedded thereon a digital work adapted to be distributed within a system for controlling use of digital works, said digital work comprising:	EP 800 discloses a system for managing digital content in the form of a softcopy book in accordance with royalty payment requirements (<i>i.e.</i> , usage rights for controlling use of the softcopy book). (EP 800, Title; Abstract; 5:19-23.) As shown below, EP 800 discloses each of the elements of a “digital work” as recited in claim 1 through a structured document (e.g., a digital content portion and usage rights portion) and a loaded parameter table (e.g., a description structure). It would have been obvious to one of ordinary skill in the art to apply the teachings of O'Callaghan to EP 800 to combine digital content (e.g., the structured document including usage rights) with the description structure (e.g., the loaded parameter table) into a single data stream suitable for storage or transmission.	O'Callaghan discloses a digital content distribution system for the transmission and distribution of video programming. (O'Callaghan, Abstract; 1:7-8.) O'Callaghan teaches combining digital content (e.g., a video source material and audio source material with other description data structures (e.g., a program map table) into a single stream of data suitable for storage or transmission. (O'Callaghan, 1:66-2:6; 2:15-17; Fig. 1;

Claims 1-3, 8-9, and 23 of the 160 Patent	Disclosure of EP 800 (Ex. 1011)	Disclosure of O'Callaghan (Ex. 1016)
		2:47-50.)
a digital content portion that is renderable by a rendering device;	EP 800 discloses digital content portion of a digital work through a softcopy book that can be displayed, printed, stored, and transmitted. (EP 800, 2:21-28; 3:9-11.)	
a usage rights portion associated with said digital content and comprising one or more computer readable instructions configured to permit or prohibit said rendering device to render said digital content portion,	EP 800 discloses a usage rights portion of a digital work through royalty payment information associated with the softcopy book. The royalty payment information associated with the softcopy book is included either within the structured document text of the softcopy book or in an accompanying royalty payment information file. (EP 800, 5:48-52.) When a processor identifies royalty payment tags embedded in the softcopy book, printing, copying, and transmitting (<i>i.e.</i> , rendering) of the softcopy book is inhibited unless royalty payment conditions are met. (EP 800, 10:1-18.)	
said usage rights portion being expressed as statements from a usage rights language having a grammar defining a valid sequence of symbols, and specifying conditions relating to	The royalty payment information can be embedded within the softcopy book using Standardized General Markup Language (SGML) grammar, <i>e.g.</i> , SGML tags. (EP 800, 10:1-7; Figures 3A and 3B.) The royalty tag may specify a cost for printing or copying a softcopy book, <i>i.e.</i> , conditions relating to one or more purposes for which the	

Claims 1-3, 8-9, and 23 of the 160 Patent	Disclosure of EP 800 (Ex. 1011)	Disclosure of O’Callaghan (Ex. 1016)
one or more purposes for which the digital work can be used by an authorized party; and	digital work can be used by used by an authorized party. (EP 800, 10:7-18.)	
a description structure comprising a plurality of description blocks, each of said description blocks comprising address information for at least one part of said digital work, and a usage rights part for associating one or more usage right portions.	EP 800 discloses a description structure of a digital work through a Loaded Parameter Table. The Loaded Parameter Table is a data structure that describes the softcopy book and includes multiple sections, including a plurality of entries storing usage rights information (<i>i.e.</i> , description blocks). (EP 800, Figure 7.) The Loaded Parameter Table includes element coordinates (<i>i.e.</i> , address information) for elements in the softcopy book and a usage rights entry can associate, for instance, a reproduction fee or validation (<i>i.e.</i> , usage rights portion) for a particular chapter or the softcopy book as a whole. (EP 800, 11:46-12:12; 13:44-58; Figure 7.)	

C. GROUND 3: CLAIMS 2-4, 6-7, AND 25-26 OF THE 160 PATENT ARE UNPATENTABLE UNDER 35 U.S.C. § 103(A) AS BEING OBVIOUS OVER EP 800 IN VIEW OF PERRITT

Claims 2-4, 6-7, and 25-26 of the 160 Patent are unpatentable under 35 U.S.C. § 103(a) as being obvious over EP 800 (Ex. 1011) in view of Perritt (Ex. 1006). (*See* Madisetti Decl., ¶ 117.)

As discussed Section VII.A above, EP 800 discloses all of the limitations of independent claims 1 and 23 of the 160 Patent. In the same field of DRM, Perritt discloses protecting intellectual property by allowing copyright owners to specify different levels of permission for an information object, *i.e.*, a digital work. (Perritt, p. 1.) In particular, Perritt discloses a permissions header that is attached to each information object. (Perritt, p. 6.) For an information object, the permissions header flexibly specifies various usages rights and the economic terms associated with each usage right. (Perritt, pp. 4-6.) The combination of EP 800 and Perritt teaches a softcopy book with digital content, a description structure, and a usage right portion as taught by EP 800, with increased flexibility in the usage rights portion to define varying usage rights and associated economic terms as disclosed in Perritt. (*See* Madisetti Decl., ¶¶ 117-118.)

As EP 800 and Perritt each relate to protecting a copyright owner's interests in a digital work, one of ordinary skill in the art would have been motivated to combine the teachings of EP 800 with Perritt to provide a system that offers increased flexibility in copyright protection by specifying varying economic terms and conditions for using the digital work. (Perritt, pp. 1, 3-6; *see also* Madisetti Decl., ¶ 119.)

As shown in the following claim chart, EP 800 in view of Perritt discloses each limitation of claims 2-4, 6-7, and 25-26 of the 160 Patent. (*See* Madisetti

Decl., ¶ 120.) As shown in the claim chart in Section VII.A, EP 800 discloses all of the limitations of independent claims 1 and 23.

Claims 2-4, 6-7, and 25-26 of the 160 Patent	Disclosure of EP 800 (Ex. 1011) in view of Perritt (Ex. 1006) or EP 800 in view of O’Callaghan (Ex. 1016) and further in view of Perritt
2. The digital work as recited in claim 1, wherein said usage rights portion further specifies status information indicating the status of the digital work.	Perritt discloses a permissions header (<i>i.e.</i> , usage rights portion) that specifies status information for a digital work, <i>e.g.</i> , a type of document, document availability, and pricing information. (Perritt, pp. 1, 4, 6.)
3. The digital work as recited in claim 1, wherein said usage rights portion further specifies a usage fee associated with exercise of the manner of use, said usage fee comprising a fee type and fee parameters.	The permissions header specifies economic terms for using an associated information object. (Perritt, pp. 4, 6.) The permissions header can specify various fee types, such as a flat fee, volume-based fee, usage fee, connect-time based fee as well as a fee parameter, <i>e.g.</i> , the flat fee value or a connect-time rate of \$10.00 per minute. (Perritt, pp. 4-6.)
4. The digital work as recited in claim 3, wherein said fee type is a metered use fee and said fee parameters comprises a fee unit and a time unit.	The permissions header can specify a connect-time based fee and a corresponding rate, <i>e.g.</i> , \$10.00 (<i>i.e.</i> , fee unit) per minute (<i>i.e.</i> , time unit). (Perritt, pp. 4, 6.)
6. The digital work as recited in claim 3, wherein said fee type is a scheduled fee and said fee parameters comprise time units and fee units.	The permissions header can specify pricing information identifying a price associated with each type of privilege of rendering the digital works content (<i>i.e.</i> , scheduled fee). (Perritt, p. 6.) For example, the permissions header can specify a connect-time based fee and a corresponding rate, <i>e.g.</i> , \$10.00 (<i>i.e.</i> , fee unit) per minute (<i>i.e.</i> , time unit). (Perritt, pp. 4, 6.)
7. The digital work as recited in claim 3, wherein	The permissions header specifies the economic terms for using a digital work, which can be a usage

Claims 2-4, 6-7, and 25-26 of the 160 Patent	Disclosure of EP 800 (Ex. 1011) in view of Perritt (Ex. 1006) or EP 800 in view of O’Callaghan (Ex. 1016) and further in view of Perritt
said fee type is a per use fee and said fee parameter comprises a fee unit.	fee (<i>i.e.</i> , per-use fee) that includes a corresponding price (<i>i.e.</i> , fee unit). (Perritt, pp. 4, 6.)
25. A digital work as recited in claim 23, wherein the conditions relate to the number of time units for which the digital work can be used.	Perritt discloses the permissions header may specify a connect-time based fee, such as \$10.00 per minute of usage of a digital work. A connect-time fee indicates a number of time units for which the digital work can be used in exchange for a fee, and thus discloses conditions that relate to the number of units for which the digital work can be used.
26. A digital work as recited in claim 23, wherein the conditions relate to the revenue owner of the digital work.	Perritt discloses that the permissions header identifies a payment form accepted by different suppliers of the protected work (<i>i.e.</i> , revenue owner). (Perritt, p. 6.)

D. GROUND 4: CLAIMS 2-4, 6-7, AND 25-26 OF THE 160 PATENT ARE UNPATENTABLE UNDER 35 U.S.C. § 103(A) AS BEING OBVIOUS OVER EP 800 IN VIEW OF O’CALLAGHAN AND FURTHER IN VIEW OF PERRITT

Claims 2-4, 6-7, and 25-26 of the 160 Patent are unpatentable under 35 U.S.C. § 103(a) as being obvious over EP 800 (Ex. 1011) in view of O’Callaghan (Ex. 1016) and further in view of Perritt (Ex. 1006). (*See* Madisetti Decl., ¶ 121.)

As discussed Section VII.B above, EP 800 and O’Callaghan teach all of the limitations of independent claims 1 and 23 of the 160 Patent. In the same field of DRM, Perritt discloses protecting intellectual property by allowing copyright owners to specify different levels of permission for an information object, *i.e.*, a

digital work. (Perritt, p. 1.) In particular, Perritt discloses a permissions header that is attached to each information object. (Perritt, p. 6.) For an information object, the permissions header flexibly specifies various usages rights and the economic terms associated with each usage right. (Perritt, pp. 4-6.) The combination of EP 800 and Perritt teaches a softcopy book with digital content, a description structure, and a usage right portion as taught by EP 800, with increased flexibility in the usage rights portion to define varying usage rights and associated economic terms as disclosed in Perritt. (*See* Madisetti Decl., ¶ 122.)

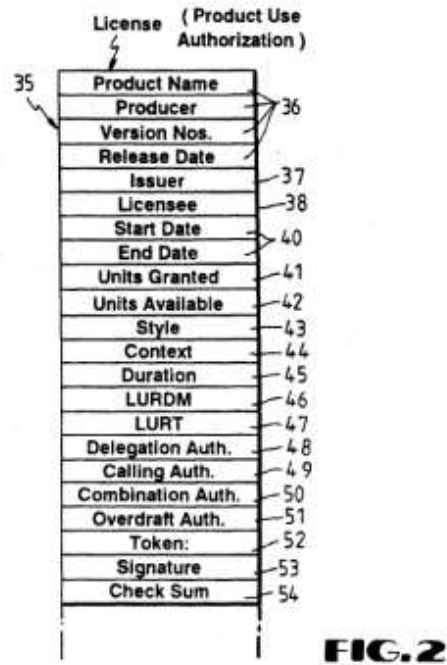
As EP 800, O'Callaghan, and Perritt each relate to distributing digital content and EP 800 and Perritt each relate to protecting a copyright owner's interests in a digital work, one of ordinary skill in the art would have been motivated to combine the teachings of EP 800 and O'Callaghan with Perritt to provide a system that offers increased flexibility in copyright protection by specifying varying economic terms and conditions for using the digital work. (Perritt, pp. 1, 3-6; *see also* Madisetti Decl., ¶ 123.)

As discussed in Section VII.B above, EP 800 discloses each limitation of independent claims 1 and 23. In addition, Perritt discloses each limitation of dependent claims 2-4, 6-7, and 25-26 of the 160 Patent as shown in the claim chart in Section VII.C above. (*See* Madisetti Decl., ¶ 124.) Therefore, the combination

of EP 800, O’Callaghan, and Perritt discloses each limitation of claims 2-4, 6-7, and 25-26 of the 160 Patent.

E. GROUND 5: CLAIMS 2, 10, AND 24-28 ARE UNPATENTABLE UNDER 35 U.S.C. § 103(a) AS BEING OBVIOUS OVER EP 800 IN VIEW OF WYMAN

Claims 2, 10, and 24-28 of the 160 Patent are unpatentable under at least 35 U.S.C. § 103(a) as being obvious over EP 800 (Ex. 1011) in view of Wyman (Ex. 1013). As discussed in Section VII.A above, EP 800 discloses all of the limitations of independent claims 1 and 23 of the 160 Patent. In a similar field, Wyman discloses a license management system that allows intellectual property owners to flexibly specify different terms for a license of a software package, *i.e.*, a digital work, by creating a license document (“product use authorization”) that identifies usage rights associated with the software package. (Wyman, Abstract; 11:54-12:8; Figure 2.) The license document, or “product use authorization,” can specify multiple fields, as seen in Wyman, Figure 2:



(Wyman, Figure 2; *see also* Madisetti Decl., ¶ 125.)

In particular, the license document disclosed in Wyman includes information regarding number of copies of the digital work in use, time during which the license is valid, release date of the digital work, issuer of the license, and more.

(Wyman, Figure 2.) The combination of EP 800 and Wyman teaches a digital work with digital content, a description structure, and a usage right portion as taught by EP 800, with increased flexibility in the usage rights portion to define varying usage rights and associated economic terms as disclosed in Wyman. (*See* Madisetti Decl., ¶ 126.)

Because EP 800 and Wyman each relate to protecting an owner's interests in a digital work, one of ordinary skill in the art would have been motivated to

combine the teachings of EP 800 with Wyman to provide a system that offers flexible protection over a wide variety of differing digital works. (Wyman, 6:17-48; *see also* Madisetti Decl., ¶ 127.)

As demonstrated in the following claim chart, EP 800 in view of Wyman discloses each limitation of claims 2, 10, and 24-28 of the 160 Patent. (*See* Madisetti Decl., ¶ 128.) As discussed in Section VII.A above, EP 800 discloses each limitation of independent claims 1 and 23.

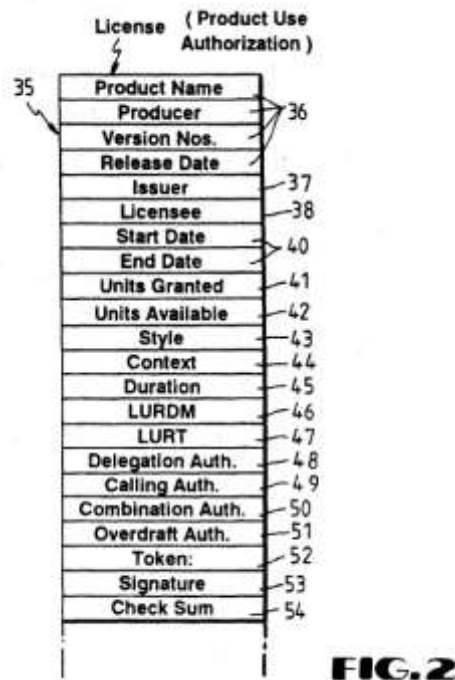
Claim 2, 10, and 24-28 of the 160 Patent	Disclosure of EP 800 (Ex. 1011) in view of Wyman (Ex. 1013) or EP 800 in view of O’Callaghan (Ex. 1016) and further in view of Wyman
2. The digital work as recited in claim 1, wherein said usage rights portion further specifies status information indicating the status of the digital work.	Wyman discloses several fields in a license document that indicate status information of a digital work, including as examples, product name, producer, version numbers, and release date of the digital work, etc. (Wyman, 12:12-14, Figure 2.)
10. The digital work as recited in claim 1, wherein said digital content portion and said usage rights portion are stored on different physical devices.	Wyman discloses storing the usage rights 23 in a license database that is separate device from a user node 16 that stores the licensed software program (the user node 16 in communication with units 17, 18 storing the software program 19). (Wyman, Fig. 1.)
24. A digital work as recited in claim 23, wherein the conditions relate to the number of copies of the digital work that are in use.	Wyman discloses that use of the digital work depends on the number of copies of the digital work that are in use; a limited number of license units are granted and license units available are tracked in fields in the license document. (Wyman, 12:30-37; 15:50-59; Figure 2.)
25. A digital work as recited in claim 23,	The license document includes a start date and end date field that stores the exact time the license

Claim 2, 10, and 24-28 of the 160 Patent	Disclosure of EP 800 (Ex. 1011) in view of Wyman (Ex. 1013) or EP 800 in view of O’Callaghan (Ex. 1016) and further in view of Wyman
wherein the conditions relate to the number of time units for which the digital work can be used.	becomes valid and when it ends. (Wyman, 12:16-22; Figure 2.) Thus, Wyman discloses the number of time units for which a digital work can be used, <i>e.g.</i> , in the remaining time units of the time window during which the license is valid.
26. A digital work as recited in claim 23, wherein the conditions relate to the revenue owner of the digital work.	The license document identifies an issuer, <i>i.e.</i> , revenue owner, of the license. (Wyman, 12:14-15; Figure 2.)
27. A digital work as recited in claim 23, wherein the conditions relate to the publication date of the digital work.	The license document identifies a release date, <i>i.e.</i> , publication date, of a software program. (Wyman, 12:12-14; Figure 2.) The release date of the software program is the date which the software program is released to the public.
28. A digital work as recited in claim 23, wherein the conditions relate to the history of the use and distribution of the digital work.	Wyman discloses the license document including a version number for the software program, which relates to a history of the use and distribution of the software program. (Wyman, 12:12-14.) The license document also includes information describing a number of time units granted and a number of time units left for executing the software program, which relates to the history of the use and distribution of the digital work. (Wyman, 12:30-37.)

F. GROUND 6: CLAIMS 2, 10, AND 24-28 ARE UNPATENTABLE UNDER 35 U.S.C. § 103(a) AS BEING OBVIOUS OVER EP 800 IN VIEW OF O’CALLAGHAN AND FURTHER IN VIEW OF WYMAN

Claims 2, 10, and 24-28, and 32-37 of the 160 Patent are unpatentable under at least 35 U.S.C. § 103(a) as being obvious over EP 800 (Ex. 1011) in view of

O’Callaghan (Ex. 1016) and further in view of Wyman (Ex. 1013). As discussed in Section VII.B above, EP 800 in view of O’Callaghan teaches all of the limitations of independent claims 1 and 23 of the 160 Patent. In a similar field, Wyman discloses a license management system that allows intellectual property owners to flexibly specify different terms for a license of a software package, *i.e.*, a digital work, by creating a license document (“product use authorization”) that identifies usage rights associated with the software package. (Wyman, Abstract; 11:54-12:8; Figure 2.) The license document, or “product use authorization,” can specify multiple fields, as seen in Wyman, Figure 2:



(Wyman, Figure 2; *see also* Madisetti Decl., ¶ 129.)

In particular, the license document disclosed in Wyman includes information regarding number of copies of the digital work in use, time during which the license is valid, release date of the digital work, issuer of the license, and more. (Wyman, Figure 2.) The combination of EP 800, O'Callaghan, and Wyman teaches a digital work with digital content, a description structure, and a usage right portion as taught by EP 800 in view of O'Callaghan, with increased flexibility in the usage rights portion to define varying usage rights and associated economic terms as disclosed in Wyman. (*See* Madisetti Decl., ¶ 130.)

Because EP 800, O'Callaghan, and Wyman each relate to distribution of digital content and EP 800 and Wyman each relate to protecting an owner's interests in a digital work, one of ordinary skill in the art would have been motivated to combine the teachings of EP 800 and O'Callaghan with Wyman to provide a system that offers flexible protection over a wide variety of differing digital works. (Wyman, 6:17-48; *see also* Madisetti Decl., ¶ 131.)

As discussed in Section VII.B above, EP 800 in view of O'Callaghan discloses each limitation of independent claims 1 and 23. In addition, Wyman discloses each limitation of dependent claims 2, 10, and 24-48 of the 160 Patent as shown in the claim chart in Section VII.E above. Therefore, the combination of EP 800, O'Callaghan, and Wyman discloses each limitation of claims 2, 10, and 24-28 of the 160 Patent. (*See* Madisetti Decl., ¶ 132.)

G. GROUND 7: CLAIM 5 IS UNPATENTABLE UNDER 35 U.S.C. § 103(a) AS BEING OBVIOUS OVER EP 800 IN VIEW OF PERRITT AND FURTHER IN VIEW OF ADMITTED PRIOR ART

Claim 5 of the 160 Patent is unpatentable under 35 U.S.C. § 103(a) as being obvious over EP 800 (Ex. 1011) in view of Perritt (Ex. 1006) and further in view of admitted prior art. As described in Section VII.A above, EP 800 discloses all of the limitations recited in claim 3. In addition, as demonstrated in the following claim chart, EP 800 in view of Perritt and further in view of admitted prior art discloses each limitation of claim 5 of the 160 Patent. (*See Madisetti Decl.*, ¶ 133.)

Claim 5 of the 160 Patent	Disclosure of EP 800 (Ex. 1010) and Perritt (Ex. 1006) and further in view of Admitted Prior Art
5. The digital work as recited in claim 3 wherein said fee type is a mark-up fee and said fee parameters comprise a mark-up percentage.	The admitted prior art discloses wherein said fee type is a mark-up fee and said fee parameters comprise a mark-up percentage because ‘mark-up prices’ are old and well known to those of ordinary skill in retail.

H. GROUND 8: CLAIM 5 IS UNPATENTABLE UNDER 35 U.S.C. § 103(a) AS BEING OBVIOUS OVER EP 800 IN VIEW OF O’CALLAGHAN AND PERRITT AND FURTHER IN VIEW OF ADMITTED PRIOR ART

Claim 5 of the 160 Patent is unpatentable under 35 U.S.C. § 103(a) as being obvious over EP 800 (Ex. 1011) in view of O’Callaghan (Ex. 1016) and Perritt (Ex. 1006) and further in view of admitted prior art. As described in Section VII.B above, EP 800 in view of O’Callaghan discloses all of the limitations recited in

claim 3. In addition, as demonstrated in the following claim chart, the admitted prior art discloses each limitation of claim 5 of the 160 Patent. (*See* Madisetti Decl., ¶ 134.)

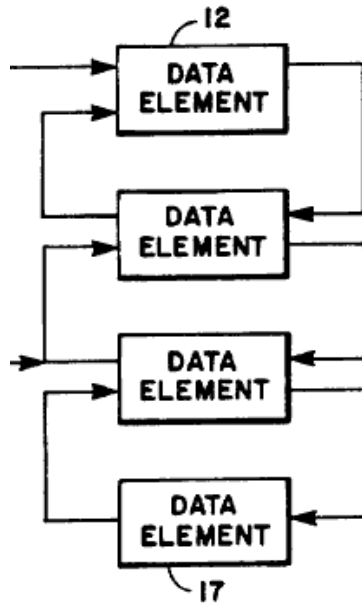
Claim 5 of the 160 Patent	Disclosure of EP 800 (Ex. 1010) in view of O’Callaghan (Ex. 1016) and Perritt (Ex. 1006) and further in view of Admitted Prior Art
5. The digital work as recited in claim 3 wherein said fee type is a mark-up fee and said fee parameters comprise a mark-up percentage.	The admitted prior art discloses wherein said fee type is a mark-up fee and said fee parameters comprise a mark-up percentage because ‘mark-up prices’ are old and well known to those of ordinary skill in retail.

I. GROUND 9: CLAIMS 11 AND 29 ARE UNPATENTABLE UNDER 35 U.S.C. § 103(a) AS BEING OBVIOUS OVER EP 800 IN VIEW OF PORTER

Claims 11 and 29 are unpatentable under 35 U.S.C. § 103(a) as being obvious over EP 800 (Ex. 1011) in view of Porter (Ex. 1014). As discussed in Section VII.A above, EP 800 discloses all of the limitations of independent claims 1 and 23 of the 160 Patent. Claims 11 and 29 depend directly from claims 1 and 23 respectively, and recite a limitation where the description blocks further include one or more pointers to other description blocks. (*See* Madisetti Decl., ¶ 135.)

Porter discloses storing data elements in memory through a doubly-linked list. (Porter, Abstract.) In particular, Porter discloses that a data element in a

memory can include a pointer to a next data element and a pointer to a previous element, shown in Figure 1 below:



(Porter, Figure 1; *see also* Madisetti Decl., ¶ 136.)

In using the doubly-linked list, Porter discloses minimizing time to search and access elements in the doubly linked list. (Porter, 3:43-47.) Moreover, Porter indicates that linked lists and tree structures (which also include pointers between nodes) were well known more than 10 years prior to the November 1994 priority date of the 160 Patent, (Porter, 2:25-31), and one of ordinary skill in the art would have recognized a linked list implementation as a way of implementing the Parameter Table disclosed in EP 800. (*See* Madisetti Decl., ¶ 137.)

One of ordinary skill in the art would have recognized a linked list as an implementation for the Parameter Table disclosed in EP 800 and would have been

motivated to combine EP 800 and Porter to, for example, minimize the time to access the data stored in the Parameter Table. (See Madisetti Decl., ¶ 138.)

As discussed in Section VII.A above, EP 800 discloses each limitation of independent claims 1 and 23. As demonstrated in the following claim chart, EP 800 in view of Porter discloses each limitation of claims 11 and 29 of the 160 Patent. (See Madisetti Decl., ¶ 139.)

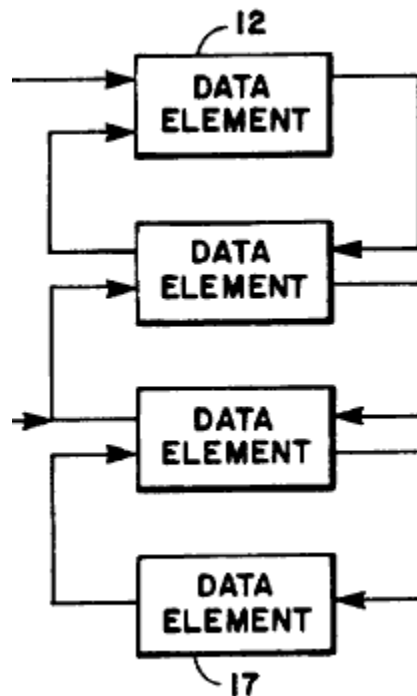
Claims 11 and 29 of the 160 Patent	Disclosure of EP 800 (Ex. 1011) in view of Porter (Ex. 1014) or EP 800 in view of O’Callaghan (Ex. 1016) and further in view of Porter
11. The digital work as recited in claim 1, wherein said description blocks further included [sic] one or more pointers to other description blocks.	Porter discloses data elements with pointers to one or more other data elements. (Porter, Figure 1.)
29. A digital work as recited in claim 23, wherein said description blocks further include one or more pointers to other description blocks.	Porter discloses data elements with pointers to one or more other data elements. (Porter, Figure 1.)

J. GROUND 10: CLAIMS 11 AND 29 ARE UNPATENTABLE UNDER 35 U.S.C. § 103(a) AS BEING OBVIOUS OVER EP 800 IN VIEW OF O’CALLAGHAN AND FURTHER IN VIEW OF PORTER

Claims 11 and 29 are unpatentable under 35 U.S.C. § 103(a) as being obvious over EP 800 (Ex. 1011) in view of O’Callaghan (Ex. 1016) and further in view of Porter (Ex. 1014). As discussed in Section VII.B above, EP 800 in view of

O'Callaghan teach all of the limitations of independent claims 1 and 23 of the 160 Patent. Claims 11 and 29 depend directly from claims 1 and 23 respectively, and recite a limitation where the description blocks further include one or more pointers to other description blocks. (See Madisetti Decl., ¶ 140.)

Porter discloses storing data elements in memory through a doubly-linked list. (Porter, Abstract.) In particular, Porter discloses that a data element in a memory can include a pointer to a next data element and a pointer to a previous element, shown in Figure 1 below:



(Porter, Figure 1; *see also* Madisetti Decl., ¶ 141.)

In using the doubly-linked list, Porter discloses minimizing time to search and access elements in the doubly linked list. (Porter, 3:43-47.) Moreover, Porter

indicates that linked lists and tree structures (which also include pointers between nodes) were well known more than 10 years prior to the November 1994 priority date of the 160 Patent, (Porter, 2:25-31), and one of ordinary skill in the art would have recognized a linked list implementation as a way of implementing the Parameter Table disclosed in EP 800. (*See Madisetti Decl.*, ¶ 142.)

One of ordinary skill in the art would have recognized a linked list as an implementation for the Parameter Table of EP 800 and would have been motivated to combine EP 800, O'Callaghan, and Porter to, for example, minimize the time to access the data stored in the Parameter Table. (*See Madisetti Decl.*, ¶ 143.)

As discussed in Section VII.B above, EP 800 in view of O'Callaghan discloses each limitation of independent claims 1 and 23. Porter discloses each limitation of dependent claims 11 and 29 of the 160 Patent as shown in the claim chart in Section VII.I above. (*See Madisetti Decl.*, ¶ 144.)

K. SECONDARY CONSIDERATIONS

Petitioner reserves the right to address any secondary considerations that Patent Owner may assert. Petitioner is currently unaware of any secondary considerations having a nexus to the claims of the 160 Patent that may overcome the showing of obviousness in the Section VII of the petition.

Patent Owner's purported patent licenses lack a nexus with the 160 Patent claims. Patent Owner apparently licenses its entire patent portfolio as opposed to

individual patents, such as the 160 Patent. (Ex. 1008, Excerpt of contentguard.com at page 1 (“Our business is focused on the licensing of our complete patent portfolio on reasonable terms. Our license programs provide access to over 250 issued patents.”).) The Patent Owner’s statement that it licenses a portfolio of over 250 Patents does not provide a nexus to any particular patent. (See Madisetti Decl., ¶ 147.) The Patent Owner’s website lists U.S. Patent No. 8,275,709, which is directed to “Digital rights management of content when content is a future live event” according to its title. This is not the same as the 160 Patent, which relates to “Digital works having usage rights and method for creating the same” according to its title. Therefore, any license revenue generated by licensing Patent Owner’s entire portfolio lacks a nexus to the individual 160 Patent. (See Madisetti Decl., ¶ 148.)

It is unclear whether Patent Owner’s licensees incorporate Patent Owner’s alleged inventions into their products, or whether any products sold by Patent Owner’s licensees are successful in the marketplace due to the fact that the products are licensed to Patent Owner’s DRM patent portfolio. (See Madisetti Decl., ¶ 149.) Because of the sophistication and number of features on modern cellular phones, it is doubtful that any profit margin or demand for licensed products has a nexus with the claims of the 160 Patent.

Petitioner is unaware of any long-felt, but unsatisfied need for the alleged invention of the 160 Patent. The distribution of digital content and the development of digital rights management happened in parallel, and at least IBM was working on this issue years before the alleged priority date of the 160 Patent as demonstrated in EP 800. (*See* Madisetti Decl., ¶ 150.) These and other prior art references disclose DRM implementations that provided a mechanism for protecting the intellectual property rights of digital content creators. There is also a lack of failure of others to find the solution provided by the alleged invention as claimed. Rather than long-felt need, the evidence suggests contemporaneous invention. IBM was very active in the field of DRM and had developed DRM implementations as disclosed in EP 800, including anticipation of several claims. (*See* Madisetti Decl., ¶ 151.)

Patent Owner's statements in its district court Complaint about praise for its "achievements" have no demonstrable nexus to the 160 Patent claims. Patent Owner has included statements in its complaint about ContentGuard originating from the "legendary Xerox PARC," and that "ContentGuard's highly skilled computer scientists[,] . . . as recognition for their achievements, have been awarded more than 260 patents." (First Amended Complaint at ¶ 1 (Ex. 1003).) These statements by the Patent Owner are irrelevant to secondary considerations. (*See* Madisetti Decl., ¶ 152.)

VIII. CONCLUSION

Based on the above, there is a reasonable likelihood that Petitioner will prevail in its challenge of patentability for at least one of claims 1-11 and 23-29 of the 160 Patent. For the reasons set forth in this Petition, it is respectfully requested that the Petition for *Inter Partes* Review of the 160 Patent be granted.

Dated: July 19, 2013

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 7,225,160 and supporting materials (Exhibit List, Exhibits 1001-1019, and Power of Attorney) have been served in its entirety this 19th day of July 2013, by Federal Express on:

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