

**United States Court of Appeals
For the Federal Circuit**

FINISAR CORPORATION,

Plaintiff-Appellant,

v.

THE DIRECTV GROUP, INC., DIRECTV HOLDINGS LLC,
DIRECTV ENTERPRISES, LLC, DIRECTV OPERATIONS, LLC,
HUGHES NETWORK SYSTEMS, INC., and DIRECTV, INC.,

Defendants-Appellees.

**Appeal From The United States District Court
For The Eastern District Of Texas
In Case No. 1:05-CV-00264, Judge Ron Clark**

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CERTIFICATE OF INTEREST

Counsel for all Defendants-Appellees hereby certifies the following:

1. The full name of every party represented by me is:

The DIRECTV Group, Inc.
DIRECTV Holdings LLC
DIRECTV Enterprises, LLC
DIRECTV Operations, LLC
DIRECTV, Inc.
DTV Network Systems, Inc., formerly known as Hughes Network
Systems, Inc.

2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is:

Not applicable.

3. All parent corporations and any publicly held companies that own 10 percent of more of the stock of the party or amicus curiae represented by me are:

Liberty Media Corporation owns more than 10 percent of The DIRECTV Group, Inc. stock. Otherwise, no entities other than the named Defendants-Appellees own 10 percent or more of the stock of any Defendant-Appellee.

4. There is no such corporation as listed in paragraph 3.

Not applicable; see answer to paragraph 3.

5. The name of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are appearing in this Court are:

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TABLE OF ABBREVIATIONS

Parties

DIRECTV	The DIRECTV Group, Inc.; DIRECTV Holdings LLC; DIRECTV Enterprises, LLC; DIRECTV Operations, LLC; Hughes Network Systems, Inc.; and DIRECTV, Inc.
Finisar	Finisar Corporation

Defined Terms

the ‘505 patent <i>or</i> the patent	Finisar’s U.S. Letters Patent No. 5,404,505, issued April 4, 1995, entitled “System for Scheduling Transmission of Indexed and Requested Database Tiers on Demand at Varying Repetition Rates” (A133-57)
(___:___)	Column and line number in the ‘505 patent
A___	Joint Appendix page(s)
FBr. ___	Finisar’s opening brief (filed Aug. 17, 2009)
JMOL	Judgment as a Matter of Law
PTO	United States Patent and Trademark Office
<i>Videotex Architecture</i>	Jan Gecsei, <i>The Architecture of Videotex Systems</i> (1983) (A28991-29285)
Roizen	Joseph Roizen, <i>Teletext in the USA</i> , 90 SMPTE J. 602, 602-10 (1981) (A29420-28)
Kinghorn	John R. Kinghorn, U.S. Letters Patent No. 4,908,707, issued March 13, 1990, entitled “Video Cassette Recorder Programming Via Teletext Transmissions” (A29435-44)
Gifford	David K. Gifford et al., <i>An Architecture for Large Scale Information Systems</i> , 1985 Proceedings of the 10th ACM Symposium on Operating Systems Principles 161-70 (1985) (A29446-55)

All emphasis in this brief is added unless otherwise noted.

STATEMENT OF RELATED CASES

This is the second appeal in this case. In the first appeal, this Court reversed two claim constructions, held principal claim 16 invalid as anticipated, and remanded for a new trial on the remaining asserted claims. *See Finisar Corp. v. DIRECTV Group, Inc.*, 523 F.3d 1323 (Fed. Cir. 2008) (Nos. 2007-1023, -1024) (Michel, C.J., Rader & Moore, JJ.). Finisar sought panel and en banc rehearing of the Court’s invalidity rulings and “clarification” of the meaning of the Court’s remand for a new trial, which the Court denied without comment. (A28506-09, A28521-22.) Thereafter, Finisar filed a petition for a writ of certiorari with the United States Supreme Court, seeking review of the indefiniteness ruling only. The Supreme Court denied the petition. *Finisar Corp. v. DIRECTV Group, Inc.*, 129 S. Ct. 754 (Dec. 8, 2008) (No. 08-445).

In addition, this case is related to three other cases filed during the pendency of this one. In one case, this Court summarily affirmed the grant of summary judgment of invalidity of claim 25, which depended from claim 16. *See Comcast Cable Commc’ns, LLC v. Finisar Corp.*, No. 2008-1506 (Fed. Cir. Apr. 10, 2009) (Fed. Cir. R. 36 affirmance). The other two cases have been closed without prejudice, in view of the pendency of this case and PTO reexaminations of the ‘505 patent. *See EchoStar Satellite LLC v. Finisar Corp.*, No. 1:06-cv-00425-JJF (D. Del. filed July 10, 2006; closed Aug. 11, 2009) (“administratively clos[ing]” the

case because there was “no further action” by the parties after issuance of this Court’s mandate in *Finisar Corp. v. DIRECTV Group, Inc.*—the previously stated triggering point for further action); *Finisar Corp. v. XM Satellite Radio Holdings, Inc.*, No. 9:07-cv-99 (E.D. Tex. filed Apr. 27, 2007; dismissed June 9, 2009) (dismissing without prejudice in accordance with the parties’ stipulation).

Finally, pending in the PTO are four ex parte reexaminations of the ‘505 patent, which have been merged. *See* Reexamination Control No. 90/008,282 (PTO), filed Oct. 5, 2006 (granted Dec. 11, 2006); Reexamination Control No. 90/008,408 (PTO), filed Jan. 12, 2007 (granted Mar. 21, 2007); Reexamination Control No. 90/008,807 (PTO), filed Aug. 1, 2007 (granted Sept. 28, 2007); Reexamination Control No. 90/009,318 (PTO), filed Nov. 5, 2008 (granted Jan. 23, 2009). In these reexaminations, the claims at issue in this case have all been rejected in two non-final office actions.

On February 19, 2008, in the first three reexaminations, the PTO issued its initial office action, rejecting seventeen of the patent’s claims, including claims 17, 22, 26, 39, and 44 at issue here. (A29483-93.) Finisar responded on May 5, 2008, disputing the rejections without amending the issued claims, but adding new claims for consideration. (A29495-29503.) Thereafter, the fourth reexamination request was filed, raising new questions of patentability specifically about claims

17 and 39 (at issue here) and related claims that Finisar added in its May 5, 2008 response. (A30318-37.)

On March 31, 2009, the PTO issued its second office action. The PTO issued this action after considering Finisar's response to the initial office action and receiving the fourth reexamination request. In the action, all claims at issue in this appeal were rejected a second time—the PTO adhered to all but one of the previous rejections, and it made additional rejections prompted by the fourth reexamination request. (A30030-30276.) On June 26, 2009, Finisar responded to the second office action by canceling and amending various claims (none of those claims are at issue here) and disputing the rejections of the others. As of the filing of this brief, the reexaminations await final action by the PTO examiner.

COUNTERSTATEMENT OF THE ISSUES

In the prior appeal, this Court ruled that claim 16 of the ‘505 patent was anticipated by *Videotex Architecture*, because all of claim 16’s limitations were present in that prior-art reference as recited in claim 16. The Court remanded the remaining claims, each of which contained the limitations of claim 16 plus a few additional features, “for a new trial on both infringement and validity,” without setting forth any limit on evidence to be considered or mandating any other particular procedures to govern the remand proceedings. On remand, the district court held, as a matter of law, all five of the remaining claims anticipated by *Videotex Architecture*, and further held claims 17, 26, and 39 obvious in view of the combinations of *Videotex Architecture* with three secondary references. The questions presented are:

1. In holding the remaining claims invalid in view of *Videotex Architecture* alone and in combination with the three secondary references, which three had not been introduced in the first trial but had been disclosed to Finisar beforehand in the manner required by the local patent rules, did the district court violate the appellate mandate, or exceed the court’s discretion in applying its local rules and managing its proceedings, by considering these three references?
2. (a) Did the district court correctly hold that the whereby clause of claims 17 and 39—which reads, “whereby subscribers can be informed as to when

a specified portion of the information database will be received”—was not a limitation, where this clause was never argued during prosecution to distinguish the claims over any prior art, was not portrayed as an integral part of the alleged invention, and merely states the intended result of those claims’ steps?

(b) Even if the whereby clause of claims 17 and 39 were viewed as a limitation, did the district court correctly conclude that the whereby clause is in the prior art, whether in *Videotex Architecture* or, as the court expressly concluded, in the Roizen article or the Kinghorn patent?

3. Did the district court correctly conclude that the additional features of claim 26—storing the “filter data” of claim 16 as a “filter list” and comparing that filter data to incoming data packets temporarily stored in a “buffer”—were disclosed by *Videotex Architecture*, alone and in combination with the Gifford article?

4. Did the district court correctly conclude that the features added to claim 16’s method by claims 22 and 44—reserving either “portion[s] of transmission bandwidth” (claim 22) or “transmission times” (claim 44), “for transmitting portions of [the] information database requested by subscribers”—were also disclosed in *Videotex Architecture*?

COUNTERSTATEMENT OF THE CASE

Introductory Statement. This appeal presents the question of whether a handful of slight fillips added to the limitations of invalid claim 16 of the ‘505 patent make those other five claims valid. The answer to that question is “no.”

- With respect to claims 17 and 39, the language “whereby subscribers can be informed as to when a specified portion of the information database will be received” is not a limitation, but merely an intended result; even if it were a limitation, however, the addition of timestamps to announce the future time that information would be transmitted was already well known and well established, and that addition was disclosed both by *Videotex Architecture* itself and in combination with the Roizen article or the Kinghorn patent.
- Similarly, the additional claim 26 requirements of (i) storing filter data as a filter list, and (ii) comparing that filter data to incoming packets temporarily stored in a buffer, added nothing patentable—they were, as the district court held, disclosed by *Videotex Architecture* itself as well as its combination with the Gifford article.
- Finally, the added limitations of claim 22 and 44, requiring “reserving a portion of transmission bandwidth” (claim 22) and “reserving transmission times” (claim 44), were also nothing new—they, too, were disclosed in *Videotex Architecture*, as the district court held.

In short, this Court’s prior invalidation of the central claim of the ‘505 patent, claim 16, sounded the death knell for these other claims as well, for their only additional limitations were disclosed in *Videotex Architecture* itself or were otherwise so well known, as clearly shown in other combinable art, that they added nothing new at all. The district court was correct to so rule and put an end to this case. Its judgment should be affirmed.

The Prior Trial-Court Proceedings. On April 4, 2005, Finisar sued DIRECTV for infringement. (A162-80.) Finisar alleged infringement of 15 of the patent's 48 claims: system claims 1, 2, 7, 9, 10, 11, and 37, and method claims 16, 17, 22, 24, 25, 26, 39, and 44. (A436-41.) Among its defenses and declaratory-judgment counterclaims, DIRECTV raised invalidity by anticipation and obviousness. (A350-68.)

In January 2006, the court held a *Markman* hearing, and defined the level of ordinary skill to require at least an undergraduate education in electrical engineering, computer engineering, or computer science, and at least two-to-three years' experience in data communications and software engineering. (A37.) Thereafter, the court held that the seven system claims were indefinite (later granting DIRECTV summary judgment on those claims (A18036.1-18036.3)), and construed disputed terms in the remaining eight method claims. *See Finisar Corp. v. DIRECTV Group, Inc.*, 416 F. Supp. 2d 512 (E.D. Tex. 2006).¹ (A36-56.) Just before trial, Finisar dropped infringement allegations for claim 25, leaving seven method claims (16, 17, 22, 24, 26, 39, and 44) for trial. (*See* A16224-27.) Of these, independent claim 16 was the principal claim in the case. (A150.)

¹ The other published district-court opinion in this case, 424 F. Supp. 2d 896 (E.D. Tex. 2006), concerns an evidentiary ruling not at issue here.

After a two-week trial in June 2006, the jury found the seven claims infringed, willfully infringed, and not invalid. (A18146.39-18146.42.) The district court entered judgment on the jury verdict, awarded enhanced damages based on the willfulness verdict, and imposed a compulsory license in lieu of Finisar's request for injunctive relief. (A17937-38; A18149.1-18149.2.)

The Prior Appeal. In October 2006, both parties appealed. (A16958-60; A16962-64.) DIRECTV challenged the court's judgment of infringement and invalidity of the seven method claims entered on the jury verdict; Finisar challenged the court's grant of summary judgment that the seven system claims were invalid for indefiniteness, as well as the court's denial of a permanent injunction and entry of a compulsory license. In its April 18, 2008 opinion, this Court reversed two claim constructions, held that the 1983 *Videotex Architecture* textbook anticipated principal claim 16, and "remand[ed] for a new trial on both infringement and validity of claims 17, 22, 24, 26, 39, and 44." *Finisar Corp. v. DIRECTV Group, Inc.*, 523 F.3d 1323, 1326, 1329-32, 1338 (Fed. Cir. 2008). The Court rejected all three arguments asserted in Finisar's cross-appeal. *See id.* at 1339-41.

Finisar sought rehearing of the Court's invalidity rulings on claim 16 and the system claims, and "clarification" of the meaning of the Court's "remand[] for a new trial on both infringement and validity." (A28504-09.) The Court denied

Finisar's petition without comment. (A28521-22.) Thereafter, Finisar filed a petition for a writ of certiorari with the United States Supreme Court, seeking review of the invalidity ruling on the system claims only. The petition was denied. *Finisar Corp. v. DIRECTV Group, Inc.*, 129 S. Ct. 754 (Dec. 8, 2008) (No. 08-445).

The Proceedings on Remand. On remand, the district court evaluated the remaining method claims, which had been reduced to five in number (claims 17, 22, 26, 39, and 44)—Finisar withdrew claim 24 in view of the invalidity ruling in the *Comcast* case (A4), which this Court later summarily affirmed. *Comcast Cable Commc'ns, LLC v. Finisar Corp.*, No. 2008-1506 (Fed. Cir. Apr. 10, 2009). In December 2008, both parties moved for summary judgment, raising various validity issues. On May 19, 2009, the district court granted DIRECTV's motion, denied Finisar's motion, and entered final judgment the same day. (A1-26.) Finisar appeals that judgment. (A31716-18.)

COUNTERSTATEMENT OF THE FACTS

A. The '505 Patent And The Claims At Issue

Finisar's '505 patent issued in 1995 from a patent application filed in November 1991. (A133-57.) The patent's claimed invention is an emulation of then-existing query-based information systems that used two-way links over slow (circa 1991) telephone lines. (A140-41.) The claimed invention instead uses one-

way links via satellite or cable links for transmitting data repetitiously (according to an announced schedule based on the data's popularity) to receivers that filter and download desired data. (*Id.*) As a result, "subscribers do not need to request the most popular and trendy movies, for example, or other programs. Instead, the system anticipates likely (more popular) requests and broadcasts those programs to users on an announced schedule at regular intervals." *Finisar*, 523 F.3d at 1326.

In the prior appeal, this Court ruled that claim 16 was anticipated by the prior art and thus invalid. Each of the five remaining claims add certain limitations to those in claim 16, and can be addressed in three groups: (i) claims 17 and 39, (ii) claim 26, and (iii) claims 22 and 44.

Claims 17 and 39: Anticipated claim 16 requires generating "indices" to reference the data that is transmitted "in accordance with [assigned] scheduled transmission times." (A150 (21:34-50).) Claim 17 depends from claim 16, adding that the indices include "timestamps" to indicate when the data is scheduled to be transmitted, with a whereby clause stating that the timestamps "can" be used to inform a subscriber when packets of interest will be received (A150 (22:1-10)):

The information transmission method of claim 16,
wherein said generating step generates indices including
timestamps therein, said timestamps indicating when
each said portion of the information database referenced
by an index is scheduled to be transmitted;

said method including decoding said timestamps in said
indices at said subscriber stations;

whereby subscribers can be informed as to when a specified portion of the information database will be received.

Claim 39 is written in independent form, setting out the limitations of claim 16 (with very minor differences²) followed by those of claim 17.³ (A155 (31:17-55).)

Thus, claim 39 stands or falls with claim 17.

Claim 26: Claim 16 requires that the subscriber station store “filter data” identifying desired packets, and download incoming packets that match the filter data. (A150 (21:60-68).) Claim 26 adds that the “filter data” must be stored as a “filter list,” and that incoming data packets must be temporarily stored in a “buffer” before those packets that match the filter data are forwarded to a predefined destination (A151 (23:15-27)):

The information transmission method of claim 16, said receiving and downloading steps including:

at each subscriber stations, temporarily storing received data packets in a buffer, storing a filter list comprising said filter data referencing said specified set of requested data packets, comparing said data packets temporarily stored in said buffer with said filter data and then forwarding those data packets in said buffer which match said filter data to a predefined destination;

² Claim 39 omits the “hierarchically arranged” phrase in claim 16’s “generating” step and all of its “dividing” step (although, in its “scheduling” step, claim 39 sets forth the “dividing” step’s requirements of transmission repetition and assigning a transmission repetition rate). (A150, A155.)

³ Claim 39’s only difference from claim 17’s express limitations is that claim 39 drops the word “scheduled” in the “wherein” step. (A150, A155.)

whereby each subscriber station receives all transmitted data packets but forwards only requested data packets to said predefined destination.

Claims 22 and 44: Claim 16 requires “assigning each selected portion of [the] information database one or more scheduled transmission times,” and transmitting “in accordance with said scheduled transmission times.” (A150 (21:45-50).) Claim 22 depends from claim 16 and adds that bandwidth be reserved for data requested by subscribers (A150 (22:37-47)):

The information transmission method of claim 16, wherein said scheduling step includes reserving a portion of transmission bandwidth available for said transmitting step for transmitting portions of said information database requested by subscribers;

said method including receiving requests from subscribers, said requests each specifying a portion of said information database; and

said scheduling step including scheduling transmission of requested portions of said information database.

Claim 44 is similar, but is written in independent form, setting out the limitations of claim 16 (with very minor differences⁴) followed by a variation of the limitations of claim 22. (A156 (33:23-62).) Whereas claim 22 requires that “a portion of transmission bandwidth” be reserved for transmitting subscriber-

⁴ These differences are the same as those noted in footnote 2 for claim 39.

requested data (A150 (22:38-41)), claim 44 requires that “transmission times” be reserved for that purpose. (A156 (33:52-56).)

B. DIRECTV’s Invalidity Evidence

On remand, DIRECTV moved for summary judgment that the *Videotex Architecture* textbook (A28991-29285), alone or in combination with other prior art, invalidated all of the remaining claims. DIRECTV urged that claims 17, 22, 26, 39, and 44 were, like claim 16, anticipated by *Videotex Architecture*.

DIRECTV also urged that claims 17, 26, and 39 are obvious over that textbook in combination with three secondary references. For claims 17 and 39, DIRECTV relied on *Videotex Architecture* in combination with Joseph Roizen’s 1981 article “Teletext in the USA” (A29420-28), or U.S. Patent No. 4,908,707, which was issued in 1990 to John R. Kinghorn at U.S. Philips Corporation (A29435-44). For claim 26, DIRECTV relied on *Videotex Architecture* in combination with a 1985 article by Professor David K. Gifford and three colleagues at the MIT Laboratory for Computer Science, entitled “An Architecture for Large Scale Information Systems.” (A29446-55.) Although DIRECTV had not used these obviousness references at the first trial, DIRECTV had included all three in its invalidity contentions submitted to Finisar before the first trial pursuant to the local patent rules of the Eastern District of Texas. (A1128-32, 1151-54, 1195-99.)

There is no dispute that all four references are prior art to the ‘505 patent.

C. The District Court's Decision Holding The Claims Invalid

Presented with cross-motions for summary judgment on validity issues (accompanied by responses, replies, and sur-replies), the district court analyzed the requirements of the claims and the relevant prior-art disclosures and held, as a matter of law, all five of the remaining claims anticipated by *Videotex Architecture*, and further held, as a matter of law, claims 17, 26, and 39 obvious in view of the combinations of *Videotex Architecture* with the three secondary references described above. (A25.) Specifically, the court held that claims 17 and 39 are anticipated by *Videotex Architecture* and, were the whereby clause viewed as limiting, obvious over the combinations of *Videotex Architecture* with either the Roizen article or the Kinghorn patent. (A13-15.) The court also held claim 26 anticipated by *Videotex Architecture* and obvious over the combination of *Videotex Architecture* and the Gifford article. (A20-23.) Finally, the court held claims 22 and 44 anticipated by *Videotex Architecture*. (A19-20.)

In relying on the Roizen, Kinghorn, and Gifford references in its obviousness analysis, the district court rejected Finisar's arguments, based on appellate waiver and the mandate rule, that those references should not have been considered because DIRECTV did not rely upon them during the prior trial. (A15 n.11.) The district court determined that the references were appropriate to consider because the mandate did not restrict the evidence that could be used on

remand and because these references had been properly disclosed to Finisar in the prior proceedings pursuant to the local patent rules. (*Id.*)

SUMMARY OF ARGUMENT

With the proper construction of claim 16 and this Court’s holding that claim 16 is anticipated by the prior art, the district court on remand carefully evaluated four prior-art references, properly determined that no genuine issues of material fact existed, and correctly concluded that the remaining claims, like claim 16, are invalid.

I. Finisar’s procedural arguments, based on appellate waiver and the mandate rule, are easily disposed of. These arguments essentially complain that this Court’s remand for a “new trial” really meant “no new trial,” so that the district court on remand was limited to only the evidence presented at the prior trial—specifically, only the prior-art references used at that trial. Although Finisar does not assert these arguments until the end of its brief, DIRECTV addresses them first because they present a logically antecedent issue.

This Court remanded for a “new trial,” but did not, in making this order, limit the evidence that could be considered on remand or mandate particular procedures to govern the remand proceedings. The district court adhered to the mandate and set the case for trial (with allowance for motions for summary judgment before or instead of trial). As to the evidence to be considered, the court

exercised its broad discretion in permitting DIRECTV to use three obviousness references that had been properly disclosed to Finisar before the first trial pursuant to the court's local rules, and which targeted the specific issues remaining on remand. In allowing those prior-art references, the district court was both faithful to the mandate and fully within its discretion. The court properly rejected Finisar's procedural arguments.

II. On the merits, the district court's invalidity rulings were correct: The few additions that claims 17, 22, 26, 39, and 44 embroider onto invalid claim 16 do not render the subject matter of those five claims patentable. Finisar's scattershot arguments to the contrary are numerous but unavailing. The court understood this, carefully analyzing the prior art and the narrow additions presented by the remaining claims, in light of this Court's ruling, in the prior appeal, that *Videotex Architecture* anticipates a system as recited in claim 16. The court correctly held on summary judgment that all five remaining claims are invalid.

A. ***Claims 17 and 39.*** The district court correctly held claims 17 and 39 anticipated. Those claims add to claim 16 only the requirements that the "indices" include "timestamps" to indicate when the data is scheduled to be transmitted and that the timestamps be decoded at subscriber stations. The two claims also include a whereby clause stating that the timestamps "can" be used to inform a subscriber when packets of interest will be received. Finisar does not

dispute *Videotex Architecture*'s disclosures of the two positively recited steps in claims 17 and 39, so the only issues are whether the whereby clause is limiting and, if so, whether that limitation is found in the prior art. The court correctly held that the whereby clause is not limiting, because it simply states the intended result of the positively recited steps, and it was neither used to distinguish prior art nor described as an integral part of the alleged invention.

Even if the whereby clause were limiting, its capability of informing subscribers when data will be received is clearly disclosed in *Videotex Architecture* alone and in combination with either Roizen or Kinghorn. It is settled that *Videotex Architecture* discloses all of the steps of claim 16, including "scheduling transmission of selected portions" of the information database. In stating that time codes are provided "for access of 'time coded' pages," *Videotex Architecture* contemplates using "time codes" to inform a subscriber when transmitted packets of interest will be received. That meets the capability recited in the whereby clause. Roizen and Kinghorn likewise show the capability of the whereby clause; they also show *actual use* of that capability.

The court correctly held claims 17 and 39 invalid.

B. **Claim 26.** The district court correctly held claim 26 anticipated by *Videotex Architecture*. Claim 26 adds only two modest details about how claim 16's subscriber station handles incoming data packets that match the "filter data":

It requires (i) that the “filter data” be stored as a “filter list,” and (ii) that incoming data packets be temporarily stored in a “buffer” while being compared to the filter data for a match. *Videotex Architecture* discloses teletext receivers in which microprocessors receive text (data packets) and compare their page headers to one *or more* desired page numbers. That discloses claim 26. Alternatively, the textbook in combination with Gifford renders the claim obvious. The Gifford article discloses an information distribution system in which packets are placed in a buffer and compared to what Gifford expressly identifies as a “filter list.”

The district court correctly held claim 26 invalid.

C. ***Claims 22 and 44.*** The district court correctly held claims 22 and 44 anticipated by *Videotex Architecture*. Claim 16 requires “assigning each selected portion of [the] information database one or more scheduled transmission times”; claims 22 and 44 add only the steps of reserving portions of transmission bandwidth (claim 22) or transmission times (claim 44) for portions of the information database requested by subscribers. *Videotex Architecture* shows an 800-slot transmission cycle with particular slots reserved for “demand pages.” That discloses reserving both transmission bandwidth and transmission times for portions of the database requested by subscribers, and therefore anticipates claims 22 and 44.

The judgment should be affirmed.

STANDARDS OF REVIEW

This Court reviews the district court's interpretation of the appellate mandate *de novo*. See *Laitram Corp. v. NEC Corp.*, 115 F.3d 947, 951 (Fed. Cir. 1997). This Court reviews the district court's case-management decisions, including evidentiary rulings and application and interpretation of its local rules, for an abuse of discretion, pursuant to the governing regional law of the Fifth Circuit. See *Mass. Inst. of Tech. v. Abacus Software*, 462 F.3d 1344, 1358 (Fed. Cir. 2006) (noting that, under Fifth Circuit law, "district courts are afforded broad discretion in interpreting their own orders"); *Sulzer Textil A.G. v. Picanol N.V.*, 358 F.3d 1356, 1363 (Fed. Cir. 2004) (noting that, under Fifth Circuit law, evidentiary rulings are reviewed for abuse of discretion).

The district court's decision granting summary judgment is reviewed *de novo*. See *Wavetronix v. EIS Elec. Integrated Sys.*, 573 F.3d 1343, 1354 (Fed. Cir. 2009). Summary judgment is appropriate when there is no genuine issue of material fact. Fed. R. Civ. P. 56(c); *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 256 (1986). "A fact is 'material' if it may affect the outcome of the proceedings, and an issue of material fact is 'genuine' if the evidence is such that a reasonable jury could return a verdict for the non-moving party." *Wavetronix*, 573 F.3d at 1354.

ARGUMENT

I. THE DISTRICT COURT CORRECTLY REJECTED FINISAR'S PROCEDURAL ARGUMENTS

The district court correctly rejected Finisar's arguments, based on appellate waiver and the mandate rule, that the court on remand was limited to reconsideration of only the prior-art references actually used in the earlier trial, and could not consider additional prior-art references that had long been disclosed pursuant to that court's local rules.

Under the mandate rule, a district court on remand must conduct proceedings consistent with the appellate mandate. *See Exxon Chem. Patents, Inc. v. Lubrizol Corp.*, 137 F.3d 1475, 1484 (Fed. Cir. 1998). Beyond the constrictions imposed by the mandate, “a district court is free to take any action that is consistent with the appellate mandate.” *Id.* For instance, a court maintains broad discretion over evidentiary and trial-management decisions on remand, as long as they are not inconsistent with the mandate. *See Sulzer*, 358 F.3d at 1363; *Exxon Chem. Patents*, 137 F.3d at 1484.

In the prior appeal, this Court “remand[ed] for a new trial on . . . validity.” *Finisar*, 523 F.3d at 1326; *see also* 28 U.S.C. § 2106. The district court correctly interpreted the mandate to require a new trial (including the possibility of summary-judgment motions filed before or instead of trial). (A15 n.11.)

Having properly adhered to the appellate mandate, the district court then appropriately exercised its broad discretion over evidentiary and trial-management matters in permitting DIRECTV to use evidence (Roizen, Kinghorn, and Gifford) that had been properly disclosed, but not used at the earlier trial. The use of that evidence on remand therefore presented no prejudice to Finisar.⁵ The court determined that such use was consistent with the specialized disclosure rules adopted by its district for patent cases and considering all the circumstances. (A15 n.11 (“The invalidity case Defendants chose to present in the first trial does not constrain their ability to craft a new strategy on remand, so long as the references were properly and timely disclosed.”).) District courts have broad discretion in interpreting and applying such local rules, *see Mass. Inst. of Tech.*, 462 F.3d at 1358, and the district judge here, who had superior knowledge of the case and the applicable local rules, clearly did not abuse his discretion.⁶

⁵ To the extent Finisar raises “prejudice,” it is based not on notice but instead its complaint that the parties have spent “large sums of money” and that the case “could go on forever.” (FBr. 72-73.) Finisar’s complaint is ironic, to say the least: If the district court’s ruling is affirmed by this Court, as it should be, that will put an end to this litigation with modest additional costs. It is only Finisar that would like this case to go on.

⁶ Indeed, various changed circumstances merited an updated evidentiary presentation. This Court’s rulings on claim 16 redefined the scope and content of the prior art and eliminated claim 16 from the case; the Court’s revised constructions for “information database” and “downloading into a memory storage device” apply to the remaining claims (*see Finisar*, 523 F.3d at 1328-32, 1338);

Finisar nonetheless continues to raise strained procedural arguments invoking appellate waiver and the mandate rule to contend that this Court did not mean what it said when it ordered a “new trial” on invalidity, and that on remand DIRECTV was not entitled to rely on prior art not used in the earlier trial. (FBr. 67-76.) This Court declined to consider these meritless arguments when Finisar raised them in its denied petition for rehearing (A28521-22), and they have not improved with age.

First, Finisar contends that the Court merely “vacate[d] the district court’s denial of DIRECTV’s motion for JMOL” (*Finisar*, 523 F.3d at 1338-39) because “DIRECTV did not ask for a new trial on appeal, only for JMOL.” (FBr. 74-75.) This argument fails to honor this Court’s mandate, which ordered a “new trial” (a

(continued...)

the Supreme Court’s decision in *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 (2007), issued after the first trial, laid down more flexible obviousness principles; and parallel proceedings assessing the validity of the ‘505 patent involved the same or related obviousness evidence at issue here (*e.g.*, A29483-93), which implicates “the importance of uniformity in the treatment of a given patent.” *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 390 (1996); *accord Finisar*, 523 F.3d at 1329.

All of these developments made appropriate an updated evidentiary presentation in the proceedings on remand. Where the governing legal rules have changed, “[t]he parties should be allowed, if they so desire, to present additional evidence on remand” in support of the revised rules. *Jones v. City of Lubbock*, 640 F.2d 777, 777 (5th Cir. Unit A Mar. 1981) (*per curiam*); *accord Kirksey v. City of Jackson*, 625 F.2d 21, 21-22 (5th Cir. 1980) (*per curiam*).

fact Finisar ultimately concedes, FBr. 75). To the contrary, where this Court has intended to limit remand proceedings to JMOL practice, it has stated so explicitly. *See, e.g., Seachange Int'l, Inc. v. C-COR Inc.*, 413 F.3d 1361, 1381 (Fed. Cir. 2005) (remanding and directing the district court to determine whether JMOL should be granted or denied).

Finisar gains no traction (*see* FBr. 75) from *Supervisors v. Kennicott*, 94 U.S. 498 (1876). In *Kennicott*, issued over 130 years ago, the Supreme Court held that its remand for a “new trial” “cannot have its ordinary meaning” because that was a case in equity, for which, “[t]echnically, there can be no ‘new trial.’” *Id.* at 499. Here, in this case at law, there is no legal principle necessitating such an unusual interpretation of the Court’s “remand[] for a new trial,” which here—unlike in *Kennicott*—deserves its “ordinary meaning.”

Second, Finisar mischaracterizes Roizen, Kinghorn, and Gifford as presenting obviousness “issues” rather than obviousness evidence, such that DIRECTV “waived” those issues in not presenting them in the first trial and appeal. (FBr. 67-72.) Appellate waiver requires an un-appealed trial-court ruling on the issue. *See, e.g., Tronzo v. Biomet, Inc.*, 236 F.3d 1342, 1347-49 (Fed. Cir. 2001) (punitive-damages ruling that was part of judgment in the first appeal was waived when appellant did not challenge that ruling in the first appeal). In the prior appeal, DIRECTV challenged the ruling on invalidity. As to DIRECTV’s

choice of the invalidity evidence that it used at the first trial, that was not the subject of any trial-court ruling (other than an order excluding certain references not at issue here) for waiver to apply.

Essentially, Finisar's waiver argument presumes that each stage of the proceedings necessarily narrows the case, but this confuses the role of appellate and district courts. Appellate courts generally do not consider issues in the first instance. *See Sage Prods., Inc. v. Devon Indus., Inc.*, 126 F.3d 1420, 1426 (Fed. Cir. 1997). District courts, meanwhile, maintain broad discretion over trial proceedings, including proceedings on remand, as long as they are consistent with the mandate. *See Exxon Chem. Patents*, 137 F.3d at 1484. Indeed, in *Exxon Chemical Patents*, this Court allowed Exxon to put forth a doctrine-of-equivalents claim on remand even though Exxon had litigated (and thus appealed) only a literal-infringement case in the first trial. *Id.* at 1478; 64 F.3d 1553, 1555 n.1 (Fed. Cir. 1995). Likewise, DIRECTV's use of certain references at the first trial, which "formed the basis of Defendants' motion for JMOL, the court's order denying JMOL, and the subsequent appeal of the jury verdict," did not "waive" DIRECTV's presentation of new evidence on remand. (A15 n.11.) As such, Finisar's "waiver" argument is really directed to evidentiary and trial-management matters within the district court's broad discretion. *See Sulzer*, 358 F.3d at 1363.

Third, Finisar argues that “[t]here was nothing that occurred in the first appeal that made the Roizen or Kinghorn or Gifford combinations any more relevant on remand than they were at the first trial.” (FBr. 67.) That is wrong. As noted above, much occurred in and during the first appeal to warrant an updated evidentiary presentation on remand.

The district court correctly rejected Finisar’s procedural arguments.

II. THE DISTRICT COURT CORRECTLY HELD THAT THE FEW ADDITIONAL STEPS PRESENT IN CLAIMS 17, 22, 26, 39, AND 44 DID NOT MAKE THOSE CLAIMS PATENTABLE

The district court correctly granted summary judgment of invalidity. All of the claims at issue incorporate the steps of claim 16, which this Court already determined are found in the prior art arranged as in claim 16. The invalidity question here is whether the minor features added by the remaining claims make those claims, in contrast to claim 16, novel and non-obvious. As a matter of law, they do not.

Invalidity due to anticipation requires that a single prior-art reference expressly or inherently disclose each limitation in a patent claim, arranged as in the claim. *See* 35 U.S.C. § 102; *Finisar*, 523 F.3d at 1334; *Celeritas Techs. v. Rockwell Int’l Corp.*, 150 F.3d 1354, 1361 (Fed. Cir. 1998). Even if a claim is not anticipated, it is invalid if the differences between the claimed invention and the prior art “are such that the subject matter as a whole would have been obvious at

the time the invention was made to a person having ordinary skill in the art.” 35 U.S.C. § 103(a); *see also Graham v. John Deere Co.*, 383 U.S. 1, 14 (1966). The obviousness inquiry should be “expansive and flexible,” account for “common sense,” and consider the “ordinary creativity” of a person of ordinary skill, who is “not an automaton.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 415-21 (2007). Also relevant is whether a reference teaches away from the proposed combination. *See, e.g., Ricoh Co. v. Quanta Computer Inc.*, 550 F.3d 1325, 1332 (Fed. Cir. 2008). Summary judgment of obviousness is appropriate where “the content of the prior art, the scope of the patent claim, and the level of ordinary skill in the art are not in material dispute, and the obviousness of the claim is apparent in light of [the *Graham*] factors.” *KSR*, 550 U.S. at 427.

A. The District Court Correctly Held That Claims 17 And 39 Are Invalid

Claims 17 and 39 add “timestamp”-related steps to the claim 16 method invalidated in the prior appeal. (A150, A155.) Claim 17 includes two positively recited steps—requiring generation of “timestamps” in claim 16’s “indices” and decoding the timestamps at subscriber stations—and concludes with a “whereby clause” that states: “whereby subscribers can be informed as to when a specified portion of the information database will be received.” (A150 (22:8-10).) Claim 39 requires the same steps, but is written in independent form incorporating most steps of claim 16 and claim 17’s steps. (A155 (31:17-55).)

As Finisar acknowledges (FBr. 46), *Videotex Architecture* describes the “time code” feature of U.K. teletext, in which teletext pages are marked with their scheduled transmission times. (A29068.) Finisar does not dispute that *Videotex Architecture*’s time codes show the two steps positively recited by claims 17 and 39. Finisar argues only that the whereby clause imposes an additional timing constraint that, Finisar asserts, is not disclosed in *Videotex Architecture*. (FBr. 43-50.)

If the whereby clause is not limiting, as the district court correctly held, then these claims are anticipated by *Videotex Architecture*. If it *is* limiting, then the district court correctly concluded that the limitation is shown in the prior art, whether in *Videotex Architecture* alone, or, as the court expressly concluded, in the textbook’s combinations with Roizen and Kinghorn. Each of these alternative holdings was correct; only one need be correct for this Court to affirm.

1. The District Court Correctly Held That Claims 17 And 39 Are Anticipated By *Videotex Architecture*

The whereby clause of claims 17 and 39 merely states the desired result of the positively recited steps: so that “subscribers *can* be informed as to when a specified portion of the information database will be received.” (A150, 155.) This is not a limitation. In arguing to the contrary, Finisar urges an “inherency” test, under which a whereby clause is limiting unless it states only “the *necessary* results” and was “*inherent* to” the steps positively recited in the claim. (FBr. 44

(emphasis in original).) Finisar’s test is legally unfounded and improperly narrow. Under the applicable law, the whereby clause is non-limiting; as such, Finisar does not dispute that claims 17 and 39 are anticipated by *Videotex Architecture*. But even if the whereby clause were deemed limiting, *Videotex Architecture* shows that additional limitation and thus still anticipates claims 17 and 39.

a. The Whereby Clause Is Not Limiting

Whereby clauses are commonly employed to set out the purposes, intended results, motivations, and benefits of claimed inventions. When used in this way, whereby clauses are not claim limitations. As this Court held in *Minton v. National Association of Securities Dealers*, “[a] whereby clause in a method claim is not given weight when it simply expresses the intended result of a process step positively recited.” 336 F.3d 1373, 1381 (Fed. Cir. 2003); accord *Hoffer v. Microsoft Corp.*, 405 F.3d 1326, 1329 (Fed. Cir. 2005) (quoting *Minton*); MPEP 2111.04 (8th ed., rev. 2008) (discussing the holdings of *Minton* and *Hoffer*).

There are exceptions to this general rule. Where the patentee uses a whereby clause to distinguish prior art, as demonstrated by the patent specification and prosecution history, that may make a whereby clause into a limitation. See *Hoffer*, 405 F.3d at 1329 (“[W]hen the ‘whereby’ clause states a condition that is material to patentability, it cannot be ignored to change the substance of the invention.”). Thus, a whereby clause used to distinguish prior art to obtain a patent

will not later be disregarded in addressing infringement or invalidity. In addition, where the patent’s specification and prosecution history describe the feature expressed in the whereby clause as “an integral part of the invention,” that feature will be a required part of the claimed invention. *Id.* at 1330.⁷

The treatment of whereby clauses in *Minton* and *Hoffer* mirrors principles this Court has developed for construing preambles, which share many of the purposes of whereby clauses. In *Catalina Marketing International, Inc. v. Coolsavings.com, Inc.*, 289 F.3d 801, 808-09 (Fed. Cir. 2002), this Court noted that whether a preamble is limiting depends on what was actually invented and intended to be encompassed by the claim. A preamble may be limiting when it “recit[es] additional structure or steps underscored as important by the specification.” *Id.* at 808. When the claim body describes a complete invention, however, such that deletion of a preamble phrase “does not affect the structure or steps of the claimed invention,” the preamble is generally not limiting. *Id.* at 809. Additionally, “clear reliance on the preamble during prosecution to distinguish the claimed invention from the prior art transforms the preamble into a claim

⁷ Both the specification and the prosecution history of the patent in *Hoffer* described “the fundamental invention” as “interactive data messaging,” 405 F.3d at 1330, and the specification stated that the invention’s advance over the prior art was “to create a truly interactive trade network.” (U.S. Patent No. 5,799,151 at 6:49-57, 6:64-67, & 7:29-33.) Interactivity was “integral” because it was an essential part of the complete invention. 405 F.3d at 1330.

limitation because such reliance indicates use of the preamble to define, in part, the claimed invention.” *Id.* at 808. Where, however, “clear reliance” on the preamble as “patentably significant” is not present, “preamble language merely extolling benefits or features of the claimed invention does not limit the claim scope.” *Id.* at 809.

By treating preambles and whereby clauses in this way, these cases (and many that went before) give claim drafters non-limiting ways to state the context, purposes, and intended results of claimed inventions. Normally, the invention itself is defined by limitations set forth in positively recited structural elements or steps. Only when the intrinsic evidence shows clearly that the drafter intended to depart from these conventions are preambles and whereby clauses deemed limiting.

Finisar, however, urges an “inherency” test, under which a whereby clause is *always* a limitation unless it states the inevitable and unyielding result of the claim steps. That cannot be squared with *Minton*, which held that whereby clauses are non-limiting when they “simply express[] the intended result of a process step positively recited,” 336 F.3d at 1381, not just when they express the “inevitable result.” Finisar’s principal case, *Texas Instruments Inc. v. U.S. International Trade Commission*, merely said that whereby clauses are non-limiting when they are “the

result” of other claim terms, *not* that they are non-limiting *only* when they are the necessary and inevitable result. 988 F.2d 1165, 1172 (Fed. Cir. 1993).⁸

Remarkably, the inherency test that Finisar asserts is the law would in all cases achieve the same result as a rule that whereby clauses are *always* limiting. This is because, under Finisar’s test, a whereby clause would be non-limiting only when it states the inevitable result of the claim’s other elements. If that test were the law, claims with whereby clauses would only cover items that have the features of the whereby clause, so that the question of whether a whereby clause is limiting would never have any practical significance. The fact that so many cases have analyzed whether particular whereby clauses are limiting demonstrates that inherency is not the legally applicable test.

Here, under legal principles set forth in *Minton* and *Hoffer*, the whereby clause in claims 17 and 39 is not limiting. The clause “whereby subscribers can be informed as to when a specified portion of the information database will be

⁸ Finisar claims to find support for its argument in the *Texas Instruments* panel’s use of “the result,” instead of “the *intended* result,” which is how *Minton* and *Hoffer* formulated the inquiry. There is no meaningful difference between these slightly different verbal formulations, and neither one means “the necessary and inevitable result.” *Texas Instruments* clearly does not hold that the only whereby clauses that are non-limiting are those that express the *necessary* result: Based on its construction that the whereby clause was non-limiting, the Court there held irrelevant defendants’ showing that the whereby feature was not present in their processes. 988 F.2d at 1175. As such, even though the clause was non-limiting, the result was not necessarily present.

received” expresses the intended result of the positively recited steps. The ‘505 patent specification does not characterize the capability of informing subscribers of reception times of portions of the information database as a fundamental part of the complete invention, and in fact states that timestamps would not be used in some circumstances. (A142, A147 (5:53-65 & 15:48-52).) At no point in the patent specification or during the patent’s prosecution was informing subscribers of reception times ever argued to distinguish prior art. All of these factors lead to the conclusion, correctly reached by the district court, that the whereby clause was not meant to be a limitation, but rather a statement of desired result. (See A15 (“The ‘whereby’ clause in this case only ‘characterizes the result’ of the aforementioned steps, rather than being a condition material to patentability”; thus, the clause is “not a limitation.”).)

Finisar nonetheless suggests (FBr. 50) that the fact that an earlier version of the whereby clause was rejected during prosecution for *indefiniteness* somehow indicates that the present version submitted in response must be limiting. *Catalina Marketing* holds that prosecution activities concerning result-stating claim language are limiting only where the language is relied on to distinguish prior art. 289 F.3d at 808-09. Where the claim language is reformulated to address an indefiniteness rejection under 35 U.S.C. § 112, and not prior art, there is no basis for drawing such a conclusion—§ 112 amendments do not necessarily narrow

scope, and can be “truly cosmetic.” *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 736-37 (2002). The amendment of the whereby clause here had nothing to do with distinguishing prior art, but rather simply clarified its previously ambiguous statement of the intended result of the positively recited steps.⁹

Indeed, Finisar’s own actions in the current reexamination proceedings demonstrate the ease with which the “informing” feature could have been drafted as a limitation rather than as a “whereby” result. In those proceedings, the PTO has ruled the whereby clause non-limiting. (A28594-98.) In response, Finisar has proposed two new claims, which convert the whereby clause of claims 17 and 39 into a positively recited, additional method step of “informing subscribers as to when specified portions of the information database will be received in the future.”

⁹ In the original ‘505 application, the whereby clause stated: “whereby subscribers can be informed as to how long it will take to receive a specified portion of the information database.” The PTO rejected that claim as indefinite because “the phrase ‘how long it will take’ is not clear.” (A29869.) The examiner identified three alternative interpretations of the phrase, namely (1) the time between the present and commencement of the item’s reception, (2) the time between the present and completion of reception, and (3) the time between the commencement and completion of reception. The examiner expressed concern that it was not clear which of these alternatives matched the intended result stated in the specification. (*Id.*) (For example, item (3) does not appear to be reflected in the specification.) In response, Finisar amended the whereby clause to its current formulation. (A29879, 29883, 29887, 29889.)

(A29495-98.) This shows the ease with which the step of informing subscribers could have been positively recited, had that been what the patentee intended.

In another attempt to support its claim that the whereby clause is a limitation, Finisar alleges some sort of estoppel argument (albeit without any legal citation) based on its view that, until remand, “DIRECTV treated the clause as a limitation.” (FBr. 51-52.) In Finisar’s alleged examples, DIRECTV asserted that a reference showed the result stated in the whereby clause. (*See* FBr. 51.) Such an assertion is not equivalent to agreeing that the reference *must* show that result to be anticipating.¹⁰

The district court correctly held that the whereby clause is non-limiting. As such, there is no dispute that *Videotex Architecture* anticipates claims 17 and 39.

¹⁰ Notably, Finisar does not argue waiver here, nor could it. As Finisar notes (at least with respect to DIRECTV (FBr. 51)), the whereby clause had not been addressed at all during the 2006 *Markman* proceedings, and it was not at issue on appeal, so no appellate waiver could possibly apply from the last appeal. *See Tronzo*, 236 F.3d at 1348. Then, on remand, DIRECTV (like Finisar (A29644-48)) raised the legal issue before the district court. Thus, waiver remains inapplicable for the whereby clause, for both parties. *See, e.g., Beckson Marine v. NFM, Inc.*, 292 F.3d 718, 723 (Fed. Cir. 2002) (recognizing district court’s authority on remand to address claim construction arguments for terms not previously construed).

b. Videotex Architecture Provides The Capability Of Informing Subscribers Of Reception Times

Even if the whereby clause were deemed limiting, *Videotex Architecture* still invalidates claims 17 and 39 because it discloses exactly the capability the clause describes.¹¹ As the prior appeal held, *Videotex Architecture* discloses all the steps of claim 16, including “scheduling transmission of selected portions of said information database” (specifically, teletext pages) and “transmitting a stream of data packets containing said selected portions of said information database in accordance with said scheduled transmission times.” (A150 (21:44-50).) The textbook also discloses time codes that can be used for “display on the screen” to allow “access of ‘time coded’ pages (transmitted at precise times).” (A29068; *see also* A29183 (item 2, discussing recognition of received pages).) The textbook’s information database is fundamentally dynamic, with different versions of teletext pages transmitted at different times.¹²

Videotex Architecture also teaches that teletext uses links between pages—through menu pages (illustrated at pages 23-24 of Finisar’s brief) and “cross-

¹¹ The district court did not reach this argument, but this Court may affirm a summary judgment on any ground presented below and supported by the record. *See Wavetronix*, 573 F.3d at 1345 n.1.

¹² A29068 (newsflashes); A29148 (plate 3—news report); A29216-17 (head end allows “pre-programmable modification of the broadcast cycle” and communication with “news wire services”).

links”—where one teletext page refers to other pages by displaying their numbers. (A29176, A29184-85, A29260-69.) To access a desired page, the subscriber simply enters its page number. (A29178.) These references to other pages constitute “indices” within the meaning of the ‘505 patent—by Finisar’s agreement, “indices” means “pieces of digital information, (each of which contains an identification value, and in many cases other information) used to reference specific items of information in the database.” (A41-42.)

While *Videotex Architecture* does not give a specific example of a menu page or cross-link referring to time-coded pages that will be transmitted, the system it describes indisputably *allows* transmission of a page that refers to a time-coded page (and thus “subscribers *can* be informed” when requested pages will arrive). Because time codes are expressly “for **access** of ‘time coded’ pages (transmitted at precise times)” (A29068), the menu page or cross-link referring to a time-coded page would have to inform subscribers of the transmission time, so they could set their receivers to acquire and display the page when it arrives. That can be done simply by displaying the time code as an extension of the displayed page-number link, and doing so would meet all the timestamp claims’ features: including a timestamp in an index, decoding the timestamp at the receiver, and displaying the timestamp to inform the subscriber of the reception time. (A150, A155.)

Finisar argues that the whereby clause requires *not just the capability* to inform subscribers in advance (*i.e.*, “can”) *but also actually using that capability* to inform them. (FBr. 48-49.) Finisar seeks to explain that the clause’s “[u]se of the word ‘can’ accounts for the fact that a subscriber may not look at what is displayed by his subscriber station and thus may not actually be informed.” (FBr. 49.) As an initial matter, Finisar’s explanation of “can” is incorrect. The method in claims 17 and 39 is practiced by the broadcaster, not the subscriber receiving the data, so in saying “can be informed,” the claims refer to action (or not) by the broadcaster, not action (or not) by the subscriber.

In any event, even if the clause did require actual display of the scheduled reception time, *Videotex Architecture* would still invalidate. In *SIBIA Neurosciences, Inc. v. Cadus Pharmaceutical Corp.*, 225 F.3d 1349, 1356, 1358 (Fed. Cir. 2000), the Court held that a single reference makes a claim obvious where there is a motivation to modify or extend the reference’s teachings as required by the claim, and that such a motivation can be supplied by the nature of the problem to be solved. *See also KSR*, 550 U.S. at 421 (“When there is a design need or market pressure to solve a problem and there are a finite number of identified, predictable solutions, a person of ordinary skill has good reason to pursue the known options within his or her technical grasp . . .”). Here, the problem to be solved is to refer subscribers to time-coded pages that will be

transmitted at precisely known times in a manner that allows accessing the pages. As the reference's disclosures make clear, the broadcaster can readily solve that problem by simply including both elements of the index (the page number and time code) in the menu page or cross-link sent for display.

In sum, the whereby clause is properly construed as non-limiting. As such, Finisar does not dispute that claims 17 and 39 are anticipated. Even if the clause were construed as limiting, however, *Videotex Architecture* would still invalidate because it discloses the capability to inform subscribers when time-coded pages will be received. The court correctly ruled that claims 17 and 39 are anticipated.

2. The District Court Correctly Held, In The Alternative, That Claims 17 And 39 Would Be Obvious In Light Of *Videotex Architecture* And Roizen Or Kinghorn, If The Whereby Clause Were A Claim Limitation

At pages 52-56 of its brief, Finisar disputes the district court's alternative ruling that, if the whereby clause were a limitation (A15), claims 17 and 39 would then be obvious in view of the combination of *Videotex Architecture* with either Roizen or Kinghorn. In holding that these combinations rendered the timestamp claims obvious, the court used *Videotex Architecture* as the primary reference to show the positively recited steps in claims 16, 17, and 39, and used Roizen and Kinghorn as secondary references to demonstrate the whereby clause's statement that subscribers could be informed of when desired data will be received. (A15.)

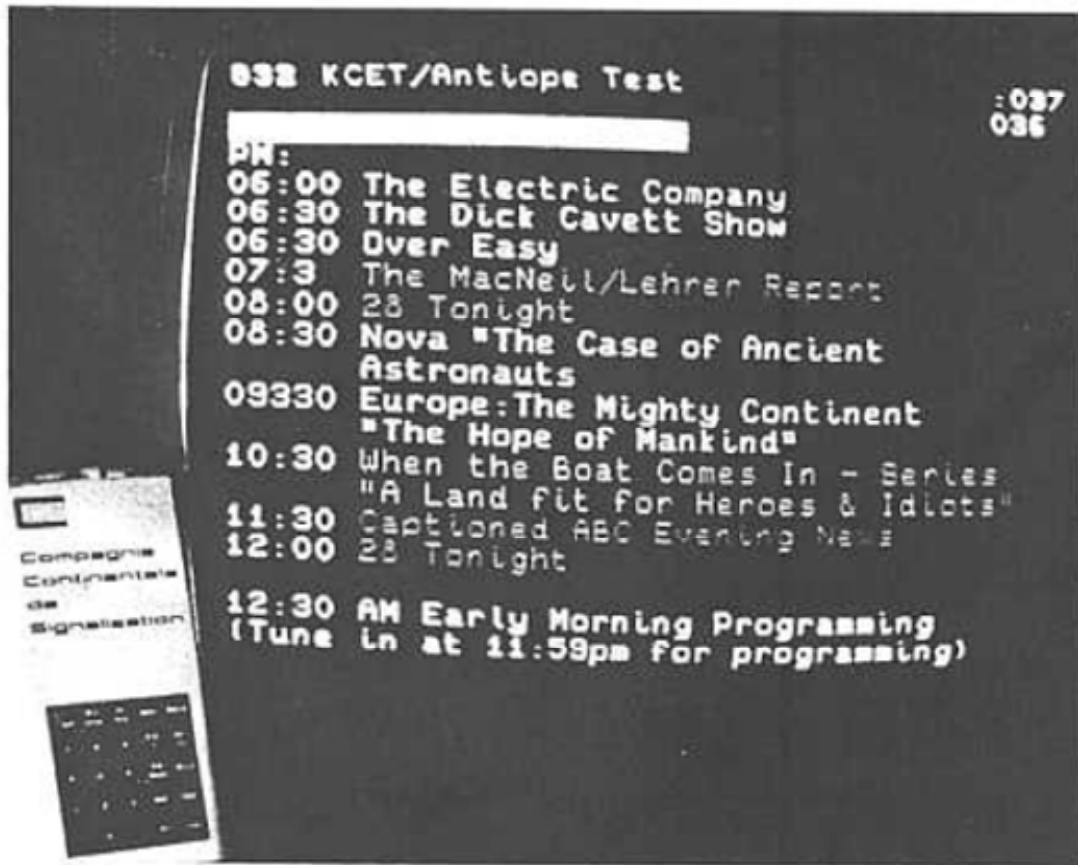
Finisar makes three related arguments: (1) the menu pages shown in Roizen and Kinghorn are simply conventional analog television programs, which cannot be part of the “information database” (FBr. 53), (2) the schedule information those menu pages display does not relate to the timestamped pages referred to in the positively recited steps of claims 17 and 39, but instead to other information (FBr. 53-54), and (3) therefore informing subscribers about schedules is not a consequence of the inclusion and decoding of timestamp information, as required by the connector “whereby” (FBr. 54-55). Finisar also argues that the court’s treatment of the program titles on the Roizen and Kinghorn listings as “indices” contravenes the court’s construction of that term. (FBr. 55.) Finisar does not contend, however, that anything in Roizen or Kinghorn teaches away from their combination with *Videotex Architecture*.

In claiming alleged errors in the district court’s analysis, Finisar not only ignores that this Court reviews judgments, not opinions (*Wavetronix*, 573 F.3d at 1345 n.1), but also completely ignores DIRECTV’s presentation of points in its summary-judgment papers on Roizen and Kinghorn. (*E.g.*, A29316-21.) Those points, reiterated here, refute Finisar’s arguments by showing: (1) The menu screens in Roizen and Kinghorn refer not only to *analog* television programs, but also to digital data in the information database that will be transmitted at times stated on those screens. (2) Thus, the displayed schedule information *does* inform

subscribers when portions of the digital information database with timestamped indices will be received. (3) Moreover, informing customers of the schedule *is* a consequence of including timestamps in indices and decoding those timestamps at the subscriber station. Finally, the identification data that is decoded and displayed on the Roizen and Kinghorn screens fully qualifies as an “index” as construed by the court.

a. The Roizen Article

Roizen contains a description of the then-current status (July 1981) of teletext in the United States. (A29420.) In its very first paragraph on page 602, Roizen states that teletext “usually includes ‘pages,’ or screenfuls, of general interest content such as . . . program logs”—*i.e.*, menus or guides to upcoming content. (*Id.*) Lower on that page, it has the following screenshot:



Teletext can be used to provide the viewer with a program log. A typical page of the teletext magazine from KCET-TV is shown, giving the available programs.

This screen lists the evening's television offerings, with their times, on KCET-TV, a Los Angeles station. While the screen shows the current schedule of (perhaps analog) television programs from 6:00 pm until 12:30 am, it does not end there. In the bottom two lines it further informs the viewer that the *teletext page* that will show the subsequent schedule (for "Early Morning Programming" beginning at 12:30 am) *will be transmitted* at 11:59 pm.

The current schedule is stored in digital form as a teletext page as part of an information database, is transmitted, and is decoded by the subscriber station for

display. The subsequent schedule is also part of that digital information database, and is referred to in the bottom two lines of the current page. Of key importance here, that reference in the bottom two lines also includes the scheduled transmission time for the subsequent schedule data or schedule page. That reference is an “index” because it is a “piece[] of digital information, (each of which contains an identification value, and in many cases other information) used to reference specific items of information in the database.” (A41-42.) The index includes a timestamp, which is decoded by the subscriber station for display (“11:59pm”), and as a consequence the subscriber is informed of the reception time of the subsequent schedule (teletext) page. (A29420.)

In characterizing Roizen as showing a schedule of only *analog* television shows, Finisar ignores the key parts of that reference, presented in DIRECTV’s summary-judgment papers. (*E.g.*, A29317-18.) Roizen shows an index to a *digital* portion of the information database including a timestamp, which is decoded at the subscriber station, thereby informing the subscriber of the scheduled reception time.

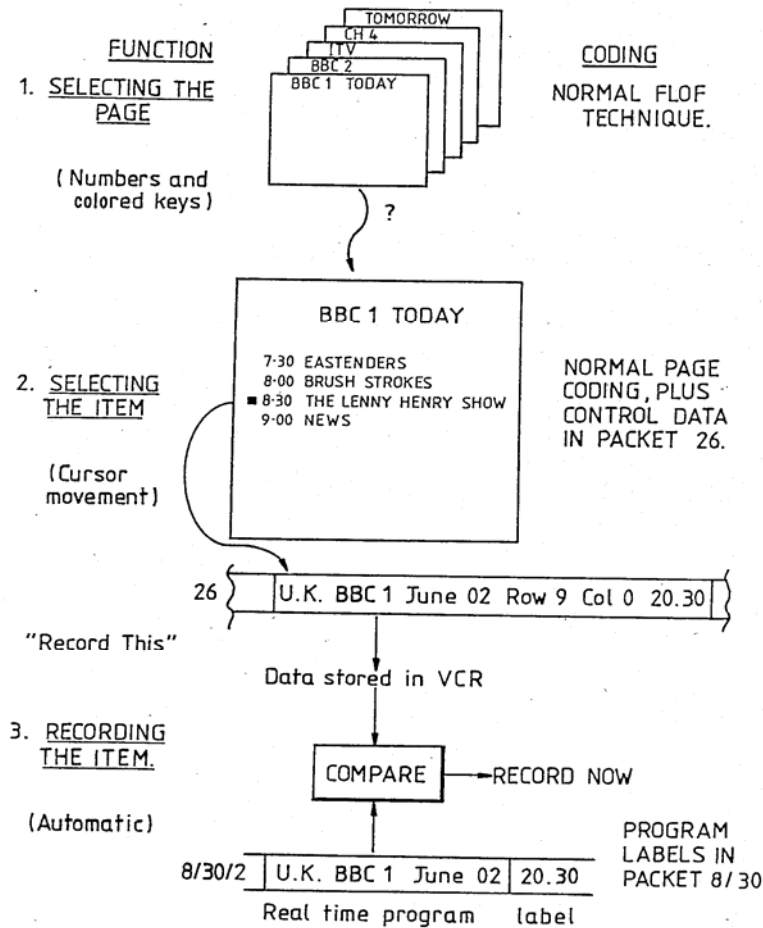
b. The Kinghorn Patent

The Kinghorn patent discloses an information transmission system that used teletext transmissions to facilitate programming VCRs. (A29440.) Lists of future television programs and scheduled transmission times were periodically broadcast as teletext pages. (A29440-41.) Viewers could select from those teletext lists

which programs to record, causing their VCRs to store the selected programs' *digital identification codes and transmission times (i.e., indices)*. (*Id.*) At the selected start time, the VCR monitored the teletext transmission stream to find a once-per-second "real-time" tag matching the selected identification code/time (index). When the tag was found, the VCR began recording. (A29441.)

Importantly, that tag was itself digital information, part of the information database, and was sent at the future scheduled time. Thus, the earlier index, stored at the receiver, informed the viewer when the subsequent real-time tag would be sent.

The use of this system to program a VCR is depicted in Kinghorn Figure 1:



· FIG.1

(A29437.) The viewer begins in step 1 by using conventional teletext techniques to select the teletext page giving a particular television schedule, such as "BBC1 TODAY." (A29441.) That teletext page is displayed on the viewer's television, as depicted in step 2, and gives program names ("THE LENNY HENRY SHOW") and scheduled transmission times ("8:30" pm). (A29437.) The viewer selects the program to video-record by placement of a cursor. (A29441, A29443.) This causes the system to refer to associated teletext data, in "extension packet 26" format, which gives the channel ("BBC 1") and time ("20.30") corresponding to

the selected program. (A29441.) As shown in Figure 1, when the user issues the “Record This” command, the programming information in extension packet 26 for the selected program is stored in the VCR. (A29440.)

Once stored, the reference to a future program is used by the VCR to start recording at the proper time and on the proper channel. (A29441.) During the transmission of each television program, a data packet with a real-time “program[] label” is also transmitted once per second in “packet 8/30 format.” (A29442.) This is shown at the bottom of Figure 1. (A29437.) The VCR compares the real-time program labels with the stored information from the television schedule page, and commences recording when it finds a match. (A29441.)

Thus, Kinghorn discloses transmitting schedule pages listing future television program titles and scheduled transmission times. (A29435-44.) Each listed title refers not only to the (perhaps analog) television program itself, but also to the digital real-time program labels that will be transmitted from the information database concurrently with the program. (A29442.) It includes a value (the program title) identifying the real-time program label (*i.e.*, the label for the “LENNY HENRY” show) and, as such, constitutes an “index” to that label. (*Id.*) The index incorporates the scheduled transmission time, which is decoded at the subscriber station for display, thereby informing the subscriber when the label will be received, so that the VCR can look for it. (A29440-41.)

As it does with Roizen, Finisar simply ignores DIRECTV's showing (*e.g.*, A29318-20) that Kinghorn's indices reference *digital* data, not just analog television programs. Kinghorn discloses the timestamp features by showing indices to portions of the information database that include timestamps, which are decoded at the subscriber station, thereby actually informing the subscriber of scheduled reception times.

* * *

With no genuine issue about the disclosures of the references, the scope of the claims, or the ordinary skill level in the field, the district court correctly held that the combinations of *Videotex Architecture* with either Roizen or Kinghorn rendered claims 17 and 39 obvious, even if the whereby clause could be viewed as limiting.¹³ See *KSR*, 550 U.S. at 427; *Graham*, 383 U.S. at 17-18.

B. The District Court Correctly Held That Claim 26 Is Invalid

Claim 26, which depends from claim 16, adds only two details about how the receivers handle incoming data packets that match the “filter data” claimed in claim 16, specifically, “storing a filter list comprising said filter data” and “temporarily storing received data packets in a buffer” before those packets that

¹³ In its opening brief, Finisar does not renew its argument (made below) that *Videotex Architecture* is not appropriately combined with Roizen and Kinghorn. That argument is therefore not addressed here.

match the filter data are forwarded to a predefined destination. (A151 (23:15-27).)

The district court correctly ruled that these features added nothing patentable to claim 16, such that claim 26 is both anticipated and obvious. (A20-23.)

1. Claim 26 Is Anticipated By *Videotex Architecture*

In chapter 9, *Videotex Architecture* extensively discusses “Terminals,” *i.e.*, receivers used in videotex systems. (A29154-73.) In Figure 9.2, this discussion depicts a microprocessor-based decoder that acquires selected teletext pages and sends them to display memory. (A29159.) The district court concluded that this discussion showed the additional features recited in claim 26, thereby anticipating when read in conjunction with the other portions of the book (such as section 10.5 on “Databases for Teletext”) that were held in the earlier appeal to disclose claim 16. (A20-22.)

Finisar raises various objections to this conclusion. None has merit.

Disclosure of a filter list. *First*, Finisar argues that *Videotex Architecture* does not disclose “storing a filter list.”

In holding claim 16 anticipated, the prior appeal necessarily established that *Videotex Architecture* discloses all steps of that claim, including “storing filter data corresponding to a subset of said indices.” (A150.) What claim 26 adds in this regard is that claim 16’s “filter data” must be stored as “a filter list.” (A151.)

Finisar now argues that “[a] ‘list’ must be capable of accommodating multiple items, even if it currently contains only one item.” (FBr. 57.) According to Finisar, storing just one item (which Finisar concedes would constitute a “list”) would not meet the claim’s requirement of “storing a filter list” if more than one item could not also be stored. This argument is entirely new, and therefore not properly before this Court on appeal.¹⁴

Even accepting Finisar’s (new) construction, the argument is fruitless. *Videotex Architecture* discloses multiple-item-storage capability. At page 156, the textbook states that “[t]he concept of the *multipage decoder* (locally storing multiple pages) adds an interesting twist to the question of memory cost.” (A29166 (emphasis in original).) At page 159, the textbook refers to a “set of similar circuits” that use Figure 9.2’s microprocessor-based-controller approach to “store up to six teletext or Prestel pages.” (A29169.) In nonetheless arguing that teletext decoders “can only select one page at a time” (FBr. 57), Finisar relies on the “display memory” in Figure 9.2, which is described as “hold[ing] all data of the page currently being displayed.” (A29159.) The fact that only one page is

¹⁴ Finisar never sought a construction of “filter list” below (and none was given), much less one defining “storing a filter list” to require a device capable of storing multiple items, even if only one item is stored. Finisar also never argued to the district court that *Videotex Architecture* did not anticipate because it did not disclose multiple-item-storage capability.

displayed at a time is, however, beside the point. As noted above, *Videotex Architecture* repeatedly discloses *storing* “multiple pages” in the subscriber station, so the subscriber may display them sequentially. Moreover, because teletext supports transmission of multiple pages simultaneously using an interleaving scheme (A29067, 29074-75, 29183-84), the multipage decoders must “function asynchronously,” so that they can acquire the multiple pages (A29162). That capability necessarily requires retention of multiple items of filter data (*i.e.*, identifications of the multiple pages desired)—which without dispute is a “filter list.”

Disclosure of buffering during comparison. *Second*, Finisar argues that *Videotex Architecture* does not disclose that incoming data packets compared to the filter data and eventually forwarded were “ever buffered.” (FBr. 57-58.) Again, not so. *Videotex Architecture* plainly discloses that the selected data is stored in a “buffer,” as that term has been construed by agreement. (A29159.)

During claim-construction proceedings, the parties agreed that “buffer” means “a temporary holding place for data.” (A17998.) Figure 9.2 shows that the decoder uses a “ μ -processor,” depicted in the same “Control processor” box as RAM providing a “Buffer” and “work area.” (A29159.) The accompanying text states that the microprocessor performs “input buffer management” and assists in “data selection and error checking.” (A29162.) As the district court correctly

reasoned, this means that the selected teletext pages must be temporarily stored so that the microprocessor can determine whether they include the user-selected page numbers:

The control processor, which contains a buffer, receives data from the data selection component, then sends processed data out. That processed data is eventually received and displayed on a television via RGB signals. In order to perform its stated function—assisting in data selection—Gecsei’s control processor component must receive and temporarily store data before processed data can be sent out. The control processor with a buffer will therefore provide a “temporary holding place for data”—i.e., the court’s construction of the word “buffer.”

(A21-22.) This discloses the buffering requirement.

Videotex Architecture’s disclosures of all the elements of claims 16 and 26 are properly read together. *Third*, Finisar argues that *Videotex Architecture* cannot be read as relating the receiver discussed in chapter 9 with disclosures elsewhere that were held to anticipate claim 16. (FBr. 58.) For this, Finisar claims that the disclosures for claims 16 and 26 “are in different parts of *Videotex Architecture*.” (*Id.*)

Finisar’s argument has already been rejected. In the prior appeal, this Court held that *Videotex Architecture* disclosed all the steps of claim 16, including the downloading step on which the buffer requirement in claim 26 builds. *See Finisar*, 523 F.3d at 1338. While other parts of claim 16 are disclosed in other parts of *Videotex Architecture* (which is unremarkable, given that the textbook is organized

into various chapters that “explain systematically” the “basic concepts behind” videotex and teletext (A29005)), claim 16’s downloading step is disclosed in Figure 9.2 and accompanying text, just like the disclosures of the additional features of claim 26. (See A29759 (DIRECTV’s brief in prior appeal noting that Figure 9.2 and accompanying text showed the downloading step); see also *Finisar*, 523 F.3d at 1338 (agreeing with DIRECTV that the downloading step is set forth in *Videotex Architecture*).)¹⁵ The two claims are not disclosed “in different parts of *Videotex Architecture*.”¹⁶

The court correctly ruled that *Videotex Architecture* anticipates claim 26.

2. Alternatively, Claim 26 Is Obvious In Light Of *Videotex Architecture* And Gifford

The court also granted summary judgment of invalidity on the alternative ground that claim 26 was obvious in view of the combination of *Videotex Architecture* and Gifford. (A22-23.) The Gifford article describes a community

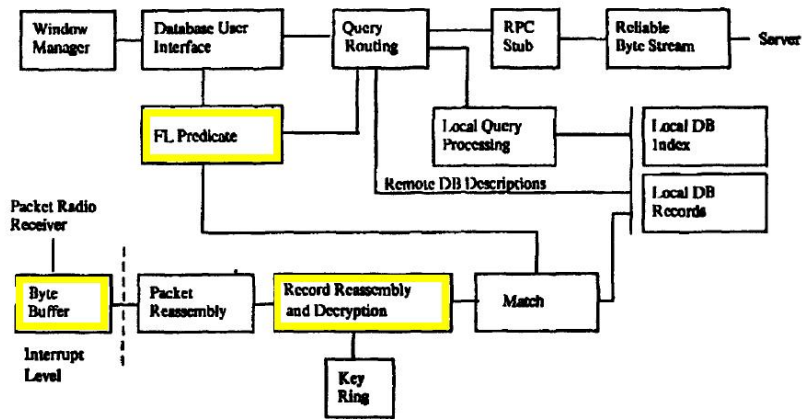
¹⁵ The Court’s opinion does not specifically address disclosure of the “downloading” step; *Finisar* did not challenge DIRECTV’s assertion that the step is disclosed in Figure 9.2 and related text. See *Finisar*, 523 F.3d at 1338.

¹⁶ Moreover, a review of *Videotex Architecture* confirms that receiver features shown in Figure 9.2 were intended to be used in conjunction with the transmission methods disclosed elsewhere in the book, which were held to disclose other elements of claim 16. The text introducing Figure 9.2 states: “The basic components found in all videotex decoders are indicated in Figure 9.2.” (A29159.) While section 9.2 discusses specific variations that are possible (see, e.g., A29160), it nowhere suggests that the basic layout of Figure 9.2 is not intended for use with all the transmission methods disclosed in the textbook.

information service that repetitively broadcasts information by one-way packet radio. (A29446-55.) The district court concluded that the receivers described in Gifford used a method for filtering data as recited in claim 26, and that it would have been obvious to use that method in videotex systems such as those described in *Videotex Architecture* and held in the previous appeal to anticipate claim 16. (A22-23.)

The Gifford article notes the close similarity between the system it discloses and videotex systems such as those presented in *Videotex Architecture*. In a section entitled “Related Work,” which “compares [the Gifford] system with other systems that have similar goals,” these similar systems include “teletex” (one-way, broadcast videotex) and “videotex” (two-way videotex). (A29453-54.) As made clear by Gifford’s discussion at page 168, the system he calls “teletex” is the type of system discussed in *Videotex Architecture* and which the prior appeal found to operate in the manner recited in claim 16. (A29453.)

In its Section 3, Gifford describes the receiver structure it uses to filter incoming data. (A29449-51.) Figure 5 of Gifford shows that structure:



Internal Organization of the Personal Database System

Figure 5

(A29451.) As shown, the receivers reassemble into records the data they receive by packet radio, decrypt those records, and then compare them to a “FL Predicate.”

(*Id.*) At page 164, Gifford explains that the “FL Predicate” is a Filter List:

[A] user compiles a list of routine queries into what is known as the *filter list*. The queries in the filter list are disjunctively combined (OR’ed together) to create a predicate called FL (for filter list) that describes the information that will be retained at the user’s personal computer.

(A29449 (emphasis in original).) As Figure 5 also shows, records that match the filter list are sent for storage in a “Local DB [database].” (A29451.) The district court concluded this follows claim 26’s steps of “temporarily storing received data packets in a buffer, storing a filter list comprising said filter data referencing said specified set of requested data packets, comparing said data packets temporarily stored in said buffer with said filter data and then forwarding those data packets in

said buffer which match said filter data to a predefined destination.” (A151 (23:17-24).)

Finisar challenges the district court’s conclusion on two grounds. Neither has merit.

Gifford is properly combined with Videotex Architecture. *First*, Finisar argues that Gifford is not properly combinable with *Videotex Architecture* because Gifford uses “a very different filtering system” and a different “broadcast scheduler” than the teletext systems and transmission scheme disclosed in *Videotex Architecture*. (FBr. 59-61.)

Finisar’s argument misses the point of obviousness analysis. As stated in *In re Keller*, 642 F.2d 413, 425 (C.C.P.A. 1981), “[t]he test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art.” Thus, the relevant question here is whether Gifford imparted the *concept* of filtering received information in a one-way data broadcast system by comparing the information to a *filter list*, in a manner suggestive of the concept’s use in *Videotex Architecture*’s one-way broadcast systems.

It clearly did. Each system (Gifford and *Videotex Architecture*’s teletext) repeatedly broadcasts a stream of information packets; the Gifford article refers to

both as “community information systems.” (A29453.) Each has subscriber stations that must filter out those data packets that match the particular subscriber’s interests. (A29453-54.) They present very similar broadcast environments with identical filtering requirements. (*Id.*) Each is concerned with searching for multiple items sought by the user—Gifford’s “filter list” involves individual requests that are “disjunctively combined (OR’ed together)” (A29449) and *Videotex Architecture* describes “multipage decoders” (A29166, A29169). Indeed, Gifford notes that his system and teletext “have similar goals,” stating that, “[i]n a sense, our system represents an attempt to combine the best aspects of both teletext and videotext.” (*Id.*) It would therefore have been natural to use Gifford’s filtering techniques to meet the same need to filter out desired packets in teletext systems. As stated in *KSR*, “if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.”¹⁷ 550 U.S. at 417. The fact that adjustments in the circuitry *implementing* that concept would be required for teletext is beside the point.

¹⁷ Similarly, “[w]hen a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one.” *KSR*, 550 U.S. at 417.

There is no room here for any contention that Gifford in any way teaches away from using its filtering techniques with teletext systems. *See In re Fulton*, 391 F.3d 1195, 1201 (Fed. Cir. 2004). Even Finisar does not make a teaching-away argument.

The Videotex Architecture/Gifford combination exhibits the filtering method of claim 26. *Second*, Finisar argues that the combination of *Videotex Architecture* and Gifford would not have the “filter list” required by claim 26 because “Gifford does not use ‘indices’ to compile a filter list and to determine if there is a ‘match,’ but uses ‘queries’ instead.” (FBr. 61.) This argument reads claim 26 contrary to its plain language. Claim 26 does not require using *indices* to compile filter data; indeed, claim 26 does not even refer to “indices.” Instead, it states that the receiver must “stor[e] a filter list comprising said filter data referencing said specified set of requested data packets.” (A151 (23:18-20).) As is clear from the discussion above, Gifford’s filter list references the specified set of requested data packets. (A29453-54.) Claim 26’s requirements are satisfied by the *Videotex Architecture/Gifford* combination.

Finisar argues that the fact that claim 26 refers to “said filter data” somehow changes that result. (FBr. 62.) That reference is to claim 16’s recitation of “filter data corresponding to a subset of said indices, said filter data specifying a set of requested data packets which comprises a subset of said transmitted data packets.”

(A150 (21:60-63).) Those requirements are also met, because *correspondence to indices*, not *compilation from them*, is what the claims require of the filter list.

Gifford discloses that. In Gifford, filter data making up the filter list specifies the individual pieces of desired information. When used in combination with a teletext system as taught by *Videotex Architecture*, that filter data “correspond[s]” to the page numbers of those teletext pages (which the prior appeal found to constitute “indices”; A29453-54; *Finisar*, 523 F.3d at 1338), even though the filter data may not necessarily include those page numbers.

There is no genuine issue about the disclosures of *Videotex Architecture* and Gifford, the scope of claim 26, or the ordinary skill level in the field. *See Graham*, 383 U.S. at 17-18. Because the obviousness of claim 26 is apparent in light of these factors, the district court correctly ruled that claim 26 is obvious in light of *Videotex Architecture* and Gifford. *See KSR*, 550 U.S. at 427.

C. The District Court Correctly Held That Claims 22 And 44 Are Anticipated By *Videotex Architecture*

Claims 22 and 44 each add to claim 16’s method—which includes “assigning each selected portion of said information database one or more scheduled transmission times”—only the detail of “reserving” either “portion[s] of transmission bandwidth” (claim 22) or “transmission times” (claim 44), “for transmitting portions of said information database requested by subscribers.”

(A150, A156.) The district court correctly concluded that these features added nothing patentable to invalid claim 16.

At pages 175-76, *Videotex Architecture* describes these reservations as part of its method of transmitting different groups of teletext pages with different repetition rates. (A29183-84.) The method uses timeslots for sending data. (*Id.*) Because the method described in *Videotex Architecture* was critical to the earlier appeal's conclusion that the textbook anticipated claim 16, *see Finisar*, 523 F.3d at 1335-38, the district court correctly ruled that the method's reservation of "portion[s] of transmission bandwidth" and "transmission times" for "demand pages" means that claims 22 and 44 are anticipated as well. (A17-20.)

Finisar does not dispute that *Videotex Architecture* discloses "reserving transmission times" as required by claim 44. (FBr. 63.) Finisar challenges only whether (1) the prior art discloses claim 22's requirement that "portion[s] of transmission bandwidth" be reserved, and (2) "demand pages" are "requested by subscribers." (FBr. 63-66.) Neither challenge has merit.

Transmission bandwidth is reserved for demand pages. *First*, Finisar argues that *Videotex Architecture* does not meet claim 22's requirement that portions of bandwidth be reserved. Finisar concedes that the district court correctly construed "reserving a portion of transmission bandwidth" to mean "setting aside part of the transmission capacity." (*See* FBr. 64; A52.) Nonetheless,

Finisar argues (FBr. 65-66) that, because each of *Videotex Architecture*'s timeslots is used to transmit only a single teletext page, claim 22 is not satisfied because *all* (not *part*) of the transmission capacity is reserved *during each timeslot*.

Finisar's argument, which focuses on instantaneous allocation during each timeslot (as opposed to averaged over a longer timeframe), ignores the basic character of packet-transmission systems such as those described by the '505 patent. (A133-57.) Those systems divide a transmission channel's capacity into timeslots and then send one packet at a time. (A144.) Although of necessity only one item of data is being sent at any instant, over time the channel's total capacity is divided among all the packets that are sent. (A142.)

The specification of the '505 patent teaches exactly this form of dividing "transmission capacity." In the patent, data is transmitted in "stream[s]" of "data packets," which have a maximum size of 10,000 bytes. (A142 (5:23-26).) Elsewhere, the specification describes how a single data channel's "bandwidth" (the term used by the inventor) is divided for use in transmitting several tiers of information:

[T]he information included in the basic subscriber service is divided into "root information" plus several tiers of information which are transmitted at decreasing frequency. **Table 1 shows an example of how the 1.5 megabyte per second *bandwidth* associated with a *single channel* transmission system may be subdivided into tiers.** The information database's root information, comprising about 0.25 megabytes that provides a large

part of the indexing and top level menus needed to access the information database, is **retransmitted ten times per hour**. The first tier of information, **transmitted four times per hour**, comprises 150 megabytes of information most frequently needed by subscribers. Each successively lower tier of information contains a larger amount of information than the next higher tier, prioritized in accordance with actual or expected subscriber usage, and is transmitted less often. . . .

TABLE 1

Example of Data Channel Usage - 1.5 MB/Sec Channel			
Information Type	Repeat Rate	Megabytes Per Transmen	% of Total Bandwidth
Root Information	10 times/hr	0.250	00.0463
1st Priority Info	4 times/hr	150	11.1
2nd Tier Info	1 time/hr	600	11.1
3rd Tier info	0.25 times/hr	2,400	11.1
4th Tier info	1 time/12 hrs	7,200	11.1
5th Tier info	1 time/24 hrs	39,540	30.5537
Subtotals - unique info		49,890.25	
- total bytes Tx		97,200.00	75.00
Data Tx by Request N/A		32,400	25.00
Total		129,600.00	100.00

(A146 (13:64-14:33 & Table 1).) Even though the single data channel is used to transmit one packet in the stream at a time, the specification clearly refers to this as dividing the channel’s capacity into percentages of “the available bandwidth.” (*Id.*)

At pages 175-76, *Videotex Architecture* describes the same method for dividing a channel’s transmission capacity. (A29183-84.) A stream of teletext pages (packets) is transmitted cyclically, with each cycle divided into 800 timeslots. (*Id.*) While at any given instant only a single teletext page is being sent, the overall capacity of the channel is divided among the main and sub-cycles shown by the gears on Figure 10.5(b). (*Id.*)

Finisar nonetheless complains (FBr. 65) that this means that “a demand page must *wait* for 799 other pages before any part of the demand page is transmitted.”¹⁸ (Emphasis in original.) But the need to wait until a desired packet is sent in the transmission stream is a characteristic of any packet-transmission scheme, including the scheme described in the ‘505 patent. (*See generally* A133-57.) Nothing in the claim requires that desired packets be immediately available; indeed, the ‘505 patent expressly contemplates that packets are transmitted only at scheduled times. (*Id.*)

Finisar also complains (FBr. 63) that the district court confused claim 22’s requirement that “transmission bandwidth” be reserved with claim 44’s requirement that “transmission times” be reserved. (A150, A156.) There was no such confusion. *Videotex Architecture*’s use of reserved timeslots permits reservation of time as well as bandwidth. (A29183-84.) While reservation of timeslots is not the only conceivable means of reserving a portion of a channel’s transmission capacity or bandwidth, it is one means. Finisar’s complaints lack merit.

¹⁸ Although this is what is shown diagrammatically on page 176, *Videotex Architecture* teaches at page 175 that access time was often improved by using “[i]nterleaved transmission of pages,” so that a user need not wait for completion of transmission of an undesired page before receiving the beginning of the desired page. (A29183-84.)

Demand pages constitute “portions of said information database requested by subscribers.” *Second*, Finisar argues that *Videotex Architecture* does not satisfy the requirement in claims 22 and 44 that pages are “requested by subscribers.” Finisar contends that *Videotex Architecture*’s “demand pages” might be demanded by a subscriber station or an advertiser instead of the subscriber. (FBr. 66.)

Finisar’s argument, however, is foreclosed by the district court’s construction of the term “requested by subscribers.” Adopting Finisar’s position below, the court ruled that information included in a “general” subscription is thereby “requested by subscribers.” (A51-52.) DIRECTV had argued that data “requested by subscribers” included only data that is sent in response to a specific request. (A434-35.) Finisar, by contrast, had argued that subscriber-requested data included data received pursuant to a basic subscription. (*Id.*) According to Finisar, “[t]ransmission of the ‘[data] requested by subscribers’ on the reserved bandwidth need not be in response to a subscriber request.” (A435.) At the *Markman* hearing, the issue was further sharpened and, in its claim-construction order, the court gave the following broad interpretation of “requested by subscribers”:

The parties appear to be focused on whether “requests” by a subscriber are “direct” requests or “general” or “long term” requests. The specification indicates that requested data may be included in the basic subscriber service. ’505 patent, col. 5, ll. 45-65. The specification also indicates that subscriber-requested data is

transmitted “in the portion of the . . . bandwidth that is not used for transmitting the regularly scheduled basic programming.” ’505 patent, col. 4, ll. 55-65. Hence, whether data is “requested” does not appear to depend on whether the request is “direct,” “general,” or “long term.” Rather, requested data is simply data a subscriber has asked to have access to, without regard for whether the request is “direct,” “special,” “long term,” or “general.” There is no basis for limiting the use of transmission bandwidth which is “reserved,” to direct responses to one time requests for information.

(A51-52.)

Given this broad construction, demand pages—indeed, any of the pages in the cycles in Figure 10.5(b)—are “requested by subscribers.” As *Videotex Architecture* repeatedly notes, access to videotex can be provided by subscription, whether by broadcast or cable television, thereby satisfying this requirement.

(A29013 (“Predictions for the percentage of U.S. TV households subscribing to some form of videotex service in 1990 vary between 5% and 90%.”); A29047 (“It was soon realized that video programming is not the only kind of information that can be carried (and sold) to customers through cable. Data can be superimposed onto the TV signal, as will be described later in this chapter.”); A29052 (“Since [data over video] is an important videotex-specific delivery method useable in both over-the-air and cable transmission, we will discuss it in considerable detail.”).)

In any event, even accepting Finisar’s incorrect interpretation of “demand pages,” *Videotex Architecture* discloses that specific pages can be sent only on

subscriber demand. At page 175, it refers to demand pages as “[p]ages transmitted on demand (on-line or off-line); see also Robinson and Loveless, 1979.” (A29183.) In the cited 1979 article, on “touch-tone teletext,” subscribers request transmission of particular pages by calling their television station and entering codes on their telephones—*i.e.*, pages requested by subscribers. (A23976-81.) That transmission method is further explained in chapter 6 of *Videotex Architecture*, which notes the possibility of “link[ing] one-way cable systems or [data over video] transmission with the telephone,” so that “[t]he telephone can be used as a feedback path (e.g., for page requests); the demanded information is then included by the head end in the broadcast cycle.” (A29086 (citing the 1979 Robinson & Loveless article as an example); A29217 (referring to including “interactively demanded pages” in the broadcast cycle).) In short, even if “requested by subscribers” were interpreted narrowly as Finisar now claims, *Videotex Architecture* discloses “demand pages” that are particular teletext pages sent in response to specific subscriber requests. (A29184, A29217.)

The district court correctly ruled that claims 22 and 44 are anticipated by *Videotex Architecture*.

* * * * *

In sum, none of the handful of slight fillips added to anticipated claim 16 render the remaining claims patentable. The district court was therefore correct to put an end to this case. This Court should uphold that judgment.

CONCLUSION

The judgment of the district court should be affirmed.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on September 29, 2009, two bound copies of the foregoing BRIEF OF DEFENDANTS-APPELLEES were served by overnight mail through a third-party commercial carrier (UPS) upon the following principal counsel:

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I also certify that on September 29, 2009, twelve bound copies, including the original, of the foregoing BRIEF OF DEFENDANTS-APPELLEES were filed, by hand delivery, in the Office of the Clerk, United States Court of Appeals for the Federal Circuit.

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CERTIFICATE OF COMPLIANCE

1. This brief complies with the type-volume limitation of Federal Rule of Appellate Procedure 32(a)(7)(B), because it contains 13,792 words, excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(a)(7)(B)(iii) and Federal Circuit Rule 32(b).

2. This brief complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type style requirements of Federal Rule of Appellate Procedure 32(a)(6), because it has been prepared in a proportionally spaced typeface using Microsoft Word 2003 SP2 in Times New Roman 14 point font.

Dated: September 29, 2009

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