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9 Attorneys for NETFLIX, INC.

10 UNITED STATES DISTRICT COURT

11 NORTHERN DISTRICT OF CALIFORNIA

12 OAKLAND DIVISION

13 NETFLIX, INC.,

14 Plaintiff, Counter-Defendant,
and Counter-Claimant

15 v.

16 ROVI CORPORATION; ROVI
17 TECHNOLOGIES CORPORATION; ROVI
GUIDES, INC. (f/k/a GEMSTAR-TV
18 GUIDE INTERNATIONAL); and UNITED
VIDEO PROPERTIES, INC.,

19 Defendants;

20 ROVI CORPORATION; ROVI
21 TECHNOLOGIES CORPORATION; ROVI
GUIDES, INC. (f/k/a GEMSTAR-TV
22 GUIDE INTERNATIONAL); UNITED
VIDEO PROPERTIES, INC.; APTIV
23 DIGITAL, INC.; and STARSIGHT
TELECAST, INC.,

24 Counter-Claimants; and

25 ROVI CORPORATION; UNITED VIDEO
26 PROPERTIES, INC.; APTIV DIGITAL,
INC.; and STARSIGHT TELECAST, INC.,

27 Counter-Defendants.
28

Case No. 4:11-CV-6591 PJH

**NETFLIX'S OPPOSITION TO ROVI'S
MOTION FOR LEAVE TO FILE A
SUPPLEMENTAL BRIEF IN
OPPOSITION TO NETFLIX'S MOTION
FOR SUMMARY JUDGMENT OF
INVALIDITY UNDER 35 U.S.C. § 101**

1 More than three weeks after stating, “we submit” (March 25 Tr. (Dkt. 151) at 94:11), Rovi
 2 wants a do-over. On top of its 25-page opposition (Dkt. 121), an hour of argument by its counsel,
 3 and its 103-slide presentation (Dkt. 145), Rovi now seeks leave to “apprise the Court of relevant
 4 factual and legal developments” (Mot. for Leave (Dkt. 160) at 3:1–2) with a further 10-page
 5 brief—effectively 13 pages, given the 3 pages of its recent objections to Judge Ryu’s April 6
 6 order that it devotes to 35 U.S.C. § 101. *See* Mot. for Relief (Dkt. 159) at 2:23–5:13.

7 Leave should be denied, because Rovi’s proposed brief is neither necessary nor helpful.
 8 Rovi already had an opportunity to present argument regarding the Court’s written questions, and
 9 nothing in Judge Ryu’s April 6 order is relevant to the summary judgment motion. Finally,
 10 Rovi’s discussion of two recent judicial opinions—two of *many* new section 101 decisions—is
 11 also unhelpful. Rovi misreads Judge Gilliam’s decision, which squarely supports *Netflix’s*
 12 position. And the other decision, filed last week in the District of Delaware, is lacking in
 13 analysis, was wrongly decided, and is inapposite; it cannot assist the Court. Rovi’s motion for
 14 leave needlessly seeks to burden the Court with more paper and should be denied.

15 **1. The Court’s March 25 Questions.** Rovi devotes the majority of its proposed brief to
 16 written questions the Court raised at the outset of the hearing. *See* Mot. for Leave, Exh. A
 17 (proposed brief) at 1:18–7:26. Yet Rovi admits that it “endeavored to address the questions
 18 during the hearing.” Mot. for Leave at 3:6–7. Nothing since the hearing justifies allowing Rovi
 19 now to expand on its answers. But, should Rovi’s proposed brief be allowed, Netflix requests
 20 leave to file a 10-page sur-rebuttal, to respond fully to Rovi’s newly expanded arguments.

21 For example, Netflix’s sur-rebuttal would explain why the claimed “media-on-demand
 22 server” that Rovi emphasizes in its proposed brief, *see, e.g.*, Mot. for Leave, Exh. A at 6:3–17, is
 23 nothing more than a generic server that implements the abstract idea. The Supreme Court has
 24 held that “reciting a computer system configured to implement the relevant concept” does not
 25 satisfy section 101. *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2359 (2014). The ’906
 26 Claims rely on the admitted knowledge of a person of ordinary skill, not on an inventive concept.
 27 *See* Kwun Decl. (Dkt. 105), Exh. H (IBM invention disclosure form) at RVNF00003035–36.

28 **2. Judge Ryu’s April 6 Order.** Supplemental briefing is not needed to address *dicta* in a

1 footnote in Judge Ryu’s order. Judge Ryu did not decide whether the asserted claims are patent
 2 eligible, and indeed was careful to note that the issue was not before her. April 6 Order (Dkt.
 3 156) at 7 n.7. And Rovi’s updated infringement contentions, far from being a factual
 4 development warranting further briefing, are irrelevant to the summary judgment motion. Netflix
 5 *agrees* that the issue under section 101 is whether the *claims* are patent-eligible, not whether
 6 Rovi’s contentions comply with the Patent Local Rules. *Cf.* March 25 Tr. at 11:6–9 (“Judge
 7 Freeman rightfully noted that it doesn’t matter whether the specification might describe
 8 something that could arguably be called ‘inventive.’ The question is what the claims say.”);
 9 *Hewlett Packard Co. v. ServiceNow, Inc.*, 2015 U.S. Dist. LEXIS 29384, *30 (N.D. Cal. Mar. 10,
 10 2015) (“The . . . specification may contain somewhere a specific, patentable implementation . . .
 11 [b]ut for purposes of § 101, the claims themselves are what matter, and what is claimed is far too
 12 broad . . .”). But Rovi’s original infringement contentions are admissions by Rovi that the
 13 asserted claims are functionally defined at a high level of generality.

14 As Netflix explained at the summary judgment hearing, Rovi’s original contentions are
 15 inconsistent with limiting the asserted claims to specific machines. *See* March 25 Tr. at 19:17–
 16 19. And at the hearing before Judge Ryu, Rovi again argued that those contentions were
 17 *appropriate* given the wide breadth of the asserted patent claims. March 26 Tr. (Dkt. 158) at
 18 15:22–16:22. Updating its infringement contentions¹ does not render the admissions implicit in
 19 Rovi’s original contentions “largely moot.” *See* Mot. for Leave, Exh. A at 8:18.

20 **3. Post-Hearing Authority.** Even just between the hearing and Rovi’s motion for leave,
 21 there were a plethora of decisions addressing 35 U.S.C. § 101. For instance, the Federal Circuit
 22 affirmed one of the earliest post-*Alice* district court decisions invalidating patent claims based on
 23 section 101, finding the issue to be so straightforward that it did not merit a written opinion.
 24 *DietGoal Innovations LLC v. Bravo Media LLC*, 2015 WL 1542817 (Fed. Cir. Apr. 8, 2015),
 25 *aff’g without written op.* 33 F. Supp. 3d 271 (S.D.N.Y. 2014) (granting summary judgment of
 26

27 ¹ Netflix received Rovi’s updated infringement contentions last Friday evening. Its review is
 28 ongoing, but based on a preliminary review, the updated contentions still lack the specificity
 required by Patent Local Rule 3-1.

1 invalidity based on section 101). Many district court decisions—including one from Judge
 2 Spero—invalidated patent claims based on section 101. *Shortridge v. Foundation Constr. Payroll*
 3 *Serv., LLC*, 2015 WL 1739256 (N.D. Cal. Apr. 14, 2015); *Genetic Veterinary Sci. Inc. v. Canine*
 4 *EIC Genetics, LLC*, 2015 WL 1505669 (D. Minn. Mar. 31, 2015); *Advanced Auctions LLC v.*
 5 *eBay, Inc.*, 2015 WL 1415265 (S.D. Cal. Mar. 27, 2015); *Tuxis Techs. v. Amazon.com, Inc.*, 2015
 6 WL 1387815 (D. Del. Mar. 25, 2015). One Texas district court declined to find claims patent-
 7 ineligible based on the pleadings alone, without prejudice to raising the issue again after claim
 8 construction. *Certified Measurement, LLC v. CenterPoint Energy Houston Elec. LLC*, 2015 WL
 9 1432324, *2 (E.D. Tex. Mar. 30, 2015).

10 Rovi’s proposed supplemental brief ignores all of those decisions, instead focusing only
 11 on two others. The first, *OpenTV, Inc. v. Apple, Inc.*, 2015 WL 1535328 (N.D. Cal. Apr. 6,
 12 2015), supports Netflix, not Rovi. Rovi argues that the OpenTV claims “did not even recite a
 13 general computer,” Mot. for Leave, Exh. A at 9:12, but Judge Gilliam noted that the claims would
 14 be patent ineligible even “accepting . . . as true” OpenTV’s assertion that a person of ordinary
 15 skill in the art would have understood them to require a computer. 2015 WL 1535328 at *4.
 16 “The pen-and-paper test does not require described electronic components to literally exist on
 17 paper: instead, it is an analytical tool to test whether the underlying concept described in the
 18 claims is abstract, and thus not patent-eligible.” *Id.* (citing cases applying the pen-and-paper test
 19 to claims that required a computer).

20 Judge Gilliam concluded that the underlying concept of the OpenTV claims addressed
 21 “[t]he problem of how to transmit, receive, store, and organize confidential information deriving
 22 from multiple sources” which “is not a creature of the Internet age.” *Id.* Similarly here, the ’906
 23 Claims fail to include any technological twist on the old-world problems of bookmarking and
 24 format changes. For example, the ’906 patent’s inventors *conceded* that transcoding was a well-
 25 known problem with a well-known solution:

26 Transcoding, or converting from one format to another, to allow for different
 27 device capabilities, is a feature of many pervasive computing initiatives. . . .
 28

1 Capability exchanges are known in the art. . . . An everyday example of capability
2 exchange can be found when two modems exchange signals to find their “common
denominator”, that is, a transmission speed both modems can support.

3 Kwun Decl., Exh. H at RVNF00003036. The inventors thus understood that transcoding was *not*
4 a problem that newly arose “in the context of modern media-on-demand . . . systems.” Mot. for
5 Leave, Exh. A at 9:26–27. Likewise, as Netflix explained in its opening brief, the problems
6 addressed by the TV Guide Patents pre-date interactive program guides. *See, e.g.*, Netflix’s Mot.
7 for Summ. J. (Dkt. 104) at 9:3–9 (’962 patent), 10:2–7 (’929 patent), 10:20–23, 14:2–4 (’709
8 patent), 11:15–19, 14:22–26 (’762 patent).

9 Far from reciting an inventive concept turning on anything specific to media-on-demand
10 servers or interactive program guides, each asserted patent claim merely adds “token extra-
11 solution activity” that cannot “convert the abstract idea into patent-eligible subject matter” or
12 “merely instructs the practitioner to implement the abstract idea with ‘routine, conventional
13 activit[ies].’” *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 714, 716 (Fed. Cir. 2014) (quoting
14 *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1298 (2012)), *reh’g en*
15 *banc denied* (Fed. Cir. Feb. 20, 2015). Nothing in Judge Gilliam’s decision suggests otherwise or
16 requires further briefing.

17 The second decision on which Rovi focuses is *Messaging Gateway Solutions, LLC v.*
18 *Amdocs, Inc.*, 2015 WL 1744343 (D. Del. Apr. 15, 2015). The sum of the *Alice*-step-two analysis
19 in this District of Delaware decision is as follows:

20 The Court finds that Claim 20 contains an inventive concept sufficient to render it
21 patent-eligible. . . . Claim 20 is directed to a problem unique to text-message
22 telecommunication between a mobile device and a computer. The solution it
provides is tethered to the technology that created the problem.

23 . . . [T]his claim is analogous to those in *DDR Holdings*. It specifies how an
24 interaction between a mobile phone and a computer is manipulated in order to
25 achieve a desired result which overrides conventional practice. Conventionally,
phones could not send SMS text messages to computers. The claimed method
manipulates that interaction by translating the message in a way that allows the
computer to receive and understand the message.

26 . . . The claimed method here . . . uses technology that allows communication
27 where it would otherwise be impossible. In addition, Claim 20 contains
28 meaningful limitations that prevent it from preempting the abstract idea of
receiving, translating, and delivering a message. It is limited to SMS text
messages between a mobile device and the Internet.

1 *Id.* at *5. But the court offered no explanation how “the claimed solution” in claim 20 was
 2 “necessarily rooted in computer technology.” *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d
 3 1245, 1257 (Fed. Cir. 2014). Claim 20 offers *no* explanation how the SMS message should be
 4 translated. *See* 2015 WL 1744343 at *2–3 (quoting claim 20). Far from a solution necessarily
 5 rooted in computer technology, the claim offers nothing more than a suggestion of the problem
 6 itself—the need for translation. *See id.* Moreover, the “meaningful limitations” mentioned by the
 7 court only limit the claims to a particular technological environment, which cannot confer patent
 8 eligibility, *Alice*, 134 S. Ct. at 2360—and in any event, Rovi’s patent claims are far less limited,
 9 applying even to implementations on generic computers, as Rovi implicitly conceded in its
 10 original infringement contentions. Kwun Reply Decl. (Dkt. 130), Exh. I at 4:6–17, 5:19–22,
 11 6:22–26, 8:1–4, 8:18–21, 9:26–10:2, 11:1–4. Nothing in *Messaging Gateway Solutions*
 12 adequately explains why it is consistent with the Supreme Court’s decision in *Alice* or why the
 13 Rovi patent claims are analogous, and thus the decision can offer the Court no useful guidance.

14 Rovi’s proposed brief offers nothing of value to the Court. Moreover, if the Court grants
 15 Rovi leave, equity would require allowing Netflix to file a 10-page sur-rebuttal to address Rovi’s
 16 new arguments in full. Among other things, Rovi fails to mention that Judge Gilliam concluded
 17 that the “clear and convincing” standard does not apply to section 101 challenges. *OpenTV*, 2015
 18 WL 1535328 at *3. The *Messaging Gateway Solutions* court, while finding it unnecessary to
 19 decide the issue, indicated it was inclined to reach the same conclusion. 2015 WL 1744343 at *3.
 20 Other courts are in agreement. *See Shortridge*, 2015 WL 1739256 at *7 (Spero, M.J.) (quoting
 21 and agreeing with *Modern Telecom Sys. LLC v. Earthlink, Inc.*, 2015 WL 1239992, at *7–8 (C.D.
 22 Cal. Mar. 17, 2015)).

23 For the foregoing reasons, Rovi’s motion for leave should be denied.

24 Dated: April 24, 2015

Respectfully submitted,

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26 By: /s/ Michael S. Kwun
 27 MICHAEL S. KWUN

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