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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

GRACENOTE, INC., a Delaware
corporation,

Plaintiff,

v.

MUSICMATCH, INC., a Washington
corporation,

Defendant.

No. C 02-3162 CW

ORDER ADDRESSING
PARTIES' CROSS
MOTIONS FOR
SUMMARY JUDGMENT
RE: PATENT
INFRINGEMENT

Plaintiff Gracenote, Inc. moves for summary judgment on its patent infringement, breach of contract, and trademark infringement claims, as well as on Defendant MusicMatch, Inc.'s invalidity and unenforceability defenses to its patent infringement claims (Docket No. 494). MusicMatch opposes the motion, and cross moves for summary judgment on Gracenote's patent infringement, breach of contract, trademark infringement, intentional interference with prospective economic advantage, negligent interference with prospective economic advantage, and unfair competition claims, as well as its non-infringement, invalidity, and unenforceability affirmative defenses and counterclaims (Docket No. 505).¹ The matter was heard on April

¹ MusicMatch also moves to strike Exhibits A to H attached to Gracenote's Motion for Summary Judgment (Docket No. 509) and to strike Exhibit A to Gracenote's Reply in Support of its Motion for Summary Judgment (Docket No. 540). The Court agrees with MusicMatch that these documents are tantamount to separate statements of fact and thus prohibited by the Court's scheduling Orders. The Court therefore grants MusicMatch's motions to

1 16, 2004. Having considered all of the papers filed by the
2 parties and oral argument on the motion, the Court issues this
3 Order addressing the parties' cross motions for summary judgment
4 regarding the patent infringement claims.²

5 BACKGROUND

6 Defendant MusicMatch produces "Jukebox," a software program
7 that enables computer users to play, record, copy, and manage
8 digital music files and CDs. Most of these CDs do not contain
9 descriptive information about their contents, such as the
10 identity of the artist, the name of the album, or the title of
11 each song. To have such information displayed on the computer
12 screen, customers must either manually enter it into the
13 computer or obtain it from a database of information available

14 _____
15 strike.

16 Gracenote moves to strike the Declaration of Bradley Kindig
17 (Docket No. 532), the Rebuttal Report of Bradley Kindig (Docket
18 No. 567), and the Supplemental Declaration of Stuart Soffer
19 (Docket No. 566). Gracenote also makes evidentiary objections
20 to these documents. MusicMatch makes evidentiary objections to
21 certain testimony offered by Dale Tyson Roberts, Ti Kan, and
22 Steven Scherf. The Court denies Gracenote's motions to strike.
23 To the extent that the Court relies upon evidence to which there
24 is an objection, the parties' objections are overruled. To the
25 extent that the Court does not rely on such evidence, the
26 parties' objections are overruled as moot.

27 MusicMatch objects to Gracenote's late submission of
28 evidence, argument, and case law, in the form of a bench book
given to the Court at the summary judgment hearing (Docket No.
582). Gracenote responds that this is simply an accepted use of
a demonstrative, and further moves to strike MusicMatch's
objection as an impermissible surrepley (Docket No. 596).
Gracenote's bench book goes beyond a simple demonstrative to
include additional legal theories not raised in its briefs.
Gracenote's bench book is not part of the record, and the Court
will not consider it.

² The Court will issue a subsequent Order addressing the
non-patent-infringement claims.

1 through the internet. MusicMatch's Jukebox product includes
2 such an internet-based look-up service, called CDi.

3 Plaintiff Gracenote alleges that MusicMatch's Jukebox
4 product with its CDi look-up service infringes U.S. Patent No.
5 6,230,192 ('192 patent) and U.S. Patent No. 6,330,593 ('593
6 patent). In general terms, the '192 patent discloses methods
7 and systems for using internet-based technologies to retrieve
8 and deliver to the user content related to the recording being
9 played. The '593 patent discloses methods and systems for
10 collecting use data, or data reflecting or relating to the use
11 of recordings, which may include data representative of a user's
12 listening behavior and habits. MusicMatch disputes Gracenote's
13 assertion that its Jukebox product infringes these patents.

14 MusicMatch asserts that the patents-in-suit are invalid, on
15 the basis that the predecessor to Gracenote's competing CDDB
16 look-up service, XMCD/CDDB, discloses all of the limitations of
17 the patents-in-suit, either independently or in combination with
18 other prior art. XMCD used table of contents data, that is,
19 data contained on CDs in order to enable CD players to play the
20 CDs, to create an identifier for each CD. That identifier was
21 then used to associate the CD with user-entered information
22 regarding the contents of the CD. As it evolved, XMCD allowed
23 the album information to be stored on a remote server and shared
24 by multiple users. CDDB was the name given to the database in
25 which the identifiers and corresponding album information was
26 stored. MusicMatch also asserts that the patents-in-suit are
27 unenforceable based on MusicMatch's willful failure to disclose

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1 XMCD/CDDDB to the Patent and Trademark Office (PTO). Gracernote
2 disputes these contentions.

3 LEGAL STANDARD

4 Summary judgment is properly granted when no genuine and
5 disputed issues of material fact remain, and when, viewing the
6 evidence most favorably to the non-moving party, the movant is
7 clearly entitled to prevail as a matter of law. Fed. R. Civ.
8 Proc. 56; Celotex Corp. v. Catrett, 477 U.S. 317, 322-23 (1986);
9 Eisenberg v. Ins. Co. of N. Am., 815 F.2d 1285, 1288-89 (9th
10 Cir. 1987).

11 Material facts which would preclude entry of summary
12 judgment are those which, under applicable substantive law, may
13 affect the outcome of the case. The substantive law will
14 identify which facts are material. Anderson v. Liberty Lobby,
15 Inc., 477 U.S. 242, 248 (1986).

16 The moving party bears the burden of showing that there is
17 no material factual dispute. Therefore, the Court must regard
18 as true the opposing party's evidence, if supported by
19 affidavits or other evidentiary material. Celotex, 477 U.S. at
20 324; Eisenberg, 815 F.2d at 1289. The Court must draw all
21 reasonable inferences in favor of the party against whom summary
22 judgment is sought. Matsushita Elec. Indus. Co. v. Zenith Radio
23 Corp., 475 U.S. 574, 587 (1986); Intel Corp. v. Hartford
24 Accident & Indem. Co., 952 F.2d 1551, 1558 (9th Cir. 1991).

25 Where the moving party does not bear the burden of proof on
26 an issue at trial, the moving party may discharge its burden of
27 showing that no genuine issue of material fact remains by

1 demonstrating that "there is an absence of evidence to support
2 the nonmoving party's case." Celotex, 477 U.S. at 325. The
3 moving party is not required to produce evidence showing the
4 absence of a material fact on such issues, nor must the moving
5 party support its motion with evidence negating the non-moving
6 party's claim. Id.; see also Lujan v. Nat'l Wildlife Fed'n, 497
7 U.S. 871, 885 (1990); Bhan v. NME Hosps., Inc., 929 F.2d 1404,
8 1409 (9th Cir. 1991), cert. denied, 502 U.S. 994 (1991). If the
9 moving party shows an absence of evidence to support the non-
10 moving party's case, the burden then shifts to the opposing
11 party to produce "specific evidence, through affidavits or
12 admissible discovery material, to show that the dispute exists."
13 Bhan, 929 F.2d at 1409. A complete failure of proof concerning
14 an essential element of the non-moving party's case necessarily
15 renders all other facts immaterial. Celotex, 477 U.S. at 323.

16 Where the moving party bears the burden of proof on an
17 issue at trial, it must, in order to discharge its burden of
18 showing that no genuine issue of material fact remains, make a
19 prima facie showing in support of its position on that issue.
20 See UA Local 343 v. Nor-Cal Plumbing, Inc., 48 F.3d 1465, 1471
21 (9th Cir. 1994). That is, the moving party must present
22 evidence that, if uncontroverted at trial, would entitle it to
23 prevail on that issue. See id.; see also Int'l Shortstop, Inc.
24 v. Rally's, Inc., 939 F.2d 1257, 1264-65 (5th Cir. 1991). Once
25 it has done so, the non-moving party must set forth specific
26 facts controverting the moving party's prima facie case. See UA
27 Local 343, 48 F.3d at 1471. The non-moving party's "burden of
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1 contradicting [the moving party's] evidence is not negligible."
2 Id. This standard does not change merely because resolution of
3 the relevant issue is "highly fact specific." See id.

4 DISCUSSION

5 I. Patent Infringement

6 Gracenote asserts that MusicMatch's Jukebox player
7 infringes claims 10, 12, 18, 26, 45, and 58 of the '192 patent
8 and claims 1, 2, 3, 4, 5, 6, 22, 35, 36, 37, 41, 62, 68, 69, 70,
9 85, 93, 95, and 96 of the '593 patent. Gracenote moves for
10 summary judgment of infringement of the claims 10 and 45 of the
11 '192 patent and claims 22 and 93 of the '593 patent. MusicMatch
12 moves for summary judgment of non-infringement of all of the
13 asserted claims. However, MusicMatch's briefs only address
14 claims 10 and 45 of the '192 patent and claims 22 and 93 of the
15 '593 patent. For this reason, the Court will focus its analysis
16 on these claims, and only address infringement of the other
17 asserted claims to the extent that the other asserted claims
18 have the same limitations as those contained in the claims on
19 which Gracenote moves.

20 A. '192 Patent

21 The parties dispute whether the accused devices meet the
22 claim limitation of "determining an identifier" as required by
23 claim 10 ("determining an identifier from information associated
24 with a recording") and claim 45 ("determining an identifier for
25 the recording") of the '192 patent. The Court construed the
26 term "determining" to mean "fixing conclusively or
27 authoritatively" and the term "identifier" to mean "a string of
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1 characters, sequence of bits or other data that establishes
2 identity." Gracenote contends that Jukebox meets this
3 requirement, by "submitting TOC data associated with the
4 recording to a MusicMatch server and receiving data that
5 establishes the identity of the recording back from a MusicMatch
6 server." Johnson-Laird Decl. ¶ 19. MusicMatch does not dispute
7 this description of Jukebox's functionality, but instead argues
8 that it does not meet the claim limitation of "determining an
9 identifier."

10 The Court agrees with MusicMatch. As described by the
11 parties, Jukebox simply submits TOC data to the server; it does
12 not first perform some manipulation of that data in order to fix
13 an identifier, as the claim limitation "determining an
14 identifier" requires. Indeed, Gracenote does not argue that the
15 TOC data sent to the server is an identifier; instead, Gracenote
16 argues that the information returned by the server, such as
17 album name, artist name, and track titles, constitutes
18 identifying information. However, this interpretation omits a
19 crucial step of the methodology claimed in claims 10 and 45 of
20 the '192 patent. These claims require that an identifier first
21 be determined and then be used to retrieve relevant information
22 over the network. See '192 patent claim 10 (reciting a method
23 consisting of "determining an identifier from information
24 associated with the recording; comparing the identifier with
25 records in a database maintained on a remote computer . . . ;
26 and outputting remote data obtained from the network"); '192
27 patent claim 45 (reciting a method encompassing the steps of

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1 "determining an identifier for the recording" and "retrieving
2 from a remote device via the network a uniform resource locator
3 related to the identifier"). The album name, artist name, and
4 track titles returned by the server may or may not meet the
5 claims' requirement that information be returned from the
6 server. However, they do not constitute an identifier, because
7 an identifier is what is used to retrieve the information from
8 the server. Therefore, the Court grants MusicMatch's motion for
9 summary judgment of non-infringement of claims 10 and 45 of the
10 '192 patent.

11 The remaining asserted claims of the '192 patent include
12 the same "determining an identifier" requirement as claims 10
13 and 45. See '192 patent claim 12 ("determining an identifier
14 for the compact disc"); '192 patent claim 18 (dependent claim of
15 independent claim 12); '192 patent claim 26 ("determining an
16 identifier for the compact disc"); '192 patent claim 58
17 ("determining an identifier for the recording"). They also
18 include the same requirement that an identifier first be
19 determined and then be used to retrieve relevant information
20 over the network. See '192 patent claim 12 (reciting a method
21 encompassing the steps of "determining an identifier for the
22 compact disc" and "retrieving from a remote device via the
23 network a uniform resource locator related to the identifier");
24 '192 patent claim 18 (dependent claim of independent claim 12);
25 '192 patent claim 26 (reciting a method encompassing the steps
26 of "determining an identifier for the compact disc" and
27 "retrieving from a remote device via the network a uniform
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1 resource locator related to the identifier"); '192 patent claim
2 58 (reciting a computer program embodying a method encompassing
3 the steps of "determining an identifier for the recording" and
4 "retrieving from a remote device via the network a uniform
5 resource locator related to the identifier"). Therefore, the
6 accused devices do not infringe asserted claims 12, 18, 26, and
7 58 for the same reason that they do not infringe claims 10 and
8 45. The Court grants MusicMatch's motion for summary judgment
9 of non-infringement of claims 12, 18, 26, and 58 of the '192
10 patent.

11 B. '593 Patent

12 The parties dispute whether the accused devices meet the
13 claim limitation of "identifying at least one segment of a
14 recording, fixed in a medium possessed by a user, based on
15 information obtained from contents of the recording stored in
16 the medium for a purpose other than identifying the recording"
17 of Claim 22 of the '593 patent. The parties also dispute
18 whether the accused devices meet the similar claim limitation of
19 collecting use data associated with a "recording identified by
20 information obtained from contents of the recording used to play
21 back contents of the recording perceived by a user" of Claim 93
22 of the '593 patent. Gracenote asserts that MusicMatch infringes
23 these claims with respect to the playback of audio tracks that
24 have been ripped onto a computer hard drive from a CD.³
25 MusicMatch denies this, claiming that when Jukebox rips CD

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27 ³ Gracenote is not asserting that MusicMatch infringes
28 these claims with respect to the playing of CDs.

1 tracks into electronic audio files, it includes the TOC
2 information in order to identify the contents of the recording
3 even though the TOC information is not necessary to enable the
4 playback of the recording. Gracenote does not contest
5 MusicMatch's assertion that TOC information is not necessary to
6 enable the playback of electronic audio files, but argues that
7 these limitations are nevertheless met because TOC data is
8 necessary to enable the playback of CDs.

9 However, it is the electronic audio files that are being
10 played back, not CDs. These claim limitations thus require that
11 the electronic audio files be identified by information stored
12 in these files for a purpose other than identifying the
13 recording (claim 22) or, similarly, that the electronic audio
14 files be identified by information used to play back these files
15 (claim 93). According to the undisputed facts submitted by
16 MusicMatch, the TOC data is stored in the electronic audio files
17 precisely for the purpose of identifying the recording (claim
18 22) and is not used to enable playback of the electronic audio
19 files (claim 93). Therefore, the Court grants MusicMatch's
20 motion for summary judgment of non-infringement of claims 22 and
21 93 of the '593 patent.

22 Claims 41, 62, 68, 69, 70, 85, and 95 of the '593 patent
23 include the same requirement that the electronic audio files be
24 identified by information stored in these files for a purpose
25 other than identifying the recording as claim 22 of the '593
26 patent. See '593 patent claim 41 (reciting a system
27 encompassing an "identification means for identifying a
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1 recording based on information obtained from contents of the
2 recording stored in the medium for a purpose other than
3 identifying the recording"); '593 patent claim 62 (reciting a
4 system encompassing a device to "identify the recording from
5 information obtained from contents of the recording stored in
6 the medium for a purpose other than identifying the recording");
7 '593 patent claims 68, 69, and 70 (dependent claims of
8 independent claim 62); '593 patent claim 85 (dependent claim of
9 independent claim 22); '593 patent claim 95 (reciting a system
10 encompassing an "identification means for identifying a
11 recording based on information obtained from contents of
12 recording used to play back contents of the recording perceived
13 by a user"). The remaining asserted claims of the '593 patent,
14 claims 1, 2, 3, 4, 5, 6, 35, 36, 37, and 96, include the same
15 requirement -- that the electronic audio files be identified by
16 information used to play back these files -- as claim 93 does.
17 See '593 patent claim 1 (reciting a system that includes a
18 device to "identify the recording from information obtained from
19 contents of the recording used to play back contents of the
20 recording perceived by a user"); '592 patent claim 2 (reciting a
21 method encompassing the step of collecting use data associated
22 with a recording "identified by information obtained from the
23 recording used to play back contents of the recording perceived
24 by the user"); '592 patent claims 3, 4, 5, 6, and 35 (dependent
25 claims of independent claim 2); '593 patent claims 36 and 37
26 (dependent claims of claim 35, which is a dependent claim of
27 claim 2); '593 patent claim 96 (reciting a device to form a

1 process encompassing the step of collecting use data associated
2 with a recording "identified by information obtained from
3 contents of the recording used to play back contents of the
4 recording perceived by a user"). Therefore, the accused devices
5 do not infringe the remaining asserted claims of the '593 patent
6 with respect to the playback of audio tracks that have been
7 ripped onto a computer hard drive from a CD, for the same reason
8 that they do not infringe claims 22 and 93. The Court grants
9 MusicMatch's motion for summary judgment of non-infringement of
10 claims 1, 2, 3, 4, 5, 6, 35, 36, 37, 41, 62, 68, 69, 70, 85, 95,
11 and 96 of the '593 patent with respect to the playback of audio
12 tracks that have been ripped onto a computer hard drive from a
13 CD.⁴

14 C. On-Sale Bar and Patent Misuse

15 MusicMatch also argues that the issue of infringement
16 cannot be summarily adjudicated in Gracenote's favor because of
17 the existence of factual disputes with respect to its defenses
18 of on-sale bar and patent misuse. Neither party has moved for
19 summary adjudication of these defenses. Because the Court has
20 already determined that Gracenote is not entitled to summary
21 adjudication of infringement of the asserted claims of the
22 patents-in-suit because the undisputed facts do not establish
23 that the accused devices practice every element of the asserted

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25 ⁴ Because the parties only briefed the issue of non-
26 infringement with respect to the playback of audio tracks that
27 have been ripped onto a computer hard drive from a CD, the Court
28 has only addressed whether the accused devices infringe the '593
patent while playing back audio tracks that have been ripped
onto a computer hard drive from a CD.

1 claims, the Court need not address MusicMatch's contention that
2 factual disputes as to the on-sale bar and patent misuse
3 defenses prevent summary adjudication.

4 II. Validity

5 MusicMatch asserts that the patents-in-suit are invalid as
6 anticipated or rendered obvious by the prior art. See 35 U.S.C.
7 § 102 (providing that a patent is invalid if the invention
8 disclosed was fully anticipated by a prior art reference); 35
9 U.S.C. § 103 (providing that a patent is invalid if the subject
10 matter as a whole would have been obvious in light of the prior
11 art). Gracenote asserts that the patents-in-suit are valid.
12 Both parties move for summary judgment regarding the validity of
13 the patents-in-suit.

14 A. Legal Standard

15 A patent is presumed to be valid. 35 U.S.C. § 282. A
16 party alleging that a patent is invalid bears the burden of
17 proof, id., and must overcome this statutory presumption of
18 validity by proving invalidity through clear and convincing
19 evidence, Ultra-Tex Surfaces, Inc. v. Hill Bros. Chem. Co., 204
20 F.3d 1360, 1367 (Fed. Cir. 2000).

21 "A patent is invalid for anticipation when the same device
22 or method, having all of the elements contained in the claim
23 limitations, is described in single prior art reference." Crown
24 Operations Int'l, Ltd. v. Solutia Inc., 289 F.3d 1367, 1375
25 (Fed. Cir. 2002); see also Scripps Clinic & Research Fdn. v.
26 Genentech, Inc., 927 F.2d 1565, 1576 (Fed. Cir. 1991)
27 ("Invalidity for anticipation requires that all of the elements

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1 and limitations of the claim are found within a single prior art
2 reference."). "An anticipating reference must describe the
3 patented subject matter with sufficient clarity and detail to
4 establish that the subject matter existed in the prior art and
5 that such existence would be recognized by persons of ordinary
6 skill in the field of invention." Crown Operations, 289 F.3d at
7 1375.

8 A patent is invalid for obviousness if the differences
9 between it and the prior art "are such that the subject matter
10 as a whole would have been obvious at the time the invention was
11 made to a person having ordinary skill in the art." 35 U.S.C.
12 § 103(a). To determine if a patent is invalid for obviousness,
13 the court must consider the scope and content of the prior art,
14 the difference between the patented invention and the prior art,
15 and the level of skill in the art. Graham v. John Deere Co.,
16 383 U.S. 1, 17 (1966); see also Crown Operations, 289 F.3d at
17 1375. "Determinations of obviousness cannot be based on the
18 hindsight combination of components selectively culled from the
19 prior art to fit the parameters of the patented invention." ATD
20 Corp. v. Lydall, Inc., 159 F.3d 534, 546 (Fed. Cir. 1998).
21 "There must be a teaching or suggestion within the prior art,
22 within the nature of the problem to be solved, or within the
23 general knowledge of a person with ordinary skill in the field
24 of the invention, to look to particular sources, to select
25 particular elements, and to combine them as combined by the
26 inventor." Crown Operations, 289 F.3d at 1376; see also
27 Ecolochem, Inc. v. S. Cal. Edison Co., 227 F.3d 1361, 1371-72,

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1 1375 (Fed. Cir. 2000).

2 B. '192 Patent

3 MusicMatch asserts that the '192 patent is invalid as
4 anticipated by XMCD/CDDDB and obvious in light of XMCD/CDDDB
5 considered in the context of other prior art; Gracenote contends
6 that XMCD/CDDDB does not itself anticipate the '192 patent, or,
7 in combination with other prior art, render it obvious.

8 1. Claims 12, 18, 26, 45, and 58

9 Gracenote argues that claims 12, 18, 26, 45, and 58 are not
10 anticipated by XMCD/CDDDB, in that XMCD/CDDDB did not "retriev[e]
11 from a remote device via a network a uniform resource locator
12 related to the identifier" or "link[] to the remote device via
13 the network, based on the uniform resource locator" as disclosed
14 by these claim. See '192 patent claim 12 (reciting a method
15 encompassing the steps of "retrieving from a remote computer via
16 the network a uniform resource locator related to the
17 identifier" and "linking to a remote device via the network, in
18 response to the uniform resource locator"); '192 patent claim 18
19 (dependent claim of independent claim 12); '192 patent claim 26
20 (reciting a computer program embodying a method encompassing the
21 steps of "retrieving from a remote computer via the network a
22 uniform resource locator related to the identifier" and "linking
23 to a remote device via the network, based on the uniform
24 resource locator"); '192 patent claim 45 (reciting a method
25 encompassing the steps of "retrieving from a remote computer via
26 the network a uniform resource locator related to the
27 identifier" and "linking to a remote device via the network, in

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1 response to the uniform resource locator"); '192 patent claim 58
2 (reciting a computer program embodying a method encompassing the
3 steps of "retrieving from a remote device via the network a
4 uniform resource locator related to the identifier" and "linking
5 to a remote device via the network, based on the uniform
6 resource locator").

7 With respect to the requirement of "retrieving from a
8 remote device via a network a uniform resource locator related
9 to the identifier," MusicMatch responds that XMCD/CDDDB was
10 capable of retrieving a uniform resource locator related to the
11 identifier, in that the CDDDB database contained fields which
12 were capable of storing URLs. Gracenote apparently contends
13 that this is not sufficient, in that XMCD/CDDDB was not
14 specifically designed to facilitate the retrieval of URLs.
15 However, the claim language does not require that the accused
16 device be specifically designed to facilitate the retrieval of
17 URLs; it only requires that the accused device be capable of
18 retrieving URLs. It is undisputed that XMCD/CDDDB was capable of
19 this.

20 Gracenote's contention that XMCD/CDDDB was not designed to
21 facilitate the retrieval of URLs, however, has greater relevance
22 to whether XMCD/CDDDB disclosed "linking to the remote device via
23 the network, based on the uniform resource locator." XMCD/CDDDB
24 did not include a method for linking to the remote device using
25 the retrieved URLs. MusicMatch apparently recognizes this.
26 Rather than arguing that XMCD/CDDDB included this element,
27 MusicMatch argues that "inherent in the URL is an invitation to
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1 go to the specified address and retrieve additional
2 information." While this may be true, it is not the same as
3 "linking to the remote
4 device via the network, based on the uniform resource locator."
5 Therefore, claim 45 is not invalid as anticipated by XMCD/CDDDB.

6 MusicMatch contends, however, that even if this element is
7 not included in XMCD/CDDDB, using URLs to link to the internet to
8 obtain relevant information was a concept that was well known in
9 the art at the time of the invention of the '192 patent. See,
10 e.g., U.S. Patent No. 6,025,837; Library Catalog Browser,
11 BookWhere 2.0. While Gracenote admits that using URLs to link
12 to the internet to obtain information was known in the art,
13 Gracenote asserts that this concept was still in its infancy
14 during 1995 and 1996 when the invention embodied in the '192
15 patent was conceived and reduced to practice. See Stoffer Decl.
16 at ¶ 18 (noting that the AltaVista web search engine was first
17 made public in December, 1995); Stoffer Decl. at ¶ 52 (noting
18 that in March, 1996 Microsoft released software tools for
19 developing applications with the ability to link to the
20 internet). Given this state of the art, Gracenote contends that
21 it was not obvious to combine CD-player technology with
22 technology to link to information on the internet. See Crown
23 Operations, 289 F.3d at 1376 ("There must be a teaching or
24 suggestion within the prior art, within the nature of the
25 problem to be solved, or within the general knowledge of a
26 person with ordinary skill in the field of the invention, to
27 look to particular sources, to select particular elements, and

1 to combine them as combined by the inventor."). The Court
2 cannot resolve this factual dispute on summary judgment.
3 Therefore, the Court denies both Gracenote and MusicMatch's
4 motions for summary judgment with respect to whether claims 12,
5 18, 26, 45, and 58 of the '192 patent is invalid as obvious in
6 light of the prior art.

7 2. Claim 10

8 Gracenote argues that claim 10 is not anticipated by
9 XMCD/CDDDB, in that XMCD/CDDDB did not include the "outputting" of
10 "remote data obtained via the network from at least one storage
11 location dynamically determined based on the identifier."
12 MusicMatch disagrees.

13 The parties' dispute as to whether XMCD/CDDDB included this
14 element reflects a broader dispute about the meaning of this
15 claim. The relevant claim language discloses:

16 A method for associating a recording with output
17 of data on a local computer connected to the network,
18 comprising:

- 19 determining an identifier from information
20 associated with the recording;
- 21 comparing the identifier with records in a
22 database maintained on a remote computer
23 coupled to the local computer via the
24 network; and
- 25 outputting remote data obtained from the
26 network upon verification of access to
27 the recording by the local computer, the
28 remote data obtained via the network
dynamically determined based on the
identifier.

Gracenote understands this claim language as describing a three-
step process, in which an identifier is determined, the
identifier is used to obtain information stored in a database,

1 and the information stored in the database is used to obtain
2 remote data located in a storage location that is dynamically
3 determined. In contrast, MusicMatch understands this claim
4 language as describing a two-step process, in which an
5 identifier is determined and that identifier is used to return
6 data from a storage location that is dynamically determined.
7 The Court agrees with Gracenote that the claim language
8 contemplates a three-step process. Therefore, this claim is
9 functionally similar to the other asserted claims of the '192
10 patent, in that it requires that information located at the
11 dynamically determined storage location (i.e., information
12 located through a URL) be displayed. As discussed above,
13 XMCD/CDDDB did not include this functionality, although other
14 prior art did. The Court thus grants Gracenote's motion for
15 summary judgment that claim 10 is not invalid as anticipated by
16 XMCD/CDDDB, but denies both parties' motions with respect to
17 whether claim 10 is invalid as obvious in light of XMCD/CDDDB
18 when considered in light of other prior art.

19 C. '593 Patent

20 MusicMatch asserts that the '593 patent is invalid as
21 anticipated by XMCD/CDDDB and obvious in light of XMCD/CDDDB
22 considered in the context of other prior art; Gracenote contends
23 that XMCD/CDDDB does not itself anticipate the '593 patent, nor,
24 even in combination with other prior art, render it obvious.

25 Gracenote argues that the asserted claims of the '593
26 patent are not anticipated by XMCD/CDDDB, in that XMCD/CDDDB did
27 not collect, at the first device (the local computer), use data

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1 associated with the recording, as required by all asserted
2 claims of the '593 patent. See '593 patent claim 1 (reciting a
3 system encompassing a "first device" to "collect use data
4 associated with the recording"); '593 patent claim 2 (reciting a
5 method encompassing the step of "collecting, at the first
6 device, use data associated with a recording"); '593 patent
7 claims 3, 4, 5, 6, 35, 36, and 37 (dependent claims of
8 independent claim 2); '593 patent claim 22 (reciting a method
9 encompassing the step of "collecting, at the first device, use
10 data associated with the recording"); '593 patent claim 41
11 (reciting a system encompassing a "first device" including a
12 "collection means for collecting use data"); '593 patent claim
13 62 (reciting a system encompassing a "first device" to "collect
14 use data associated with the recording"); '593 patent claims 68,
15 69, and 70 (dependent claims of independent claim 62); '593
16 patent claim 85 (dependent claim of independent claim 22); '593
17 patent claim 93 (reciting a method encompassing the step of
18 "collecting, at the first device, use data associated with a
19 recording"); '593 patent claim 95 (reciting a system
20 encompassing a "first device" including a "collection means for
21 collecting use data"); '593 patent claim 96 (reciting a system
22 for performing the process of "collecting, at a first device,
23 use data associated with playback of a recording").

24 More specifically, Gracenote contends that XMCD/CDDDB did
25 not collect "data pertaining to a user's listening behavior and
26 listening habits in relation to identified recordings," in that
27 XMCD/CDDDB collected no user-specific information. This argument

1 is unavailing, because it relies upon a definition of "use data"
2 that is contrary to the definition adopted by the Court, namely
3 "data reflecting or relating to use of recordings, use of
4 portions or segments of recordings, or use of software or
5 hardware, which may include data representative of a user's
6 listening behavior and habits." As construed by the Court, the
7 "use data" that is collected may, but need not, include data
8 regarding a particular user's listening behavior and habits. It
9 may more generally be "data reflecting or relating to the use of
10 recordings." Pursuant to this definition of "use data," which
11 the Court applies, XMCD/CDDDB collected "use data," in that they
12 collected album titles, artists, and track names from users who
13 played the recordings. Because XMCD did not prompt the user to
14 enter this information unless and until a particular recording
15 was played, the creation of this information reflected the fact
16 that the recording was being played.

17 Gracenote also argues that this collection of data
18 performed by XMCD/CDDDB is not the collection of "use data"
19 disclosed in the asserted claims of the '593 patent because the
20 '593 patent requires collecting use data about a recording that
21 has already been identified, while the e-mailing of submissions
22 occurs because the system was not able to identify a CD. This
23 argument misconstrues the meaning of the identification step
24 required by the asserted claims of the '593 patent. The
25 asserted claims require that the CD be identified, which it is
26 in XMCD/CDDDB when a TOC-based identifier is created. Nothing in
27 the asserted claims requires that the CD be identified in a way

1 that is meaningful to a user, such as by album title or artist,
2 prior to the collection of use data.

3 Finally, Gracenote argues that even if XMCD/CDDDB collected
4 use data, that use data was collected at the server (the second
5 device), and not at the local computer (the first device) as
6 required by the asserted claims. Gracenote's argument
7 erroneously interprets the term "collected" as meaning "stored."
8 While it may not be clear that XMCD stored the use data at the
9 local computer, it cannot be disputed that the data was
10 collected at the local computer, in the sense that it was at the
11 local computer that the data was entered.

12 Therefore, Gracenote has identified no aspect of any of the
13 asserted claims of the '593 patent that was not included in
14 XMCD/CDDDB. The Court grants MusicMatch's motion for summary
15 judgment that the asserted claims of the '593 patent are invalid
16 as anticipated by XMCD/CDDDB.

17 III. Inequitable Conduct

18 MusicMatch asserts that the patents-in-suit are
19 unenforceable as a result of Gracenote's inequitable conduct
20 during the prosecution of the patents-in-suit, namely its
21 failure to disclose the XMCD/CDDDB prior art. Both parties move
22 for summary judgment on this affirmative defense.

23 To prevail on a defense of inequitable conduct, the alleged
24 infringer must prove, by clear and convincing evidence, that
25 material information was withheld from the PTO and that the
26 information was withheld with an intent to deceive. Dayco
27 Prod., Inc. v. Total Containment, Inc., 329 F.3d 1358, 1362

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1 (Fed. Cir. 2003). Information is material if there is a
2 "substantial likelihood that a reasonable examiner would
3 consider it important in deciding whether to allow the
4 application to issue as a patent." Baxter Int'l, Inc. v. McGaw,
5 Inc., 149 F.3d 1321, 1327 (Fed. Cir. 1998) (internal quotation
6 marks omitted). Materiality is "judged based upon the overall
7 degree of similarity between the omitted reference and the
8 claimed invention in light of the other prior art before the
9 examiner." Id. at 1328. "Intent to mislead does not require
10 direct evidence, and is typically inferred from the facts."
11 Bristol Myers Squibb Co. v. Rhone-Poulenc Rorer, Inc., 326 F.3d
12 1226, 1239 (Fed. Cir. 2003). "Further, where withheld
13 information is material and the patentee knew or should have
14 known of that materiality, he or she can expect to have great
15 difficulty in establishing subjective good faith sufficient to
16 overcome an inference of intent to mislead." Id.

17 Here, XMCD/CDDDB is material prior art, as demonstrated by
18 the Court's conclusion that XMCD/CDDDB viewed in combination with
19 other prior art may render the '192 invalid as obvious over the
20 prior art and that XMCD/CDDDB does render the '593 invalid as
21 anticipated by the prior art. There is evidence in the record
22 from which the Court could infer that Gracenote withheld this
23 reference with the intent to deceive the PTO. This includes
24 evidence from which it could be concluded that those involved in
25 the patent application process knew about XMCD/CDDDB and its
26 materiality, as well as Gracenote's failure to explain its
27 decision not to disclose XMCD/CDDDB. However, because intent is

1 an intensely factual question, the Court will not rule on
2 Gracenote's intent in the context of resolving cross motions for
3 summary judgment. Instead, the Court denies both parties'
4 motions for summary judgment with respect to MusicMatch's
5 inequitable conduct defense and will address this issue after
6 trial.

7 CONCLUSION

8 For the foregoing reasons, the Court grants MusicMatch's
9 motion for summary judgment of non-infringement of the asserted
10 claims of the '192 patent, and non-infringement of the asserted
11 claims of the '593 patent with respect to the playback of audio
12 tracks that have been ripped onto a computer hard drive from a
13 CD (Docket No. 505). The Court grants Gracenote's motion for
14 summary judgment that the asserted claims of the '192 patent are
15 not invalid as anticipated by XMCD/CDDDB (Docket No. 494), but
16 denies both parties' motions for summary judgment with respect
17 to whether the asserted claims of the '192 patent are invalid as
18 obvious in light of XMCD/CDDDB viewed in light of other prior
19 art, (Docket No. 494; Docket No. 505). The Court grants
20 MusicMatch's motion for summary judgment that the asserted
21 claims of the '593 patent are invalid as anticipated by the
22 prior art (Docket No. 505). The Court denies both parties'
23 motions for summary judgment with respect to whether the '192
24 and '593 patents are unenforceable as a result of inequitable
25 conduct (Docket No. 494; Docket No. 505).

26 The Court grants MusicMatch's motions to strike (Docket No.
27 509; Docket No. 540; Docket No. 582). The Court denies

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United States District Court
For the Northern District of California

1 Gracenote's motions to strike (Docket No. 532; Docket No. 567;
2 Docket No. 566), but grants Gracenote's motion to strike (Docket
3 No. 596).

4 IT IS SO ORDERED.

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6 Dated: 8/26/04

/s/ CLAUDIA WILKEN

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CLAUDIA WILKEN
United States District Judge

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