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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

PHOENIX SOLUTIONS, INC.,
Plaintiff,

v.

WEST INTERACTIVE CORP.,

Defendant.

Case No. CV 09-8156 MRP (SS)

SUMMARY JUDGMENT ORDER

I. INTRODUCTION

This case arises out of a prior dispute involving patents covering speech recognition systems. On February 13, 2008, Phoenix Solutions, Inc. (“Phoenix”) filed a suit against The DirecTV Group, Inc. (“DirecTV”). Complaint ¶ 19; Complaint, *Phoenix Solutions, Inc. v. The DirecTV Group, Inc.*, No. 2:08-cv-0984-MRP (SSx) (C.D. Cal.) (Docket No. 1). Phoenix accused DirecTV of direct infringement of U.S. Patent Nos. 6,615,172, 7,139,714, 7,050,977, and 7,225,125 (“the DirecTV patents-in-suit”) covering speech recognition systems. Complaint, *Phoenix Solutions, Inc. v. The DirecTV Group, Inc.*, No. 2:08-cv-0984-MRP (SSx) (C.D. Cal.). On September 30, 2009, the Court granted summary judgment of non-infringement because DirecTV did not directly infringe the DirecTV patents-in-suit and was not vicariously liable for speech recognition services provided to it by West Interactive Corp. (“West”). *Phoenix Solutions, Inc. v. The DirecTV Group, Inc.*, No. 2:08-cv-0984-MRP (SSx), 2009 U.S. Dist. LEXIS 114977, at *28-30 (C.D. Cal. Nov. 23, 2009).

1 Phoenix then filed this suit against West on November 11, 2009 alleging
 2 infringement of U.S. Patent Nos. 6,665,640 (“the ‘640 patent”), 6,633,846 (“ the ‘846
 3 patent”), 7,277,854 (“the ‘854 patent”), and 7,555,431 (“the ‘431 patent”). *See*
 4 Complaint ¶ 4. Phoenix asserted the following claims of infringement against West in its
 5 infringement contentions in this case.

Patent	Allegedly infringed claims
‘846	1, 34, 36, 37
‘854	1, 8, 9, 12, 13
‘640	30, 35
‘431	1, 2, 6, 7, 9, 10, 14, 15

11 Phoenix Infringement Contentions for the ‘846 patent; Phoenix Infringement Contentions
 12 for the ‘854 patent; Phoenix Infringement Contentions for the ‘640 patent; Phoenix
 13 Infringement Contentions for the ‘431 patent. Phoenix argues that West’s CLASS
 14 platform infringes the asserted claims of the ‘846, ‘854, ‘640, and ‘431 patents. West
 15 contends that each of the asserted claims is invalid. The applications for the patents that
 16 ultimately issued as the ‘846, ‘854, ‘640, and ‘431 patents were filed on November 12,
 17 1999. *See* the ‘846 patent; the ‘854 patent; the ‘640 patent; the ‘431 patent.

18 Before the Court are (1) Phoenix’s motion for summary adjudication as to
 19 infringement of the ‘846 patent, (2) West’s motions for summary judgment of invalidity
 20 of the ‘846, ‘640, ‘431, and ‘854 patents, (3) Phoenix’s motion to either deny West’s
 21 summary judgment motion or continue the hearing pursuant to Fed. R. Civ. P. Rule 56(f),
 22 (4) West’s request for judicial notice, and (5) West’s objections to evidence provided by
 23 Phoenix in support of its motion for summary adjudication of infringement. After
 24 consideration of the relevant arguments and for the reasons that follow, the Court
 25 **DENIES** Phoenix’s motion for summary adjudication as to the infringement of claims 1
 26 and 34 of the ‘846 patent and **GRANTS** *sua sponte* summary judgment of non-
 27 infringement of claims 1 and 34 of the ‘846 patent. Because of the Court’s finding of
 28 non-infringement by West, the Court does not reach the merits of West’s arguments

1 related to invalidity of the asserted '846 patent claims. The Court **GRANTS** West's
2 motions for summary judgment of invalidity of the asserted claims of the '640, '431, and
3 '854 patents. The Court **DENIES** Phoenix's Rule 56(f) motion. The Court takes judicial
4 notice of the fact that each of the nine documents identified by West in its Request for
5 Judicial Notice was published in a journal, conference proceeding or other periodical as
6 of the date of its publication. Finally, the Court **OVERRULES** each of West's
7 objections to evidence offered by Phoenix.

8 **II. THE LEGAL STANDARD**

9 Summary judgment is proper "if the pleadings, the discovery and disclosure
10 materials on file, and any affidavits show that there is no genuine issue as to any material
11 fact and that the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c)
12 (2010). The purpose of summary judgment is to "isolate and dispose of factually
13 unsupported claims or defenses." *Celotex Corp. v. Catrett*, 477 U.S. 317, 323-24 (1986).
14 The moving party bears the initial burden of informing the Court of the basis for the
15 motion and the evidence that demonstrates the absence of triable issues of material fact.
16 *Id.* at 323. If the moving party meets its initial burden, the burden shifts to the
17 nonmoving party to present evidence showing that there is a genuine issue of material
18 fact for trial. Fed. R. Civ. P. 56(e); *Celotex*, 477 U.S. at 324. "When a motion for
19 summary judgment is properly made and supported, an opposing party may not rely
20 merely on allegations or denials in its own pleading; rather, its response must—by
21 affidavits or as otherwise provided in this rule—set out specific facts showing a genuine
22 issue for trial. If the opposing party does not so respond, summary judgment, should, if
23 appropriate, be entered against that party." Fed. R. Civ. P. 56(e)(2). Summary judgment
24 is not proper where the nonmoving party presents evidence from which a reasonable jury
25 could resolve the disputed issue of material fact in his or her favor. *Anderson v. Liberty*
26 *Lobby, Inc.*, 477 U.S. 242, 248 (1986). The evidence of the nonmoving party is to be
27 believed and all justifiable inferences are to be drawn in his or her favor. *Id.* at 255.

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III. DISCUSSION

A. INFRINGEMENT OF THE '846 PATENT

Phoenix moves for summary judgment of infringement of claims 1 and 34 of the '846 patent. The summary judgment motion for infringement rests on whether there are issues of material fact regarding the alleged infringement of the asserted claims of the '846 patent. "An infringement analysis involves two steps. First, the court determines the scope and meaning of the patent claims asserted . . . and then the properly construed claims are compared to the allegedly infringing device." *Cyber Corp. v. Fas Techs.*, 138 F.3d 1448, 1454 (Fed. Cir. 1998). "To infringe, an accused device must embody each claim limitation or its equivalent." *Sofamor Danek Group, Inc. v. DePuy-Motech, Inc.*, 74 F.3d 1216, 1220 (Fed. Cir. 1996). Therefore, if there is a single claim limitation that the West CLASS platform does not embody, there can be no finding of infringement for that claim.

The Court begins by analyzing the second claim limitation of claim 1 of the '846 patent: "a first signal processing routine adapted to generate representative speech values from said speech utterance signals, said representative speech values being characterized by a first data content that is substantially inadequate by itself for permitting recognition of words articulated in said speech utterance. . . ." '846 patent 38:52-57. Specifically, the Court analyzes the meaning of "adapted to generate representative speech data values from said speech utterance signals." '846 patent 38:52-54. "Speech utterance signals" was previously construed by the Court in a related case to mean "a digital or analog signal representing a speech utterance."¹ *Phoenix Solutions, Inc. v. Pacific Gas and Electric Company*, No. 2:09-cv-0774-MRP (SSx), slip op. at 13 (C.D. Cal. Aug. 26, 2009) (Docket No. 34). "Speech data values" was previously construed by the Court to have its ordinary meaning.² *Id.* at 14.

¹ "Speech utterance signals" was construed with respect to claims 34 and 36 of the '846 patent.

² "Speech data values" was construed with respect to claims 34 and 36 of the '846 patent.

1 The meaning of the claim is clear that “representative speech data values” are
2 generated from “speech utterance signals.” Consequently, the speech data values must be
3 something different than a signal representing a speech utterance.³ Phoenix argues that
4 Voice Activity Detection performed by West meets the claim limitation of generating
5 representative speech data values from speech utterance signals. Voice Activity
6 Detection (“VAD”) is a form of processing routine that determines whether there is
7 speech from the user, as opposed to silence or background noise. If enabled, however,
8 VAD only isolates the signal representing a speech utterance from other sound signals
9 representing silence and background noise. *See* Rosenberg Dep. at 100:13-24. Phoenix’s
10 expert Arthur M. Rosenberg agreed that even after VAD, the output would still be
11 “speech utterance signals.” Rosenberg Dep. at 103:22-104:6. By isolating signals
12 representing silence and background noise, after performing VAD the voice response unit
13 (“VRU”) outputs only a *subset* of speech utterance signals. Because it is clear that (1) in
14 this claim limitation “representative speech data values” means something different than
15 “speech utterance signals” and (2) the VRU at most outputs a subset of speech utterance
16 signals after removing signals representing silence and background noise, the West
17 CLASS platform does not meet the second claim limitation of claim 1 of the ‘846 patent.
18 Correspondingly, because the VRU as a first computing device would not generate
19 representative speech data values, even if VAD were enabled, the West CLASS platform
20 does not meet the second claim limitation of claim 34 of the ‘846.

21 Even if VAD at the VRU resulted in an output that might be construed as
22 “representative speech values,” it is clear that West does not perform VAD. Phoenix’s
23 expert Rosenberg testified in his declaration that the VRU from West’s CLASS platform
24 uses Dialogic telephony boards that have the ability to perform VAD prior to transmitting
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28 ³ Although it is not necessary here, the Court may at a future time reconsider the construction of the term “speech data values.” It is appropriate for district courts to “engage in rolling claim construction, in which the court revisits and alters its interpretation of the claim terms as its understanding of the technology evolves.” *Pfizer, Inc. v. Teva Pharms. USA, Inc.*, 429 F.3d 1364, 1377 (Fed. Cir. 2005) (quoting *Jack Guttman, Inc. v. Kopykake Enters., Inc.*, 302 F.3d 1352, 1361 (Fed. Cir. 2002)).

1 the data to the Recognition Server. *See* Rosenberg Decl. ¶¶ 28-29. During Rosenberg’s
2 deposition, however, he admitted that he had no knowledge or evidence as to whether the
3 telephony boards in the West CLASS platform actually perform VAD. Rosenberg Dep.
4 74:17-21, 79:12-16. In contrast, West’s expert Aaron Fisher testified that VAD is not,
5 and has never been, enabled on the Dialogic telephony boards in the West CLASS
6 platform. Fisher Decl. ¶¶ 9-10. Because Rosenberg’s statements were shown to be
7 unsupported by evidence and West’s expert testified that the West CLASS platform was
8 unable to perform VAD, there is no basis for the argument that West performs VAD.

9 Phoenix argues that it is not necessary for the West CLASS platform to actually
10 perform VAD to infringe. Phoenix argues that the West CLASS platform merely needs
11 to be capable of performing VAD in order for the Court to find infringement. Phoenix
12 relies on *Intel Corp. v. United States Int’l Trade Comm’n* for the proposition that a device
13 need only be capable of operating in an infringing manner to find that it infringes. 946
14 F.2d 821, 832 (Fed. Cir. 1991). *Intel* must be distinguished, however, because the claim
15 language was drawn towards the capability of the feature. In *Intel*, the disputed claim
16 referred to “programmable selection means.” *Id.* (emphasis added in *Intel*) Here, the
17 claim is directed toward a “routine adapted to generate”, not a routine that is adaptable to
18 generate. ‘846 patent 38:52. The West CLASS platform is not adapted to generate such
19 values because it is not adapted to perform any VAD at the VRU. Furthermore, because
20 the claim language uses “adapted” rather than adaptable, the claim language is not drawn
21 towards capability. Further precedent of the Federal Circuit states that a finding “that a
22 device is capable of being modified to operate in an infringing manner is not sufficient,
23 by itself to support a finding of infringement.” *Telemac Cellular Corp. v. Topp Telecom,*
24 *Inc.*, 247 F.3d 1316, 1330 (Fed. Cir. 2001). A finding that the West CLASS platform
25 could be modified to infringe is not sufficient to support a finding of infringement. The
26 Court therefore need not reach the issue of the ease or difficulty of modifying the West

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1 CLASS platform.⁴ The law does not support the proposition that a device that is capable
2 of operating differently or capable of being modified is infringing. Because there is no
3 legal or evidentiary basis for a finding of infringement of claims 1 and 34 of the ‘846
4 patent even after resolving reasonable factual inferences in favor of Phoenix, the Court
5 **DENIES** Phoenix’s motion for summary judgment of infringement.

6 “As a general rule, a district court may not *sua sponte* grant summary judgment
7 on a claim” *United States v. Grayson*, 879 F.2d 620, 625 (9th Cir. 1989). However,
8 there is an exception to the rule when “the losing party has had a ‘full and fair
9 opportunity to ventilate the issues involved in the motion.’” *Id.* (quoting *Cool Fuel, Inc.*
10 *v. Connett*, 685 F.2d 309, 312 (9th Cir. 1982)); see *Koninklijke Philips Elecs. N.V. v.*
11 *Cardiac Sci. Operating Co.*, 590 F.3d 1326, 1332 (Fed. Cir. 2010) (“Thus, a district court
12 in the Ninth Circuit may enter summary judgment (1) as long as the losing party has had
13 a full and fair opportunity to present arguments and (2) the parties have no genuine
14 dispute as to a material fact.”). Here, Phoenix chose to bring the motion for summary
15 judgment of infringement of the ‘846 patent and has presented its arguments in support of
16 its theory. It had further opportunity to make its case and identify facts that would create
17 a genuine issue in both its reply briefs and at a lengthy hearing. Because VAD does not
18 produce representative speech data values, because the West CLASS platform does not
19 perform VAD, and because the mere capability of being modified to perform VAD would
20 not support infringement, the Court **GRANTS** summary judgment of non-infringement
21 of claims 1 and 34 of the ‘846 patent.⁵

22 Because the Court finds that claims 1 and 34 of the ‘846 patent are not infringed, it
23 does not reach the question of invalidity. The Court does, however, note that had it
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26 ⁴ Regardless, Phoenix does not provide sufficient evidence on the point of whether enabling VAD would be easy. Phoenix’s expert Clifford Nass only makes the conclusory and unsupported statement that “enabling endpointing on a Dialogic board is trivially easy.” Nass Decl. ¶ 12.

27 ⁵ In its infringement contentions, Phoenix alleged that West infringed claims 1, 34, 36, and 37 of the ‘846 patent with its West CLASS platform. Neither party has presented arguments on the infringement of dependent claims 36 and 37 of the ‘846 patent. The Court notes that because claims 36 and 37 are dependent on claim 34 which was found not to be infringed, West cannot be found to infringe claims 36 or 37.
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1 canvassed the invalidity arguments, it would have been required to give the same
2 interpretation to the claims for the purposes of both the infringement and invalidity
3 analyses. *Amazon.com, Inc. v. Barnesandnoble.com, Inc.*, 239 F.3d 1343, 1351 (Fed. Cir.
4 2001) (“Because the claims of a patent measure the invention at issue, the claims must be
5 interpreted and given the same meaning for purposes of both validity and infringement
6 analyses.”).

7 **B. INVALIDITY: ANTICIPATION BY PUBLIC USE**

8 **1. Introduction**

9 West’s summary judgment motions for invalidity rest on whether every limitation
10 of the asserted patent claims is anticipated by a prior public use. “A person shall be
11 entitled to a patent unless . . . (b) the invention was patented or described in a printed
12 publication in this or a foreign country or in public use or on sale in this country, more
13 than one year prior to the date of the application for patent in the United States” 35
14 U.S.C. § 102(b). “Section 102(b) may bar patentability by anticipation if the device used
15 in public includes every limitation of the later claimed invention” *Zenith Elecs.*
16 *Corp. v. PDI Commc’n Sys.*, 522 F.3d 1348, 1356 (Fed. Cir. 2008) (quoting *Netscape*
17 *Commc’ns Corp. v. Konrad*, 295 F.3d 1315, 1321 (Fed. Cir. 2002)) (internal citations
18 omitted). Anticipation is a question of fact that “may be resolved on summary judgment
19 if there is no genuine issue of material fact.” *Id.* at 1356-57. Because patents are
20 presumed valid, “a moving party seeking to invalidate a patent at summary judgment
21 must submit such clear and convincing evidence of facts underlying invalidity that no
22 reasonable jury could find otherwise.” *SRAM Corp. v. AD-II Eng’g, Inc.*, 465 F.3d 1351,
23 1357 (Fed. Cir. 2006). Because the ‘854, ‘640, and ‘431 patents have a priority date of
24 November 12, 1999, the critical date for anticipation is November 12, 1998.

25 West presents evidence showing that the ‘854, ‘640, and ‘431 patents are
26 anticipated by the public use of both the Galaxy system and SpeechMania systems. West
27 describes how each claim limitation of the asserted claims of the ‘854, ‘640, and ‘431
28 patents is anticipated. After reviewing West’s evidence on how the public use of the

1 Galaxy system anticipates each limitation of the asserted claims, the Court finds that
2 West's evidence meets the clear and convincing standard. Because the Court finds that
3 the public use of Galaxy system operational at Massachusetts Institute of Technology
4 ("MIT") anticipates the '854, '640, and '431 patents, the Court does not address the
5 arguments related to the SpeechMania system. Since West has met its initial burden, the
6 burden shifts to Phoenix to present evidence showing there is a genuine issue of material
7 fact.

8 First, Phoenix presents a number of arguments that are common to each of the
9 asserted patents. Second, Phoenix presents arguments specific to the claims of each
10 patent at issue. Phoenix generally argues that West has not met its burden of presenting
11 clear and convincing evidence that will support a finding of summary judgment.
12 However, Phoenix does not present any evidence of its own to demonstrate that there is a
13 genuine issue of material fact with respect to any of the asserted patent claims.
14 Therefore, if Phoenix's criticisms of West's evidence are not convincing, the fact that
15 Phoenix has not responded to West's evidence with specific facts showing a genuine
16 issue for trial would appear to dictate that the Court grant West's motions for summary
17 judgment of invalidity. *See* Fed. R. Civ. P. 56(e). The Court first summarizes the
18 relevant features of the Galaxy system. The Court then addresses Phoenix's arguments
19 that are common to each of the asserted patents followed by arguments specific to the
20 '854, '640 and '431 patent claims.

21 **2. Background on the Galaxy System**

22 West argues that the Galaxy system is invalidating prior art based on anticipation
23 by public use. MIT researchers developed the Galaxy system in 1994. Schmandt Decl. ¶
24 11. By 1997, MIT was using the Galaxy system to offer information on topics including
25 air travel, weather, and automobile classified ads to the public over the telephone.
26 Schmandt Decl. ¶ 12, Ex. B (WIC1426095). The Galaxy system was a "multi-domain"
27 system that offered users information about a number of topics, including weather and
28 automobile classified ads. Schmandt Decl. Ex. B (WIC1426094-95). As a user spoke,

1 the Galaxy system determined which domain was appropriate to the question and limited
2 the speech recognition grammar to the words and phrases relevant to that domain.
3 Schmandt Decl. ¶ 23, Ex. B (WIC 1426095), Ex. F (WIC1431738).

4 The Galaxy system included the SUMMIT recognition engine that recognized
5 words spoken continuously by a user. Schmandt Decl. ¶¶ 9, 21, Ex. D (WIC1426384),
6 Ex. E (WIC1426290). Each of the recognition hypotheses produced by SUMMIT was
7 processed by the natural language parser TINA. Schmandt Decl. ¶ 26, Ex. D
8 (WIC1426385). The Galaxy system used the TINA natural language routine to
9 determine the meaning of the user's query based on the words output by the speech
10 recognition engine. Schmandt Decl. Ex. B, Ex. D (WIC1426385). The TINA natural
11 language routine considered only some of the words in the caller's speech. Schmandt
12 Decl. ¶¶ 27-28, Ex. E. (WIC1426288). The natural language routine considered only
13 those recognized words that corresponded to categories and ignored other words that did
14 not relate to a category of the semantic frame. Schmandt Decl. ¶ 32, Ex. E
15 (WIC1426289). TINA also provided a response notwithstanding the presence of extra
16 words. Schmandt Decl. Ex. D (WIC1426386), Ex. E (WIC1426289-90). The Galaxy
17 system generated recognized speech data from speech signals provided by a caller using
18 both speech recognition and natural language processing. Schmandt Decl. Ex. B
19 (WIC1426094-95). The Galaxy system used a set of relational database tables that linked
20 meanings to answers. Schmandt Decl. ¶ 45, Ex. E (WIC1426288). When Galaxy
21 recognized, for example, a meaning (such as opening times), the system would identify
22 the corresponding response (such as 11:00am). Schmandt Decl. Ex. E (WIC1426288).

23 The Galaxy system was a distributed system that supported thin clients and robust
24 servers that handled the human language aspects of speech-enabled interactive voice
25 response ("IVR"). Galaxy formatted and streamed data continuously between the client
26 and servers in the Galaxy architecture while the speaker was still speaking. Schmandt
27 Decl. ¶ 15. The Galaxy system provided answers to the caller in less than 10 seconds.
28 Schmandt Decl. ¶ 44.

1 **3. Arguments Relevant to Invalidity of the ‘854, ‘640, and ‘431 Patents**

2 Phoenix argues that West’s only witness testifying about the Galaxy system,
3 Christopher Schmandt, is not a credible witness. Phoenix notes that Schmandt was not a
4 part of the group at MIT that developed the Galaxy system, only tested a few of the
5 systems many years ago, and had trouble remembering details related to the testing.
6 West, on the other hand, presents evidence that Schmandt has personal knowledge of the
7 Galaxy systems’ capabilities and that his students at MIT wrote some of the code for the
8 system. *See* Schmandt Decl. ¶ 6; Trojan Decl. Ex. 13 (Schmandt Dep. at 28:4-6) (“I’ve
9 used the Galaxy system”). Furthermore, Phoenix has not explained how the details that
10 Schmandt apparently cannot recall are significant.

11 Phoenix argues that West uses uncorroborated testimony of Schmandt to make its
12 case of anticipation. Specifically, Phoenix takes issue with the paper “Real-Time
13 Probabilistic Segmentation for Segment-based Speech Recognition” by Steven C. Lee
14 and James R. Glass (the “Real Time paper”), that describes the real-time capabilities of
15 the Galaxy system. “[C]orrobaration is required of any witness whose testimony alone is
16 asserted to invalidate a patent, regardless of his or her level of interest” in the case.
17 *Finnigan Corp. v. ITC*, 180 F.3d 1354, 1369 (Fed. Cir. 1999). Corroborating evidence is
18 evaluated under a “rule of reason analysis.” *Linear Tech. Corp. v. Impala Linear Corp.*,
19 379 F.3d 1311, 1327 (Fed. Cir. 2004). Although the preferred corroborating evidence is
20 contemporaneous records, circumstantial evidence and oral testimony may also
21 corroborate a witness’s testimony. *Id.* “[C]orrobaration of every factual issue contested
22 by the parties is not a requirement of law” and the evidence must be “considered as a
23 whole, not individually in evaluating whether . . . testimony is credible.” *Brown v.*
24 *Barbacid*, 436 F.3d 1376, 1380 (Fed. Cir. 2006) (internal citations omitted). Although
25 the Real Time paper was presented at a conference on December 2, 1998, a few weeks
26 after the critical date of the patents of November 12, 1998, the Court accepts the paper as
27 corroboration of Schmandt’s testimony about the features of the Galaxy system that he
28 used at MIT prior to the critical date. Furthermore, although Phoenix argues that

1 individual portions of Schmandt’s testimony are uncorroborated, taken as a whole and
2 evaluated under the rule of reason, the Court finds that Schmandt has provided ample
3 articles and papers that corroborate his testimony.

4 Phoenix argues that West cannot rely on Galaxy as prior art because it was a
5 software platform upon which a speech recognition system could be built, and the
6 software without the other necessary components to the system cannot anticipate the
7 system described in Phoenix’s patents. It is undisputed that the Galaxy software must be
8 run on hardware in order to create an operational system. West counters that it does, in
9 fact, rely on a system, the Galaxy system that was operational at MIT. West presented
10 testimony from Schmandt that the Galaxy system was operational more than a year
11 before the ‘846, ‘854, ‘431, and ‘640 patents were filed. Schmandt testified that by 1997
12 the Galaxy system “provided a test speech-enabled interactive voice response (“IVR”)
13 system” which was “reachable by the public over the telephone” to provide information
14 from “the weather, automobile classified ads, and air travel domains.” Schmandt Decl. ¶
15 12. As stated, Phoenix has not countered West’s evidence with any facts to the contrary.
16 The Court accepts that the Galaxy system operational at MIT was, indeed, a system. The
17 Galaxy system therefore has the potential to anticipate the system described in Phoenix’s
18 patents. Because the Galaxy system operational at MIT was a system, it also has the
19 potential to anticipate method claims.

20 Phoenix argues West cannot establish that a single system anticipates the claims.
21 Phoenix alleges West relies on several separate systems to cover all the elements of each
22 claim. West makes clear that it relies solely on the Galaxy system operational at MIT to
23 cover all the elements of each claim, but relies on articles that may describe other
24 Galaxy-based systems to corroborate the functionality of the Galaxy system operational
25 at MIT. Phoenix has not countered West’s evidence with any facts to the contrary.

26 Phoenix argues the sale of the underlying software does not constitute a public use
27 for method claims that must be performed. West, however, does not rely on the sale of
28 either Galaxy or Nuance software to constitute a public use.

1 Next, Phoenix argues the Galaxy system at MIT, employed by West to support its
2 claim of invalidity, was not used in public. Phoenix argues that if the public is not
3 apprised of the invention, even if the invention is used in public, such a use is not public
4 under § 102(b). Phoenix misstates the law on when a use is not a public one. The
5 operational novelty of the invention does not have to be exposed to the public in order for
6 the invention itself to be in public use. *See Hall v. Macneale*, 107 U.S. 90, 96-97 (1883)
7 (explaining that where the inventive aspect was “hidden from view” this did not defeat
8 the public use of the invention). “The statutory phrase ‘public use’ does not necessarily
9 mean open and visible in the ordinary sense; it includes any use of the claimed invention
10 by a person other than the inventor who is under no limitation, restriction, or obligation
11 of secrecy to the inventor.” *New Railhead Mfg. v. Vermeer Mfg. Co.*, 298 F.3d 1290,
12 1297 (Fed. Cir. 2002). The public could reach the Galaxy system at MIT via a phone
13 number that was publicly available. Schmandt Decl. ¶ 12. West provides testimony from
14 Schmandt that the research team behind the Galaxy system regularly publicized the
15 system through conferences, workshops, and published articles. Kent Reply Decl. Ex. A
16 (Schmandt Dep. at 30:5-31:8, 148:9-17). Documentary evidence corroborates
17 Schmandt’s testimony, showing that Galaxy could be launched anywhere through the
18 Web or over the telephone. Schmandt Decl. Ex. B (WIC1426095). The Court accepts
19 West’s evidence that the Galaxy system was in public use.

20 Phoenix argues that the Galaxy system was not a multi-domain system. West,
21 however, has provided ample evidence that the Galaxy system in operation at MIT was a
22 multi-domain system. Schmandt confirmed that the MIT Galaxy system was a multi-
23 domain system that could retrieve information and respond to inquiries about multiple
24 topics. Schmandt Decl. ¶¶ 8, 20. West has also provided corroborating documentary
25 evidence supporting the claim that the Galaxy system operated by MIT was a multi-
26 domain system. *See* Schmandt Decl. Ex. B (WIC1426095) (Galaxy “is multi-domain,
27 intended to provide access to a wide variety of information sources and services while
28 insulating the user from the details of database location and format.”), Ex. F

1 (WIC1431738) (The Galaxy system covers domains including “city guide, air travel and
2 weather.”). The Court accepts that the Galaxy system operational at MIT was a single
3 multi-domain system potentially anticipating the system described in Phoenix’s patents.

4 **4. Arguments Relevant to Invalidity of the ‘854 Patent**

5 Phoenix contends that West’s system infringes claims 1, 8, 9, 12, and 13 of the
6 ‘854 patent. West argues that prior use of the Galaxy system anticipated the asserted
7 claims of the ‘854 patent under 35 U.S.C. § 102(b). The Court addresses each of
8 Phoenix’s arguments criticizing West’s explanation of how the prior public use of the
9 Galaxy system anticipates the asserted claims.

10 With respect to claim 1 of the ‘854 patent, Phoenix argues that West has failed to
11 demonstrate that the prior art contains a continuous speech recognition engine. However,
12 Schmandt testified that the Galaxy system contained “a continuous, speaker-independent
13 recognition engine.” Schmandt Decl. ¶ 21. Schmandt’s testimony is corroborated by (1)
14 the Real Time paper and (2) the February 1994 article “Towards Systems that Understand
15 Spoken Language” by Victor Zue. Schmandt Decl. ¶ 21, Ex. G (WIC1426283-86), Ex. F
16 (WIC1426397) (“The Summit speech recognition system” used by Galaxy “is designed
17 to recognize continuous speech from any speaker.”). Phoenix takes issue with the Real
18 Time paper used to corroborate Schmandt’s declaration. Although the Real Time paper
19 was presented at a conference on December 2, 1998, a few weeks after the critical date of
20 the patents of November 12, 1998, the Court accepts the paper as corroboration of
21 Schmandt’s testimony about the features of the Galaxy system that he used at MIT prior
22 to the critical date. Because Phoenix has not presented any evidence that would
23 contravene that presented by West, the Court finds that the Galaxy system included a
24 continuous speech recognition engine.

25 With respect to claim 1, Phoenix argues that Schmandt analyzed the Jupiter
26 system and how it could recognize a query even if the system failed to recognize a
27 particular word in the query, but West does not provide any document that corroborates
28 this analysis. First, as stated, the standard for corroboration is whether the witness’s

1 testimony is corroborated as a whole. Second, West does present corroborating evidence
2 that models have been introduced to detect the presence of unknown words. *See*
3 Schmandt Decl. Ex. B (WIC1426092). The Galaxy system used the TINA natural
4 language routine to determine the meaning of the caller’s query based on the words
5 output by the speech recognition engine. *See* Schmandt Decl. ¶ 26, Ex. D (WIC1426385)
6 (“Each of the . . . recognition hypotheses . . . produced by SUMMIT is processed by the
7 natural language parser, TINA”), Ex. B (WIC1426095). The Galaxy system used
8 relational databases that linked the understood question and the corresponding response.
9 Schmandt Decl. Ex. E (WIC1426288).

10 The Galaxy system met the limitation Phoenix contests because the TINA natural
11 language routine considered only some of the words in the caller’s speech, using a
12 “semantic frame” that listed categories of information important to understanding the
13 caller’s speech. Schmandt Decl. ¶¶27-28, Ex. E (WIC1426288). TINA could provide a
14 response to a question regardless of the presence of extra words such as “show me,”
15 “how about” and “what do you know about.” Schmandt Decl. Ex. D (WIC1426386), Ex.
16 E (WIC1426289-90). TINA was also able to use words not in the linked questions and
17 answers to identify a response by looking for variations of those words (e.g., “opening”
18 instead of “open”). Schmandt Decl. ¶ 34, Ex. D. (WIC1426386), Ex. B (WIC1426095).
19 The Court finds that the Galaxy system could recognize a query even if the system failed
20 to recognize a particular word in the query.

21 With respect to claim 9 of the ‘854 patent, Phoenix argues that the Galaxy system
22 cannot be considered distributed because the various Galaxy-based system clients were
23 not capable of performing any significant speech recognition. *See* Nass Decl. ¶ 25. The
24 claim language, however, does not specify how much processing the client must perform
25 or how significant the processing on the client must be. It is therefore not enough for
26 Phoenix to allege that the amount of distributed processing is insufficient. West provided
27 testimony and corroborating evidence that Galaxy was a distributed system. The Galaxy
28 system was a “distributed system” that supported thin clients and robust servers that

1 handled the “human language aspects” of a speech-enabled IVR. Schmandt Decl. ¶ 14,
2 Ex. C (WIC1426104). Data was formatted and streamed continuously between client and
3 servers in the Galaxy system while the speaker was still speaking. Schmandt Decl. ¶ 15.
4 Clearly, the Galaxy system must be considered a distributed system.

5 Each of Phoenix’s arguments that West’s evidence does not meet the clear and
6 convincing standard fail. After reviewing West’s evidence on how the public use of the
7 Galaxy system anticipates each limitation of the asserted claims, the Court finds that
8 West’s evidence meets the clear and convincing standard. Because (1) West has
9 presented clear and convincing evidence that each of the claim limitations of the asserted
10 claims of the ‘854 patent is anticipated by the public use of the Galaxy system and (2)
11 Phoenix has not contravened that evidence, the Court **GRANTS** summary judgment of
12 invalidity of the asserted claims of the ‘854 patent.

13 **5. Arguments Relevant to Invalidity of the ‘640 Patent**

14 Phoenix contends that West’s system infringes claims 30 and 35 of the ‘640
15 patent. West argues that prior use of the Galaxy systems anticipated the asserted claims
16 of the ‘640 patent under 35 U.S.C. § 102(b). The Court addresses each of Phoenix’s
17 arguments criticizing West’s explanation of how the prior public use of the Galaxy
18 system anticipates the asserted claims.

19 With respect to claim 30, Phoenix argues the Galaxy system does not generate
20 recognized speech data at least in part while a user is articulating. However, Schmandt’s
21 testimony explains that the Galaxy system did not wait for a user to finish speaking
22 before processing on the speech utterance commenced. Schmandt Decl. ¶ 44.
23 Documentary evidence corroborates this evidence that data was streamed for analysis
24 while the user was speaking. *See* Schmandt Decl. Ex. G (WIC1426284) (The input is
25 “streamed into the algorithm.”). Phoenix argues that the Galaxy-based Jupiter system’s
26 lack of a “barge-in” feature demonstrates that Galaxy cannot recognize speech during the
27 system’s turn to speak. The claim, however, does not require recognition processing to
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1 occur while the system is speaking. The Court finds that the Galaxy system does
2 generate recognized speech data while a user is articulating.

3 With respect to claim 35, Phoenix argues that the evidence that the Galaxy system
4 is multi-domain is too vague to support summary judgment. The Court has analyzed the
5 evidence presented by West and found that the Galaxy system was a multi-domain
6 system. *See supra* Section III.B.3.

7 Each of Phoenix's arguments that West's evidence does not meet the clear and
8 convincing standard fail. After reviewing West's evidence on how the public use of the
9 Galaxy system anticipates each limitation of the asserted claims, the Court finds that
10 West's evidence meets the clear and convincing standard. Because (1) West has
11 presented clear and convincing evidence that each of the claim limitations of the asserted
12 claims of the '640 patent is anticipated by the public use of the Galaxy system and (2)
13 Phoenix has not contravened that evidence, the Court **GRANTS** summary judgment of
14 invalidity of the asserted claims of the '640 patent. Because the prior use of the Galaxy
15 system anticipates claims 30 and 35 of the '640 patent, the Court declines to address the
16 argument that the asserted claims are indefinite.

17 **6. Arguments Relevant to Invalidity of the '431 Patent**

18 Phoenix contends that West's system infringes claims 1, 2, 6, 7, 9, 10, 14, and 15
19 of the '431 patent. West argues that prior use of the Galaxy systems anticipated the
20 asserted claims of the '431 patent under 35 U.S.C. § 102(b). The Court addresses each of
21 Phoenix's arguments criticizing West's explanation of how the prior public use of the
22 Galaxy system anticipates the asserted claims.

23 Generally, Phoenix argues that because the references cited as part of the Galaxy
24 system were previously cited in the '431 patent and considered by the U.S. Patent and
25 Trademark Office ("PTO"), West's burden of proving invalidity by clear and convincing
26 evidence is difficult to meet. There is a presumption that a patent is valid such that the
27 burden of proving invalidity is on the attacker. *See* U.S.C. § 282. "When an attacker
28 simply goes over the same ground travelled by the PTO, part of the *burden* is to show

1 that the PTO was wrong in its decision to grant the patent.” *American Hoist & Derrick*
2 *Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1360 (Fed. Cir. 1984). Where the attacker
3 presents new evidence on validity not considered by the PTO, the evidence may “carry
4 more weight and go further toward sustaining the attacker’s unchanging burden.” *Id.*
5 The PTO did not consider either Schmandt’s testimony or the Real Time paper. The
6 Court considers both the previously considered and new evidence to determine if West
7 has met its burden of proving invalidity by clear and convincing evidence.

8 With respect to claims 1 and 9 of the ‘431 patent, Phoenix argues that West has
9 failed to demonstrate that the prior art contains a continuous speech recognition engine.
10 This is the same argument made by Phoenix with respect to claim 1 of the ‘854 patent.
11 For the same reasons described in Section III.B.4, the Court finds that the Galaxy system
12 included a continuous speech recognition engine. *See supra* Section III.B.4.

13 With respect to claims 1 and 9 of the ‘431 patent, Phoenix argues that the Galaxy
14 system does not have a grammar that is loaded for a context. Phoenix argues that the
15 Galaxy systems do not determine context automatically by an application program at a
16 time when the speaker provides a speech-based query. Both claims 1 and 9 of the ‘431
17 patent call for the grammatical context to be “determined automatically by an application
18 program executing for said speaker at a time when said speaker provides said speech
19 based query.”⁶ ‘431 patent 48:19-21. Phoenix argues that this means the system must
20 load a grammar before the user interacts with the system. However, Phoenix provided no
21 evidence to suggest that “when” should be interpreted as “before.” “When” has a broader
22 meaning that could also include at, during, or shortly after the time. The Court agrees
23 with West that the claims do not require the grammar to be loaded before the user
24 interacts with the Galaxy system. West has provided evidence to document the Galaxy
25 system’s ability to load a grammar for context. *See, e.g.*, Schmandt Decl. Ex. F
26 (WIC1431738) (“Galaxy . . . has three subdomains in its knowledge base: city guide, air
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28 ⁶ Claim 9 omits the word “automatically” from this phrase. ‘431 patent 49:17-19. This has no impact on the Court’s analysis.

1 travel and weather . . . The user can freely move from one domain to another in the
2 course of a single conversation.”), Ex. D (WIC1426385). Even if the Court accepts an
3 interpretation of “when” as “before,” the Galaxy system was capable of using a speaker’s
4 previous statements to provide a grammatical context for future utterances. *See*
5 Schmandt Decl. ¶¶ 17-18. The Court finds that West’s evidence is sufficiently
6 corroborated. As stated, each corroborating document is not required to be published
7 contemporaneously with the prior use; rather, corroborating evidence is weighed as a
8 whole to determine if the prior use anticipates the claims of the patent. The Court finds
9 that the Galaxy system does have a grammar loaded for context.

10 With respect to claims 6 and 14 of the ‘431 patent, Phoenix argues that there is no
11 corroborating evidence to show that the Galaxy system provided answers in less than ten
12 seconds to users. West provided Schmandt’s testimony that “Galaxy . . . returned
13 responses in less than ten seconds, not waiting for the user to complete her question
14 before beginning recognition or understanding.” Schmandt Decl. ¶ 44. Schmandt’s
15 testimony is further corroborated by a paper stating that “[i]n this work, we describe
16 modifications to the algorithm which enable us to achieve real-time recognition
17 performance while maintaining the improved quality of the graphs.” Schmandt Decl. Ex.
18 G (WIC1426283). Schmandt further explains that it would not have been unusual for
19 articles to omit discussion about real-time properties because “almost all of these systems
20 were working in real time” such that it was not considered an inventive property. Kent
21 Reply Decl. Ex. A (Schmandt Dep. at 131:9-14). The Court finds that the Galaxy system
22 could provide answers in less than ten seconds to users.

23 Each of Phoenix’s arguments that West’s evidence does not meet the clear and
24 convincing standard fail. After reviewing West’s evidence on how the public use of the
25 Galaxy system anticipates each limitation of the asserted claims, the Court finds that
26 West’s evidence meets the clear and convincing standard. Because (1) West has
27 presented clear and convincing evidence that each of the claim limitations of the asserted
28 claims of the ‘640 patent is anticipated by the public use of the Galaxy system and (2)

1 Phoenix has not contravened that evidence, the Court **GRANTS** summary judgment of
2 invalidity of the asserted claims of the ‘640 patent.

3 **IV. RULE 56(F) MOTION**

4 Phoenix moved to deny West’s pending summary judgment motions or continue
5 the hearing pursuant to Rule 56(f) on the grounds that Phoenix has not had an opportunity
6 to obtain the deposition testimony of Dr. Nils Lenke. The Court notes that Phoenix
7 squandered an opportunity to depose Dr. Lenke in New York on June 10th, instead
8 demanding that the deposition take place in Los Angeles. As the Court noted in its denial
9 of Phoenix’s request for an emergency status conference on the matter, West was under
10 no obligation to provide its expert witnesses for depositions in Los Angeles. Docket No.
11 59. Furthermore, because the Court grants summary judgment on non-infringement of
12 claims 1 and 34 of the ‘846 patent and declines to rule on the invalidity of the asserted
13 claims of the ‘846 patent, the Court need not rely on the declaration of Dr. Lenke
14 submitted as evidence by West. The Court **DENIES** Phoenix’s Rule 56(f) motion.

15 **V. JUDICIAL NOTICE**

16 Under Federal Rule of Evidence 201, the Court may take judicial notice of a
17 published article to “indicate what was in the public realm at the time.” *Benak v. Alliance*
18 *Capital Mgmt. L.P.*, 435 F.3d 396, 401 n. 15 (3d Cir. 2006); *see generally Heliotrope*
19 *Gen., Inc. v. Ford Motor Co.*, 189 F.3d 971, 981 n. 18 (9th Cir. 1999). In connection
20 with West’s motions for summary judgment of invalidity regarding the ‘854, ‘640 and
21 ‘431 patents, the Court takes judicial notice of the fact that each of the nine documents
22 identified by West in its Request for Judicial Notice was published in a journal,
23 conference proceeding or other periodical as of the date of its publication. *See* Request
24 for Judicial Notice (Docket No. 62).

25 **VI. EVIDENTIARY OBJECTIONS**

26 West objects to specific paragraphs in the declaration of Phoenix’s expert
27 Rosenberg offered in support of Phoenix’s motion for summary adjudication of
28 infringement. West argues that certain of Rosenberg’s statements in his declaration are

1 inadmissible on the ground that they lack qualification for admission of opinion
2 testimony under Federal Rule of Evidence 701 through 703 because the statements are
3 not supported by facts, are speculative, are based on an incorrect legal standard or
4 contradict or otherwise render the opinion unreasonable. Because West had ample
5 opportunity to document the contradictions, speculation, and lack of factual underpinning
6 of the accused statements during the Rosenberg deposition, West's objection to
7 Rosenberg's declaration is **OVERRULED**.

8 West objects to Exhibits 6, 7, and 8 to the Trojan declaration in support of
9 Phoenix's motion for summary adjudication on the ground that they lack foundation as to
10 personal knowledge under Federal Rule Evidence 602. Phoenix's response to West's
11 objections includes an explanation of the exhibits' foundation. West's objection to
12 Exhibits 6, 7 and 8 based on foundation is **OVERRULED**.

13 West objects to Exhibits 6, 7, 8, 13, 14, 16, 17, 18, 19, and 20 to the Trojan
14 declaration in support of Phoenix's motion for summary adjudication on the ground that
15 they constitute inadmissible hearsay under Fed. R. Evid. 802. Exhibit 8 is admissible as a
16 learned treatise. *See* Fed. R. Evid. 803(18). Exhibits 6, 7, 13, 14, 16, 17, 18, 19, and 20
17 fall under the business record hearsay exception. *See* Fed. R. Evid. 803(6); Trojan Decl.
18 Ex. 4 (Ginsburg Dep. at 72:16-25); Trojan Decl. Ex. 5 (Fisher Dep. at 225:8-13). West's
19 objection to Exhibits 6, 7, 8, 13, 14, 16, 17, 18, 19, and 20 based on hearsay is
20 **OVERRULED**.

21 West objects to Exhibits 13, 15, 17, and 19 to the Trojan declaration in support of
22 Phoenix's motion for summary adjudication on the ground that they are inadmissible as
23 irrelevant under Federal Rule of Evidence 402. Because each of these exhibits is cited in
24 Rosenberg's declaration, West's objection to Exhibits 13, 15, 17, and 19 based on
25 relevance is **OVERRULED**.

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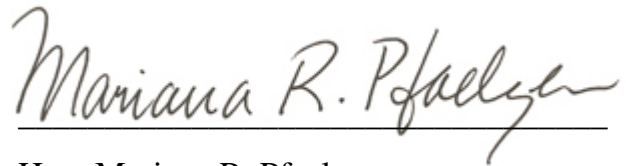
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VII. CONCLUSION

For the reasons set forth above, the Court **DENIES** Phoenix’s motion for summary adjudication as to the infringement of claims 1 and 34 of the ‘846 patent and **GRANTS** *sua sponte* summary judgment of non-infringement of claims 1 and 34 of the ‘846 patent to West. The Court **GRANTS** West’s motions for summary judgment as to the invalidity of the asserted claims of the ‘640, ‘431, and ‘854 patents. The Court **DENIES** Phoenix’s Rule 56(f) motion. Finally, the Court **OVERRULES** each of West’s objections to evidence offered by Phoenix.

IT IS SO ORDERED.

DATED: August 25, 2010



Hon. Mariana R. Pfaelzer
United States District Judge