

LG Gets Rival's Video Playback Claim Nixed In AIA Review

By **Melissa Daniels**

Law360, Los Angeles (June 24, 2016, 10:34 PM ET) -- The U.S. Patent Trial and Appeal Board on Thursday ruled in favor of LG Electronics Inc. in a final written decision in an America Invents Act review, finding that a challenged claim of a video playback patent held by graphics technology firm ATI Technologies is unpatentable.

The PTAB found after a year-long review process that device manufacturer LG demonstrated enough evidence that the claim for the method of playing videos and storing them for playback is unpatentable under conditions for non-obviousness based on two prior art references for recording and storing videos.

“We conclude that [LG] has demonstrated by a preponderance of the evidence that claim 18 of the '945 patent is unpatentable under 35 U.S.C. § 103 over Hatanaka alone and over the combination of the teachings of Hatanaka and O'Connor,” the PTAB panel wrote.

The decision validates a quest by LG to find the patent claim invalid and returns the action to the Northern District of California, where ATI and Advanced Micro Devices Inc. have accused LG of patent infringement, a case that has been stayed pending the outcome of PTAB reviews.

PTAB began its inter partes review of claim 18 of U.S. Patent No. 7,095,945 in June 2015 after LG's challenge. The parties argued their case in front of the panel in March.

The patent covers a system for playing live videos or storing them for replays, a process known as “time-shifting.” It covers three modes: one for live streaming of a video, another for playing back a recording, and another where a time-shifted program is played back while another is being received and stored.

The patent claims a system that uses two hardware circuits called demultiplexers that allow users to pause a program and continue watching.

The PTAB decision examined LG's allegations that the claim is obvious in light of two prior art references known as Hatanaka and O'Connor.

ATI had argued to the board that it didn't claim to have invented time-shifting, but rather, that its patent claims a system using two demultiplexers. It also argued that Hatanaka relates only to VCRs, which cannot perform the challenged actions of simultaneous recording and playback.

But LG argued that the technology could be implemented in a device other than a VCR using magnetic tape, which would make simultaneous recording and playback obvious to someone of ordinary skill.

“As noted above, petitioner does not argue that Hatanaka expressly discloses simultaneous storing and decoding,” the panel wrote. “Instead, petitioner asserts this feature would have been obvious to one of ordinary skill because Hatanaka discloses a system that allows a person to record and decode simultaneously different portions of the same program.”

LG also cited prior art reference O’Connor, which it said does allow simultaneous recording and playback. O’Connor, the panel wrote, covers a time-shifting device that records incoming video while letting a viewer watch a program from the beginning or replay scenes while continuing to record the rest.

ATI had argued that while O’Connor suggests those actions, it doesn’t specify the actual hardware used to perform time-shifting and does not reconcile the problems it asserted under Hatanaka.

“According to [ATI], if a person of ordinary skill attempted to integrate O’Connor’s suggestion of the desirability to provide a pause/resume functionality that requires the ability to record and playback portions of the same program simultaneously with Hatanaka, it is unclear how the resulting system would operate,” the decision says.

But the PTAB panel shot down those arguments, saying that LG proved the claim is unpatentable based on a combination of Hatanaka and O’Connor.

Administrative Patent Judges Brian J. McNamara, Rama G. Elluru and James B. Aprin heard the case.

LG is represented by Robert G. Pluta and Amanda K. Streff of Mayer Brown LLP.

ATI is represented by Michael B. Ray, Lestin L. Kenton Jr. and Michael D. Specht of Sterne Kessler Goldstein & Fox PLLC.

The case is LG Electronics Inc. v. ATI Technologies ULC, case number IPR2015-00321, before the Patent Trial and Appeal Board.

--Additional reporting by Jimmy Hoover. Editing by Philip Shea.

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