REDCOM.007X1 PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant : James H. Jannard, et al.

Reexam Control :

No.

90/012,550

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Patent No. : 8,174,560

For : VIDEO CAMERA

Examiner : Henry N. Tran

Art Unit : 3992

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July 1, 2013

(Date)

/Michael Guiliana/

Michael A. Guiliana, Reg. no. 42,611

DECLARATION OF JAMES H. JANNARD UNDER 37 C.F.R. §1.132

Commissioner for Patents P.O. Box 1450 Alexandria, VA 22313-1450

Dear Sir:

I, James H. Jannard, declare that:

I. <u>BACKGROUND</u>

- 1. I am the Founder and Chairman of the Board of Red.com, Inc. (dba Red Digital Camera) ("RED"), the assignee of U.S. Patent No. 8,174,560 ("the 560 patent"), which is the subject of the present reexamination proceeding. I am also the first listed inventor on the '560 patent and an inventor on four additional issued patents which belong to RED.
- 2. I was a camera enthusiast for decades before founding RED. For instance, I was previously the Founder and President of performance eyewear, electronically enabled eyewear and sports equipment manufacturer Oakley, Inc. During my first 20 years at Oakley, I personally shot photographs for most of Oakley's print advertisements and marketing materials as well as motion

RED.COM Ex. 2012



video for Oakley's televised commercials. I also collect cameras, and own over 1000 still and motion cameras.

- 3. At Oakley, I invented various technologies and devices in fields including optical systems, eyeglasses, goggles and component parts, telecommunications enabled eyewear, head worn audio/video systems, and heads up displays among others. I am an inventor on over 600 patents worldwide.
- 4. At RED, I have been intimately involved in the process of designing and building all of our camera models from the ground up. Moreover, in my role as Chairman of the Board of RED, I have gained a deep understanding of the professional camera market.
- 5. I founded RED in about 2005, with the objective of developing the world's best cameras. Based upon the investment of an enormous amount of effort and resources, we created the first ever digital cinematography camera which was capable of capturing and recording compressed RAW image data, on board, at 2k and higher resolution images, and at a frame rate of at least about 23 frames per second. Specifically, our cameras compress and record raw digital image data having a resolution of at least 2k (including 4k) into a storage device of the camera (e.g., carried on or within a portable housing of the camera) at a frame rate of at least about twenty-three frames per second, where the data remains substantially visually lossless upon decompression. Captured by the claims of the '560 patent, this technology enabled for the first time, digital cinematography cameras and related systems which exhibited stunningly superior quality and ease of use compared to the prior art systems. In only a few years, this invention has revolutionized the cinematography market and the way movies are made.
- 6. RED started shipping the cinema-ready RED ONE® video camera in 2007, followed by RED EPIC® and SCARLET® cameras in 2010 and 2011, respectively.
 - 7. All of the cameras sold by RED are covered by the claims of the '560 patent.
- 8. RED has enjoyed tremendous success in making and selling cinema-ready video cameras. RED's total revenues from sales of those cameras since 2007 are over \$500 million.



Over \$225 million of this amount is from direct sales of RED ONE, RED EPIC, and SCARLET cameras. Moreover, substantially all of the remaining revenues are derived from sales accessories to those cameras, including sales of camera upgrades, digital camera storage, lenses, etc.

- 9. Top directors and cinematographers, who have in the past resisted adoption of digital cameras, have recently embraced the RED technology and filmed numerous feature length productions using RED's cameras. Productions shot on RED's cameras have generated retail ticket sales revenue in excess of \$7.4 billion. Roughly 3600 productions have been shot on RED's cameras
- 10. The following list includes a selection of recent and notable major motion pictures that have either been shot on RED cameras or are currently being shot on RED cameras:

300: Rise of an Empire** The Hobbit: The Desolation of Smaug** Thor 2: The Dark World** Ender's Game** Elysium** Pacific Rim** The Bling Ring* Star Trek Into Darkness* The Great Gatsby* 42* Oz: The Great and Powerful* Jack the Giant Slaver The Hobbit: An Unexpected Journey Flight Prometheus The Girl with the Dragon Tattoo Contagion The Social Network I, Frankenstein** Walking with Dinosaurs 3D** The Monkey King** Patriot Act** Grown Ups 2** Sons of Liberty Much Ado About Nothing* 20 Feet From Stardom* This is the End*

12 Rounds: Reloaded

The Sessions Werewolf: The Beast Among Us My Amityville Horror Dredd Unconditional Super Cyclone Resident Evil: Retribution Fire with Fire Bachelorette Nitro Circus: The Movie Total Recall (2012) Step Up Revolution The Amazing Spider-Man Bad Kids Go To Hell Magic Mike Katy Perry Part of Me That's My Boy Snow White and the Huntsman Maniac Crooked Arrows LOL Get the Gringo Because I Love You Future Weather Think Like a Man Bad Ass Wrath of the Titans Ghost Rider: Spirit of Vengeance



The Kings of Summer*
Once Upon a Time in Brooklyn
Caroline and Jackie
Pain & Gain*
Love Sick Love
King's Faith
Cloned: The Recreator Chronicles
Pawn

Pawn
Oblivion*
Filly Brown

The Lords of Salem

Dark Circles
To the Wonder

Brilliant Mistakes

Buck Wild The Shift

The ABCs of Death

The Secret Village

Detour

Cleaver Family Reunion

Mental

A Resurrection

Love and Honor

23 Minutes to Sunrise

Phantom

Along the Roadside

Snitch

The Power of Few

White T

Side Effects

Girls Against Boys

John Dies at the End

Movie 43

Parker

V/H/S/2

Sound City

Stand Up Guys

The Baytown Outlaws

Texas Chainsaw 3D

Universal Soldier: Day of Reckoning

Hitchcock

Death Race: Inferno

LUV

Maximum Conviction

The Man with the Iron Fists

California Solo

The First Time

Haywire

Underworld: Awakening

Breathless

Curfew

Legend of the Red Reaper

The Muppets

October Baby

Exhumed

Dorfman in Love

Margin Call

Red State

Our Idiot Brother

Fright Night

Beginners

Pirates of the Caribbean: On Stranger

Tides

Hesher

The Lincoln Lawyer

Samuel Bleak

Drive Angry

State of Emergency

Blue Valentine

Rabbit Hole

Skyline

1 2

Jackass 3D

Fair Game

Hatchet II

Leaves of Grass

Winter's Bone

MacGruber

The Happy Poet

Green Zone

Solitary

Inside Job

The Final

The Book of Eli

The Lovely Bones

Splinterheads

The Informant

Beyond a Reasonable Doubt

Gamer District 9

Labor Pains

The Girlfriend Experience



Silent Hill: Revelation 3D	Angels & Demons
Chasing Mavericks	Knowing
	My Bloody Valentine 3D
	Jumper

^{*}Currently in theaters, as of June 25, 2013.

II. THE USE OF FILM MOVIE CAMERAS

11. Before the introduction of cinema-ready digital movie cameras, all major motion pictures and many other productions were shot with film cameras. Such film cameras presented a number of long standing problems. For example, (A) immediate, on–set playback of recorded film footage was impossible (B) the equipment associated with film was bulky, and costly to operate and transport, and (C) digital editing of emulsion film footage required chemically developing the emulsion film and scanning from film to digital before digital editing, among other drawbacks.

A. On-Set Playback

- 12. Generally speaking, shooting video with a film camera is like flying blind; one cannot be sure of what has been captured on film until the film has been developed. Developing one reel of film, from the moment the reel is removed from the camera, usually requires at least several hours up to days, for example, when shooting in remote locations. Thus, when working with film, production teams work very hard and use their best photographic practices in the hopes of obtaining film that can be used for final production, with no or minimal postproduction editing requirements to compensate for errors made during shooting.
- 13. In order to provide production teams with some idea of what had been captured by a film camera, parallel electronic recording systems have been used for many years. One type of system is known as "video assist". In some known video assist systems, an optical "video tap" was used to digitally record the images channeled through the eyepiece of the camera, on to video tape.
- 14. Such video tape recordings generally showed the same scene as what has been captured on film, but they may not and often do not provide an accurate representation of the detail, tone, and colorimetry of the images captured on the film. The resulting resolution of the



^{**}Currently in production or otherwise not yet released, as of June 25, 2013.

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