

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE INC.,
Petitioner,

v.

VISUAL REAL ESTATE, INC.,
Patent Owner.

Case IPR2014-01341
Patent 8,078,396

**PETITIONER'S REPLY TO PATENT OWNER'S MOTION FOR
OBSERVATIONS REGARDING CROSS EXAMINATION**

The purpose of observations is to “draw the Board’s attention to relevant cross-examination testimony of a reply witness because no further substantive paper is permitted after the reply.” *See* Scheduling Order, Paper 12 at 4. By contrast, Patent Owner (“VRE”) improperly uses its observations as a vehicle to supplement its Response. Petitioner objects to this misuse. *See* PTAB Trial Practice Guide, 77 Fed. Reg. 48756, 48768 (“An observation (or response) is not an opportunity to raise new issues, re-argue issues, or pursue objections.”). VRE’s observations also include unsupported attorney argument, mischaracterize Dr. Grindon’s testimony, and omit other relevant portions of Dr. Grindon’s testimony. The Responses below provide proper context for VRE’s observations, and furthermore identify VRE’s unsupported attorney argument and mischaracterizations of Dr. Grindon’s testimony.

Response to Observation #1

VRE mischaracterizes Dr. Grindon’s testimony in Observation #1 by ignoring the full context of Dr. Grindon’s testimony and failing to include portions of the deposition transcript in which Dr. Grindon clarified his testimony by stating the following:

Q. We discussed earlier ... the fact that your opinion also applied in 2001 since the patent in-suit in the Vederi litigation may not be entitled to the provisional priority date, right?

...

Q. You understand that your level of ordinary skill in the art didn't turn on whether it was a 2000 priority date because it could apply to the 2001 priority date that was set forth with a non-provisional, right?

...

Q. With respect to the Vederi litigation.

...

A. So that's a different question. My recollection is *what we were talking about at this time was not the entirety of the testimony, but the definition of a person of ordinary skill in the art*. That's why I asked it to be reread.

Q. You understand that the person of ordinary skill in the art wouldn't change in terms of what their skill set -- the skill they had in 2000 or 2001 for purposes of the Vederi litigation; is that correct?

...

A. A person of ordinary skill in the art, as I expressed it in my declaration, would apply to the later dates as well.

Ex. 2007 at 229:24-232:9.

A. Well, certainly in 2004 by the time of the '181 [patent], a computer like this [described in Ex. 1012 ¶ 18] would be capable of doing what Di Bernardo lays out.

Q. But it would still be computationally intensive as you described in your declaration Exhibit 4 [Ex. 2002], correct?

A. Not so computationally intensive in 2004. The Exhibit 4 was in the year 2000 and in the year 2000, this particular computer was not available.

...

A. First, if we're comparing apples and apples in, say, ordinary desktop computer rather than a very expensive computer, the computer that is available in 2000 can do these things, but at the time, the cost of the computer, the speed, the amount of memory and so forth was more expensive and it was more advantageous to have ways that didn't necessarily require as much computation.

Id. at 228:17-229:23.

A. Regarding image formation Di Bernardo had a disclosure which he purports has less computational requirements than an earlier method that he talks about.

...

A. Di Bernardo has an alternative approach for the applications that he addresses ... for which his results would be acceptably accurate that avoids the dense image sampling and 3D

reconstruction. He points out prior art to Di Bernardo that does use those things which are more computationally intensive. So one of the advantages of his approach was, as he puts it, was to reduce computational complexity of the image, trading image quality.

Id. at 241:12-242:8.

A. The [Di Bernardo] patent is offering another approach other than the three-dimensional rendering.

Id. at 247:11-13.

A. Di Bernardo is offering an alternative which has some other deficiencies. So he's offering a trade off which he says is less complex, but nevertheless has other deficiencies. So it may not be the total solution all the time.

Id. at 249:17-22. The full context of Dr. Grindon's deposition testimony (including the quotations above) is relevant because it confirms his testimony in his declarations discussing Di Bernardo's disclosure regarding the pre-2000 systems that utilized dense sampling and reconstruction of 3D scene geometry.

See Ex. 1012 at ¶¶ 15-18; Ex. 2002 at ¶¶ 28, 38-41; Pet. Reply at pp. 18-20, 22. It also confirms his testimony in the Reply Declaration that a person of ordinary skill in the art ("POSITA") in 2008 and later would have understood that particular processes Di Bernardo previously considered "computationally intensive" in 2000

and earlier were not considered computationally intensive by 2008 due to drastic and well known improvements in computing power, networking, and memory capacity that occurred over that time period. *See* Ex. 1012 at ¶¶ 15-18; Pet. Reply at pp. 18-20, 22. VRE further mischaracterizes Dr. Grindon's Reply Declaration (Ex. 2002) by referring to it as a "modification and clarification of his Vederi Declaration." At no point in Dr. Grindon's Declaration or Deposition did he ever state that any portion of the Vederi Declaration (Ex. 2002) was erroneous or ever indicate that any portion of this Vederi Declaration should be modified, and VRE cites to no portion of the record indicating that Dr. Grindon's Reply Declaration (Ex. 1012) in this proceeding is a "modification" of his Vederi Declaration.

Response to Observation #2

VRE incorrectly asserts that Dr. Grindon's testimony in Observation #2 is relevant here, but the Petition in this particular proceeding does not rely on the combination of the purported "alternative embodiments" described in Di Bernardo in establishing the invalidity of the '396 patent (which is why the Patent Owner's Response in this particular proceeding never raised such an issue).

Response to Observation #3

VRE mischaracterizes Dr. Grindon's testimony in Observation #3 by

ignoring the full context of Dr. Grindon's testimony and failing to include portions of the deposition transcript that establishes the context for Dr. Grindon's testimony quoted by VRE, including the following:

Q. Now, what type of experience would someone using MEncoder to convert and compress M2 MPEG2 data into lossless TIFF image files?

A. To do just that conversion?

Q. Yes. What type of background in education or experience do you need in order to do that?

Ex. 2007 at 160:13-19. VRE also mischaracterizes Dr. Grindon's testimony in Observation #3 by further failing to include portions of the deposition transcript in which VRE's attorney asked "what are the combination of experience and education associated with the electrical engineering aspects that you think you need to understand in order to be a person of ordinary skill in the art to read and understand the '181 patent?" and Dr. Grindon replied "A person would not have to have electrical engineering. A person could have some of these other things and still develop the expertise necessary. So I'm not saying that electrical engineering is necessary or computer science is necessary or computer graphics is necessary. Only that these are representative of technical disciplines that would have the correct skills." *Id.* at 163:25-164:17. The full context of Dr. Grindon's deposition

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testimony is relevant because it confirms that a POSITA would have a combination of experience as similarly described in both Dr. Fuchs' declaration and Dr. Grindon's Reply Declaration. Ex. 1001 at ¶ 14 (“ . . . computer science *or a related engineering field* . . .”); Ex. 1012 at ¶ 12.

Respectfully submitted,

Dated: October 9, 2015

/Michael T. Hawkins/
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(Trial No. IPR2014-01341)

Attorney for Petitioner

CERTIFICATE OF SERVICE

Pursuant to 37 CFR §§ 42.6(e)(4) and 42.205(b), the undersigned certifies that on October 9, 2015, a complete and entire copy of this Petitioner's Reply to Patent Owner's Motion For Observations Regarding Cross Examination was provided via email to the Patent Owner by serving the correspondence email addresses of record as follows:

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