

RECORD OF ORAL HEARING
BYRON ROGERS FEDERAL BUILDING
UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,

Petitioner

v.

OPENTV, INC.,

Patent Owner.

Case IPR2015-00969
Patent 5,884,033

Oral Hearing Held: June 21, 2016

Before: JAMES B. ARPIN, DAVID C. MCKONE (via
videoconference), and SCOTT C. MOORE, Administrative Patent Judges.

The above entitled matter came on for hearing on Tuesday,
June 21, 2016, at the Byron Rogers Federal Building , 1961 Stout Street,
14th Floor, Denver, Colorado, at 10:00 a.m.

APPEARANCES:

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P R O C E E D I N G S

(10:00 a.m.)

JUDGE MOORE: Good morning, Counsel.
We will hear arguments now in Case No. IPR2015-00969,
Apple Inc., Petitioner, vs. OpenTV, Inc., Patent Owner
concerning U.S. Patent No. 5,884,033.

Counsel for the parties, please step to the
podium and introduce yourselves, starting with petitioner.

MR. MILLER: Good morning, Your
Honors. Mark Miller of O'Melveny & Myers, representing
the Petitioner, Apple Inc.

JUDGE MOORE: Good morning, Mr.
Miller.

MR. MILLER: Good morning. If I may
approach, I have copies of our slides for -- hard copies of
your slides for you, as requested.

JUDGE MOORE: Yes.

MR. MILLER: Would you like two or three
copies?

JUDGE ARPIN: Two copies should be fine.

JUDGE MOORE: And if you have a copy
for the court reporter?

MR. MILLER: She has one already.

JUDGE MOORE: Thank you.

Counsel for Patent Owner?

1 MR. TUCKER: Good morning, Your
2 Honor. Dan Tucker from Finnegan on behalf of OpenTV,
3 the Patent Owner. With me today is lead counsel, Erika
4 Arner, as well. I also --

5 JUDGE MOORE: Good morning.

6 MR. TUCKER: -- have some
7 demonstratives for you.

8 JUDGE MOORE: You may approach.

9 Okay. Before we begin, a few
10 administrative matters. First of all, I see a couple of
11 laptop computers. As you know, we granted the parties
12 permission to use computers today, so that they do not
13 need to bring paper copies of the entire record into the
14 hearing room with them.

15 However, I remind the parties that they may
16 not record or transmit any audio or video from this
17 proceeding. This prohibition applies to everyone in the
18 hearing room, and it also applies to anyone who is
19 listening today from the overflow room.

20 While in the hearing room, the parties also
21 may not use their computers to communicate with or
22 receive communications from other persons. Also while
23 in the hearing room, the parties may not connect to the
24 Internet, including cellular or wireless hotspot
25 connections.

1 So if you're connected, please disconnect
2 now. Any violation of these rules may result in
3 sanctions.

4 Also, Judge McKone is joining us from
5 Detroit.

6 Can you hear us, Judge McKone?

7 JUDGE McKONE: I can. Can you hear
8 me?

9 JUDGE MOORE: Yes.

10 Please note the location of the camera next
11 to the television screen. It will be easier for Judge
12 McKone to see you if you look into the camera while you
13 are speaking to him. Please also ensure that you remain
14 at the lectern while you are speaking. If you move away
15 from the lectern, Judge McKone may have difficulty
16 hearing you.

17 If you wish to discuss demonstratives
18 during the hearing today, please identify any slides you
19 present by slide number. This will make the transcript
20 easier to read and will allow Judge McKone to follow
21 along.

22 If you wish -- I'm sorry. As you know, per
23 our order, each party has a total of 30 minutes to present
24 its arguments in each case. The petitioner has the burden
25 to show unpatentability. Petitioner will proceed first, and

1 then Petitioner reserves rebuttal time; it will also speak
2 last.

3 Neither party has filed a motion to exclude
4 evidence, a motion for observations on cross-examination,
5 and Patent Owner has not made a motion to amend claims.
6 Therefore, Patent Owner may not reserve rebuttal time.

7 Petitioner will begin by presenting its
8 arguments. Patent Owner will then present its arguments
9 in full. After Patent Owner finishes its arguments,
10 Petitioner may then present rebuttal arguments to the
11 extent it has reserved time to do so. Rebuttal time may
12 only be used to rebut Patent Owner's arguments.

13 Counsel should keep track of how much
14 time they have used during the hearings. We will inform
15 counsel when there are approximately five minutes of
16 time remaining. I advise both parties that we are on a
17 rather tight schedule today, so we intend to enforce the
18 time limits strictly.

19 In addition, if either party has an objection
20 to an argument or demonstrative presented by another
21 party, counsel for the objecting party shall not state the
22 objection while the opposing party is speaking. Instead,
23 the objecting counsel shall wait until the objecting party's
24 turn to speak and then shall briefly state its objections for

1 the record. Thus, if a party chooses to state objections, it
2 should do so on its own time.

3 Unless the panel requests, it is not
4 necessary or desirable for the objecting party to explain
5 its objections. To the extent Patent Owner has objections
6 to argument or demonstratives used during Petitioner's
7 rebuttal time, Patent Owner shall inform the panel of this
8 fact before the hearing adjourns. The panel will then
9 afford Patent Owner's counsel time to briefly state its
10 objections for the record.

11 Do both parties understand the instructions
12 I have just given?

13 Counsel for Petitioner?

14 MR. MILLER: We do, Your Honor.

15 JUDGE MOORE: Patent Owner?

16 MR. TUCKER: Yes, Your Honor.

17 JUDGE MOORE: Thank you.

18 Counsel for Petitioner, you may approach
19 and proceed.

20 MR. MILLER: Thank you.

21 May it please the Board, Apple has
22 presented evidence and arguments demonstrating that the
23 challenge claims of the '033 Patent are invalid. Claims 1,
24 2, 15, and 23 are anticipated by the Pitcher reference, and
25 Claim 9 is obvious in view of the Pitcher reference.

1 In view of the Board's decision instituting
2 review and the subsequent briefing, I'd like to focus on
3 the issues that remain in dispute. The first issue is claim
4 construction.

5 JUDGE MOORE: Counsel, one moment. I
6 noticed -- would you like to reserve rebuttal time?

7 MR. MILLER: Thank you. Yes, I would
8 like to reserve ten minutes.

9 JUDGE MOORE: Proceed.

10 MR. MILLER: We believe that the first
11 issue to be addressed is claim construction. In the
12 Board's preliminary decision, there are claim
13 constructions which Apple contests are correct. Apple
14 had presented different claim constructions, but at this
15 point, Apple accepts the Board's claim constructions and
16 does not challenge those. These are the constructions of
17 filters specifying --

18 JUDGE ARPIN: Counselor, I hate to
19 interrupt, but I think in the -- did we actually make claim
20 constructions in this case?

21 MR. MILLER: There are claim
22 constructions that appear in the Institution Decision at
23 page 11. If you turn to Slide 8 in our presentation, we
24 have presented -- we can show you those claim
25 constructions.

1 JUDGE ARPIN: Thank you.

2 JUDGE McKONE: So Counselor, my
3 understanding is that we adopted, for the most part, the
4 District Court constructions of the two filter terms and
5 then did not adopt, at least at the Decision to Institute
6 stage, the -- whether or not the filters must operate at
7 Levels 6 and 7 of the OSI stack. Is that the correct -- is
8 that correct?

9 MR. MILLER: That's our understanding of
10 the situation, Your Honor, that is correct. And my
11 presentation today will explain why it would be
12 inappropriate to add the limitation that the filters operate
13 at the -- between the Presentation and Application Layers.

14 JUDGE McKONE: Let me ask you one
15 preliminary question here. I did not see any evidence in
16 your briefing that would state that the Pitcher reference
17 discloses filters operating at Levels 6 and 7. Is that -- is
18 that correct, that you have not contested that Pitcher's
19 filters do not operate at Levels 6 and 7?

20 MR. MILLER: That is correct, Your
21 Honor. We contest that the claims cover operation at
22 Level 3 and that Pitcher discloses operation at Level 3,
23 and that is where the situation should be determined.

24 JUDGE McKONE: So at least as to this
25 issue, this is a pure claim construction issue, if we rule in

1 your favor, we move on to the other -- the Internet term.
2 If we -- if we rule in Patent Owner's favor, then it's
3 dispositive, correct?

4 MR. MILLER: That is correct.

5 JUDGE McKONE: For filters?

6 MR. MILLER: Yes, that's correct.

7 JUDGE McKONE: Okay. Thank you.

8 JUDGE ARPIN: And sir, before you move
9 on, the patent in this case has, in fact, expired, hasn't it?

10 MR. MILLER: Yes, it has.

11 JUDGE ARPIN: Do you know the date of
12 the expirations?

13 MR. MILLER: I do not know the date,
14 Your Honor.

15 JUDGE ARPIN: Thank you, Counsel.

16 JUDGE McKONE: But, I guess, following
17 up on that, is it your view that we should be applying the
18 *Phillips* standard, that the District Court applies, or when
19 we construe the terms, given that the patent has expired?

20 MR. MILLER: Our understanding is that
21 the Board applied the *Phillips* standard when providing
22 claim constructions in the decision in instituting the IPR.
23 We don't contest those constructions or the application of
24 the *Phillips* standard for that purpose.

25 JUDGE McKONE: Okay. Thank you.

1 MR. MILLER: The Board --

2 JUDGE McKONE: I know your time is
3 short, so you're welcome to dive right into the filter
4 terms.

5 MR. MILLER: Yeah. So OpenTV's
6 constructions, which appear at Slide 9, are not the proper
7 constructions. If we look at the reasons why, there are
8 several. Those reasons appear on Slide 10.

9 And the first and most important reason is
10 that there's a significant problem with alleging that the
11 '033 Patent relates to operation at Layers 6 and 7; that is,
12 that the '033 Patent never mentions the seven layer ISO
13 protocol model. It's not in the claims. It's not in the
14 specification. The '033 Patent is completely silent on any
15 operation relating to the ISO model.

16 The absence of any disclosure of the OSI
17 model dooms OpenTV's arguments. Why? Because there
18 is no support for disclosure of OpenTV's arguments in the
19 patent. Because interpreting --

20 JUDGE McKONE: Let me ask you a
21 question here. Let's assume that we accept Patent
22 Owner's argument that the prosecution history is clear and
23 there is a disclaimer, and then we also accept your
24 argument that the patent does not disclose -- it does not
25 provide written description support for Layers 6 and 7.

1 How are we supposed to resolve that? Are
2 we supposed to ignore the disclaimer in the prosecution
3 history?

4 MR. MILLER: Well --

5 JUDGE McKONE: Or are we supposed to
6 accept the prosecution history and then evaluate -- and
7 then some other entity will evaluate whether they have
8 written description support?

9 MR. MILLER: Your Honor, I believe that
10 it would be inappropriate to adopt a claim construction
11 that would render the claim invalid, and when construing
12 a claim, you always find -- seek a claim construction that
13 is -- results in why the claim is valid. So if there's no
14 support in the specification for a claim limitation, that
15 limitation should not be added to the claim.

16 And, in this case, the logical conclusion of
17 OpenTV's arguments is that a patentee or a patent
18 applicant could add any limitation to any claim at any
19 time whether or not that limitation was disclosed in the
20 specification or whether it's supported. And that is not --

21 JUDGE McKONE: Now, I -- now, are you
22 familiar with the *Liebel-Flarsheim vs. Medrad* case, 358
23 F.3d 898?

24 MR. MILLER: Not --

1 JUDGE McKONE: And that's a case where
2 -- we had a similar -- the Federal Circuit had a similar
3 scenario there where the prosecution history resulted in
4 the claim being construed in such a way that the patent
5 itself might not have provided written description
6 support.

7 And the Federal Circuit, in that case, held
8 that the tools of claim construction, including the
9 prosecution history, arrived at that claim construction;
10 and that when that is clear, we're not supposed to
11 construe terms to preserve validity. Instead, validity
12 would then be evaluated later.

13 Why is that not this case?

14 MR. MILLER: Well, this -- in that case --
15 because we are evaluating validity here. The claim
16 construction determination here is for the purposes of
17 validity determination. This proceeding is intended to
18 determine validity. And if we don't evaluate that issue
19 here, then we have no record for evaluating the issue
20 later. And in -- we can't --

21 JUDGE McKONE: Well, but this is
22 validity of your -- your concern is that if we construe this
23 as Patent Owner is -- asked us to construe it, we would
24 result in there being an invalidity problem under Section

1 112, which is not a section that you did or could have
2 raised in the Petition.

3 MR. MILLER: That's correct. But --

4 JUDGE McKONE: So that isn't the validity
5 issue that we're worried about here. That's a different
6 validity issue that we -- we are not supposed to be
7 considering here, right?

8 MR. MILLER: Well, let me -- let me say
9 this. I believe that when you're performing claim
10 construction, you have to consider all issues relevant to
11 claim construction, not just those that are consistent with
12 the ultimate outcome.

13 And by saying that, I mean that because
14 there is no ability to challenge the validity on 112 does
15 not mean that you can't consider 112 issues when
16 performing claim construction.

17 The Board is intended, here, to come up
18 with the appropriate claim construction applying the
19 *Phillips* standard. And if you're applying the *Phillips*
20 standard, you have to consider all claim construction
21 issues, including whether the construction would render
22 the claim invalid.

23 Now, if I may --

24 JUDGE McKONE: My understanding under
25 the *Liebel* case, though, was that we're only supposed to

1 consider, I guess, a construction that would save validity
2 if the claims are still ambiguous after application of all
3 the other claim construction tools, such as the prosecution
4 history.

5 MR. MILLER: Well --

6 JUDGE McKONE: And this -- and my
7 question assumes that Patent Owner is right, that the
8 prosecution history is clear on its face. Would we,
9 nevertheless, still consider 112 issues even if the
10 prosecution history is clear on its face?

11 MR. MILLER: Well, I can't address that in
12 the context of this case because I don't believe the
13 prosecution history in this case is clear on its face. The
14 prosecution history is inconsistent with the dependent
15 claims, it lacks support, and it doesn't teach one of
16 ordinary skill in the art how to apply the proposed
17 construction.

18 JUDGE ARPIN: Counselor, we don't
19 presume that the patent is valid here, though, do we?
20 Isn't that the reason why we don't have to find a valid
21 claim construction?

22 MR. MILLER: Well, I -- it is true that the
23 patent doesn't -- you don't presume that the patent is valid
24 for purposes of this proceeding, but I think that when we
25 apply the canons of claim construction, whether the

1 construction renders the claim valid or invalid is one of
2 the appropriate things to consider as part of the claim
3 construction process.

4 JUDGE ARPIN: Well, isn't prosecution
5 history estoppel or disclaimer one of those canons of
6 claim construction? And didn't the applicant, in fact,
7 argue that these ISO levels distinguished these claims
8 over the prior art?

9 MR. MILLER: Well, the applicant did
10 argue about the ISO levels, but the arguments were
11 presented in the context of the Shwed reference and
12 referring to what was disclosed in Shwed and not what
13 was disclosed in the '033 Patent. So --

14 JUDGE ARPIN: But don't they go to the
15 limitations on the claims? If the claims were
16 distinguishable over Shwed, isn't that the issue that we
17 need to consider?

18 MR. MILLER: I don't believe that that was
19 the reason that the claims were valid, or found to be
20 valid, over Shwed. It may be one of the reasons, but that
21 --

22 JUDGE McKONE: But is that the question
23 we have to ask? The question, I don't think, is whether or
24 not the Examiner accepted that disclaimer as
25 distinguished in the prior art. It's the fact that Patent

1 Owner made the disclaimer that we have to consider; isn't
2 that correct?

3 MR. MILLER: Well, we have to consider --
4 the applicant made the statements. We're not disputing
5 that those statements appear in the prosecution history.
6 We don't believe that they are clear and unambiguous
7 limitations on the claim, and some of the reasons include
8 the fact that those limitations are inconsistent with the
9 dependent claims. If you turn to Slide 13 --

10 JUDGE ARPIN: Well --

11 MR. MILLER: -- we will show --

12 JUDGE ARPIN: -- before we go to Slide
13 13 -- and maybe this is answered on your Slide 13.

14 If we are faced with a situation where we
15 find that there was a disclaimer by the applicant during
16 prosecution, and we find that that disclaimer is consistent
17 -- or inconsistent with dependent claims, how do we
18 weigh them? Which is -- which is the prevailing canon,
19 the disclaimer or claim differentiation?

20 MR. MILLER: I believe that, in this case,
21 the overriding issue is what is in the patent. There is no
22 language in the claim that corresponds to the arguments
23 about the claim construction. There's no language in the
24 specification that supports that construction. There's
25 language in the --

1 JUDGE McKONE: I --

2 MR. MILLER: -- specification --

3 JUDGE McKONE: Hold on --

4 MR. MILLER: -- and the patent that -- the
5 dependent claims that is inconsistent and I believe,
6 therefore, that the language in the patent has to give
7 precedence over the prosecution history arguments. And
8 if I may --

9 JUDGE McKONE: Well --

10 MR. MILLER: -- just one more time --

11 JUDGE McKONE: So, I mean, what was
12 your answer to Judge -- what was your answer to Judge
13 Arpin's question here: If we have the prosecution history
14 clearly pointing one way and claim differentiation clearly
15 pointing another, how do we break that tie? I mean, do
16 you have any -- any case law support that would help us?

17 MR. MILLER: I don't believe we have a
18 case that specifically breaks that tie, and I -- my answer
19 to the question in this case is that, in context of one of
20 ordinary skill in the art reading the patent in this case,
21 because there is language in the patent, the dependent
22 claims, it would be inconsistent with the proposed
23 construction, the language in the patent would control.
24 That would be the appropriate way to break the tie in this
25 case.

1 There's no disclosure of the OSI model.
2 One of ordinary skill in the art would not interpret the
3 statements in the prosecution history to be a clear and
4 unambiguous disavowal of the claim scope when that
5 would be inconsistent with the dependent claims.

6 JUDGE ARPIN: Counsel, what is the claim
7 construction that the District Court applied? Did it rely
8 on the ISO layers?

9 MR. MILLER: The claim -- the district
10 court did adopt a construction involving the ISO layers,
11 yes.

12 JUDGE ARPIN: And as a follow-up
13 question, didn't Judge Breyer -- Justice Breyer, excuse me
14 -- in yesterday's *Cuozzo* opinion, caution us or remind us
15 that we can't deal with 112 in an IPR?

16 MR. MILLER: It is true, as I -- we
17 discussed earlier, that this Board is not here to determine
18 validity based on 112. But again, my position is that it is
19 appropriate to consider 112 issues as part of the claim
20 construction process, and the case law from the Federal
21 Circuit states that the -- a claim construction that results
22 in an invalid claim is rarely the appropriate claim
23 construction.

24 JUDGE ARPIN: Please proceed.

1 MR. MILLER: Well, if the Board has no
2 other questions on the claim construction issue, I'd like to
3 do one particular point on that issue.

4 Slide 14 shows the Tanenbaum textbook
5 that is cited by OpenTV in this case. That's Exhibit 2004.
6 And what that shows is that Internet Protocol addresses
7 are treated at the Network Layer of the OSI protocol, and
8 that the Network Layer of the OSI protocol corresponds to
9 the Internet Layer of the TCP/IP protocol.

10 The TCP/IP protocol is disclosed in the
11 specification. And Claims 3 and 4, the dependent claims
12 that we are talking about, require that you compare and --
13 using the filters and IP address; that comparison would
14 occur at Layer -- the Internet Layer of the TCP protocol
15 or the Network Layer of the OSI protocol. That is not the
16 Presentation Layer of the OSI protocol.

17 And final point on this issue is that the
18 Presentation Layer is not present in the TCP/IP protocol.
19 That means that there's no support in the specification for
20 the limitations proposed by OpenTV, and that one of
21 ordinary skill in the art wouldn't necessarily find a way to
22 apply those limitations to the disclosure in the claims.

23 JUDGE MOORE: Counsel, you have about
24 four minutes left until you start going into your rebuttal
25 time.

1 MR. MILLER: Thank you. I'd like to
2 address --

3 JUDGE ARPIN: Counselor, before you
4 move on, this textbook that is on Slide 14 -- it is a
5 textbook?

6 MR. MILLER: Yes.

7 JUDGE ARPIN: This is extrinsic evidence?

8 MR. MILLER: Yes, it is.

9 JUDGE ARPIN: So we have prosecution
10 history estoppel, we have claim differentiation, we have
11 the District Court's construction of the terms, and now we
12 have extrinsic evidence.

13 How do we look at these? What is the
14 order? What is the precedence? What's the priority?

15 MR. MILLER: I believe that the
16 precedence and the priority is the patent first, the lack of
17 disclosure, and the dependent claims. I believe that the
18 District Court's construction comes after those, and that
19 the extrinsic evidence and the District Court level are
20 probably -- District Court construction are probably both
21 at the same level of extrinsic evidence.

22 JUDGE ARPIN: And the prosecution
23 history, hasn't the Federal Circuit told us that that is to be
24 considered with the intrinsic evidence?

1 MR. MILLER: That would be in between
2 the two, Your Honor. I did leave that out of my answer.

3 JUDGE ARPIN: Thank you. Please
4 continue.

5 MR. MILLER: One other issue that I'd like
6 to address with respect to the Pitcher reference is the
7 field of the invention. If you look at column 1, at lines 8
8 through 9 of the Pitcher reference of the '033 Patent, it
9 states that the invention relates to a system for filtering
10 messages transmitted between the Internet and a client
11 computer.

12 That description of filter -- of the filtered -
13 - and the later description of the filter -- the filter
14 database demonstrates that those filters don't operate on
15 the Internet.

16 The inclusion of Internet -- of the Internet
17 in the preamble of the claim is not a limitation; it is a
18 statement of purpose, and that the filtering operations that
19 are claimed by the '033 Patent occur someplace between
20 the Internet and the client computer, or on the client
21 computer.

22 And for that reason, the limitation -- the
23 words "the Internet" in the specification are not a
24 limitation on the claim.

25 Secondly, the reference --

1 JUDGE ARPIN: Counsel, isn't "the
2 Internet" in the preamble? Isn't the claim part of the
3 specification?

4 MR. MILLER: Yes, the claim is part of the
5 specification.

6 JUDGE ARPIN: Was "the Internet" in the
7 original claims as filed?

8 MR. MILLER: It was -- "the Internet" was
9 added.

10 JUDGE ARPIN: Thank you, Counsel.
11 Please continue.

12 MR. MILLER: The reference to "the
13 Internet" in the preamble relates to the content that is
14 filtered, but the claims are not content-dependent. So
15 there's no need to rely on "the Internet" for purposes of
16 determining the scope of the claim.

17 And lastly, on this point, there's no
18 difference --

19 JUDGE McKONE: Now -- now, this only
20 affects Claim 15, though, right? Because Claims 1 and 23
21 both positively recite opening or -- you know, opening
22 data streams with an Internet server, correct? So we are
23 only worried about the preamble in Claim 15, which does
24 not positively recite "Internet server" in the body of the
25 claim; am I correct?

1 MR. MILLER: Well, I'm addressing the
2 claims that do address "the Internet," and asserting that
3 that -- those words in the preamble are not a limitation on
4 the claims, as OpenTV argues, because they are just a
5 statement of the purpose and they don't limit, and should
6 not limit, the operation of the filters, which occur on a
7 local area network, not on the Internet itself.

8 With that, I will reserve the rest of my time
9 for rebuttal. Thank you.

10 JUDGE MOORE: Thank you, Counsel.
11 You -- thank you, Counsel. You'll have 10 1/2 minutes
12 for rebuttal.

13 Counsel for Patent Owner, you may proceed
14 when you're ready.

15 MR. TUCKER: Good morning, Your
16 Honors. May it please the Board, Dan Tucker on behalf of
17 OpenTV, the Patent Owner. With me today in the hearing
18 room is lead counsel Erika Arner, as well as OpenTV
19 representative Brian Platt. In the overflow room today is
20 OpenTV representative Bill Goldman, backup counsel
21 Josh Goldberg, and my colleague Cory Bell.

22 Your Honors, flipping to Slide 3, there are
23 two independent reasons to confirm the claims of the '033
24 Patent. The first is that Pitcher operates at a different
25 level of the ISO protocol model than the claimed

1 invention. As we will discuss in more detail and was
2 discussed earlier today at argument, this argument is
3 based entirely on patent prosecution history disclaimer
4 because the Petitioner does not dispute that Pitcher
5 operates between Layers 2 and 3 of the ISO protocol
6 model.

7 So if the Board agrees with the District
8 Court, that during prosecution the applicants made
9 statements that clearly and unequivocally limited the
10 claims to functioning between Layers 6 and 7 of the ISO
11 protocol model, that is all it needs to do to confirm the
12 claims.

13 JUDGE ARPIN: Counselor, do we need to
14 determine whether or not Levels 6 and 7 are supported by
15 -- or any levels are supported by the specification of this
16 patent?

17 MR. TUCKER: Your Honor, the answer to
18 that question is that the disclaiming statement absolutely
19 is disclosed -- or supported by the specification, and one
20 of the --

21 JUDGE MOORE: Counselor, what is --

22 JUDGE McKONE: Well, but -- first of all,
23 that wasn't the question. If we agree that the -- with
24 Petitioner, that it's not -- that Layers 6 and 7 are not
25 disclosed, yet we find that we agree with you as to

1 prosecution history disclaimer, what would happen? Do
2 we go with you or do we go with Petitioner?

3 MR. TUCKER: So in that event, putting
4 aside the -- our position that it is disclosed in the
5 specification, the intrinsic evidence in this case, which is
6 the prosecution history disclaimer and the clear and
7 unmistakable statements that the Petitioner admits were
8 describing the claim filters would trump.

9 112 is not before the Board in this
10 proceeding and is not properly before the Board in an
11 IPR. Petitioner would be free to raise 112 in the District
12 Court. But we're at the Patent Office right now.

13 JUDGE MOORE: So Patent Owner's
14 position is that we need not construe the patent to
15 preserve its validity under 112 in an IPR? It's totally
16 irrelevant?

17 MR. TUCKER: So not -- not that it's
18 irrelevant. I think our position -- our position is that the
19 specification, coupled with the undisputed expert
20 testimony of what one of ordinary skill in the art would
21 know, clearly shows that there is support for the
22 disclaiming statement in the specification.

23 So I don't even think the Board needs to
24 reach that issue because the support is in the
25 specification.

1 JUDGE MOORE: But if we do need to
2 reach that issue, what is your position?

3 MR. TUCKER: Then the prosecution
4 history trumps and the statement that was made during
5 prosecution clearly limits the claims. 112 is not at issue
6 in this case.

7 JUDGE ARPIN: But is it ever appropriate,
8 Counsel, for us, under a *Phillips* construction, to ignore
9 the specification or deficiencies in the specification?

10 MR. TUCKER: No. I think you're
11 absolutely right, Your Honor, that is part of the intrinsic
12 evidence.

13 But here, when distinguishing the prior art
14 reference, the other part of the intrinsic evidence is that
15 the inventors clearly and unequivocally limited their
16 claim to operation only between Layers 6 and 7 of the
17 ISO protocol model.

18 JUDGE ARPIN: Please continue.

19 MR. TUCKER: Sure.

20 JUDGE MOORE: Counsel, before you
21 continue, can you please point me to where in the
22 specification supports your interpretation of this
23 limitation as limited to Layers 6 and 7 of the ISO model?

24 MR. TUCKER: Yes, absolutely, Your
25 Honor. So both the original specification and the current

1 specification disclosed and claimed filtering messages
2 and not packets.

3 So, for example, the original abstract -- and
4 this is shown, if I just move forward to Slide 20 -- I
5 apologize, I'm just going to step away to get there. The
6 original abstract discloses comparing portions of the
7 messages to filtering information and then determining
8 whether or not to block or allow the messages.

9 Now, this distinction between messages and
10 packets is important because, in this case, there's expert
11 testimony from our expert, Dr. Tygar, that one of ordinary
12 skill in the art would have been familiar with the ISO
13 protocol model and would have known that in the ISO
14 protocol model -- and I'm moving to Slide 6 right now --
15 I'm sorry, Slide 7 -- in the ISO protocol model, data that
16 is transmitted at these higher levels, such as Layer 7 of
17 the ISO protocol model, is referred to as a "message,"
18 whereas data transmitted at these lower levels is referred
19 to as "packets."

20 So the --

21 JUDGE McKONE: Can you show me the
22 evidence that defines the message as Layer 7, please?
23 What is the evidence you're relying on?

24 MR. TUCKER: The evidence that we're
25 relying on is the testimony of Dr. Tygar, supported by the

1 Tanenbaum textbook, which describes messages operating
2 at Layer 7 and packets operating at these lower layers.

3 And I think it's important --

4 JUDGE McKONE: And I saw in the --
5 when you said the Tanenbaum reference, I saw in there
6 the evidence that the message may be referencing Layers
7 4 or 5, but I never saw anywhere where it's referencing
8 Layer 7. Could you point that out to me, please.

9 MR. TUCKER: Yes. It will take me one
10 second, Your Honor, but I'm happy to do that.

11 Your Honor, I can't find the exact segment
12 now. I'm going to ask my co-counsel to look for it.

13 But I would point out that aside from the
14 Tanenbaum textbook, there is undisputed expert testimony
15 in this case from Dr. Tygar -- Apple did not dispute this
16 testimony -- that one of skill in the art would understand
17 this data exactly as we're saying, which is that the data at
18 Layer 7 is referred to as a "message," whereas the data
19 that is transmitted at Layers 2 and 3 is referred to as
20 "packets."

21 JUDGE MOORE: Counsel, but, I mean,
22 what we're doing here is we're construing the '033 Patent.
23 And, I mean, I understand your argument, that if we're
24 looking at -- we're talking in terms of the ISO stack.

25 MR. TUCKER: Yes.

1 JUDGE MOORE: Your argument is that in
2 that context, the term "message" would be viewed as
3 being a Level 6 or 7 concept. But the '033 Patent doesn't
4 talk about the ISO stack, does it?

5 MR. TUCKER: So this is one of Apple's
6 arguments, that the '033 Patent, Mr. Miller used the
7 phrase "never mentions" or is completely silent regarding
8 the phrase "ISO protocol model." But there is no in haec
9 verba requirement for written description or specification
10 support.

11 So especially in this case, where the ISO
12 protocol model is undisputedly well-known, and that's --
13 Slide 6 shows that -- the citation to Dr. Tygar's testimony
14 that the ISO protocol is well-known. The patent need not
15 use the exact term "ISO protocol model." One of skill in
16 the art would have known when the ISO -- or when the
17 '033 Patent was disclosing and claiming comparing
18 messages to filtering information and filtering -- allowing
19 or blocking those messages, it was talking about filtering
20 at these higher levels, Layers 6 and 7 of the ISO protocol
21 model.

22 And that's exactly what the Patent Owners
23 told the Examiner when they were distinguishing the
24 Shwed reference. And as I mentioned, Apple does not

1 dispute that the statements that were made during
2 prosecution talked about the claimed filters.

3 This isn't a case like some of the other
4 disclaimer cases or lexicography cases that we've seen,
5 where the question is whether or not the patent applicant
6 is talking about the claimed filters -- or the claims or the
7 written description or a certain embodiment.

8 Here, Apple admits that there were -- that
9 the patentees were talking about the claimed filters when
10 they made these statements to the examiner.

11 JUDGE MOORE: I understand that, but
12 isn't it --

13 MR. TUCKER: Yeah.

14 JUDGE MOORE: -- at least somewhat odd
15 that we're -- you're asking us to construe a patent claim as
16 limited to Layers 6 and 7 of the ISO model, and you're
17 saying it's consistent with the specification by pointing to
18 the word "messages," and you have an expert saying that
19 messages references levels in the ISO model; but there's
20 no indication whatsoever in the specification that the
21 drafter of this patent was even thinking about the OSI
22 model when they were using those terms?

23 MR. TUCKER: Because that was a term
24 and a concept that was well-known to one skilled in the
25 art, and that is undisputed here.

1 So a patent does not need to recite
2 everything that is well-known to one of skill in the art.
3 There are Federal Circuit cases that say if they did that,
4 then the patent would be a treatise on technology instead
5 of a summary of the invention. But --

6 JUDGE ARPIN: Counselor --

7 MR. TUCKER: -- what --

8 JUDGE ARPIN: -- could you look at page
9 21 of Exhibit 2004.

10 MR. TUCKER: Yes, sir. I'm there.

11 JUDGE ARPIN: In the paragraph before
12 the end of the page, beginning "An analogy," doesn't it
13 talk about messages going across Layers 2 and 3, not
14 packets?

15 MR. TUCKER: Yes, Your Honor, it does
16 use the term "message" in connection with Layers 2 and --
17 the Layer 2 and 3 interface in this analogy.

18 JUDGE ARPIN: Thank you. Please
19 continue.

20 MR. TUCKER: One other point to note,
21 Your Honors, for specification support of filtering at this
22 higher level, the message level, Layer 7 of the ISO
23 protocol model. The '033 Patent, at column 6 line 10,
24 discusses an example of filtering an HTTP transmission.

1 It is also undisputed that HTTP operates at
2 the Application Layer, Layer 7, of the ISO protocol
3 model. So the specification actually does provide an
4 example of filtering at Layer 7.

5 JUDGE McKONE: But it teaches filtering
6 based on IP address, right? An IP is, what, Layer 4 -- 3
7 or 4, I believe. So wouldn't that tend to suggest that
8 you're actually doing the -- applying the filter at a lower
9 level, or at least there's some ambiguity?

10 MR. TUCKER: No, I don't think it would,
11 Your Honor, and I would like to address that point
12 because it relates to Apple's argument about our
13 disclaimer argument being inconsistent with the
14 dependent claims that use the phrase "IP address."

15 So IP addresses are -- are one of the
16 addressing mechanisms used in Layer 3, but it is also
17 undisputed in this case that IP addresses are available in
18 DNS protocol. For example, the DNS protocol, which is a
19 Layer 7 protocol, uses IP addresses.

20 So while the IP address may be used as the
21 addressing mechanism at Layer 3, it is indeed available at
22 Layer 7.

23 So to answer your question, no. And then
24 to answer Apple's argument about the dependent claims,
25 there is no inconsistency here. The '033 Patent actually

1 describes using IP addresses with DNS, a Layer 7
2 protocol, showing that that information would have been
3 available at Layer 7.

4 JUDGE McKONE: Now, if we accept -- if
5 we accept your argument as to the prosecution history
6 estoppel and accept Petitioner's argument as to claim
7 differentiation, in other words, we -- would we have to
8 construe Claim 1, essentially, as narrower than Claim 3?
9 Is that -- would we have to do that?

10 MR. TUCKER: No, Your Honor. So in
11 that instance, I think it is clear. The intrinsic evidence in
12 the record would trump the claim construction standard of
13 claim differentiation.

14 JUDGE McKONE: So then Claim 3 would
15 then be broader than Claim 1. If Claim 1 is limited to
16 Layers 6 and 7, and then Claim 3 opens up to additionally
17 claims -- or Layers 3 and 4, I mean, what do we do about
18 Claim 3 if we rule in your favor on Claim 1?

19 MR. TUCKER: So, of course, our position
20 is that, for the reasons I just mentioned, Claim 3 would
21 not be broader than Claim 1. It could be limited simply
22 to operation between layers --

23 JUDGE McKONE: Right.

24 MR. TUCKER: -- 6 and 7.

1 JUDGE McKONE: My question is, if we
2 believe Petitioner on this point, on claim differentiation,
3 and believe you on prosecution history, we have an
4 inconsistency. How do we resolve it?

5 MR. TUCKER: By looking at the intrinsic
6 evidence that clearly and unequivocally limits Claim 1 to
7 filtering between Layers 6 and 7. Claim 3 depends from
8 Claim 1, so it can be -- in no way be broader than Claim
9 1.

10 JUDGE ARPIN: Counsel, is that --

11 JUDGE McKONE: Claim 3 is also
12 intrinsic.

13 JUDGE ARPIN: Go ahead, Judge McKone.
14 Sorry to interrupt.

15 JUDGE McKONE: Okay.

16 I mean, Claim 3 is also intrinsic evidence.
17 So we have intrinsic evidence in the form of Claim 3, and
18 intrinsic evidence in the form of prosecution history. If
19 they both point in the opposite direction, why do we give
20 the prosecution history more weight than Claim 3?

21 MR. TUCKER: Because Claim 3 -- the
22 only reason we're looking at Claim 3 is because of the
23 claim construction standard of claim differentiation,
24 which has to give way to the unequivocal testimony -- or
25 evidence in the prosecution history.

1 JUDGE MOORE: Well, it's not just claim
2 differentiation, is it? Doesn't the Patent Statute itself
3 require that the dependent claim adds further limitations
4 to an independent claim, and can you do that if it's
5 broader?

6 MR. TUCKER: Yes, Your Honor. And
7 Claim 3, even under Judge McKone's interpretation,
8 would still add a limitation because it would -- where
9 Claim 1 doesn't necessarily require filtering based on the
10 IP address, Claim 3 still would. So it wouldn't run afoul
11 of that requirement.

12 JUDGE ARPIN: You may proceed.

13 MR. TUCKER: Your Honors, I would just
14 like to address one other point that Apple made regarding
15 the disclaimer, and that is Apple's argument that the
16 specification uses only TCP/IP, which does not include
17 the Presentation Layer.

18 So this argument was made for the first
19 time in the Reply. It was not in the Petition, and it is not
20 supported by expert testimony. But more importantly, it's
21 wrong. It assumes that the TCP/IP protocol model and
22 the ISO protocol model are independent and separate
23 options, when, in fact, they are analogues of each other
24 and not, in fact, mutually exclusive.

1 This is best shown by Dr. Knutson's
2 testimony, Exhibit -- and that's Apple's expert -- Exhibit
3 1010, paragraph 36, Note 3. I have hard copies of that
4 paragraph if it would be easier for the judges --

5 JUDGE ARPIN: We have it in front of us.

6 MR. TUCKER: Okay. In that paragraph --

7 JUDGE McKONE: I'm sorry, which
8 paragraph did you say?

9 MR. TUCKER: It's paragraph 36, and in
10 particular --

11 JUDGE McKONE: Okay.

12 MR. TUCKER: -- the part of the paragraph
13 that starts on page 12. I'm sorry, the -- yeah, the part of
14 the paragraph on page 12, not the beginning of the
15 paragraph. But in this end part of the paragraph and the
16 corresponding footnote, Dr. Knutson himself conflates the
17 IP protocol model and the ISO protocol model.

18 So Dr. Knutson explains -- in the first full
19 sentence on page 12, he's talking about Layer 3 of the
20 seven level OSI -- Dr. Knutson refers to it as OSI -- OSI
21 protocol model.

22 But then he drops an explanatory footnote,
23 and in it, he -- in order to explain his statement about the
24 OSI protocol model, he refers to the TCP/IP protocol
25 stack. And then, when talking about the TCP/IP protocol

1 stack, he mentions the Presentation Layer of the TCP/IP
2 protocol stack, which belies Apple's argument on Slide --
3 I believe it is 14 of Apple's presentation that --

4 JUDGE McKONE: I'm sorry, where did it
5 describe the -- the Layer 6 Presentation Layer with
6 TCP/IP?

7 MR. TUCKER: Sure. So the whole
8 sentence is discussing -- the whole sentence in Footnote 3
9 is discussing the TCP/IP protocol stack. It's talking --
10 and then it talks about enumerating, quote, "layers of the
11 TCP/IP protocol stack."

12 He then goes on to talk about the Network
13 Layer, one of the lower layers of the TCP/IP protocol
14 stack and not part of the higher protocol layer, such as
15 Application or Presentation Layers.

16 So that whole sentence is talking about the
17 TCP/IP protocol stack and expressly referencing the
18 Presentation Layer.

19 JUDGE MOORE: Counsel, didn't you argue
20 a few minutes ago that the IP address is available to the
21 higher layers?

22 MR. TUCKER: Yes, I did, Your Honor,
23 and it is. This -- this testimony does not change that at
24 all.

1 JUDGE McKONE: Yeah, I don't read this
2 footnote as saying that the TCP/IP has a Presentation
3 Layer. It says the Network Layer is part of the -- you're
4 talking about the Network Layer is not part of a higher
5 protocol layer, such as a Presentation Layer.

6 That doesn't look, to me, like an admission
7 that the TCP/IP protocol stack has a Presentation Layer.
8 Are you -- don't you think you're trying to make a little
9 too much out of this footnote?

10 MR. TUCKER: I think this sentence and
11 the footnote together show that the OSI protocol model
12 and the TCP/IP protocol model are used to describe each
13 other. And, yes, I think that this whole sentence
14 describes the use of the TCP/IP protocol stack and
15 describes using the Presentation Layer of that protocol
16 stack.

17 JUDGE McKONE: Do we need to credit
18 this evidence in order to determine that the -- the claims,
19 as you want to construe them, have written description
20 support?

21 MR. TUCKER: No, your Honor, you do
22 not. I just submitted it as rebuttal to Apple's new
23 argument that the TCP/IP protocol and the disclosure of
24 using TCP/IP in the '033 Patent somehow excludes the use

1 of the ISO protocol model and excludes the use of the
2 Presentation Layer. That's all.

3 JUDGE McKONE: Okay.

4 MR. TUCKER: So unless Your Honors
5 have any questions about the disclaimer and claim
6 construction issue, I would like to briefly address the
7 second argument.

8 JUDGE MOORE: Please proceed.

9 MR. TUCKER: Thank you.

10 JUDGE ARPIN: Counsel, before you move
11 on, one last question about the claim construction, and I
12 asked this question of the Petitioner.

13 We have these various canons, for lack of a
14 better word, of claim construction: The prosecution
15 history disclaimers or estoppel, claim differentiation. We
16 have extrinsic evidence as presented by the Petitioner.
17 We have the District Court's claim construction, and we
18 have the specification, of course.

19 How do we order these? How do we weigh
20 them? How are we supposed to decide which one should
21 most influence or shape our opinion as to what the claim
22 means?

23 MR. TUCKER: Sure.

1 So I think the intrinsic evidence is
2 obviously the number one thing that the Board should
3 look at --

4 JUDGE ARPIN: And --

5 MR. TUCKER: -- but --

6 JUDGE ARPIN: -- is this in that intrinsic
7 evidence --

8 MR. TUCKER: This includes -- sorry. Go
9 ahead, Your Honor.

10 JUDGE ARPIN: I was going to say, does
11 this include the prosecution history?

12 MR. TUCKER: Yes, it absolutely does. It
13 includes both the specification, as it would be understood
14 by one of skill in the art, and the prosecution history.

15 And so that is why Dr. Tygar's testimony is
16 so important, because it explains how one of ordinary
17 skill in the art would understand the specification. And
18 when you couple that with the clear and unmistakable
19 disclaimer of the claim scope, that alone is enough to
20 agree with the District Court and find disclaimer.

21 In addition --

22 JUDGE ARPIN: Let me stop you there for
23 one second.

1 Is the testimony of the declarant, is that
2 extrinsic evidence, and how does that weigh into what we
3 are to decide?

4 MR. TUCKER: Yes, Your Honor. Of
5 course that is extrinsic evidence, and it would be lower in
6 the stack of *Phillips* evidence that we would want to
7 consider.

8 But that evidence is extremely important
9 here for two reasons. One, it informs how one of
10 ordinary skill in the art would understand the intrinsic
11 evidence. And two, the statements that Dr. Tygar made,
12 namely that the ISO protocol model was well-known and
13 one of skill in the art would understand that the higher
14 level protocols, Layer 7, filters messages, whereas the
15 lower levels filter packets, has gone unrebutted.

16 So -- so that evidence informs the intrinsic
17 evidence, and when combined with the other part of
18 intrinsic evidence, the prosecution history, that alone is
19 enough to find disclaimer.

20 Supporting that is the fact that the District
21 Court has already construed these terms under the exact
22 same standard that the Board will apply today, and it has
23 found that the -- that the statements are clear and
24 unmistakable. And this -- the statement from the District
25 Court is shown on Slide 12 of our demonstratives, that the

1 disclaiming statements were clear and unmistakable, and
2 the terms must be construed in light of this disclaimer.

3 Now, the Board noted in its Institution
4 Decision it's not bound by the District Court's
5 construction by notions of res judicata or issue
6 preclusion, but it must consider the District Court's
7 reasoned analysis. And that's particularly important in
8 this case where, unlike, for example, in the *Proxycon*
9 case, the District Court -- or the Board is actually
10 applying the same construction as -- as the District Court
11 did.

12 So *Proxycon*'s discussion weighs even more
13 in favor of analyzing the District Court's construction and
14 trying to have some sort of homogeneity between the
15 District Court's construction and the PTO's construction.
16 So --

17 JUDGE ARPIN: Did the District --

18 JUDGE MOORE: Counsel, one moment
19 please. So you have about 4 1/2 minutes remaining.

20 MR. TUCKER: Okay. Thank you.

21 JUDGE ARPIN: I'll make this a quick
22 question, then.

23 Did the District Court make a finding on
24 the 112 issue that Petitioner raised during its
25 presentation; namely, did the District Court make a

1 finding that the claim construction, consistent with the
2 disclaimer, is supported by the spec?

3 MR. TUCKER: So the answer to that
4 question -- and I'm trying to find the exact record cite --
5 is that the District Court considered the exact same piece
6 of evidence; namely, this excerpt from the Tanenbaum
7 book, that the TCP/IP protocol stack doesn't include the
8 Presentation Layer. It was couched in different terms --

9 JUDGE ARPIN: But that --

10 MR. TUCKER: It was --

11 JUDGE ARPIN: -- was not really my
12 question, Counselor.

13 MR. TUCKER: Yes.

14 JUDGE ARPIN: I'm trying to find out
15 whether the District Court made a finding on the 112
16 issue that the Petitioner is asserting is a problem with the
17 claim construction; namely, that the claim construction,
18 consistent with the disclaimer, is not supported by the
19 spec?

20 MR. TUCKER: The District Court did not
21 make a statement in its order saying unequivocally that
22 the specification supports the disclaimer. But the District
23 Court did have before it the same type of argument
24 couched in terms of written description that the
25 Presentation Layer is not at the TCP/IP Layer.

1 This was in Dr. Knutson's declaration
2 before the District Court, and it was in Apple's brief. And
3 the District Court had that evidence and argument in front
4 of it, and it still found that there was clear and
5 unmistakable disclaimer in the prosecution history.

6 So the answer, I guess, is, no, it didn't
7 expressly include it in its opinion, but it clearly had it
8 before it and the parties briefed it to the court. And in
9 light of that evidence, it still found, as we're asking the
10 Board to do today, that the disclaiming statements were
11 clear and unmistakable.

12 JUDGE ARPIN: Do you agree that the
13 District Court's claim construction is not bounding --
14 binding on this Board?

15 MR. TUCKER: For purposes of res
16 judicata?

17 JUDGE ARPIN: For any purpose.

18 MR. TUCKER: I agree that the Board is
19 not bound by issue preclusion from having to accept,
20 without performing its own analysis, the District Court's
21 construction.

22 JUDGE ARPIN: If the District Court had
23 found that the claim, as construed consistent with the
24 disclaimer, was supported by the spec, would that bind
25 this Board?

1 MR. TUCKER: Not for purposes of issue
2 preclusion.

3 JUDGE ARPIN: Thank you very much.
4 Please continue.

5 MR. TUCKER: So with the last three
6 minutes, I just want to briefly address the Internet issue.

7 JUDGE MOORE: Counsel, you have about
8 1 1/2 minutes remaining.

9 MR. TUCKER: Thank you, Judge.

10 Two of the arguments -- or one of the
11 arguments that Apple makes today is that the preamble of
12 these claims is not limiting. That is incorrect, and it is in
13 contrast with the *Catalina Marketing* case, which makes
14 clear that when you add a -- or a part of the preamble to
15 the claim and you rely on it during prosecution, it
16 transforms it into a claim limitation.

17 And that's exactly what the applicants did
18 here. On Slide 33, they added the green "to prevent or
19 allow access to Internet sites" part of the preamble, and
20 that transformed it into a claim limitation.

21 I would just like to also note, with regard
22 to this issue, the Internet -- the Internet issue. This is not
23 a semantic distinction. This is a substantive distinction,
24 and it goes to the nature of the claimed invention.

1 When the invention was made, the inventors
2 were at a company called Spyglass, and they invented this
3 web browser called Mosaic that became the -- basically
4 the blueprint for Microsoft Internet Explorer. And they
5 were facing a problem. That was to make sure that
6 parents could protect their children from indecent
7 material over the Internet.

8 This problem that they solved with this
9 invention is drastically different from Pitcher's problem.
10 Pitcher just relates to filtering messages sent over this
11 internal LAN, so that you can more efficiently route data
12 within an organization's local -- local LAN network. It
13 discusses things called -- such as printer requests and
14 how to most efficiently route that information.

15 Pitcher does not disclose, however,
16 filtering messages sent over the Internet, like the claimed
17 invention does.

18 JUDGE MOORE: Thank you, Counselor.
19 Your time has expired.

20 Judge McKone, do you have any further
21 questions for Counsel?

22 JUDGE McKONE: Nothing further. Thank
23 you.

24 JUDGE MOORE: Judge Arpin?

25 MR. TUCKER: Thank you, Your Honor.

1 JUDGE ARPIN: Nothing further.

2 JUDGE MOORE: Thank you, Counsel.

3 MR. TUCKER: Thank you very much.

4 JUDGE MOORE: Counsel for Petitioner,
5 please proceed with rebuttal. You have 10 1/2 minutes.

6 MR. MILLER: Your Honor, can you give
7 me a moment while we change the --

8 JUDGE MOORE: Certainly.

9 MR. MILLER: The Patent Owner presents
10 arguments regarding messages, but it's important to note
11 that the Patent Owner did not request a construction of
12 the messages that would limit that to something that
13 exists at the Presentation Layer or the Application Layer.

14 Every communication on a network is a
15 message, and TCP/IP communications are messages. This
16 is supported by the testimony of Dr. Knutson, if you look
17 at paragraphs 48 and 98 of his declaration, where he says
18 that it would be inherent to understand that a
19 communication sent on the Internet using the TCP/IP
20 protocol is a message.

21 The '033 Patent is consistent with this and
22 it -- when it talks about HTTP. And the column 3 and
23 lines 13 and 19, it talks about the IP address of a
24 message.

1 And what happens there is that the HTTP
2 request gets sent to a DNS server so that you can get the
3 IP address. Then that IP address comes back and you
4 have an IP address for a message.

5 So it is not correct that message is limited
6 to something that occurs at the Presentation or
7 Application Layers. Packet base does not make a
8 difference. Every message transmitted on the Internet is
9 sent as packets. There's no difference between packets
10 and messages for this purpose.

11 Now, another important issue is the Pitcher
12 filters, if we turn to a discussion about what the Pitcher
13 filters do. Those filters allow or block access to
14 information. It could be information coming from the
15 Internet or it could be information coming from a LAN.

16 And for purposes of this exercise, in
17 determining what the scope of the claim is, it's important
18 to note that -- the statement that we have in the '033
19 Patent that says that the invention relates to a system for
20 filtering messages transmitted between the Internet and a
21 client computer.

22 Those communications between the Internet
23 and a client computer occur on the local area network.
24 Almost in no case is there a computer connected directly
25 to the Internet.

1 As the '033 Patent acknowledges, there are
2 firewalls and other devices that sit between the Internet
3 and a local area network, and what happens is that the
4 filtering occurs locally.

5 Again, at column 1, lines 59 to 64 of the
6 '033 Patent, there's a discussion of firewalls, gateways, or
7 proxy servers, where the filter database of the '033 Patent
8 resides.

9 And there's nothing, there's no -- nothing
10 from the Patent Owner and there's -- that would indicate
11 the Pitcher does not filter on Internet content if the
12 filtering occurs on a local area network, but the fact that
13 the filtering doesn't occur on the Internet makes no
14 difference.

15 The fact is that Pitcher discloses filters.
16 Those filters can block or allow access to information
17 coming from the Internet.

18 Now, if you go --

19 JUDGE McKONE: Now, is your argument
20 that Pitcher actually discloses filtering messages coming
21 from the Internet or that it's merely capable of doing so?

22 MR. MILLER: I think the -- what we see in
23 Pitcher is filtering that occurs in a way that it is capable
24 of filtering messages from the Internet. You have an
25 example of a MAC address that's something that could

1 come from the Internet or it could come on a local area
2 network.

3 And for purposes of our discussion here, a
4 local area network and the Internet operate in exactly the
5 same fashion. They use TCP/IP addresses to send
6 messages from one place to another. Every message has
7 to have --

8 JUDGE McKONE: Now --

9 MR. MILLER: -- an address.

10 JUDGE McKONE: Now, this is an
11 anticipation ground; is that correct?

12 MR. MILLER: Yes, it is.

13 JUDGE McKONE: It's not an obviousness
14 ground, right?

15 MR. MILLER: That is correct.

16 JUDGE McKONE: We have to find actual
17 disclosure, either explicit or inherent.

18 It seems to me that you're arguing that this
19 capability argument is more geared towards an
20 obviousness analysis. Where have you shown either
21 explicit or inherent disclosure of, for example, opening a
22 data stream to send a message through an interface to an
23 Internet server as recited in Claim 1?

24 MR. MILLER: Our expert has testified that
25 sending a message to a local area network is the same as

1 sending it to the Internet because that transmission is
2 based on the TCP/IP protocol. And for purposes of --

3 JUDGE McKONE: So is this an actual
4 disclosure or is this an inherent disclosure?

5 MR. MILLER: It's an inherent -- it's
6 inherent --

7 JUDGE McKONE: Which is it?

8 MR. MILLER: It's an inherent disclosure,
9 and that's what --

10 JUDGE McKONE: So necessarily -- so
11 what you're saying is, when you open a data stream to
12 send a message through an interface to the -- one of
13 Pitcher's LAN switches, you're necessarily opening a data
14 stream to the -- to an Internet server?

15 MR. MILLER: You are necessarily opening
16 --

17 JUDGE McKONE: Necessarily?

18 MR. MILLER: You are necessarily opening
19 a data stream that could come from the Internet or it
20 could come over the local area network. And in the
21 context of what one of ordinary skill in the art would
22 know, every Internet server sits on a local area network.
23 No Internet servers are exposed directly to the Internet.

24 So they're on a local area network. They
25 get -- they send the data to the Internet, and then they

1 send the data from the Internet to the next local area
2 network where the filtering occurs.

3 And so the transmission on the local area
4 network by the data -- the Internet server is also a
5 transmission on a local area network. Then it goes across
6 the Internet, which is a network just like the local area
7 network, and opening that data stream is inherently
8 receiving a message in a way that it can be filtered in
9 accordance with Pitcher.

10 JUDGE McKONE: Is it possible to, using
11 Pitcher's technology, open a data stream to send a
12 message through an interface to another node on the same
13 local area network.

14 MR. MILLER: Yes, it is. That is possible.

15 JUDGE McKONE: So it's -- so it's not
16 necessary that Pitcher's technology is used to open a data
17 stream to send a message through an interface to an
18 Internet server; is that correct?

19 MR. MILLER: It is not necessarily the
20 case; that is true. The message is -- I would say that the
21 message is --

22 JUDGE McKONE: But isn't it the standard
23 that we're held -- the Federal Circuit is going to hold us
24 to the standard that we have to find -- for inherent
25 anticipation, we have to find necessary that necessarily

1 discloses opening a data stream to send a message through
2 interface to an Internet server? If we don't find it's
3 necessary, then we have erred; is that correct?

4 MR. MILLER: Well, that is not correct
5 because our position is that Internet, in the preamble, is
6 not a limitation. If -- it's not a limitation --

7 JUDGE McKONE: But then --

8 MR. MILLER: -- because it's only -- go
9 ahead. I'm sorry.

10 JUDGE McKONE: That's why I was
11 referring to, in Claim 1, Claim 1 Element A, which is not
12 in the preamble. I was specifically focusing on the
13 language: Opening a data stream to send a message
14 through an interface to an Internet server in the body of
15 the claim.

16 MR. MILLER: Well, here's -- you could do
17 that on a local area network. If you have an Internet
18 server that is on a local area network and you send a
19 communication from, for example, a computer that's used
20 to administer the Internet server, you are sending that
21 communication on the local area network to an Internet
22 server. I don't believe that that limitation requires that
23 you send the transmission across the Internet.

1 JUDGE ARPIN: Counsel, then what is the
2 significance of the interface between the data stream to
3 send a message through an interface to an Internet server?

4 MR. MILLER: The interface is where you
5 make the transition from the local computer to the
6 network, and that's where the filtering occurs. The
7 interface is where you can do filtering. The TCP/IP
8 protocol that reads the address and sends the message to
9 the right location on the Internet is part of that interface.

10 JUDGE MOORE: Counsel, you have about
11 1 1/2 minutes remaining.

12 MR. MILLER: If there are no other
13 questions, I have nothing further.

14 JUDGE MOORE: Judge McKone?

15 JUDGE McKONE: I have no other
16 questions. Thank you.

17 JUDGE MOORE: Judge Arpin?

18 JUDGE ARPIN: I have no questions.

19 JUDGE MOORE: Okay. Thank you,
20 Counsel.

21 MR. MILLER: Thank you.

22 JUDGE MOORE: Okay. In a moment,
23 we're going to adjourn for a 15-minute break. I'd like to -
24 - before we adjourn, I'd like to thank both counsel for

1 their presentations today. They were very useful and
2 helpful for the Board.

3 So as I mentioned, we'll adjourn for 15
4 minutes. It's very important, because we're on a tight
5 schedule, that both parties make sure that they're back
6 and ready to go 15 minutes from now, at 11:25.

7 With that being said, we're now adjourned
8 until 11:25, when we will hear arguments in IPR2015-
9 00980.

10 Thank you.

11 (Whereupon, at 11:10 a.m., the hearing in
12 the above-entitled matter was concluded.)