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IPR2015-01536, Paper No. 62
September 14, 2016

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COX COMMUNICATIONS, INC.,
Petitioner,

v.

AT&T INTELLECTUAL PROPERTY I, L.P., and AT&T INTELLECTUAL PROPERTY II, L.P.,
Patent Owner.

Case IPR2015-01187, Patent 6,993,353 B2
Case IPR2015-01227, Patent 7,907,714 B2
Case IPR2015-01273, Patent 6,487,200 B1
Case IPR2015-01536, Patent 8,855,147 B2

Held: August 23, 2016

BEFORE: MICHAEL R. ZECHER, BRIAN P. MURPHY, and SHEILA F. McSHANE, Administrative Patent Judges.

The above-entitled matter came on for hearing on Tuesday, August 23, 2016, commencing at 9:01 a.m., at the U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia.

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P R O C E E D I N G S

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JUDGE ZECHER: Good morning. This is an oral hearing for four cases, IPR2015-01187, IRP2015-01227, IPR2015-01273, and the last case is IPR2015-01536. As we outlined in our oral argument order, we are going to commence with having the 1187 and the 1227 cases argued this morning in the morning session. In the afternoon we are going to do the 1273 and the 1536 cases.

So as far as the structure of the oral argument, starting with the 1187, petitioner will present their case-in-chief first. They can reserve some rebuttal time, after which patent owner will get an opportunity to present their case. They can reserve some rebuttal time only for issues where they carry the burden such as antedation or motion to exclude. We'll turn the floor back over the petitioner for any remaining time that they have, and then back to patent owner, and then we'll move on to the next case.

To begin with, let's have the parties introduce themselves so the record is clear who is representing who. Let's start with petitioner.

MR. BAUER: Good morning, Your Honor. I'm Steve Bauer from Proskauer. With me at the table is Scott Bertulli and Mr. Kitchura, we'll be hearing, I think maybe, from him later this afternoon. And we are here on behalf of the petitioner, Cox.

JUDGE ZECHER: Thank you very much. And for patent owner?

MR. O'BRIEN: Your Honor, I'm David O'Brien with my colleague, Raghav Bajaj. We are here from Haynes and Boone representing the patent owner, AT&T, and various Intellectual Property I and II, LP, capacities.

JUDGE ZECHER: Thank you very much. So just a quick preliminary matter, we have yet to receive any revised demonstrative exhibits from the parties. Were you guys able to resolve the remaining objections or do we still have some standing objections?

MR. BAUER: Your Honor, we sent in last night a couple. We had met and conferred, and there were a few things like typos and stuff which they agreed we could fix, and I thought that they had gone out last night. Kit.

MR. KITCHURA: Your Honor, we sent them last night.

MR. BAUER: But it was just two slides, and they were just minor changes. So even if you don't have them, if you have the original slides, it's not going to be a big deal on those two. As to the ones that were objected to, there's no resolution, but a lot of them, I think you need to wait and hear the evidence and see if they are really an issue or not.

JUDGE ZECHER: How many objections would you say remain, roughly?

MR. BAUER: I don't know which slides they are going to be using. And we objected much more to their slides than they objected to our slides. But I think as to our slides, their objections, the way I understood the objections, they had objections based on what was in the reply briefs and they were objecting to the slides based on the same argument. So I think it's not so much that the slides present new argument as much as preserving. I can let him speak as to his objections, but that was my understanding.

MR. O'BRIEN: I think to your question, Your Honor, we met and conferred after the first direction by e-mail, and the updated demonstratives that Mr. Bauer spoke of were the result of that. You, yesterday, sent us another e-mail. The parties have not had a chance to meet and confer to further resolve given the opportunity you gave us. So at this point, those objections are all going forward. I think you've suggested that you would take them up in due course after oral argument. I think that's where we are.

JUDGE ZECHER: I think what we are going to do, then, is this is just a quick, you guys are aware of this, but demonstratives are not evidence. There shouldn't be any new argument, any new citations to case law that's not developed in any of the substantive briefs. So we'll take these as standing objections. To the extent that something comes up in hearing, we are very familiar with the record, be prepared to point to exactly

where in the substantive papers that argument or that case was cited such that we can double-check that. And we'll move from there and handle the objections after the hearing. That way we don't have the back-and-forth of the parties standing up and interrupting one another during their presentation.

MR. O'BRIEN: Your Honor, you mentioned having a standing objection. That would be fine. In terms of a standing response as patent owner, there is a certain amount of latitude that the *Belden* Court certainly provides us in responding. I presume that we are not going to have to each time be using up our time to explain why a response to their reply which we differ with, by the way, in terms of its propriety.

JUDGE ZECHER: As I explained before, a general rule here, if you have not made the argument in your substantive brief and there's a slide that invokes the argument, we are going to be asking about that and that's going to eat into your time, as well as if there's a citation to case law that wasn't presented in the first instance, either patent owner response or petitioner's petition or reply, we are going to be asking about that too. And that's just going to take your time away from you. So if you think that this is on the edge and you shouldn't talk about it, then I would just pass it along and move on to your next point.

MR. O'BRIEN: Can we handle that, again, with a standing response with respect to the cases that have come down

from the circuit after the dates -- you know, cases in the last two weeks?

JUDGE ZECHER: The proper recourse for that should have been if you contacted us and you wanted extra briefing, to request it. But I didn't get any notification from either party that that's what you guys wanted to do.

MR. O'BRIEN: Panels have had many different approaches on that.

JUDGE ZECHER: That would have been the proper approach. But here if you didn't develop that case in your substantive paper, as I've stated, you shouldn't be putting it in your demonstratives.

MR. O'BRIEN: Okay.

JUDGE ZECHER: So we'll turn the floor over to patent owner for the 1187 case.

MR. BAUER: Your Honors, if I want to reserve, do I tell you how much time I want to reserve?

JUDGE ZECHER: That would be great.

MR. BAUER: I believe I would like to go 15 and 15. And just in our slides, we are going to be working a little bit between the slides and the ELMO, with your permission. The ELMO will just be the exhibits themselves. There's only a couple slides in this stack that they had any objection to, and I think I'll be able to deal with those in the ordinary course and that should take care of that.

All right. Mr. Bertulli, Your Honors, slide 2. This is just really getting me warmed up here. The instituted grounds here, it's claim 1 of Rasanen -- and a lot of these pronunciations, I suspect you are going to hear different pronunciations from a lot of different people. Even from me, I may pronounce this differently as we go through this every time. But the key issue here with Rasanen is in the original petition we filed it as 102. There was one element that we noted was not explicitly in the Rasanen that was the term "cable network." The Board, in its institution, recognized that it didn't expressly say cable network and converted it to a 103 argument. All of the evidence is here. This isn't a new ground because the only thing our expert pointed to all of elements, gave you all of the evidence. And the only place that there may have been a disagreement between the Board and our petition is where our ultimate conclusion was that it was anticipated as opposed to obvious, the ultimate legal conclusion, because the evidence is all there that Rasanen provides sufficient disclosure to include a cable network. And so that's what I'm going to focus on.

JUDGE McSHANE: Mr. Bauer, is your position that your challenge is on anticipation or obviousness?

MR. BAUER: The initial petition had it listed as a 102 argument with one reference, Rasanen, the original petition. Today the Board has instituted it as a 103. So I'm not here to

push back on that. We are going to show you why it would have been obvious in view of Rasanen.

JUDGE McSHANE: Okay. Thank you.

MR. BAUER: And again, the only issue between the two is that the petition suggested it was inherent but didn't use the word, but said -- we clearly said upfront it's not explicitly disclosed as a cable network. And that would have been the only difference between our original petition, is it an inherency argument or an obviousness argument? Because inherency says there's no other way to do it. It's inherent. But when the application says there's multiple ways to do it, and this is one of those, I guess it's no longer inherent, but would it have been one of the obvious ways to do it within all those categories described in the prior art. Did that answer?

JUDGE McSHANE: Yes.

MR. BAUER: And I do want to put clear, we recognize this is our burden coming in here. The Board gave us its guidance on what it believed, but it's our burden, and we are going to persuade you that there is an invalid patent here. We recognize that.

So if we can go to slide 14, Mr. Bertulli, I just want to mention there was one claim construction that the Board provided, cable network. Both parties are working with that. There doesn't seem to be any issue with that. AT&T had proposed a different construction. They wanted it to be a cable

network with cables and nothing over the air, an exclusionary clause. And the Board converted it to a network that transmits signals versus cables -- via cables. And there doesn't seem to be any issue with that. So we can work with that.

Now if we go to slide 15, what is it that Rasanen -- this is the one issue that they say is missing, and we show you that it's there. So what is it Rasanen tells us? It tells us the basic concept of this invention is independent of the traffic channel and the multiple access method. Independent. It has nothing to do with that. And it goes on to tell you that the only matter essential for the invention is that a connection comprising several parallel traffic channels is established. And the invention relates to carrying out data transmission over a connection. It doesn't matter whether it's wireless or cable. Rasanen tells you the invention doesn't matter. And as the Board noted, although it explicitly discloses the use of wireless, it indicates that teachings could extend to other transmission systems such as cable networks.

JUDGE MURPHY: Mr. Bauer, is there a teaching in your evidence that a cable network could be used?

MR. BAUER: There is absolutely, Your Honor, and that's the Amit reference which is part of the obviousness considerations for the dependent claims. So it's very much in here, very much briefed. And if we look at the Amit reference --

JUDGE MURPHY: Was it briefed for claim 1?

MR. BAUER: It was not briefed for claim 1, but it's not necessary to be briefed for claim 1. This is the extra element. What we have is, as the Board noted in its decision instituting, and this is in footnote 3 on page 8, prior art submitted in the petition may be considered to demonstrate the knowledge that one skilled in the art would bring to bear in reading the prior art. So this is in the record. It's prior art submitted in the petition. This goes to the knowledge of one of ordinary skill and that this could have been used there.

JUDGE ZECHER: Mr. Bauer, about that quote, though, it says brings to bear on us reading the prior art. In this case the prior art is Rasanen. How does Amit help us read Rasanen?

MR. BAUER: Amit is a complete disclosure of -- well, Amit shows you the exact same architecture that's at issue here. And Amit is in claim 2 and through all the others. So it's fully charted out. It's in the record. It's the evidence. You can't ignore it in reaching the conclusion would this have been within the level of ordinary skill to use -- when this says any type of channel works, how do we know that cable would work? Amit shows you that cable would work. And it wasn't combined with claim 1, but it was combined with all the other claims.

Here is what the Federal Circuit says on this issue, and it's one of the cases that you have cited, this is in the *Ariosa*, art can legitimately serve to document the knowledge that skilled

artisans would bring to bear in reading the prior art identified as producing obviousness.

So it's in -- art can be served to document what was known to those skilled in the art. It's essentially a background reference. And so we don't have to say combine these two things together in the obviousness. The patent by itself renders it obvious. When the patent says any system would work and then we give you the evidence of Amit showing you the exact same architecture, when you look at Amit, it's indistinguishable. The only reason the Board didn't institute on Amit, which was also presented, was Amit didn't have the express language as to what would be the band rate, the data rate on the individual lines. Didn't have those words there. But Amit, when you look at the picture in Amit, it's exactly the same architecture that's in this patent.

And I'll tell you the Federal Circuit --

JUDGE MURPHY: So Mr. Bauer, you are saying that because Rasanen has multiple data channels with a lower bit rate, the transmit side, they are recombined at the receive side and to the original higher bit rate, that's all that's important in a cable network is interchangeable with Rasanen's wireless network?

MR. BAUER: That's exactly what Rasanen tells us. They can't be any clearer when they say that here.

JUDGE MURPHY: Did your expert say that in his opening declaration?

MR. BAUER: The expert says --

JUDGE MURPHY: Dr. Mir, I think it was.

MR. BAUER: Right. He says that one of ordinary skill would recognize that where it tells you that it's irrelevant what the transmission is in between that any system would work. And he goes through in his declaration talking about people of ordinary skill would know if you had a wireless network, you could incorporate into it the cable network. It's not relevant that the whole point of Rasanen is taking the single data bit rate, spreading it out -- the high data bit rate, spreading it out and recombining it.

Then Rasanen tells you it doesn't matter. It's not part of the invention. And in fact, here is where Rasanen tells you at column 5 of Rasanen where he describes the system with respect to the GSM invention, and he says the invention will be illustrated below by using as an example a GSM-type mobile system. I'm reading column 5, lines 24 to 26.

Then further down column 5 at line 67 he says it should be noted that the only matter essential for the invention is that a connection comprising several parallel traffic channels is established. And the invention itself relates to carrying out and synchronizing data transmission over such a connection.

JUDGE MURPHY: So then let me ask you this. In the reply there seems to be an argument by petitioner that Rasanen has a different cable network, a cable network at the head end or

a cable network at the receive end. And patent owner makes a fairly big point of that. So I would like you to respond now to that.

MR. BAUER: Yes, Your Honor. That is just complete misdirection from them. What you need to look at for that is what was the questioning that they asked, what they pulled out of Dr. Mir's transcript. And if I can show you, if I can go to the ELMO, please, they cite -- let me just show you, this is in their slides. I have the exact answer for you because having seen their slides -- Your Honor, this is what they cite to in their brief.

JUDGE MURPHY: This is one of patent owner's slides?

MR. BAUER: This is patent owner slide 8. And they point out -- this goes right to your issue. So the cable network can either be before the data in or after the data out to extend the network, correct? And he says yes.

And that goes to the issue you are asking, is the cable network in before or after in the whole thing? Let me show you what the transcript says. By the way, note, there's three dots in front and then a period. Let me show you what the transcript -- the transcript was talking -- he was answering their questions about a cable network. Not what he thought it was. So there's the question. He answered, yeah. And then --

JUDGE MURPHY: Mr. Bauer, which exhibit is this?

MR. BAUER: This is Exhibit 2042, the Mir deposition transcript at page 114.

So there's that question from them, and he answered yeah. Then look what he said afterwards: You know, when you say cable network, it could be before. Probably it's not the appropriate use of the cable network in this context because in that case when you include this Rasanen's technique, then Rasanen's technique could be part of the cable network itself.

Then he goes on: So the cable network, then, is part of -- is partly optical fibers, coaxial and wireless. The media is a mix of everything. Question: What I'm referring to is I'm looking at your opinion. I want to focus on your opinion. Yeah.

So he's telling them you are looking at the wrong cable network here. They asked, and you go through this, they are asking him if you put a cable network after the data out, would that still be a cable network? And he's answering, yes, that's still a cable network. But it's not the context of the patent. And the fact that they give you a slide and put the "yeah" and leave out the fact that the cable network is partly optical fibers, coaxial and wireless, the media is a mix of everything, that's his testimony.

JUDGE McSHANE: Mr. Bauer, I realize you are talking about somebody else's slide here, but you believe that yeah is the yeah at 119 -- 115, line 14; is that correct?

MR. BAUER: I'm sorry?

JUDGE McSHANE: You believe that the yeah in that slide is that yeah?

MR. BAUER: No, it's this slide right here. Okay, so the cable network is correct. Answer: Yeah. That's exactly what -- here is their quote. In the cable network current, correct? Yeah.

JUDGE McSHANE: Fair enough. Thank you.

MR. BAUER: So I think that addresses he's taken the position -- and by the way, their expert understood that. So there's no question.

Let me show you what their expert said with respect to that. Here is what their expert said. So there's no -- this is just lawyer argument. This is Exhibit 2043 which is Dr. Akl's declaration, their expert. On page 25, he says, Although I must speculate as to what Nader may have meant, based on what limited information his declaration actually provides, it appears Dr. Mir may be suggesting the replacement of the TDMA wireless network between the transmit and receive sites with a cable network.

Their expert understood exactly what Dr. Mir was saying. Their expert understood.

JUDGE MURPHY: So your position, what you are saying hasn't changed, that the cable network you are advocating for is simply a replacement of Rasanen's wireless network, full cable network?

MR. BAUER: That's right. Now, there's some evidence that we submitted that I'm not relying on where their expert actually said some of the wires could be cables and that that would fit the definition of the cable network within the transmit and receive sides, and we submitted that in our reply, that their expert said that also. That's not the issue. The issue here is replacing the wireless system with a cable network.

Is that my 15 minutes? Let me just see if I'm allowed to burn. Let me just make sure there's nothing else I wanted to discuss here.

There's one other. The plurality of -- I need to address this. I think I have addressed the cable network. This issue about the plurality in slides 18 and 19. It's still the same element, and the element, the same element that's transmitting over a cable network. And we are saying it could easily be a cable network and then comprising a plurality of RF channels. They say in their opposition that they spent a lot of time talking about CDMA and TDMA not being a plurality of radio channels and that we didn't submit evidence on that issue, they say. So first, the element is cable network comprising a plurality. And a cable network always, that's what a cable network does. So once you find that it would be obvious to put a cable network in, there's no question that a cable network includes that.

Amit, again, as a matter of background, says exactly that. The Amit reference tells you, Amit Exhibit 1003, column 1

at line 55, In the U.S., signals are transmitted over a 100 to 860 megahertz range in increments of 6 megahertz to each cable modem. A cable network is a plurality. That is an inherent argument. A cable network is a plurality of RF channels certainly in the context of this. So once you find a cable network, you have that element.

Slide 18, though, is one of these slides they object to. All we are putting up here on 18 is they, in their opposition, submit about five pages or 10 pages about CDMA. Their expert goes on and on and on about CDMA. Ignored that the patent tells you it's CDMA, TDMA or FDMA. Just ignores it.

JUDGE MURPHY: Well, but is it fair to say that in the petition, neither the petition nor Dr. Mir called out the FDMA alternative?

MR. BAUER: Because it wasn't necessary. This is purely rebuttal. That's why I'm putting the slide in. The claim is a cable network comprising a plurality of RF channels. When you have a cable network, it is what a cable network is. It is a plurality of RF channels. It's a several-hundred megahertz band with 6 megahertz channels. It is a plurality. And that's what our evidence is in our petition. That's what we are going for, right. We are saying putting a cable network in, and a cable network comprises a plurality.

JUDGE MURPHY: So for you the only issue is would it have been obvious to read Rasanen to a person of ordinary skill

in the art understanding they could substitute or replace a wireless network with a cable network?

MR. BAUER: That's exactly right, Your Honor. So we introduce a team because they start talking about CDMA and TDMA, and we wanted to show the Board FDMA -- let me just show you again what Mr. Akl does in this regard. So this is why that slide was just a rebuttal because here is what Mr. Akl says. So they go on for half a dozen pages about this. And look what he says. He says, Rasanen's background section in the specification in general focused on TDMA, CDMA and other mobile communication.

Doesn't mention FDMA. You would think you read it, doesn't have the letters FDMA anywhere in his report. And he goes on and on and on about this. And all we were saying in that slide, if you go back to 18 and 19, is when he says general focus on TDMA and CDMA, which are not plurality of RF channels and doesn't mention the letters FDMA or talk about that technology, when the patent tells you right upfront on slide 18 that it includes FDMA, and if you can go to slide 19 and then I'll stop on this issue, this is the other slide that they object to. And it's just pure rebuttal to Mr. Akl not mentioning FDMA.

And by the way, this exhibit that we refer to, Dr. Mir's textbook, Exhibit 2045, put in by petitioner -- by patent owner. They submitted that book. And that book, which was Dr. Mir's, tells you FDMA is frequency division multiple access with

multiple RF channels. So pure rebuttal that if you think there needs to be disclosure of multiple plurality in Rasanen, that is there too. And when their expert forgets to even mention it, I think there's a real credibility issue.

With that, I'll save whatever remaining time I have. Thank you, Your Honors.

JUDGE MURPHY: Thank you, Mr. Bauer.

JUDGE ZECHER: You have about ten minutes left for rebuttal.

MR. O'BRIEN: Thank you, Your Honors. We are going to reserve two minutes of time for rebuttal. We have hard-copy slides. We are not going to use the ELMO. Can we approach to provide them to you? We have ordered the slides in the order I'm taking them. They are all there.

JUDGE MURPHY: Mr. O'Brien are these meaningfully different than what was submitted?

MR. O'BRIEN: Not at all. They are ordered in the order I'm taking them up. That's all. So you don't have to skip four ahead or six ahead. I guess you skipped 14 ahead on the first one.

JUDGE MURPHY: Only because I have my notes on them.

MR. O'BRIEN: I understand. I will try to be very clear when I'm doing the slides if you want to follow along with yours. Those are in the order.

So thank you and good morning. I'll start now. First before I get to the substantive points, I do have to hit a few objections here. You all are very familiar with the case law. I'm sure you know *Dell/Acceleron*. You'll know that reliance on arguments presented the first time in oral is not a sustainable basis. I think I counted at least five, sounded like several of you were tracking some of them as well, but we have to object to the Rasanen plus cable network from Amit ground. That isn't a ground in this trial. That's an entirely new argument. The idea that one would substitute the mobile network in Rasanen is an entirely new argument. It's also outside the scope of the case.

Ariosa was not briefed at all in the petition. Neither -- petitioner never cited Exhibit 2043 which they referenced. They took us to task for having our expert not comment on FDMA. Frankly, we are the patent owner. We don't bear the burden in this case. They, in their petition, neither in the petition, nor in their expert report mentioned FDMA once. FDMA is an entirely new issue and argument. It is not before this tribunal and it can't be relied on.

So with those, and I may have missed a couple others that were coming in, in rapid succession, but anything outside the briefs, of course, you know the drill there.

So turning first to -- I'm going to skip our summary because I think you know what the case is about. I'm going to go directly to slide 7. And we tiptoed into this with your questions.

Cox was very consistent in its opening position. They don't describe or disclose a cable network at all. Cox's statements there are unequivocal. The Board, frankly, in its analysis and institution agreed, and the original prosecution agreed. We agree. Now you have heard Cox's counsel flip positions and either argue that Rasanen discloses a cable network perhaps or that it doesn't matter that it really doesn't disclose a cable network because you can grab it from some other reference. So that's incorrect.

Let me go to slide 8 for you. Moving to slide 8, their theory, to the extent they raised an obviousness theory at all -- can we take those down, because we are not going with these slides anymore. I think it's a distraction.

So we are now at slide 8, which will be the next slide in your printed deck. So to the extent Cox even raised an obviousness issue, which they didn't, it was anticipation, as you know, their evidence cannot teach transmitting each of the multiple data streams over a cable network comprising a plurality of RF channels. It just can't. They have no cable network. Cox's expert, Dr. Mir, in his 2015 of May declaration as well as in his confirmation, he confirmed it in his February 2016 deposition which is duplicated for you on the slide, he indicated, as you can see from the quotes, we have been through it before, so the cable network can either be before the data in or after the data out to extend the network, correct? And he said yes.

So they fault us for anteing up a theory. There is no theory at all in their case of where a cable network would come from except this one that the Board grasped onto which is the use of the word "extend" in Dr. Mir's report. So we had to ask that: Dr. Mir, what do you mean by that? So we developed that line of inquiry. We asked him in deposition. And the result of that was the diagrams that you see to the right-hand side of that slide. It shows the cable network extended on the data in side or extended on the data out side. We went over that exact configuration with him, and that's the quote that we are asking him about, to confirm that's what he meant. That's all that is really divinable from the petition.

JUDGE McSHANE: When looking on the right-hand side of this slide 8, right, and there's a figure embedded in there where it has a cable network added, that is not -- well, let me ask you this way. Is that in any Cox document, that figure?

MR. O'BRIEN: No, it is not in a Cox document. But it is in the record in multiple places.

JUDGE McSHANE: But it's your -- this is your figure, if you will?

MR. O'BRIEN: Absolutely, Your Honor. However, it is a derivation of Dr. Mir's testimony. And in fact, what you see there in the trial record is that we asked him, is this what you mean? Is this what extends? It extends on this side and extends on that side? And he said yes. That didn't have anything else.

That's all they have as where does a cable network come into Rasanen, because Rasanen has no cable network. We all know there's no cable network in Rasanen.

JUDGE MURPHY: So is this an argument over nothing? They are walking away from it. They are saying that's not our cable network and you are saying that can't be a cable network that satisfies the claims. So you seem to agree.

MR. O'BRIEN: I don't think it's an argument over nothing, Your Honor because as you know, petitioner has the burden to go forward with its case in the petition. And in fact, this tribunal can't assume a new obviousness combination, a new reference and simply then ask us to go ahead and disprove it. That's very clear.

JUDGE ZECHER: Are you familiar with the *Apple/SightSound* case? Do you know what happened in that case procedural-wise?

MR. O'BRIEN: What are you getting at, Your Honor?

JUDGE ZECHER: Well, in that case there was a 102 proposed in the petition. The panel thought given the evidence that was provided in the petition that a 103 in that case had been made even though the petitioner had advocated initially for a 102, and they instituted on it. Patent owner was given a fair opportunity to respond throughout trial which they have been given here.

MR. O'BRIEN: We may or may not agree with you. We have some significant beefs on the whole reply dynamic here and the sandbagging in terms of evidence that was presented and arguments presented. I understand what you are saying. You are also, I'm sure, very familiar with *Magnum Oil Tools* which has taken a much more restrictive and aggressive, quite frankly, from the Federal Circuit approach on that. I can't say that *Apple/SightSound* survives that, coming up with a new ground and taking it through to trial.

JUDGE ZECHER: But they are both precedential.

MR. O'BRIEN: Fair enough. I think *Magnum Oil Tools* is pretty strong on that. You know it. We know it. The panel knows, everybody knows that case.

JUDGE MURPHY: Mr. O'Brien, let me try it a different way. If both parties agree that the figure that you are explaining on the right of slide 8 can't satisfy the claim language and they are not advocating for that, tell me, go back to what they are advocating for and tell me why either it wasn't developed in the petition or why you think it's just wrong.

MR. O'BRIEN: So first and foremost, that is the only thing that they could have been advocating for in the petition. So there is nothing else in the petition. When you are talking about rebutting what they may have been advocating, it would have been advocating here for the first time in oral argument, perhaps,

or for the first time in reply briefing. So either one of those is something that is not within the scope of this trial.

JUDGE MURPHY: So you are saying what Mr. Bauer just explained to me a few minutes ago about a person of ordinary skill understanding that once you took the teachings of Rasanen, a person of ordinary skill could substitute a cable network for that wireless network, it would work the same way and satisfy all the limitations? I want to just understand this. You are saying that wasn't developed in the petition? And in fact, FDMA was never referenced in the petition?

MR. O'BRIEN: Twofold. So cable network, FDMA. So let's take them in sequence. On cable network, yes, never developed in the petition. Not part of the case would be an argument, a ground, an obviousness combination. Never briefed. Totally improper either in oral argument or hearing. Nonetheless, taking it face-on here at this podium, which is not our burden, but I will, it's I don't want to say ridiculous, but it is preposterous to take a reference like Rasanen which is a mobile network reference and to say it ain't nothing to simply substitute a cable network. And I think it will become apparent in a second.

So Rasanen is a mobile wireless reference. It's a Nokia patent. It deals with a TDMA and there's a disclosure of CDMA wireless technology circa 2001. You probably had a flip phone back then.

So even now, you have a phone. It would be OFDMA now. Then it was TDMA. But in any case, the whole figure of merit of that system in that phone was you have a cell tower, you have air interfaces, you have the phone, and the phone is mobile. So the idea that one would take the phone, rip out the TDMA interface, slap in an RG9 cable, a cable network, and run it back to the tower entirely defeats the purpose of that system. That is not a plausible combination at all. That's probably why they didn't make that argument. That's probably why they are sort of waving their hands and saying, well, Rasanen is open to a lot of technologies, a lot of communications technologies. It never says cable network. It's just open to them. Well, that certainly isn't an anticipation ground. It isn't an obviousness ground.

One has to identify each of the elements of the claim, show where they are in the references, and as I get to in my presentation, there's a motivation requirement. The evidence has to show motivation, why a person of skill would take that reference, Rasanen, rip out, as I said, and I think it's preposterous -- you'll have to judge, rip out the air interface of TDMA and say I'm plugging a cable in and I'm going to run it back to the nearest cell tower and I'm good to go. Because that's their new theory here is that it's no big deal to take -- and again, they didn't brief it. It's not part of the case. But the theory from the floor here is that you can take the wireless communications

and run a cable instead. And to me, that's preposterous. So I hope that answers your question.

JUDGE ZECHER: Can I ask you a follow-up question. Petitioner seems to make a bigger deal of this *Randall Manufacturing* line of reasoning, *Ariosa* where you can rely on the background knowledge of one of skill in the art. Now, your understanding of those cases, you think that the parties ever use the background knowledge to fill a missing limitation or was it in some other context?

MR. O'BRIEN: Those cases typically are about finding some reason why a person would have been motivated to take X and Y and put them together. You are right, that is not what that case is about. Here they have a couple of problems. They don't have X and Y. They don't have in the record any reason why a person of skill would be motivated. Zero. There's nothing there. And here they are giving you a pro forma, well, the case law allows the Court to, I guess, assume a reason to combine. They have no evidence in this trial of why anyone would, one, do -- I think the only thing they have a plausible record for which is the extend at the data in, the extend at the data out, they don't have any reason why one would do that. In fact, we show in our briefing that that doesn't even meet the limitation of the claim. They don't have any motivation to do that. They don't have any evidence for a motivation for the new theory, again, which we've just spent a bit of time on. I don't want to belabor it. I think that

beats a dead horse as well. Does that answer your question? It's about motivation. Not new elements.

JUDGE ZECHER: I think what you are telling me is those cases are distinguishable from what petitioner is trying to do in this case to some extent. I didn't understand those cases to be that the parties were relying on the background level or knowledge of one of ordinary skill in the art to fill the void of a missing claim limitation. I understood those cases to be that if there is some aspect of a rationale to combine or a motivation, so to speak, that's missing, that you can look to that to kind of buttress that or glue it together, but not necessarily just for a flat out limitation that you have acknowledged is missing from a prior reference.

MR. O'BRIEN: I think that's fair. And we spoke to *Magnum Oil Tools* as a follow-on case. *Arendi v. Apple* or *Arendi S.A.R.L. v. Apple* is very on point on this.

JUDGE ZECHER: Both of those cases were more briefed than this.

MR. O'BRIEN: They are part of the controlling law of the review in court, of course. But you asked me about the one case. I think the one that is really the clearest speaking would be *Arendi*.

So I think I have gone through a number of the items here in terms of the absence of the cable network. There's an element 1D on slide 13 that I have talked to. Let me go ahead

and skip forward a little bit, though, here. I'm going to skip you ahead to slide 12. I think we got off track here a little bit. So I want to make sure I get you back on track. Are you up to the slide 12? It's the one that says, No "why" -- Legally Inaccurate Characterization of Evidence.

So I mentioned before that a reason why a person of ordinary skill in the art would want a prior reference is required. A person of skill must be motivated to do that, to make the modifications. Here conclusory statements are simply insufficient. Cox's arguments and evidence here are inadequate. All of its statements are styled as possibilities. Inventory on the left-hand side of that slide, those statements, they are "can be adapted." These are in line with the argument they just made from the floor. Can be adapted, can be part of a service provider, is a possibility. Some of these are, of course, their expert's testimony. They are pretty much their expert's testimony.

Rasanen could extend or Rasanen can be applied, those are all possibilities. The law requires that the evidence show that a person of ordinary skill would be motivated to make the change. Why would they make that change? There is no evidence in the record of motivation. There's no reason why a person of ordinary skill would extend Rasanen, as we've discussed, as their briefed theory or as I discussed with you, Judge Murphy, why they would rip it out and replace.

JUDGE ZECHER: Just to be clear, you are not saying that they need an explicit TSM. You are just saying --

MR. O'BRIEN: There is no evidence in the case. They have got to articulate the why, and they haven't. So what they are doing really is they are inviting you to err here by offering up in a couple of ways in the case-in-chief, but also from the floor, theories that are really untethered to any factual record. So in doing that, I mentioned *Arendi*. Of course the Federal Circuit did flatly reject that approach. It's improper to use whatever you want to call it, common sense or common knowledge for a missing limitation. This is the point that you were asking.

JUDGE ZECHER: Now, *Arendi*, once again, hasn't been briefed in this case, correct?

MR. O'BRIEN: It hasn't.

JUDGE ZECHER: I understand that it's controlling case law of the Federal Circuit, but you keep bringing it up. How would you reconcile *Arendi* with *KSR*? *KSR* says that rigid rules that deny recourse to common sense are neither required nor consistent with our case law. So you can see we have some trouble there, right, if we were going to talk about common sense in this context. Now, I don't think this case invokes that. So I'm not sure how *Arendi* applies here.

MR. O'BRIEN: Certainly the needle that the *Arendi* Court tried to thread there, they were very well aware of *KSR* and the common sense in the context of, as we discussed, the

explaining what the motivation would be. They were very clear, though, as an element of the claim. Here cable network having plural RF channels, actually transmitting over a cable network having plural RF channels is clearly an element of the claim, that a missing element of the claim you don't just grab out of thin air. I think that's really the consonance they were trying to establish.

JUDGE ZECHER: It's not really the concept of common sense here. It's more just grasping for an element that's missing and trying to reconcile how you would put it into a combination.

MR. O'BRIEN: I think that's how you would reconcile it. I think in the *Arendi* decision that the Federal Circuit was considering, I think the panel there had made the mistake of describing common sense as the way they got to finding a missing element.

JUDGE ZECHER: Which is what *KSR* says you can rely on to do. You would disagree?

MR. O'BRIEN: I guess I would disagree.

The next slide I want to get to is slide 10. There Dr. Mir, I think we want to point out some of his shifting positions for you. He has flip-flopped on the Rasanen reference. The Board really can't afford his testimony any weight. So Cox is contending at this stage that Rasanen discloses a cable network. Its expert, during the course of this trial, has agreed with that, then disagreed and then -- I'm sorry, disagreed, agreed and then

disagreed again, because at the get-go there was no cable network. At the reply briefing, there was. And then in his reply deposition, he admitted --

JUDGE MURPHY: What is your response to their argument which is he was just answering the questions that you teed up for him and that it was a sideshow that really isn't relevant? So why should we credit one or the other? They are saying you introduced a new take, if you will, on cable network and he was just answering your question.

MR. O'BRIEN: They have the burden. Their witness can't be trusted on this point is the point. We don't have the burden on that. And there is no evidence -- there is no evidence to support their evolving theory that it does not have a cable network, then it does and then it doesn't.

JUDGE MURPHY: You are telling me not to trust the credibility of the experts in question because he gave different answers on the same issue. And they are saying it's a different issue because you led him to a different issue.

MR. O'BRIEN: I don't think that's the case. So I think they were talking about Dr. Mir -- is that -- okay. Your Honor, I come back to they have the burden on this. It isn't a sideshow. This is a core issue in the case. You'll have to evaluate whether you trust a witness who has shifted this many times.

So moving forward, I think we are getting close on time here. I have reserved two minutes at the end. I want to make

sure that we deal with propriety of the -- the impropriety of the reply. I would like to skip you ahead to slide 9. So as I think we've at least tiptoed into and alluded to, Cox's reply completely changes direction in this case. They now argue, despite what they told you in the petition and despite what the Board relied upon to institute here that Rasanen actually does disclose a cable network or that there's another cable network that can come from somewhere else.

So we lay out those problems. I'll turn you to slide 14. They have definitely recognized this deficiency. They backfill here at the oral hearing. They also attempted to add in this case an entirely new OFDMA and FDMA theory, and they add that in their reply. But doing so is plainly violative of the trial practice guide. They are new issues in its belated presentation of new evidence.

You'll note on the -- yes, okay. So the record here shows that on our end, on AT&T's end, we requested an authorization for a surreply to deal with that reply. We were denied that. We've deposed Dr. Mir and we've filed observations on cross. And you see some of those in the record from us and I have dealt with some of them here in the slides and in the argument. We are disputing the substance of that reply, whether offered here from the table, which I did with you, Judge Murphy, or I have done in rebutting the -- what I'll do now in terms of FDMA combinations.

So we've disputed all those things. We've done all that without really the opportunity ourselves to introduce the countervailing evidence. That's the problem with a new theory of the case that comes in at reply when the petitioner sandbags, perhaps worst of all here at oral hearing but certainly in the reply.

So Cox's expert does admit that OFDMA, which is now apparently part of their case, he admits that Cox -- that he never mentioned that in his original declaration. OFDMA isn't mentioned in Rasanen. Dr. Mir's original declaration and the petition don't rely on either FDMA or OFDMA. And the patent owner's response certainly does not present FDMA or OFDMA arguments. They faulted us for not addressing FDMA as if it was our problem to do it. That pretty clearly lays out for you that their reply could not have been in response to an FDMA argument that we made. So Cox's reply is of improper scope here and it constitutes an attempt to backfill new grounds, new issues, new evidence. They are all untimely, Your Honors.

Unless the Board denies consideration of that untimely reply and the new reply evidence, AT&T is going to be denied its due process rights, its APA rights to respond to these new theories in any full and meaningful way. We've got to argue them as I'm doing here from the podium.

JUDGE ZECHER: We see this argument quite often, probably 70, 80 percent of our cases. So we are able to ascertain what are new arguments and what are not. I don't think that

means we are just going to completely throw out this reply, but I think you have made your points very clear. We understand that you think they are relying on a new theory. We understand what you are saying.

MR. O'BRIEN: Understand. So I won't -- I will make the point that I think it actually gets worse than just our grievance there, so to speak. When they attempt to articulate -- they do attempt to argue what is, in effect, yet another new ground. And that is Rasanen, apparently Rasanen plus cable network, as we've heard. But Rasanen plus OFDMA, that too is a new ground. To do that, they rely on reply evidence that either must be one of two things. It must be reply evidence that is Dr. Mir's testimony about his own knowledge, which is of course not a patent or printed publication. It's not proper statutory subject matter for an IPR. So it can't be that.

The other thing it could be is based on a new secondary reference. They pointed to, well, hey, it's a book that the patent owner pointed out. That doesn't make it prior art. It's a 2015 textbook of Dr. Mir. It's 14 years after the priority date of this patent. It isn't prior art either. So what they are asking you to do is engage in a new ground, one that's based on Rasanen, possibly Rasanen plus a cable network from somewhere, and OFDMA. Doing that is entirely extra statutory and is based on evidence that isn't prior. There's no prior art basis to it. So that, I think, is an important additional point to make.

So moving forward, let me finish up here with slide 3. I'm going to skip you ahead two. So Cox contends in its reply that AT&T must overcome the Board's decision. So that is flatly wrong. That's not how this works. So here again, the Federal Circuit recently confirmed this in *Magnum Oil Tools*. The burden of persuasion is always on the petitioner. They rejected the view that after institution of patent owner, us, must overcome the Board's institution decisions here. So that's not at all what's going on or not at all what's required.

Furthermore, the Board isn't itself bound by its own findings in the institution decision. Those are preliminary findings from you. So if those preliminary findings are wrong, then the Board can and indeed should change them. We are in the trial phase here. That's incumbent upon you to revisit. We got here. We have certainly argued in the motion for -- request for reconsideration that we didn't think you should have instituted. Water is under the bridge. We are here. We are at trial. But none of those rationales that the Board had in getting here to this trial are anything that we have to rebut. The burden is over here. It never shifts and they have to prove their case. So when you come back to those things and when you come to their briefing, I'm sure it will resonate with you when you see that in the record where they set up a case where it's our burden to overcome.

With that in mind, I think you know what our major issues are. If you don't have any other questions, I'm going to reserve the last skosh of time. I think I have got roughly two and a half minutes.

JUDGE ZECHER: Yeah, two and a half minutes. Just before we get into your rebuttal here or if you do get to your rebuttal, I didn't really hear any issues there that you carry the burden on. So what would your rebuttal be here? You have a motion to exclude here which you didn't raise. So that would be your burden. But there was no antedation issue in your case.

MR. O'BRIEN: Your Honors, I reserved the time so that I would have an opportunity to stand up if the other side raises new things in their rebuttal, as they raised new issues at this trial in their case-in-chief, simply to call it to your attention. That's it.

JUDGE ZECHER: Okay. Mr. Bauer, you have ten minutes left on the clock.

MR. BAUER: Thank you, Your Honor. So let me very much focus. The first thing I said at the beginning is I recognize it's our evidentiary burden and the Board's institution decision is a guideline to allow us all to focus the hearing today. And I think it was very effective. We have been able to focus on the key issues. We start with a lot and we are now down to really a little.

Let me just take off. He spent a lot of time on OFDMA. That is no part of our case here. OFDMA came up in rebuttal to

their expert. They put in Exhibit 2045. They talked about TDMA and CDMA and didn't mention FDMA. And solely in rebuttal, Dr. Mir comes in and talked about his book that they introduced to explain what FDMA is and why it's not a dot, dot, dot, as their expert had put it where their expert says the patent talks broadly about CDMA, TDMA and other things. Mir filled in what are those other things. And he talked about FDMA and OFDMA because they were both on the same page of his book. We are not introducing OFDMA here. The patent talks about FDMA. That is clearly in the record.

JUDGE MURPHY: Mr. Bauer, his point is FDMA was never mentioned by your expert who admitted that under oath in his deposition. He never mentioned it once in his opening declaration. So why is it in his reply? Why if it's in his book, why wasn't his book in his opening declaration?

MR. BAUER: It's in his reply responding to their expert talking about -- he didn't talk about CDMA and TDMA either. He didn't say the missing network is a CDMA network and then their expert talked about it. They jump in and say, wait a minute, there's this claim element that talks about a plurality of RF channels, and they say CDMA and TDMA aren't a plurality of RF channels. New issue that they input into this talking about CDMA and TDMA without mentioning FDMA. You can't say the patent is limited to CDMA and TDMA and talk about those

not fitting that element without talking about FDMA when the patent says there's three types of FDMA, the DMAs to talk about.

So that's what their expert says. I'm only going to talk about two of the three as if it's critically important. My guy is saying let's blow out the record and figure it out. And there's this third thing, and he explains what it is for the record.

JUDGE MURPHY: But what is your response to counsel? He's basically arguing the due process that, hey, this is a single-reference obviousness. And in order to get the RF channel limitations and the cable network limitation into your burden of proof, you invoke FDMA. The procedural issue is your expert never mentioned it in his opening declaration. And I have a problem with that.

MR. BAUER: So they took his deposition. So there is no issue of undue prejudice or surprise. They took his deposition on exactly this issue. So they have all the evidence from him.

JUDGE MURPHY: The question becomes should we appropriately disregard their reply declaration that explains what FDMA is from Dr. Mir's textbook and in his rebuttal declaration?

MR. BAUER: You can only do that if you ignore their expert talking about TDMA and CDMA as though those are the only two things in the patent. That's where that issue came up, because you are right, we didn't make that issue. They created that issue in their opposition, their patent owner statement.

JUDGE ZECHER: We are perfectly capable of reading the patent ourselves and seeing what it discloses. I don't think we need an expert to tell us what is not in there and what isn't.

MR. BAUER: Then that's fine, Your Honor. He's really just explaining FDMA with reference to his book, which is in the record because they put it in the record.

JUDGE ZECHER: I understand that, but let's take a step back. I asked Mr. O'Brien this question because you seemed to readily admit in your initial discussion of this case that you cited us to *Ariosa* and *Randall Manufacturing* to kind of fill the void here that what Rasanen doesn't explicitly disclose. What is your understanding of those cases? Can we rely on those cases to fill a missing limitation? There is no question here in your petition that you say Rasanen does not explicitly describe a cable network. That's a quote, page 37.

MR. BAUER: Right.

JUDGE ZECHER: So now we have to look to those cases to somehow fill that void. Can we do that? I'm not sure we can.

MR. BAUER: Your Honor, I think it's not a missing element. I think what's happened is they have set this up as missing element and where is that missing element.

JUDGE ZECHER: They didn't say that. You said that in your petition.

MR. BAUER: No, we say it doesn't explicitly mention cable networks. I have put up slide 15, Your Honor. When the patent tells you the basic concept, it gives you three examples, TDMA, CDMA and FDMA, a combination thereof, et cetera, and then it says the basic concept is independent of the type of traffic channel and the multiple access method used. The element is there. It's not a missing element. This is describing a traffic channel and -- this is the multiple access method. It's describing the multiple access -- this is the traffic channel.

JUDGE ZECHER: Just so I'm clear, it's not explicitly there. Your argument is now it's inherently there? It inherently has to be there?

MR. BAUER: Your Honor, that was our position in the petition, that it's inherently there. And the Board corrected us, inherent requires no other element.

JUDGE ZECHER: Inherency can't be based on mere probability or possibility.

MR. BAUER: Right. So it's disclosed as a multiple of. There's possibilities there. It's telling you that it doesn't matter what the traffic channel is. And then the question -- but it's giving you a traffic channel. The element is there. It's just not giving you the cable network as the traffic channel. Doesn't use the words "cable network." That's what we say. When we keep saying it explicitly doesn't disclose it, we are saying the words "cable network" aren't there. Nobody is running away from that.

You don't see the words "cable network" in here. But the fact that it doesn't explicitly say it doesn't mean it doesn't suggest it.

Now, inherent means it doesn't have -- I mean, you have to have it. So it's one step beyond inherent. But it's suggested. So when you talk about motivation to combine, by the way, there's extensive briefing about Amit in combination. Amit was briefed as a 102 reference. Amit was briefed in combination with Rasanen with respect to the dependent claims. So you have Amit in the record.

And now we go to your question about *Ariosa*. This isn't a missing element. It's a broadly described statement. And we need to know would a cable network fit into his statement that any network would fit. And there's another case, *Randall*, which is from the Federal Circuit, talks about the background knowledge -- the Court required an analysis that reads the prior art in context, taking account of demands known to the design community. What are the demands known to the design community? We have Amit. Amit is a cable network that is the exact same architecture as theirs. It's missing a frequency range, but we know the demands to the design community. That's Amit.

The Federal Circuit goes on, the background knowledge possessed by a person having ordinary skill. That's Amit. There's no question that Amit is prior art and it's in the record here. This is in the context of filling in the gap. Not a new obviousness combination.

And then the third thing they say, the inferences and creative steps that a person of ordinary skill in the art would employ. We have lots of motivation. We have it fully briefed. It's in the record. So every time he says something is not in the record, it's in the record. Amit is in the record and it's fully briefed. It's there. There's nothing new there. The element is described but without reference to the word "cable network." And Amit, which is clearly within the scope and the demands of the industry describes exactly the reference and fully briefed fully in the record as a cable network.

They can't sit there and say, gee, how do we know this would work? That's their argument, how do we know this would work with a cable network? Where is the evidence it would work with a cable network? That's what the issue is with Amit. Would this work with a cable network? Not is there an element missing and we want to add a cable network. Could you put a cable network in here? That's the question, when he says expressly, it works independent of the network. When he says expressly, the type of network is no part of my invention, no part of my invention. The network, we are not looking for a missing element of the invention, although it's within the claim, but he tells you the invention is everything before and everything after.

And the thing in between is a wire or form of a wire. That's what he's telling you. And now all we are doing is substituting one form of wire for another form of wire in a sense,

loosely speaking. We are substituting a wire for a wireless. And would that have been within the demands, the knowledge of everybody in the industry? And when he tells you that and you have the Federal Circuit saying -- this is the last thing from *Randall* and then I'll sit down, the significance of other references do not depend on any attempt to change the combination that form the basis of the rejections, rather, the references constitute important evidence of the state of the art and the context in which the examiner combination should be evaluated.

So Amit is the evidence of the state of the art, fully briefed, fully claim charted. It is the evidence of the state of the art. And in that context when he says you can put anything, here is my two inventions, put something in the middle, Amit fills that.

JUDGE McSHANE: Actually, one question. Basically this whole concept of how you view Rasanen as an substitution, if you will, perhaps of a cable network in there, are you -- succinctly, are you pinning that all on Dr. Mir's statement about extending the -- I believe the word was extend the cable network. Is that it in a nutshell, that you are taking that term and the extension, if you will, and that was what he meant? Is that what you are saying was this whole substitution in the cable?

MR. BAUER: When he uses the word "extend," he's saying that you can -- in that cite that I showed you in the brief, he is saying the network could be coaxial, wire, wireless all mixed together. So what he's talking about extending isn't using

Rasanen and then adding on at the end. That's the thing they led him to believe. And he says that's not what I meant by the word "extend." I meant the wireless network of Rasanen could add cable.

JUDGE McSHANE: I'm just trying to the get your position on this.

MR. BAUER: That's where he says it would have been obvious to one of ordinary skill in the art to take a cable network and put it into this. That's right. He used the word "extend."

JUDGE McSHANE: Thank you.

MR. BAUER: Thank you.

MR. O'BRIEN: Your Honors, very quickly, we are not surprised to see the reply material up. At any rate, I want to highlight, I think I counted three new issues. Mr. Bauer said OFDMA is not part of our case. That's, I guess, by exclusion that's new. It's entirely part of their reply at 6, 7, 8, 9, 10 and 11. So that is new.

When he argued that Amit was part of the combination, again, there's no briefing, no argument to suggest that Amit is the source of the cable network. That's entirely a new issue. There's likewise no argument to establish a motivation to combine. I think he suggested a motivation was not necessary and argued instead that the mere possibility is again. But again, new issue because Amit was not part of it.

And finally, I think taking the bait to your question, Judge McShane, in some ways, this does extend mean place, I think, is where you may have been going with that. To the extent that he said sort of yes, that's a new issue. That's not in the record. Extend was not briefed or argued that way. So that's all I have in terms of new issues.

JUDGE ZECHER: Thank you. So let's move on to the next case. It's IPR2015-01227. I'll turn the floor back over to petitioner to make its case-in-chief.

MR. BAUER: All right.

JUDGE ZECHER: How much rebuttal time would you like to reserve?

MR. BAUER: Again, 15 minutes. So slide 2, please. On the grounds here, but I'm only going to focus on two, I think the parties have largely focused on the 102 issues with respect to An and with respect to Buhrmann. So let me first address Buhrmann just very briefly. They suggest, I think, at least I have seen some suggestions in their briefs that we've somehow withdrawn the Buhrmann reference. We think Buhrmann is still very much in the case. It's a 102(e) reference. The only issue that they have put in, in their opposition is this question about whether data is retrieved from the third party. They spent a lot of effort arguing about where the data is retrieved from, whether it's retrieved from a remote user. The claim says nothing about where the data is retrieved.

JUDGE ZECHER: Mr. Bauer, let me ask you a question first before you get into this argument. You didn't file anything in your rebuttal or your reply on Buhrmann, correct?

MR. BAUER: That's right.

JUDGE ZECHER: So what you are telling me now is really a new argument.

MR. BAUER: It's not a new argument.

JUDGE ZECHER: You have not said anything about it whatsoever in the substantive papers other than your petition, correct?

MR. BAUER: We laid out a 102 argument for Buhrmann in our petition, yes, Your Honor. They responded. And I'm simply saying why their response isn't relevant.

JUDGE ZECHER: I'll give you a little leeway here, but you did not say any of this in your reply whatsoever.

MR. BAUER: We did not address Buhrmann in our reply. No question. We had new issues that we needed to address in the time limits. And I'm not spending a lot of time here. It's one sentence.

JUDGE ZECHER: Make your statement.

MR. BAUER: There is nothing in their opposition that affects our 102 claim charting in the patent. Nothing. The patent says nothing about the location of the data, whether it talks about the data being on the network. And Buhrmann shows the data both at the client and at a remote site. And their argument is that

there is no -- nobody is retrieving data from the remote site. We are simply saying when you read the claim, Your Honor, they have a new claim construction in there that the data has to be remote from the local user. That's not in the claim. So we submit that on the papers. If you do the claim analysis and our chart, you'll see nothing about where the data is located. So that's my argument on Buhrmann.

I do want to focus on An. So if we turn to slide 19, I do want to point out that there is no technical challenge in any of their papers. The real question -- the only question is whether An has been antedated by their paper. So we go on to slide 20. Can they swear behind this An provisional and does the An provisional get the benefit of the priority date? Those are really the only two issues to discuss today.

JUDGE ZECHER: Let me ask you a question upfront over this issue. What was your understanding of the law pre-*Dynamic Drinkware* that you needed to show as a petitioner to prove that An was entitled to its provisional finding?

MR. BAUER: According to *Drinkware* --

JUDGE ZECHER: I'm saying pre-*Dynamic Drinkware*, what was your understanding pre-*Dynamic Drinkware*? Because I think there is a question here whether or not *Dynamic Drinkware* shifted the law to some extent, whether or not it was somewhat murky prior to *Dynamic Drinkware*, in what was required to show.

MR. BAUER: I think our burden was to tee up the issue, the burden of production. Our issue was to identify the prior art, to make the statement that we consider there to be a provisional date, which we've done, and to provide a modicum of evidence that the claim of the issued patent was supported, the claim was supported by the prior art -- by the provisional. And we did that. That's what was not done in *Drinkware*. They didn't tee it up even. They didn't mention anything.

Our expert tees it up. He says -- he has a paragraph in there. He says the claim is supported by the provisional. He has a full paragraph discussing it. He doesn't do a claim chart. That's why everybody reading *Drinkware* going forward is going to do a detailed claim chart. He didn't do the claim chart. He teed it up. He said -- he has the sentence, it is supported by the original provisional. The claim is supported. That was not in *Drinkware*.

And the problem with *Drinkware* is they didn't even deal with it the second time around when they got caught. They still didn't do it. So there was nowhere in the record in *Drinkware* of that reading the claim on the provisional. So we teed it up, burden of production. We claimed it as an E. We gave a modicum of evidence to support it.

And this is what's important, that is enough because they are free to waive the argument. And in fact, the Federal Circuit talks about another case where the parties waived it. So it's not a subject matter jurisdictional kind of thing that the Board

has to weigh in and make that finding. And that may have been sort of the difference. If the Board had to make the finding on the prior art date, then maybe it would have been our burden to give you more evidence. But all we needed to do was say this and provide the evidence, the modicum of evidence, and wait to see if they waive it, to see what they challenge in it. They didn't have to challenge it.

And in fact, this isn't a gotcha. And that's really what they are trying to do here, because there's no question on this record that the An provisional is fully supported. They haven't really taken much issue. There's one term that they take a little bit of issue with, and I think, as I look at -- I don't know that they are really even pushing that issue anymore. The An provisional has everything there. And it would have been completely fair in this proceeding for them to not raise this issue at all. I suspect if we had a full claim chart, we never would have seen the issue.

JUDGE ZECHER: I guess to kind of summarize what you said, I think what you are telling me is you do admit you have the burden of persuasion to prove that An qualifies as prior art.

MR. BAUER: We absolutely have the burden of persuasion and the burden of production. We met the burden of production. That's where *Drinkware* separates the issues. We met the burden of production with a modicum of evidence. We didn't forget it. It's there. We wait for them to come back and

raise an issue. And when we see what their issue was, and in this case, their issue was one element, we responded to the one element.

Now, we did much more. We provided a full claim chart. By the way, *Drinkware* wasn't out when we submitted our brief. And then they raised the issue with this gotcha, and then we submitted the full claim chart. So we didn't want to be in that *Drinkware* thing where given the chance, we blew it. But I don't think we needed to do the full. I think they put in issue one element, and I think our burden of persuasion at that point would have been to prove that one element was there. But we gave you the full chart.

And again, no harm, no foul here. They are just playing this gotcha saying you should have put the chart originally -- for us not to challenge as opposed to after we raised this issue, then you gave it to us.

JUDGE ZECHER: I think I understand your position on the An provisional. I would actually like to move you on to the antedation issue here, the actual reduction to practice. Can you get into that, please.

MR. BAUER: I can. So let me just see what slide I want to jump to here. All right. So Your Honor, I think we can jump to my slide 26. They are talking about this July 17th paper, this requirements paper. And they say this paper has all of the elements -- okay. We look at what their evidence is, but that's an

actual reduction to practice. They have submitted two declarations. That's not really this slide yet. So I jumped a little.

They submitted two declarations to prove that there is an actual reduction to practice. First declaration is from Ms. Watson-Williams. That's Exhibit 2045. You read her declaration and she talks about Positive ID. And she goes on and on about Positive ID being functional. And we take no issue today. Maybe Positive ID was functional. I have no reason to doubt her statement Positive ID was functional.

But then they jump to the conclusion Positive ID is the invention. And that's not right. So you have one element of the invention being maybe reduced to practice. But the claim is much more. So they have Ms. Watson-Williams saying Positive ID works -- worked. All right. And then they have their expert who tries to read the claim on this paper. And when he reads the claim on this paper, he barely talks about Positive ID. He's talking about everything else. So this is where slide 27 -- so what is it when he starts --

JUDGE ZECHER: Mr. Bauer, let me stop you there. Where did you make this argument in your reply? Other than talking about Dr. Akl's conclusory statements about actual reduction to practice and how you believe it's entitled to no weight and that -- I'm reading from your reply right now. In the deposition he was unable to say what the standard was that he used to make these statements. I'm struggling to find a portion of

your reply where you have actually attacked how Dr. Akl has mapped the challenged claims here on to this Exhibit 2044.

MR. BAUER: So Your Honor, I think our reply page, next slide, this was to set up that slide, which I know they objected to, is a setup for this slide --

JUDGE ZECHER: The last slide is the slide that I told you was improper in the e-mail that I sent you the other day.

MR. BAUER: Right, because that slide wasn't in our deck. That slide wasn't, no. Your Honor, you are right. That slide is a setup for what is in our reply. That's all.

JUDGE ZECHER: Show me where in the reply.

MR. BAUER: The next slide, 28, page 49 of our reply, we talk about the SPACE.

JUDGE ZECHER: You said 49?

MR. BAUER: I'm sorry, paper 49. I'm sorry. Page 27.

JUDGE ZECHER: Okay, thank you.

MR. BAUER: So the other slide was really just to set up to say look what Akl is citing to in his paper. And then that's all Akl says. Akl, in his paper, for the first time tries to read the claim. And all that exhibit was his claim. So there's no new evidence, no new argument. I'm just putting up his claim there. That's what I wanted to address. If we go back, all this slide is, is his claim chart.

JUDGE ZECHER: I understand that. But I'm curious where you can point me in your reply that you argued that his

mapping of the challenged claims on to Exhibit 2044 doesn't account for all the elements? It's not Positive ID. Where is this argument in your reply?

MR. BAUER: So then the next slide, 28, where we cite directly to where this came from, our reply, paper 49 at page 27 cited to Exhibit 2044.

JUDGE ZECHER: Right. But let me read you the opening sentence for that paragraph there which starts on page 26. It says, Indeed, the lack of testing here is unsurprising given that the requirements document shows that the system is far from complete.

You seem to be arguing there, which is what I understood you to argue, that it doesn't operate for its intend purpose, that they haven't met the second part of reduction to practice. Now we seem to be going back to the first factor of that test that you haven't showed us a construction of -- I'm confused now. What are you arguing?

MR. BAUER: I'm not saying it doesn't meet the elements, that it didn't work.

JUDGE ZECHER: You are now saying it doesn't work for its intend purpose?

MR. BAUER: It did not work. I'm sorry if there was some confusion. He is pointing to this element as in his statement he's saying this element -- it was the preamble -- is met by the SPACE element. If we go back one more, what he was saying his

mapping claim element 1A, the preamble, he says here is the mapping on the paper, the SPACE element. That's all this was.

And then we say, but the SPACE element didn't work. And that's the next slide. What they said in their paper is the SPACE element, how tables ascend from the customer will make it to SPACE, this procedure will involve a CNOC and manual workaround until 9/7/96. It's not working yet. And there's no evidence.

What's interesting is this paper keeps talking about things happening 9/7/96, a couple weeks later. No evidence that it ever was implemented as a system. None. And in fact, when Ms. Watson-Williams was asked, she says, I have no evidence on whether it ever worked. So we are just pointing to the paper.

So if I could go to the next slide, because it's the same thing with slide 29. I'm just putting in front our chart and he's pointing -- his chart. Akl's declaration 2043, he's pointing to SMS to meet elements 1C and 1F. And he says, When I read this exhibit, I see 1C and 1F in SMS.

And we go to the next page, and what do we know about SMS? SMS is not even available to pass new Positive ID accounts to the application server.

JUDGE ZECHER: Can you go back to that slide, please. Doesn't he reference the Positive ID stop order there when he's tracking it in supporting Exhibit 2044?

MR. BAUER: Right. So he's saying once the customer selects a Positive ID, the application will launch a query to SMS to pull down the tables. Remember, what is the element? Retrieving the subscriber profile information. So how do you retrieve the information? The application will launch a query to pull down the tables. That's what he points to, will launch a query to SMS to pull down the tables.

Next slide, what do we know? SMS will not even be available to pass those Positive ID accounts until 9/7/96. So it can't be an actual reduction to practice. That document, when you read it, it's a wish list. It's talking about what will. How many times the word "will" appears in there, this will happen, this will happen. I understand I'm going to burn a few of my moments because this is important, this issue. You read the paper, everything is about what will happen weeks later. And he's pointing to the "will."

And here is what's important about what Akl says. And this is really -- what Akl says about this is critical because this is their evidence that they need. And what he says is that it's his understanding that the -- all his reduction to practice paragraph is nothing more than his statement of his understanding of his reduce to practice.

Here we go, paragraph 95. So what is their evidence, their burden, their evidence here? And so this is Exhibit 2043. The only evidence that they can use to do reduction to practice,

paragraph 95. In 94 he is stating his understanding of the law, all right. And then 95, I understand that the inventors actually reduced to invention in the patent to practice prior to the filing date. He's just repeating what his lawyers told him. That's what understand means in all these. We all know that. He is just saying this is what I have been told. This isn't his conclusion that it's been reduced to practice. There's no evidence.

So then he says, I have looked at the document. I have reviewed the aforementioned document and agree that it supports a reduction to practice. And now he's reading the claim elements because Ms. Watson-Williams didn't do it. And he starts reading it on this. He never says and it was working. And in fact, the document says it wasn't working.

JUDGE ZECHER: Aren't there certain other aspects of the document that indicate it may have been working?

MR. BAUER: Positive ID.

JUDGE ZECHER: I'm looking at page 22 of Exhibit 2044, which is, I'm sure you are well aware, patent owner cites to that in the counterargument. Can you talk about that briefly?

MR. BAUER: One second. 2044, page 22? And you are looking at what --

JUDGE ZECHER: The testing, usability test for Positive ID.

MR. BAUER: Right. Positive ID. Read the very next paragraph, Your Honor, the very next paragraph, the application manager software was not tested by TRI and consequently has not been blessed by human factors as being usable and friendly. The application manager -- and Your Honor, if I can, page 31 -- this is critical.

JUDGE ZECHER: Let me chime in real quick. I'll let you make your point, but I didn't understand Dr. Akl or patent owner to take the position the application manager software was embodied in the challenged claims. I was understanding him to take the position that the Positive ID software --

MR. BAUER: So they say, this is slide 31, they say the application manager is irrelevant. That's what they say. Your Honor, somebody wasn't reading the evidence when they said that. Can you go to slide 33. This is what Akl read element 1B on. The customer will click on the application manager. Element 1B is the application manager. So when they tell you now their statement that is irrelevant came after he submitted this. So he submits this declaration, his claim chart, he shows us 1B, the application manager. We call out the quote that says application manager software not tested. And then they come back with that statement, you know what, it doesn't matter that it was tested because it's not relevant. It's element B.

So what we have, Your Honor, is of all the elements in the claim, we have the preamble was the SPACE not ready.

Element C and F are the SMS not ready. Element B is the application manager not ready. Positive ID, Your Honor, claim 6. I don't know if you looked at claim 6. Positive ID is the extra element in dependent claim 6. That's the only thing that seems to have been working, the extra element in claim 6. Their burden to show the whole system.

And Your Honor, they are the ones that asked you to construe the preamble as patentable weight. When they construed the preamble as patentable weight, which is the profile management system, they need to show there was a profile management system actually reduced to practice. And we've just shown just on -- they had one piece of paper.

Ms. Watson-Williams doesn't say anything about any element about other than Positive ID. That's claim 6. The rest of the profile management system, we don't have the preamble, B, C or F working. And now they come up and they tell you it's all about the Positive ID. And because that was working, they say, and I don't challenge that, but the rest of the system wasn't working. And that's just on the record here, and it's their burden to do something better than just point to one dependent element and then try to convince you because that one extra element was working, everything -- ignore. It's not everything else was working. They say ignore everything else. Maybe the Positive ID was meant to be the invention. But it ended up in dependent claim 6. They asked you to find the whole system.

JUDGE ZECHER: Before I let you go, isn't there an article that you submitted in your evidence that seemed to suggest that Positive ID was the claimed system? It is Exhibit 1011.

MR. BAUER: That's the press release. All the press release says is Positive ID. I think it said Positive ID. So I don't know what Positive ID is because they don't pull it out.

Your Honor, there's one here -- I got to show you one more slide. Slide 32. This is why it's important. The claim requires a user interface. All right. That is an element of the claim. The paper, Exhibit 2044, describes the user interface. The user interface described in this document includes the app manager, which we know wasn't even tested; Positive ID software, which, yeah, they say was working -- I'm not challenging that; the application server; SMS, which we know wasn't working. All of that is part of the user interface. All of that.

And they want to say the specific application software called Positive ID was working, and that's what Ms. Watson-Williams points to, the specific application software. The claim is to a profile management system including all sorts of things, including SMS, which is broken; the preamble, which is broken; the application manager, which is broken. And they have to -- all of those, that's what the patent tells you.

So, yes, Positive ID could have been tested, could have been working. That's what Ms. Watson-Williams tells us. I don't

know, but it doesn't matter, because Akl, who does the claim comparison, points to everything else. And if he did the claim comparison to Positive ID, we would be done. But he mentions Positive ID once maybe. I don't have the exact count. But what I do know because I just put it in front of you, he doesn't mention Positive ID with respect to all these other elements. So if they read the claim on Positive ID and read the claim on it, it would be a different case. When Positive ID is one of five elements of the user interface and three of them at least don't work and the preamble doesn't work and all these other things don't work, there's no reduction to practice of the profile management system, which is patentable weight. They can't run away from it. They asked for that. Thank you.

JUDGE ZECHER: You have got seven minutes left on rebuttal.

MR. BAJAJ: Your Honors, may we approach with paper copies? They are in the same order. So if you have notes, you may not want them. Thank you and good morning, Your Honors. I would like to reserve five minutest for rebuttal.

I want to start out just addressing some of the new arguments that Mr. Bauer has made. He stated that Positive ID is not the invention. That's a new issue. It's a new argument that has never come up before. He also made an assertion that Positive ID is only relevant to claim 6. That also is a new argument. He also made the statement that Ms. Watson-Williams

had no evidence that it ever worked. I have not seen that argument and if they are quoting Ms. Watson-Williams, she has never said that. And there are a number of other new arguments within his oral hearing presentation, but I'm sure you are aware of that.

I want to just touch first on slide 3 and the Buhrmann reference. Your Honors noted that Cox doesn't respond to AT&T's contentions about Buhrmann. Mr. Bauer made the assertion that there's no requirement that the profile data be stored on another server. But I believe that that's clear from the language of the claims which recites retrieving the subscriber profile data from the communications network. And there's also in the preamble, which is limiting, the subscriber profile data being stored on the communications network. So to the extent that Mr. Bauer is advocating for a different interpretation of the claim, that's not the petition and certainly not in the reply.

I think the record is very clear and AT&T's evidence in the patent owner response establishes that Buhrmann does not retrieve anything from a communications network. Its expert couldn't find anything. Dr. Akl confirmed that nothing in Buhrmann retrieves subscriber profile data from the communications network. So I think that's a settled issue.

Turning to slide 4, Your Honors, you addressed the actual reduction to practice issue. I don't know if you still wanted

me to address *Dynamic Drinkware* and how Cox's interpretation of the case is incorrect.

JUDGE MURPHY: I would like to know your response to their statement of the law. What was their burden upfront? The burden of not only persuasion, the burden of production that initially rested with the petitioner to swear behind and establish the date beyond the provisional.

MR. BAJAJ: Absolutely. Slide 4 gives a quick timeline of the way points where Cox has failed its burden of persuasion. With regard to burden of production, if you could turn to slide 5. So on its face, An is not prior art. It was filed after the priority date of the '714 patent. So to satisfy its burden of production in the petition, Cox needed to show that at least one claim of An was supported by the An provisional.

JUDGE ZECHER: And you are saying that the case law prior to *Dynamic Drinkware* was clear on that?

MR. BAJAJ: Yes. *In Re Wertheim,* Judge Rich made that very clear that a claim, the invention must be supported by the earlier application. And that was exactly what the Federal Circuit said in *Dynamic Drinkware*. And Your Honors, Mr. Bauer noted that *Dynamic Drinkware* came out after the petition. *Dynamic Drinkware* was, I believe, September 2, 2015. So three months before institution, they had ample opportunity to request additional briefing and submit evidence that An was entitled. Or even after institution, within one month they could

have filed supplemental information. They did neither of those. Instead they lied in wait, said that their modicum of evidence was enough and waited for AT&T to respond.

JUDGE ZECHER: The only thing you are disputing that's not in the petition itself is a mapping of the one claim in the nonprovisional An reference to the written description of the provision?

MR. BAJAJ: Yes, correct.

JUDGE ZECHER: Because they do have citations to the provisional corresponding with the nonprovisional for each element of the claim.

MR. BAJAJ: For the carryforward of disclosure, for that portion of the requirement, that is arguably met by the petition. You'll have to decide in your final written decision whether that was enough. But the missing element, the support for at least one claim in the provisional, it's entirely missing from the petition. That again is Cox's burden on the petition to satisfy its burden of production. Without satisfying that burden of production, the burden doesn't shift to AT&T. So in reality, AT&T could have not responded. But because AT&T wanted to flag the issue to Your Honors and show how Cox failed to meet its burden, we raised it in our patent owner response.

JUDGE ZECHER: I know the Federal Circuit relied on *Wertheim* in its decision in *Dynamic Drinkware*, but weren't there other decisions from the Federal Circuit that didn't quite suggest

that a claim with a nonprovisional needed to be mapped onto the written description of the provisional?

MR. BAJAJ: I think you may be referring to *Giacomini*, but in that case it was because the patentee had waived that issue. The requirement still existed, but the Federal Circuit didn't mention it much other than to say that at least one claim -- the claims must be supported by the written description. But it didn't go into an in-depth discussion of that requirement because, again, the patentee had waived that issue. AT&T does not waive that issue, and that issue is before you today.

JUDGE ZECHER: Okay. I understand your argument to be that because they didn't map to this nonprovisional claim, that it was fatal to their petition. But because they had the mapping to the provisional and they had this modicum of statement from their expert that Dr. Bauer -- Mr. Bauer was talking about, why wouldn't that be enough to at least put you on notice if that's what they are relying on such that when you raise the argument they can then produce evidence to suggest that the claim in the nonprovisional could be mapped to the written description of the provisional application?

MR. BAJAJ: Because, Your Honors, the claim of the nonprovisional, there's nothing in the petition to suggest what the support for that claim might be. So AT&T had no notice of that theory, which is required under the APA. So when AT&T responded, it was responding to a case that we had to build up

and destroy ourselves. Instead, if Cox would have satisfied its burden of production at the outset, we would have had something to respond to. It's a patent owner response. It's not a patent owner imagination of what the petition should have had.

JUDGE ZECHER: So I sense that you are arguing somewhat of a due process argument here.

MR. BAJAJ: Yes, Your Honor.

JUDGE ZECHER: Okay. You brought it up in your patent owner response. They responded in their reply how it was mapped, and you got a surreply here.

MR. BAJAJ: We only had a surreply on the one issue of actual reduction to practice. Your Honors, we requested a surreply on all issues. We requested a motion to strike or deny consideration of the reply. Both of those were denied. As a result, we were forced to request a surreply on the one issue that the Board agrees we bear the burden for. So our surreply was limited to that issue of actual reduction to practice. We had no ability in the surreply to address the *Dynamic Drinkware* failures of Cox.

JUDGE ZECHER: Just so I'm clear, you did not -- I don't remember it happening that way, but I'll have to look back at the e-mails. So you are saying that when we granted you the surreply here, your understanding was we didn't want to give you any opportunity whatsoever to brief this *Dynamic Drinkware* issue or you chose not to do it in your surreply?

MR. BAJAJ: No, Your Honors. The order authorizing the surreply said that it is on the issue of conception and reduction to practice in the '147 and here actual reduction to practice. We were not authorized by the surreply to discuss any issue. And I believe that the timeline was we initially requested a surreply in all four cases on or around July 1st. That was denied and then we were given the opportunity to identify arguments that were outside the scope of a reply. And in that we identified Cox's arguments about *Dynamic Drinkware* as outside the scope of a reply. But that was our only ability to address it.

So continuing on --

JUDGE ZECHER: What was the time frame again?

MR. BAJAJ: July 1st or thereabouts was the date that we initially requested the surreply in all four cases. That was denied sometime in the next week. I believe it was Wednesday after the 4th of July holiday. So Wednesday, July 6th or 7th. And as a result, we were granted there the ability to identify portions of the reply that were outside the scope. And we then renewed our request for a surreply on the issues that the Board has acknowledged in the past the patent owner bears the burden on, namely reduction to practice.

JUDGE ZECHER: But you did suggest when renewing your request for a surreply that it be limited to the antedation issue, correct?

MR. BAJAJ: Well, we assumed that Your Honor's answer to a general surreply was no. And so we requested what we thought you might say yes to, I guess, is the easiest way to put that. Your Honors indicated that we should in a two-page submission identify the portions of the reply that were outside the scope, and we did that.

So again, the petition contained nothing to show that the An claims were supported by the An provisional. And there's no presumption to entitlement to a priority date. Cox would have you believe that they satisfied their burden of production. I believe that to be a little revisionist. But AT&T would have you -- Cox points to pages 17 and 40 to 52 as evidence that they satisfied their burden of production. You'll see there that there is no citation or quotation of the An claims. It's just a missing portion of the petition.

JUDGE MURPHY: But you responded to the protocol conversion element of the An nonprovisional claims, right?

MR. BAJAJ: Correct.

JUDGE MURPHY: So you made that argument. You could have challenged something. You didn't argue anything else on the merits, let's put it that way, of whether an An claim was supported or not supported by the An provisional application.

MR. BAJAJ: Correct, because that's not our burden. Our burden --

JUDGE MURPHY: Understood. But that's an argument in your response.

MR. BAJAJ: Right. And they could respond to that. But it's telling that they didn't respond to just that portion of our argument. If they thought their burden of production was initially satisfied, they could have just responded to the protocol conversion aspect.

JUDGE MURPHY: You are basically saying as a matter of law, because they didn't map their claim chart of the An provisional to a claim from the An nonprovisional, that's a technical procedural failing that they aren't allowed to remedy in their reply?

MR. BAJAJ: And Your Honors, the Board in other panels has done exactly that. There are a few cases cited in the patent owner response. I'll note *Apple v. OpenTV*, the Board in the institution decision said that the petitioner had to identify in the petition how at least one claim of the reference was supported by the reference's provisional. The petitioner in that case did not do that, and so the Board didn't institute on that ground.

JUDGE ZECHER: What was the timing of the *Apple/OpenTV* case? Was that pre- or post- *Dynamic Drinkware*?

MR. BAJAJ: I am not sure off the top of my head, Your Honors. But my assumption is that -- the IPR number is IPR2015-00969, and that would be before these. So I believe that the institution decision --

JUDGE MURPHY: But in terms of Federal Circuit law, you are relying on *In Re Wertheim*?

MR. BAJAJ: And *Dynamic Drinkware*, yes.

JUDGE MURPHY: Let's set *Drinkware* aside for a moment. Pre *Drinkware* it's *Wertheim*, and that's what's in your papers and that's the authority on which you rely for the legal argument?

MR. BAJAJ: I'm not sure why you are excluding *Dynamic Drinkware*, but, yes, *Wertheim* and *Dynamic Drinkware*.

So in the *Apple* v. *OpenTV*, the Board denied institution because the petitioner didn't show it in the petition. And that's what should have happened here. Because Cox did not show it in the petition, An is not a viable ground. The burden of production never shifted to the patent owner.

So on that point, turning to slide 8, again, Cox presented no evidence or argument in the petition to show that the An claims were supported by the An provisional. Instead it stayed silent, missed its supplemental information opportunity and presented 19 pages at a time when AT&T had no right to respond. So the only time that AT&T can respond is right now.

JUDGE ZECHER: I'm still confused about this whole request for -- request to file a surreply because I'm going back through the e-mails that you sent us, which aren't of record, and now you are saying that we somehow denied you due process on

this issue. You had a brief, very short e-mail that requests a surreply and a motion to strike the reply, and we denied that in that order. You came back to us and limited what we thought was a clarification of what you are were seeking in the surreply, and we subsequently granted it. At no point when you clarified or limited what the surreply was going to be did you suggest that you wanted a surreply with respect to this particular issue. You limited it specifically to the antedation issue which we then granted promptly, actually.

So I'm a little confused because I want this record to be clear here. I don't think we were on notice that with your surreply you specifically wanted to brief this issue.

MR. BAJAJ: Your Honors, I have been advised by the Board and by other panels and by many other panels that our e-mail request to the Board requesting a conference call should not be argumentive and should not be very long.

JUDGE ZECHER: I don't think -- in the e-mail you could have simply outlined what you wanted and that wouldn't have been argumentative. I'm looking at it right now. You just said authorization to file surreply in each of the above proceedings. At no point do you identify what that surreply is going to entail until you get the follow-up e-mail which suggests that you are going to limit it to the antedation issue.

MR. BAJAJ: Your Honors, we requested that we have a conference call to discuss that. But on the conference call we could have clarified what the issues were in this case.

JUDGE ZECHER: So because now you are implying we denied your right to a conference call, that somehow denied your due process?

MR. BAJAJ: I'm not saying that the conference call denial is a denial of due process. All I'm mentioning is that we kept our e-mail high level, as the Board has requested in the past, and so because of that, we assumed that a surreply was just a blanket denial.

JUDGE ZECHER: Let me be clear. You never in your e-mail explicitly mentioned in your surreply that you wanted to address this particular issue, yes or no?

MR. BAJAJ: I don't agree because this issue is part of the improper scope of reply. It's our position that Cox's *Dynamic Drinkware* argument at the reply stage is too late. It's improper and should have been submitted earlier. And its expert admits that it could have been submitted earlier. And that is what we requested the surreply to address, and that was what -- a surreply was denied.

We identified in our two-page submission that the *Dynamic Drinkware* argument was inappropriate. If the Board felt that that merited a surreply, we would have appreciated that

indication. But we submitted the paper. Cox submitted its opposition, and that's all that's happened so far.

So moving on to slide 9, again, as I mentioned, Cox's evidence is belatedly presented. Its expert admits that all of its evidence could have been submitted at a time when AT&T could have responded. He admits that there was no reason that the Table 1 which lays out the provisional support for the An claims, the alleged provisional support for the An claims, there is no reason that he couldn't have done that earlier or there is no reason that he couldn't have done an enablement analysis earlier. In fact, the pages of the petition -- I'm sorry, the pages of the provisional that he cites to support element 1E of claim 1 of An, the disputed element, those are nowhere to be found in his original declaration.

So Cox provided AT&T no notice of those theories. Again, we couldn't argue against anything because we had nothing to be presented with. But even still, we address that today at our first opportunity to do so.

Turning to slide 10, Dr. Mir and Cox can't find support for protocol conversion in the An provisional. As Dr. Akl said, the An provisional does not provide written description support for wherein the server performs a protocol conversion dependent on the type of service manager node. Dr. Mir agreed that he couldn't find conversion or protocol conversion in the An

provisional. So because he can't find conversion or protocol conversion, he turns to changing or modifying the protocol.

But changing or modifying the protocol is also not supported by the An provisional. So the literal text of the claim is not supported. His interpretation of the claim is not supported. Your Honors, there can be no support for that element of the An claims in the An provisional.

Turning to slide 11, I'll address the actual reduction to practice case --

JUDGE MURPHY: Hang on a second. I want to stick with the protocol conversion issue for a moment because I want you to respond to what their response is. They are saying, well, Dr. Mir is referring to the formatting of the service manager-specific protocol and then sends them to the service manager in the system, in the An system. That's what I understand he is referring to. Why is that, in your view, not sufficient to satisfy the An protocol conversion limitation?

MR. BAJAJ: So Your Honor, let's start with the baseline of the claim language. The claim language says protocol conversion, and he says that protocol conversion is not in there. So he turns to changing or modifying. Changing or modifying are not in there. So he turns to formatting. So it's three steps removed from the claims is the first time he can find support, find alleged support for protocol conversion. And merely formatting --

JUDGE MURPHY: Give me the substance of why formatting is not sufficient to satisfy protocol conversion in the An system.

MR. BAJAJ: So it formats them in a service manager protocol, correct? It's not a format dependent on a type of service manager note. It appears to be -- and Dr. Akl addressed this language. It appears to be in a general service manager protocol. It's not necessarily even a service manager node-dependent type. And so if you look at the actual claim language and look at the An provisional and what Dr. Mir points to, it doesn't match up. And he just makes a conclusory statement that, yes, this, I think, means what the claims say because I can't find protocol conversion and because I can't find changing and because I can't find modifying. The standard is written description. That does not meet the standard.

JUDGE MURPHY: Thank you. And that's supported by Dr. Akl's declaration?

MR. BAJAJ: Yes, Dr. Akl takes that language on head on.

So turning to the actual reduction to practice, all of Cox's arguments today arguing about Dr. Akl's claim chart are entirely new. Dr. Akl's technical analysis was unrebutted in the reply. He establishes actual reduction to practice with each and every claim limitation in Exhibit 2044.

Now, Cox correctly notes that Dr. Akl doesn't testify that the system worked. But that's because Dr. Akl doesn't have personal knowledge of the system. Ms. Watson-Williams does. She was involved in the development of the system and she testified that the Positive ID system, that the requirements document represented -- was the requirements document for the PC user interface of the Positive ID system. She was there. She was working at SBC at the time, which became AT&T, and had actual experience with the Positive ID system.

JUDGE ZECHER: Is it Ms. Watson-Williams, is that her name?

MR. BAJAJ: That's her full name, yes.

JUDGE ZECHER: She is not a named inventor, though, correct?

MR. BAJAJ: No, she is not.

JUDGE ZECHER: So how does she come into all this? Did she discuss with the named inventors what happened?

MR. BAJAJ: She is an author of the document. Her name is not on it but she testified that she is an author and there's nothing to suggest otherwise. She was at SBC at the time. And not every name of the requirements document is listed on the front.

JUDGE ZECHER: I'm not concerned so much whether or not she was the author or not. I don't think that matters here.

But she is getting her information from the inventors to write this document, right?

MR. BAJAJ: In part. The inventors would be part of it. Other engineers that may not be inventors would have been part of it as well. You also note, Judge Zecher, you pointed to Exhibit 1011. Ms. Watson-Williams is quoted in that press release. She is very familiar with the product.

JUDGE ZECHER: I guess point being is this is an unusual case of actual reduction to practice. Usually what we see is a named inventor's testimony in the declaration and some evidence that corroborates that. Here we don't have any of the named inventors. We have what you are telling us is evidence that corroborates the actual reduction to practice and you use Ms. Watson to kind of fill the gaps here.

I think the bigger issue I have with it is, you know, with Dr. Akl mapping on to the claims by -- the challenged claims, are you specifically focusing on the Positive ID software as the claimed invention or are there other aspects like this application software manager, the SMS, as Mr. Bauer pointed out? What is the claimed invention? Is it the Positive ID software?

MR. BAJAJ: The claimed invention is defined by the claims. And the Positive ID software, as Ms. Watson-Williams said, Exhibit 2044 is a requirements document for the PC user interface of the Positive ID service. So the entire document describes the Positive ID service.

JUDGE MURPHY: But the dislocation is your expert mapped multiple elements of the claim against other parts of the system.

MR. BAJAJ: That are all described in the Positive ID service.

JUDGE MURPHY: Hang on a second. I want you to take your time and I want you to go through each limitation that counsel put up on the board and said, hey, the preamble is satisfied by the SPACE part of the system, but that's not working. Elements 1C and 1F are satisfied by the SMS part of the system, but that's not yet functional. So tell me why that's wrong step by step.

MR. BAJAJ: I'll start at the end. You made the statement that SPACE and SMS were not working. That's a misrepresentation by counsel. They don't have any factual evidence to back that up.

JUDGE MURPHY: Well, but it's your burden. So tell me why it was functional.

MR. BAJAJ: So both statements say that, for example, and I'm not quoting this directly, SPACE was unable to pass new Positive ID accounts until September 7th. But it says nothing about existing accounts. Existing accounts worked. Similarly with SMS, if new accounts couldn't be created, that doesn't prevent existing accounts from being able to have their service

profile data managed in accordance with the intended purpose of the language.

JUDGE MURPHY: Is that stated in the documents that the existing accounts are functional for that purpose?

MR. BAJAJ: No, it's not necessary to state that in such a document.

JUDGE MURPHY: Then where is it in the evidence?

MR. BAJAJ: As Judge Zecher pointed out, the system worked. The system was tested and was user friendly and the software worked. Ms. Watson-Williams testified that it operated as laid out in the document and operated for customers at least as early as July 17, 1996.

JUDGE MURPHY: With all of the aspects of the claim that were mapped by your expert?

MR. BAJAJ: Yes.

JUDGE MURPHY: You have to show me where that is in the evidence.

MR. BAJAJ: Your Honors, Ms. Watson-Williams testified that the document evidences and the document represents how the Positive ID service operated as of July 17, 1996. And so because it operated according to that document and because it was commercially viable, which is not even required for actual reduction to practice, but it was commercially viable, Dr. Akl could rely on it and establish that the document supports actual reduction to practice. If the system hadn't been

commercially ready, perhaps that would be a problem. But here where it was commercially ready and worked and Ms. Watson-Williams testified to that effect, the actual reduction to practice is established.

I'll wait for my rebuttal time. Thank you.

JUDGE ZECHER: Thank you. Mr. Bauer, you have seven minutes.

MR. BAUER: That should be adequate time. Thank you, Your Honor. So just a couple, just really rebuttal directly to what they said, when we talk about the protocol conversion and Mr. Bajaj said a whole bunch of times that our witness said it doesn't use the word conversion but then used words like modifying or changing and said that those were the words he used to substitute for conversion, this is Dr. Akl's definition.

And this is Exhibit 1026, his deposition page 68. And here is what he says the words mean. Can you tell me -- the question, can you tell me what definition -- I'm sorry. Definition of protocol conversion that you used in your analysis. He says, If I give you a definition, I'll do claim construction. We are only asking for plain and ordinary meaning.

JUDGE MURPHY: Mr. Bauer, because you are reading from testimony, you have to be very clear if you are quoting from the testimony or you are interjecting a comment. Do one or the other. Don't do them at the same time.

MR. BAUER: Thank you, Your Honor. Exhibit 1026, deposition page 68, line 16, quote, So an example that I gave you previously was you are modifying the protocol, you are changing it, you are doing conversion on the protocol.

That was Dr. Akl's definition of converting the protocol, modifying and changing. So every time he gets up and says our guy was switching the definition, that's what the experts say conversion means. Both experts. So it's not like we changed the definition somehow. And that's my only, I think, real issue.

Your Honors very much focused on the slide and the page. Here is what -- this is from our slide page 22. This is what it tells you. It encapsulates the specific protocols. We know what encapsulates means. But further down, receives from transactions from the dispatcher, formats them in a service managed-specific protocol. When you are formatting something into a specific protocol, you are modifying or changing. That's what we are talking about. We are not just putting it in an envelope. We are formatting it. So that element mapped.

And when they talked about the due process issue, they took Dr. Mir's testimony twice, deposition. The first one, seven hours. Not one question about An. Not one question in seven hours.

JUDGE MURPHY: Talk about the legal burden. I mean, we had this discussion. They are saying we are simply not permitted to go past the petition if it doesn't have a claim map, the

claim from the An nonprovisional to the An provisional. You have a claim mapping of the An provisional to claims of the '714 patent that's at issue but not the An -- not a claim --

MR. BAUER: We did not do a claim mapping in the original petition.

JUDGE MURPHY: So what is your view of the law, are they right or are they wrong?

MR. BAUER: So they are wrong, Your Honor. The law now suggests a claim mapping. I don't even know that it requires a claim mapping, but I think that's what everybody is going to do now is a claim mapping. Back then the law said put them on notice. Burden of production. We gave you a modicum -- and here is how you know that would have been enough, because Mr. Bajaj said it. He said AT&T could have chosen not to even respond. If they had chosen not to respond, then we had sufficient evidence. If we put nothing in, then they could have said, You have nothing and we are done. But it was his statement, we, AT&T, could have chosen not to respond to what they had done. They could have waived the argument. And as I said, it's not a jurisdictional issue. If they waived the argument, we would be moving along. And that's what took place in not the *Drinkware* case, but the other case -- I'm drawing a blank on the name.

So we have the evidence. And then there's no due process issue because they did have the right to take his

deposition the first time and question his statement. Because he made the statement, they are on notice. They did get his deposition again on the claim chart, the detailed claim chart. And they had the opportunity to submit observations about what he testified. They can't say they couldn't file anything. The only thing they couldn't file was a surreply arguing that. But they could have certainly submitted any evidence they wanted and it would be in the record. And if it was in the record, they could get up here and argue it. So they had all the opportunity in the world to do that. There is no due process. They took his deposition on this very thing. So the only question is how much evidence was necessary at the beginning, and *Drinkware* now suggests more. And that's the change. But it's not a gotcha. That's the thing.

JUDGE MURPHY: Why isn't *Drinkware* interpreted that way, binding on this panel for this case?

MR. BAUER: There's been several -- I mean, it's binding going forward for new cases, I think, without any question. Does it become a jurisdictional or fundamental issue when a petition was filed beforehand? Even this panel has allowed supplemental briefing when there's a subsequent change in the law. For example, in this case -- not in this case, but in one of these four, there was a means-plus-function limitation. And when *Williamson* came out and said means-plus-function is broader than means-plus-function, you allowed us to deal with

that, because the law changed. So when the law is a little different --

JUDGE ZECHER: Doesn't that undercut your argument a bit, though? I mean, if we allowed that, why didn't you come to us after *Dynamic Drinkware* came out and ask for this?

MR. BAUER: Because I think this was a different issue. We had the evidence until they raised -- they put it at issue. You read *Drinkware*, it's right there. It says all you had to do is put it in issue. And when the issue -- not put it in issue. Tell them your position. It doesn't become an issue until they challenge it. And that's -- all right. That's what *Drinkware* says. It doesn't become an issue until they challenge it. They didn't have to challenge it. They chose to challenge it. They created an issue. When they created the issue, we did that. And that's exactly what we did. And that's why it's not a jurisdictional fundamental flaw when they could waive the argument and conceive they could. In other cases they have. Here they put an issue, one thing. When they put the issue in place, we responded. They took the deposition. They got the testimony and that's it.

Your Honor, if I may make one last thing I just want to point out, and that goes to the actual reduction to practice.

JUDGE ZECHER: You have one minute to close out.

MR. BAUER: Thank you, Your Honor. This is what Ms. Watson-Williams -- I don't know how to zoom in on this.

Here we go. What she said -- this is their brief, I'm sorry. I'm reading from patent owner's surreply. And I think this is the misdirection. They say Ms. Watson-Williams established that Positive ID, which embodies the challenged claims of the patent, operated for an intended purpose and was tested fully. And then they go on to application manager.

So it's their -- this is where I think somebody asked the question. They say Positive ID embodies the challenged claims. Watson-Williams doesn't say that. So that sentence is wrong to say she said that. She doesn't say that. She simply says Positive ID worked. It's only Akl who tries to do the claim mapping. He says I don't know. I understand it was reduced to practice. And he's the guy who points to all these things.

Your Honor, when you look at his chart, the only time -- I did check before because you had asked. The only time he talks about Positive ID in his claim chart is with reference to 1C, retrieving the information by the SMS. And the SMS is the one thing without any question the paper says isn't working. So again, when they say unrebutted, what they mean is our expert didn't opine because he doesn't know any of this. We do rebut it. We point to the very document they are relying on.

JUDGE ZECHER: Thank you.

MR. BAJAJ: Your Honors, I think Mr. Bauer only addressed one portion of the actual reduction to practice case. I would like to point the Board to, if you don't mind me using the

ELMO, Your Honors, Mr. Bauer pointed to Element 1B of the claim chart in Dr. Akl's declaration. I don't think this is working but I'll just read it to you. And they point to page 46 of Dr. Akl's declaration, AT&T Exhibit 2043.

They conveniently omit that 1B goes on to the next page and mentions Positive ID, that from the toolbar they click on the Positive ID and the application will launch. Based on their user ID, the customer will be provided with a choice of Positive ID numbers to work with. The user's choices will be for the active view of each Positive ID number that they have access to.

So when Cox tells you that 1B has nothing to do with Positive ID or that 1B is only with regard to application manager, that's a misstatement and clearly misrepresents the record. And that's all I have on actual reduction to practice.

JUDGE ZECHER: Thank you very much. So that wraps up the first two cases, IPR2015-01187 and IPR2015-01227. We are going to break for lunch until 1:00. We'll reconvene then and address the last two cases between the parties. So plan on being back in the hearing room here at 1:00.

(Whereupon, the proceedings at 11:15 a.m., a lunch recess was taken.)

AFTERNOON SESSION

(1:01 p.m.)

JUDGE McSHANE: We are back on the record and we have two segments remaining. We need your arguments on case IPR2015-01273, and case IPR2015-01536. And any instructions that were presented this morning apply to the hearing this afternoon. And so can we hear from petitioner on the 1273 case, please.

MR. BAUER: Your Honor, Mr. Bertulli will present this.

JUDGE McSHANE: Do you want to reserve some rebuttal time?

MR. BERTULLI: Let's do 15 and 15, please. Thank you. And thank you, Your Honors, for joining us again this afternoon on this. As far as the '200 patent is concerned, I think that the reason we are all here today is the nonnetwork packet. That is really the term at issue. It was a claim construction term. And let's turn to that first.

In instituting, the Board found that the meaning of the term "nonnetwork packet" was its customary meaning of a packet not on a network. And I think that both experts, when they looked at this, said, well, there needs to be a clarification because a packet exists on a network. And so in support of the patent owner's response, Dr. Akl provided a clarification suggesting that

a nonnetwork packet be construed as a packet that is not on the wide area network. Petitioner has taken a look at that and Dr. Mir, in support of petitioner, agrees with that construction and thinks that makes sense. So through the rest of the proceeding, I think both parties have used the construction and would ask the judges to adopt the construction that a nonnetwork packet is a packet not on the wide area network.

The reason that is important is that it draws the distinction. And I'm going to place claim 1 on the screen which is on slide 3 of our slide deck. The bulk of claim 1 -- and again, at issue here are only claims 1, 6 and 7 of the '200 patent. The bulk of claim one deals with a plurality of a network interface units. And a network interface unit is the junction between a user and the rest of the wide area network. So Elements A, B and C describe what happens on the user end of the network interface unit. There's a receipt of voice signals, there is a receipt of control signals, and a receipt of the nonnetwork packets.

Elements D and F in claim 1 go to the wide area network side where voice packets are received and converted into voice signals and control packets are received and converted into control signals and data packets are received and converted into nonnetwork packets to go back to the user side.

So the main reference that the petition pointed to in the first ground, which is Focsaneanu, that's Exhibit 1003 -- and I imagine we'll hear many pronunciations of that name today.

Dr. Mir identified the cooperating CPE connectors and access modules together in Focsaneanu as the claimed network interface unit. He confirmed this in his deposition in the figure that's up on the screen here which is reproduced from --

JUDGE MURPHY: Counsel, which slide do you have up?

MR. BERTULLI: This is reproduced from slide 17 of our deck.

JUDGE MURPHY: Thank you.

MR. BERTULLI: You are welcome. And it is Exhibit 1050 on the record. In blue Dr. Mir identified that the network interface unit begins on the user side with the CPE connector, includes the cooperating access module and then you are off to the wide area network side.

So when patent owner and Dr. Akl perform their analysis on this figure, there are two issues here. Issue number 1 is that instead of analyzing the figure in the way that it is marked here and the way that it was presented in our petition and by Dr. Mir throughout the proceeding, the analysis that Dr. Akl performs takes place at what is entering the access module from the user side and not what is entering the CPE connector on the user side. That's an issue because he is making an analysis in the middle of the network interface unit. Not at the point of entry on the user side.

The second issue is that Dr. Akl's analysis, the result is that he says from, for example, the data terminal up on the left, which is again on the user premises, he says from that data terminal into the access module go signals. Not packets. And therefore, the problem is allegedly Focsaneanu cannot have nonnetwork packets on the user side when they are signals.

So first I would look to Dr. Akl's declaration, which is Exhibit 1041. And here he performs an extensive analysis, again, at the point of entry of the access module. He has marked up some figures that are annotated, both Figures 7 and 8, of Focsaneanu. And I can reproduce one of those if the Board needs to see that. But after page after page he says signals, not packets, enter the access module. And then in one sentence on page 34 of his declaration, Exhibit 1041, he says, and I'm reading from paragraph 67, I understand that the PTAB suggested that the CPE connector and the access module of Focsaneanu could somehow be combined. But even if the two devices were somehow combined, there would be no description or teaching of the features of Element 1F, which is a nonnetwork packet. Period. He has not told us why at the CPE connector there would be no teaching of a nonnetwork packet. He spent his analysis on the access module. That's the first issue.

The second issue is, in any event, whether we are looking at what comes out of the data terminal and enters the CPE connector, and I'm going to put up on the screen, this is

Figure 8 of Focsaneanu, Exhibit 1003, which is on page 9 of that exhibit, the data terminal to the CPE connector is where the nonnetwork packets must inherently exist. Dr. Akl says these are signals. A packet is not a magic thing. It must travel on something. Packets are represented by digital signals. So when Dr. Akl says that there is a signal there, he is not wrong, but he is not complete. And Dr. Mir came back on his reply to clarify that, yes, it's a signal, but it's a packet. And it's necessarily a packet because any data terminal that's communicating with a modem to access a wide area network such as the Internet or other machines on a wide area network where data such as video and the like are being interchanged, this must be a packet. There must be a packet there.

So for examples, the modem that is shown in the blowout of CPE connector 230, which is the beginning or entry point of the network interface unit of Focsaneanu, that modem is connected to the data terminal and over that connection travel the nonnetwork packets.

JUDGE McSHANE: Counsel, do any of your arguments assume that the CPE connector and the access module are not acting as one unit?

MR. BERTULLI: Our position is that the CPE connector and access module are performing as one cooperative unit. The connection between them, which is marked in this figure, is local access. That's a wire. It's a pass-through. There is

no processing that happens there. So when signals enter the CPE connector, that's the entry point of the network interface unit.

And then when they travel to the access module and are handled in however manner the access module will handle the certain signals -- because, again, there are three. There are control signals, there are voice signals and then nonnetwork packets. Then those exit the access module or the exit point of the total cooperative network interface unit to go out to the wide area network.

JUDGE McSHANE: Thank you.

MR. BERTULLI: Okay. There are a few things that AT&T may flag for you that I also want to address while I have some time. On page 28 of Dr. Akl's original declaration, which is Exhibit 2041, I'm reading from paragraph 61 where he says, if the data terminal had an external modem, a person of ordinary skill in the art would understand such an external modem to be connected using a serial port or other similar interface. So Dr. Akl has identified a serial connection could connect and would likely connect the data terminal to the external modem 232 which exists in Focsaneanu's network interface unit.

AT&T may also tell you that there is a bus arrangement on the user end drawn here because it appears that there is one line. And the data terminal, the fax and the POTS, which is a plain old telephone service, those are all connected to that one line, and perhaps that implies that this is a bus which is a single

line. The problem there, of course, would be you cannot have the voice signal, the control signal and the nonnetwork packet on that same line. And that's fine. But again, this ignores the blown out portion on Figure 8 where there is a pass-through line on the bottom for the voice and control signals to enter the CPE connector. Whereas, up here, there is a second point of entry that connects to the modem inside the network interface unit. And that's where the packets would go. So the figure clearly discloses there's not a bus but rather two points of entry.

JUDGE McSHANE: Does the patent discuss that particular wiring configuration that you just pointed to?

MR. BERTULLI: I believe it does. I would have to flip to that.

JUDGE McSHANE: Don't worry about it.

MR. BERTULLI: Yeah, the patent covers that.

JUDGE McSHANE: Well, you don't have time. When you get back to me, if you would look that up.

MR. BERTULLI: Sure. That's the story of the nonnetwork packet in Focsaneanu. It must be there for this data terminal to communicate with the wide area network out here on the right by way of the cooperative CPE connector and access module which make up the network interface unit.

JUDGE MURPHY: Counsel, where does Dr. Mir explain that in his opening declaration?

MR. BERTULLI: Dr. Mir explains this in his opening declaration. Let me just turn to that. The first instance which is on page 23 of Exhibit 1014, that's Dr. Mir's first declaration, in paragraph 66 he begins to describe Focsaneanu, and he says Focsaneanu also discloses a plurality of network interface units. For example, CPE connectors 202, 204, 206 and the access module 208. Now, that's in reference to Figure 7. So the numbering is slightly different. That's this number.

JUDGE MURPHY: Where does he describe the packetization process, that that is what's inherently part of the functionality of Figure 7?

MR. BERTULLI: In his original declaration? My buzzer went. Just very quickly, up front in his original declaration, which again is Exhibit 1014, and of course I have lost the bubble on 1014 -- here we are. He first begins on page 14, paragraph 44, and he covers the existence of packets, packet switch networks, packets, headers and payloads. He covers frames and packet structures here. In paragraph 49, this is all background, this is just to be known by one in the art --

JUDGE MURPHY: That's the discussion of the patent at issue. Not Focsaneanu.

MR. BERTULLI: Well, this is discussion of the general art. Not the patented issue, just to clarify. And for example, he says in paragraph 49 that it is well established and supported functions are necessary to deliver data packets from a

source. Example, the client computer to a destination. Example, a server over a network. So that's the background that really says any client computer or data terminal that's communicating with an outside destination over a wide area network is going to communicate packets.

And then when he gets into Focsaneanu, again, for example, in paragraph 66 of Exhibit 1014, he says the system described by Focsaneanu provides a flexible and adaptable approach to interfacing customer premise equipment to multiple types of service and nonservice-specific communications networks in a multiple transport protocol environment. And that also sub cites to Focsaneanu itself which is again Exhibit 1003, both in its abstract and at column 4, lines 10 to 14.

JUDGE McSHANE: Thank you. You have about 12 minutes left. Thank you. And then for patent owner, please?

MR. O'BRIEN: Certainly. So again, we have slides for you. They are in the order that I will take them up or hopefully I will take them up. May we approach?

JUDGE McSHANE: Yes, thank you.

MR. O'BRIEN: So thank you, Your Honors. Let me address a few quick points and then I'll get into the substance of our presentation. So Cox faults AT&T's expert, Dr. Akl, for identifying the nature of the signal along this path that was shown for you on Figure 8. And we've got other slides that will show

that, but I'm sure you'll recall it -- we need to reserve five minutes, Your Honors. Thank you.

So faults AT&T and particularly Dr. Akl for tracing the signal up through the CPE connector and on to the access module. I just want to point out to you that Mr. Bertulli argued to you that the nature of that CPE connector was a pass-through. And that's not an unfair characterization. The wire, the local loop goes all the way from the access module through the CPE connector, all the way to the POTS device, the fax, the phone, the data terminal. So when he speaks to you at any one of those points along the way, I don't think he really should view that as a fault. He's speaking to you along the way. It is a continuation of that wire. So if at times when he may talk about what the signal looks like towards the access module, he is speaking to the whole packet. So that's point number 1.

Point number 2, I just want to say that I think there's a new issue that was raised right here, and I think you guys noticed it right away. The new issue here at oral is that packets are inherent. That was never briefed by the parties. A 103 is not the same thing as inherency. The argument was made from the microphone that packets are inherent. The argument was that they just must have been in there. Well, Your Honor, what must have been in something is that argument must have been in the petition, and it wasn't.

So with that, I would like to turn to the slides. You know the issues here. Mr. Bertulli teed it up, I think, quite well on the nonnetwork packet. I don't think the parties dispute what that term should mean.

JUDGE MURPHY: Just to be clear, is there any dispute over what's being presented as an agreed construction?

MR. O'BRIEN: We do not dispute. If you would like me to read it back to you, our understanding of the construction of the term is a packet -- excuse me, is a packet not on a wide area network. That's what our briefing says and I think that's what we are all agreed to.

So I would like you to turn to slide 2 now. What I want to show you there is the entirety of Cox's case. I think this will help frame the issues. As Mr. Bertulli said -- slide 3. Excuse me. So you are on slide 3, insufficient Focs. I'm going to call it Focs, by the way, Focs evidence for Elements 1F and 1I. So this is the entirety of Cox's case. The dispute centers on the nonnetwork packet limitations in claims 1 and 6. There's a pair of them in each claim. And it's this information superhighway passage that's presented on the left that Cox uses to juxtapose to the claim language. And their argument is that it's in there.

You'll note that this information superhighway passage doesn't describe the receipt of any packet. It doesn't -- whether nonnetwork or otherwise, it doesn't describe the mapping of packets. Those are two of the verbs that are used in the 1F and

the 6F limitations. There's no expert testimony in the case that supports a read on the claim language and there's no additional reasoning or argument in the petition. This is it, what you have got here on the right-hand side of this reproduction from the claim chart.

So that's what they have. Now I would like you to turn to slide 5, which is next in your deck. And we are going to go to Focs itself. So there Dr. Akl confirmed that there are no packet communications between the data terminal and the CPE connector. So accordingly in Focs, there can be no nonnetwork packet that is received and mapped as the claim requires in those limitations or that it is converted from. So it's really convert the data packet to the nonnetwork packet in Elements 1I and 6I. So rather, Focs involves the transmission of signals from the customer premise device. Those signals are not packets. There's no viable interpretation of Focs that supports the view that those signals are packets from the data terminal through the CPE connector up to the access module.

Now, Mr. Bertulli made a point. I think his catch phrase was that Dr. Akl wasn't wrong. He was just incomplete. There's a bit of that going on in this case, certainly. The rhetoric that Cox has used is to say that packets and signals are not mutually exclusive. That's not entirely wrong. It's just incomplete. What you hear Cox arguing is that in a reference which unambiguously deals with signals, they view packets,

packet communications as being inherent. So what they would have you believe is that signals necessarily implies packets.

What we've said to you is the claim requires packets. You have no evidence of packets. All that's here is signals. And this is a relatively simple -- despite the rhetoric and the catch phrases, relatively simple thing to understand. Lots of -- it's certainly true that packets can be encoded and represented in signals. They can be in stored form. They can be in transit form as signals. But not every signal, in fact, not most signals are packets.

What Cox would have you believe is that signals and signals in the reference that you have to explore, the Focs and Gollub combination as well as the Bernstein combination later, that those signals are packets. They aren't. They have no evidence of that. They haven't gone forward with any evidence, and that's where their case fails.

So let me turn you now to slide 6. This will be a familiar figure. It's the Figure 8 that you saw from Mr. Bertulli. It's also the Figure 7. Well, there's a couple points here. This is the annotation of these slides by Dr. Akl, our expert. What Dr. Akl does for you is he identifies the portion of the architecture which is the signals domain, the portion in which the representation of information that is being transferred is merely a signal. You'll see that goes from the data terminal through the CPE connector up towards the access module. He identifies the

portion that's the packet domain and he identifies the portion that does the transformation, the packetization. We'll get to this later, but internal in the blowup in Figure 8, there's a PAD, a packet assembler/disassembler device. That's where the action is where the transformation from the signals domain to the packet domain. So signals on one side, packets on the other.

So the Board and perhaps AT&T really could be done right here in this case. So Focs' transmission on the customer premise side of the CPE connector, they are not packets. They can't be nonnetwork packets and they can't be received and mapped as the claim requires. Likewise, they can't be converted from data packets into nonnetwork packets. For this reason, Focs and Gollub fails.

So Cox perceives this. They see this case as going bad on that front. It's a pretty probative point for you, as they have sort of thrown a Hail Mary here with their reply arguments and a dump of inadmissible evidence on you. So when we got that evidence -- and you know the issues. You've seen the briefing on the reply events. When we got that evidence, we had an opportunity to depose Dr. Mir, and we asked him a question. We asked him, is there an explicit discussion of a packet being transmitted between the data terminal and the modem in Figure 8? You have that still in front of you so you can anchor yourself to where we are. I would like you now to turn to slide 7. The answer to that question is, of course, no. No, there isn't.

Dr. Akl has confirmed that in Exhibit 2014, paragraph 64 and 66. AT&T has briefed that extensively in our response at 16 to 20. It was apparent in that room. It should be apparent in this room that that's the case. However, I think that the interchange from Dr. Mir is interesting. You'll see it finishes up here. And getting to the punch line, he first attempts to deflect with some new reply testimony. But then he ends with the tacit admission that if there is nothing in his declaration, then probably there's nothing in Focs.

Well, there's two things you should take away from that. One, there is nothing in his declaration. There is nothing in Focs. And if there's nothing in Focs or his declaration, and I have separately told you or in the petition, they can't have carried their burden. There is a packet in the claim as they sought to construe it. It was a packet that differs from a network packet in at least one attribute. Packet, first word. In the agreed construction, packet. So at every stage of this case, they had to carry their burden on packet. They utterly failed on that point.

JUDGE McSHANE: Quick question, while we are looking at this Figure 8, is there any dispute that when you are looking at communications between, say, the data network on the right and the data terminal on the left, that the communications, however you are pronouncing it, Focs or whatever, that the communications has to be bidirectional, if you will, that is

between the data terminal and the data network and vice versa? Is there any dispute there?

MR. O'BRIEN: I don't think there is, Your Honors. There's a telephone there. There's a fax there. You're speaking to the data terminal. Those are devices which send and receive. So we think there is. Now, what they will argue is just, and I think later you are getting to this, that simply if there is some bidirectionality, that that saves the case. The same problems that they have with respect to whether what's on the customer premise side is a packet or not are fatal to them in the conversion from -- it's a data packet. Terminology, it's a data packet in that limitation as converted to a nonnetwork packet. So they still have the problems in terms of what the nature of the customer premise side is. But we don't have a problem with it being bidirectional.

JUDGE McSHANE: So your expert is basically saying that if there are signals coming from the data network -- and I don't know. Frankly, you can tell me, if there is some communication between the data network on the right and the data terminal on the left and it goes through, say, an external modem as petitioners have alleged, if you will, their scenario that they are considering, that it goes through an external modem there that what's going to go on is the signals going to the data terminal are signals only and not packets. That's basically what your argument is?

MR. O'BRIEN: We are certainly saying that on the customer premise side they are signals and not packets. You are right that part of their reply attempt to remediate and backfill the case is to hypothecate a modem and then to use that as a fulcrum to argue that if a modem is present, that magically transforms that side of the whole diagram into at some point bearing packets. Well, we entirely differ with that and I don't think the record shows that. But does that answer your question?

JUDGE McSHANE: Yeah, more or less. Thank you.

MR. O'BRIEN: So the packet assembler/disassembler in there, I think we all know what that is, but let me just highlight that. I want to get to some of the other aspects of the case. A packet assembler/disassembler is something that takes things that are not packets on one side and makes them packets on the other. So it's very clear that -- and we can skip ahead really to slide 8 if we would like to hit that a little harder. So that's where I am, on slide 8. So we've identified that. We talked to it briefly on Figure 8. But the presence of that packet assembler/disassembler in that blowup in Figure 8 should confirm to you that, in fact, on one side of it the nature is signals and on the other side the nature is packets.

And in Focs, what Focs' PAD does is it takes from the premises side a signal and it outputs a packet for transmission on the data network. So I think that's clear.

Let me move forward in the --

JUDGE McSHANE: One question. Petitioner's counsel represented that Dr. Akl's testimony presumed that the CPE connector and the access module acted separately and that the signals were going through the access module there. And he mentioned, counsel mentioned just brief passage where Dr. Akl said, well, even if they are combined, it's still not an issue. Are you aware of any other testimony from Dr. Akl on that point where he's assuming that the units are working in a combined manner?

MR. O'BRIEN: I don't think we have ever been assuming that they were working in a combined manner. I think what you were seeing from our side of the V was certainly some -- the customer premise equipment, the CPE connector and the access module are very often miles and miles apart. So frankly on institution, that was a little bit odd to us to view those.

Even if you can draw it on a diagram with a blue or orange thing, we, frankly, went forward on much more probative issues for you. So I think what you saw in that testimony was I'm not necessarily agreeing that these are necessarily part of the same unit. In fact, in many of their papers they describe the function of NIU as being a box or a unit. And that configuration of two pieces is emphatically not that. I think this case is won for us on the nature of their not being packets on the customer premise side. So that's what we focused on. We focused the

issues for you. I think that's all -- has that answered your question?

JUDGE McSHANE: My question was just on what your expert had opined on in the scope of that. So that's fine. I appreciate that.

MR. O'BRIEN: Moving forward, then, so we've talked about the packet is always part of the term. They never bore their burden and it isn't there.

Another item for you to note is Dr. Mir -- I'm on slide 11 now, by the way, which should be next. I have skipped over slide 9 and gone straight to slide 11. Dr. Mir confirmed that a packet and thus even a nonnetwork packet must be on a network. So in his reply deposition we asked him, So just to be clear, a nonnetwork packet must be on a network, right?

He says, Regardless of the nonnetwork or network packet, the packet must be on a network.

So it's clear that it must be on a network. So you want to add that to your list of things that Cox failed to establish in its petition, in its prima facie case going forward that to the left of those diagrams typically, the customer premise side, is a network. Utterly failed on that one.

So under the proper and agreed construction which we went over at the beginning, the parties agree that it is a packet not on a wide area network. And indeed, under any construction of the term, a nonnetwork packet must be on the network. Neither

Cox nor Dr. Mir contended that there is a network, much less a packet switch network between the data terminal and the CPE connector. We have an observation on cross on that because that only came up in the reply. It's observation number 2.

So because they have no evidence for receipt and mapping of nonnetwork packets and indeed because Focs' teaching is quite to the contrary, I talked to you about the PAD, the packet assembler/disassembler, for example, Cox has failed to demonstrate Element 1F, Element 6F and indeed Elements 1I and 6I. Because they failed to establish the customer premise side network in Focs, they have additionally failed for that reason as well to establish the nonnetwork packet received as in Elements 1F and 6F, because they can't be received -- there needs to be a network for it to be received.

So now I'm going to turn to the reply arguments that Cox relies on belatedly. They have introduced and you have seen from the papers, they introduce a Sportster guide modem and they introduced an ITU-T X.25 reference, Exhibits 1027 and 28. Our position is that they should not be considered under the Board's rules. They are untimely. And in fact, we also raise evidentiary issues with respect to them. But even if the Board were to improperly consider that inadmissible and untimely evidence, Cox still fails. And I want to hit two key points on why they still fail.

Cox's new reply argument appears to be that an RS-232 serial connection exists between the data terminal and CPE connector. There's nothing in Focs, of course, to support that. They have no basis for that and it's, frankly, contradicted by their own expert.

I'm on slide 12. I'm sorry. So please move to slide 12. In his reply deposition, Dr. Mir confirmed that the connection of the customer premise devices in Figure 8, the POTS line, so the telephone, the telephone, the data terminal and the fax to Focs' CPE connector would most likely be a telephone line. Not a serial connection. That's our observation number 8 from our motions for observation.

Dr. Akl confirms this view where he explains that in Focs, the data terminal is couped to the CPE connector by a standard in-home copper telephone wiring, a twisted pair wiring scheme. That's in our patent owner response 24 and 28. So telephone wiring, a pair of wires is much different than a serial connection. A serial cable, if you go actually to page 92 of their exhibit, you'll see the serial connection which they hope to grab and push into Focs. It's a 25-pin DB25 connector on the back of the external modem. If you know what that is, it's a shielded cable, 25 conductors. There's actually a 9-pin version of it as well. But it's multiple pins, multiple conductors in a shielded configuration. It is not a phone line. They just aren't the same. They can't say, oh, hey, we see a modem over there. I have got

another modem. The modem that we introduced in reply must necessarily be that modem over there. They are not the same at all. Focs is very clear that all those devices, the data terminal, the POTS line and the fax are coupled to what is standard in-home copper wiring, a twisted pair. So that's incompatible. So that's one place that even with the reply evidence, they are dead wrong.

The next thing is in its newly minted reply argument, Cox strains to insinuate a discussion of MAC addresses by speaking to packets as they exist in a networking packet-switched IP network context. So they do that in the reply at pages 10 and 11, which of course has -- I am apparently losing you. I went to slide 13 without telling you. Please move forward with me to slide 13.

So in that newly minted argument, MAC addresses, they are insinuating that by speaking to the IP packet networks, which is not at all what is on the customer premise side, Your Honors. It has nothing to do with what Focs shows.

In the reply deposition, Dr. Mir agrees that a packet must have routing information and it must have an address. But he doesn't identify any information in the Sportster guide, the new, inadmissible, nonconsiderable reply evidence that is indicative of an address. Even if you consider it, it's not there.

Moreover, Dr. Mir asserts in his reply deposition that MAC addresses are the only thing needed for routing. But he goes on and he never identifies a MAC address carrying frame or

packet in Focs. So it's sort of a thank you for sharing event in terms of MAC addresses are important in some context. They aren't in Focs. So it just doesn't matter for their theory.

On the two admissions or acknowledgments by Dr. Mir, we point you to observation 11 on our motions for observation. So Cox's failure to identify customer premise serial connection, a customer premise address and routing information, either of those in Focs, it means that it's reply arguments and it's new reply evidence. They fail to teach or suggest the customer premise side packet in any way, shape or form in Focs, let alone a nonnetwork packet as it's recited in those 1I, 6I, 1F, 6F elements. So because of that, even with their new reply evidence, even if you were to improperly consider it, it doesn't carry the day.

Quickly I want to touch on Bernstein. Bernstein really nets out to be the same thing like Focs. And I'm turning you to slide 18 now which is next in your deck. Judge Murphy, you may have to skip forward a few.

JUDGE MURPHY: I'm with you.

MR. O'BRIEN: Bernstein receives signals from a subscriber location. It packetizes those signals for transmission on a wide area packet network. In Bernstein, packetization is at the serving terminal. Serving terminal 21. So if you see there in the figure, it should be readable on yours, there's the houses with the customer premises with a video telephone PC there. There's a

serving terminal offsite, right. So the packetization occurs at the serving terminal.

Cox's amended petition, Dr. Mir's dec and Dr. Mir's deposition testimony all confirm that packetization, that packetization going from signals to packets -- and you'll see the quotes we have. The first two are predictably the exact verbiage from both the expert and the petition, and then the second one is the question to Dr. Mir in his deposition testimony. We ask him prior to the packetizing unit in Bernstein we have signals, whether they are data, phone, fax, coming into the packetizing unit and the packetizing unit then turns those signals into a packet, correct? And he responds, of course, that's correct, because that is correct.

So the patent owner response addresses Bernstein's packetization. And I point you to page 44 of our response. I do that because Cox, in its presentation here, which I duplicate for you at the bottom of the page, they truncate an important point. They truncate that the phrase is outputs of those three terminal devices are packetized. What they cut off for you is the finish of the sentence. They are packetized, it goes on, by a conventional packet assembler/disassembler or PAD not shown within serving terminal 21. I think they are trying to get you to misunderstand that and assume that packets occur at the customer premise. Nothing could be further from the truth. The true quote, and you'll see it in our briefing. It will be easy to find for you.

So moving forward, I'm going to move to slide 4 for you. We are running short on time here. So the reply followed by Cox exceeds the proper scope under Rule 23 and on the trial practice guide. You all know this. It can't introduce a new issue. They can't belatedly present new evidence. It's very clear that when a petitioner submits new evidence that's necessary to its prima facie case, it's new evidence. It's new issues.

JUDGE ZECHER: But you would agree they can respond to your argument, right?

MR. O'BRIEN: We would agree that they can, and we have established that they haven't. We made the point, I hope, clearly for you that at every stage of this proceeding packet was a limitation of this claim. And they never bothered to deal with it. Same thing with network. They never bothered to deal with that. So I know they will try to pretend that it was responsive. It's responsive in time. Is it responsive in burdens? No way.

So what Cox is really trying to do here is they are trying to get you to consider new evidence as part of an entirely new obviousness combination, Focs plus Gollub plus Sportster modem plus X.25. That's what they are doing. They have no evidence. None of that was in the petition. Number 2, they have no -- it's all improper as a reply. And they have no basis to make that combination in the case. So it's another case of a new combination on which trial was not instituted which is before you.

So finally, I want to highlight this issue and then get out to reserve the balance. We also have a motion to exclude pending. I have dealt with the impropriety of the reply issues. I do just want to highlight some things on slide 17, which are next. 1027 to 1028, they should not be admitted for a variety of reasons. One, there is no evidence of those documents being publicly available, actually being a publication. Frankly, because they are undated, unauthenticated, they can't be relevant. Their probative value is far exceeded by the risk that they encourage anyone, including Your Honors, to engage in hindsight. They aren't probative to the case.

JUDGE McSHANE: Just as a point of clarification there, there are dates on those documents.

MR. O'BRIEN: Yes, and that was my next point. Thank you, Your Honor. So the dates on those documents, they are hearsay dates, number one. They didn't authenticate and they didn't establish any exception why you should take those as given. Even those dates, however, are all after April 4, 1996, which is the critical date here. So there's no way they can get to this evidence. It's not -- it's never been authenticated and the dates don't cut it.

JUDGE ZECHER: Counsel, assuming the dates are good, now, I understand your argument they are not, does it have to beat the critical date? I was under the impression there is case law that it's at or around the time of the critical date.

MR. O'BRIEN: What they are trying to do, and I think I made this point, they are trying to do a new combination. They are trying to do Focs, Gollub, Modem and X.25. So absolutely. They absolutely have to be authenticated. You wouldn't accept if I came in and said, you know, Your Honor, it's two days after the critical date, but it's close as a printed publication for -- you know, as a prior art reference. That just wouldn't cut it.

JUDGE ZECHER: I understand that. And your argument is that they are basically subbing in this reference as a basis for the grounds which they returned and said, no, this is the knowledge or the level one of skill in the art would understand, which goes back to our discussion this morning about *Randall Manufacturing* and *Ariosa* and how we should consider it. Granted, that is a fine line and I agree with you. It's hard to parse what's what there. I understand your argument, but I don't necessarily think that if they are going along the lines of the *Randall Manufacturing*/*Ariosa* theme, that they are subbing this in as the basis for the grounds. So I think you have made some good points that they actually are, but I think that's just a difference of opinion there, right?

MR. O'BRIEN: I'm not so sure. I think it's clear that they are and I think it's clear that none of this alleged evidence tells us anything about Focs. We know that it's a twisted pair wire. We have no reason to believe that this informs -- tells us that, no, it really wasn't a twisted pair wire. It was something

else, which, I think, is what they would have to do. And if that's not what it is, then it really is a substitution, Your Honor.

I'll reserve whatever time I have left.

JUDGE McSHANE: You have two minutes that you can reserve.

Petitioner, you have 12 minutes.

MR. BERTULLI: There's a lot to touch on here. Let's just start by being clear on the record. There is no new obviousness combination being forwarded here. The Sportster guide and the X.25 reference are, as you've indicated, introduced as explanation and clarification about what one of ordinary skill in the art would know exists between the data terminal and the CPE connector in Focsaneanu. It is not to be seen as a new combination.

JUDGE ZECHER: So I understand that's what you are doing here, but I guess I'm struggling once again, how does that bear on how we should read Focsaneanu? I mean, you don't really tie it to anything in Focsaneanu explicitly. It's just kind of, well, this is how modems operate and you should look at this.

MR. BERTULLI: I appreciate that. In AT&T's patent owner response and in Dr. Akl's deposition, in fact, in his testimony, they said that we cannot identify a packet that is on the data side coming from the data terminal. It's not there. And so in response, we are showing other examples that would be in the

knowledge pool of one of ordinary skill in the art that show that indeed packets would be there in Focsaneanu. It's responsive.

One thing I would really like to --

JUDGE ZECHER: I don't disagree with you that it's responsive. I think you are right, it is. But that being said, I mean, it's supposed to bear on what we understand from Focsaneanu. And I'm just struggling to make the connection between Focsaneanu and this additional evidence you've inserted in your reply to make this point. So if you could just try to connect that better for us--for the panel.

MR. BERTULLI: Sure. I'm going to bring back Figure 8 to walk through this. Focsaneanu describes, and in fact, on patent owner's slide 3, they pointed to some of the reference language we use in the petition which says you must have the box -- Focsaneanu discloses a multimedia broadband, et cetera. The superhighway may carry different types of traffic seamlessly, accepting voice data and video information from any terminal and delivering it to any other terminals simultaneously. That is the description in Focsaneanu of what Focsaneanu is trying to do. And I quoted earlier from Focsaneanu where the goal is to create a multimedia connection from one data terminal to another data terminal or to the Internet or anything that's out on that wide area network.

JUDGE ZECHER: That's a broad sweeping statement there. It is very broad, do you agree?

MR. BERTULLI: I don't know if I agree.

JUDGE ZECHER: I would say it is. And then to make that tie to the evidence you are now attempting to introduce to clarify, I'm still struggling to make that connection.

MR. BERTULLI: So let me, if I may, let me jump to their slide 5, which is next in their deck, where they have provided a quote from Focsaneanu in their center bullet that says, In all of these cases information concerning services and protocols are transmitted as electrical and/or optical signals.

And they are using that to support signals. But what it's saying here is that there are services and protocols that are being transmitted. At that point Focsaneanu is transmitting packets in the patent because it's not actually cited to on this AT&T slide, but we found it for you in column 7 --

JUDGE ZECHER: Which patent?

MR. BERTULLI: This is Focsaneanu Exhibit 1003. In column 7, lines -- the context begins at about 58, services are requested, service providers are transported through the network in various forms. And this goes on to hit what they have quoted on the slide. So it's column 7, 58 through 64.

And while we are in column 7, Judge McShane, you had asked for the reference in Focsaneanu that describes what's going on with CPE connector 230, and this is also in column 7. It begins at line 51, it starts talking about Figure 8. And the Figure CPE connector 230 includes a simple modem 235 for handling

the computer or fax signals. So we reference that portion now because the protocol equals the packet. It says that there's packetization here.

And going further, if we can again look at -- well, if I can also address something that AT&T said at the same time, I think that would be helpful. This is AT&T's slide 6. It's a little tough to see, but there's their annotated Figure 8. Counsel indicated that it didn't matter really where Dr. Akl was taking his measurement for whether there was a signal or a packet throughout the entire system. And you can see here that the measurement is being taken at this point entering the access module. I realize it's a little blurry, but he said inside the dotted box, those are signals, and then packets come out the other side of the access module.

But that is not the appropriate place to take the measurement of a signal versus a packet because, again, the entire network interface unit is the CPE connector cooperating with the access module. The point at which the claimed nonnetwork packet enters the network interface unit is here. Not here. And if we get technical -- here being -- so let me clarify that for the record. So the appropriate spot to take the measurement is at the entrance of the CPE connector 230. Not somewhere inside the network interface unit at access module 234.

When the packet comes from the data terminal and enters modem 232, a modem modulates or demodulates. So the

packet now is modulated and passed along to the access module. And as counsel described, there's a P-A-D, a PAD in the access module that will now take that signal internally, not at the entry point that the CPE connector, but inside the network interface unit and map it onto a packet that goes out to the network.

That's the distinction. So for Dr. Akl to take his measurement of signal, plain signal versus a packet that is on a signal at the access module 234 is not correct in the context of the entire network interface unit.

On slide 7 of AT&T's package, they made a point about the absence of the literal term packet. And in fact, in here they quote, If there is nothing in my declaration referring to the specific statement in Focsaneanu, again, this was, is it literally there? And so Dr. Mir says the specific statement, this is about a literal packet. And, yes, he did not find a literal packet discussion. That's why we carry on with the analysis.

On slide 11 of AT&T's deck, we just heard about networks. And I would just like to refer to petitioner's response to patent owner's motion for observation. And in particular, both response to observation 1 and response to observation 2 which quote the same things here, I'll just read from the transcript. This section of transcript is Exhibit 2045. And it covers page 21, line 20 to page 23, line 10. Dr. Mir was asked by counsel, Let's go to a different one. Would you teach your students that a

computer connected to a modem using a serial cable is a network?

And Dr. Mir answered, The very first lesson I teach in my computer network course is that the simplest network is a network with a source, a destination and a piece of cable connecting the two.

A source, a destination and cable connecting the two. It is a network from the data terminal to the CPE connector and its modem 232.

On AT&T's slide 12 we were just told about basic copper telephone line, but in the box on that slide, the question asked at the top here says, And in 1996, what kind of connection or cable was typically used from a POTS to a device like the CPE connector? Indeed, the POTS is the telephone. So, yes, it will use a basic copper line to connect to the CPE connector. And that is this line that enters the CPE connector here. Not the serial line that will enter the modem here.

I think that we would just conclude the evidence issues came up as far as the Sportster guide and the X.25. Again, we talked about this at the beginning, those are not being asserted as part of a new combination. We do not feel that those are prejudicial documents. They go right to the heart of the matter that's relevant here. Again, we are here today to talk about a nonnetwork packet and whether a packet exists between that data

terminal and that CPE connector. That's the question. So those are relevant documents. They are not prejudicial.

And further, they are documents that an expert would rely upon. One is a user guide for a device and one is a standard, would regularly rely upon for information on this issue. And for that alone, they should come in to inform Dr. Mir in his opinion, both the documents and his reference to them in his reply declaration.

And we have no further comment.

JUDGE McSHANE: Thank you, counsel.

You have two minutes, counsel.

MR. O'BRIEN: I'll be very brief, then. Your Honor, Judge Zecher, I think you asked about *Ariosa*, you asked the question essentially whether the modem in the X.25 could be after. I just wanted to point you, you can check the quotes yourself, but *Ariosa* deals with prior art submitted in the petition. So the prior nature is the essence of those holdings both in *Ariosa* and *Randall*.

In terms of, I want to highlight for you a couple new arguments. I think the argument that services and protocols are packets is a new one addressed not only here at oral but in rebuttal. Another one is this, again, it falls into the saying something not completely. It's this Dr. Mir says that a network that is merely between a node and a node is a network. He doesn't say that any data communication between nodes is a

network. So they haven't told you the whole story on that. But the quote from his class in any case, what he may tell his students in 2016 really has no bearing either on the case. But it also is an incomplete presentation. It's a new issue.

And then finally, I think Mr. Bertulli continued with the inherency argument. We are not speaking to a new obviousness combination and then he went down what is essentially an inherency argument, which, again, is a new issue introduced for the first time in this oral hearing.

And any questions? I'm sorry. I'm here for your questions.

JUDGE McSHANE: Just give us a moment.

(Discussion off the record.)

JUDGE McSHANE: Counsel, ready?

MR. BAUER: Thank you, Your Honors.

JUDGE McSHANE: We are back on the record and we are discussing case 2015-01536. Mr. Bauer, you'll be speaking?

MR. BAUER: Yes, Your Honor. On this one I'm going to be addressing the antecedent, the conception and the actual reduction to practice. To the extent that we get into the patent itself and the technology, Mr. Kitchura will address whether there's disclosure in the Amit provisional, with Your Honors' permission.

JUDGE McSHANE: Any objection?

MR. O'BRIEN: No.

JUDGE ZECHER: How much time for rebuttal?

MR. BAUER: Fifteen minutes again, Your Honor.

JUDGE McSHANE: Thank you and please proceed.

MR. BAUER: Thank you. So there's two issues really being presented today. One is whether they can predate -- slide 18, I'm sorry.

JUDGE McSHANE: Please, if you could try to refer when you are talking about slides, please try to give us a number.

MR. BAUER: I understand that. I have been getting notes. I was very good about reminding Mr. Bertulli.

JUDGE McSHANE: It will help us discern the record.

MR. BAUER: So I'm on slide 18 of our deck, Your Honor. And just to key up the two issues, we have the Amit patent, January 2001. I don't think there's any question being presented that it is a 102 reference invalidating the '147. They have tried to swear behind it with this document from January 8, 2011, so I'm going to address first the conception. I think there's a complete failure of law on the conception. And then the diligence issue. If there's no conception, if you don't believe the conception date, we are done because I think then Amit is it. If you want to go on to the diligence, I think if you do want to take that conception, then I'll show you that there just wasn't diligence here. There's massive gaps that aren't explained. A one-month gap, a two-week gap, another two-week gap and absolutely no discussion as to what took place in those huge gaps. In fact, the

documents, I think, will show you they were sitting around really doing nothing in that time. And we'll look at the exact e-mail that they talk about. And you only need to get to whether there is disclosure in the Amit provisional if you think that they have this conception and reduction to practice.

So let me just touch first on the conception because that really is a question of law. And slide 19, there are seven inventors named on this patent. Mr. Totland did not join -- and the application was filed in January of 2001. Mr. Totland, one of the inventors, didn't join the team until February 23, 2001, after the Amit application. That's the end of it. That's just the end of it. How do we know that? First, Mr. Totland says in his declaration, this is Exhibit 2060, in his declaration, 2060, page 3, paragraph 7, from February 2001 through at least March 2000, I worked with Sheryl Woodward and other coinventors.

His deposition he started to say, well, maybe I wasn't sure about February or not. But we don't have that problem because Sheryl Woodward deals with that. Exhibit 2053 is an e-mail dated February 23rd, and that's the first that Mr. Totland joined the team.

Can you go to slide 19. How do we know that? Because that came from Ms. Woodward. And on slide 19 she says the two e-mails that I just showed you, she is referring to Exhibit 2053, the two e-mails for both Steven Buckley to you and then you to Shelp at the top that are in Exhibit 2053 and are dated

February 23rd; is that correct? Yes. Is this when TJ, that's Mr. Totland, first joined the Fast Channel team? Yes.

So we have an inventor who wasn't there when that paper was written. And I think we are done. I think the case law is absolutely clear, absolutely clear all of the coinventors have to have participated in that conception. All of them. They don't have to all participate equally, but they all have to participate somehow. And if one inventor wasn't there when that paper was written, he could not have possibly participated in that and they cannot claim conception. I think it is that simple and it's as a matter of law and there's no alternative. They haven't explained. They fought for no evidence suggesting maybe they made a mistake about Mr. Totland. They haven't said his inventions related to different elements. There is no explanation, no discussion. Nothing.

You know what they say in response to us pointing this out, that we confused the issue of conception and reduction to practice. That's not what we are doing. We are not confusing anything. The only argument they make in response to this evidence is that Mr. Totland worked hard on this beginning in February towards the final reduction to practice. We are not confusing reduction to practice with conception.

They say conception was in January. They have to show all the inventors were there in January. And if they are not all there in January, it could not have been conceived by all of the

inventors in January. Period. Case closed. That's the argument on conception. They offer no evidence to the contrary. And you won't find any case law that I'm aware of, certainly none cited here in which any Court has said all the inventors don't have to be part of the conception to be part of the conception date.

Let me move on to reduction to practice because even then we have a problem. So now we turn to what is their evidence of reduction to practice from that date of that document and diligence, is there diligence. So we turn to slide 21. And everybody knows diligence means real diligence. Not just sitting around waiting for somebody to turn a computer on while they are off at conferences and trade shows and working on other projects. And that's what this evidence shows.

So slide 21 is their evidence, depicts their complete evidence on diligence. Their burden. Their evidence is Ms. Woodward says from January 2001 through March 2001, including the period between January 15th and March 14th, my coinventors and I diligently worked to create a demonstration of the inventions described in the Fast Channel technical memorandum. That is the evidence they point to and that they rely on to show diligence, that she said those words.

Now, what does the evidence show? So first the evidence is that she didn't keep any notebooks at the time. In fact, what she said is she did keep a notebook in which she would write important things down. But she didn't write any important

things down in this time period, so they've submitted nothing from a notebook to fill in those gaps. So we do have the inference from her statement that she keeps a notebook. This is slide 23: Did you formally document the work you did on the Fast Channel project on any given day between January 2001, March 2001, right? She just said she was diligent. What do you mean by formally document? Did you keep a journal?

Her answer, I had a journal in which I might put in, which I sometimes put information in, like if I was on a phone conference with somebody and I needed to take notes. But I didn't regularly record my day-to-day activities in that journal.

In fact, she submitted no evidence from that journal. Not one. I think the inference is that there were no such meetings or certainly nothing of the level to suggest there was diligence going on.

She was asked, Well, let's try to get into a little more of the detail if you don't have a journal. Were you working on the Fast Channel on January 10, 2001?

Her answer, This is 15 years ago, so I don't know.

So that's the record we have, the oral record on her memory.

So what are the documents we have? So we go back to slide 21, please, and -- or on 23 as well. So what we've put there, and actually, this comes from their paper, they say look at all these documents. First, when you look at the documents, a lot of

them are just e-mail in a chain. So it's not as if there's four documents on any one day. A bunch of them are just e-mail in a chain.

Second, you look at the gap. There's a gap between January 12th and February 9th. And we'll look at what happened in that gap. Another two-week gap between February 9th and February 22nd. Another one-week gap between February 23rd and March 2nd. And most important, between March 2nd and March 14th, nothing. Nothing. We have no idea what they did in those two weeks. Without that evidence, you can't say they were diligent leading up to that.

I would like to focus you and point to you what these documents say so they don't just end up looking and saying, oh, there's documents here. We need to -- it's their burden to prove diligence. All I can do is infer from the documents they have produced, and they have produced some documents. We need to infer what was going on.

So let's look at what we have. 2045 is that January 8th document. So that's the beginning of everything. So what we know is on that date. If we can go to the slides now, so using their chart, what we know is on January 8th, they wrote the paper. Not one of the inventors, but at least some people wrote this paper. So that's the beginning.

So same day, Exhibit 2048, now she is talking about I'm hoping to focus on this project over the next few weeks. So that's

the beginning. I'm hoping to focus on this and I'll need four new computers. So can't even begin until she has her four computers. When do those computers show up? January 12th she says we've gotten most of the equipment. This is Exhibit 2050, the four PCs. All right. She's got them on January 12th.

Now let's talk about diligence. She's finally got the PCs. The next document they give us, Exhibit 2051, a month later hasn't even turned the computers on. A month later. I need some help logging on to these computers in my lab. I haven't even -- she talks about two of the computers. I haven't tried the other two computers. So we have a month with four computers sitting there and she hasn't even turned them on. That's not diligence.

JUDGE MURPHY: What was the witness' testimony about that?

MR. BAUER: No testimony.

JUDGE MURPHY: Nothing in the deposition?

MR. BAUER: No. None of these gaps are filled in. All we have is her saying we were diligent in her declaration. The closest we have is the one quote I put up where she said, I don't remember what happened on that day; it was 15 years ago. There's nothing else in this record beyond that month to turn the computers on. So that's February 9th.

Now the next flurry is February 22nd and 23rd that they put up on their slide two weeks later. What's happening two

weeks later after she hasn't turned her computer on? Two weeks later, this is Exhibit 2052, her boss says basically what we can infer, her boss wants to know what's going on. So she writes on February 23rd, I just found out yesterday that Ted Darcie would like to see a demo of Fast Channel as quickly as possible. Before we can do that, we need to get our Cisco CMTS up and running.

And then further down she says, We have the RF portion working but the router still needs to be configured. B, Bhavesh has already spoken with some of you about this. Unfortunately, he is also working another project with Dylan. He is the lead inventor on this. He is not working diligently on this. He is off on another project. So I'm looking for more help. That's not diligence, assigning him to another project.

Another person that she wrote to, this is Exhibit 2054, also on February 22nd, she had written about I need Ted Darcie, I need some help. And David Sherer writes back, I'm attending the CDN expo in New York City. Will call when I am back in the office next week. That's not diligence. He is off at a conference. The other guy is off on another project. We don't know what any of the other guys are doing. No evidence. Certainly none that they are working on this.

This is what we have. And then -- well, also February 23rd, that same flurry, right, because the boss says let's get something done, February 23rd she writes to David, Thanks

for the quick response to my e-mail. For now I want to get Netperf running. We can add various services later.

I don't know what Netperf is, but she needs to get it running. February 23rd. Next document that they give us, AT&T 2057, March 2nd. So this is another week later when she says, I need Netperf working. March 1st, I'm sorry. He writes back a week later just saying I understand you would like the Netperf on your Linux machines. I'll install for you.

So another week goes by before he's even responding about getting Netperf running. And that's March 1st. And she writes back on March 2nd, I want it on the four computers in my lab.

And that's the last we have. When did it get running? How quickly did they do it? Nothing filling in the gap until the filing date. And they offer no evidence to fill in any gaps. These gaps have no explanation and there's no discussion why. And without that discussion, these types of gaps, a one-month gap, a two-week gap, they were doing other things. And the boss said what's going on? And there's a flurry for a day or two and then they went off and did other things. That's not diligence.

JUDGE ZECHER: Mr. Bauer, quick question. I think you said this at the beginning, but I just want to make sure that I understand this correctly. Assuming this issue resolves in your favor, you are saying we don't have to reach the issue of whether or not the Amit provisional --

MR. BAUER: That's right, Your Honor, because --

JUDGE ZECHER: -- supports the nonprovisional and whether or not you have met your burden?

MR. BAUER: This is different than the one we talked about this morning. In that provisional they said we had to have the provisional in the first case. This is a classic *Drinkware*, classic. We didn't even know they were going to do this. So we cited just to the parent. We still called it 102(e). We identified it, cited to the parent. This is the first time that we heard that they wanted to predate Amit. And in response we said, well, you can't do conception, you can't do reduction to practice. You don't have diligence, I'm sorry. But belts and suspenders, we can go back to the provisional if we need to, and that's why I'm not going to discuss it right now.

JUDGE McSHANE: Thank you. You have 14 minutes left, Mr. Bauer.

MR. BAJAJ: These are the same order that they were submitted to Your Honors.

JUDGE McSHANE: Would you like to reserve some time?

MR. BAJAJ: Yes, I would like to reserve five minutes, please. So I would like to start out by flagging six or seven new issues Mr. Bauer raised in his opening argument. He made a number of statements about Ms. Woodward hadn't even turned the computers on or that Mr. Desai, Bhavesh Desai was the lead

inventor or David Shur wasn't doing anything. You'll find no reference to those arguments in the briefs, and they have never made those arguments before. They were presented for the first time in oral argument. I think you'll find throughout his 15-minute or 16-minute speech to Your Honors that many of those arguments find no basis in the papers and AT&T has had no ability to respond to them.

There's also an objection to a number of the slides for mischaracterizing evidence. Your Honors heard Mr. Bauer say that the timeline that they present with reference to Ms. Woodward's declaration is the complete evidence as AT&T argued in the surreply. That evidence only corresponds to the Woodward declaration. There is the Totland declaration. There's other diligence evidence in the record. But Cox has decided to misrepresent the state of the record to you today. Also, the Netperf argument is entirely new.

I'm going to start with addressing the Amit provisional and its lack of support for the Amit patent and how we get to the conception and reduction to practice question. And then I'll address the conception and reduction to practice, if that's all right.

JUDGE ZECHER: I think your time is better spent on the conception and reduction to practice.

MR. BAJAJ: Then I'll shorten the Amit argument. Simply put, to enjoy priority to a provisional, the provisional disclosures must be present, must carry forward to the utility

application. The Amit provisional does not satisfy that standard. There are a number of missing elements, most notably recombining or as the Amit patent says, merging. Merging data is simply not in the Amit provisional. There's also other elements that are missing from the Amit provisional. Namely, a CMTS and a cable modem are entirely missing from the Amit provisional. Cox's expert in his reply deposition, for the first time asserted that CMTS, the T stands for transmitter. With respect, Your Honors, that's technically very wrong and affects how you should evaluate Dr. Mir's evidence.

The T in CMTS stands for termination. It's cable modem termination system. And anybody reading the '147 patent would understand that immediately. So Dr. Mir's equivalence of a transmitter in a CMTS is flatly wrong. Again, a cable modem is not in the Amit provisional at all. So Amit's filing date of January 16, 2001, is the earliest it is entitled to.

So turning now to conception --

JUDGE McSHANE: Just let me go back. We had extensive discussion this morning in the 1227 case about your surreply and permitted to weigh in on the issue in surreply, and you indicated this morning anyway that you felt there were some due process implications because you were not permitted to present a surreply on that issue. Now here is the issue the same? Do you still have issues in terms of not being granted the right to provide a surreply? Go ahead. Although, let me just add this,

whether you requested one or not is an issue, a side issue. But anyway, do you still raise that issue here?

MR. BAJAJ: Your Honors, this case and the 1227 case are different in that respect. In the 1227 case, the showing that the An patent in that case was entitled to the An provisional was part of Cox's burden of production at the petition stage because on its face, An is not prior art and requires entitlement to the An provisional.

Here Amit is, on its face, prior art. It was filed January 16, 2001. The priority date on the face of the '147 patent is March 14, 2001. So on its face by itself, Amit is prior art. So *Dynamic Drinkware* doesn't require Cox to, in this case, in the '147, the 01536 IPR establish support for one claim in the petition. That wasn't required until the reply, and Cox has tried to allege that in the reply. But separately the carryforward of disclosure, that requirement is missing from all of Cox's evidence, both in the petition and now in the reply.

JUDGE McSHANE: Thanks for the clarification.

MR. BAJAJ: So turning to conception, Mr. Bauer made a number of statements regarding conception and Mr. Totland's involvement. But every inventor need not contribute to invention of every claim at the same time. And I would also like to note that inventorship is not an issue that the Board decides in inter partes reviews. If inventorship is incorrect on the '147 patent, and I don't believe it is, but if Cox has a complaint about

inventorship, they can raise that in parallel District Court litigation, and AT&T can correct it there if necessary. But here before Your Honors, inventorship is not a question to be decided.

JUDGE MURPHY: But I thought his point was as a joint inventive entity, it's your burden to explain why since he joined the team after the critical date trying to get behind, why that doesn't eliminate or effectively amount to a concession that you can't prove the date that early?

MR. BAJAJ: Your Honors, if you take a look at the Totland declaration, Mr. Totland doesn't assert that he contributed to conception of the claims of the '147 patent that are in the conception and reduction to practice evidence. He admits, he acknowledges that his involvement was in February. But the inventors of the patent, the other six inventors that are listed on the face of the Flash Channel technical memorandum, Exhibit 2043, they did contribute to conception and they drafted that paper and established conception of each and every claim element. So if it's Your Honors' position that Mr. Totland only contributed to reduction to practice and diligence, then you can ignore his name on the face of the patent and establish that conception still occurred on January 8, 2001, as indicated by Exhibit 2043.

JUDGE MURPHY: Then why is he a named inventor?

MR. BAJAJ: Your Honors, I can't speculate as to why that is. As I said, if there is a correction that needs to be made, AT&T will and can request that correction.

JUDGE MURPHY: What is your burden on this issue to explain the conception? I mean, assuming he is not part of the conceiving entity, whose burden is that to explain why not at the time in question?

MR. BAJAJ: I believe that would be our burden, Your Honors.

Now, turning to conception and setting the inventorship issue aside, the inventors clearly have the idea of each and every claim element. And Cox doesn't contest this at all. The Fast Channel technical memorandum supports each and every claim of the '147 patent.

JUDGE McSHANE: This Fast Channel document which is a version I have anyways, it is AT&T 2043 that was attached to the e-mail, that is the same document that was submitted with the provisional application that was filed, would have been March 14, 2001; is that correct?

MR. BAJAJ: That's correct, Your Honor.

JUDGE McSHANE: There were no changes that you are aware of to that document in the filing?

MR. BAJAJ: No, Your Honor. The provisional filing also included a presentation. So there was additional material in the provisional application. But the Fast Channel document was

the same. Again, Cox has no technical testimony to contradict any of AT&T's evidence that the Fast Channel technical memorandum supports each and every claim of the '147 patent.

Cox contends in their reply that conception requires that the inventor know that the idea will work. But that is flatly wrong, as the Board has held -- I'm sorry, as the Federal Circuit has held. I'm on slide 9 of my presentation. The Federal Circuit has said in no uncertain terms that an inventor need not know that his invention will work for conception. He need only show that he have the idea. The discovery that an invention actually works is part of its reduction to practice. So a working idea is not necessary for conception. What's required is the idea. And that Fast Channel memorandum establishes the existence of that idea.

So turning to slide 10, AT&T's evidence accounts for the entire period during which diligence is required such that conception and reduction to practice were substantially one continuous act. Now, Mr. Bauer makes a number of inferences, as he calls it, stating she didn't even turn the computer on. Well, there's no evidence of that. Your Honors, there's no deposition testimony because they didn't even ask her. They didn't ask her what does this e-mail mean. They requested a full day of deposition of Ms. Woodward, a full seven hours of cross-examination, and they took perhaps two and a half hours.

JUDGE MURPHY: What is patent owner's corroborating evidence to supply the -- or fill in the gaps in these time periods? What is in the record?

MR. BAJAJ: The evidence shows Ms. Woodward's testimony establishes diligence throughout the entire critical period. Mr. Totland's testimony supplies corroboration and independent --

JUDGE MURPHY: Are you referring to Woodward paragraph 10 of her declaration or something else? Exhibit 2044?

MR. BAJAJ: Exhibit 2044, paragraph 10, so her statement there?

JUDGE MURPHY: Yes, is that what you are referring to?

MR. BAJAJ: In part, yes. There's her statement. There are the e-mails. There's the declaration of Mr. Totland. There's the fact that on cross-examination no holes were exposed. And on top of that, we also submitted a declaration from Dr. Frigo, who was Ms. Woodward's supervisor at the time, confirming that the inventors were diligent.

JUDGE MURPHY: Do you have any corroborating documentation for the period, for example, between January 12th and February 9th of 2001?

MR. BAJAJ: Your Honor, there's perhaps no corroborating documentation, but if you look at the entire record and look at the e-mails and the content of the e-mails, Mr. Bauer

pointed out some of those e-mails, but you'll see, for example, in the January 12th e-mail that Ms. Woodward was going to work on setting up the CMTS portion of the project. Setting up a CMTS is not a one-day thing. It is not as if you connect a CMTS to the wall, plug it in and switch it on.

JUDGE MURPHY: But she doesn't have a notebook to refresh her recollection of what she was doing on a day-to-day basis back then, and it's not in her declaration on a day-to-day basis in that time period because she doesn't remember. So how are we supposed to -- what evidence are we supposed to rely on to satisfy the burden of proof, which requires corroborating evidence for a continuous period of time?

MR. BAJAJ: Certainly her declaration, her supervisor's declaration, you can infer that because they didn't ask her about what happened during that period that she was working on it. And once you read the entire record, you'll see that the inventors were diligent. They weren't sitting on their hands, as Mr. Bauer would have you infer.

JUDGE ZECHER: Counselor, would you agree that the *Price v. Symsek* case from the Federal Circuit in '93 that talks about a rule of reason applies for this corroboration is controlling here?

MR. BAJAJ: Yes, I would agree.

JUDGE ZECHER: So with respect to Ms. Woodward's declaration, you are saying in order to corroborate what she did, we have some e-mails, correct?

MR. BAJAJ: Correct.

JUDGE ZECHER: Along with the declaration of her supervisor that says she is doing what she's supposed to be doing?

MR. BAJAJ: Correct.

JUDGE ZECHER: But there's no other evidence, notebooks, anything else to demonstrate that she actually did what she said she did?

MR. BAJAJ: Correct. But I believe the e-mails speak for themselves, Your Honor.

JUDGE ZECHER: How so? How is that reasonable just to rely on the e-mails and her supervisor's testimony that she was working as I told her to work?

MR. BAJAJ: I believe that's reasonable because her testimony indicates that and her testimony, there's no hole that's been established by Cox other than their inferences. There's no hole that they could expose on cross-examination. The rule of reason is, you know, by its very turn requires reasonability. If you, as I said, review the record and review the content of those e-mails, you'll see that there was work being done in that time. Ms. Woodward testified that Fast Channel was her highest priority project. If it's your highest priority project and she

testified that if she was not actively working on it on a particular day, she was doing things to move the project forward.

JUDGE ZECHER: So you are saying that we shouldn't take their inferences for granted because there's nothing to indicate that she wasn't working, but yet we should take your inferences for granted because the e-mail says so.

MR. BAJAJ: You have testimony on one side. You have inferences on the other, Your Honor. I think testimony outweighs mere inferences.

So I think there are also some substantive prior art issues in this case that I would like to address at this point as well if there are no other questions on conception.

JUDGE McSHANE: Please proceed.

MR. BAJAJ: So turning to slide 11 of the slide deck, claim 15 recites a cable modem comprising an ethernet interface. And Cox has put forth the argument that an ethernet interface is inherent in the cable modem of Amit. But inherency cannot be established by possibilities or probabilities. And Dr. Mir admitted that it was possible for a cable modem without an ethernet port or without and ethernet interface to exist. And AT&T's evidence confirms that an ethernet port or an ethernet interface was not present in every single cable modem in 2001. In fact, you could use a PCI interface or a USB interface to interface a cable modem with a computing device. So on this

point Cox has failed to produce any evidence to show that a cable modem comprising an ethernet interface is inherent in Amit.

JUDGE MURPHY: Do you need the claim construction that it's an ethernet port as argued in your response?

MR. BAJAJ: Your Honor, on that point, both experts agree that at least an ethernet port is part of an ethernet interface. But on its face, an ethernet interface may not require construction for you to reach this issue. The fact of the matter is Amit does not describe an ethernet interface, whether under the construction that we advocate or just on its plain and ordinary meaning.

Cox cites in their petition that some elements of the modem were omitted from the figure as they are implemented as in a conventional modem and are not relevant to the invention. Your Honors may remember that they used the same exact evidence for claims 13 and 14 to allege inherency. And on institution, Your Honors found that insufficient. It's also insufficient to carry the day on claim 15.

JUDGE McSHANE: What about the issue as to Chapman? Do you need the port construction on that one?

MR. BAJAJ: No, Your Honors, because Chapman completely fails to disclose an ethernet interface or an ethernet port on a cable modem. In the Chapman reference, Cox cites to examples of shared access network such as ethernet and fast ethernet. Now, if you read that passage in context, you'll see that that's separate from the cable network of Chapman and is entirely

separate from any cable modem described by Chapman. There's simply no disclosure, no teaching or suggestion that Chapman has a cable modem comprising an ethernet interface.

And if you read Dr. Mir's declaration on that point, you'll notice that he goes through, tries to make logical leaps that are unsupported by the evidence itself. If the evidence itself supported a finding that Chapman disclosed or taught a cable modem with an ethernet interface, it probably would have been an easy case. But it was not. And all of his evidence is unsupported by the record itself.

Dr. Mir makes the incredible point that there is no other logical way of imagining how the resulting signal from demodulation is connected to client computers outside of an ethernet interface. Well, Your Honors, we've shown that there are other logical ways. A PCI interface and a USB interface are very logical ways. So for Dr. Mir to say that there's no other logical way calls into question his technical analysis.

I would also like to point out, as we argued in the patent owner response, particularly at page 4 of the patent owner response referring to Exhibits 2065, 2066 and 2067, Dr. Mir's opinions should not be afforded any weight in this proceeding. Large portions of his declaration appear to be verbatim copied and pasted from the petition or vice versa. I'm not sure which came first, but it's remarkable that Dr. Mir doesn't undertake any additional technical analysis. It's just I'm going to pair it with

what the petition says and I'm going to sign my name to it and I expect Your Honors to believe me. I don't think that's sufficient for Your Honors to assign weight to his testimony, particularly when it has technical faults as well.

Turning to Chapman and Izadpanah, the combination on the substance itself, and with reference to slide 12, the claim recites receiving at a cable modem multiple data streams from a transmit device via a group of channels. And Chapman and Izadpanah, both experts agree, describe receiving data over one radio frequency channel. Not over a group of channels or multiple RF channels, as would be required by the claims.

You'll see on slide 13 Dr. Mir's unequivocal testimony on this one. On the left Dr. Mir's understanding of Chapman is that a single downstream channel out of a group of channels is used in Chapman. So a single RF channel. Not a group of channels. Likewise in Izadpanah none of the figures in Izadpanah show a group of channels. The up converters in Izadpanah up convert to a single radio frequency. So there's a single transmission frequency from the transmitting portion to the receiving portion in Chapman and Izadpanah.

Your Honors might see Figure 7 of Izadpanah and there are multiple antenna both on the transmitting side and the receiving sign. But Dr. Akl confirmed that those multiple antenna do not mean that multiple RF frequencies are used or multiple channels of a network are used. Those multiple antenna

are used for lower power requirements. At the end of the day, both antenna send the same signal over the same RF channel. But it's kind of akin to wireless routers these days that have two antennae that operate on the same carrier frequency to ensure that your computers, your iPhones can access that wireless network, but it's only broadcasting on one frequency. That's the same arrangement in Izadpanah. From the transmitter to the receiver, there's a single RF channel used. So as a result, Chapman and Izadpanah cannot teach receiving data via a group of channels as recited in the claims.

JUDGE McSHANE: That last issue you alluded to is covered in Dr. Akl's expert declaration?

MR. BAJAJ: Yes, from paragraph --

JUDGE McSHANE: In the detail that you just expounded on?

MR. BAJAJ: Yes. Paragraphs 84 through 95 of his declaration explain in detail how the figures of Izadpanah and how Izadpanah and Chapman don't teach transmitting or in the claims receiving data over a group of channels as recited. And as I noted, Dr. Mir confirmed that there's a single RF channel from the transmitting side to the receiving side.

JUDGE McSHANE: At a higher frequency, correct?

MR. BAJAJ: Correct, at a single higher frequency. The way that it works is that, again, for transmission to be successful, there can only be one frequency that both antennas

use. So Dr. Akl and Dr. Mir are in agreement that there's one single higher frequency used for that transmission. So even if you combine Chapman where one single frequency is used, you only have one single frequency. So it's not a group of channels. It's a single channel.

I would like to reserve the remainder of my time.

JUDGE McSHANE: Six minutes.

Rebuttal, please. You have 14 minutes left.

MR. BAUER: I'm going to submit the technology piece on the record, unless Your Honors have any questions on the technology. I'm going to touch on the conception, the diligence just a little bit. But in terms of what the disclosures are, Amit is a 102 reference. So I think if you find no conception and diligence, we are done with Amit. The other references are a second argument. If you have any questions, my colleague can address that. And I'm happy to, but I don't think there's anything he said that's not fully briefed.

JUDGE ZECHER: Wasn't there one technical argument on Amit regarding the ethernet interface? You don't want to address that?

MR. BAUER: That's the one I was going to address. That's a legal issue, the claim construction thing. It's slides 14, 15 and 16 of our deck. That's the claim 15 issue. So this was the construction they proposed. So it's a new claim construction that

they are asking that an ethernet interface, which is in the claim, be an ethernet port for interfacing.

And all we really need to look at, slide 15, Dr. Mir addresses that. The specification differentiates between an ethernet interface and ethernet port. And let me just show you exactly where that is, and I think that takes care of it. Slide 16, this comes from the patent. Column 1, lines 59 to 63. And it's supported by Dr. Mir's reply.

And what does the patent tell you? The CM at the user or subscriber site typically connects to a personal computer. It's at the personal computer site, right, at the subscriber site, through an ethernet port. That's what we know. Personal computers have ethernet ports.

Well, the CMTS, which is really the head end, the other end, typically enables connection to a network through a high-speed ethernet interface although other types of network connection are possible. So the patent is using two the different words. This is their patent that we are talking about here. Their patent says at the high-speed end you use a high-speed ethernet interface.

And interface can be anything, right. The high-speed end where you are talking about the whole network, that can be cables or more. It just doesn't matter what's going in there. Whereas, at the PC, you have a port. You plug the thing in. So they know there's two different things. They have described in

their patent the PC has a port and the CTM has an ethernet interface. So to now try to say the term "ethernet interface" in the claim means an ethernet port for interfacing with a computer is a new claim construction that's just not supported by the patent. And that's the argument there. This isn't a matter of needing to go out to the world and figure out what the terms mean. The patent described what the terms mean.

JUDGE ZECHER: Would you like to respond to the argument that Amit doesn't teach an ethernet interface?

MR. BAUER: Amit has an ethernet interface to communicate with the CMTS. It's inherent. Amit must have an ethernet interface to communicate with the CMTS. There's no other way. Amit is a cable network and it's connecting with the CMTS.

JUDGE ZECHER: Your position is inherency, then?

MR. BAUER: That this is inherent. It's an interface. We don't know what type of interface. And that's where the argument, I can't say it's a port or what the cable is or how it's connected. It's connected -- has an ethernet interface. It's connected. That's what we know. We know it's connected. Interface is broad. So how else -- right. That's it. You'll see on this one, Your Honors, I did have my team on the technology. So that's why, but I think that was the answer.

And then I'm just going to really one minute on this conception and reduction to practice thing because that's

important. This is the first time I have said it today. You want to talk about new arguments, for them to come in and start making an argument that there's an inventorship issue that we should be taking to the District Court, that is all new. They don't back away from him being an inventor. They are not saying maybe there was a mistake here or not. He is a named inventor. There is no evidence, no suggestion, no argument he is not a named inventor.

And the cases they cite which they put up here talk about the inventor not needing to know that he made the conception. Well, he has to be there when the conception was made. Maybe he didn't know he made the conception, but he has to be there. And they want a date when he wasn't there. And that, as a matter of law, prevents him from participating in the conception knowingly or not knowingly.

And what they did, and one of Your Honors asked, was that document submitted with the provisional, and the answer was yes, along with other things. So I don't know whether he contributed to other things to make the invention or not, but that's not the single document that was submitted to the provisional. And the fact that this has some of the elements or all of the elements or whatever doesn't matter. They say he's an inventor. It's not for Your Honors to -- there's no record to suggest he isn't. And on this record, the only thing you can find, on this record, the only thing you can possibly find all seven are inventors and not all were there on that day. And as a matter of law, the

conception could not have been made that day because every inventor has to. There's no inferences to be drawn based on that.

JUDGE McSHANE: Excuse me. Just a clarification. You just mad a statement something like, well, that he isn't an inventor. You are saying on the face of the patent it says he is a named inventor? Just for clarity of the record.

MR. BAUER: Yes. What do you think I said? I am saying he is an inventor on this record.

JUDGE McSHANE: On this record, right.

MR. BAUER: And there's no other alternative because they aren't turn even -- forget about new argument. They are not even suggesting he is not. They are saying if I think he is not, I got to go running off to District Court to correct it for them. Remember why we are here. They are trying to swear behind a reference. Their burden. They got to say that they invented it first. All the inventors had to have invented it first. He was not there. And no explanation.

They talk about they have a declaration from him. And they could have -- clearly they could have made an argument if they wanted to on filling this gap in. But they stand on him being an inventor. They could have somehow maybe said something. I don't know what it is, but they didn't. They stand on him being an inventor and cite a case that says the inventor has to know -- doesn't have to know he made the invention. But there's no case

that says the inventor doesn't have to be there when he made the invention. And that's -- that's the end of it.

And then finally on the diligence, I think there is no evidence of what she did. I don't have the infer anything. I don't have to fill in the gaps. They came forward with a bunch of e-mail with one-month and two-week gaps. They don't fill it in. And the only thing they point to is her declaration and her boss' declaration, and none of them say anything other than the conclusion. They don't say what they think diligence means. They don't say they are working in between. She just says, I was diligent.

And when you look at the boss, the boss says they gave two e-mails and I looked at the e-mail from 15 years ago and I remember she was doing what she was supposed to be doing and she must have been diligent, that's not the evidence of diligence to fill this in. Not when they are trying to swear behind a reference, which is their burden. Thank you.

JUDGE McSHANE: You have six minutes.

MR. BAJAJ: Thank you, Your Honor. Just a few things. I just want to correct a statement that I made earlier with respect to Judge Murphy's question. We do have the burden on there being a conception and carry the burden on diligence. There's no burden that we have to carry on proper inventorship. If there's a problem with inventorship, that's not to be addressed here.

And on the diligence aspect, the rule of reason from *Price v. Symsek* requires that corroboration is reasonable under the circumstances. And so under the circumstances, 15 years ago, it's reasonable to produce e-mail that corroborates the direct testimony of the inventors.

And you'll note that this was not a simple task. It's not so simple as to connect a CMTS and get some cable modems. It's quite complex. And Mr. Totland testified to this, that this required nonstandard configuration. It required specific new configuration files and extensive amounts of research. It's not as if a CMTS, when you buy it from whatever vendor you do, is configured to operate in this way. They had to take it from its default operation, take the cable modems from their default operation, write entirely new software to test and to configure the devices. We've submitted code and configuration files in the record to show that diligence is not as simple as turning it on. It requires extensive effort. And that extensive effort is reflected by the record and occurred between that January 15th and March 14th critical period. Thank you, Your Honors.

JUDGE ZECHER: Patent owner, real quick, maybe Mr. O'Brien can chime in, it behooves me to ask this. A lot of this case was spent on an RPI issue. Preliminary response had 30-plus pages. We had multiple requests for rehearing. We dealt with additional motions for discovery, multiple calls on this. So this case was somewhat consumed by that issue. Where is that

argument? I assume you have waived it because you haven't presented it in your substantive papers. I would like a response on that.

MR. BAJAJ: Certainly, I think Mr. O'Brien can address that.

MR. O'BRIEN: I'd be happy to address that. It is not for lack of there being evidence to carry the case. I won't go into huge amounts of detail, but our client made a business decision, frankly, under pressures from outside sources. It's a business decision not to proceed on those issues. And we went forward with the substantive aspects of the case. It is not at all for lack of there being evidence. In fact, up until the very day that those motions were due, discovery was ongoing. You'll recall that we had to get involved a separate firm to handle the discovery documents. We had very good documents. There were additional documents that were still coming in at that time.

But let me leave it there. Does that answer your question? I'm happy to answer your questions. I don't want to volunteer huge amounts of information.

JUDGE ZECHER: Basically what you are saying is it's a business decision not to pursue it.

MR. O'BRIEN: Correct. So if you are asking me are we maintaining that argument at this time, we are not.

JUDGE McSHANE: Put another way, you are withdrawing that issue?

MR. O'BRIEN: We have, Your Honor. We have not briefed it, so I think that's the net effect. Let me be clear. The client is not conceding that there are not real parties in interest that were unnamed. That may be a very important issue for estoppels that occur. However, in terms of this proceeding and in terms of a failure to name and therefore, the ineffective petition and nonentitlement to the filing date, we are not pursuing the issue.

JUDGE ZECHER: Thank you.

JUDGE McSHANE: Are there any other issues? Any questions?

MR. BAUER: If I could have one sentence, just so it doesn't stand unrebutted, we think there was no evidence of real party in interest. We did provide all the discovery. As you know, it was a huge, huge issue, and they just chose not to do it. This is all news to me as to the reason. Nobody sent us a letter or anything. We assumed they had just completely given up knowing our evidence. So this is just lawyers today, but we think the real party in interest is dead and should have been dead from the beginning. I have nothing else, Your Honor.

JUDGE McSHANE: Thank you, counsel, for appearing. Thank you for your very good arguments today and your patience getting through a lot of material. We appreciate it and we'll take all the issues under advisement.

(Whereupon, the proceedings at 3:02 p.m., were concluded.)