

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FITBIT, INC.,
Petitioner,

v.

ALIPHCOM, INC., d/b/a JAWBONE,
Patent Owner.

Case IPR2016-00607
Patent 8,529,811 B2

Held: May 11, 2017

BEFORE: CHRISTOPHER L. CRUMBLEY, JON B.
TORNQUIST, and JEFFREY W. ABRAHAM, Administrative
Patent Judges.

The above-entitled matter came on for hearing on Thursday, May
11, 2017, commencing at 10:30 a.m., at the U.S. Patent and
Trademark Office, 600 Dulany Street, Alexandria, Virginia.

Case IPR2016-00607

Patent 8,529,811 B2

APPEARANCES:

ON BEHALF OF THE PETITIONER:

MICHAEL C. HENDERSHOT, ESQUIRE
NAVEEN MODI, ESQUIRE
DAVID OKANO, ESQUIRE
Paul Hastings, LLP
1117 South California Avenue
Palo Alto, California 94304

ON BEHALF OF PATENT OWNER:

ANDREW S. BROWN, ESQUIRE
MICHAEL T. ROSATO, ESQUIRE
Wilson, Sonsini, Goodrich & Rosati
701 Fifth Avenue
Suite 5100
Seattle, Washington 98104-7036

1 P R O C E E D I N G S

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3 JUDGE CRUMBLEY: Good morning, everybody.
4 Today we have the oral hearing in an inter partes review trial
5 IPR2016-00607 between Fitbit, Inc., as the petitioner and
6 Aliphcom doing business as Jawbone, as the patent owner. I'm
7 Judge Crumbley. To my right is Judge Tornquist. To my left is
8 Judge Abraham. Why don't we start with the parties' appearances
9 starting with petitioner.

10 MR. HENDERSHOT: May it please the Board,
11 Michael Hendershot of Paul Hastings, LLP for petitioner, Fitbit,
12 Inc. With me are Naveen Modi and David Okano, also of Paul
13 Hastings.

14 JUDGE CRUMBLEY: Very good. And who do we
15 have from the patent owner?

16 MR. BROWN: Andy Brown of Wilson, Sonsini,
17 Goodrich & Rosati on behalf of Jawbone. And with me at
18 counsel table is Michael Rosato.

19 JUDGE CRUMBLEY: Well, welcome everyone to the
20 Board. We set forward the procedure of how today is going to go
21 in our hearing order, but just to make sure we are on the same
22 page, I'm going to go over it real quick. We have a relatively
23 short amount of time today, 15 minutes per side, at the request of
24 patent owner. Each party will be able to allocate that time
25 amongst whatever arguments they choose, subject to the Board's

1 questions, obviously. The petitioner has the burden and so will
2 present its case-in-chief first. You can reserve time for rebuttal if
3 you wish. Just let me know at the beginning. And it will be
4 followed by the argument from the patent owner and then
5 followed by, of course, the rebuttal time.

6 I see that I have slides from the petitioner. I don't have
7 any from the patent owner; is that correct?

8 MR. BROWN: That's correct.

9 JUDGE CRUMBLEY: And I don't have any objections
10 to the petitioner's demonstratives either. So I assume there were
11 none.

12 MR. BROWN: That is correct.

13 JUDGE CRUMBLEY: All right. Mr. Hendershot,
14 begin when you are ready. Are you reserving any time?

15 MR. HENDERSHOT: Yes, questioning permitting,
16 about five minutes. May it please the Board, my name is Michael
17 Hendershot. I'm here on behalf of petitioner, Fitbit. Given the
18 timing we have, I have the luxury of making a promise few
19 lawyers make and fewer keep, I intend to be brief.

20 Going over the materials in preparation for this, it
21 became pretty clear to me that there's really one issue before the
22 Board that will resolve most any of patent owner's arguments. It's
23 a question of claim construction with respect to one element in
24 claim 16, the sole independent claim at issue. And really if the
25 Board concludes that it's unwilling to read language out of that

1 claim completely, their arguments fail. We submit the papers are
2 abundantly clear on this point, so I'm just going to be brief and
3 highlight a few points and give a little bit of background. And
4 obviously I'm here to answer any questions the Board has. We
5 have hard copies of the slides, if the Board would like.

6 JUDGE CRUMBLEY: You know, I think we are okay
7 with just looking at this. Maybe give it to us at the end so we
8 have a paper copy.

9 MR. HENDERSHOT: Happy to do so. Slide 2, just by
10 way of brief background, the Board instituted review of claims 16
11 to 26 based on the following grounds illustrated here on slide 2.
12 Claim 16 is the sole independent claim. The balance of the
13 claims depend therefrom. We raised one anticipation ground
14 based on the Lo prior art reference and three obviousness
15 grounds.

16 We submit we've more than met our burden as to all of
17 these grounds. We've submitted a petition that detailed where
18 each of the limitations of each claim is found in the prior art, the
19 rationales for the obviousness combinations, and those were
20 supported by the declaration of Dr. Cairns which was equally
21 detailed. His qualifications are not challenged and he was only
22 rebutted or contradicted really on one point which is that element
23 of claim 16 that I referenced.

24 JUDGE CRUMBLEY: Now, counsel, Dr. Cairns did
25 not testify as to the claim limitation that I think you were going to

1 be talking about today that covers the all or substantially all
2 limitation?

3 MR. HENDERSHOT: He did not offer an affirmative
4 express construction of that term.

5 JUDGE CRUMBLEY: He didn't even really testify as
6 to what a person of ordinary skill in the art would have
7 understood that term to mean.

8 MR. HENDERSHOT: Not explicitly. It would have
9 been implicit in his opinion, if you look at the background in
10 what he offered in terms of reading the Lo reference.

11 JUDGE CRUMBLEY: You know, why don't we just
12 jump straight to the claim construction. I think we are familiar
13 with what the grounds are in the case and use your time best. I'm
14 interested in your statement in your briefs that the term -- the real
15 focus should be on the all or substantially all and not the meaning
16 of covers, that covers is not the crucial term here. And I have a
17 hard time with that because doesn't all or substantially all modify
18 covers?

19 MR. HENDERSHOT: And I don't have the exact
20 language you are referring to, Your Honor, in front of me.
21 Obviously they are both optimal claim elements. They are both
22 important I think the emphasis in the earlier briefing in the
23 institution decision was on covers. There was not as much
24 emphasis on all or substantially all, and those are equally
25 important claim terms within that element. So to the extent we

1 suggest that the focus should be there, I think it was largely
2 driven by that. But I do think they are important and largely
3 dispositive.

4 JUDGE CRUMBLEY: I mean, so I know you don't
5 have it in front of you, but I'll just read it to you from your reply
6 brief on page 6. You say the key term in covers all or
7 substantially all is substantially. Not covers. Regardless of
8 whether a broad or narrow interpretation of covers is applied,
9 substantially, as understood in view of the specification, expands
10 the scope of the claim to include outer moldings that enclose and
11 encase and ones that partially cover.

12 So is it my understanding that your position is even if
13 we were to adopt the patent owner's construction of covers as
14 encasing or enclosing, that substantially still gets us to your point
15 which is that on one side can be covers all or substantially all?

16 MR. HENDERSHOT: Okay. I don't think you can get
17 to enclosing or encasing. I think if you adopt any of the
18 dictionary definitions proffered as ordinary meanings in the
19 record, all or substantially all gets you there.

20 JUDGE CRUMBLEY: Let's assume for sake of
21 argument that we disagree with you and we adopt their
22 construction of covers as encasing.

23 MR. HENDERSHOT: If something partially encases
24 something, I would think putting a layer on top of that would
25 cover that. This gets to really the express language of the

1 specification which talks about an outer molding going on top of
2 an inner molding either partially or completely and actually goes
3 on to define substantially with an i.e. statement as partially or
4 completely.

5 So I think Lo would teach that because it would be
6 encasing one side of it. So that would be a partial enclosure or a
7 partial encasement. Think about a roof over a patio partially
8 encloses but doesn't completely enclose it.

9 So to answer your question, I think, yes, Lo would still
10 anticipate if you adopted their interpretation of enclosing or
11 encasing for covers but the proper constructions we propose of all
12 or substantially all. But again, I reiterate, I don't think you can
13 get to enclosing or encasing --

14 JUDGE CRUMBLEY: I understand that's your point.
15 I'm just trying to explore your position and what the work you
16 think substantially all is doing in that phrase, because cover still
17 has to mean something or encasing, if we adopt encasing.
18 Encasing still has to mean something. So I was thinking about it,
19 if I were to claim an antibacterial that eliminates all or
20 substantially all bacteria, eliminates still has to do some work
21 there. So you can't -- I wouldn't say that eliminating 1 percent is
22 eliminating substantially all. So there's some floor there for what,
23 going back to the claim terminology here, encasing has to do.

24 MR. HENDERSHOT: What percentage do you
25 attribute to that?

1 JUDGE CRUMBLEY: I'm just saying if it only -- let's
2 even keep it within the range here, one-sixth, if it eliminates
3 one-sixth of bacteria, is that eliminating substantially all bacteria?
4 I don't know if that's true because eliminate still has to do some
5 work in the claim construction, right?

6 MR. HENDERSHOT: Absolutely. If it's suggested
7 otherwise in our reply brief, I would like to correct it now.
8 Absolutely covers does some work in the claim. The proper
9 meaning of covers does work in the claim. There are a number of
10 dictionary definitions set forth in the record. We think if you
11 were to adopt any of those as the ordinary meaning, plainly, I
12 don't think there's a dispute that Lo would satisfy under the
13 proper construction of all or substantially all.

14 I don't think enclosing or encasing is the proper
15 construction of covers, for reasons I'll touch on. But even if you
16 get to enclosing or encasing for covers, if you look at how all or
17 substantially all is used in the specification -- and substantially is
18 not a word of precise exclusion or inclusion where I think it
19 would be suggestive of some percentage or some number of
20 sides. So looking to the specification really is informative here
21 particularly as to that claim element.

22 JUDGE CRUMBLEY: Okay. So we need to go to the
23 specification to sort of understand what substantially all means in
24 the context here?

1 MR. HENDERSHOT: Well, I think it's plain from the
2 claim. The first level, plain from the claim that all or
3 substantially all contemplates all or something less than all. I
4 don't think that can be escaped from the plain meaning of the
5 claim language under any interpretation. But their construction
6 that they propose complete and total encasement and enclosure
7 reads "or substantially all" out of it. They are all in.

8 And their expert who they rely upon pretty extensively,
9 if you could pull up slide 12, made it pretty clear in his deposition
10 that their claim construction position depends upon reading the
11 phrase all or substantially all just as all.

12 JUDGE CRUMBLEY: And he kept going back to
13 Figures 4 and 9 during the deposition. And obviously there are
14 problems with that from a legal standpoint.

15 MR. HENDERSHOT: We don't dispute under our
16 construction that those are covered by our claim construction.
17 There's no question, if you go back to slide 3, that all in that claim
18 does work and complete encapsulation is covered by our
19 construction. But that's not all the claim says.

20 And I think here, so you start with the premise that just
21 with the claim language alone all or substantially all clearly
22 contemplates complete enclosure or something less than that,
23 some partial enclosure. Substantially, admittedly, is not a word
24 that really, to my mind, says okay, this is 30 percent, 70 percent.

1 It's not a term of precision. So look at how that term is used in
2 the specification.

3 If you could pull up slide 6, I'll start with the bottom
4 excerpt. The specification makes really clear here that when we
5 are talking about the layers here that are being applied, the
6 protective layer, the inner molding and the third bit, the outer
7 molding, these are the three elements that are claimed in claim
8 16, that outer molding is the one that's at issue, it may be
9 selectively, partially or completely applied to any given item.
10 That's consistent with the claim language. It's consistent with our
11 construction. You can have complete coating or you can have
12 partial coating.

13 Now, patent owner sees the term in the next sentence
14 that says enclose or encase and uses that for its construction. I
15 would just submit that the start of that sentence says an outer
16 molding may also be configured. So that's not saying it has to be.
17 It's saying it may also. And the specification is very clear there
18 that the outer molding may be partial, may be complete. That's
19 consistent with the claim language all or substantially all.

20 Then in column 8, lines 62 to 67 there is a statement
21 like is placed substantially, i.e., partially or entirely. So that's a
22 definition of substantially from the specification. That is
23 consistent with its usage in the bottom passage and also
24 consistent with what I was discussing about the claim language

1 itself, which means it's got to be all or something less than all.
2 Complete or partial coverage.

3 And again, their construction would read that second bit
4 out, and that's our real issue with their construction, why we think
5 unless the Board is willing the read that language out of the claim
6 and say that's okay -- and we think that's error, their construction
7 is unreasonable. And there really are those two constructions in
8 the record.

9 So David, if you could circle back, one other issue with
10 their construction, if you could circle back to the slide with all of
11 the substantiallys highlighted, another problem they run into is by
12 trying to read substantially all out of the third element to try to get
13 around the Lo reference is substantially turns up three times in
14 this claim, the first element, second element, third element. Their
15 effort to read it out of the claim results in having to apply a
16 different meaning to substantially different parts of the claim.

17 So if you go to the next slide, at his deposition, patent
18 owner's expert provided that adopting the -- acknowledged first
19 the statement that I pointed to in the specification was definitional
20 of the term substantially, the i.e., and he said in his opinion, the
21 first element of claim 16, that definition applies too. That's the
22 proper meaning of substantially there. But in the latter two it
23 means something different. It doesn't apply there. And I would
24 submit it's a pretty well established kind of claim construction
25 that the same term needs to mean the same thing throughout the

1 claim. So it's another problem they run into by trying to read this
2 language out and another reason why we would submit their
3 construction is unreasonable.

4 JUDGE ABRAHAM: Let me ask you a question while
5 we are on slide 13. You have substantially highlighted, but if you
6 add the next word, you have got substantially over in the first
7 applied step and you've got substantially over. Then you've got
8 something that covers all or substantially all. Is there a difference
9 between something that's applied substantially over and
10 something that covers all or substantially all?

11 MR. HENDERSHOT: I would say in certain
12 specifications there might be. I could see a circumstance where
13 there might be, but in the context of this and how they use
14 substantially consistently being partially or completely including
15 in the definitional statement, I would say there's not a material
16 difference here.

17 And I would note that the first element and the second
18 element have, I think, the same language that you are referring to,
19 substantially over. Those two elements, their expert said, have
20 different meanings despite the similarity of that language. So I
21 think the way this term is used in the specification, there is not a
22 real difference. Admittedly, it's not something that we've briefed
23 in detail.

24 And unless there are any other questions, I would like to
25 reserve the rest of my time for rebuttal.

1 JUDGE CRUMBLEY: Sure. I know we have been
2 asking questions so we'll restore your rebuttal time.

3 MR. BROWN: Thank you, Your Honors. Andy Brown
4 on behalf of patent owner, Jawbone.

5 JUDGE CRUMBLEY: Can you start where
6 Mr. Hendershot left off, with the different clauses of claim 16
7 using substantially over in the first two and then covers in the
8 third. This was language added during prosecution, the covers all
9 or substantially all, to overcome a rejection over Lo, if I'm not
10 mistaken; is that correct?

11 MR. BROWN: I'm sorry, Your Honor, I'm not familiar
12 with that part of the prosecution history, but it sounds correct.

13 JUDGE CRUMBLEY: That's what I'm interested by, is
14 that neither party briefed this on the prosecution history and what
15 we should take from that, which is a little interesting to me. So
16 do you have a view on the difference between over and covers?

17 MR. BROWN: Your Honor, we would love to have the
18 opportunity to brief this sort of issue. Unfortunately, this theory
19 that substantially was redefined to mean partially only arose in
20 the context of the reply and patent owner never had an
21 opportunity to respond.

22 JUDGE CRUMBLEY: Well, I mean, let's set that aside
23 for a minute. I think we raised it in the institution decision
24 because we cited that partially or entirely as the i.e. in the
25 institution decision. But you know, I think you addressed that in

1 your briefing. But let's set substantially aside for just a minute
2 because I'm more interested in covers versus over, and I didn't see
3 any discussion by either party about that. So I'm just curious
4 about is there a reason or something I'm missing there?

5 MR. BROWN: So my understanding based on a review
6 of the specification and the claims themselves and the testimony
7 of Dr. Young is that those claim terms are, in fact, different. And
8 I believe that if we are to get to this theory regarding the
9 definition of substantially as partially, it explains the difference.
10 And that is if you look at the first two claim elements, they both
11 require less than all. One is a subset of something and the other is
12 one or more of a plurality of something. They are both partial.

13 And so in fact, when you look at the specification and it
14 says substantially, i.e., explanation and then over, what it is in
15 fact doing, I believe, is not trying to say that substantially can
16 mean partially, but is instead explaining that substantially means
17 in that context, the substantially over context. Not just less than
18 all, but it includes all.

19 And in the third claim element where we have all or
20 substantially all, you know, I submit that's the plain and ordinary
21 usage in any field, but also as testified to by Dr. Young, what it
22 means is basically all, essentially all.

23 JUDGE CRUMBLEY: But you don't take the position
24 that it has to be all?

25 MR. BROWN: Absolutely not.

1 JUDGE CRUMBLEY: I mean, Dr. Young does say
2 that at some point, and I assume you are not adopting his
3 testimony on that point?

4 MR. BROWN: So his testimony in any case does not
5 support Fitbit's position. But I believe that what happened there
6 is you have to read his testimony in the context of he submitted a
7 25-page declaration on the meaning of cover in this field of the
8 art. And instead he was deposed four or five hours regarding the
9 meaning of substantially and whether it had been expressly
10 defined in the specification, which is of course a legal question.
11 Not a technical one. Eventually when somebody keeps on asking
12 you, so by substantially all or all, do you mean all when you are
13 saying it needs to be essentially maximize the coverage? The
14 intent is to try to get all of it. It's an insubstantial difference that
15 they are trying to -- they are trying to make sure that if there's just
16 an insubstantial difference, you still have coverage with the
17 claim. That was the issue that they were trying to address with
18 that language rather than just saying all.

19 What they definitely were not trying to do is redefine it
20 so that it included substantially none, which although petitioner
21 never states what their explicit construction is, their logic would
22 lead to a construction of substantially all that included
23 substantially none. Now, you can see why in response to that a
24 technical expert might push back and say all or substantially all
25 means all for all intents and purposes.

1 JUDGE CRUMBLEY: I mean, I take their point to be
2 that substantially all needs to be read in the context of the patent
3 as a whole in the claim. Claim 16 does say that the outer molding
4 is configured to be positioned in with contact with the user. So
5 one possible construction of what substantially all means is it just
6 needs to be enough of, cover enough of the inner molding to
7 cover the parts that are in contact with the user.

8 MR. BROWN: And I think that that is a potential
9 argument that could be made, but it's not an argument that was
10 made by the petitioner who bears the burden on this. We would
11 have submitted evidence to try to explain why that is incorrect on
12 this record if petitioner, following the institution decision where
13 the Board clearly encouraged the parties to provide an explicit
14 construction, analysis and evidence on the question of what the
15 term cover meant in the context of the claims, instead they shifted
16 to an express definition, supposed express definition of the word
17 substantially in one part of the specification.

18 JUDGE CRUMBLEY: Is it your position that the outer
19 molding of claim 16 has to impart some sort of protective
20 property?

21 MR. BROWN: I believe that's the purpose of the outer
22 molding. So that is why the construction of encase or enclose
23 would necessarily provide some sort of protection. But that is the
24 stated purpose throughout the specification.

1 JUDGE CRUMBLEY: So the outer molding can't just
2 be ornamental? It needs to be also protective?

3 MR. BROWN: Your Honor, I would have to go back
4 and look at the spec on that. I have not evaluated that issue to
5 this point.

6 One thing I want to make clear, also to turn back to
7 Jawbone's construction which is enclose or encase, if you want to
8 add on to the end of that all or substantially all, actually that's
9 what I had in my notes, that's totally reasonable. To be absolutely
10 clear, that construction is intended to be substantially consistent
11 with the alternative construction to on top of that the Board had
12 raised in the institution decision. Jawbone chose the language
13 that it chose because as we know, the first thing we are supposed
14 to look to when construing the claims is the intrinsic evidence.
15 So we chose the language from the specification that most closely
16 matched this concept, but it is indeed intended to cover
17 substantially the same thing.

18 JUDGE CRUMBLEY: I wasn't intending to suggest
19 that you have gone a third way. I take your point. I guess my
20 concern is and let's just say for the sake of argument that we
21 disagree and that the outer molding of claim 16 does not have to
22 have a protective purpose for me. It could be -- you know, I
23 know you say the transmission medium can't be an outer molding
24 because it has no protective --

1 MR. BROWN: I'm not sure that I would phrase it quite
2 that way. Part of this, again, is it's difficult because we are the
3 patent owner. We are responding to arguments and when the
4 arguments aren't made, it's difficult to know what exactly to
5 respond to. And so we provide examples of why it does not, why
6 it is not similar to what is described in the specification, why it is
7 entirely different. But in terms of whether that means that the
8 claims actually absolutely require it, we have to look to the
9 language of the claims themselves. To the extent that there was
10 express language in the response that suggested otherwise, I don't
11 recall that, but we weren't trying to import a protective limitation
12 into the claims that isn't there.

13 JUDGE CRUMBLEY: Well, I'm looking at your patent
14 owner response pages 22 to 23, again, I don't know have if you
15 have it with you or not, you are more than welcome to get a copy,
16 but you cite that the patent specification explains the outer
17 molding is a protective layer. You say that in addition to the
18 patent claims the outer molding is providing certain protective
19 and ornamental features, and then you cite dependent claims from
20 claim 1 which is not before us today. And then you say in the
21 first full paragraph on page 23, Dr. Young points out the
22 transmission medium of Lo in contrast does nothing more than
23 act as a means for transmitting ultrasonic signals. It does not
24 protect the plastic housing. So to me you are suggesting that in

1 order to be an outer molding within the scope of claim 16, it
2 needs to have some sort of protective property.

3 MR. BROWN: Well, the other example of a use of an
4 outer molding that you mentioned is an ornamental one. But Lo,
5 the transmission medium is pressed against the skin. There's no
6 way for it to be ornamental either. It's not the patent owner's
7 responsibility to come up with things that they might have argued
8 and then try to knock them down. We can only address what they
9 actually say. And on this particular point, they have said
10 essentially nothing because it's absent from the petition. And in
11 the reply they focus on substantially being a redefinition.

12 JUDGE CRUMBLEY: Let me try to go at it a different
13 way. Let's assume we disagree with you again that the outer
14 molding needs to have some sort of protective property because
15 that seems to be a large part of the basis for you saying that it
16 needs to encase it because, therefore, if it didn't encase it, it
17 wouldn't sufficiently protect the inner molding. Let's say we
18 disagree with that being the purpose. So then other than the
19 protective nature of the outer molding, what basis do we have to
20 conclude that it needs to encase the inner molding?

21 MR. BROWN: Maybe I can approach it this way. So
22 the issue is not that it necessarily must absolutely protect the
23 inner molding. It's more that there has to be some sort of reason.
24 And the reason for that is simply that we have to read the claims
25 and construe them from the view of a person of ordinary skill in

1 the art. And we have the testimony of Dr. Young regarding why
2 it is that a person of ordinary skill in the art would view an outer
3 molding as being different from transmission media and also
4 evaluating the claims. And so it's not one particular thing that
5 necessarily requires that it be protective or that it necessarily
6 requires that it be ornamental. The question is how would this be
7 viewed from the perspective of a person of ordinary skill in the
8 art. And the only testimony on that is from Dr. Young, and his
9 testimony supports Jawbone's position.

10 JUDGE CRUMBLEY: I'll let you continue.

11 MR. BROWN: So to be clear, throughout their
12 briefing, Fitbit suggests that their construction is the same as the
13 construction that was raised or floated by the Board in the
14 institution decision. Jawbone's position is that they are, in fact,
15 different constructions. The Board's construction or provisional
16 construction was "on top of." Not just encompasses on top of.
17 Whereas, in Fitbit's reply construction it is not simply
18 encompasses on top of. It's, in fact, substantially means partially
19 based on a redefinition in the specification. These two
20 constructions are both different in scope and perhaps more
21 importantly, in terms of the Administrative Procedure Act, they
22 are different in theory because one is based on a generalist
23 dictionary and which of two potential definitions applies.
24 Whereas, the other one is based on the applicant acting as their
25 own lexicographer.

1 I would direct the Board's attention to slide 6 of
2 petitioner's where they cite, they include a clip of and cite to the
3 section of the specification that has the language substantially i.e.,
4 partially or entirely. Underneath that clip there is a citation to the
5 petition. I would invite the Board to look at that portion of the
6 petition. It is where this argument would be found if it had been
7 made. But instead there is no citation to this, even this paragraph
8 of the specification. And so that is one thing that demonstrates
9 the insufficiency of the petition itself.

10 The Board, in its institution decision, raised a good
11 question, a reasonable question. It was one that Jawbone had not
12 anticipated because it thought the claim language was clear.
13 However, it raised a good question. But once trial was instituted,
14 there was no supplemental information submitted regarding what
15 a person of ordinary skill in the art would think from petitioner.
16 There was no analysis on the question that had been directly
17 asked by the Board regarding the meaning of cover. Instead they
18 shifted to a theory of lexicography, which is the sort of theory
19 that I would submit cannot be found by implication in a petition.
20 It needs to be expressly stated. So if the petition wasn't based on
21 the theory that the Board floated in its institution decision and it
22 wasn't based on the redefinition of substantially that's found in the
23 reply, the only conclusion is that there was a misapprehension
24 regarding the teaching of Lo in the petition. And for that reason,
25 the petition must fail.

1 I'm happy to answer any questions the Board may have
2 on Jawbone's construction and why it is that we believe this is the
3 broadest reasonable interpretation on the provisional construction
4 raised by the Board in the institution decision. I believe both of
5 those have been adequately addressed in the briefing, I hope.

6 For the reply construction, I'm also happy to address
7 that. But as I said, I believe that's outside the proper scope of
8 trial. It was not a theory that was instituted. Otherwise, if I could
9 have -- I would like to look at the prosecution history question to
10 answer for you.

11 JUDGE CRUMBLEY: Under our rules, you are not
12 allowed to raise new arguments at a hearing anyway. So maybe I
13 was inviting you to do something you shouldn't be doing. I was
14 just curious why neither party briefed this issue. And maybe it
15 doesn't matter. Maybe there is something we are missing.

16 I want to go back to your point about the new argument.
17 I mean, so are you aware of the Federal Circuit's decision earlier
18 this week in *Intellectual Ventures versus Ericsson*?

19 MR. BROWN: Yes, I am.

20 JUDGE CRUMBLEY: It's a nonprecedential decision.
21 So I mean, you would agree with me that claim construction is a
22 question of law that we must get correct and are not bound by the
23 arguments of the parties?

24 MR. BROWN: Generally, yes.

1 JUDGE CRUMBLEY: And I know there are APA
2 issues under *SAS v. ComplementSoft* about changing a claim
3 construction in a final decision, but there's also issues of notice
4 involved. And the question is, do the parties have adequate
5 notice of claim construction that the Court ultimately adopts? Is
6 it your position that if we were to construe covers all or
7 substantially all as meaning on one surface of, that that would be
8 in violation of your due process rights under the APA?

9 MR. BROWN: I think I would need an explanation of
10 what you are referring to by surface. Because for example, in the
11 context of wearable device, the surface is going to include all of
12 the sides. A surface is not one side. Dr. Young testified how on
13 top of in the context of layering things actually means you put
14 paint on top of primer. This is fairly standard usage, but it doesn't
15 mean in the upward direction which really when you are talking
16 about a wearable device --

17 JUDGE CRUMBLEY: And I don't know that we
18 intended any sort of ordinal direction from top, just meaning on
19 the surface of. But I take your point that surface can be all the
20 way around something. So I mean, again, what we are trying to
21 find here is language that really gets us at what the claim is going
22 for.

23 MR. BROWN: It does not need to be *ipsis verbis* what
24 one of the parties has said. However, what it needs to be is

1 something that is within the scope of what the parties were
2 allowed to address.

3 JUDGE CRUMBLEY: That's fair.

4 JUDGE ABRAHAM: Did you ask for a surreply to
5 address whatever arguments you felt were new in the reply brief?

6 MR. BROWN: If the Board will authorize a surreply,
7 we will happily file one. It's our understanding that the Board's
8 general preference --

9 JUDGE ABRAHAM: My question was, at the time you
10 read the reply or whatever it was you felt that there were new
11 arguments, something you didn't have a fair chance to address
12 before, did you request a surreply at that point?

13 MR. BROWN: No, we did not at that time.

14 JUDGE ABRAHAM: Is there a reason why?

15 MR. BROWN: Because it was our understanding the
16 Board's practice, although it may not be laid out in the rules, is to
17 address these issues in the final written decision and to ignore
18 new arguments in the reply. I don't have the rule number off the
19 top of my head, but that is consistent with the rule that says the
20 Board may do so.

21 JUDGE CRUMBLEY: That's fair. But I think a
22 number of the Federal Circuit cases say that there are multiple
23 ways we can address the arguments including surreplies,
24 including motions to strike. So I just took my colleague's
25 question to clarify the options and why you chose the option of

1 raising for the first time here at the hearing where we are a little
2 constrained in what we can do about it.

3 MR. BROWN: Let me be clear as well. I'm not sure
4 that a simple surreply would cover it. We also would need the
5 opportunity to present additional evidence on this question from a
6 person of ordinary skill in the art. We would want to have at least
7 the opportunity to consider cross-examining Dr. Cairns again,
8 although he has no direct testimony on point that I'm aware of.
9 That would be something we would need to explore. You are
10 basically entirely reopening trial.

11 I'm well over my time, but I'm happy to answer any
12 questions that the Board may have.

13 JUDGE CRUMBLEY: I think that it's. Thank you very
14 much.

15 MR. ROSATO: Your Honor, can I make one comment
16 on the prosecution history? I'm happy to give overtime, but I
17 think it's an important legal question. I can make a brief
18 comment if I may.

19 JUDGE CRUMBLEY: Was this an argument that was
20 made in the briefing? That's my concern is that we shouldn't let
21 you go beyond what was said in the briefs.

22 MR. ROSATO: It was asked. I think there is an
23 important answer. There is a legal issue there that's validly raised
24 and I'm happy to have them comment on it.

1 JUDGE CRUMBLEY: I'll let you raise it. We may not
2 rely on it if it's beyond --

3 MR. ROSATO: The Board is capable not considering
4 things.

5 MR. HENDERSHOT: I'll note it wasn't raised in the
6 briefing. I object to it. We'll proceed according to whatever you
7 rule, Your Honor.

8 JUDGE CRUMBLEY: I don't think it's beyond our
9 abilities to disregard a new argument. So I think we'll let
10 Mr. Rosato make the argument and then see where we go.

11 MR. HENDERSHOT: As long as we are all in
12 agreement that it's well within your discretion to disregard what
13 he's saying if it's not in the briefing if you so choose, then I've got
14 no problem with it.

15 MR. ROSATO: I agree. I would actually echo that and
16 even urge the Board to disregard if it's deemed inappropriate or
17 not answering the question. Absolutely agree. Thank you,
18 counsel.

19 So the question that was asked was about prosecution
20 history. And there is Federal Circuit precedent that does indicate
21 that prosecution history has to be taken into account. It's a very
22 valid question. There was a Lo reference that was distinguished.
23 The real issue, and I think the point that was trying to be
24 advanced in the construction is just an honest answer. The intent
25 in the construction or explaining the coverage, the scope of the

1 claim, trying to answer the Board's question, at the end of the day,
2 the intent, which is reflected in the claim language, in the
3 specification and the prosecution history and everywhere is that
4 the intent of the term "all" or "substantially all," "cover all" or
5 "substantially all" was to reflect the reality of materials science
6 covering as much as you possibly can but accounting for
7 variations in the application and minor areas that might not want
8 to be covered like --

9 JUDGE CRUMBLEY: I take your point.

10 MR. ROSATO: That's it.

11 JUDGE CRUMBLEY: You don't feel it was necessary
12 to go to the prosecution history because of the specification and
13 claims, and testimony was sufficient.

14 MR. ROSATO: And that all the evidence points to the
15 intent which was to maximize coverage and that whether it's
16 encasing consistent with the protective coating and all that.

17 JUDGE CRUMBLEY: Thank you very much.

18 MR. ROSATO: Thank you and thank you, counsel.

19 MR. HENDERSHOT: I'll note that I maintain my
20 objection for the record.

21 JUDGE CRUMBLEY: That's fine. I appreciate the
22 input.

23 MR. HENDERSHOT: Your Honor, and I apologize for
24 not attributing it to an individual, said trying to get at language of

1 what the claim is going for. I absolutely agree that that's the
2 purpose of claim construction.

3 I'm going to address a few points, try to do it relatively
4 quickly. We absolutely offered an express construction. As the
5 Board will recall, it invited briefing on claim construction of the
6 term "covers all" or "substantially" all. We include an express
7 construction at page 2 of our reply in response to the Board's
8 institution decision that provides partially or entirely on top of.
9 The on top of is consistent with the institution decision's of
10 covers. Partially or entirely captures and gives meaning to the
11 language all or substantially all.

12 JUDGE CRUMBLEY: I think I took their point to be
13 that in the institution decision we said covers all or substantially
14 all means could mean on top of. And we didn't separate out
15 covers from all or substantially. But does it matter here because
16 Lo shows it over --

17 MR. HENDERSHOT: All.

18 JUDGE CRUMBLEY: -- entirely on top of. Just my
19 point was this may be a good argument, but I'm not sure it's
20 relevant to what we are doing here.

21 MR. HENDERSHOT: I think both of them get us there.
22 It's entirely on top of the surface that's configured to be in contact
23 with the user.

24 With respect to the *Intellectual Ventures* case and their
25 argument about the APA, that case, as I recall, discussed and

1 emphasized the patent owner or petitioner, I forget, their failure
2 to avail themselves of administrative processes before the PTAB.
3 If they thought they were new, they could have moved to strike.
4 They could have sent a surreply, as you noted. They did not. I
5 think the time for that argument has passed. And you invited
6 argument on a briefing and argument on claim construction,
7 which we're here today doing.

8 You also noted the protective properties about the outer
9 molding. Could you pull up slide 15 for me, please. They were
10 talking about protective properties in the outer molding. If you
11 want to talk about what the claim is getting at and talk about
12 maximizing coverage, you can't square that with the claim
13 language. Claim 16 says the inner molding has a protective
14 property. Not the outer molding. And a lot of these protective
15 properties make no sense in anything other than an exterior
16 surface in terms of material science, as he was referring to.
17 Oleophobic coatings resist smudges or fingerprints, something
18 that may be touched on the exterior surface. Antibacterial
19 coatings are designed to prevent skin irritation as a general
20 matter. Those are properties that the claims expressly say are on
21 the inner molding. I'll respectfully submit if you are completely
22 enclosing or encasing as they propose the inner molding, those
23 just make no sense. Whereas, if you give the claim language full
24 meaning, apply it consistently with the specification and the inner
25 molding is only partially covered or as in Lo, one surface is

1 covered, the inner molding is going to have some surfaces that
2 are exposed as an exterior and these dependent claims makes
3 sense. Their construction renders these somewhat nonsensical.

4 If you go to the next slide, their expert couldn't come up
5 with an example of a fully encased inner molding that would have
6 antibacterial or oleophobic properties. So I think if you look at
7 what they are really getting at with the claim language, it's not
8 maximizing coverage. It could be with the all, but it only makes
9 sense if you give meaning to the full claim term all or
10 substantially all in terms of coverage. The specification makes
11 clear that encompass is partial. That is clearly disclosed by Lo.
12 In fact, it's on top of all of the surface as configured to be in
13 contact with the user.

14 Let me just go over my notes. Just in terms of if you
15 are talking about number of sides, if you could go to slide 3, they
16 noted the differences between the claim elements in terms of the
17 wording. If you take this claim and read what it covers and don't
18 get so focused just on the language we've construed, and I have
19 been guilty of that myself in some of this, this technology is
20 claimed. It doesn't make sense to think about substantially to me
21 in terms of numbers of sides or percentage of coverage. You've
22 got electronic components that you are mounting on a framework
23 or a print circuit board if you look in the specification. You apply
24 a protective material over one or more of those. Could be just a
25 little bit of it. Then you form an inner molding substantially over

1 a subset of could be the framework, could be the coating, could
2 be a separate thing. And then the outer molding only has to cover
3 all or substantially all of those one or more inner moldings.

4 So as that claim is written, they want to talk about an
5 example in the patent that I'll concede is there where everything is
6 enclosed. That claim language covers something where you have
7 got a little bit that's covered by an outer molding and it may only
8 have one surface that's available to be coated. So if you want to
9 give full meaning to the language of the claim including the other
10 elements, as we illustrate with some figures in our petition,
11 treating and thinking about substantial coverage in terms of a
12 number of sides doesn't make sense to me as much as particularly
13 in view of the fact that it's got to be configured to be in position
14 and contact with the user, if you are talking about which sides
15 were more relevant to me than number of sides and would you
16 view the entirety of the claim language.

17 I see that my time is up. I'm happy to answer --

18 JUDGE CRUMBLEY: We've sort of thrown that to the
19 wind today. Why don't you sum up.

20 MR. HENDERSHOT: It boils down to if you look at
21 the claim language, give full meaning to it, there's really only one
22 reasonable construction in the record. To adopt theirs you need
23 to read all or substantially all out of the claim. They are very
24 clear, you can look at their expert's testimony, they are trying to
25 dismiss. They relied heavily on him, almost exclusively on him

1 for their construction. And it's in our slides. He said repeatedly,
2 it's complete and total. It's total. It's complete encasing. That
3 requires an error of claim construction as a matter of law.

4 Our construction, we submit, is consistent with the way
5 it's worded in the claim, the specification, the remainder of the
6 claim language and doesn't render dependent claims nonsensical.
7 We think there's only one reasonable construction in the record.
8 Certainly if there are multiple ones, ours is the broadest
9 reasonable construction. And there is little question that Lo
10 anticipates and the other claim elements are rendered obvious by
11 the combinations, including Lo, under any reasonable
12 construction.

13 I thank you for your time, Your Honors.

14 JUDGE CRUMBLEY: Thank you very much.

15 MR. HENDERSHOT: And I have copies of the slides
16 if you want hard copies.

17 JUDGE CRUMBLEY: That would be great, yes. All
18 right. If there's nothing else, that will conclude our hearing today.
19 Thank you for coming to see us. It's been very helpful. And we
20 will issue our final decision in due course.

21 (Whereupon, the proceedings at 11:14 a.m., were
22 concluded.)