

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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RESIDEO TECHNOLOGIES, INC. and  
CENTRAL SECURITY GROUP -- NATIONWIDE, INC.,  
Petitioners,

v.

UBIQUITOUS CONNECTIVITY, LP,  
Patent Owner.

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IPR 2019-01335 (Patent 8,064,935 B2)  
IPR 2019-01336 (Patent 9,062,655 B2)

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Record of Oral Hearing  
Held: October 27, 2020

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Before JEAN R. HOMERE, JOHN F. HORVATH, and  
MELISSA A. HAAPALA, *Administrative Patent Judges*.

IPR 2019-01335 (Patent 8,064,935 B2)

IPR 2019-01336 (Patent 9,062,655 B2)

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P R O C E E D I N G S

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JUDGE HORVATH: Good morning, everyone, or afternoon, I should say. This is Judge Horvath with the Patent Trial and Appeal Board. With me are Judges Homere and Haapala. We are here for a proceeding IPR 2019-01335 and -01336, captioned *Resideo Technologies v. Ubiquitous Connectivity*. And Central Security Group -- Nationwide has been joined as a party to this proceeding -- or to these proceedings.

If I can ask now that -- well, before I do that let me say that we have had -- the parties have requested 60 minutes of oral argument time per side. And in addition to that, Resideo Technologies has asked that one of its counsel be able to participate as a LEAP participant, which is a program in which newer counsel is permitted to -- or given the opportunity to present for a party. And because they are new and have not presented previously, or have only presented a limited number of times, we extend to them a little extra time to present.

So, Resideo requested that one of their counsel be admitted as a LEAP participant. That request was granted, and they are granted 15 extra minutes. So, Resideo will have 75 minutes to present their arguments. Or I should say the Plaintiffs, being Resideo Technologies and Central Security Group, will have 75 minutes. And the Patent Owner, Ubiquitous, will have the 60 minutes originally granted.

So, with that being said, can I ask counsel for -- Petitioner are you on the line and can you identify yourself, please?

MR. PLEUNE: Yes, Your Honor, this is Ben Pleune on behalf of Petitioner Resideo. And with me is my colleague, Adam Doane, who is the LEAP participant that you just mentioned.

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1 JUDGE HORVATH: Okay, thank you, Mr. Pleune. And counsel for  
2 Central Security Group -- Nationwide, are you on the line?

3 MS. SCHONEWALD: I am, Your Honor. This is Stephanie  
4 Schonewald.

5 JUDGE HORVATH: Thank you, Ms. Schonewald. And you'll  
6 excuse me, I'm just taking notes here. And counsel for Ubiquitous  
7 Connectivity are you on the line?

8 MR. ALEXANDER: Yes, Your Honor, this is Cortney Alexander  
9 with Kent & Risley.

10 JUDGE HORVATH: Okay, thank you, Mr. Alexander. So, as I said,  
11 both sides have been granted 60 minutes, and Resideo has been granted an  
12 extra 15 minutes because of the participation of Mr. Doane as a LEAP  
13 practitioner.

14 First of all, I'd like to thank everyone for -- we apologize for not  
15 being able to have in-person hearings given the COVID-19 pandemic. So,  
16 we appreciate everyone's cooperation and these hearings have generally  
17 gone pretty smoothly. We do have a court reporter on the line. And in the  
18 event that counsel should have video connection problems or audio  
19 connection problems, we will hopefully pick that up as, you know, quickly  
20 and, you know, give everybody the opportunity to try to reconnect. And  
21 then we have the court reporter who can let us know at what point that  
22 happened and try to reconstruct where people dropped off. Hopefully, this  
23 doesn't happen. But, you know, we'll try to handle that situation as best we  
24 can.

25 So, with all that being said, Mr. Pleune, I don't know if you're  
26 planning first or if Mr. Doane is planning on presenting first. But if you can

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1 let us know -- would you like to reserve any time for rebuttal and if so, how  
2 much?

3 MR. PLEUNE: Yes, I'll be presenting first, Your Honor. And we'd  
4 like to reserve 15 minutes for rebuttal.

5 JUDGE HORVATH: Was that 15 minutes?

6 MR. PLEUNE: Yes, Your honor.

7 JUDGE HORVATH: Okay, thank you. That will give you 60  
8 minutes total time to present your argument. Again, there are two cases, and  
9 you can present them in any order you want. If you want to present one case  
10 and then followed by the other or if you just simply want to present issues,  
11 it's your time to proceed as you see fit. Let me set my stopwatch here. So,  
12 you will have -- you've reserved 15 minutes, so you will have 60 minutes to  
13 present your principal case. I will set my stopwatch here for 60 minutes. I  
14 will give you a warning when you are 5 minutes about to expire and then a  
15 second warning when your 2 minutes about to expire, and then we'll let you  
16 know when your 60 minutes has expired.

17 So, just let me set the time here. Give me a few seconds. And you  
18 may begin.

19 MR. PLEUNE: Thank you, Your Honor. The claims of the '935 and  
20 '655 patents are obvious in light of the cited prior art. For many of the  
21 claims, Patent Owner concedes that all the limitations are disclosed by the  
22 prior art. For the others, the additional limitations were well known as of the  
23 priority date of the '935 and '655 patents. And were well known for the very  
24 purpose for which those elements are recited in the claims.

25 And so, I'd like to begin with our roadmap, which is Slide No. 2.  
26 And to address the point that you just made, Your Honor, we're going to  
27 really handle this with issues. We do have those broken up by patent and we

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1 do have slides that cover most of the issues that were raised in the IPR. But  
2 we had a prehearing conference, and Your Honors identified those specific  
3 issues that they would like the parties to address. And so, after a brief  
4 overview, we're going to start with those.

5 And so, turning to Slide 4. The '935 and the '655 patents are related  
6 and share common specifications. So, to that point about addressing issues,  
7 really the arguments for one of the patents will generally apply to the other.  
8 Turning to Slide 5, we have the priority date based on a provisional  
9 application of November 18, 2004.

10 And then on Slide 6, I have Figure 1 of the '935 and '655 patents.  
11 And the Patent Owner made clear that the invention of the '935 and '655  
12 patents is to employ a direct cellular based communication system. And if  
13 we turn to Slide 7, this provides a figure from a declaration that was  
14 provided by Patent Owner's expert, Mr. Zatkovich, in the district court  
15 proceeding that was before the IPR. And this figure is consistent with the  
16 specification of the '935 and '655 patents as Mr. Zatkovich argued.

17 The specifications state at Column 1, lines 18 to 22, the present  
18 invention relates to a remote monitoring and control system for environment.  
19 More specifically, the system relates to on demand bi-directional  
20 communication between a remote access unit and a multifunctional base  
21 control unit to a geographically remote location.

22 So, we have three devices. We have a remote unit. We have a base  
23 unit. And an environmental device in the home. And Mr. Zatkovich  
24 explained that the environmental device detects the condition and  
25 communicates that condition to the base unit. The base unit communicates  
26 that second message to the remote unit through the cellular network. The  
27 remote unit directs the base unit to execute a command, which takes the

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1 form of a third message from the remote unit to the base unit. And then  
2 finally, the command is communicated from the base unit to the  
3 environmental device.

4 And if we turn to Slide 8, that's what we see in the claims. And so,  
5 here we have Claim 1 of the '935 patent. And if we turn to Slide 9, we see  
6 the environmental device highlighted. And on Slide 10, we see the base unit  
7 that controls the operation of the environmental device. Turning to Slide 11,  
8 we see a remote unit that is connected wirelessly and that can send and  
9 receive SMS messages. On Slide 12, we see a wireless connection between  
10 that base unit and the remote unit. And then finally, on Slide 13, we see that  
11 there are SMS messages that are sent between the remote unit and the base  
12 unit. And that's for purposes of controlling the operation of an  
13 environmental device.

14 And so that brings us to Slide 14. And for the claims that we have  
15 highlighted in Slide 14, Patent Owner offers virtually no argument that the  
16 prior art fails to disclose one of these limitations. For one of the grounds --  
17 so that's essentially true for *Oinonen* and *Wu*. For one of the grounds, the  
18 *Bielski* and *Wu* ground, Patent Owner argues that the *Bielski* reference does  
19 not teach bi-directional messages between the remote unit and the base unit.  
20 And my colleague, Adam Doane, is going to address those arguments  
21 shortly.

22 But if we turn to Slide 15, I'd like to briefly disclose and discuss the  
23 prior art. So, Slide 15 has Figure 4 from the *Oinonen* reference. And as  
24 depicted in Figure 4, we see that *Oinonen* is a very basic system. It has TE1  
25 and TE2. Those are two telecommunication terminals. They are sending  
26 messages for very simple tasks. So, for example, to lock a door. And the

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1 system as it's described is only capable of communicating with a single  
2 environmental device.

3 Now, turning to Slide 16, we have a drawing of Figure 1 of the  
4 *Whitley* reference and that describes connections to multiple environmental  
5 devices. This is a much more sophisticated system. And we see at the top  
6 of page 9 of the *Whitley* reference it states that gateway 20 may couple to a  
7 remote facility 12. And a monitor control will monitor and control various  
8 devices within facility 12 such as -- like security sensors, an answering  
9 machine, and a home computer, et cetera. So, that is Ground 1.

10 If we turn to Slide 17, we have an introduction of Ground 2. And  
11 here we have Figure 2 of the *Bielski* reference, which describes the system  
12 with a remote unit. And we see the blue box around what appears to be a  
13 palm pilot on the right side of Slide 17. And the remote unit is directly  
14 connected to a base unit, and that's the red box around the control regulation  
15 unit. And the base unit can send messages via mobile communications to a  
16 building for purposes of controlling environmental devices. And in the case  
17 of Figure 2, we have the example of an alarm system.

18 So, *Bielski* discussed mobile communications. And here in Figure 2  
19 of the *Bielski* reference we see GSM. We see GPRS and UMTS. But  
20 *Bielski* only mentions SMS and it only does so one time. It doesn't provide  
21 any details about SMS. And it only explicitly discloses SMS messages that  
22 are sent from the base unit to the remote unit.

23 Which brings us to Slide 18. And this is where we have the *Wu*  
24 reference. So, if you look at Figure 1 of *Wu*, this looks very familiar to what  
25 we saw in Figure 2 of *Bielski*. Starting on the right, we have a remote unit, a  
26 cell phone, or a laptop. It's connected to a base unit, the HNS gateway, and  
27 environmental devices connected to the home network.



1           We even have one of the same mobile networks described in *Bielski*,  
2 GSM is recited in Figure 1 of the *Wu* reference. But *Wu* also gives us Figure  
3 2. And Figure 2 explicitly discloses that the bi-directional messages  
4 between the remote unit and the base unit, could be sent by -- one of several  
5 ways, including WAP, HTTP, and SMS. And so, *Wu* gives much more  
6 detail about SMS and the benefits of using SMS messages for this type of  
7 system.

8           And so, that brings us to motivation to combine. And one of the  
9 issues that the Board asked us to address was the reason we set up our  
10 combinations the way we did and whether that was proper. And there were  
11 certainly some case citations from the parties throughout the briefing. And I  
12 want to start with the PTAB rules. And there's no requirement that the  
13 motivation to combine somehow identifies a failing in a reference or that a  
14 certain reference can only be relied on for so many limitations.

15           Looking at 35 U.S.C. § 312(a)(3), this system requires that a  
16 petitioner identify in writing and with particularity each claim challenged,  
17 the grounds on which the challenge to each claim is based, and the evidence  
18 that supports the grounds for the challenge to each claim. And there is no  
19 question that all of that was provided to Ubiquitous in the Petition. There's  
20 also no question that Petitioner complied with 37 C.F.R. 42.104.

21           And the Federal Circuit addressed a very similar issue in *Realtime*  
22 *Data v. Iancu*. This was the situation where one of the two references was  
23 identified as having the limitations for all of the claims. And that case  
24 instructs that in such a situation where there is an obviousness argument  
25 where one of the references identifies all the limitations in a particular claim,  
26 then it was error not to also consider whether that reference anticipates. And  
27 according to the Federal Circuit --

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1 JUDGE HAAPALA: Mr. Pleune.

2 MR. PLEUNE: Yes.

3 JUDGE HAAPALA: Is Petitioners' position that *Oinonen* anticipates  
4 the challenged claims?

5 MR. PLEUNE: So, our position is that *Oinonen* describes a very  
6 simple system that was only capable of connecting to a single environmental  
7 device. If we turn to Slide 19, what we see there is Patent Owner's expert,  
8 Mr. Zatkovich, describing the invention of the '935 and '655 patents. And  
9 there he said that one of the benefits of the invention was an ability to  
10 connect to multiple environmental devices. We certainly had the concern  
11 that this would have shown up in one of Patent Owner's arguments that there  
12 wasn't multiple environmental devices in the primary reference or the  
13 primary reference disclosed a -- disclosed a base unit that was incapable of  
14 connecting to multiple environmental devices.

15 And so, as it turns out, that was not challenged by the Patent Owner.  
16 They have conceded that all of those limitations are met. So, I believe that  
17 all of the limitations of the *Oinonen* reference have been met. And I believe  
18 that Patent Owner would agree with that.

19 JUDGE HAAPALA: Okay, thank you. So, just to reiterate your  
20 position is that all of the limitations are met by *Oinonen* alone, yes?

21 MR. PLEUNE: I think that now where we are in this proceeding  
22 having gone through the briefing, certainly we had concerns that arguments  
23 would be raised, particularly with respect to the fundamental nature of the  
24 *Oinonen* reference and that argument hasn't come up. And so, I think now at  
25 the end of this proceeding, it has been demonstrated that all of the  
26 limitations are disclosed in *Oinonen*.

27 JUDGE HAAPALA: Okay, thank you.

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1 JUDGE HOMERE: Counselor.

2 MR. PLEUNE: Yes, Your Honor.

3 JUDGE HOMERE: This is Judge Homere. If you believe that the  
4 *Oinonen* reference anticipates the claim, then what is the basis for the 103?  
5 Wouldn't that suggest that because -- due to 103, under *Graham v. Deere*,  
6 you have to identify the limitation that's missing from the primary reference  
7 and then bring in the other reference in order to meet that. But from what  
8 you're saying here is that the primary reference seems to be teaching  
9 everything, therefore, the argument that this rejection under obviousness  
10 does not meet the standard under *Graham v. Deere*. What do you say about  
11 that? When the challenge itself does not identify a particular limitation that's  
12 missing from the primary reference in order to bring in the secondary  
13 reference.

14 MR. PLEUNE: So, yes, Your Honor. My understanding a moment  
15 ago we were talking about motivation to combine. Let me step back and  
16 address the *Graham* Factors. So, the *Graham* Factors instruct that with an  
17 obviousness combination, that there is -- that the petitioner should show a  
18 difference between the prior art and the invention of the patent. And that's  
19 exactly what we did here.

20 And so, Patent Owner's expert, Mr. Zatkovich, said that the invention  
21 is multiple environmental devices. We looked at the claim. We know that  
22 the environmental device is one or more. We know that that is an element of  
23 these claims. And so, we pointed out in the Petition that one difference was  
24 that the *Oinonen* reference is going through one environmental device. And  
25 so, we absolutely met that *Graham* Factor, and we met it in the Petition.

1 JUDGE HOMERE: No, but did you identify in the claim the  
2 limitation that's missing? Because looking at the claim, I do not see a  
3 requirement for multiple devices. Is there?

4 MR. PLEUNE: Yes, I don't believe that there is a requirement that it  
5 be a limitation of the claim necessarily. But, of course, the claims that  
6 require an environmental device, that of course, can be one or more  
7 environmental devices. Their expert, Mr. Zatkovich, said that this was a  
8 fundamental element of their invention this ability to connect to multiple  
9 environmental devices. And so, that is absolutely the point that we were  
10 addressing both from the *Graham* Factors and the motivation to combine. I  
11 also point out that the *Realtime Data* case does make the point that  
12 anticipation is the epitome of obviousness.

13 JUDGE HOMERE: Okay.

14 JUDGE HORVATH: Going back to the motivation to combine. One  
15 of the arguments I think that Patent Owner makes in their response was that,  
16 you know, your rationale for combining the teachings of *Oinonen* and  
17 *Whitley* were -- that as you said, *Oinonen* really is a fairly simple description  
18 of controlling one device at a time, such as a door. And the status of a door,  
19 whether it's open or closed or locked or unlocked, versus *Whitley*, I think,  
20 which talks about controlling multiple devices. And that was your rationale  
21 for the modification.

22 You know, Patent Owner -- well, I heard you say two things. One is  
23 that the environmental device, it's an environmental device, which could be  
24 actually more than one. But if it was limited to one, then Patent Owner  
25 makes this argument that the motivation to combine has to be based on a  
26 limitation in the claim itself. Do you agree with that? And if not, then under

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1 KSR, you have to combine references in order to meet a limitation. Do you  
2 agree with that or not? And why?

3 MR. PLEUNE: Okay, then I won't belabor of course. You know, I  
4 do think that this is a very conventional argument where they certainly could  
5 have made this point that somehow -- or that multiple environmental devices  
6 like their expert say it is required. And they did not. They've essentially  
7 conceded that point. But, no, I don't believe the motivation to combine  
8 meets defined a basis in the claim.

9 And I do believe that there's two cases that are instructive on this  
10 point. And both of them have been cited. The *Realtime Data v. Iancu* -- it  
11 says a motivation to combine may be found explicitly or implicitly in market  
12 forces, design incentives, the interrelated teachings of multiple patents. Any  
13 need or problem known in the field of endeavor at the time of invention and  
14 addressed by the patent. And the background, knowledge, creativity, and  
15 common sense of the person of ordinary skill.

16 Jumping back even further, of course, *Realtime Data* follows in the  
17 footsteps of *KSR*. *KSR* said, as our precedence made clear, however, the  
18 analysis need not seek out precise teachings directly to the specific subject  
19 matter of the challenged claim. And it goes on to say, when a court  
20 transforms the general principle into a rigid rule that limits the obviousness  
21 inquiry as the court of appeals did here, the Supreme Court overruled the  
22 Federal Circuit, it's error.

23 And I believe that that is the holding from *KSR* and I believe that's  
24 the holding of *Realtime Data v. Iancu*. The idea is not to employ some rigid  
25 formula so that we can say, oh, (inaudible), you know, the obviousness  
26 inquiry's thrown out. I think the idea is to look at what would be known to a

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1 person of ordinary skill in the art and determine whether or not the invention  
2 is obvious.

3 And I'll briefly notice that I think that to hold otherwise would be  
4 somewhat of a bizarre outcome. But I think we have multiple references.  
5 The parties seem to concede. So, everything is disclosed. We pointed out in  
6 specificity where each limitation could be found. We have a very detailed  
7 reason why a person of ordinary skill in the art would combine. And then  
8 for some reason that's not enough. I think that that's what *Realtime* and *KSR*  
9 is teaching us that we don't employ rigid rules. We try and determine  
10 whether or not a patent is obvious. Of course, anticipation is the epitome of  
11 obviousness.

12 JUDGE HORVATH: Thank you.

13 MR. PLEUNE: No problem.

14 Slide 22, Your Honors, I'll briefly discuss *Bielski*, *Wu*. I've touched  
15 on this a bit already. In *Bielski*, there was a disclosure of SMS messages.  
16 Again, it didn't provide details. It only explicitly talked about those in terms  
17 of the remote unit -- or the base unit to the remote unit. And *Wu* expressly  
18 discloses the details of SMS and that those can clearly be bi-directional  
19 between a remote unit and a base unit. Patent Owner here argues that the  
20 *Wu* reference is narrow and teaches away from using SMS messages. And I  
21 just want to point out that it's very clear, *Wu's* is a scientific paper. If you  
22 look at that reference, the first several pages are really a description of the  
23 system that the authors envision. And there's a lot of detail about that  
24 system. Now, the latter part, as in typical scientific papers, talks about the  
25 specific implementation. It talks about the testing that they did and the  
26 specific components that they used. That's where we see the Nokia phone

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1 and the Gnokii network that they use. But certainly, that reference is not so  
2 narrow.

3 So, now, Your Honors, I'd like to turn to Slide 92 of the presentation.  
4 And I apologize for the big leap, but I want to make sure that we cover the  
5 items that were identified in the prehearing conference. But if you turn to  
6 Slide 92, you'll see that this addresses the geo-fence limitation of Claim 1 of  
7 the '655 patent.

8 And so, we turn to Slide 93, I want to start with the claim. Yes,  
9 certainly, geo-fences are not new. The first part of the claim describes that  
10 same system that we've been talking about since the beginning of my  
11 presentation. You have a remote unit. You have a base unit. You have an  
12 environmental unit. And messages are distributed between the remote unit  
13 and the base unit for purposes of controlling an environmental device.

14 But then we kind of have this (inaudible) on at the end. We have,  
15 okay, now we're going to talk about a notification and that notification is  
16 going to be based on a geo-fence. And if we turn to Slide 94, we've broken  
17 that claim into two parts. And so, the first part is a cellular remote unit and  
18 it's configured to determine position data of the cellular remote unit. And  
19 then it determines when the cellular remote unit is outside of a geo-fence.  
20 We turn to the second part of this limitation. It says, the cellular remote unit  
21 is configured to transmit a notification via simple message service  
22 responsive to determining that the cellular remote unit is outside of the geo-  
23 fence. And so, with the exception of the term, simple message service, this  
24 is a pretty simple and straightforward description. And for that reason, it  
25 continues to be Petitioners' position that this term should be given its plain  
26 meaning.

1           If we turn to Slide 95, we have Patent Owner's construction. So,  
2 Patent Owner's construction begins by restating the clause a few lines up --  
3 that the cellular remote unit is configured to determine that the cellular  
4 remote unit is outside the geo-fence. So, we have a bit of a duplication issue  
5 going on here. And then it introduces the term, report this information. So,  
6 it's not clear exactly what is intended by, report this information. But Patent  
7 Owner attempts to be narrowing the term, notification. And that brings us to  
8 the prosecution history that was raised on the preconference call with Your  
9 Honors. So, again, it's Petitioners' position that this term is entitled to its  
10 plain and ordinary meaning and that Patent Owner has not sufficiently raised  
11 any reasons to part from that.

12           But the term, notification, was never really discussed during  
13 prosecution. So, Patent Owner cites to page 476, of Exhibit 1002, which is  
14 the prosecution history for the '655 patent. And I want to turn to that and I'm  
15 going to start on the previous page, so 475 of Exhibit 1002. And so, the  
16 examiner starts at the bottom of page 475 and he recites Claim 38 and the  
17 particular limitation that wherein the command is received from the cellular  
18 unit responsive to determining that the remote control unit is within the geo-  
19 fence. And then it goes on to state: according to the applicant's  
20 specification, this means that the command regarding the environmental  
21 device is received by the base unit from the cellular bridge unit -- cellular  
22 remote unit, when it is determined that the remote unit is within a geo-fence.  
23 And then the examiner goes on and he starts to talk about the specification  
24 of the '935 and '655 patent. He states, paragraphs 50 and 52 of the  
25 applicant's specification are the paragraphs that refer to a geo-fence. And  
26 none of these paragraphs recite a -- receiving the command regarding the



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1 environmental device responsive to determining that the remote device is  
2 within a geo-fence.

3 And so, he goes on to say, these paragraphs disclose reporting  
4 information from the remote control unit to the base control unit based on  
5 the geo-fence. But this information reported by the remote control unit is  
6 that it has traveled a distance that exceeds a program distance from the base  
7 control unit. So, sorry for all that reading, and I appreciate you bearing with  
8 me. But this last part, that's exactly what's disclosing to. And for that  
9 reason, so it's the -- notification in a broad term and as narrowly defined by  
10 Patent Owner is met by *Coon*.

11 But, and I'll talk about the *Coon* reference in a moment. But before I  
12 get there, I do want to point out that just because the examiner said that there  
13 was not support for -- says that there was not support for a command, does  
14 not mean that that somehow modifies the term, notification. There is no  
15 indication that the term, notification, must be narrowly defined so that it is  
16 no longer a notification if it also includes a command.

17 And I want to point out just a few other issues about the prosecution  
18 history. In particular, I want to look into two claims. And if we turn to page  
19 506, I just want to briefly note. So, these are two separate claims. And so,  
20 we do see Claim 38 here. This is what the examiner was talking about.  
21 There was an amendment to that claim. But 39 that follows it, that is a  
22 different claim, and it addresses transmitting a notification via simple  
23 message service. And so, it's not as if the claim was amended to take out  
24 command and add notification. These were two separate claims.

25 And then one other point I would like to make about the prosecution  
26 history is that on page 510, you know, we see certainly boilerplate language,  
27 but I do think that it's instructive. The Patent Owner said, to expedite

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1 prosecution and without conceding to the examiner's positions. And so,  
2 there doesn't seem to have been any agreement at this time as to what the  
3 examiner may have been saying, and whether or not the Patent Owner  
4 agreed with that.

5 JUDGE HORVATH: Is that, I mean, let me ask you this. I mean,  
6 that's frankly -- that's the kind of language I expect a patent prosecutor to  
7 make, right? That we're making this amendment to expedite prosecution  
8 without conceding this position. Is that something that, you know, does that  
9 matter as much as the fact that they actually did amend the claims? I mean,  
10 in other words, how do you weigh those two different aspects, one versus the  
11 other.

12 On the one hand, they did amend the claim, so in some sense, that's  
13 an implicit concession that they're not going to argue this point with the  
14 examiner. On the other hand, there's this sort of blanket statement of, well,  
15 we're only doing this to expedite prosecution. How do you weigh those two,  
16 you know, positions, which are arguably in tension with one another? Or  
17 how should we weigh, I guess, is my question?

18 MR. PLEUNE: You know, it's a good question. And what I would  
19 start with is the action and their amendment. And I think the issue there,  
20 Your Honor, is that this does not raise to the level of a prosecution history  
21 disclaimer or any explicit statement as to the scope of notification. It is an  
22 amendment, sure. And with respect to this term, command, and I don't see  
23 anything in this prosecution history that is true commentary on what a  
24 notification is or is not. But regardless of this prosecution history, in spite of  
25 it, I don't think that term, notification, has been changed.

26 And so, while I would normally agree with you or at least maybe  
27 agree with the notion implied in your question, and that is that this is

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1 boilerplate language and perhaps in some instances, it would not get a lot of  
2 weight. However, I think in this circumstance, where it's not really even  
3 clear what position the examiner was taking, certainly with respect to the  
4 term, notification, and what that is or is not. But in light of the uncertainty  
5 there, that this statement that the Patent Owner is really just going to make  
6 this change and is not going to necessarily agree or concede with the  
7 examiner's position. I do think that it takes on more importance.

8 JUDGE HORVATH: Thank you.

9 MR. PLEUNE: And so, if we turn to Slide 96, I'll briefly address the  
10 simple message service, you know. It's not clear why Patent Owner  
11 included this typographical error in their claim construction, but Petitioner  
12 believes that needs to be resolved at least by correcting the construction to  
13 indicate short message service.

14 And then turning to Slide --

15 JUDGE HAAPALA: Mr. Pleune, is there --

16 MR. PLEUNE: Yes.

17 JUDGE HAAPALA: Is there a dispute over this? Are the parties  
18 disputing what SMS means?

19 MR. PLEUNE: Certainly, with respect to simple message service, it  
20 is Petitioners' position that that means short message service. That that was  
21 a typo and that there's no such thing, quite frankly, as a simple message  
22 service. You'd certainly have to ask Mr. Alexander the Patent Owner's  
23 position on that. Their expert took a position in the district court that it has  
24 some meaning. But I think within the prosecution history of these patents,  
25 that it means short message service.

1 JUDGE HAAPALA: Is there any argument by Patent Owner in this  
2 proceeding that your mapping on this term, SMS, to be short message  
3 service? Is there a dispute with Patent Owner in this proceeding about that?

4 MR. PLEUNE: Not from Petitioners' perspective, Your Honor, that -  
5 -

6 JUDGE HAAPALA: Okay.

7 MR. PLEUNE: -- that simple message service means short message  
8 service.

9 JUDGE HAAPALA: Okay, thank you.

10 MR. PLEUNE: Yes. Turning to Slide 97, I did want to briefly talk  
11 about the *Coon* reference. And what we'll see even if the Board departs  
12 from the plain meaning of the term, notification, that *Coon* still discloses the  
13 geo-fence limitation of Claim 1 of the '655 patent. Now, *Coon* discloses a  
14 proximity-based control system that can change the operation of an  
15 environmental device based on the location of a wireless mobile device.  
16 And it does that in two ways.

17 One way is that the base station receives a location of the remote  
18 device. And then the base station determines when the remote unit crosses a  
19 geo-fence. So, that would be the base unit getting the location information  
20 and then the process around the base unit determining when that remote unit  
21 crosses a geo-fence. The other way is that the remote unit itself determines  
22 that the mobile device is inside or outside the geo-fence.

23 Now, we're focusing on the second way. And we see in paragraph 16  
24 the two ways that are described about half-way down. And so, on Slide 97,  
25 we have paragraph 16 of the *Coon* reference. And it says, the GPS receiver  
26 receives various communications from a plurality of GPS satellites through  
27 an antenna and provides a location indication to the processor 102. That's

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1 the processor on the mobile device. The processor 102 then provides the  
2 location of the mobile device 120 via a wireless receiver 110 to a base  
3 station 160 via antenna 162.

4 It then says, alternatively, the processor 102, the processor of the  
5 mobile device, the processor 102 may transmit a control message to the  
6 control device 140, based upon the location information. That's the second  
7 way, and I think that's where some confusion has crept in. And so, the *Coon*  
8 reference calls this a control message. The term, command, is also used.  
9 But the actual disclosure is that a message is sent that indicates the location  
10 of the remote unit as compared to the base unit. So, in other words, a  
11 message is sent that the remote unit is at a specific geo-fence location.

12 And we see that in paragraph 28. Paragraph 28 addresses the  
13 embodiment where the remote unit itself determines the relative location as  
14 compared to the base unit. And so, if we could turn to Slide 99, Slide 99 has  
15 paragraph 28 from the *Coon* reference. And the parties agree that this is a  
16 description of the embodiment where the mobile device determines where it  
17 is with respect to the base unit. And we see in the first sentence of  
18 paragraph 28, in decision Step 310, the processor 102 -- this is the processor  
19 of the mobile device -- it determines whether the mobile device 120 is within  
20 a preprogrammed control range. So, the mobile device is determining  
21 whether or not it is within that geo-fence. And then if we jump down to the  
22 second highlighted portion, processor 12 causes an appropriate message, i.e.,  
23 a message that corresponds to the location of the mobile device with respect  
24 to the control device to be sent to the control device via wireless transceiver.  
25 So, that's the --

26 JUDGE HAAPALA: Mr. Pleune, I want to -- I have a question about  
27 this. So, if you look at paragraph 28, it talks about, you know, transmitting a

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1 command when it's within a predetermined range. The second part seems to  
2 talk about transmitting the location when it's outside a range. I'm not sure  
3 what Petitioners' position is on why this teaches transmitting a command and  
4 not just a location when you're outside the range.

5 MR. PLEUNE: I appreciate that. And so, our position is that -- that  
6 it definitely -- this is a notification. It is outside a particular range. It is  
7 sending a notification regardless of how you interpret that term. So, if it is  
8 simply broadly a notification, something is sent digitally when it crosses,  
9 and this is a notification.

10 I think that there could be a question as what is a command, right?  
11 How do we define a command? Is it turn off? Is it lists of ones and zeroes?  
12 Is it something specific sent to the base unit so that it in turn communicates  
13 in the environmental unit? What the *Coon* reference does disclose is that the  
14 base unit takes action. But what it also discloses, it discloses specifically  
15 what happens in paragraph 28 and what is sent is location. The location of  
16 the remote unit as compared to the base unit. And that's notification.

17 What we're saying is that's -- so, additional activities in some  
18 instances in *Coon* also happened. Depending on how you define a  
19 command, maybe that could also be a command, but it's definitely a  
20 notification. And that's what we're citing *Coon* for. We're citing *Coon* for  
21 notification.

22 JUDGE HORVATH: So, I have a question if I can interrupt. In the  
23 description in paragraph 28, what you've read and described was that if the  
24 mobile device is within the program control range, then it transfers decision  
25 to Step 312. But that's only if it's within the control range. But the claim  
26 says that the mobile device has to determine that it's outside the geo-fence.  
27 Not that it's inside the geo-fence.

1 MR. PLEUNE: Yeah, that's a great question, Your Honor. If you  
2 look at, I believe, it is paragraph 19. So, this is a specific example, of  
3 course, *Coon* talks about a lot of different ways that this system can work.  
4 And I believe that if it's 19, it's talks about inside, outside, leaving, coming,  
5 going, you know, certainly, *Coon* is much more -- is much more dynamic  
6 than simply leaving or coming.

7 JUDGE HORVATH: Well, would you agree then that this paragraph  
8 28 and Figure 3 does not really support this idea of the mobile device  
9 determining that it's outside a geo-fence and sending an indication or a  
10 notification that it is outside the geo-fence? That that's not really supported  
11 by paragraph 28 or Figure 3?

12 MR. PLEUNE: Again, no, I would disagree with that, Your Honor.  
13 The *Coon* reference, this is a very specific example of an instance where it is  
14 sending this notification when it is within a geo-fence. But if you look at  
15 paragraph 19, you'll see instances of when it's outside a geo-fence. And so, I  
16 mean, this is a specific example. We cite this paragraph because it talks  
17 about what happens when it gets to a particular location.

18 So, the remote device has a processor 102. That processor 102 is  
19 receiving location information from a GPS satellite. It's taking that location  
20 information from a GPS satellite. It's comparing its location to the location  
21 of the base unit. Is that 12 miles? Is that 24 miles? Is this some point  
22 outside a geo-fence? Or is it some point within a geo-fence? But the point  
23 is, when it gets to that particular location, it sends a notification. And the  
24 notification is described in paragraph 28. It sends its location as compared  
25 to the location of the base unit.

26 JUDGE HOMERE: (Speaking foreign language)

1 JUDGE HORVATH: I did have another question for you. Well,  
2 never mind, thank you.

3 MR. PLEUNE: Okay. And so, Your Honor, now, I would like to  
4 turn to the next issue that was identified during our prehearing conference  
5 and we see that at Slide 101 of our presentation. And this is addressing  
6 Claims 2, 9, and 11 of the '655 patent. And those claims recite an energy  
7 conservation command or a command to enter an energy conservation mode.  
8 Once again, these types of commands are not new. This was not invented by  
9 the Patent Owner. But, certainly, the Board noted some concerns about the  
10 argument that we made in the Petition, and in particular, wanted to  
11 understand if the arguments presented by Petitioner were new. And I can  
12 tell you that the Petitioner has not offered any new reference, no new  
13 evidence. It's referring -- it's not referring to any different disclosure and it's  
14 really pointing to the same disclosure as it did in the Petition.

15 And if we turn to Slide 102, we list those claims. Claims 2, 9, and  
16 11. And, of course, each of those recite an energy conversation command or  
17 a command to enter an energy conservation mode. And if we turn to Slide  
18 104, we have Claim 2. And what we wanted to emphasize is that certainly  
19 this is a dependent claim. Claim 2 is a dependent claim and the elements of  
20 Claim 1 were addressed by *Oinonen* and *Whitley* in Ground 1 and *Bielski*  
21 and *Wu* in Ground 2.

22 And so, if we turn to Slide 105, we have Figure 4 of *Oinonen* and  
23 Figure 2 of *Bielski* and these were the references that we relied on for that  
24 fundamental infrastructure. The base unit, the remote unit, and the  
25 environmental device, and the messages that were sent between those.  
26 Turning to Slide 106, and with respect what is an energy conservation  
27 command, Mr. Zatkovich pointed out that the most popular version of



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1 conserving energy with air conditioning units is to turn the temperature up,  
2 but you could also turn it off. Certainly, a very broad interpretation of that  
3 term. And certainly, every bit as broad as we intended in our Petition.

4 And so, if we turn to Slide 107, this is Figure 4C. And this is the  
5 customer interface for the system that was described in the *Ehlers* reference.  
6 So, this is set up for a user to interact with the system. And if we turn to  
7 Slide 108, we cited 316 in our Petition. And looking at the first sentence, we  
8 talk about Figure 4B. And the customer selects the direct access icons. And  
9 so, this is a mechanism for the customer to interact with the system.

10 Further down, we reference 4C. And I apologize, this is extremely  
11 small writing. But about halfway down 316, we note that the system 308 is  
12 in an automatic mode and the heating and cooling systems are in an off  
13 condition. And furthermore, as indicated, the occupancy mode is set to  
14 away and so it's discussed below -- the system 308 allows the customer to  
15 program the HVAC systems, use the virtual thermostat, and according to  
16 occupancy modes, use heating and cooling set points. So, we reference the  
17 occupancy modes in paragraph 316.

18 Turning to Slide 109, one of the examples that we identified for an  
19 energy conservation mode with the programs. And these are the programs  
20 that can be initiated by a utility. But we also identified the occupancy  
21 modes. And on Slide 110, we have paragraph 245.

22 JUDGE HORVATH: Mr. Pleune, where in your Petition do you  
23 mention any of these things? I mean, as I recall in looking at your Petition,  
24 and I'm just looking at it now, you know, you mentioned the power saving  
25 programs of a utility. And we were concerned about that because we  
26 thought that that's really a message sent not to the environmental device, it's

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1 sent to the utility. And Claim 1 requires the commands to be sent between  
2 the remote unit and the environmental device it's controlling.

3 So, I guess, you know, I don't doubt that these other references may  
4 in fact disclose setting environmental commands if that term is broad  
5 enough, as Patent Owner's expert has said, to mean turning the air  
6 conditioning temperature up or down -- or turning the heat down in the  
7 winter or the air conditioning temperature set point up in the summer. But  
8 regardless of whether that's in the references, is that the argument you made  
9 in your Petition? And if so, where?

10 MR. PLEUNE: So, certainly. So, just to -- our argument in the  
11 Petition was that we had the general infrastructure in the primary references  
12 and that *Ehlers* discloses energy conservation commands. We certainly  
13 referenced the programs, but, again, paragraph 316, that's cited in paper 1 of  
14 the Petition at page 40. Paragraph 245, this again, talks about the occupancy  
15 mode. This was cited in the '655 paper, the Petition, paper 1 at 38. And so,  
16 the programs are certainly one example of an energy conservation mode.  
17 The other examples that were identified in the Petition at least included  
18 occupancy modes, which are another way that a customer can conserve  
19 energy.

20 JUDGE HORVATH: Well, I guess the question that I have for you,  
21 just looking at on page 40 of your Petition, you do cite, in fact, paragraph  
22 316, but you cite it for the proposition that a user may cancel its participation  
23 and then curtail their program. So, how do we get from that to, oh, you  
24 know, you can set the energy requirement based on occupancy mode? I  
25 mean, even if that's disclosed in paragraph 316, that's not the principle for  
26 which -- or the fact for which you cited paragraph 316.

1 I mean, so, are we supposed to interpret a bare citation to paragraph  
2 316 as everything that's disclosed in that paragraph? Or the proposition for  
3 which you cited it?

4 MR. PLEUNE: Well, we certainly talked about cancelling a  
5 curtailment program. And the idea there is that that's what a user can do. If  
6 you look back to Figure 4C that we have on Slide 107, a user can cancel a  
7 curtailment program. It can also, what they call, override occupancy. But  
8 the idea is that this is a multifaceted system and that the customer has the  
9 ability to do a lot of things. Participating trunk curtailment, cancel  
10 curtailment, and set occupancy settings. You know, I also note that we cite  
11 paragraph 245 that really specifically talks about occupancy modes.

12 JUDGE HORVATH: Okay, thank you.

13 MR. PLEUNE: So, I am essentially at my 45 minutes. I'm going to  
14 bleed over a little bit because I just would like to very -- meaning that I'll  
15 reserve less time. And so, I wanted to briefly touch on Claim 12 of the '935  
16 patent. And so, that will take us to Slide 58.

17 And so, this is Claim 12 of the '935 patent. This is the claim that had  
18 an antecedent basis issue. Certainly, Petitioners' expert expressed some  
19 concern as to how that claim should be interpreted. What we did was that  
20 we went -- then went to the specification. We looked at the system as it was  
21 disclosed, and we attempted to use that to offer -- really exhaust the  
22 possibilities of what this term could mean. And so, you know, essentially,  
23 we interpreted it to mean, or Petitioner interpreted it to mean a wireless  
24 connection between the remote unit and the base unit. A wired connection  
25 between the base unit and the environmental device.

26 During his deposition, Mr. Zatkovich essentially employed the same  
27 mechanisms, but offered a slightly different interpretation. And so, when we

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1 applied that interpretation to the same disclosure, really the same disclosure  
2 that we had -- had addressed in the Petition, we see that that's disclosed.

3 And Slide 64, this is the one that shows the *Bielski* reference applying Mr.  
4 Zatkovich's interpretation. And so, in there we have wireless connections  
5 from the environmental device to the base unit. And from the remote unit to  
6 the base unit. And then the examples of the wired connection as even in the  
7 base unit itself or in the GSM network.

8 And so, we did want to briefly see if there was any questions from  
9 the Board about Claim 12 of '935 patent.

10 JUDGE HORVATH: Well, I guess, Mr. Pleune, I have the same  
11 question regarding Claim 12 as I did Claim 2. Which is that as I recall in  
12 your Petition, you identified the non-wireless connection, right? So, Claim  
13 12 requires a non-wireless connection between the first wireless connection  
14 and the second wireless connection. Something to that effect. And you  
15 identified the non-wireless connection as the connection between the  
16 environmental device and the base unit. And as I understand it now, you're  
17 identifying the non-wireless connection as either the base unit itself because  
18 the base unit can be wirelessly connected to the environmental device. Or  
19 you're identifying it as the cellular network because it has some wires  
20 somewhere between the air interface to the base unit and the air interface to  
21 the mobile device. So, my question is where is the support for that in the  
22 Petition?

23 MR. PLEUNE: And I would agree with the statement that you just  
24 made. And the only thing that I would add is that that second interpretation  
25 is based on the deposition testimony of the Patent Owner's expert. And so,  
26 we had some difficulty understanding, quite frankly, the scope of Claim 12.

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1 Our attempt was to look at the prosecution and -- or look at the specification  
2 and attempt to exhaust the possibilities in light of what is disclosed.

3 Patent Owner's expert offered a different interpretation. And then  
4 using the same elements that we identified in the Petition, we showed where  
5 that exists in the prior art.

6 JUDGE HORVATH: Thank you.

7 MR. PLEUNE: Okay. And with that unless there's any additional  
8 questions, I'm going to turn it over to my colleague, Adam Doane.

9 JUDGE HORVATH: Okay, thank you. This is a good time to note  
10 that you had 55 minutes. So, you are at your five-minute warning. So, I will  
11 give Mr. Doane a warning when he's at two minutes. If you would like, you  
12 can proceed into your -- you've reserved 15 minutes for rebuttal, so, if Mr.  
13 Doane has a 10-minute presentation, for example, you know, that will be  
14 taken off your rebuttal time. But at this point you have five minutes  
15 remaining.

16 JUDGE HOMERE: Judge Horvath?

17 JUDGE HORVATH: Yes.

18 JUDGE HOMERE: This is Judge Homere. Can I take a one-minute  
19 break real quick? I'll be right back.

20 JUDGE HORVATH: Yes,

21 JUDGE HOMERE: Okay.

22 JUDGE HORVATH: Let's take a pause. This is a good time to  
23 pause.

24 JUDGE HOMERE: Okay, thank you.

25 JUDGE HORVATH: So, yes. We're off the record.

26 (Recess)

1 JUDGE HORVATH: So, Mr. Doane, as I mentioned, you have  
2 about 5 minutes, 4 minutes and 50 seconds on the official clock. I will give  
3 you a warning when we're at the two-minute bell, but you may go into your  
4 additional time if you will. I should state we are back on the record. And  
5 so, Mr. Doane, you may begin.

6 MR. DOANE: Thank you, Your Honor. Mr. Pleune mentioned my  
7 name is Adam Doane. I'm going to be addressing two additional issues on  
8 behalf of Petitioners. The first of which is the bi-directional messaging,  
9 which begins on Slide 26 of our demonstratives.

10 Patent Owner has argued that the *Bielski* prior art reference does not  
11 disclose messaging as bi-directional. And bi-directional messaging in the  
12 context of these patents is referring to messaging both from the remote unit  
13 to the base unit and from the base unit to the remote unit. Now, Patent  
14 Owner has argued that *Bielski* only teaches that messages can be sent in one  
15 direction. That is from the base unit to the remote unit. And Patent Owner  
16 suggests there is no teaching in *Bielski* of sending messages from the remote  
17 unit to the base unit. But Patent Owner is wrong.

18 If we can move to Slide 27, and we start over in paragraph 5 of  
19 *Bielski*. And here *Bielski* provides an overview of its communication  
20 system. As we see in the yellow highlighting, *Bielski* tells us that a  
21 communication system allows for data transfer to and from devices within a  
22 system. Now, *Bielski* also tells us that this data transfer to and from devices  
23 allows for monitoring, control, and regulation.

24 Now, if we look down at the bullet point in paragraph 5 in yellow, we  
25 see that *Bielski* discloses that the communication system causes a single  
26 means. And that this means allows for two types of communications. First,  
27 as we highlight in green, *Bielski* discloses that the single means allows for

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1 data to be transferred from the mobile terminal through the cellular network  
2 to the base unit. Second, in blue, *Bielski* discloses the same means also  
3 allows for data to be transferred from the base unit through the cellular  
4 network through the mobile terminal. *Bielski* discloses a single means that  
5 allows for messaging in both directions between the remote and base units.  
6 And so, as we saw in paragraph 5, *Bielski* provides a very general overview  
7 of a system with bi-directional communications.

8 If you move to Slide 28, and moving down to paragraph 63 of  
9 *Bielski*, we see an example of how both types of messages are used in *Bielski*  
10 systems. First, as we see in blue, *Bielski* discloses that the mobile terminal  
11 can be informed about the operation of the environmental devices, which is  
12 an example of the base unit sending a message to the remote unit about the  
13 condition of the environmental devices. Second, in green, *Bielski* also  
14 discloses that users can enter commands into their mobile terminal and then  
15 these commands are sent to the base unit through the cellular network. Here,  
16 in green, *Bielski* also provides an example of types of commands that can be  
17 sent from the mobile terminal to the base unit such as turning a device on or  
18 off or setting the temperature of a device.

19 JUDGE HORVATH: And, Mr. Doane, just to let you know you  
20 have two minutes remaining.

21 MR. DOANE: Thank you, Your Honor.

22 And so, in paragraph 63 we can see how the *Bielski* system uses bi-  
23 directional messaging between the remote unit and base unit to allow for  
24 monitoring and control of environmental devices. Now, in addition to this  
25 bi-directional communication, *Bielski* mentioned the one example that SMS  
26 messages can be used. And we see this in paragraph 69 of *Bielski*. But in  
27 this example, *Bielski* only discloses that SMS messages are sent from the

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1 base unit to the remote unit. So, *Bielski* explicitly discloses the SMS  
2 messages for one mode of communication but not the other. And as a result,  
3 as Mr. Pleune discussed earlier, Petitioner has combined the teachings of  
4 *Bielski* and *Wu* because *Wu* provides those explicit details in bi-directional  
5 SMS communication, which we saw in Figure 2 of *Wu*.

6 And as we saw in Figure 2 of *Wu*, *Wu* talks about an SMS request,  
7 which is from the remote unit to the base unit, and also an SMS response  
8 from the base unit to the remote unit. And so, the combination of *Bielski*  
9 and *Wu* discloses both bi-directional communication and that SMS messages  
10 can be used in both directions.

11 In Slide 29 --

12 JUDGE HORVATH: So, is it your contention then that *Bielski* --  
13 while *Bielski* discloses bi-directional communication or bi-directional  
14 communication means, their only disclosure, express disclosure of SMS  
15 messaging is one direction. But *Wu* discloses the SMS messaging can in  
16 fact be bi-directional. Is that your position?

17 MR. DOANE: It is. *Bielski* discloses general concept of bi-  
18 directional communication. It mentions SMS in one embodiment. But that  
19 is only from a base unit to the remote unit. It's not talking about SMS  
20 messaging from a remote unit to the base unit. And so, therefore, we  
21 combine that with the *Wu* reference which does explicitly disclose both  
22 directions using SMS.

23 JUDGE HORVATH: Okay, and thank you. And your time has  
24 expired. As I said, if you would like to go into your rebuttal time, there's 15  
25 minutes for rebuttal. Otherwise, your time for your principal argument is  
26 expired.



1 MR. DOANE: Thank you. I'll probably plan to do about another  
2 five minutes or so. And I'll go ahead and jump to the second issue that I  
3 want to discuss today. And as a big leap down to Slide 112. I'll give  
4 everyone just a second to get there.

5 And in Slide 112, we're going to be discussing the concept of  
6 subordination, which is here in the '655 patent section. And if we head  
7 down to Slide 113, we're going to be looking at Claim 24 of the '655 patent.  
8 And in particular, Patent Owner has made some allegations about the prior  
9 art's disclosure of the final two limitations of Claim 24. Which we see here  
10 on Slide 113. These limitations require multiple remote units and in  
11 particular, that one of the remote units is a subordinate remote unit. And  
12 that that subordinate remote unit sends what the claim refers to as a  
13 subordinate command.

14 And if we look a little bit further down the claim, we see that a  
15 control instruction is sent based on the subordinate command selectively.  
16 And as we see off of here on Slide 113, Petitioners assert that Claim 24 is  
17 obvious in view of the base references, *Oinonen* and *Whitley* or *Bielski* and  
18 *Wu* in combination with the *Lincoln* reference.

19 And so, if we turn to Slide 114, we're going to separate these  
20 limitations of Claim 24 into two categories for our discussion today. First is  
21 the issue of these multiple remote units and sending multiple messages. And  
22 secondly, we'll talk about a subordinate remote unit that sends a subordinate  
23 command, which is processed selectively.

24 So, we'll start on the issue of the multiple remote units sending  
25 multiple messages. And if we turn to Slide 116, we'll see that there's really  
26 no issue -- there's really no disagreement between the parties on this issue.  
27 Patent Owner's expert, Mr. Zatkovich, confirmed that the *Lincoln* prior art

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1 reference discloses a system that is designed to handle multiple messages  
2 from multiple users.

3 And so, we can go ahead and turn to the second issue, which as we  
4 see on Slide 117, is again, the subordinate remote unit and subordinate  
5 command. And so, as an initial matter, if we turn to Slide 118, I want to  
6 note that the '655 patent does not use the term, subordinate. The patent does  
7 not tell us how a device would be subordinate. It doesn't tell us how a  
8 command would be subordinate. And as a result, there is no reason to  
9 (inaudible) a plain and ordinary meaning of the term, subordinate.

10 Turning to Slide 119, a *Lincoln* prior art reference discloses the  
11 concept of subordination as a form of a priority listing. *Lincoln* discloses a  
12 situation where there might be a conflict between requests from multiple  
13 users of a system. For example, as I'm sure you can imagine, different users  
14 in the household might want to set the thermostat at different temperatures.  
15 And as we see here, highlighted in yellow, *Lincoln* discloses that the way to  
16 handle conflicting requests is to use a priority listing in the system in which  
17 different individuals and their devices have different priorities.

18 Turning to Slide 120, we see the Patent Owner's expert, Mr.  
19 Zatkovich, agreed with this interpretation of *Lincoln*. He admitted that it  
20 was reasonable to interpret *Lincoln*'s disclosure as handling conflicts based  
21 on the aspects of the system relevant to one person or the other.

22 Additionally, moving to Slide 121, Mr. Zatkovich agreed that in a  
23 case of different users having different priorities, which is what we just saw  
24 in *Lincoln*, it is fair to say that one user is subordinate to the other. In other  
25 words, in a situation where one user has a higher priority than a second user,  
26 the second user is subordinate to the first user.

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1           And turning to Slide 122, that's exactly what we see in the *Lincoln*  
2 prior art reference. *Lincoln* discloses its system with different users having  
3 different priorities. As a result, the users' device with the lower priority than  
4 the users' device with the higher priority has a subordinate remote unit.  
5 Now, *Lincoln* also discloses that these priorities help resolve conflicts when  
6 different users want different things. As a result, a command from a user  
7 with a lower priority in the *Lincoln* system would be a subordinate  
8 command.

9           Finally, the claims require that a control instruction based on the  
10 subordinate command is sent selectively. Now, we'll turn to Slide 123  
11 where Mr. Zatkovich explained what selectively meant. And as you see here  
12 on Slide 123, all selectively means is that two things are treated differently.  
13 And my concept is what we see in *Lincoln*. *Lincoln* discloses users with  
14 different priorities and therefore settling conflicts based on these priorities.

15           And with that I'm going to reserve the rest of our time.

16           JUDGE HORVATH: Okay, thank you. You have one minute  
17 remaining. So, you had reserved 15 minutes. You used four of those  
18 minutes. So, there would be 11 minutes remaining in rebuttal.

19           MR. DOANE: Thank you, Your Honor.

20           JUDGE HORVATH: And just give me a few moments. I just want  
21 to write down the time so I can make sure I'm keeping track of time  
22 accurately. So, just give me a minute and we'll be back and ask Mr.  
23 Alexander to begin his presentation on behalf of Patent Owner.

24           Okay, thank you for your patience. Mr. Alexander, would you like to  
25 reserve time for rebuttal?

26           MR. ALEXANDER: Yes, Your Honor, I'll reserve 10 minutes,  
27 please.

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1 JUDGE HORVATH: Ten minutes, okay. So, you were allotted 60  
2 minutes, so you will have 50 minutes for your principal presentation. Let  
3 me set my clock here. And 10 minutes for rebuttal. And you may begin.

4 MR. ALEXANDER: Thank you, Your Honor. Cortney Alexander  
5 with Kent & Risely on behalf of Patent Owner Ubiquitous.

6 Let me start, Your Honor, by addressing one of the issues that the  
7 Board expressed interest in hearing from the parties on and that's -- I'll begin  
8 with the issue of Petitioners' failure to identify the specifics of the proposed  
9 obviousness combinations.

10 Section 312, 35 U.S.C. § 312 requires that a petition for inter partes  
11 review identify with particularity each claim challenged and the grounds in  
12 which the challenge to each claim is based. And Petitioners' failed to do  
13 that. And I think actually Petitioners' counsel largely admitted that. That  
14 they presented their two grounds of -- their primary grounds of invalidity as  
15 obviousness combinations that now Petitioners' counsel is saying that  
16 *Oinonen* at least, for example, is anticipatory. I'm not sure, to be honest,  
17 what they would say about the *Bielski* reference, for example.

18 And that, Your Honor, is contrary to other decisions from the Board  
19 in this situation. I'll point to *LG v. Cellular Communications*, IPR-2016-  
20 197. This is cited in our papers. And in that case, the Board found that there  
21 is no indication in the Petition that the prior art reference has any  
22 deficiencies related to this element. And the same failure is present in  
23 Petitioners' -- both Petitions with respect to the primary combinations.  
24 *Oinonen* and *Whitley* and *Bielski* and *Wu*, if you look at their Petitions, it's  
25 unclear if they think there's any deficiency in the primary references. And I  
26 think Petitioners' counsel --

27 JUDGE HAAPALA: Mr. Alexander --

1 MR. ALEXANDER: Yes, Your Honor.

2 JUDGE HAAPALA: -- you cited to us several board decisions. I'd  
3 like to get Patent Owner's perspective on how *Polygroup v. Willis Electrical*  
4 *Company*, a Federal Circuit decision applies here, where the Federal Circuit  
5 specifically stated the Board errs when it refuses to consider arguments  
6 when a petition sets forth a ground with multiple references and the primary  
7 argument is based on one reference. So, I'd like to get Patent Owner's  
8 perspective on how that case applies here as well as the *Realtime Data v.*  
9 *Iancu* case.

10 MR. ALEXANDER: Yes, Your Honor. And I will address that  
11 question since you've brought up the case cited by Petitioners. I will note  
12 that I don't believe anything that Petitioners' counsel said in his presentation  
13 on this issue is found in Petitioners' reply briefing. Even though this issue is  
14 clearly set out in the Patent Owner Response. So, anything that Petitioners  
15 said --

16 JUDGE HAAPALA: Mr. Alexander, I understand your perspective.  
17 But this is controlling case law, so, it goes beyond whether -- this is whether  
18 we need to consider the challenge when there's multiple references  
19 presented. And the Petitioner did set forth that the one reference does teach  
20 all of the limitations. And I think I'd like to hear your thoughts on why we  
21 shouldn't consider that position, especially in light of the *Polygroup* and  
22 *Realtime Data* cases.

23 MR. ALEXANDER: Yes, Your Honor. So, I think the answer is  
24 that this is a procedural issue that is a failure on their part to properly present  
25 the combinations, the grounds of invalidity that they're presenting. And the  
26 result of that is that whether they intended it or not, it has the effect of  
27 gaming the system. It allows them to, for example, avoid the page limit.

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1 Because they certainly could have presented *Oinonen* as an anticipatory  
2 reference, *Bielski* as an anticipatory reference. And then, alternatively, set  
3 them forth as obviousness combinations with *Whitley* or *Wu* or whatever else  
4 they wanted. But they didn't do that. And the effect of that is to avoid the  
5 page limit.

6 Likewise, it forces Patent Owner to guess, and the Board, frankly, to  
7 guess as to what their Petition is actually -- what are the grounds of  
8 invalidity that we're having to go with here? So, for that reason, those  
9 procedural reasons, I think, it would be proper to deny their grounds of  
10 invalidity based on the procedural failure which puts Patent Owner at a  
11 disadvantage, puts the Board at a disadvantage in having to guess the  
12 positions that they're presenting.

13 Now, if the Board does consider them, *Oinonen* as an anticipatory  
14 reference or *Bielski* as an anticipatory reference, I may have misunderstood  
15 Petitioners' counsel, but he sounds like he said that we would agree that  
16 *Oinonen* or *Bielski* are anticipatory. We do disagree with that for all the  
17 claims. And so --

18 JUDGE HAAPALA: Thank you, Mr. Alexander. If you could  
19 please, though, address my question about *Polygroup* because, again, the  
20 Federal Circuit did instruct us that if a petition sets forth a ground with  
21 multiple references and the argument is based on a single reference, it's error  
22 for us not to consider those arguments based on the single reference. And I  
23 would like to hear Patent Owner's perspective on why that case isn't  
24 controlling and why we are not required to consider the challenge based on  
25 the single reference.

26 MR. ALEXANDER: Sure. And so, I don't believe that case was,  
27 you know, something that's been addressed in the briefings. So, perhaps

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1 there are circumstances of that case that I'm not aware of, Your Honor. I'm  
2 happy to consider those. But I think what Patent Owner's position would be  
3 is that the Board has the authority to deny the grounds of invalidity based on  
4 technical procedural failures that have the effect of putting the Patent Owner  
5 at a disadvantage. And so, the case law that you're referring to would have  
6 removed the Board's authority to hold the Petitioners to the technical  
7 requirements of presenting -- clearly identifying the grounds of the invalidity  
8 they're proposing because otherwise the whole purpose of the notice  
9 provisions is defeated there.

10 JUDGE HAAPALA: Okay, I think I understand Patent Owner's  
11 position. Thank you.

12 MR. ALEXANDER: And so, the specific motivation that a person of  
13 ordinary skill in the art would have to combine say *Whitley* with *Oinonen*,  
14 *Wu* with *Bielski*, the failure to identify motivation as it relates to the claim  
15 features, is fatal to their obviousness combination. And so, I think --

16 JUDGE HORVATH: Mr. Alexander, if I could ask a question? I  
17 mean, so, --

18 MR. ALEXANDER: Yes, Your Honor.

19 JUDGE HORVATH: -- one of the examples that we asked Petitioner  
20 and they responded that, you know, for example, under *KSR*, the motivation  
21 to combine can be market forces. I mean, do you agree with that? And if  
22 you do, how is market forces related to any particular claim or claim  
23 limitation?

24 MR. ALEXANDER: Sure. We know that the two aren't mutually  
25 exclusive, Your Honor, because market forces can relate to claim features.  
26 And so, the market forces may dictate you to take a, you know, one claimed

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1 feature from a secondary reference and modify the primary reference to  
2 include that claimed feature as a result of the prevailing market forces.

3 But I don't think the point that Petitioner is making about market  
4 forces means that the market force relating to an unclaimed feature would  
5 have any -- would provide a proper motivation to combine. Because, you  
6 know, like the KSR -- I'm sorry, *John Mandel* case cited in our briefing, IPR  
7 2018-827, paper 9, says, here the question is, would a skilled artisan have  
8 been motivated to combine the teaching of the prior art references to achieve  
9 the claimed invention? And so, the analysis has to be on the actual claimed  
10 feature. And so, whether we're talking about technical motivation, market  
11 force motivation, the analysis has to be on what is the failure of the primary  
12 reference? What would motivate a person of ordinary skill to take the  
13 claimed feature from the secondary reference and modify the primary  
14 reference in light of that?

15 JUDGE HORVATH: Okay, thank you.

16 MR. ALEXANDER: And so, you know, I think like I said, with  
17 respect to *Oinonen* and *Whitley*, I believe Petitioners' counsel acknowledged  
18 that the motivation they identified are not features of the claims. That's true  
19 of the aspect that *Whitley*'s alleged disclosure about controlling multiple  
20 devices. They also talked about *Whitley* disclosing monitoring activities  
21 over time. Here, not only is that not really claimed, but Petitioners' expert  
22 actually said that *Oinonen* also discloses this. So, if *Oinonen* discloses this,  
23 one of ordinary skill in the art wouldn't need to look to *Whitley* for that  
24 teaching. That was in Exhibit -- '935, Exhibit 2015 at page 135 of their  
25 expert's deposition.

26 All right, let me move now to the motivation to combine *Bielski* and  
27 *Wu*. And I'll just be brief here. Petitioners' argue that one of ordinary skill



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1 would have looked to *Wu* to modify *Bielski* to use *Wu*'s implementation for  
2 sending SMS messages from a base unit to a remote unit. But Petitioners'  
3 own expert here actually undermined their own position because the *Wu*  
4 reference discloses a particular application, the Nokia driver. Which is  
5 programmed in the C language. And Petitioners' expert said that a person of  
6 ordinary skill in the art wouldn't have wanted to use a C application in this  
7 sort of environment because he would understand that it posed a security  
8 risk. I believe he said there's no guardrails. You know, so you can get  
9 yourself in trouble as a person of ordinary skill in the art using a C  
10 application, which *Wu* was. So, a person of ordinary skill in the art having  
11 that knowledge, wouldn't have looked to *Wu* in its Nokia driver that it  
12 disclosed as a good resource to implement *Bielski*.

13 Petitioners' expert also said that there was less afford for C  
14 applications in this area than for a Java alternatives. Finally, *Wu*'s --

15 JUDGE HORVATH: Mr. Alexander, --

16 MR. ALEXANDER: Yes, Your Honor.

17 JUDGE HORVATH: -- is Petitioner -- I mean, so, there's all this talk  
18 about the Nokia driver, I mean, is Petitioner, are you saying that Petitioners'  
19 combination that includes *Wu* is one that brings over the Nokia driver in its  
20 entirety into *Bielski*, into the *Bielski* system? Or is it a more general  
21 argument of, you know, *Wu* discloses that SMS messaging is bi-directional?

22 MR. ALEXANDER: Well, Your Honor, I --

23 JUDGE HORVATH: Is it your contention that they're actually  
24 requiring bringing a particular driver from that reference *Wu* into the *Bielski*  
25 system?

26 MR. ALEXANDER: Yes, Your Honor, that is our intention that  
27 that's what they're proposing to do. And in fact, that that's what they

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1 basically have to do because otherwise the references -- *Bielski* is not  
2 enabling for this sort of capability. Enabling of sending SMS messages from  
3 a base unit to a remote unit. So, they actually need *Wu*'s Nokia driver  
4 because that's the only thing that provides an enabling disclosure. So, the  
5 fact that it -- the fact that *Wu* is unattractive to a person of ordinary skill in  
6 the art, that he wouldn't look to that shows that the combination wouldn't be  
7 made to start with.

8 JUDGE HORVATH: Well, let's actually talk about your enabling  
9 argument because as I recall, your argument was that all these references,  
10 certainly at least *Bielski* and *Wu*, but I think it also applied to *Oinonen* and  
11 *Whitley*, but regardless, was that there is -- there is an enabling problem with  
12 the SMS messaging, particularly because they do not show an API interface.  
13 And also, they did not, I believe, you said show a hardware interface. But  
14 my question to you then, is that -- is there disclosure in your patents that tell  
15 us that these are very difficult problems that a person skilled in the art would  
16 not understand how to do those? Or does your patent, you know, simply say  
17 do SMS messaging. And if so, then isn't that sort of an implicit admission  
18 that SMS messaging was a well-known thing? So, I guess how do you  
19 respond to that?

20 MR. ALEXANDER: SMS messaging, Your Honor, may have been  
21 a well-known thing. But just to be precise, so there's no confusion, we're  
22 saying that what wasn't well-known was using a base unit to send SMS  
23 messages to a remote unit. And so, we are saying that that was not well-  
24 known.

25 And so, two points on that, Your Honor. One, of course, you know,  
26 enablement of the '935 patent or the '655 patent is not an issue in this

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1 proceeding. And Petitioners will have the -- there is a tribunal that will deal  
2 with that issue. And they have the opportunity to present it there.

3         They also asked the Patent Owner's expert about this topic. And he  
4 pointed them to disclosure that he thought related to this topic of how a  
5 person of ordinary skill in the art would implement this. Port addressing  
6 was one of the things he talked about. There were other passages from the  
7 '935 patent he talked about. So, we do think that there is disclosure in the  
8 '935 that would assist a person of ordinary skill in the art in implementing  
9 this capability. But at the end of the day, it's not really an issue that's before  
10 this. And if Petitioners want to make an enablement argument, they'll have  
11 the opportunity to do that in the district court location.

12         JUDGE HORVATH: Well, my question was not, I mean, obviously  
13 enablement is presumed. So, my question isn't so much whether your two  
14 patents are enabled. I think the presumption is that they are. The question is  
15 that if there is something that is particularly difficult about SMS messaging  
16 that your patents have solved, if there's a particular problem that your  
17 patents have solved, that you can't just say do SMS messaging between a  
18 base unit and a remote unit, then what is that thing? And why is it so  
19 difficult, and where does your -- where do your patents disclose the solution  
20 to that particular problem? Otherwise, why shouldn't we believe that SMS is  
21 just well-known and, you know, a person of skill in the art as they would,  
22 you know, when they hear SMS messaging, understand what is involved in  
23 creating that functionality in a cellular system?

24         MR. ALEXANDER: Okay, Your Honor. So, as to why you would  
25 have assumed that it was well-known, I would point to the testimony of  
26 Patent Owner's expert, Mr. Zatkovich, where he actually lays out in fairly  
27 precise detail the hardware, software, and API interface that you knew that it

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1 would be required to do this. And so, again, just to clarify the non-  
2 enablement issue that Patent Owner has raised relates to taking a base unit.  
3 So, something say in the home that is monitoring these environmental  
4 devices, it could be many environmental devices. And so, it's monitoring  
5 those, and is communicating out to the remote unit. So, the issue we're  
6 talking about is in the relevant timeframe, providing that base unit with the  
7 ability to send SMS messages to a remote unit.

8 So, it's talking about, you know, just a standard cell phone with SMS  
9 capability. That's not the issue. The issue is how to provide a base unit of  
10 that era with the ability to send SMS messages in the context of these claims.  
11 And so, here Patent Owner's expert identified hardware capabilities that this  
12 would require. Software features that it would require. And then as well as  
13 the API that you mentioned. And so, that is in the '935 Exhibit 2004, that's  
14 at paragraphs, you know, 58 to 63 or so of his report. So, to answer Your  
15 Honor's question, that's what we would point to as reasons why enablement  
16 shouldn't simply be assumed and based.

17 JUDGE HORVATH: Thank you.

18 MR. ALEXANDER: And also, on this issue of the enablement, this  
19 actually highlights the problem with Patent Owner's -- I'm sorry, Petitioners'  
20 failure to precisely identify the nature of their proposed grounds of  
21 invalidity. Because one of their responses to this enable -- non-enablement  
22 issue is, well, obviousness art doesn't have to be enabling. And so, that's  
23 true. An obviousness reference is evaluated for what it teaches. So, we  
24 don't dispute that.

25 Now, we would say that the combination as a whole still has to be  
26 enabling. So, you can't get away with saying that, you know, hey, we're  
27 presenting an obviousness combination. None of our references are

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1 enabling, but nonetheless, it's evaluated for what it teaches. And so, we kind  
2 of avoid the requirement that the prior art be enabling. We think that that's  
3 inappropriate. That the combination as a whole at least has to be enabling,  
4 which isn't the case here.

5 But their reliance, it shows how they're using this issue of their, you  
6 know, is this an anticipatory reference? Is it an obviousness combination as  
7 kind of a sword and a shield? You know, they'll identify it as an anticipatory  
8 argument or an obviousness argument, depending on how it suits them for  
9 the moment. And here, as it relates to the non-enablement of the prior art,  
10 now they want to identify it as an obviousness combination because they  
11 know that an anticipatory reference has to be enabling.

12 And so, they try to avoid the non-enablement of *Oinonen* and *Bielski*  
13 by saying that now it's an obviousness combination. Earlier, Mr. Pleune,  
14 Petitioners' counsel, said, well, I think *Oinonen* could be anticipatory. But  
15 when it comes to the enablement issue, they say, no, they're obviousness  
16 references, so, therefore, we don't have to satisfy the enablement  
17 requirement.

18 JUDGE HAAPALA: Mr. Alexander, can you help me understand a  
19 little bit more of your enablement arguments because as I understand both  
20 references do talk about SMS messaging. And I'm not entirely following  
21 why they're not enabled for the teachings that Petitioners' relying on these  
22 references for.

23 MR. ALEXANDER: Sure. So, our position, Your Honor, would be  
24 that in the relevant timeframe, merely saying that a, you know, a base unit --  
25 I'll use that term, the term from our claims, that merely saying that a base  
26 unit can do -- can send SMS messages isn't sufficient for a person having  
27 ordinary skill in the art. Which, I believe, the parties agree is basically, you

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1 know, a person having, you know, relevant technical background with a  
2 couple years' of experience. That just telling a person of ordinary skill in the  
3 art that, hey, take a base unit and add SMS messaging capabilities, that that -  
4 - that wouldn't be enough information for a person of ordinary skill in the  
5 art.

6 Because basically, what you would be doing is hooking up  
7 essentially a cell phone because there was limited off the shelf technology  
8 available in that timeframe. And you're saying take that base unit and hook  
9 it up to a cell phone and make those two communicate with each other to  
10 send out SMS messaging. So, that's going to require a hardware interface.  
11 So the base unit is connected to the cell phone technology, whatever you're  
12 using there to send messages out over the cell networks. You've got to have  
13 that hardware interface. You have to have a software interface for  
14 communicating over the hardware interface. And you have to have that API  
15 as well on the cell phone that you're using to transfer from the base -- the  
16 stuff the base unit's doing, right? Monitoring the environmental devices,  
17 passing commands and information back and forth and to put that out onto  
18 your cellular technology to go out over the cellular networks in an SMS.

19 JUDGE HAAPALA: Yes, so, Mr. Alexander, I do understand all of  
20 that. And I think my question then would be why that wouldn't be of the  
21 knowledge of one of ordinary skill in the art when you know how SMS  
22 works? You know what the interface needs to be. You have the ability to  
23 do computing -- processing power. Why somebody of skill in the art once it  
24 occurs to put a SMS on the base unit, why that wouldn't be pretty routine for  
25 somebody to be able to do?

26 MR. ALEXANDER: Well, so, I direct you to '935 Exhibit 2004 at  
27 paragraph 63 example. But the short answer there is, one of the problems is

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1 the cell phone companies at the time, the -- and like I said, the, you know,  
2 we're talking about the 2004 timeframe, not the 2020 --

3 JUDGE HORVATH: Mm-hmm.

4 MR. ALEXANDER: -- timeframe. And so, there was much less  
5 technology available. The cell phone makers weren't real fired up about  
6 letting people into the details of how their software or hardware worked.  
7 And so, this is all kind of set forth in Petitioner -- I'm sorry, Patent Owner's  
8 expert declaration. But, so, the knowledge, the information about even how  
9 the cell phone technology worked wouldn't have been available to a --  
10 remember, a person having a technical degree with a couple years'  
11 experience, he wouldn't have had that information available.

12 So, it's not so much about how to implement SMS, you know, it's not  
13 that there wasn't the SMS standard available. That's not our position. It's  
14 taking the SMS standard and hooking a cell phone up to a base unit so that  
15 that -- so that the base unit could effectively communicate with the cell  
16 phone to create the SMS messages. So, it's less about the actual SMS  
17 message itself and how you hook the base unit up to the cell phone.

18 JUDGE HAAPALA: Okay, thank you. I understand your position.

19 JUDGE HOMERE: Counselor? Counselor?

20 MR. ALEXANDER: Yes, Your Honor.

21 JUDGE HOMERE: Earlier you acknowledged that because the  
22 rejection is prefaced on the 103, on the obviousness standard, there's no  
23 requirement that the references themselves be enabling. However, you  
24 mentioned that the combination itself has to be enabling. Have you provided  
25 any support for that, any authority to substantiate that statement?

26 MR. ALEXANDER: I believe we may have referred to some cases  
27 in our brief. But, you know, Your Honor, I think the -- if you look at the --

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1 so, what Petitioners have said is that an obviousness reference is evaluated  
2 for what it teaches. And so, we don't dispute that.

3 JUDGE HOMERE: That's correct, yes.

4 MR. ALEXANDER: That is (inaudible). But I don't think that's the  
5 same thing as saying that so, what are you left with, right? So, our position  
6 is evaluating the prior references, and including the combination as a whole,  
7 you're left with a combination that gives you the idea of being a base unit up  
8 to a cell phone and sending SMS messages with it. But it's just an idea. It's  
9 a prophetic reference you might say. It's predicting we think this is going to  
10 be done in the future, we're not telling you how to do it. And our position is  
11 it wouldn't have been within the ordinary skill at that time to do it. But your  
12 combination as a whole is left without telling you how to do it.

13 And so, we don't believe the law cited by Petitioners on that point  
14 about the obviousness reference allows you to escape the enablement  
15 requirement as a whole because that would be, you know, if anticipation is  
16 the epitome of obviousness, you know, that would be -- you could avoid,  
17 you know, you could essentially avoid the requirement that the prior art be  
18 enabling by just always couching your anticipation, you know, ground of  
19 invalidity as obviousness. And saying, you know, as a single reference  
20 obviousness combination -- or a single reference obviousness ground and  
21 that would allow you to escape the enablement requirement. And so, that  
22 would seem to be a -- not an appropriate result.

23 JUDGE HOMERE: Well, counselor, but there's a reason why you  
24 have different standards. Under obviousness, as you pointed out, all you  
25 need is the teaching as to how one skilled in the art would combine the  
26 references in order to teach the disclosed -- the claimed invention as opposed  
27 to having a reference, an anticipatory reference, that describes the



1 limitations. So, I'm not aware of any authority that requires that a  
2 combination under obviousness needs to be enabling. So, I think that would  
3 be somewhat helpful to us if you could direct us -- in what part of your  
4 briefs that -- or your response, that you pointed us to authority to support  
5 that position.

6 MR. ALEXANDER: Okay, Your Honor. I don't know that we  
7 provided authority on the specific point that you made. I think our authority  
8 was more generally related to the idea of references, the prior art reference.  
9 Certainly, an anticipation context needs to be enabling. Here Petitioners'  
10 counsel said he thinks that where we are today, that the primary references  
11 are anticipatory, but yet, they're saying they're anticipatory, but they need  
12 not be enabling. And so, we don't think that that's an appropriate position.  
13 We think it's trying to, you know, very clearly skirt the law that requires.

14 Because otherwise, you're left with the result is the same. Because  
15 our position is, you know, maybe if it was an obviousness combination and  
16 you could come in and say, well, adding in the level of ordinary skill in the  
17 art that would make up for the gap. You know, so the references don't need  
18 to tell you what is within the knowledge of one of skill in the art. I think  
19 that's true of anticipation or of obviousness. But so, in the obviousness  
20 context, certainly, you know, you could fill it in with a level of skill in the  
21 art, but that's our whole point is that wasn't in the level of skill in the art.

22 So, the reason -- there's a reason that (inaudible) has to be  
23 anticipatory because if it didn't, then the end result would be people could  
24 just put out their ideas, right? That they have no idea how to implement.  
25 And that would serve as an invalidating reference. And you could, like I  
26 said, you could skirt -- you could totally skirt it by saying, well, I'm just  
27 putting this forward as a single reference obviousness ground. And so, you

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1 know, that would -- whether a court has addressed that or not, Your Honor, I  
2 can't tell you. But that would seem to defeat the entire purpose. The  
3 purpose of requiring that the prior art be enabling doesn't really seem to  
4 matter if you're talking about an anticipation ground or the collective  
5 obviousness grounds. So, in two papers or one paper, doesn't seem to matter  
6 for the reason that the prior art is required to be anticipatory -- I'm sorry --  
7 enabling.

8 JUDGE HOMERE: I understand. Thank you.

9 MR. ALEXANDER: All right, Your Honors, let me move to the  
10 other issue that you had expressed interest in hearing about, which is '655-1.  
11 So, here, Your Honors, so the Patent Owner has put forward a construction  
12 of the relevant claim phrase and relating to the geo-fence and the  
13 notification. And so, Patent Owner's proposed construction is the cellular  
14 remote unit is configured to determine that the cellular remote unit is outside  
15 of the geo-fence, and to report this information via a simple message service.  
16 And so, I was little surprised to hear Petitioners' counsel giving some  
17 arguments that they disagree with that because in their Reply brief, the only  
18 aspect of the proposed construction that they expressed disagreement with  
19 was whether it's simple message service or short message service.

20 And so, Patent Owner's proposed construction here used simple  
21 message service just because that's what the claim language says. And so, to  
22 answer that, I believe Mr. Pleune said you should ask me about that. I'll  
23 answer that question. And so, for purposes of this proceeding, we haven't  
24 disputed that simple message service can be treated synonymously with  
25 short message service. So, other than that issue, Petitioners didn't identify  
26 any problem with Patent Owner's construction in their Reply brief. So, we

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1 don't really think that there is an argument about the appropriate  
2 construction of this phrase at this point.

3 Now, -- I'm sorry, I thought -- I thought there might be a question.

4 But so, --

5 JUDGE HAAPALA: Sorry, I just want to -- thank you for clarifying  
6 that point. If there isn't a dispute in this proceeding, then do you see a need  
7 for us to construe that term?

8 MR. ALEXANDER: Well, if there is not a -- so, if there's no dispute  
9 that the claim language requires that the notification report that the cellular  
10 remote unit is outside of the geo-fence, that that information is reported, that  
11 that's what the notification is. As long as we don't have any dispute about  
12 that, then I don't think there has to be a formal construction adopted. And I  
13 think that's consistent with Federal Circuit law. You know, if there's a claim  
14 construction dispute, it has to be resolved. That doesn't necessarily mean  
15 that it has to be resolved via a formal construction.

16 JUDGE HAAPALA: Okay, thank you.

17 MR. ALEXANDER: And so, there was a specific request from the  
18 Board about the impact of the prosecution history. Yeah, I believe  
19 Petitioners' counsel agreed that the examiner determined that the notification  
20 that's described in the Specification, which tracks exactly with Patent  
21 Owner's proposed construction, the examiner found that that disclosure  
22 wasn't talking about a command. And so, I agree with Petitioners' counsel,  
23 that is what the examiner said. And the examiner was simply really looking  
24 at the Specification and seeing what it disclosed. So, we agree with the  
25 examiner. We agree with Petitioners' counsel's characterization of what the  
26 examiner said there.

1           There was some discussion from Petitioners' counsel about the effect  
2 of that. I believe he referenced a passage where, you know, saying, well, we  
3 don't necessarily agree with the examiner's position, but the end result was  
4 as it related to Claim 38, they did make an amendment to remove the term  
5 command. So, they acquiesced to that rejection. And I don't believe that  
6 under the law that they could -- the Patent Owner would then be heard to  
7 say, no, no, no, no, never mind, we want that back. We want to recapture  
8 that. And so, in this case, we think it would be particularly inappropriate to  
9 construe the notification very broadly to say that a command that did not  
10 report that the remote unit was outside the geo-fence nonetheless it, you  
11 know, it invalidates this claim with the claim notification. Because that's a -  
12 - whether it includes a command or not --

13           JUDGE HORVATH: Mr. Alexander, I do have question --

14           MR. ALEXANDER: Yes, Your Honor.

15           JUDGE HORVATH: -- for you. And so, --

16           MR. ALEXANDER: Sure.

17           JUDGE HORVATH: -- this is going back to -- I'm trying to  
18 understand exactly what it is that was disclaimed and what the examiner's  
19 objection was. And the reason I ask this, if we go back to Claims 38 and 39,  
20 and as you pointed out Claim 38 uses the term, command, and Claim 39 uses  
21 the term, notification. But there's another difference between these two  
22 claims. And if you read Claim 38, Claim 38 says, the remote unit  
23 determines when it is within a geo-fence. That's when it sends a command.  
24 Claim 39 says, the remote unit determines when it is outside the geo-fence.  
25 And then it sends a notification.

26           So, my question is, what is the significance of that difference? I  
27 mean, was the examiner, you know, when they gave up something -- by

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1 removing this, in Claim 38, by amending the claims to remove the fact that  
2 the command is received, responsive to determining that the remote is within  
3 the geo-fence, is that a disclaimer of when a command is sent? Or is that a  
4 disclaimer of, you know, in other words, you're saying that that draws a  
5 distinction between a command and a notification. But couldn't it also be  
6 drawing a distinction between when something is sent? When -- either a  
7 command regarding the geo-fence --whether you're within it or outside of it.  
8 I'm interested to hear your comments on that.

9 MR. ALEXANDER: Sure. I do, appreciate your question, Your  
10 Honor. Because you're right, there is that difference between application  
11 claim 38 and 39. And, I guess, I'll say at the outset, we don't -- it's not  
12 Patent Owner's position that we need this prosecution history passage to be -  
13 - have some estoppel effect in order for our construction to be correct  
14 because we think our construction is exactly what, you know, it's consistent  
15 with the only disclosure on this feature in the Specification just like the  
16 examiner said here. And so, all we're doing really is looking at the  
17 prosecution history for further support for that, the clear teaching of the  
18 Specification.

19 And so, but to your question, if you look at what the examiner said at  
20 Exhibit 1002 at 475, he said that, you know, the relevant passages and  
21 Specification and now I'm quoting, "discuss reporting information from the  
22 remote control unit to the base control unit based on the geo-fence. But this  
23 information reported by the remote control unit is that it has traveled a  
24 distance that exceeds a program distance from the base control unit." And  
25 so, you know, it's that -- the examiner seems to pretty plainly -- has said that  
26 his understanding of the Specification, what it's disclosing, is what the  
27 remote unit is doing is reporting that it, the remote unit, has traveled a

1 distance that exceeds a program distance. It's gone outside the geo-fence.  
2 It's reporting that fact I'm outside the geo-fence, that's what the Specification  
3 discloses here.

4 And so, if the examiner had understood this, if he'd been basing his --  
5 his problem with Claim 38, was only the within or without the geo-fence  
6 issue, then I think he would have rejected Claim 39. Which ultimately got  
7 put into, you know, that relevant limitation got incorporated into what  
8 became issue to Claim 1. He would have the same problem with that  
9 because his characterization of this passage has nothing to do with a  
10 command. It's all about reporting that the remote unit has gone outside the  
11 geo-fence.

12 JUDGE HORVATH: Well, but doesn't he say, I mean, this is, you  
13 know, I'm trying to understand the significance of what the examiner is  
14 saying here. You know, at the bottom of page 475, the examiner says, you  
15 know, paragraphs 50 and 52 of the published Specification refer -- are the  
16 paragraphs that refer to a geo-fence and none of these recite receiving a  
17 command -- the environmental device responsive to determining that it is  
18 within a geo-fence.

19 So, is the issue, I guess, that the examiner has with Claim 38, is his  
20 issue with the command that it's not sending a command? Or is his issue  
21 that it's not sending something when it's within a geo-fence? Because the  
22 next sentence of the examiner's rejection says these paragraphs disclose  
23 reporting information when the control unit based on the geo-fence, but the  
24 information reported is that it has traveled a distance that exceeds the  
25 program distance. So, again, it seems to me the examiner is saying that the  
26 problem, you know, I'm trying to understand is the examiner's objection with  
27 the fact that Claim 38 uses the word, command, versus Claim 39 using the

1 word, notification? Or was the examiner's problem that at least in claims  
2 that recite geo-fence, that the disclosure only said sending something when  
3 you exceed the geo-fence? That is when you're outside, which is what  
4 Claim 39 recited. Or that you send information when you are still within the  
5 geo-fence, which is what Claim 38 recited? So, you know, where do we  
6 draw that line and what is it that was the examiner really objected to? Was it  
7 the difference a notification and command? Or was it a difference between  
8 sending information within the geo-fence or outside the geo-fence?

9 MR. ALEXANDER: Well, I don't think it has to be mutually  
10 exclusive, Your Honor. He may have been objecting to both for that matter.  
11 But what our position -- like I said, we're not saying that we need to have  
12 this be an estoppel issue in order for our construction to be the appropriate  
13 one. We think it's clearly appropriate based on the disclosure of the  
14 Specification. But what the examiner here, whether, regardless of his focus  
15 on the within or without the geo-fence issue, what he clearly does is look at  
16 the relevant passage of the Specification and says what you're talking about  
17 here is reporting that you've gone outside the geo-fence. In this case,  
18 outside. You're reporting that information back to the base. That was the  
19 examiner's understanding of it.

20 And there's nothing else in the Specification. Like he says, you  
21 know, you got a couple passages here, a couple paragraphs that relate to the  
22 geo-fence issue. And so, he refers to this one. And all it's talking about is  
23 reporting information that the remote unit has gone outside the geo-fence.  
24 And our position is that's what the claimed notification is. And so, if you  
25 look back at the Specification, this Specification passage that the examiner is  
26 referring to here in the application, it gives the example of notifying. He  
27 uses the word notify a parent that his child has gone outside the geo-fence,

1 right? So, it'd been -- notification is notifying that information. It's been  
2 reporting this information like the examiner says here that you're outside the  
3 geo-fence.

4 JUDGE HORVATH: So, if I can maybe paraphrase or make sure I  
5 understand. Your argument is not so much that there's a difference between  
6 notification and command, it's that whatever is sent, the thing that is sent has  
7 to contain a statement or information indicating that you have gone beyond  
8 the range that is defined by the geo-fence. In other words, it's insufficient  
9 simply to send a command to do something, you know, turn the light on and  
10 off. You have to say turn the light on or off because I am past the geo-fence.

11 MR. ALEXANDER: You're exactly right.

12 JUDGE HORVATH: Is that your position?

13 MR. ALEXANDER: That's right, Your Honor. And so, --

14 JUDGE HORVATH: Okay.

15 MR. ALEXANDER: -- with that let me move to the *Coon* reference  
16 and the second embodiment. Which I think is the only relevant one because  
17 I think the parties, based on Petitioners' counsel's presentation, I think the  
18 parties are in agreement that the first embodiment of *Coon* -- all that the  
19 remote unit is providing is its location information. And the control device,  
20 you know, at the home or wherever, that's the brains of the outfit in that  
21 situation. It's deciding if the remote unit is inside or outside the geo-fence.

22 So, in the second embodiment, what the remote unit is doing is the  
23 remote unit is responsible for determining its position relative to the control  
24 device. And in certain situations, like Your Honor pointed out, if it's within  
25 the geo-fence, if the remote unit decides that it's come within the geo-fence,  
26 it sends a command, control information, to the control device to effect some  
27 operation. But there's no disclosure in *Coon* indicating that, you know, I'm



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1 the remote unit. I've decided I'm outside or -- I'm sorry -- I've come within  
2 the geo-fence. There's no disclosure that the remote unit tells the control  
3 device, I'm sending you this command because I came within the geo-fence.  
4 And, therefore, *Coon*'s second embodiment doesn't disclose this relevant  
5 claim limitation of Claim 1 of the '655.

6 Petitioners' counsel focused on claim -- I'm sorry, paragraph 28 of the  
7 *Coon* reference. But that is disclosing the same thing that Petitioners  
8 focused on in their original Petition. In their original Petition, they focused  
9 on paragraph 19 of *Coon*, and 16 as well. In their Reply, they focus on  
10 paragraph 28. In their presentation today, they focused more on paragraph  
11 28 that, I believe Petitioners' counsel himself said, this is still talking about  
12 *Coon*'s second embodiment. And in particular, it's talking about the  
13 flowchart of Figure 3. And if you look at Figure 3 and Step 314, so, in Step  
14 314, when the remote unit has decided I've moved within the geo-fence, in  
15 314 it says, send message to control device to initiate performance of  
16 appropriate functions by networked devices.

17 So, this is clearly talking about the same that paragraph 16 and  
18 paragraph 19 are talking about. When the remote device decides it's entered  
19 the geo-fence, it sends a command to the control device. But there's nothing  
20 that says it tells the control device I'm sending you this command because  
21 I've come within the geo-fence. And as Your Honor pointed out, coming  
22 within the geo-fence is not what Claim 1 of the '655 talks about anyway.  
23 Claim 1 is talking about exceeding the boundaries of the geo-fence.

24 And it's really just another example. What *Coon* is talking about,  
25 what *Coon* is interested in is not what Claim 1 of the '655 is interested in.  
26 Claim 1 is talking about the example of notifying a parent that a child has  
27 exceeded the boundaries of the geo-fence. That's why it's a notification. It

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1 wants to tell the parent, hey, your kid left the geo-fence and you need to go  
2 get him, right? *Coon* is not worried about that. *Coon* is talking about  
3 sending a command. So, if you go with the example that we gave in our  
4 briefing, the -- a person, a homeowner, you know, their remote unit if they  
5 come within the geo-fence, it might send a command of some sort. But the  
6 homeowner might want to send that same command within the home. You  
7 know, there's no -- just because a command is appropriate when the remote  
8 unit comes within the geo-fence, doesn't mean that that same command  
9 won't be appropriate in other circumstances.

10 So, you know, it's start the bath water, right? Or warm up the bath  
11 water or something like that. So, that may be appropriate when the remote  
12 unit comes within the boundaries of the geo-fence, but it might be  
13 appropriate at other times. And the control device doesn't need to know  
14 why it's receiving the command. So, it's not surprising really when it  
15 doesn't disclose the claim's feature because it's just not worried about the  
16 same thing. It's a different feature.

17 In fact, it's actually very similar to Claim 38 that the examiner  
18 wouldn't let Ubiquitous get. Because that claim, Claim 38, was directed to  
19 sending a command when the remote unit comes within the geo-fence.  
20 That's what *Coon* is disclosing. And so, the examiner actually said, ah, you  
21 guys don't disclose that Ubiquitous, you can't get that claim. That's what  
22 *Coon* is disclosing. So, it would be pretty inequitable, from our standpoint,  
23 to now invalidate Claim 1 of the '655 on what the examiner said that the '655  
24 patent actually didn't even disclose.

25 So, unless there are questions on that, I know my time is moving on.  
26 So, I will move to another issue. Let me also --

1 JUDGE HORVATH: I have no questions. We did -- I do apologize,  
2 you have about 3-1/2 minutes left. I didn't give you the five-minute  
3 warning. But there's about 3-1/2 minutes.

4 MR. ALEXANDER: Yeah, I'm thinking, Your Honor, I'll probably  
5 shorten my rebuttal time to about 5 minutes.

6 So, I want to talk now about the microcontroller claim element. And  
7 if you look at Patent Owner's Demonstrative Exhibits, we have just a few  
8 slides on this. Slide 2 of Patent Owner's demonstratives gives our  
9 construction of the microcontroller claim element, which relates to Claims 3,  
10 14, 18, and 21 of the '935 and the two independent claims of the '655 patent.  
11 And so, I won't bother to read all of our construction just due to time, Your  
12 Honor. But Patent Owner's construction is supported by two (inaudible)  
13 Petitioners' definitions. It's also largely supported by Petitioners' expert.

14 If you look at Slide 5, you'll see that Petitioners' expert --

15 JUDGE HORVATH: I'm sorry, if I could ask you question.

16 MR. ALEXANDER: Certainly.

17 JUDGE HORVATH: So, you do rely, I think, to a large extent on  
18 your two definitions. I did have a question, like, if I look at your Slide 3,  
19 you give the Microsoft Computer Dictionary definition. And it says, a, you  
20 know, special-purpose computer designed to operate -- sorry -- designed and  
21 built to handle a particular narrowly defined task. It says, in addition to the  
22 CPU, a microcontroller usually contains memory, input/output channels, and  
23 timers. So, I guess, I want to know what's the significance of the word,  
24 usually, there?

25 And similarly, if you go to Slide 4, there's your second definition,  
26 which is the Comprehensive Dictionary of Electrical Engineering, their  
27 definition of microcontrollers. Again, an IC chip that is designed primarily

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1 for control systems and products. In addition to a CPU, it typically includes  
2 memory, timing circuits, and I/O. So, again, here you have the term,  
3 typically. In the previous definition you have the term, usually. And I guess  
4 I want to know what's the significance of those words? And in your  
5 definition, you say it has to include those things. So, does it have to include  
6 those? Or does it typically include those? Or usually include those? And is  
7 there a difference in that terminology?

8 MR. ALEXANDER: I think, Your Honor, our position is that a  
9 person of ordinary skill in the art, because that's what we're interested in,  
10 right? How would a person of ordinary skill in the art have understood these  
11 terms? And so, I think the usually or the typically here -- so, it usually  
12 contains each of these things in the memory. You know, in the case of the  
13 Microsoft Dictionary in memory input/output channels and timers, it usually  
14 contains all those things is what the Microsoft Dictionary says. And  
15 something similar in the Comprehensive Dictionary.

16 And so, they're hedging their bets a bit. But if you look at what the  
17 Petitioners' expert said on Slide 5, he said, you know, I asked him the  
18 question did the meaning to a person of ordinary skill in the art change  
19 between 1994 and 2004? The meaning of microcontroller? And he says, no,  
20 I think it's always meant the same thing -- that it's a digital electronic, think  
21 of it as a small, you know, embedded processor and memory and I/O, a little  
22 teeny computer. And then in the next, kind of the next passage, I would  
23 agree that once they, a microcontroller, is programmed, they typically are  
24 programmed to handle a narrowly-defined task. And in the final window  
25 there, they, meaning, you know, just kind of people of ordinary skill in the  
26 art, would say that a microcontroller is more of a system, a small system,  
27 whereas the microprocessor would be just a component of the system.

1           So, Petitioners' own expert agrees that a microcontroller includes  
2 (inaudible) how a person of ordinary skill would understand it. And I think I  
3 can boil it down even more with his final quote there on Slide 5, which is  
4 that the microcontroller is a computer unto itself. The microprocessor is a  
5 part of the computer. It's even the heart of the computer. But it's not a  
6 computer unto itself. And so, that's the heart of the issue, Your Honor. And  
7 --

8           JUDGE HORVATH: Just to let you know you're in your five-minute  
9 -- I'm sorry, you're into your rebuttal time, so.

10          MR. ALEXANDER: Understood, Your Honor. So, that's basically  
11 it, Your Honor. Is the microcontroller -- a microcontroller is a computer. A  
12 microprocessor is not. And let me address their prior art references on this  
13 very quickly, Your Honor.

14          The *Oinonen* reference. Their initial position, which their expert  
15 supported, is a microprocessor is a microcontroller and that's good enough.  
16 In their Reply brief, they change that position and argue that because  
17 *Oinonen* labels the microprocessor as MCU that that means it's a  
18 microcontroller. And so, we think that there's a false assumption there that  
19 any time the term, MCU is used, that it necessarily means a microcontroller.  
20 In our Sur-Reply, we cited evidence in which the Board has addressed  
21 patents that actually use MCU as an abbreviation for microprocessor control  
22 unit. And in some of those cases, it's clear they're not talking about  
23 microcontrollers. So, you know, so, we don't think that the word, MCU,  
24 inherently discloses a microcontroller.

25          And similarly, Your Honor, with respect to the *Bielski* reference,  
26 where they're relying on the fact that *Bielski* refers to the desktop computer  
27 shown, if you look at Patent Owner's Slide 10, it shows this desktop

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1 computer with a red box around it. And because *Bielski* refers to that as an  
2 embedded computer, they say, well, that means it's an, you know, because a  
3 microcontroller can be an embedded system, then *Bielski* uses the word  
4 embedded, this must be a microcontroller. But their own expert  
5 acknowledged that this is disclosing a computer that would have a regular  
6 microprocessor. The mere fact that it calls it embedded or even that this  
7 desktop computer would be part of a larger system, does not change the fact  
8 that the microprocessor in *Bielski*'s desktop computer is not the  
9 microcontroller. It's not a computer unto itself. It doesn't have the features  
10 of a microcontroller that Petitioners' own expert indicated a microcontroller  
11 would have.

12 And so, finally, Your Honor, before I reserve the rest of my time, let  
13 me very briefly turn to Claim 24 of the '655 patent. So, if you want to look  
14 at Patent Owner's Slide DX-21. We've got the claim language from '655  
15 Claim 24. This is the claim that recites the subordinate remote unit that  
16 sends a subordinate command. And so, here the Petitioners' are relying on  
17 the *Lincoln* reference. And so, they focused in their presentation, if you look  
18 at Slide 23, we've got the relevant passage of *Lincoln* here. And they focus  
19 just on this last sentence basically, that says, conflicts between individuals  
20 are settled based upon a priority listing programmed in the system.

21 But what they didn't focus on is the fact that this embodiment of  
22 *Lincoln* is actually dealing with a situation where a sensor in the room  
23 working with the controller, it detects when individuals come into the room.  
24 And it decides what music to play based on historic information about the  
25 individuals. You know, for example, individual X listens to new wave  
26 music in the morning but listens to classical in the evening. And it's making  
27 a decision about what to play based on that historical information

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1 programmed into the system. There's no disclosure in *Lincoln* that there is  
2 any command issued by these folks entering the room. So, there is no  
3 subordinate remote unit that issues a subordinate command. There's no  
4 command at all in this embodiment. It's purely a passive system on the part  
5 of the individuals. And therefore, it doesn't disclose the elements of Claim  
6 24. And with that, I'll reserve the rest of my time.

7 JUDGE HORVATH: (Inaudible) when your 11 minutes are about to  
8 expire and you may begin when you're ready.

9 MR. PLEUNE: Thank you, Your Honor. So, I'd like to first touch  
10 on some of the arguments that Patent Owner made about the *Coon* reference  
11 and the geo-fence limitation that we find in Claim 1 of the '655 patent. I do  
12 want to just clarify that it is Petitioners' position as stated in the Petition that  
13 this term should be afforded its plain meaning. And then also in our Reply,  
14 we certainly received their construction for the first time in the Patent Owner  
15 Response, and then in our Reply, we stated this sentence, the Board thus  
16 should not accept Patent Owner's construction. So, we don't agree with that  
17 construction and we think that it should be afforded its plain meaning.

18 Your points about whether it was command or notification that  
19 caused the examiner to request the amendment or whether it was within or  
20 without, you know, that underscores the point that we were making where  
21 it's not clear what the examiner intended and we don't believe that this would  
22 rise to the level of an estoppel or disclaimer. And it sounds like Patent  
23 Owner would agree.

24 The point that we absolutely would make is that both of those options  
25 are clearly disclosed in the *Coon* reference. And so, as I mentioned in my  
26 opening statement, we see that in Claim 19. Claim 19 is cited at page 28 of  
27 the Petition. And it talks about, certainly something that can happen within

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1 a certain distance, and then also as another example, when the mobile device  
2 120 moves more than 300 feet away of the control device 140, the control  
3 device 140 may cause the security system to be armed and a door to be  
4 locked. And so, certainly, *Coon* is broad enough to encompass both of those  
5 examples.

6 But in Claim 28, we see the example and I believe Patent Owner  
7 agrees, where it is the remote unit that is gathering that location information  
8 and it's making a determination as to whether it is some specific distance  
9 within or without from a base unit and then it's sending a message. It's  
10 sending a notification. And we see in paragraph 28, that is described exactly  
11 what that notification is, and that it is, it some distance that has basically  
12 crossed that threshold. And that's the message that's been sent. And so, we  
13 see Patent Owner making an argument that there cannot be a command. But  
14 if we look at what's actually disclosed in the *Coon* reference, we see that it is  
15 an indication of a distance which is directly consistent with the narrow  
16 definition that they're proposing.

17 JUDGE HORVATH: So, Mr. Pleune, what do you make of Patent  
18 Owner's argument that, you know, if a notification -- let's assume for the  
19 sake of argument, that a notification really does require notifying that you  
20 are beyond the geo-fence. And one of Patent Owner's arguments was if, for  
21 example, *Coon* teaches that when you get a certain distance away from your  
22 house, it sends a message to lock the door. But you don't have to be that,  
23 you know, you don't have to be 300 feet away from your house to send a  
24 message, lock the door. And that the base unit wouldn't know just from  
25 receiving a message, lock the door, whether you're sending that because  
26 you're more than 300 feet away or you're just simply sending that because,



1 you know, you're conscientious, as in, as soon as you walk out the door, you  
2 send the message, lock the door.

3 You know, what do you make of that? Is there -- does, you know, I  
4 guess, I don't know what question to ask you. Does notification require you  
5 to indicate that you, in fact, have gone beyond the geo-fence? And does  
6 *Coon* teach that, in the sense that *Coon* teaches that you might send a  
7 command if you're beyond the geo-fence?

8 MR. PLEUNE: So, I think that notification is broader than that.  
9 We'll start there. I think that notification could encompass a message that  
10 takes a lot of forms and certainly the claim is not so limited. It doesn't  
11 specify. And that's why I think that the fundamental issue is though, *Coon*  
12 says the words, control message. *Coon* says the words, command. When  
13 we look at what *Coon* actually discloses in paragraph 28, when the device  
14 gets to a certain distance, it sends what it calls is -- it's called an appropriate  
15 message. That's what sent. That's the notification, i.e., a message that  
16 corresponds to the location of the mobile device 120 with respect to the  
17 control device 140.

18 So, if you just read *Coon* and you see the word, command, and you  
19 don't try and understand what that command is, then maybe, I guess, you  
20 could agree with Patent Owner's position and say, he's saying it can't be a  
21 command. The word, command appears and, therefore, *Coon* is off the  
22 table. If you actually read *Coon*, and in particular paragraph 28, what you  
23 see is the message that's sent is specific notification of location with respect  
24 to the base unit.

25 JUDGE HORVATH: Well, aren't you reading in the term,  
26 appropriate command, to be -- I mean, wouldn't a command to lock the door  
27 be an appropriate command if you're 300 feet away? And if so, then how

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1 does the base unit know that the command is sent because you are 300 feet  
2 away? Or sent for some other reason such as you, you know, are, as you  
3 walk out the door, out of force of habit, you always send that command?

4 MR. PLEUNE: And to be clear, I'm -- and maybe I'm  
5 misunderstanding the question, Your Honor, and I apologize. Because it's  
6 my understanding that Patent Owner is saying that if a command is sent,  
7 then that's not a notification.

8 JUDGE HORVATH: Well, I think what I heard, based on our  
9 discussion earlier with Patent Owner, was that they're interpreting the  
10 prosecution history as -- and the definition of notification as being -- a  
11 notification has to be that you, in fact, have gone beyond whatever that geo-  
12 fence limit is. That the notification itself has to be a message that indicates  
13 that -- specifically that you've gone beyond a certain distance. And what the  
14 objection Patent Owner has to *Coon*, as I understand it, is that if *Coon* is  
15 simply sending a message to lock the door, that message doesn't necessarily  
16 indicate that the reason it's being sent is because you're beyond the geo-  
17 fence. It might have been sent for a different reason.

18 MR. PLEUNE: So, and I just -- when I'm reading paragraph 28, and  
19 it says in Step 314, the processor 102 causes an appropriate message. So,  
20 and then this is a quote, "(i.e., a message that corresponds to the locations in  
21 mobile device 120 with respect to the control device 140 to be sent to the  
22 control device 140)." So, that's the message that *Coon* tells us is being sent.  
23 It is sending a message and that message is telling you that it is a certain  
24 location from the control device.

25 So, in other words, *Coon* does disclose, at a high level, what the  
26 overall system, a notification is sent to the base station and then the base  
27 station takes some action. It tells you that there's some instances where the

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1 base station does the processing and figures out where the remote unit is.  
2 There's another situation where the remote unit figures it out. But once it  
3 crosses, it sends a message, and that message is its location as compared to  
4 the base unit.

5 JUDGE HAAPALA: Mr. Pleune, let me try. The language you just  
6 read said that it sends a message corresponding to the location. I don't think  
7 that it says it sends a message about its location. Unless I'm misreading that.  
8 But the plain language of what you just quoted says the message  
9 corresponds to the location. So, I don't think it precludes the example where  
10 you are a certain distance away and you're going to lock the door, but you're  
11 not really transmitting any information about the location.

12 MR. PLEUNE: And I can appreciate the point that you're making.  
13 The twelfth time I read it I started to maybe see the points that you just  
14 made. But this is an obviousness reference and a person of ordinary skill --  
15 what it would mean to a person of ordinary skill in the art when they read  
16 this. And first, Patent Owner is taking the position that a notification can't  
17 be a command. I guess, now your point is that they're going to take the  
18 position that it can't be a message that corresponds to the location of the  
19 mobile device with respect to the control device despite the fact that I think  
20 that's exactly what their construction says.

21 And so, I just don't see how paragraph 28 couldn't be any clearer  
22 about that. So, certainly a notification is sent. What we know for sure is  
23 that the remote device is figuring out its own location and it is absolutely  
24 sending a message to the base control unit. I think if that qualifies as a  
25 notification as broadly as that's described in the claim and in the notification.  
26 And even if that has to be so narrow as it's supposed to give some indication  
27 as to its location, I think that that's what paragraph 28 is telling us.

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1 JUDGE HORVATH: And, Mr. Pleune, just you have about a minute  
2 and a half left just to give you that warning.

3 MR. PLEUNE: Okay, and then I'm going to turn it over to my  
4 colleague, Adam Doane, who's going to briefly address the issue of  
5 subordination.

6 MR. DOANE: So, with our final minute, I want to just touch on  
7 something Patent Owner said about the *Lincoln* reference and the issue of  
8 subordination. So, I'm looking at Slide 122 of our demonstratives. And so,  
9 taking a step back at the *Lincoln* reference, *Lincoln* broadly discloses that  
10 conflict between individuals are settled based on this priority listing. Now,  
11 Patent Owner is trying to limit this disclosure of *Lincoln* to something above  
12 about sensors in the room and other disclosures above that. But *Lincoln*  
13 does not say that conflict between individuals are settled based on what was  
14 disclosed above. It's a broad statement, and as Petitioners stated in their  
15 Petition, we said that one skilled in the art would combine *Lincoln* with  
16 *Oinonen* and *Whitley* or *Bielski* and *Wu*, which disclosed commands. And  
17 using *Lincoln*'s disclosure of a priority listing to settle the conflicts, one  
18 skilled in the art would use that knowledge in the command of *Oinonen* and  
19 *Whitley* or *Bielski* and *Wu*.

20 And so with that --

21 JUDGE HORVATH: Okay.

22 MR. DOANE: -- I think Petitioners are finished.

23 JUDGE HORVATH: Thank you, Mr. Doane. Yes, your time has  
24 expired. So, we appreciate your presentation today. It's very helpful.

25 MR. DOANE: Thank you, Your Honor.

26 JUDGE HORVATH: Okay, Mr. Alexander, you had requested 10  
27 minutes rebuttal. You used five minutes of your rebuttal time in your

1 primary presentation. So, there are five minutes of rebuttal left. So, you  
2 may begin when you're ready.

3 MR. ALEXANDER: Thank you, Your Honor. So, let me begin with  
4 talking about Claim 1 of the '655 and paragraph 28 of the *Coon* reference.  
5 So, I think that Petitioners' counsel acknowledged, you know, kind of  
6 referred to the twelfth time I read this. And I'll suggest that perhaps  
7 Petitioners' reading of it is colored by what they want to read into it. If you  
8 look at the sentence that begins in Step 314, when it says that -- when it  
9 refers to sending an appropriate message, a message that corresponds to the  
10 location of the mobile device, with respect to the control device, it does not  
11 say, nothing in *Coon*, nothing in this paragraph, says that the mobile device  
12 tells the control device, I'm sending this command because I went outside or  
13 even came within the geo-fence.

14 And like I said, if you look at Figure 3 of *Coon*, it removes any doubt  
15 there is about whether this is talking about a notification of the type of -- that  
16 Patent Owner recites in Claim 1 -- or whether it's talking about just sending  
17 a command. 314 says send message. So, we've got the word, message  
18 there. Send message to control device to initiate performance of appropriate  
19 functions by networked devices. So, the focus there is on the command.  
20 And if you look at the last sentence of paragraph 28, it likewise makes clear  
21 that the focus, what's it's talking about here, is a command just like the  
22 earlier passages that Petitioner originally relied on in their Petition,  
23 paragraphs 18 and 19. In *Coon*, the last sentence of Claim 28, says the  
24 control device 140 then initiates performance of an appropriate function or  
25 functions by an appropriate networked device or devices. So, the focus is on  
26 --

1 JUDGE HORVATH: Mr. Alexander, if I can interrupt you. Because  
2 this --

3 MR. ALEXANDER: Yes, Your Honor.

4 JUDGE HORVATH: -- is I think an important issue. If I look at  
5 Claim 1, all that it requires is that the cellular remote unit transmits a  
6 notification via simple message service responsive to determining that the  
7 cellular remote unit is outside the geo-fence. So, all that requires is that the  
8 cellular remote unit transmits a notification. Would you agree that in the  
9 plain language of the claim itself, there's nothing that indicates what that  
10 notification must contain? Would you agree with that?

11 MR. ALEXANDER: Well, I think it goes to what the notification is.  
12 So, the --

13 JUDGE HORVATH: That's right, so, I guess, my question for you is  
14 one argument you've made is that the prosecution history -- and you've  
15 pointed out the rejection of Claim 38 --and you said as a result of that  
16 prosecution history, you think that narrows the meaning of notification to  
17 being a message that contains the location of the device. Or information that  
18 indicates that the device has gone beyond the geo-fence. So, I guess, what  
19 I'd like to know is what other support do you have that we should take a  
20 narrow reading of a notification -- that says a notification is a message that  
21 contains information indicating the device has gone beyond the geo-fence.  
22 Because when I look at Claim 1 itself, it doesn't say that. It just says I sent a  
23 notification. So, where's the support -- what is all the support for this idea  
24 that a notification must contain location information and indication you've  
25 beyond the geo-fence?

26 MR. ALEXANDER: Yes, Your Honor. So, the '655 patent at  
27 Column 9, lines 6 through 14. So, there it describes when the remote control

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1 unit follows the distance that exceeds the programmed distance from the  
2 base control unit, the remote control unit reports this information to the base  
3 control unit. The base control unit will then send this information to the  
4 appropriate user -- to determined class of users. This is an example of geo-  
5 fencing that we took to use to notify parents that one of their children has  
6 traveled beyond the set distance from the home. So, that's makes a clear  
7 connection. Notify here in the Specification, as the examiner pointed out,  
8 this is the disclosure of geo-fencing. This is what it's talking about in the  
9 term notification in Claim 1. So, that, Your Honor, would be support for our  
10 position.

11 JUDGE HORVATH: Well, even in that, what do we make of the  
12 fact that it says this is an example of geo-fencing? And is typically used to  
13 notify parents. I mean, is that, you know, how do you read that as being  
14 narrowing language as to, you know, even if we accept the fact that that is an  
15 example, and in that example, you in fact do send information indicating that  
16 you've gone beyond the geo-fence line, why -- the fact that the use of this  
17 phrase that this is an example, how should we use that to limit -- or how can  
18 we use that to say that it's a limiting example?

19 MR. ALEXANDER: Well, I don't know that, Your Honor, that we're  
20 saying the focus isn't so much on geo-fencing because you say this is an  
21 example of geo-fencing. There could probably be other applications of geo-  
22 fencing. The focus is really on the notification term in Claim 1. And here  
23 in, you know, Column 9, line 13, whatever it is, typically used to notify  
24 parents. So, it's connecting that previous sentence describing sending the  
25 information, reporting the information, and using the word, notify, you  
26 know, this is -- you have to convey the information. You've gone outside

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1 the geo-fence. That's what a notification is based on this passage. The only  
2 passage in the specification.

3 JUDGE HORVATH: Okay, thank you.

4 JUDGE HAAPALA: Mr. Alexander, --

5 JUDGE HORVATH: Your time has expired.

6 JUDGE HAAPALA: I'd like to ask one more follow-up question.

7 JUDGE HORVATH: Okay.

8 JUDGE HAAPALA: So, notification, the paragraph you read to us  
9 in the patent does not contain an explicit definition of notification. Do you  
10 agree with that?

11 MR. ALEXANDER: In the sense that notification means this, yes, I  
12 agree with that, Your Honor.

13 JUDGE HAAPALA: In the prosecution history we are looking for a  
14 clear disavowal to narrow a claim term. And what we find in the  
15 prosecution history is a statement that Patent Owner is not conceding the  
16 examiner's position on enablement. So, I'd like to understand why we  
17 should view that as a clear disavowal that notification doesn't -- is limited as  
18 you want it to be.

19 MR. ALEXANDER: If I understand what you said, you're referring  
20 to, Mr. Pleune, he had made reference to, we don't concede that your right,  
21 examiner, on this but we're going to amend the claim anyway?

22 JUDGE HAAPALA: The issue is when we're looking to construe a  
23 term, and if you're looking to narrow it based on prosecution history, we're  
24 looking for a clear disavowal. And in the particular instance we have here is  
25 we have a claim that was cancelled because it was rejected for lack of  
26 enablement. But the remarks made were that the applicant was not  
27 conceding that the claim was not enabled. So, I'm asking for your thoughts



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1 on why we should consider that enough of a disavowal to narrow the term,  
2 notification?

3 MR. ALEXANDER: Yeah, I think the -- and I'm sorry, I don't have  
4 a particular citation, Your Honor, but I think the law is very clear. That that  
5 sort of hedging language is not -- doesn't save a patent applicant when he  
6 does in fact amend the claim in response to the examiner's position. Just  
7 saying we don't concede it doesn't save you from an estoppel effect.  
8 Beyond that, Your Honor, we would say we don't need it to be estoppel  
9 anyway because it's showing the -- the examiner is clearly, you know,  
10 looking at the reference and interpreting a passage consistent with what I  
11 said about notification.

12 JUDGE HAAPALA: Okay, thank you.

13 JUDGE HORVATH: Okay, thank you for your presentation. Very  
14 helpful. I would like to thank all the parties involved today. And so we are  
15 adjourned. The case is submitted for our consideration. We are adjourned.

16 (Whereupon, the proceedings at 3:25 p.m. were concluded.)

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