

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VMWARE, INC.,
Petitioner,

v.

CIRBA IP, INC.,
Patent Owner

PGR2021-00098
Patent 10,951,459 B2

Record of Oral Hearing
Held Virtually: September 15, 2022

Before DAVID C. MCKONE, STACY B. MARGOLIES, and
RUSSELL E. CASS, *Administrative Patent Judges*.

APPEARANCES

ON BEHALF OF PETITIONER:

DIEK VAN NORT, ESQUIRE
ALEX YAP, ESQUIRE
MEHRAN ARJOMAND, ESQUIRE
RICHARD HUNG, ESQUIRE
MATTHEW KREEGER, ESQUIRE

MORRISON & FOERSTER LLP
425 Market Street
San Francisco, California 94105
415-268-7000

ON BEHALF OF PATENT OWNER:

KHUE HOANG, ESQUIRE
PHILIP EKLEM, ESQUIRE
CHRISTINE LEHMAN, ESQUIRE
MICHAEL FLANIGAN, ESQUIRE

REICHMAN JORGENSEN LLP

750 Third Avenue
Suite 2400
New York, New York 1001
646-921-0704

The above-entitled matter came on for hearing on Thursday,
September 15, 2022, commencing at 1:00 p.m. EST, by video/by telephone.

1 (Proceedings begin at 1:00 p.m.)

2 JUDGE CASS: Thank you, everyone. This is the
3 oral hearing for PGR2021-00098, involving U.S. Patent No.
4 10,951,459. I am Judge Cass. And with me on the Panel today,
5 I have Judge McKone and Judge Margolies. Could we please have
6 an identification from each side of who is on the line?

7 And, Petitioner's Counsel, why don't you proceed
8 first?

9 MR. VAN NORT: Sure. Good afternoon everyone. My
10 name is Diek Van Nort from Morrison & Foerster for Petitioner,
11 VMware. And also, who will be presenting, is Stephen Liu, also
12 from Morrison & Foerster. And also on the line is Matthew
13 Kreeger from Morrison & Foerster.

14 JUDGE CASS: Thank you. Why don't we have the
15 Petitioner -- I'm sorry -- Patent Owner's Counsel now? I
16 think you may be muted.

17 MR. WHITE: Okay. I will try this again.

18 JUDGE CASS: Okay. Thank you.

19 MR. WHITE: Good morning, Your Honors. All right.
20 Good morning, Your Honors -- or good afternoon, Your Honors.
21 My name is Wesley White of Reichman Jorgensen Lehman &
22 Feldberg on behalf of Patent Owner, Cirba. With me today, are
23 my colleagues, Khue Hoang and Philip Ekleem.

24 JUDGE CASS: Thank you. With that, we will now
25 begin. The trial hearing order in this case provides that
26 each party will have 60 minutes of time to present arguments.

1 However, Petitioner will have an additional 15 minutes of time
2 for participating in the LEAP Program.

3 The order of presentation will be as follows:
4 First, Petitioner will present its case regarding the
5 challenged claims; Patent Owner will then respond to that
6 presentation; Petitioner then may use any remaining time for
7 rebuttal; And then Patent Owner may use any of its remaining
8 time for sur-rebuttal responding to Petitioner's rebuttal
9 arguments.

10 A few reminders before we begin. First, there's a
11 public line for this case. We're not aware of any
12 confidential information that may be discussed during this
13 hearing, but if that's not the case, please speak up. Please
14 keep your microphones muted when you're not speaking. When
15 it's your turn to argue, please speak slowly. And if you hear
16 another voice, please stop, so that we do not talk over each
17 other, and the court reporter can get a clear transcript.

18 If either party believes that the other party is
19 presenting improper argument, such as a new argument that was
20 not presented in the party's briefs, please raise that issue
21 during your presentation and do not object at the time and
22 interrupt the other party's presentation.

23 I will keep time during this hearing and can give
24 you a warning when you've gone into your rebuttal time if you
25 would like. And I also want to let you know that we've
26 received the party's demonstrative exhibits and are able to

1 view them on our screens. So to ensure that the transcript is
2 clear and everyone can follow along, please refer to
3 demonstratives by slide number during your presentation.

4 Are there any questions from the parties before we
5 begin the argument?

6 Okay. Hearing nothing, let me ask, Petitioner,
7 would you like to reserve time for rebuttal? And if so, how
8 much?

9 MR. VAN NORT: Yes, Your Honor. I believe Steve --
10 Mr. Liu is participating under the LEAP Program, so I believe
11 we have an additional 15 minutes. So a total of 75 minutes;
12 is that correct?

13 JUDGE CASS: That's correct.

14 MR. VAN NORT: So we'd like to reserve 25 minutes
15 for our rebuttal.

16 JUDGE CASS: All right. With that, you may begin.

17 MR. VAN NORT: Thank you, Your Honor. So if you'd
18 like to open Petitioner's demonstratives to slide 2, we can
19 get into the overview of what we plan to discuss today. So we
20 plan to start with a brief introduction, a high-level overview
21 of the '459 Patent just to make sure that we're all oriented
22 on the same issues.

23 And then we're going to be talking about the two --
24 individually -- the two limitations that are really at the heart
25 of or are the basis for the written description issues with
26 the '459 Patent. The first issue is going to be the "already

1 placed” issue. And that really breaks down into two sub-
2 issues.

3 The first is what I think has really come to light
4 and focused on in the sur-reply. It wasn't as at the front of
5 things in the Patent Owner response. But in the sur-reply,
6 it's very clear that there is a dispute about the scope of
7 “placing” and specifically whether “placing” in the claims
8 includes things like theoretical placement or a plan to place
9 or an analytical place.

10 So that will be the first issue that we go over.
11 The second issue with respect to “already placed” is, based on
12 whatever the meaning of placing is, there are seven to eight
13 locations in the specification that Patent Owner specifically
14 relies on to show alleged written subscription support for the
15 “already placed” limitation. And so we'll plan to step through
16 each of those, focusing on any of the ones that the Board has
17 a particular interest in.

18 So that's with already -- respect to “already placed.”
19 The next element is -- or the next limitation that lacks
20 written description in the '459 Patent is the “issuing
21 instructions to place.” My colleague, Mr. Liu, will be handling
22 that one. And then finally, to the extent, the Board has
23 issues or questions about this issue, the PGR eligibility. We
24 have a couple slides on that and are prepared to discuss that.

25 So that's an overview of what we plan to discuss
26 today. If there are specific sections or issues that you guys

1 would like us to jump to immediately or questions that you
2 want to dive into immediately, we're happy to do those.
3 Otherwise, we'll just plan on moving through our presentation.

4 JUDGE CASS: Yes, that's fine, Counsel. I mean, I
5 would let you know, I think the Panel's generally pretty
6 familiar with the patent and the invention. So certainly, if
7 there's any parts you want to highlight as particularly
8 relevant or anything, you know, that you want to focus on,
9 that's fine. But I don't think you need to go over in detail,
10 you know, what the invention is and what the patent talks
11 about.

12 MR. VAN NORT: Sure. So I will keep that part very
13 brief. And so if we want to -- head -- go to slide 4. This
14 is really -- figure 1 and the associated text is really all I
15 plan to cover here. So I think figure 1 does a pretty good
16 job of providing a high-level overview of what the '459 Patent
17 is about. And at its heart, what it is about is
18 consolidation.

19 What you see in figure 1 is there's 15 systems --
20 computer systems -- 16 at the very top of figure 1. And the
21 idea is that there's three steps here or three components that
22 allow you to take those 15 systems and consolidate them on to
23 5 systems down there at the bottom, which is element 22.

24 Now, Patent Owner's going to say that, well, this
25 application isn't just about consolidation. And while there
26 are a couple of sections that very quickly mention that the

1 analysis in the '459 Patent could be used for other purposes
2 besides consolidation, the only embodiment that is described
3 in any level of detail is the consolidation example.

4 Any of the other potential areas for application of
5 the analysis program disclosed there, there's no detailed
6 description or explanation of how that -- how the analysis
7 program would actually perform in those other environments.
8 So we're really talking about consolidation here.

9 So the first part of the consolidation here that we
10 see highlighted is the gathered system data. So you gather data
11 about your 15 systems, including things like technical,
12 business, workload constraints which are described in the
13 spec. Going to the next slide, slide 5, the next box here is
14 the analysis program, which is the meat of the '459 Patent.
15 Most of the patent focuses on how the analysis program works.

16 And this is where evaluations are performed to
17 determine the compatibility between the systems 16. So those
18 15 systems at the top, to figure out which systems are
19 compatible together -- so you can figure out which systems can
20 be combined to reduce your overall number of systems.

21 The last box here on slide 6 is the output of the
22 analysis program. And it's described here as analysis
23 results. And so this is results describing which of the
24 systems are compatible. And then also discusses a roadmap
25 which describes which of those 15 systems above can be applied
26 or transferred to which of the other systems you see above to

1 get to your fewer set of systems 22; the 5 you see at the --
2 below -- at the bottom of figure 1.

3 Now, there's just two quick things I'd like to note
4 about what's displayed here in figure 1. First of all, it's a
5 linear one-pass algorithm. You don't go through gathering
6 analysis and then producing results and then -- there's no
7 arrow going back to the top. It's a single pass algorithm
8 that once you get down to things where they're already placed
9 down in systems 22, the analysis is done.

10 The second thing I'd like, and that's directly
11 applicable, or directly related to already placed
12 limitations -- the second thing I'd like to highlight here is
13 that the three components of what's shown in the embodiment
14 for figure 1 is gathering data, analyzing, and producing
15 results. And that's where it stops. There's no extra box
16 here of talking about how you actually implement those
17 results. And that's relevant to the issuing instructions
18 limitation that we'll talk about a little bit later.

19 So if you go to slide 7, just real quick to orient
20 ourselves to the two limitations that we're going to be
21 talking about, we'll be focusing on the phrase "already
22 placed" quite a bit today. But it's important to remember
23 that it's not just written description about the term "already
24 placed." It's written description about the broader term that
25 that "already replace -- already placed" appears in.

26 And so that's evaluating compatibility between the

1 specific source system and one or more other source systems
2 already placed on the specific target system. So you have to
3 do an evaluation between one source system and another source
4 system that's already placed on a target system. And that's
5 true in both of these first two limitations. And so the
6 important part here, again, is just remember that it's not
7 just about "already placed." It's about having these
8 evaluations involving the "already placed" system.

9 And then the last limitation we see at the bottom is
10 "issuing instructions to place" limitation. And then the last
11 part of the background that I'd like to touch on is what we
12 see in figure 8. The only application that we're worried
13 about today, about whether there's written description
14 support, is the '936 application in -- there in the center
15 circle -- or boxed in in red.

16 That application incorporates, by reference, the
17 three applications above it. But there are no disputes --
18 there are no arguments from Patent Owner that any of the
19 unique disclosures in those three applications provide written
20 description support for the claims of the '459 Patent. And
21 then, with respect to the '471 and the '459 Patent, those have
22 the common specification with the '936 application.

23 So if the Board were to find that there is no
24 written description support for the claims of the '459 Patent
25 and the '936 application, that would make it PGR eligible, and
26 it would also show that there's no written description for the

1 '459 Patent in the '459 specification. If the Board
2 determines the opposite, that means that the '459 Patent is
3 not eligible for PGR and the proceedings should be terminated
4 instead of a final written decision being issued.

5 So moving into the “already placed” section. So if we
6 go to slide 11, so in slide 11, this is an excerpt of Patent
7 Owner's sur-reply. And I think this really focuses the issue
8 on what the dispute is about “already placed.” In Patent
9 Owner's view, already placed includes things like planned for
10 placement or I think the other terms that they use quite a bit
11 is a theoretical placement or an analytical placement. Things
12 where a physical placement hasn't actually happened yet.
13 Things where the computing environment or the computers aren't
14 actually altered in any way. It's just a thought that they
15 may be altered in the future.

16 And so there's a few things wrong with this
17 construction. And this really came up only in the sur-reply.
18 This wasn't a -- this idea of theoretical or planning for
19 placement wasn't raised in the Patent Owner response. But
20 there's three reasons that this is wrong.

21 First, the patent prosecution history for the '459
22 Patent's parent, the '492 Patent, shows that theoretical
23 placement is not enough. What they -- what Cirba said -- or
24 Patent Owner said in the prosecution history there is that
25 practical application is required. Not theoretical
26 application. So the position that Patent Owner's taking here

1 is directly contradictory to what they represented at the
2 Patent Office before.

3 The second reason why this is an incorrect
4 construction is it's also consistent with the plain meaning
5 that Patent Owner's put forward and the plain meaning that the
6 District Court adopted, and we'll go through that in a moment.
7 And then the final reason -- or the third reason is that if
8 you just take this meaning and you apply it to the claims, the
9 claims start to not make sense. So it's not a meaning for
10 "placed" that is consistent with the claim language itself.

11 So starting with the first reason why this meaning
12 for "placed" doesn't work, I'm going to jump around a little bit
13 here and I'll do my best to make sure that we're on the right
14 slides. So this, if you can forward to slide 26 -- so in
15 slide 26, what's reproduced is an excerpt of the prosecution
16 history of the '492 Patent, which is the parent of the '459
17 Patent. The '459 Patent is a continuation and shares a common
18 specification. So the claim terms should be construed the
19 same way between them.

20 And what you can see here is that during
21 prosecution, if you look at the bottom of these amendments, in
22 response to a 101 rejection, saying that the claims were too
23 abstract, Patent Owner replaced the limitation of generation
24 an output comprising a workload placement solution with the
25 limitation placing the sources systems onto the target
26 systems. And so that's the difference; that's the amendment

1 that Patent Owner made, replacing generating with actually
2 placing.

3 And how do we know that this is actually placing and
4 not just a theoretical placement? Well, if we move to the
5 previous slide, slide 25, we'll see that Patent Owner's own
6 statements make that very clear. So if we focus at the -- on
7 the highlighting at the very bottom on the second excerpt, it
8 says, "Claim 1 clearly recites applying the results (sic) of
9 the compatibility analysis by placing source systems onto
10 target systems - a practical application of any alleged
11 abstract idea."

12 So that practical application is what's important
13 here. What Patent Owner's saying now is that, theoretical
14 application is sufficient for placing. A theoretically placed, or theoretically
15 applied -- a source that is theoretically
16 applied to a target means that that source has been already
17 placed on that target, but --

18 JUDGE MARGOLIES: Counsel?

19 MR. VAN NORT: Yes.

20 JUDGE MARGOLIES: Can I ask you a question about
21 this?

22 MR. VAN NORT: Please.

23 JUDGE MARGOLIES: Isn't the claim language that
24 we're looking at on slide 26 different from the claim language
25 that were dealing with in this patent?

26 MR. VAN NORT: Yeah. So the claim language in this

1 patent is issuing instructions to place. And what was at
2 issue here in the '492 is placing the source systems, but
3 we're still focusing on what the word "place" means. And
4 place should be construed -- so issuing instructions to place
5 and placing the source systems onto the target systems,
6 placing, in both contexts, needs to mean the same thing. It's
7 in the same specification. So there's no reason why place
8 should have two different meanings between the two
9 applications.

10 JUDGE MCKONE: So how do we know that in these
11 prosecution history responses that you're pointing to that
12 placing onto a target system means what you say it means?
13 Placing the -- I'm assuming placing code or something on to a
14 physical target system as opposed to generating some kind of
15 map where a system is -- so a system is hypothetically placed
16 onto a target system. How do we know that the prosecution
17 history reflects your view of this?

18 MR. VAN NORT: So I think there's two reasons: One,
19 is if we go back to slide 26 and look at the difference in the
20 claim language. One of -- what was originally there was
21 generating an output comprising a workload placement solution.
22 So that was just generating the results. That's what they
23 were in trouble with section 101 on. It's just generating
24 results. That wasn't enough to bring it into the world of
25 non-abstract ideas.

26 What they had to do is give up that ground -- that

1 interpretation and go with placing the source systems onto the
2 target systems. So the fact that they amended the claims from
3 just generating a result before to placing means that placing
4 doesn't just encompass generating. So that's the first
5 reason.

6 But then the second reason is the text that is on
7 slide 25, which is talking about placing source systems onto
8 the target systems, they explain, is a practical application.
9 Practical is literally the -- an antonym for theoretical.
10 It's the opposite. They're -- they couldn't be more
11 different. They're 180 degrees apart. And I think you'll
12 actually see that in Patent Owner's presentation when they
13 spend the first half of their slides talking about
14 theoretically placing.

15 When they talk about this, they can't use the word
16 "theoretical" anymore because it's the opposite of practical.
17 What they start talking about is analytical. But the idea is
18 the same throughout all of this -- is that when they said this
19 amendment does a practical application, they were excluding
20 the purely theoretical application that the claims required
21 before.

22 So unless there's any other questions on this, I'll
23 keep moving.

24 JUDGE MCKONE: Counsel, I have another question.

25 MR. VAN NORT: Sure.

26 JUDGE MCKONE: What was the result of this

1 amendment? What happened afterwards?

2 MR. VAN NORT: So I don't remember if the notice of
3 allowance came directly after this or if there was one more
4 amendment or maybe a preliminary amendment. But what did
5 happen is that the 101 rejection was dropped here in response
6 to this amendment. So this amendment was sufficient to
7 overcome the 101 rejection. I don't recall if there was
8 another prior art rejection after this or not.

9 JUDGE MCKONE: Did the examiners state what their
10 understanding of this amendment was or was it just a
11 withdrawal of the rejection without comment?

12 MR. VAN NORT: I'm fairly certain that it was
13 withdrawal without comment, but I can double-check on that
14 when -- in the break between my presentation and -- raise that
15 on rebuttal if I'm incorrect.

16 JUDGE MCKONE: Okay. Thank you.

17 JUDGE MARGOLIES: Following up on the question I
18 asked earlier, if we could maybe look at the claim language
19 for the claim here and where specifically -- I can understand
20 a little bit how you're mapping it to be issuing instructions.
21 I have a little more difficulty how this is relevant to the
22 word "placed" and the other parts of the claim. So if you
23 could maybe explain that a little more, I'd appreciate it.

24 MR. VAN NORT: And are you asking -- when you say
25 the claim language here, you're talking about the '459 Patent?

26 JUDGE MARGOLIES: Yes.

1 MR. VAN NORT: Okay. Yeah. Sure. So why don't we
2 bring up the claim language and talk about that? So I think
3 probably figure 12 is a good one to look at -- or sorry --
4 slide 12. And if we look at the right half of the claim on
5 slide 12 and look at the first evaluating limitation.

6 "Evaluate compatibility between the specific source
7 system from the plurality of source systems and one or more
8 source systems either already placed on the specific target
9 system or being evaluated for placement."

10 So we have several "placing" -- and then the very last
11 limitation we have here, which is the one that's at least
12 analogous to what was happening before in the '492, is "issuing
13 instructions to place." So we have variations of "placing" terms
14 throughout this claim limitation. And what is very clear from
15 Federal Circuit case law, and we have it cited here in one
16 of our slides, I can bring that up if it's helpful --

17 But the term "place" has to mean the same thing
18 throughout this claim. And because the two patents are
19 directly related to each other and they have the same
20 specification, and therefore, the same plain meaning between
21 the two applications apply and the same representations that
22 Patent Owner made with respect to the parent applications also
23 apply to the child. There is no difference between the
24 meaning of "placing" that they were arguing for to get around
25 the rejection in the '45 -- the '492 prosecution history and
26 the meaning of "place" in these claims.

1 It's the – “place” is being used in the same context.
2 It's placing source systems onto target systems. It's being
3 used in the variation of the “placing” term is -- are being --
4 are the same. Determining placement, that was in the '492.
5 It's still here. It's a consistent meaning across both
6 applications -- or both patents.

7 JUDGE MARGOLIES: Thank you. I understand your
8 argument.

9 JUDGE CASS: Counsel, another question.
10 So in the prosecution history, you know, the term -- I think
11 it was placing the source systems on the target systems used.
12 And the actual claim at issue here, it's issuing instructions
13 to place. You know -- what's the difference between those two
14 terms? You know -- what's the practical difference between what
15 the claims say now and what they said during the prosecution?

16 MR. VAN NORT: So I believe the main difference would
17 be the issuing instructions part. So in -- issuing
18 instructions by itself, I believe, would not require execution
19 of those instructions. So while you have to issue
20 instructions to place, by the plain claim language here,
21 that's nothing that says placing has to have actually occurred
22 in this last limitation.

23 Whereas, in the '492 Patent, by using the
24 (indiscernible) “placing,” the placing of the source systems on
25 the target systems has to actually happen in the '492 Patent
26 limitation.

1 JUDGE CASS: I'm sorry. The -- in the -- you mean,
2 in the --

3 MR. VAN NORT: I may have --

4 JUDGE CASS: The point is --

5 MR. VAN NORT: -- mixed up the two numbers. So I
6 can say that again.

7 JUDGE CASS: No, you're right. In the -- so in the
8 one that we're dealing with now that -- just the instructions.
9 So I mean, given that, I mean, would that mean that, you know,
10 the claim language added to provide a practical application in
11 the '492 was, you know, then taken out for the claims we have
12 at issue here? Because I mean, is issuing instructions, you
13 know, more of a practical application than, you know,
14 generating an output?

15 MR. VAN NORT: Well, that, it's not about the,
16 whether issuing instructions is -- for "already placed," it's
17 not about whether issuing instructions is a practical
18 application. This is still focused purely on what "place" means
19 and whether "place" includes theoretical placement. And so when
20 they added the "placing" limitation in the '45 -- '492
21 application -- they said "placing" doesn't mean theoretical. It
22 means practical application. It's the opposite of
23 theoretical -- practical application.

24 "Placing" here, regardless of whether issuing
25 instructions is in front of it -- "place" here and "to place" in the
26 last limitation still has to mean the same thing. There has

1 to be instructions to place or instructions to do a practical
2 application of the analysis that was performed in the previous
3 steps.

4 JUDGE CASS: So is this, the understanding of
5 “placing” that would come out of the file history, is this a
6 special definition or is this -- I mean, maybe you're going to
7 get to this, which is fine -- or is this, are you saying
8 this is plain meaning or this is compelled by the spec.? You
9 know, tell us how it interplays with those other intrinsic
10 sources of evidence.

11 MR. VAN NORT: Yeah. So the -- on the intrinsic
12 evidence, the specification doesn't use the word "place." So
13 it doesn't provide us a whole lot of guidance on what “place”
14 really means in the specification -- or in the claims. But
15 plain meaning here is fully consistent with what they said in
16 the '492. And it's actually inconsistent with their position
17 now.

18 So I would say that the plain meaning and the --
19 which the District Court adopted is actually fully consistent
20 with what they said in the '492 and the way that this term is
21 used in the claim. So I'm happy to move there next if that
22 would be helpful.

23 JUDGE CASS: Yeah, that's fine. I mean, we can
24 always come back to this if we have further questions about
25 it.

26 MR. VAN NORT: Okay. So let's go to slide 19 next.

1 So this gets into the second reason why they're, the second
2 reason I mentioned why the claim, that the already placed
3 does not include theoretical -- actually, if we can go back to
4 slide 11 for a moment, there's another point that I'd like to
5 highlight first.

6 So the highlighted part here talks about plan for
7 placement, but if we continue on in this sentence and focus a
8 bit on the but clause. It says, "But that has not actually
9 been put there." So under Patent Owner's construction or
10 meaning for already placed, they're saying that you don't
11 actually have to put anything anywhere for already placed to
12 have occurred.

13 So no putting is required is essentially what
14 they're arguing here. That is contradictory to the plain
15 meaning, which literally is to place, which the District Court
16 also adopted. So we'll see that if we go down to slide 19.
17 So the plain meaning for place and the placement terms that
18 Patent Owner puts forth is to put. To put in a particular
19 state. To put in or as if in a particular place. Putting is
20 almost synonymous with place.

21 So they're meaning that they're attributing to
22 already placed as shown in figure 11 that we -- or slide 11
23 that we were just looking at -- that not putting is still
24 included in already placed. It's the, it's, again -- it's
25 the opposite of what the plain meaning actually says. And if
26 we go to slide 24, you'll see this is the same plain meaning

1 that the District Court adopted.

2 So if we look at the second highlighted sentence,
3 "Place should be given its plain and ordinary meaning in this
4 context, which is broader than move and may include, as
5 Densify argues, put[ting] in a particular position or a
6 suitable place."

7 So again, here, placing requires putting. Yet what
8 Patent Owner's trying to argue right now to broaden out the
9 claim and get written description support is that already
10 placed means no putting has occurred yet. So again, this --

11 JUDGE MCKONE: Yeah. This says, "May include," not
12 requires. So how are you getting requires out of may include?

13 MR. VAN NORT: So I would say that it's the previous
14 one, which is -- slide 19 is the plain meaning. The plain
15 meaning are -- is requiring to put -- to put into a particular
16 state. And so what I think the District Court was saying when
17 it's saying, "may include," is it's further extending actually
18 moving to "to put," to the extent there's a difference between
19 "to move" and "to put."

20 There was nothing in the District Court's order that
21 addressed whether planning to put or a theoretical put or not
22 putting was sufficient for place. The District Court never
23 addressed that. That issue was -- and nor was it even raised
24 at the District Court level.

25 JUDGE MARGOLIES: What is the difference between
26 move and put into a -- in a particular position?

1 MR. VAN NORT: I'm not sure if there is one. It's
2 hard for me to reconcile in terms of -- in practical
3 application and both in terms of how the patent works and in
4 the real world what the difference would be. But that's --
5 there seems to be a line there that the District Court did not
6 want to draw.

7 JUDGE CASS: So, Counsel, I also noticed that the
8 District Court defines source systems to include, among other
9 things, hypothetical systems. So how would a hypothetical
10 source system be placed?

11 MR. VAN NORT: That is a good question. The
12 specification doesn't describe it. So I know that that is
13 part of Patent Owner's argument that the specification
14 describes hypothetical systems and their placement. But
15 the -- again, the specification is really focused on the
16 embodiment we saw in figure 1 where we're talking about
17 physical computer systems.

18 There is an example of using a hypothetical system
19 to forward consolidate it if you're installing a new
20 application. But in that case, there's a -- there's sort of a
21 transition from hypothetical to real world when you start with
22 a hypothetical system representing a new application you want
23 to add, but then you consolidate that hypothetical system on
24 to -- and hypothetical -- with the application onto a physical
25 target system.

26 So you're not placing the hypothetic -- in that

1 case, you're placing a hypothetical system by creating an
2 actual application or installing an actual application on the
3 physical target system. So as far as I know, in the
4 specification, there's no description of how a hypothetical
5 placement actually works or how you place a hypothetical
6 system other than, allegedly, it's possible.

7 JUDGE CASS: Well, I mean, would you agree that the
8 specification describes -- I'll try to use the right language
9 for it -- hypothetically placing a hypothetical source onto a
10 hypothetical target. I mean, Patent Owner describe -- argues
11 that that specification describes that in multiple instances.
12 Is that -- do you dispute that? Do you agree with that?

13 MR. VAN NORT: I don't think there's an example
14 where that is actually described in any detail. If you take
15 the idea that every mention of system in the entire
16 specification can also -- you can put hypothetical in there
17 and it all makes sense -- then I suppose there would be
18 disclosure for that. But that's not what the specification is
19 about. The specification is describing how you do physical
20 systems to physical systems.

21 There's a few spots where you talk about
22 hypothetical systems, but those examples are not carried all
23 the way through and there's no description of how placement of
24 purely hypothetical systems is accomplished. Like, there's no
25 -- could those -- that just be a thought process? I thought
26 about hypothetically placing the hypothetical system on

1 another hypothetical system. Did I just do a placement?
2 There's no description of what they mean in that context in
3 the '459 Patent.

4 JUDGE CASS: Yeah. Well, let's assume, for argument
5 sake, you know, we'll accept the Patent Owner and the District
6 Court's understanding of what a source system is, that it can
7 include a hypothetical system. Would you agree that the
8 specification does disclose a situation where you have this
9 hypothetical source and you have a hypothetical target?

10 And as part of the analysis, you move, in this
11 hypothetical world, your hypothetical source to your
12 hypothetical target, so you get a new system that includes the
13 target plus the original hypothetical source. And then you do
14 another analysis for a new source that has been -- again, the
15 original target and that hypothetical source that was
16 hypothetically moved.

17 I know there's a lot of qualifiers there, but would
18 you agree that that's something the specification discloses?

19 MR. VAN NORT: That's a pretty big hypothetical. I
20 would say that the specification most definitely does not
21 disclose that for multiple reasons: One is, I don't think
22 there's anything that describes starting with a hypothetical
23 source and going to a hypothetical target. I think what
24 the -- the one example I can think of is a hypothetical source
25 going to a real target.

26 But second of all, I think the other part in there

1 that's relevant to the already placed discussion that we've
2 had is that the already placed -- there's no going back. So
3 even if you move -- somehow do the transfer of a hypothetical
4 source to a hypothetical target, there's no discussion in the
5 specification of going back and revaluating that target as
6 modified by the transfer against a new source.

7 And that's really sort of the key and the reason I
8 mentioned earlier that we need to keep in mind the broader
9 claim element here, which is evaluate a source system against
10 another source system that's already placed. It's not just
11 about the existence of an already placed source system. It's
12 about doing source-to-source evaluations using already placed
13 source systems.

14 And I don't think that concept is in -- anywhere in
15 the specification, regardless of whether we talk about
16 hypothetical, physical, or virtual systems.

17 JUDGE MARGOLIES: Kind of further to this point.
18 What is your response to their wedding seat map analogy, which
19 seemed to be a good one?

20 MR. VAN NORT: So that's something first raised in
21 the sur-reply, so we haven't had a chance to fully respond;
22 we haven't had a chance to respond to that at all in the
23 briefing. But I think what they are talking about there is --
24 it's using "place" in two different contexts. It means two
25 different things according to which "place" they're talking
26 about.

1 Once -- one, they're talking about "place" in the
2 context of just making an assignment from a person to -- in a
3 seating chart. And they said, well, that person has already
4 been placed into that seat in the wedding analogy. And then
5 when the person actually shows up at the wedding and there's a
6 table over there. They're saying, well, then that person is
7 placed again and they go and sit down at the -- when they go
8 and sit down at the table.

9 So there's sort of two different placements
10 happening at two different times in that analogy. So they're
11 using two different meanings and that's improper for -- in a
12 claim. You have to use the same meaning. But regardless, in
13 that example, I would say that -- and this goes back to the
14 same prosecution history issue -- is that they're getting rid of
15 the theoretical.

16 So to the extent that one of those is theoretical,
17 they're getting rid of that by saying only the practical
18 application, which is the actual putting of the person at the
19 table. When you create the seating chart, all they've done is
20 this is what we plan to do in the future in terms of actually
21 moving the person over to the table.

22 Another way -- and so another way you could think
23 about it is that the first "place" that they're talking about is
24 the theoretical place that they expressly disclaimed for the
25 term "place" in the prosecution history. So --

26 JUDGE CASS: Going further with your interpretation

1 of this that the seating plan would not be a practical
2 application, but it would be a practical application once you
3 actually get the guests in their seats?

4 MR. VAN NORT: Yeah. In the context of the claim,
5 the plan is the determine placement that is part of -- the
6 determine -- so there's the "determining a placement" step.
7 That has three evaluating sub-steps. And then after you
8 complete that step, you have a determined placement. That is
9 what the seating chart is in the wedding analogy. There's a
10 determined seating of people in a map.

11 The people aren't at the wedding venue. The tables
12 aren't set up yet. You can't actually carry it out yet. All
13 you do is you have a plan for how you're going to seat
14 everyone. Placing only actually occurs -- the practical
15 application of that plan only actually occurs when people show
16 up on the wedding day and they're sitting down at their seats.

17 JUDGE CASS: But in the claim it doesn't say actually
18 placing. It says instructions for placing.

19 MR. VAN NORT: You're correct.

20 JUDGE CASS: Right?

21 MR. VAN NORT: I -- sorry. I --

22 JUDGE CASS: But --

23 MR. VAN NORT: Yeah.

24 JUDGE CASS: But why wouldn't that -- why wouldn't
25 the wedding seat map be the instructions for placement? So
26 the output would be the seat map that would tell the usher or

1 your uncle who's been assigned to put everybody in their
2 seats; that's his instructions for placement.

3 MR. VAN NORT: Yeah. So that's a good point and I
4 mixed up my two claim terms from the '492 and '459.

5 So issuing instructions to place in the wedding
6 analogy would be, you know, there's nametags. You get to the
7 wedding venue and you -- there's the reception table and
8 there's either nametags or an overall seating plan telling
9 people where to go sit. And then someone saying, you're at
10 this table, please go sit down there. That would be the
11 issuing instructions to place.

12 But until you actually issue instructions to have
13 someone go actually sit down, you haven't done the issuing
14 instructions. And this is actually summarized -- these points
15 that we're talking about here is actually summarized on slide
16 27. They haven't been issued until the wedding -- the day of
17 the wedding and the guests are showing up to receive the
18 instructions.

19 I believe you're on mute, Judge Cass.

20 JUDGE CASS: Sorry. I believe you're going to get
21 to this next, but I'd be interested in your response to Patent
22 Owner's arguments relying on, for instance, paragraph 82 and
23 forward consolidations. So I wanted you to tell us, you know,
24 what your argument is there and, you know, why is paragraph 82
25 not disclosing, you know, placing a hypothetical system -- or
26 comparing a source system to another source system that's been

1 hypothetically placed?

2 MR. VAN NORT: Sure. So if we want to go to slide
3 31, we have paragraph 82, which is discussing the hypothetical
4 placement example. And I think this is -- this goes back to
5 what I was saying earlier where there is an example of placing
6 a hypothetical sources system on a hypothetical target system.
7 And the last line here makes that clear -- is that we're talking
8 about a hypothetical source system that is forward
9 consolidated onto the existing target system 16.

10 So this isn't saying, let's do this all
11 hypothetically in our mind or in a computer model and then not
12 do anything. This is saying hypothetical to physical world
13 makes sense. And so there's no disclosure here of
14 hypothetical to hypothetical. But regardless, in this forward
15 consolidation example, there's also no disclosure of the
16 broader limitation.

17 So even if there is something that might be already
18 placed here or becomes already placed, there's no evaluating a
19 source system against the already placed source system.
20 There's no, sort of, redoing the evaluation again after you do
21 that placement.

22 So I would like to make sure that we have time to
23 address the issuing instructions limitation. I'm happy to go
24 through any of these other examples that the Board has
25 specific questions on. But I'm also happy to turn it over to
26 my colleague to discuss issuing instructions at this point.

1 JUDGE CASS: So I do want to -- I would like you to
2 address the incremental transfer situation, which I think you
3 have on your slide 35.

4 MR. VAN NORT: Sure. So incremental -- so this is
5 one involving transfer sets. So looking at figure, or slide
6 35, here transfer sets -- so transfer sets are future
7 transfers. They're not transfers that have already occurred.
8 So this is an argument that really depends on that "already
9 Placed" meaning, including things like plan to place, theoretical
10 place, or analytical place.

11 So if the Board rejects that argument, this one
12 falls with that because transfers -- transfer sets are
13 proposed transfers. They're not transfers that have already
14 occurred. And we see that -- I don't think I have paragraph
15 321. But if you go to paragraph 321 of Exhibit -- this is
16 109 -- you'll see that it says, "A transfer set can include
17 multiple sources and to be transferred to the target." So
18 transfer sets are talking about things that haven't happened
19 yet. They're talking about proposals of what transfers can
20 occur.

21 And actually, if we go to slide 40, Patent
22 Owner's, let's see, 40, yeah, so 40 -- slide 40 shows
23 the deposition -- an excerpt of the deposition transcript of
24 Patent Owner's expert. And when he was asked whether the
25 transfer set, for example, T1 in paragraph 319 -- or sorry,
26 316 that we were just looking about, looking at -- whether

1 that transfer set is something that has already been placed.

2 He said, no. It -- this is something that is still
3 be evaluated. So placement hasn't occurred yet in those
4 transfer sets.

5 JUDGE CASS: Okay. Thank you, Counsel. I don't
6 want to interrupt you further.

7 MR. VAN NORT: Oh, no. I --

8 JUDGE CASS: Okay. Yeah.

9 MR. VAN NORT: I'm happy to go through any of these.
10 There's roughly eight of them. I think they're well handled
11 in the briefing. So I'm happy to push this over or hand this
12 over to my colleague to talk about issuing instructions now
13 unless there's more questions on the specific examples.

14 JUDGE CASS: Okay. Please proceed.

15 MR. VAN NORT: Okay.

16 MR. LIU: Good afternoon, Your Honors. So I'd like
17 to discuss now why the '936 application lacked written
18 description support -- limitation reciting "issues instructions
19 to place." And just as a quick reminder, this is present in
20 every independent claim of the '459 Patent. So lack of
21 written support here would mean that every claim of the patent
22 fails to satisfy section 112.

23 But I want to start with the bigger picture, with
24 Mr. Van Nort touched on, which is, you know, what is or what
25 was the '936 application really about? It was never about
26 placing any systems. It was always about analysis. And it

1 stopped at analysis without any changes to the computing
2 environment. So if I could ask you to flip to page -- slide
3 75.

4 I believe on slide 75 is an excerpt from Patent
5 Owner's sur-reply. And Patent Owner actually concedes this
6 point. It said that, "As is evidence from disclosures
7 throughout the application," referring to the '936
8 application, "including the title and the claim language, the
9 invention is about determining compatibility of systems."

10 So Patent Owner admits that as of the '936
11 application, which was filed in 2007, what the inventors had
12 in mind was an analytical exercise where you determine
13 compatibility. And it notably was not about placing systems
14 after you've determined their compatibility. And of course,
15 the word "place" never actually appeared in the '936
16 application, as Mr. Van Nort noted.

17 So let's remember when placing actually came in
18 during the entire course of all these related applications. I
19 said that the '936 application was filed in 2007. 12 years
20 later was when the -- during prosecution of the '492 Patent
21 that the word "placing" was first introduced. And Mr. Van
22 Nort touched on this disclosure; but if you could go to slide
23 77, we've reproduced it again here.

24 These are the amendments that Patent Owner -- or
25 that the Applicant made in order to add the placing terms.
26 And going back a slide, again, the reason they did this -- and

1 sorry, specifically, I mean slide 76 -- the reason they did
2 this was to avoid a 101 application because, again, everything
3 that came before was analytical. Until they added placing,
4 there was no actual practical application of the analysis.

5 So that's a gap of (indiscernible). I think that's
6 important to keep in mind when we consider what Patent
7 Owner -- or how Patent Owner is attempting to interpret
8 disclosures in the '936 application in order to find non-
9 existent support for this limitation. So if we could go -- or
10 before we get into Patent Owner's example, I also want to
11 direct your attention back to the claim language. So if we
12 could go to slide 66.

13 We've just called out this particular limitation and
14 it's "issuing instructions" -- "issue instructions to place the
15 at least one source system on the at least one target system
16 in accordance with the determined placement." I think there's
17 a couple things about how this claim language is structured
18 that's important to keep in mind here.

19 One is these aren't just any instructions. They are
20 instructions to place. So the instructions have to have the
21 purpose or effect of placing the source system on the target
22 system. The second piece of this is that they issue; the
23 instructions are in accordance with a determined placement.
24 And if you recall, the previous step in the claimed system or
25 method was determining the placement.

26 So you can only issue instructions after you have

1 determined a placement. What that implies is that those are
2 two different things. The determined placement has to precede
3 the issuing of instructions.

4 JUDGE MCKONE: Now, what would I be looking for for
5 instructions? What do you think that -- the practical matter
6 that -- would be? Because we have, I think, figure 52 shows a
7 list of what systems would be mapped to what other systems.
8 Apparently, you don't think that is instructions. What more
9 would we need?

10 A I think instructions have to tell someone or
11 something to do something. And if I can ask you to go to
12 slide 71, where we've reproduced figure 52. What we've shown
13 here alongside figure 52 is everything that the '936
14 application says about figure 52. It says in paragraph 53
15 that, "Figure 52 shows the example transfers that comprise the
16 consolidation solution." And then in paragraph 381, it says,
17 "Figure 52 lists the actual transfers proposed by the
18 consolidation analysis."

19 There's nothing in the '936 application that says
20 these instruct somebody to execute these transfers or to
21 actually place the source system shown here onto the target
22 system shown here.

23 JUDGE MCKONE: Why doesn't a list of actual
24 transfers proposed tell somebody what transfers they're
25 supposed to do?

26 MR. VAN NORT: All right. So I think the issue here

1 is that there's just simply no description that that is, in
2 fact, what this is. A user could look at this and decide to
3 execute those transfers. But that's not something that's
4 disclosed in the '936 application. The '936 application
5 doesn't say what these are supposed to do -- looking at figure
6 52. In fact, I think it's only implied that this would even
7 be shown to a user because the application never says in what
8 context figure 52 would be generated or displayed.

9 I'm not sure if that answers your question. I think
10 maybe a related piece that might help clarify this point is if
11 you could go to the next slide 72. We've included some
12 testimony from Patent Owner's expert, Dr. Madisetti. And we
13 asked him, you know, what is figure 52 showing? And what
14 figure 52 shows, according to Dr. Madisetti, are -- at least
15 in the left-hand column where it showed the source system --

16 "What it shows are systems that are already placed
17 because they have completed the process of evaluation." And
18 that's inconsistent with Patent Owner's position that what figure
19 52 shows are instructions to place because it just wouldn't
20 make sense. If these systems have already been placed, why
21 would you need to place them again?

22 JUDGE MCKONE: Well, I mean, it would seem
23 consistent if we accept Patent Owner's view that place is
24 broad enough to encompass both hypothetical placement and
25 actual physical placement. In which case, the list of
26 evaluations would show how things have been placed in theory.

1 And then figure 52 would show somebody how to make those
2 placements in, you know, physical actuality. Why is that not
3 how we ought to be viewing this?

4 MR. LIU: I think that would require interpreting
5 place -- the word "place" in two different ways, even though
6 there's no indication in the specification or the claim
7 language that it should be done in that way. And we don't
8 understand Patent Owner to be arguing that, you know, place
9 can mean two different things. Theoretical in one instance or
10 actual in another instance within the context of the same
11 claim.

12 So -- and the trouble that's -- that Patent Owner's
13 having with its expert's testimony is exactly that
14 inconsistency. They're using the word "place" in two
15 different ways. If it can be theoretical in the context of
16 already placed and actual in the context of issuing
17 instructions to place, then that -- those would be
18 inconsistent uses of that word within the same claim, claim 1.

19 JUDGE MCKONE: Now, with the specification, it
20 said --

21 JUDGE CASS: Sorry, Counsel. I just want to let you
22 know you're going into your rebuttal time.

23 JUDGE MCKONE: If the specification had said 50 --
24 figure 52 can be shown to a system administrator, who will
25 then make transfers in accordance with the list on figure 52,
26 would that be enough to be the instructions for placement

1 that's in the claims?

2 MR. LIU: I think if the specification said that the
3 purpose of figure 52 was to tell the system administrator to
4 perform the transfers, there would be instructions in one --
5 in a sense -- but I don't think the specification actually
6 discloses that in any way. And as we've shown on slide 71, it
7 actually says very little about what figure 52 actually is.

8 And I just wanted to add in response to your
9 previous question, we actually have -- well, I want to start
10 by noting we've argued and we have unrebutted testimony from
11 our expert, Dr. Zadoc. But a step for issuing instructions
12 would not have been trivial as of the time of the '936
13 application from the point of view of a person of ordinary
14 skill in the art.

15 Dr. Zadoc talks about this at paragraph 83 of his
16 declaration, which we submitted as Exhibit 1006 to the
17 proceeding. But what he said there was -- and I apologize.
18 We don't have a slide for this. But what he said is that if
19 the step -- or if the inventors were actually contemplating
20 this step of placement as part of the invention, one of
21 ordinary skill would have expected to see a substantial
22 disclosure of how that would be accomplished.

23 And that's just not the case here. And this was,
24 this is evidence we submitted from our expert in the -- along
25 with the petition and it's gone unrebutted over the course of
26 the briefing.

1 So I just wanted --

2 JUDGE MARGOLIES: I --

3 MR. LIU: Oh, yes.

4 JUDGE MARGOLIES: Sorry. I have another question.

5 Can you direct us, again, to the slide that has the issue

6 instructions language because I did want to ask you a question

7 about it?

8 MR. LIU: Yes, slide 66.

9 JUDGE MARGOLIES: Kind of following up on what you

10 were just saying, it does seem like "issue instructions" is a

11 little broader than "placing." You know, "issuing instruction" --

12 "issue instructions to place" seems much broader and can have

13 maybe less of detailed disclosure than "placed." That may

14 require, I guess, what your expert was saying. I'm -- can you

15 respond to that question?

16 MR. LIU: Yes, Your Honor. I think, I do agree

17 with you that "issuing instructions to place" and, I think, Mr. Van

18 Nort earlier noted this, too, is it's -- it stops just short

19 of actual placement. But I think it does require something

20 substantively more than simply providing analytical results.

21 And that's because it would have the effect or it's at least

22 intended to have the effect of placement.

23 So I think the purpose of what we're talking about

24 when we're saying -- the purpose of the alleged disclosure,

25 figure 52, in this case, needs to be about actually having

26 someone or something, maybe a computer program, to perform the

1 placement, but there's just no indication that that's what
2 figure 52 is.

3 So yeah. I know we've cut into rebuttal time. So
4 I'd like to wrap up on this point unless Your Honors have any
5 further questions. And --

6 JUDGE CASS: Yes. I actually have a question and
7 this may be more in Mr. Van Nort's territory. So please feel
8 free whichever of you would like to respond to it. But going
9 back to the definition of placed, do you have a claim
10 construction for that term or are you just arguing plain
11 meaning?

12 MR. VAN NORT: Yeah. I'll take that one. So I
13 think, yeah, so I think what -- the position that we set
14 forth so far is on plain meaning. And I guess, you know, if
15 we're -- if you want to call our dispute with Patent Owner's
16 position that "placed" includes things like planned or
17 theoretical or analytical place, then I guess that's our claim
18 construction position.

19 It's consistent with the plain meanings that Patent
20 Owner has put forth and consistent with the District Court's
21 construction that it adopted. But it doesn't include the
22 things that Patent Owner has been talking about specifically
23 with respect to theoretical and analytical in the sur-reply.

24 JUDGE CASS: Okay. So it, so to the extent we
25 wanted to adopt a construction, and I just want to make sure
26 I have it clear for the record -- it would be that it does not

1 include -- what is it? Planned, theoretical? Anything else?

2 MR. VAN NORT: Yeah, or analytical. I think
3 planned, theoretical, and analytical are mapping. I think
4 those are probably the terms that have been used to describe
5 sort of the extra piece that's the real dispute here.

6 JUDGE CASS: Okay. And so if we were to adopt your claim
7 construction, but we were to adopt the District Court's
8 construction of source systems, that source systems can
9 include hypothetical systems, are those inconsistent? How
10 could we -- how would we understand those two terms together?

11 MR. VAN NORT: Yeah. I don't think that's
12 inconsistent at all. I know Patent Owner relies heavily on
13 District Court claim constructions in its briefing and, I
14 assume, probably the presentation today. But I don't think
15 claim construction -- the District Court's claim construction
16 really impacts -- if you adopt those claim constructions, I
17 don't think that really changes the outcome today.

18 First of all, the District Court never addresses
19 written description. It was addressing claim construction.
20 As we all know, those are two very different inquiries. So
21 the District Court claim constructions didn't make any
22 findings with respect to written description. And then on top
23 of that, with respect to at least the "placed" term,
24 theoretical, planned, analytical mapping, none of those were
25 ever addressed or adopted by the District Court.

26 So the District Court's claim construction for

1 “place” doesn't really impact what we're talking about today,
2 other than we think it supports our position that those extra
3 things should be excluded. And then with respect to source
4 systems, our position is it doesn't matter. It doesn't matter
5 whether you adopt the claim -- the Court's claim construction
6 or the express definition that we proposed in the Petition.

7 JUDGE CASS: And I take it that's because your
8 position is that the specification doesn't support an already
9 placed hypothetical support system?

10 MR. VAN NORT: Correct. Evaluate -- again, and to
11 be clear again, this is the broader limitation. Evaluating a
12 source system against another already placed hypothetical
13 sourced system on a target system -- we would say that that is
14 not disclosed, correct.

15 JUDGE CASS: Okay. Thank you.

16 JUDGE MARGOLIES: I do have just one --

17 JUDGE CASS: With that -- sorry. Sorry. Go --

18 JUDGE MARGOLIES: -- one additional question. We
19 kind of hinted we were going to ask you about this. PGR
20 eligibility.

21 MR. VAN NORT: Yes.

22 JUDGE MARGOLIES: Are you aware of any Board
23 decision where the Panel institutes a PGR and then later
24 believes or determines that it's not PGR eligible and what they
25 did? Did you find a case --

26 MR. VAN NORT: So the -- we haven't seen a PGR case;

1 but I think that the IPR case and the CBM case are exactly the
2 same situation. It's just different eligibility criteria.
3 The IPR case -- so just to quickly touch base on those issues.
4 Patent Owner's position is that, in the Atlantic Gas case, is
5 that there was no final written decision issued in that case.
6 There was no substantive examination in that case. That's
7 absolutely incorrect.

8 If you go to slide 82, there was a final written
9 decision. After determining that the IPR was time-barred. So
10 it wasn't, there wasn't an eligibility -- there's an
11 eligibility issue for the IPR. The PTAB vacated the final
12 written decision and dispensed with the proceeding that way.

13 And in the *Apple* case, it was a CBM. And again,
14 eligibility for a CBM is essentially a 101 analysis. And it
15 was -- so that requires a substantive analysis in itself. But
16 regardless under -- and then to -- sorry. Just really quick
17 to address the case law, or the statute that Patent Owner
18 raised, I believe this is on the last slide in their
19 presentation.

20 They want to focus on the statement that, "The Board
21 shall issue a final written decision." But it reviews --
22 it -- that argument ignores the previous clause, which says,
23 that is only required if the PGR's "not dismissed under this
24 chapter." The chapter includes the eligibility grounds. So
25 if the '459 Patent is not eligible for PGR, there's no
26 requirement for final written decision and the Board doesn't

1 have jurisdiction or statutory authorization to issue a final
2 written decision.

3 JUDGE MCKONE: Do you have any authority that says
4 that this is a jurisdictional or a standing issue?

5 MR. VAN NORT: Other than the statutes that's --
6 that define what a PGR-eligible patent is, we don't have any
7 cases where this has been addressed before by the Board.

8 JUDGE MCKONE: Okay.

9 JUDGE CASS: Okay. Thank you, Counsel. You will
10 have 14 minutes of rebuttal time remaining.

11 So with that, let me turn to Patent Owner's Counsel.
12 Would you like to reserve time for rebuttal?

13 MR. WHITE: Yes, Your Honor. We would like to
14 reserve 20 minutes for rebuttal -- for sur-rebuttal.

15 JUDGE CASS: 20? 20, you said?

16 MR. WHITE: 20, yes.

17 JUDGE CASS: All right. You may begin.

18 MR. WHITE: May it please the Board, Wesley White,
19 from Reichman Jorgensen, on behalf of Patent Owner. I will be
20 addressing today claim instruction and the “already placed”
21 limitation. My colleague, Mr. Eklem, will be addressing the
22 “issuing instructions” limitation, as well as the Board's PGR
23 eligibility.

24 And we also filed a demonstrative presentation,
25 Paper No. 35, which I'll be referring to. I'll do my best to
26 identify each slide by number, but if at any point there's

1 confusion, please just let me know and I will promptly correct
2 that.

3 Your Honors, Petitioner's arguments in its petition
4 were clear that nowhere in the '459 Patent or the '936
5 application was there written description for two limitations.
6 Evaluation of already placed source systems and issuing
7 instructions to place source systems in accordance with
8 determined placement.

9 Now, Petitioners fashioned its original petition as
10 a section 112 argument for lack of written description. But
11 as you can see today, what Petitioner is really asking of the
12 Board with respect to the “place” term, is to set aside or
13 ignore vast swaths of written description in the '459
14 specification and the '936 application that do not fit its
15 arguments. And to limit the '459 Patent claims to actual
16 placement or moving or, as noted in the wedding analogy, to
17 physically placing people in seats.

18 It's our position today that there's no such
19 narrowing of the meaning of the term "placement" in the claims
20 or the specification of the '459 Patent. As we'll discuss,
21 in Petitioner's arguments “placement” require essentially an
22 artificial division of the plain meaning of the term "place."
23 Not even a bifurcation, but a trifurcation into actual
24 analytical and theoretical placement.

25 And Petitioner has presented, not in its papers, nor
26 today, any good reason to do so. As Petitioner just conceded

1 a few minutes ago, they have not even offered a construction
2 of “place.” And their arguments are apparently based on plain
3 meaning, which are contrary to the disclosures of the '459
4 Patent and the '936 application, the understanding of a
5 person of ordinary skill in the art and, also, the District
6 Court's plain and ordinary construction of the same term.

7 We don't understand, as Patent Owner, how
8 Petitioner's position that its arguments and the District
9 Court's construction are not inconsistent. The District
10 Court's construction did not limit the scope of the “place”
11 terms to moving. And when that construction is read in
12 conjunction with the construction of “source system,” which we
13 have also advanced in our Patent Owner's response and -- for
14 construction, the District Court expressly included
15 physical -- virtual or physical systems from which
16 applications and/or data are moved or are to be moved.

17 That's what the District Court found. Those are the
18 descriptions and disclosures of the '459 Patent and the '936
19 application. And we would ask that the Board find that
20 there's adequate written description for the “place” terms with
21 respect to evaluation of “already placed” source systems.

22 JUDGE CASS: So, Counsel, looking at what the
23 District Court did, you know, they said -- that the “place” term
24 was not limited to moving, and additionally, included
25 consolidating, stacking, and transferring. And, you know, so
26 it's broader -- we know it's broader than moving. But I mean,

1 do they really tell us whether or not it has to be physical
2 placement versus a hypothetical placement? I -- and I --
3 let's put the definition of "source system" aside. If we just
4 look at the definition of "place." Does that really help us
5 answer the question that is at issue here?

6 MR. WHITE: We would say it does, Your Honor. What
7 the District Court said is that the specification does not
8 limit the "place" -- the scope of "place" to moving. It cites
9 additional examples, such as consolidating, stacking,
10 transferring. These are synonyms. And, you know, one thing
11 that jumped out in Petitioner's arguments is that they're
12 essentially looking to make the issue before the Board -- one of
13 putting versus placing.

14 But what the '459 Patent says is that they're the
15 same. You can put or place. So in placing, in the context of
16 the '459 Patent, you're able to place systems using a roadmap.
17 And again, that's not actual or physical placement; but it is
18 putting or placing within the context and the meaning of the
19 claim terms of the '459 Patent and the '936 application. So
20 we would say that the District Court, and, you know,
21 moreover, the plain, under -- the plain and ordinary meaning
22 of "placing" contemplates actual analytic and theoretical
23 moving.

24 And we should point out that when we refer to
25 analytical or theoretical moving, those are really terms that
26 came from the Petitioner, but we're adopting that just to

1 address the issue. Because again, what we have is an
2 unwarranted trifurcation of “place,” which has a plain and
3 ordinary meaning. And Petitioner, essentially, seeks to drive
4 a wedge between actual placement, and then the disclosures of
5 theoretical and analytical placement, which are all provided
6 by the '459 Patent and the '936 application.

7 JUDGE CASS: Yeah. So we don't have a use or
8 definition of the word "place" or "placing" in the
9 specification itself, right?

10 MR. WHITE: That is correct, Your Honor.

11 JUDGE CASS: And so Petitioner has pointed to this
12 file history that we talked about earlier in the hearing where
13 the limitation was added of placing the source systems on the
14 target systems, and that that was in response to a 101
15 rejection in order to provide a practical application for the
16 claim. So what's your response to that? You know, why is
17 that not defining “placing” to mean a physical placement?

18 MR. WHITE: Absolutely. Can -- if I can direct the
19 Board to slide 24 of Patent Owner's demonstratives. So at the
20 bottom, what Petitioner argues is that the prosecution history
21 of a different patent, the '492 Patent, somehow shows that the
22 '459 Patent and, by extension, the '936 application disallows
23 analytical or theoretical placing. That is incorrect.

24 The first thing we would note is that Petitioner's
25 argument on this front is untimely. As we pointed out in our
26 sur-reply, Petitioner did not address the prosecution history

1 argument at all in its original petition and only in its
2 reply. And for reasons further articulated in our papers, it
3 would be our position that this is an untimely argument that
4 should be waived under authority, including case law and the
5 Trial Practice Guide.

6 But addressing it on the merits, Your Honor, if we
7 can go to the next slide, slide 25. The only argument
8 Petitioner ever actually made in their papers, again, albeit
9 late in their reply, was that the construction of placing,
10 based on this prosecution history excerpt from the '429
11 Patent, should be narrowed to exclude analytical or
12 theoretical placing.

13 There's no citation that we're aware of or that
14 we've seen in their papers that supports this. All it is is
15 an unsupported attorney assertion that a practical application
16 -- and they grasp onto the practical application language
17 here -- "A practical application cannot be analytical or
18 theoretical." We would say that an invention that determined
19 consolidation solutions by evaluating compatibility is
20 practical even if the proposed solution is to ultimately not
21 execute it.

22 In the same way that we've discussed in the wedding
23 analogy, it is practical to create a seating chart before a
24 wedding. If the wedding gets postponed or canceled even, it's
25 not suddenly or retroactively impractical to have generated
26 that chart or that roadmap. There's nothing in this portion

1 of the prosecution history that disclaims or otherwise narrows
2 the scope of placing in the '459 Patent.

3 As the Board noted earlier, Petitioner was unable to
4 point to any statement from the examiner that this amendment
5 in the '492 Patent was a disavowal of the scope of “place” or
6 intended to be limited only to actual placement. All the
7 prosecution history shows, Your Honors, is that the claims
8 were amended to encompass generating a result and then adding
9 doing something with that result, in this case, placing
10 according to technical, business, and workload constraints
11 that does not limit or narrow “place” to actual or physical
12 placement.

13 JUDGE CASS: Yeah. So --

14 MR. WHITE: And --

15 JUDGE CASS: Sorry. Yeah. Here's what I'm having a
16 little trouble with. The claim -- looking at claim 1, it
17 originally recited, "Generating an output comprising a
18 workload placement solution to enable one or more placements
19 of source systems on target systems to be implemented." So
20 that's, I think, pretty clearly an output of an analysis and
21 then it was amended to strike that language and add placing the
22 source systems onto the target systems.

23 And then in the remarks, the Applicant stated that,
24 "Applicant has amended claim 1 to specify a practical
25 application of the previously recited output, namely placing

1 the source systems onto the target systems," etc., etc. So, you know, why --
2 if the placement is just an
3 analysis, an analytical result, then why is it any better than
4 what claim 1 included before?

5 MR. WHITE: So I think, first and foremost, it's not
6 just an analysis. And so the scope of the '459 Patent, it
7 starts with analysis and then the results of that analysis.
8 And what's done with the results of those analysis? It's
9 placement. So it's not merely generating an output. There's
10 an analysis, the results, and then those results are applied.
11 And you use that analysis to place source systems.

12 JUDGE CASS: But the claim --

13 MR. WHITE: And --

14 JUDGE CASS: -- here says, "placing the source
15 systems." So --

16 MR. WHITE: Yes. And placing in the context of
17 these claims, again, it -- Petitioner attempts to draw a
18 false, I guess, trichotomy and divide the meaning -- the plain
19 and ordinary meaning of place into three different
20 subcategories, analytical, theoretical, and physical, or
21 actual. And the point is that the claims encompassed all of
22 three. They can be actual placement. They can also
23 theoretical placement. It can also be analytical placement.

24 And what the patent contemplates, again, when you
25 look at systems and -- computer systems, there are physical
26 systems, there are virtual systems, and there are even

1 hypothetical systems. And so those analyses and the
2 placement, as a result of those analyses, necessarily
3 contemplate all three of those scenarios. Each of which has
4 written description support in the patent and the '936
5 application.

6 And as --

7 JUDGE CASS: I think I understand your view of the
8 situation.

9 JUDGE MCKONE: And maybe I don't understand it here.
10 I'm trying to process this here. So we have, on one hand,
11 generating an output comprising a workload placement solution
12 that, presumably, the examiner found to be not concrete
13 enough. And that was replaced with placing the source systems
14 onto the target systems, which, presumably, the examiner did
15 find to be concrete enough.

16 How are those two terms different -- generating an
17 output comprising a workload placement and placing the source
18 system onto the target systems?

19 MR. WHITE: So generating an output, Your Honors, is
20 merely the process of the analysis of working through the
21 analysis, evaluating the source systems to source systems and
22 target systems, and determining the compatibility. There's an
23 additional step in terms of actually placing the source
24 systems onto the target systems.

25 So using the wedding analogy that we've talked about
26 before as an example, the analysis is figuring out who's

1 attending. Which source systems are in play in the
2 environment? Who's compatible or who likes who? Who's not
3 compatible or who hates who?

4 The original claim, as written, with respect to
5 generating an output, stopped at that point. The amended
6 claim that adds in the placing the source systems onto the
7 target systems adds an additional step of saying: take the
8 results of that analysis and then make an actual seating chart
9 that shows where the various source systems can be placed on
10 the target systems; the target systems being tables.

11 So there is a distinction between the original claim
12 in terms of the generating an output and then the additional
13 step of placing based on the results of that analysis.

14 JUDGE MCKONE: And your wedding seating analogy, why
15 is output comprising a workload placement solution not the
16 seating chart?

17 MR. WHITE: The generating an output comprising a
18 workplace (sic) placement solution in the context of an -- in
19 the context of the wedding seating chart analogy, again,
20 speaks to, as an example, who hates who or who likes who? So
21 there's an evaluation and then it's -- it speaks to generating
22 an output. Here's a list. Here are folks who cannot sit
23 together. Here's another list. Here are folks that can sit
24 together. There's an additional step of taking all of that
25 and then figuring out where to actually place based on that
26 output.

1 So there is a distinction between the generating an
2 output and the step as amended in terms of placing the source
3 systems onto the target systems from the '492 Patent claims.

4 JUDGE MCKONE: I think I see the distinction that
5 you're trying to draw here. So I guess go ahead and proceed.

6 MR. WHITE: So, Your Honors, we are still on, I
7 believe, slide 25. And I just want to address one other thing
8 that came up during Petitioner's opening statements. And
9 there was a discussion that -- or really, there's a comment
10 that there are only a few examples of hypothetical placement
11 in the '459 Patent and the '936 application. And that is
12 wrong. So if we can go to slide 18.

13 The Board itself noted in its institution decision
14 that the original position failed to grapple with the
15 disclosures of the '459 specification. For example, in
16 paragraph 82 and again in paragraph 85, as shown here, a
17 system where a computer system may be physical, virtual, or
18 hypothetical. And in that case, they're hypothetical models
19 that do not currently exist in the computing environment. And
20 that these terms should not be limited to existing or
21 hypothetical, physical, or virtual systems.

22 Petitioner's interpretation of "place" would
23 obliterate this understanding and restrict the meaning of
24 "place" to only actual or physical placement of systems. And
25 this is important, again, because for the '459 Patent,
26 placement of analytical or theoretical systems, again,

1 adopting Petitioner's terminology is, in fact, placement for
2 the purposes of evaluation for "already placed" source systems.
3 And as we will discuss in a second, this can be consolidation
4 roadmaps, it can be consolidation solutions, and it can also
5 be stacking.

6 So I wanted to double back to slide 1 if we can.
7 And at the -- for -- at the outset of its arguments,
8 Petitioner attempted to characterize the '459 Patent as being
9 about consolidation of systems at bottom onto smaller systems --
10 I believe, was the term that they used. But that improperly
11 narrows the scope of the '459 Patent and its claims, as is
12 apparent even from the title. The '459 Patent is about
13 determining the compatibility of computer systems.

14 We can go to the next slide, slide no. 2.
15 Interestingly, Petitioner first said in their statements that
16 "placing" must be actually placing. But then later, when
17 discussing issuing instructions, Petitioner advanced the
18 position that the '459 Patent is limited to analyzing. The
19 point of the '459 Patent is to analyze in order to place,
20 whether that be in a roadmap or real life.

21 And the '459 Patent -- according, you know, even,
22 for example, to its abstract -- carries out analyses. What
23 happens with those analyses? As we were talking about a minute
24 ago, those analyses result in placement. And the '459 Patent
25 describes that. For example, those placements may be visually
26 represented. And figure 52, as one example, tells someone

1 where to place each source based on the analyses as described
2 in the '459 Patent.

3 JUDGE MARGOLIES: Can I ask you a question? Just
4 following up on what Petitioner kept saying, it's the longer
5 phrase that is not supported. Can you show support for the
6 longer phrase, that particular hypothetical analysis?

7 MR. WHITE: And when you say the longer phrase, I
8 just want to make sure I'm clear on what the longer phrase is.
9 My apologies.

10 JUDGE MARGOLIES: Maybe Judge Cass could --

11 JUDGE CASS: Is this from --

12 JUDGE MARGOLIES: -- help me with that.

13 JUDGE CASS: Is this from the claims, or --

14 JUDGE MARGOLIES: Yes.

15 JUDGE CASS: Okay.

16 MR. WHITE: So give me a second here. I think --

17 JUDGE CASS: So I'm looking at slide 6 now if we
18 can --

19 MR. WHITE: So I think -- is it the evaluating
20 compatibility between the specific source system from the
21 plurality of source systems? And one or more already --
22 one or more other source systems either already placed on the
23 target -- on a specific target system?

24 JUDGE CASS: Uh-huh.

25 MR. WHITE: Is that the language that you're
26 referring to? Is it -- is that the phrase?

1 JUDGE MARGOLIES: I believe so.

2 MR. WHITE: Okay. Yeah. So I think, if I
3 understand it correctly, what you're asking is Petitioner says
4 there's no evaluation of compatibility because a specific
5 source system and one or more other source systems that have
6 already been placed; is that correct, Your Honor?

7 JUDGE MARGOLIES: Yes.

8 MR. WHITE: Okay. Yes. So we can jump to it. There
9 are a number of examples, which I believe you've already heard
10 some of from Petitioner, that amply describe this comparison
11 of the compatibility of source systems or specific source
12 systems against already placed source systems. Petitioner
13 takes the position that each of these examples does not
14 satisfy that limitation because they don't involve a
15 comparison of already placed source systems. It's our
16 position that they do, and we can jump to those now.

17 Again, that distinction, as noted by Petitioner,
18 largely hinges on an understanding of what it means to place
19 in the context of the '459 Patent the and '936 application.
20 And their argument is premised on an understanding that
21 ignores analytic, as they refer to it, ignores theoretical,
22 and only limits to physical placement where source systems or
23 people are actually put in the seat.

24 And we can step through those. It amply discusses
25 analytical. It amply discusses theoretical. And it also
26 discusses actual placement. It covers all three. All three

1 are “placing” within the meaning of the '459 Patent. To, as
2 an example, we can skip to slide -- let's start with slide 31.
3 And slide 31 deals with the concept of stacked systems, which
4 are already placed systems described in the '459 Patent and
5 the '936 application.

6 And this example of stacking or stacked systems
7 arises in the context of transfer sets. I can't recall if
8 Petitioner described it, but just to refresh everyone's
9 memory: What is a transfer set? It's one or more transfers
10 that involve a common target, and it specified the source
11 entities, target, and a transfer type. And here on slide 31,
12 starting with paragraph 316, what we have in this example from
13 the patent and the '936 applications of five transfer sets,
14 T1, T2, T3, T4, and T5.

15 Each of those transfer sets is comprised of source
16 systems, which, as you can see in the parenthetical, are
17 stacked onto target systems. So for example, transfer set T1
18 is source system 1, 2, and 3 stacked onto source system 4. So
19 as shown here and as described in our papers, the '459 Patent
20 goes on to describe compatibility analyses that evaluate
21 source systems. And one example, looking at paragraph 319
22 here, source systems S5 to S20 individually against transfer
23 set T1 -- transfer set T1, as we just discussed, is comprised
24 of source systems, S1 through S3, which have been stacked or
25 already placed onto S4.

26 Petitioner says, no, you have to start over. You

1 know, even there's an evaluation of S5 through S20
2 individually against the transfer set T1, that can't be an
3 evaluation of a source system against an already placed source
4 system. Again, looking at the plain and ordinary meaning of
5 place as disclosed in the '459 Patent or the '936 application,
6 that is incorrect.

7 What do we talk about? We talk about source
8 systems, which are systems from which applications and data
9 are moved or to be moved. And, you know, as we'll, as we
10 can also look -- paragraph 313 talks about analysis that takes a
11 consolidation solution as input. Paragraph 318 -- or
12 paragraph 39 discusses, again, the incremental effect of
13 adding other source systems as specified in the analysis and
14 put to the specified transfer sets.

15 So what the '459 Patent and the '936 application
16 disclose repeatedly are disclosures of source systems that
17 have been stacked or that have been moved or that have been
18 transferred. There are a number of synonyms, which cut --
19 which are also referred to in the District Court's
20 construction of place that are evaluated against source
21 systems.

22 So it would be our position that that limitation is
23 met. Again, Petitioner would say, no, you're limited to --
24 you're cutting out analytical, you're cutting out theoretical.
25 And under their, I guess, I don't know that they've offered
26 a construction -- but adopting here today a plain and ordinary

1 meaning, their argument is that you can't consider those
2 incremental additions or evaluations as evaluations of source
3 systems against already placed source systems.

4 So among other things, you know, we talked about how
5 their construction or their argument read out analytical, read
6 out theoretical. They also read out incremental evaluations.
7 And again, these are disclosures that are throughout the
8 Patent and the application. But Petitioner's argument
9 necessarily rely on excluding and simply ignoring those
10 disclosures to a narrowed definition of place that has no
11 basis in the claims, in the specification, in the prosecution
12 history that's cited separately from the '492 Patent.

13 And, you know, we think it's plain and ordinary
14 meaning. And notably, the District Court considered the same
15 arguments and rejected them when it adopted its own plain and
16 ordinary meaning of the “place” term. If we can go to slide 34.
17 I just want to walk through a few more examples and then leave
18 time for my colleague to address the “issuing instructions”
19 limitations.

20 So slide 34, as an example, talks -- again, talks
21 about the evaluation of already placed source systems.
22 Paragraph 345, as one example, describes compatibility
23 analyses with pre-existing source target transfers. And
24 paragraph 380 describes a scenario where the consolidation
25 analysis can be carried out with or without existing transfer
26 sets. With figure 49 illustrating this option via checkbox.

1 And again, we talked about source target transfers.
2 We talked about transfer sets. And these are existing
3 transfers for transfer sets that are now input into
4 compatibility analyses. Petitioner, again, argues, you have
5 to ignore that these cannot be evaluations of source systems
6 against already placed source systems. But again, we think
7 with the benefit of a proper construction of the “place” term,
8 these are, in fact, evaluations of source systems against
9 already placed source systems.

10 And the same thing, if we can go to slide 32 -- I
11 think Petitioner touched on this one, as well, for
12 consolidation, which is a use case where there are
13 hypothetical source systems that are used to simulate the case
14 where a new application is move onto a target. That's
15 referred to as forward consolidation. Again, this is an
16 example of a source system being compared or evaluated against
17 already placed source systems where it refers to existing
18 target systems.

19 So those are a couple of examples. It's our
20 position that each of these, when properly construing or when
21 construing even “place” and “source system,” necessarily result in
22 a finding that the “already placed source system” limitation of
23 the '459 Patent claims is (indiscernible).

24 JUDGE MARGOLIES: Can we go back to the file
25 history?

26 MR. WHITE: Yes.

1 JUDGE MARGOLIES: I think I maybe was not totally
2 following your argument. Why is that not a clear disavowal of
3 what the word "placed" and similar forms of the word "placed"
4 mean?

5 MR. WHITE: So again, or I think, and I'm
6 circling back to that -- we can start at slide 24. And
7 Petitioner says here that, "The prosecution history of the
8 '492 Patent confirms that placement must be more than just
9 part of an analysis, which is all that mapping is."

10 So a couple of things. The use of mapping here is
11 interesting because mapping isn't even an issue -- even isn't
12 a term that was at issue in the '459 Patent's claim
13 construction before the District Court. It's something that
14 Patent Owner used to characterize the other examples from the
15 '459 Patent. So stacking, consolidation, transferring, and so
16 forth.

17 And Petitioner, apparently, decided to raise or
18 highlight that term because it doesn't appear in the District
19 Court's construction. But there's no reason that it would
20 because, again, it's not a term that's used in that manner in
21 the '459 Patent. But getting to the point in terms of a
22 disavowal -- if we can go to slide 25 --

23 Again, all that Patent Owner says here in their
24 comments is that they are, you know, implementing a practical
25 application of applying the result. And how are they applying
26 that result? By placing. And they're placing the source

1 systems according to business technical and workload
2 constraints. So that is not a disavowal of placing in terms
3 of scope that says, you have to physically place a source
4 system or you have to physically place against.

5 Again, it's practical to create a roadmap that has
6 mapped out all of the possible scenarios and implements a
7 solution -- even if you haven't actually seated the guests, even if
8 you haven't actually physically placed or moved the source
9 systems onto the target. And again, if you look at "place,"
10 it's broader than move. There are these other things,
11 including the analytical and theoretical scenarios, that are
12 contemplated by the '459 Patent and the '936 application.

13 JUDGE MARGOLIES: Can you say that again? That --
14 can you say that again? I'm sorry. I'm still not totally
15 following what you're saying here. Are you saying that this
16 is one example of a practical application, but it's not the
17 only example? I'm not --

18 MR. WHITE: That --

19 JUDGE MARGOLIES: They were saying placing the
20 source systems is practical. So it's actual, actual placing.
21 Are you agreeing with that? And you're just saying it's not
22 as limited?

23 MR. WHITE: Yeah, I think that's right. I think we
24 agree that placing is certainly practical. If you have the
25 wedding, you had darn well better, you know, sit the guests in
26 their seats before you get the festivities started. It's also

1 practical to plan and to create a roadmap and a seating chart
2 to place those guests.

3 And so again, “placing” contemplates the analytical or
4 contemplates the theoretical and it contemplates actual. All
5 of those are practical. All that Patent Owner did in their
6 amendment was say that, we are now applying a practical
7 application. And what is that practical application? We're
8 placing according to the constraints that were generated from
9 the analysis.

10 And so that is a practical application. Whereas,
11 Petitioner says, the only thing that can be practical is to
12 physically or actually place. There's no support that they've
13 cited that supports that argument. There's nothing in the
14 prosecution history from the examiner that agrees or, you
15 know, confirms that Patent Owner intended to limit the scope
16 of the “placing” term accordingly.

17 And so they're taking, you know, just this one
18 statement from a different patent and saying that it
19 necessarily disavows scope in the '459. And there's also this
20 strawman argument that, somehow, “placing” has to mean one
21 thing in the '459 and the '492. And we would dispute that, as
22 well. We think the meaning of “placing” as used in the patents
23 is consistent. And we think, also, that it, you know, fully
24 encompasses, you know, something that's broader than move.
25 And, you know, if you want to use their tripart (sic)
26 framework, actual, analytical, and theoretical.

1 JUDGE MARGOLIES: But getting back -- sorry. Just
2 got to do one counter to what you said to hear what your
3 response is to that. So I think you're saying this is one
4 example of practical placing, but you could also do a
5 theoretical result. But didn't they delete the generating an
6 output comprising a workload placement solution and replaced
7 it with the placing limitation?

8 So it sounds like -- so it seems like the generating
9 an output, the theoretical output, isn't practical. What is
10 your response to that?

11 MR. WHITE: Yeah. We would say that amendment by
12 the Patent Owner was just to clarify the practical application
13 for the benefit of the examiner. It's essentially rewording a
14 similar process. So we don't think that is disavowal of scope
15 by the Patent Owner, but merely a clarification for the
16 benefit of the examiner.

17 JUDGE MCKONE: So is -- what you're saying is the
18 original language was just fine and was not -- didn't have a
19 101 problem. The examiner got that wrong, but that you
20 rephrased the language to say, essentially, the same thing in
21 different terms and the examiner accepted it. Is that what I
22 just heard?

23 MR. WHITE: I think that's correct.

24 JUDGE MCKONE: Okay.

25 MR. WHITE: If the Board has any other questions at
26 this time, I'm happy to take them. If not, I would like to

1 cede the floor to my colleague to address the issuing
2 instructions limitation.

3 JUDGE MCKONE: Let me ask you another question going
4 back to the claim language. So the claim language talks about
5 evaluating compatibility between the specific source system
6 and one or more other source systems to determine if the
7 specific source system can be placed with those other source
8 systems? And isn't what "placed" is really talking about there is
9 the ultimate physical placement? I mean, that's what the
10 analysis is really trying to determine, right? You're not
11 just doing this all as a hypothetical exercise?

12 MR. WHITE: Okay.

13 JUDGE MCKONE: So why wouldn't that at least be
14 consistent with understanding "placed" to mean a physical place?

15 MR. WHITE: I just want to make sure we're talking
16 about the '459 Patent claim now and not the --

17 JUDGE MCKONE: Yes. Yes, the '459.

18 MR. WHITE: Okay. Okay. And -- all right. So if I
19 can ask a -- can you repeat the question again? I just want
20 to make sure I have it correctly.

21 JUDGE MCKONE: Yes. So the limitation that says
22 evaluating compatibility because the specific source system,
23 from the plurality of source systems and one or more other
24 source systems either already placed or being evaluated for
25 placement to determine if the specific source system can be
26 placed with those other source systems, and if that --

1 MR. WHITE: Okay.

2 JUDGE MCKONE: -- can be placed.

3 MR. WHITE: Uh-huh.

4 JUDGE MCKONE: I mean, isn't what that analysis
5 is trying to determine -- is whether you could actually physically
6 place the source system onto that target system? So wouldn't
7 this be at least consistent with an understanding of "placed" as
8 meaning physically placed?

9 MR. WHITE: I think that I would disagree with that
10 a bit. I think what the claim talks about is evaluating the
11 compatibility to determine if they can be placed. And I think
12 that is important. Yet, there is certainly an element
13 there of determining if they can be physically placed. But we
14 wouldn't say that the claims require that they actually must
15 be placed. And the specification and the application talk --

16 JUDGE MCKONE: Can I interrupt you?

17 MR. WHITE: -- with -- yeah.

18 JUDGE MCKONE: Because I mean, I see your point
19 there. But -- and suppose we replace that language with to
20 determine if this specific source system can be physically
21 moved, you know, with -- to reside with those other source
22 systems. Yes. I mean, this limitation -- you know, the
23 evaluation being done would be a hypothetical evaluation.
24 But, you know, what the hypothetical evaluation is trying to
25 determine is whether you could, ultimately, physically move
26 this computer onto the target computer. Right?

1 MR. WHITE: Yeah. I think if that's what the claim
2 said, perhaps, we're looking at a different situation. You
3 know, I don't think, as written, the claim can be so limited
4 because that reads out the hypothetical compatibility analyses
5 that are described and that are practical as it pertains to
6 the '459 application. If, you know, the way that the, based
7 on the analyses -- the compatibility analyses that are
8 described by the patent, you don't need to physically place.

9 You can, but there's also description and
10 contemplation of analytical placement, as well, in the form of
11 roadmaps, solutions, and so forth, as set out in the patent
12 and the application. As one example, let me find the slide,
13 paragraph 82 of the patent talks about hypothetical sources
14 and targets.

15 And so that is, you know, at least one example where
16 there's description of placement that, you know, cannot
17 involve physical placement. So, you know, to your point, if
18 the claim is rewritten and, you know, it says physically
19 placed, I think we're at a different paradigm. But I think as
20 the claim is written, there is support for physical but also
21 for hypothetical or analytical placement.

22 JUDGE MCKONE: All right. Well, I'll let you move
23 on to your -- the next part of your argument.

24 MR. EKLEM: Good afternoon, Your Honors. Philip
25 Eklem for Patent Owner. I'll try to be brief. I think we've
26 covered a lot of the "placing" issues and even some of the

1 “instructions to place” issues. But as it relates to the
2 “instructions to place” term, Petitioner's argument that figure
3 52 and other parts of the specification do not provide support
4 for instructions to place, I think, by now, is clear that it's
5 based on their narrowed interpretation of what it means to
6 place, which excludes the type of analytical, theoretical,
7 hypothetical processes that are done, that are taking place to
8 generate a roadmap, and then to ultimately generate what we
9 see in figure 52, the list of actual transfers.

10 But if we turn to slide 44 in Patent Owner's
11 presentation and just take a quick look at this excerpt of the
12 claims. You can see the final limitation there at the bottom.
13 It just -- it simply says, "issue instructions to place the at
14 least one source system on the at least one target system in
15 accordance with the determined placement."

16 The plain meaning of the claims -- or the plain
17 language of the claims, rather, do not require any particular
18 form of instructions to place. They do not require
19 instructions to actually move, actually carry out, actually
20 execute the instructions. So it's important to keep that in
21 mind, what the claims actually require here, and what that
22 means to a person of ordinary skill in the art.

23 If we turn to
24 slide 45, Patent Owner's expert confirmed that a person of
25 ordinary skill in the art would not understand the claims to
26 be so limited as to require actual placement in the sense of

1 actual movement or changing the system. A specification --

2 JUDGE MARGOLIES: I'm sorry. I'm sorry. What slide
3 number are you on, please?

4 MR. EKLEM: Oh, that was slide 45 if I misspoke, I'm
5 sorry.

6 JUDGE CASS: And, Counselor, I want to let you know
7 you're going into your rebuttal time.

8 MR. EKLEM: Yes, thank you, Your Honor.

9 JUDGE CASS: And I have a question. Although, Judge
10 Margolies, if you had a question, I didn't want to interrupt
11 yours.

12 JUDGE MARGOLIES: No question. Thanks.

13 JUDGE CASS: So what is figure 52 showing? Is that
14 showing instructions for a hypothetical placement or
15 instructions for an actual physical placement in your --

16 MR. EKLEM: So let's take a look at slide 48. This
17 will be a good visual. So what we see here is slide -- or
18 figure 52 accompanied by some of the written description
19 explaining what we see here. And in short, the answer is
20 both. But taking a look at, first, what figure 50 -- how
21 figure 52 is described; it's a list of actual transfers
22 proposed by the consolidation analysis.

23 And paragraph 86 explains a bit about what that
24 means. It describes the actual transfer and it -- I'll just
25 read briefly. The actual transfer describes the movement of
26 the single-source entity onto a target. It identifies the

1 source, the target, and the transfer type, where the transfer
2 type or consolidation strategy describes how a source entity
3 is transferred onto a target.

4 So now, with that background, we take a look at what
5 we see in figure 52. Figure 52 provides instructions to
6 place, or in this specific instance, to stack, a specific
7 source in the leftmost column onto the specific target in the
8 rightmost column. And it provides several line items of that.

9 And so what we see are instructions to place. They
10 do not require actual placement. And as we know, the
11 specification describes thoroughly that systems can be any
12 type of physical, hypothetical -- physical, hypothetical;
13 well, in any event, the point is that it includes hypothetical
14 placement, as well.

15 And so the application of this is to actual
16 placements of the instruct; the instructions can be conveyed
17 to do any of those things, whether it's hypothetically place a
18 hypothetical source onto a hypothetical target or it could be
19 to actually place, after the placement has occurred, to
20 generate the roadmap, a -- this can be instructions to -- so
21 to use the wedding analogy -- to a chaperone or to Uncle Bob,
22 who is putting bottoms in seats, if you will. So it can be
23 both.

24 JUDGE CASS: So as I'm looking at this, so it's
25 saying, first, you know, you have dcu.unix -- I can't really
26 read this too well, but --

1 MR. EKLEM: Yeah.

2 JUDGE CASS: -- 9898 stacks onto dci.unix.7309. I
3 guess, you know, I might have read that to say that you're
4 taking an actual computer, you know, 9898 and move it --
5 physically moving it onto 7309. Again, this is what you would
6 do. This is telling you you would move that 9389 -- 9898 to
7 7309. Not that, you know, you would just add it into an
8 analysis that you might do of some more consolidation. Am I
9 incorrect about that?

10 MR. EKLEM: Yeah. I think -- excuse me. I'm sorry.
11 Didn't mean to interrupt.

12 JUDGE CASS: No. No, go ahead.

13 MR. EKLEM: I think that is a limited view of what's
14 being shown here. And in terms of the application of what's
15 being shown here. Certainly, that can be true of a physical
16 environment. These numbers and letters, you know, are symbols
17 of systems. They don't necessarily have to be physical
18 systems. They could be hypothetical systems. And that's --
19 part of the point here is that what's described in a patent
20 applies to all of these different types of systems and the
21 types of applications that those systems are used in.

22 So hypothetical systems would be in a hypothetical
23 environment. It may still be represented by something like
24 dci.unix.9898. That may represent a hypothetical system in
25 that environment. And you may analyze it, and you may place
26 systems accordingly, and then change it later on, perhaps, to

1 add a system to forward consolidate, for example, referring to
2 paragraph 82.

3 So what's shown here would certainly apply to more
4 than just physical environments. I'm going to go ahead and
5 move to the issue of the final written decision with --

6 JUDGE CASS: Yeah. Before you do -- so is there
7 anything in the patent that tells us what the meaning of the
8 word "instructions" is? Does the spec. use that term?

9 MR. EKLEM: The specification does -- the word
10 "instructions" is used in the claims. But in terms of what
11 instructions means, if you want to say just instructions in a
12 vacuum, we, you know -- Patent Owner did not propose a
13 construction for specifically the word "instructions" because
14 we don't think it's necessary. We think that, you know, it
15 would -- the meaning of instructions would be given -- would
16 be that which, you know, a person of ordinary skill in the art
17 would understand in light of the claims of specification.

18 But as, you know, we can see, the claims don't use
19 the word "instructions" in any limiting way in the sense of
20 lexicography or -- you know, the context doesn't cabinet it to
21 particular forms or types of instructions. And the same is
22 true for the specification. So the specification doesn't use
23 the word "instruction," but even in the context that the
24 specification provides, the types of instructions that are
25 provided, that are supported -- you know, there isn't a
26 lexicography or a term of art sort of type of

1 interpretation that needs to be used.

2 We think that the -- sort of the general sense of
3 instructions suffices in all cases, including in the claims.

4 Does that answer your question, Your Honor?

5 JUDGE CASS: Yeah, I think so. Thank you.

6 MR. EKLEM: Yeah.

7 JUDGE MCKONE: And I think with respect to the PGR
8 eligibility, I mean, I think -- I would want to know the same
9 thing Judge Margolies asked for, which is: Are you aware of any
10 cases that say that we have jurisdiction to issue an opinion
11 on written description if we find that there's no PGR
12 eligibility for this case?

13 MR. EKLEM: We're not aware of any cases where the
14 Board instituted a PGR on a 112 written description support,
15 and then declined to issue a final written decision because
16 the claims were found patentable. And that really is -- we
17 haven't seen a case like that. So to answer your question,
18 the answer is no. But it's important as to why we think that
19 that is the case where there are no cases like that.

20 Petitioners argue -- Petitioner argues the Board's
21 power to issue a final written decision depends on the outcome
22 of the patentability determination. So in other words, what
23 Petitioner's arguing is that if the Board finds the claims
24 lack written description support, the Board has the power -- has
25 jurisdiction to issue a final written decision.

26 But after going through the exact same process,

1 doing the exact same thing, after the exact same institution
2 decision and the reasons for it, if the Board determines that
3 the claims do not lack written description support, it would
4 then lack the power to so hold in a final written decision.
5 So thinking about that for a moment, what they're asking for
6 is: heads, I win; tails, you lose.

7 The claims are either unpatentable or the Board
8 can't make a decision either way. And, you know, of course,
9 they would escape -- think they would escape the statutory
10 estoppel provisions that come along with the final written
11 decision. So the predicament does arise a little bit because
12 the '459 Patent is an AIA transition application.

13 And lack of written description support is the soul
14 -- the only ground of unpatentability that was raised in the
15 petition. We have no other case -- certainly, no other case
16 where that is true. And the cases that Petitioner cites are
17 not like that, certainly, inapposite and not controlling.
18 *Apple* is the key case. It's about CBM review and whether the
19 Board has the power to decide the issue of patentability if it
20 turns out that the claims were not CBM claims after all.

21 So after institution, the Board reevaluated that
22 question and found that the claims were actually not CBM
23 claims. So accordingly, it held -- and it held, quote -- that
24 it had, quote, "no power to determine the unpatentability of
25 the challenged claims." So in other words, it lacked
26 jurisdiction to decide on patentability -- to decide the

1 unpatentability question one way or another, regardless of
2 outcome of the patentability merits.

3 So that's simply not the case here. But --

4 JUDGE MARGOLIES: Well, let me ask you this
5 question. Hypothetically --

6 MR. EKLEM: Yes.

7 JUDGE MARGOLIES: We're using that word a lot today.

8 If the petition had other grounds, right, I mean -- this just
9 happens to be a situation in which this is the only ground. But if there was
10 101, for example, or prior art and this issue
11 of eligibility, would your answer change?

12 MR. EKLEM: If there were other grounds in the
13 petition, that's an interesting thing to think of because it
14 still turns on whether the 112 issue is decided, right? The
15 patentability issue, which is sort of inherent to the --
16 determining what a -- whether it's a PGR patent or not. I
17 think we would have to think about that a little bit. But --
18 because that does differ starkly from the case here, which is
19 that the analysis for making the institution decision is the same
20 analysis for patentability, both at the institution phase and
21 at the final written decision phase.

22 So it is unlike really any other scenario that would
23 be. So I take your question -- I understand what you mean by
24 that, whether -- so -- and it's complicated, too, because
25 if -- 112 written description support is the gating test for
26 PGR eligibility. It could be a gating test for, as you said,

1 grounds under 102 or 103. But if the 112 written description
2 support grounds are not included in the grounds for
3 unpatentability, you know, that presents another scenario, as
4 well.

5 So I think the key thing is what -- how to treat the
6 case -- how to treat jurisdiction when the issue of 112
7 eligibility is the patentability issue to be decided, such
8 that, if the Board having undertaken the entire process
9 to the very end, it's to how they put the title at the top of
10 the paper that they just wrote, and is it going to be final
11 written decision or is it going to be, you know, judgment?
12 Termination? What have you?

13 99.9999 percent of the process is all the same,
14 except for who are we allowed to say -- you know, for whose
15 side can we render judgment in favor of, essentially. So --

16 JUDGE MCKONE: Well, let me ask you this. We'll set
17 the optics aside for a second. Is PGR eligibility a matter of
18 jurisdiction?

19 MR. EKLEM: It has been treated that way. Well, it
20 has been treated -- okay -- CBM eligibility has been treated
21 akin to jurisdiction.

22 JUDGE MCKONE: Yes.

23 MR. EKLEM: What -- and so the analogy here is that
24 is PGR eligibility a jurisdictional question? We haven't seen
25 a case that says that it is. But if you -- we can just -- we
26 can look at the statutes and we can look at the legislative

1 history to determine sort of where these requirements come
2 from. The statutes were affected by the AIA. The statutes --
3 or -- and the effect -- the laws putting into effect explain
4 what patents they apply to.

5 And then if they apply to those patents, then
6 chapter 32 or 31 in this -- 32 applies. So if it's
7 jurisdictional, it is in the sense that the Board has
8 jurisdiction when the statutes are applicable; I suppose. I
9 know that's not a great answer to your question, but I mean --

10 JUDGE MCKONE: Well, I mean, I'm concerned here that
11 you -- we may really want to rule in your favor in a final
12 written decision, but we may -- this may be an issue of
13 jurisdiction, in which case, we don't have the power to do so.
14 So I'm giving you an opportunity now to tell me whether or not
15 this PGR eligibility is jurisdictional. So that's what I
16 would -- that -- and that's the question we have to answer as
17 far as our own power. And we're giving you an opportunity now
18 to weigh in on that.

19 MR. EKLEM: I think that the -- that PGR eligibility
20 is jurisdictional, but I think the important thing is to
21 consider when -- when it -- when jurisdiction is found and for
22 how long that applies. So if the Board finds jurisdiction in
23 deciding to institute PGR, it has jurisdiction throughout the
24 proceeding. The --

25 JUDGE MCKONE: And what is your support for that,
26 though? That jurisdiction attached when we wrote our final --

1 when we wrote our decision on institution, and then
2 jurisdiction carries forward, even though the underlying facts
3 of that jurisdiction might have changed where we would not
4 have made that decision at the beginning? Where is your
5 support that this jurisdiction would continue, so that we
6 would have the power to write a final written decision?

7 MR. EKLEM: It's in the statutes. It's in the
8 statutes and regulations. So in making the determination
9 that, more likely than not, Petitioner would succeed, the
10 Board made the determination as its able to do, that the
11 claims were PGR claim -- that the patent was a PGR patent.
12 And so it starts there. That determination had to be made.

13 If it couldn't be made, we couldn't have proceeded
14 to institution. And then chapter 32 provides statutes that
15 govern institution. 324(a) provides a boundary, sort of --
16 that runs the scope of what is a permissible institution
17 decision. And so at that point, you're in and the
18 jurisdiction applies. We're now looking at chapter 32, what's
19 in the statute.

20 So upon making that initial determination, you know,
21 is this a PGR eligible claim at institution? Then
22 jurisdiction to continue with the process, to apply the
23 statutes as we have been is there. And so --

24 JUDGE MCKONE: Was the *Apple* decision wrongly
25 decided?

26 MR. EKLEM: Was the *Apple* decision wrongly decided?

1 I don't think the *Apple* decision was wrongly decided. I think
2 it's just different. It's a -- although there's been an
3 analogy that's drawn, it's a different framework. The gating
4 issue in *Apple* about CBM eligibility is something set aside
5 from the ultimately patentability determination, right? So
6 there, it's different because the question that's being
7 decided isn't the question of patentability. It doesn't
8 determine who wins or loses on the merits.

9 Here, it's the focal point. It's the sole question.
10 It's the only question. It's both the issue of jurisdiction
11 and the issue of patentability. So when Petitioner asks --
12 when Petitioner, you know, says that the Board has
13 jurisdiction to find the claims only unpatentable, it's hard
14 to think that, somehow, because the same -- the very same
15 issue being decided, having the jurisdiction to make the
16 decision, somehow goes away because it falls the other
17 direction.

18 So while we don't have a case that would be helpful
19 for the Board to make it cut and dry, that's where we're at on
20 that. And just very -- one very quick final point. As to --

21 JUDGE CASS: Yeah. Counsel, I just want to warn
22 you. You're going to be out of your rebuttal time shortly.
23 So --

24 MR. EKLEM: Okay. Well, then I'll let it go there.

25 JUDGE CASS: Okay. Thank you. So you have three
26 minutes of rebuttal time.

1 So with that, we'll turn back to Petitioner. And
2 you have 14 minutes left of your rebuttal time.

3 MR. VAN NORT: Thank you, Your Honor. We're happy
4 if there's specific questions that, based on Patent Owner's
5 presentation, if you'd like us to address. We're happy to
6 jump into those. Otherwise, I have a few points that I wanted
7 to touch down -- touch on.

8 JUDGE CASS: Yeah. Why don't you go ahead?

9 MR. VAN NORT: Okay. So I think --

10 JUDGE CASS: We'll jump in if we have anything.

11 MR. VAN NORT: Sure. So I think one of the major
12 issues that we're running into here is that what Patent Owner
13 has done is inserted -- you know, this has a long history.
14 There's been lots of applications, lots of patents in
15 subsequent -- during -- pending of the last two applications
16 Cirba -- Patent Owner has sued VMware and started drafting its
17 claims to try to use language that is similar to what they see
18 in VMware's products.

19 So that's where we get these terms like "placing"
20 coming into the application. It's similar to terms that
21 VMware uses. But the issue that we have here with both of
22 these, specifically "already placed" and "issuing instructions,"
23 is that neither one of these terms are actually -- or phrases
24 are actually in the specification. And while that's not a
25 requirement for written description support, what you --
26 what's happening here is that we take these otherwise

1 innocuous terms and then try to twist disclosure in the
2 specification to try to find support for these terms.

3 And so that's really the problem. There's no
4 examples saying, and here's a theoretical placement, here's an
5 analytical placement. Patent Owner keeps saying that the
6 specification talks about theoretical and analytical
7 placements all over the place. But that's just the issue.
8 Theoretical is never discussed. Analytical is never
9 discussed. Placing is never discussed.

10 So we're left with trying to understand what the --
11 using a plain meaning of those terms, are they actually in the
12 specification? One of the ways that Patent Owner's been doing
13 this is using these other phrases that they say the District
14 Court included. And these are, if you go to slide 24 of
15 Petitioner's demonstratives, the three specific ones in the
16 first grouping of highlighted -- the first highlighting is,
17 "Consolidating stacking and transferring."

18 And the one that Patent Owner really focuses on is
19 stacking. And according to Patent Owner, stacking is an
20 example of hypothetical or theoretical placing. But if you go
21 and look at what stacking is actually described as -- and this
22 is in paragraph, I believe, 9 of Exhibit 109, the '936
23 application. It says, "OS level application stacking involves
24 moving the applications and/or data from one or more systems
25 to the consolidated systems."

26 So stacking is not a theoretical or abstract

1 concept. It is actually moving applications and data. It's a
2 physical application of transferring data from one system to
3 another system. So it's not a purely theoretical thing. It's
4 not a purely analytical thing. It's not a plan. Stacking --

5 JUDGE CASS: Counsel, where were you citing to
6 there? I just --

7 MR. VAN NORT: Paragraph 9 of Exhibit 1009.

8 JUDGE CASS: Okay. Thank you.

9 MR. VAN NORT: So it is not -- stacking does not,
10 somehow, magically get them out of this issue. Stacking is --
11 the only description of stacking in the specification is
12 actually moving things.

13 The other point I wanted to make. I heard Patent
14 Owner raise the point that we are somehow trying to equate
15 place and put. That is the plain meaning that we are
16 applying. That is the plain meaning based on Patent Owner's
17 own dictionary definitions. That is the plain meaning that
18 the District Court adopted. They wanted to apply a plain
19 meaning that, apparently, includes not putting or not actually
20 putting. But that is directly contrary to these exact
21 dictionary definitions, which require to put.

22 So there is an inconsistency between what Patent
23 Owner is arguing in terms of plain meaning and what that plain
24 meaning actually is. There's also a little bit of discussion
25 about mapping and how it was implied that it was an issue that
26 we originally raised. And to be clear, we don't think any of

1 these other words in front of placing are necessary. We don't
2 think mapping instead of placing is necessary. We don't think
3 theoretical or planning to place is a proper way to think
4 about this either.

5 These are all phrases that Patent Owner's
6 introducing. Originally, mapping was in the Patent Owner
7 response when we responded to how the specification doesn't
8 address mapping. They switched to theoretical and analytical.
9 So we're not trying to, somehow, rephrase this -- or I --
10 divide this into three separate issues of physical,
11 hypothetical and -- or theoretical and analytical forms of
12 placing. This is what Patent Owner is doing. But there's
13 just no support for this in the specification.

14 The next issue I'd like to go to is the prosecution
15 history. And I believe it was Judge McKone who asked whether
16 -- in response to this amendment, whether the examiner made
17 any other statements about interpreting the amendment to
18 include placing source systems instead of just generating an
19 output. And I quickly looked at the prosecution history. And
20 my -- I think my representation before was correct.

21 In response to this off -- this amendment, the
22 examiner allowed the claims without any explanation. But
23 presumably, when there were was a 101 rejection, then an
24 amendment that allegedly addressed the 101 rejection and then
25 allowance, presumably, the reason or withdrawing the 101
26 rejection was that amendment and the argument that Patent

1 Owner made.

2 JUDGE MCKONE: I do have a question about the
3 prosecution history.

4 MR. VAN NORT: Sure.

5 JUDGE MCKONE: So to make sure I understand your
6 position, the examiner -- or the claims originally read,
7 "Generating an output comprising a workload placement
8 solution." And that was replaced with, "Placing the source
9 systems onto the target systems." And it's your position that
10 placing the source systems onto the target systems was more
11 concrete and -- in physical placement. Do I -- am I correct
12 so far?

13 MR. VAN NORT: Was more concrete and required
14 physical placement. I'm not sure if it necessarily requires
15 physical because we have this hypothetical issue hanging out
16 there. But it required some sort of -- I think actual is
17 probably a better word. Actual placement.

18 JUDGE MCKONE: Okay. Well, we'll go with actual
19 placement.

20 MR. VAN NORT: Okay.

21 JUDGE MCKONE: How -- well, the language that now we
22 have in the claims that are at issue is: issue instructions to
23 place. How is issue instructions to place different than
24 generating an output comprising a workload placement solution?

25 MR. VAN NORT: So I think it's different in two
26 respects. So one, I think we talked a little bit earlier

1 about where generating an output is just generating the
2 output. You don't actually have to do anything with it. And
3 in the '492 -- that previous limitation, the generating output
4 didn't even require a display. It just said, generate the
5 output.

6 When they moved to placing instructions, obviously,
7 they took in what was required. What we're saying is actual
8 placement. And then the difference to what issuing
9 instructions to place as opposed to placing is -- it's taking
10 it one step further. Issuing instructions doesn't require you
11 to actually carry out the placement, but it still means that
12 you have to issue instructions to perform the actual placement
13 or for actual placement. It's not issue instructions to plan
14 to place or issue instructions to theoretically place.

15 JUDGE MCKONE: So you think issue instructions is
16 more complete or more -- I'm sorry -- more concrete or more
17 actual than generating placement solution?

18 MR. VAN NORT: Yes, I would say it is. It takes it
19 a step further than generating an output. It's doing
20 something that would enable a computer or telling a computer
21 to go and actually carry out the output.

22 JUDGE MCKONE: Okay. And you think --

23 JUDGE CASS: Counsel -- sorry. Go ahead.

24 JUDGE MCKONE: And you think that's what
25 instructions means, is something that's going to tell a
26 computer what to do?

1 MR. VAN NORT: I think that's the most reasonable
2 reading to a person of ordinary skill in the art. Issuing
3 instructions, issues is an awful lot like a computer term.
4 Construction is a computer term when we're talking about
5 computer-based inventions. I think a person of skill in the
6 art reading issue instructions is not going to think about
7 displaying information to a user.

8 Especially when, in the specification, whenever they
9 want to talk about displaying information to a user, they use
10 that language, "Display information to a user." So, you know,
11 I, yeah -- I think issuing instructions is most reasonably
12 interpreted as issuing instructions to a computer or some sort
13 of computer instructions.

14 JUDGE MCKONE: But we don't have any evidence in the
15 record that would support that, correct?

16 MR. VAN NORT: Correct. We have -- well, I think
17 the plain meaning and the specification support that. We
18 don't have an expert declaration in the record about that
19 issue.

20 JUDGE MCKONE: Okay. Thank you.

21 JUDGE CASS: Okay. I just wanted to make sure,
22 Counsel, you said your understanding of placing was that it
23 requires actual placing but not necessarily physical placing.
24 And what's the distinction there?

25 MR. VAN NORT: So the reason I'm saying actual -- I
26 think physical may work, too, but I just -- I don't know if

1 the delineation between those is really relevant. It's
2 relevant in the context of, I guess, hypothetical. I think
3 part of Patent Owner's argument is physical placement, if
4 you're placing a hypothetical source system onto a
5 hypothetical target system, there's nothing physical involved.
6 It's all hypothetical.

7 So placing can't require physical placement. And I
8 guess I get the point, but it still requires something more, I
9 think, than just theoretical. But the other part of that and
10 why it's not really even necessary to review that or to
11 address that is there's no written description support for a
12 hypothetical placing of a source system -- a hypothetical
13 source system onto a hypothetical target system. That issue
14 isn't discussed.

15 What's discussed is what we talked about before,
16 where a hypothetical source system is consolidated -- or
17 forward consolidated onto an existing target system. So a
18 physical system. And that's the context of how hypothetical
19 is discussed in the specification. And then again, taking us
20 back --

21 JUDGE CASS: Yeah. I --

22 MR. VAN NORT: -- one more step to the broader
23 limitation. Regardless of whether that -- whether there is
24 support for placing a hypothetical source system onto a
25 hypothetical target system, the broader limitation then
26 requires an extra step of evaluating a source system against

1 that already placed hypothetical source system on that
2 hypothetical target system. And there's certainly not
3 disclosure of that.

4 JUDGE CASS: Yeah. I'm still struggling here
5 because -- I mean, if we're going to -- to define the term
6 "place" and say it's actual, I would like to have an
7 understanding of what that term actually means and whether
8 it's different than physical. So I don't know if you can
9 provide me any more clarification on that.

10 MR. VAN NORT: So the way I view this is that
11 what -- so I would say that -- at most, the specification
12 provides support for actual, or physical placement. Even
13 when there's talking about -- even when there's discussion of
14 hypothetical systems, it still involves physical systems. So
15 I would say physical placement -- or physical placement is the
16 right way to look at this. But I would say -- I would take
17 this at a different way in that Patent Owner's -- plain -- the
18 plain meaning is what is applying (sic) here.

19 And what Patent Owner really needs is theoretical or
20 analytical or planning to place. And those are clearly
21 excluded. So whether there's actual or physical and there's
22 some difference in the line there, I don't think is as
23 important as the idea that theoretical placement, analytical
24 placement, planning placement are just not what the patent is
25 talking about and it's not what plain meaning of the word
26 "place" entails.

1 JUDGE CASS: So if we were to interpret placement to
2 mean physical placement, you would agree with that?

3 MR. VAN NORT: Yeah. I don't have an issue with
4 that.

5 JUDGE MARGOLIES: I have a question about the file
6 history.

7 MR. VAN NORT: Sure.

8 JUDGE MARGOLIES: It is a little interesting that
9 you're using the file history in the -- the file history of
10 that 101, you know? And the statement is about practical
11 application. And you're using it for clear disavowal on the
12 meaning of a claim term. It's a little not your typical
13 disavowal from file history argument that you see, right?
14 Where it's actually distinguishing the prior art based on the
15 claim term.

16 So I think it is, like, one step removed in a way.
17 So I guess I wanted to talk -- to hear your response to that.

18 MR. VAN NORT: Sure. I --

19 JUDGE MARGOLIES: Yeah.

20 MR. VAN NORT: I agree that the statements were not
21 related to prior art says this, our claim term actually means
22 this, which might be the -- maybe what you're referring to --
23 the typical way we see disavowals. So I agree it's not that,
24 but it's still an issue of claim scope. So if we think about
25 what the 101 rejection was about, as the examiner was saying,
26 your claim is purely abstract. All you're doing is some

1 analysis, then generating an output. It needs to be more
2 concrete. It needs to be more tied to something real.

3 What Patent Owner does is cancel the generating an
4 output limitation, replace it with a placing limitation, and
5 then says, "Placing limitation is a practical application."
6 So they're saying placing is not including merely theoretical
7 things that would still be -- would still bring the claim into
8 the context of an abstract idea. Now they're saying, no,
9 placing is limited to physical or actual, or whatever -- however
10 we want to -- whatever we want to call it.

11 And so it's still about the claim scope of the term
12 -- or the -- yeah -- the claim scope of the term "place"
13 regardless of whether it's in the context of prior art or 101.

14 JUDGE MARGOLIES: But what about the argument from
15 PO's counsel that there's many ways to have a practical
16 application? Maybe this is just one physical placement, but
17 it is useful to have -- like, comply the -- to have a
18 theoretical result, I guess.

19 MR. VAN NORT: So I think the word that you just
20 used, "useful" is the key here. What Patent Owner is doing is
21 using two different definitions for practical. What it's
22 talking about here is -- in the prosecution history is, they
23 were trying to move away from the purely abstract or purely
24 theoretical world. And so practical means, again, it's --
25 the definition of practical in the prosecution history, it's
26 the antonym of theoretical.

1 So it's real world. What the definition that Patent
2 Owner was using is useful. Is this practical because it's
3 useful? And sure, there's other -- generating an output. If
4 you just want to see what a design system -- what a system is
5 going to look like after you do a consolidation, that may
6 still be useful. But that's not practical in the sense that
7 it's taking it out of the world of being abstract.

8 So I guess maybe the better way to look at is a
9 practical application. It's a non-theoretical, real-world
10 application. That is what is important here.

11 JUDGE CASS: Okay. Counsel, not seeing any further
12 questions, I think you're out of time at this point.

13 MR. VAN NORT: Okay.

14 JUDGE CASS: Thank you very much --

15 MR. VAN NORT: Thank you very much, Your Honor.

16 JUDGE CASS: -- for your presentation. And to the
17 Patent Owner, you have three minutes left in your rebuttal.

18 MR. WHITE: Thank you, Your Honors. So I just want
19 to quickly make a couple of points. First, there is this
20 discussion from Petitioner that the scope of place is limited
21 to -- I believe, now they're calling it -- physical placing. And
22 that's simply not the case. As an example, on slides 32 and
23 33, paragraphs 82 and 85 disclosed embodiments of an invention
24 that cover physical, virtual, and hypothetical placement,
25 including placing or stacking hypothetical source systems on
26 hypothetical targets.

1 I -- we -- I -- we don't understand how someone
2 would place hypothetical source systems on physical targets.
3 And if you look at the disclosure in terms of the scope of
4 computer systems, it's clear that it's not limited to existing
5 physical systems, among other things. So I want to point that
6 out.

7 The second thing I wanted to address is Petitioner
8 mentioned, as one example of physical placement, OS level
9 stacking. That is an example that discusses physical
10 placement. But again, Petitioner then goes a step further to
11 say that all of the disclosures in the patent and application
12 of stacking are limited to physical. Again, that's not the
13 case. When you look at transfer sets, when you look at
14 standing and consolidation analyses, consolidation analyses'
15 input, and so forth, there's clear contemplating of stacking
16 not just limited to physical, but also extending to analytical
17 or theoretical placement.

18 And I think the last thing on the 101 issue. It --
19 again, the prosecution history from the '492 Patent was a 101
20 rejection dealing with the legal concept of practical
21 applications. There's nothing there about, you know, an
22 actual versus a hypothetical or analytical placement, as
23 Petitioner argues. Petitioner points to nothing in the
24 prosecution history that speaks out that disavowal of actual
25 or physical placement versus analytical or theoretical
26 placement.

1 And I believe that is all that I have.

2 JUDGE MARGOLIES: Oh, actually --

3 MR. WHITE: Any questions? Yes.

4 JUDGE MARGOLIES: Sorry. You can tell I'm
5 interested in this topic. But doesn't just the mere fact that
6 they say practical application, doesn't it come from that?
7 Can you respond to that?

8 MR. WHITE: When you say, from that, do you mean,
9 or -- I want to understand what you mean by --

10 JUDGE MARGOLIES: The words -- sorry. The words
11 "practical application," doesn't that exclude the theoretical?
12 The analytical?

13 MR. WHITE: I don't think it --

14 JUDGE MARGOLIES: And if not, why not? Yeah.

15 MR. WHITE: Yeah. Sorry. I don't think it does.
16 I'm not aware of any authority that says that practical has to
17 be physical or actual. Practical is what it is. It's
18 practical. It's useful. It's practical to generate a
19 roadmap. It's practical to generate solutions and to plan for
20 solutions even if you haven't actually physically moved or
21 placed.

22 Like, that's all that practical is and there's
23 nothing -- again, that Petitioner has pointed to, there's
24 nothing in the prosecution history from the Patent Owner or --
25 nor the examiner that says there was a disavowal of anything
26 except physical, based on the characterization of their

1 amendment as practical. It was merely just to clarify that
2 it's a useful application of the analyses that are described
3 in the '459 and the '936 application.

4 JUDGE MARGOLIES: Thank you. I understand your
5 (indiscernible) --

6 MR. WHITE: And also -- yeah. And also, if I can
7 add one more thing. And I know we're out of time. 101 case
8 law, for example, Enfish holds that even software applications
9 drafted as functional claims can be non-abstract. Again, just
10 going to the practicality question, Your Honors.

11 JUDGE CASS: Okay. With that, I think, as you've
12 recognized, you're out of time for your presentation. So I'd
13 like to thank both parties for their preparation and their
14 time and for answering the questions that we have here today.
15 Nice job by all. With that, this hearing is now adjourned and
16 we will issue an opinion one way or the other in due course.

17 Why don't we all stay on for a few minutes to see if
18 the court reporter has any clarifications or terms that they
19 would like us to clarify?

20 (Proceedings concluded at 3:25 p.m.)

PGR2021-00098
Patent 10,951,459 B2

PETITIONER:

Diek Van Nort
Alex Yap
Mehran Arjomand
Richard Hung
Matthew Kreeger
MORRISON & FOERSTER LLP
dvannort@mofo.com
ayap@mofo.com
marjomand@mofo.com
rhung@mofo.com
mkreeger@mofo.com

PATENT OWNER:

Khue Hoang
Philip Ekle
Christine Lehman
Michael Flanigan
Wesley White
REICHMAN JORGENSEN LLP
khoang@reichmanjorgensen.com
peklem@reichmanjorgensen.com
clehman@reichmanjorgensen.com
mflanigan@reichmanjorgensen.com
wwhite@reichmanjorgensen.com