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Paper 75
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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

VOIP-PAL.COM, INC.,
Patent Owner

Cases IPR2016-01198 and IPR2016-01201
Patents 9,179,005 B2 and 8,542,815 B2

Before SCOTT R. BOALICK, *Chief Administrative Patent Judge*, JACQUELINE WRIGHT BONILLA, *Deputy Chief Administrative Patent Judge*, and MICHAEL P. TIERNEY, *Vice Chief Administrative Patent Judge*.

BOALICK, *Chief Administrative Patent Judge*.

DECISION
Denying Petitioner's Request for Rehearing
37 C.F.R. § 42.71(d)[1]

[1] This decision pertains to both Cases IPR2016-01198 and IPR2016-01201, as Petitioner's Requests for Rehearing are substantively the same in each case. Citations are to the paper numbers in Case IPR2016-01198.

I. BACKGROUND

On December 21, 2018, an Order was entered granting-in-part a motion for sanctions filed by Petitioner Apple Inc. ("Petitioner"). Paper 70 ("Order"). The Order authorized Petitioner to file a request for rehearing of the Final Written Decision entered on November 20, 2017 (Paper 53, "Final Written Decision" or "FWD"). Order 13–16. The Order also authorized Patent Owner Voip-Pal.com, Inc. ("Patent Owner") to file a response to Petitioner's request for rehearing, and Petitioner to file a reply. *Id.*

In accordance with the Order, Petitioner filed a Request for Rehearing. Paper 71 ("Reh'g Req."). In response, Patent Owner filed an Opposition to the Request for Rehearing. Paper 73 ("Reh'g Opp'n"). Petitioner also filed a Reply in support of its Request for Rehearing. Paper 74 ("Reh'g Reply").

At the outset, we note that in a request for rehearing we do not review the merits of the Final Written Decision de novo. Instead, we consider whether Petitioner has met its burden of showing that a matter has been misapprehended or overlooked in the Final Written Decision. 37 C.F.R. § 42.71(d) ("The burden of showing a decision should be modified lies with the party challenging the decision. The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply."). We conclude that Petitioner has not met this burden in its Request for Rehearing.

II. ANALYSIS

In the Final Written Decision issued in each of the above-captioned cases, the panel determined that Petitioner had not shown by a preponderance of the evidence that the challenged claims (i.e., claims 1, 24–26, 49, 50, 73–79, 83, 84,

88, 89, 92, 94–96, 98, and 99 of U.S. Patent No. 9,179,005 B2, and claims 1, 7, 27, 28, 34, 54, 72–74, 92, 93, and 111 of U.S. Patent No. 8,542,815 B2, respectively) would have been obvious over (1) Chu '684[2] and Chu '366,[3] or (2) Chu '684 and Chen.[4, 5]

In its Request for Rehearing, Petitioner asserts that, in the Final Written Decision in both cases,[6] the panel misunderstood the nature of the proposed combinations of prior art references (Reh'g Req. 7–9), as well as the proposed combination's application to the step ordering required by the challenged claims (*id.* at 9–13), and that the panel did not adequately consider the asserted reasons to combine the references (*id.* at 14–17).

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[2] U.S. Patent No. 7,486,684 B2 to Chu et al. issued Feb. 3, 2009 (Ex. 1006) ("Chu '684").

[3] U.S. Patent No. 8,036,366 B2 to Chu issued Oct. 11, 2011 (Ex. 1007) ("Chu '366").

[4] U.S. Patent Application Publication No. 2007/0064919 A1 to Chen et al. published Mar. 22, 2007 (Ex. 1008) ("Chen").

[5] On March 25, 2019, in a district court case involving Patent Owner and Petitioner (among other defendants), the U.S. District Court of the Northern District of California granted a motion to dismiss, finding that "asserted multi-network claims (claims 1, 7, 12, 27, 28, 72, 73, 92, and 111 of the '815 Patent and claims 49 and 73 of the '005 Patent) and the asserted single-network claims (claims 74, 75, 77, 78, 83, 84, 94, 96, and 99 of the '005 Patent) are directed to unpatentable subject matter and are thus invalid under 35 U.S.C. § 101." *Voip-Pal.Com, Inc. v. Apple Inc.*, No. 18-CV-06217-LHK, 2019 WL 1332762, at *25 (N.D. Cal. Mar. 25, 2019), *appeal docketed*, No. 19-1808 (Fed. Cir. Apr. 26, 2019).

[6] As noted above, arguments presented in the Request for Rehearing papers in both cases are substantively the same. Thus, we refer to the Final Written Decision and Request for Rehearing papers in the singular, citing papers in Case IPR2016-01198, as also noted above.

A. Nature of the Proposed Combinations

Petitioner contends that the panel failed to properly consider how the asserted combinations would function because the panel misunderstood the combinations and did not expressly discuss certain of Petitioner's arguments, particularly those set forth in Petitioner's Reply to Patent Owner's Response (Paper 34, "Reply"). Reh'g Req. 7–9. Petitioner asserts the panel showed it misunderstood the nature of the combinations by criticizing Petitioner for failing to explain why Chu '684's assessment of dialed digits would apply to a reformatted number. *Id.* at 8 (citing FWD 22–23). Petitioner states that, in the asserted combinations, "the Chu '684 system could continue to receive and process long form E.164 compatible numbers as per its normal disclosed operation." *Id.* According to Petitioner, it need not explain how Chu '684 would process numbers converted to E.164 format because Chu '684 already used such numbers. *Id.* at 9. Petitioner's argument for error asserts that "Chu '684 contemplates receiving long form E.164 compatible numbers." Reh'g Req. 9; *accord id.* ("the same E.164 compatible format that Chu '684 expressly contemplates using"); Reh'g Reply 1 ("[I]n the Proposed Combinations, Chu '684 receives the very E.164-compliant numbers that it processes.").

Patent Owner disputes Petitioner's factual assertion, pointing to record evidence that, in Chu '684, users would dial according to the dialing conventions of their geographic area. Reh'g Opp'n 8 (citing Ex. 2016 ¶ 66). Patent Owner's expert witness, Dr. Mangione-Smith, testified that "in Chu '684, the users would dial PSTN 'public numbers' based on the location of the customer premises." Ex. 2016 ¶ 66 (citing Ex. 1006, Fig. 2). Figure 2 of Chu '684 supports Dr. Mangione-Smith's testimony, in that Figure 2 of Chu '684 illustrates customer premises 105 (which includes IP phones) as connected to a service provider central office 205. *See* Ex. 1006, Fig. 2; Reh'g Opp'n 9 (contrasting Petitioner's assertion

that "IP phones . . . are not tied to any specific physical location and thus do not inherently provide the user an option to dial short form numbers" with Figure 2 of Chu '684 (emphasis omitted) (quoting Paper 44, 8)).

Patent Owner also points out that, when Chu '684 discusses E.164 numbers, it is in the context of assigning such numbers to IP-based phones, not in in the context of placing calls by such phones to other such phones. Reh'g Opp'n 7 n.2 (citing Ex. 1006, 13:1–11; Ex. 2016 ¶ 66; Reply 21–23 (relying on disclosure in Chu '684)). Patent Owner also identifies that Chu '684's "public E.164 telephone numbers" are not compliant with the "long-form E.164 format, which would require a '+' sign and country code." *Id.* (citing Ex. 1006, 13:4) (explaining that an example of a "public E.164 telephone number" provided in Chu '684 is "732-949-xxxx," which does not include the "+" sign and country code of a fully formatted E.164 number, and is instead the local dialing format used in area code 732). These two distinctions reinforce the view of Patent Owner's declarant, Dr. Mangione-Smith.

And, as Patent Owner points out, the panel relied on the same evidence—testimony by Dr. Mangione-Smith—when rejecting Petitioner's view of the prior art and reason for the combination. *See* FWD 19 (citing Ex. 2016 ¶¶ 65–67); Reh'g Opp'n 6. Thus, when the panel concluded that Petitioner had not shown that Chu '684's method would apply to a number reformatted by the secondary references (*see* FWD 22–23), it relied on record evidence supporting its conclusion. We determine that the panel did not misapprehend the nature of the proposed combination; rather, based on the record, it resolved a factual dispute and concluded that Petitioner failed to show the proposed combination would operate as asserted.

Even if we were to accept Petitioner's view of Chu '684, however, we would not reach a different conclusion. The panel stated that, "when determining the public or private network affiliation of a call," Chu '684 discloses a method using "the dialed digits"—i.e., a method that routes calls based on characteristics of how they were dialed—and that Petitioner had not shown reformatted numbers would function in the same way. FWD 22. Petitioner's Request for Rehearing, meanwhile, takes the position that no explanation is required for why or how reformatted numbers would be processed differently than typical numbers used in Chu '684. Reh'g Req. 9; *see also id.* at 8 (stating that in the proposed combination, "the Chu '684 system could continue to receive and process long form E.164 compatible numbers as per its normal disclosed operation").

The panel ultimately concluded that Petitioner failed to show the caller's attributes form a basis for routing messages. FWD 24 (discussing the "requirement that calling attributes associated with a caller form the basis, in-part, for ultimately assessing whether private network or public network classification criteria have been met and routing of messages based on that assessment"). In reaching this conclusion, the panel relied on Chu '684 and Dr. Mangione-Smith's testimony. *Id.* at 22 (citing Ex. 1006, 8:56–9:1; Ex. 2016 ¶ 71 (opining that in Chu '684, "the analysis of the dialed digits does not require knowledge of the attributes of a caller")). Thus, even if Chu '684 could accept "long form E.164" numbers, the panel relied on record evidence that Petitioner failed to show Chu '684's routing would function the same for reformatted local numbers as for dialed local numbers. Accordingly, we conclude the panel did not misapprehend or overlook any matter in concluding that Petitioner failed to explain adequately how Chu '684 or the proposed combination teaches or suggests making a determination regarding where to route messages based in part on calling attributes associated with the caller.

We also do not find the panel's lack of Reply citations to indicate the panel misapprehended or overlooked the nature of Petitioner's proposed combination. *See, e.g.*, Reh'g Req. 8. Petitioner summarizes its proposed combinations as "rel[ying] on Chu '684 for its infrastructure, call classifying, and call routing teachings" and the secondary references for their "caller profile and dialed digit reformatting teachings." *Id.* at 3. As Patent Owner points out, the Final Written Decision expressly recognizes that Petitioner relies on the secondary references for their teachings as to "calling attributes" (which form part of the "caller dialing profile") and "reformatting." Reh'g Opp'n 14 (citing FWD 21–22). Although Petitioner asserts that it explained the proposed combination in a "step-wise fashion" in the Reply, the Reply does not change the nature of the proposed combination. Reh'g Req. 7 (citing Reply 15–16).

B. Step-Ordering

Petitioner also argues that the panel misunderstood how the proposed combination applies to the claims and therefore reached an erroneous conclusion that the combination did not fit with the required sequence of steps. Reh'g Req. 9–13 (quoting FWD 24). According to Petitioner, the panel should not have addressed a step-ordering argument that was made by Patent Owner only in the Preliminary Response and rejected in the Institution Decision. *Id.* at 10–11. Thus, in Petitioner's view, the panel reached a conclusion based on a mapping inconsistent with the asserted combination. *Id.* at 12. Patent Owner responds that Petitioner's current position represents a shift to account for citing Chu '684's steps in a sequence inconsistent with the steps of the challenged claims. Reh'g Opp'n 18–19. In Patent Owner's view, the panel's discussion of step ordering accounted for multiple possibilities permitted by Petitioner's ambiguous assertions. *Id.*

The panel stated that using Chu '684's "step 610" to help locate a caller dialing profile and then using Chu '684's "step 608" to route private versus public messages, as cited in the Petition (*see* Pet. 17–20), would not comply with the claim-step ordering. FWD 23–24. Petitioner contends that the panel misunderstood the asserted mapping and argues that "the Proposed Combinations do not rely on step 610 of Chu '684 alone for the caller profile limitation." Reh'g Req. 11. As Patent Owner points out, however, the panel reasonably addressed a possible mapping raised in the Petition and discussed by Petitioner's declarant. Reh'g Opp'n 18–19; *see also* Ex. 1009 ¶ 45 (opinion by Petitioner's expert that "Chu '684 discloses using a caller identifier to locate a caller dialing profile"); PO Resp. 61–65 (disputing the possible mapping as inconsistent with claim-step ordering). The panel rejected that mapping as inconsistent with the claim-step ordering. The panel's statement simply recognized that a combination preserving the routing of private-network calls—where such calls are analyzed based on the dialed digits first, before possible reformatting—would require jumping back and forth between teachings in the art in order to follow the claim sequence. Because the Petition provided insufficient explanation to support such an approach, we determine that the panel did not err.

C. Reasons To Combine

Petitioner further argues that the panel overlooked the full extent of the reasons why ordinary skilled artisans would have combined one of the secondary references with Chu '684. Reh'g Req. 14–17. According to Petitioner, based on the totality of arguments, the panel should have appreciated that the proposed combination introduces support for "short form dialing (e.g., 555-1234)" and thus is an "'intuitive' and 'user-friendly' modification of Chu '684." *Id.* at 16–17. Because the panel quoted two paragraphs of the Petition discussing the

combination's benefits, Petitioner asserts that the panel overlooked additional explanation. *Id.* at 14 (citing FWD 18–21). According to Petitioner, the panel did not apprehend "that Chu '684 did not contemplate allowing short form dialing and that the combination of Secondary References was necessary to supply that benefit." *Id.* at 17.

As discussed above (*see supra* at 4-5), Patent Owner disputes Petitioner's view of Chu '684. *See* Reh'g Opp'n 7–10 (relying on its declarant to argue that Chu '684 does not operate as asserted by Petitioner, undermining Petitioner's justification for the combination); PO Resp. 70 (citing Ex. 2016 ¶ 66). Petitioner contends that Dr. Mangione-Smith's testimony did not address the asserted combination and therefore provided no need for a reply declaration. Reh'g Reply 7–8. We do not agree with Petitioner's position, for the reasons stated above. Petitioner does not raise any basis on which we should discount the panel's reliance on Dr. Mangione-Smith's testimony regarding the reason to combine.[7] We conclude that the panel did not misapprehend Chu '684's operation when it concluded that the Petition failed to show Chu '684 is deficient and ripe for improvement. Instead, it resolved a factual dispute in Patent Owner's favor based on record evidence.

Petitioner argues also that it need not show a technical deficiency in Chu '684 in order to rely on a secondary reference for a particular teaching. Reh'g Reply 5. We agree with Petitioner that Petitioner is not required to identify

[7] Petitioner argues that Dr. Mangione-Smith's testimony was irrelevant "because he is not a telephony expert" (Reh'g Reply 7–8), but Petitioner did not seek to exclude the testimony. Rather, Petitioner argued for reduced weight (Reply 19–21), and does not argue that the panel overlooked the argument (*see generally* Reh'g Req.). On the contrary, the panel found Dr. Mangione-Smith to be sufficiently qualified. FWD 11–13.

a technical deficiency in Chu ’684 to show obviousness. Petitioner, however, asserted the secondary references would have improved Chu ’684. *See, e.g.*, Pet. 16 (“One of ordinary skill in the art would thus have appreciated that these improvements to Chu ’684 could be achieved . . . .”). Based on the panel’s conclusion regarding Chu ’684, it rejected Petitioner’s view that adding teachings of Chu ’366 would have made Chu ’684’s interface more intuitive and user friendly. FWD 18–19. Thus, by concluding that Petitioner had not shown a “deficiency” in Chu ’684, the panel rejected any benefit that would have come from the combination. *Id.* at 19. Stated otherwise, an alleged deficiency in Chu ’684 and an alleged benefit of adding teachings from a secondary reference are two sides of the same coin. The panel recognized that Petitioner bore the burden to establish unpatentability and concluded Petitioner had fallen short of carrying that burden. *Id.* at 20–21. In light of the panel’s factual determination regarding Chu ’684, we conclude that the panel did not misapprehend Petitioner’s arguments regarding reasons to combine.

D. Antedated Prior Art

Finally, Patent Owner argues in its opposition to the Motion that it antedated the asserted prior art and should prevail on that independent basis. Reh’g Opp’n 20. We do not reach that issue because we conclude that Petitioner’s Request for Rehearing fails to demonstrate that the Final Written Decision misapprehended or overlooked any matter.

III. CONCLUSION

We deny Petitioner’s Request for Rehearing because we determine that Petitioner has not met its burden to show that in the Final Written Decision, the panel misapprehended or overlooked any matter.

IV. ORDER

It is, therefore,

ORDERED that Petitioner's Request for Rehearing is denied.

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