

In the Matter Of:
MICROSOFT CORPORATION V. THROUGHPUTER, INC.

IPR2023-00852

HEARING

October 02, 2023



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UNITED STATES PATENT & APPEAL BOARD

MICROSOFT CORPORATION :

v. : IPR2023-00852

THROUGHPUTER, INC. :

THIS MATTER came on for telephonic hearing
before Judge John Hudalla, Judge Michael Zecher and
Judge Meyers, Appellate Judges, on Monday, the 2nd day
of October, 2023, commencing at 10:30 a.m.



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P R O C E E D I N G S

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Whereupon,

THE COURT: Good morning. This is a conference call in IPR2023-00852. This is Judge Hudalla. I have on the line with me Judges Zucker and Meyers. Who do we have today from petitioner?

MR. RENNER: Good morning, Your Honor. This is Karl Renner and I'm joined by David Holt.

THE COURT: And Mr. Renner, do you have a court reporter with you today?

MR. RENNER: We do not but I believe one is on the line, Your Honor.

THE COURT: Okay. And who do we have from Patent Owner today?

MR. DAVIS: Good morning, Your Honor, this is Jim Davis of Ropes & Gray. I have with me Cook Alciati of Gardella Grace as well, and we do have a court reporter on the line.

THE COURT: Okay. Jim Davis, you said?

MR. DAVIS: Yes, Your Honor.

THE COURT: I didn't see you listed in the Counsel sheet here.

MR. DAVIS: Yeah, I think we filed some things after the initial papers were in, but I should be



1 on there. Maybe we need to update the system on
2 that though.

3 THE COURT: That's okay. I know Mr. Alciati's
4 on here, and I'll assume for purposes of the call
5 that you're supposed to be on here, and it's
6 probably an error on our side; so Mr. Davis, since
7 you have a court reporter, could you please file
8 the transcript when it becomes available as the
9 next available exhibit number?

10 MR. DAVIS: Yes, we will.

11 THE COURT: Okay. All right. We're here
12 today to talk about the Petitioner's request for
13 leave to file a reply, and I guess petitioner would
14 also like to file quite a bit of new evidence; so
15 Mr. Renner, why don't you go ahead and explain your
16 position.

17 MR. RENNER: Thank you, Your Honor.

18 As you know, we're asking to file a
19 five-page reply as well as the evidence that
20 was shown in the September 26 e-mail. I'm
21 happy to speak to it if that's helpful, but
22 I'll assume that for everyone's sake we've had
23 eyes on that.

24 Petitioner's request here, we believe it's
25 supported by good cause. As we explore it, we



1 do want to call attention to the Board, to the
2 precedential Hulu decision, which is endorsing
3 development of the evidentiary record on the
4 issue in question here, public accessibility in
5 circumstances that are actually less favorable
6 to those of the petitioner that are at present.

7 And specific for a moment, Hulu provides
8 the petitioner it may present new evidence on
9 the issue of public accessibility.

10 I'll quote in our reply to a patent owner
11 preliminary response of the circumstances we
12 see when the evidence is quote, responsive, to
13 the prior briefing.

14 It's our position in the present case that
15 the patent owner's preliminary reply doesn't
16 just make arguments as contemplated by Hulu.
17 It cites extensively to and relies upon the
18 authority that didn't even exist at the time
19 the petition's filed.

20 And that was an institution decision from
21 the 01566 proceeding to support its argument
22 that the two declarations from Jim Mumford and
23 the supporting evidence are not sufficient to
24 prove public accessibility, and to this point,
25 we again note that that's cited, 01566



1 institution decision.

2 It wasn't law. It didn't exist until May
3 31 of this year, which is over a month after
4 the instant petition was entered on file.

5 So neither ThroughPuter in the POPR there
6 or in the POPR here, or -- nor did the 01566
7 institution decision identify any decisions
8 under prior to the instant petition filing in
9 which the Board found insufficient the
10 combination of a mark record and the
11 corresponding librarian declaration much less
12 the decision in which the evidence was found
13 wanting by a board applying the relatively low
14 reasonable likelihood standard for institution.

15 We think plainly apparent from this is the
16 fact that when preparing and filing a petition,
17 Microsoft followed well-healed practices in
18 resolving evidence that was advanced to
19 demonstrate public accessibility, and Microsoft
20 even cited several instituted cases with nearly
21 identical evidence to demonstrate the same.

22 Those include, for instance, you can see
23 on the eye chart 2022 01009 decision where it
24 was said that the testimony of Ms. Mumford was
25 sufficient evidence for institution in citing



1 to mark records. There were several other
2 decisions of like kind.

3 Now, these arguments, they were addressed
4 by the Board in that 01566 case, and we think
5 they were a matter of first impression, the
6 arguments that were handled there, and as it
7 came to pass in that decision, the Board
8 ultimately did decide for the first time that
9 the petitioners need to provide even further
10 evidence at the institution phase no less on
11 the issues raised.

12 We don't take issue with that. That's
13 been the development of the law as we see it.
14 But that (indecipherable) doesn't change the
15 correct perspective that Microsoft, when it was
16 developing and offering its evidence on public
17 accessibility, it offered evidence that was
18 aligned with evidence relied upon by the board
19 in previously finding a reasonable likelihood
20 of unpatentability in many cases.

21 And that brings us to present, where
22 Microsoft now seeks to honor and account for
23 that recent evolution in the Board's
24 jurisprudence under Hulu, and we think that in
25 fact the Hulu precedent, it granted a similar



1 request on worse facts as earlier intimated for
2 a petitioner. Unlike Hulu, the instant request
3 regards a very specific kind of argument by
4 patent owner, one that finds its only support
5 in intervening authority.

6 And that is the 01566 decision that was
7 rendered by the board after the petition was
8 already on file, whereas here the law develops
9 around an issue after the petition is filed.
10 It's not only usual but it's ripe for the board
11 to find good cause to grant the petitioner a
12 pre-institution reply.

13 And we think that's probably best
14 illustrated when you have, for instance, an
15 intervening Federal Circuit decision on the
16 relevant issue of law where parties are often
17 for pre-institution.

18 We believe this panel and the board
19 deserves the same respect. And with the
20 institution decision and intervening 01566
21 decision as a centerpiece for the POPR
22 arguments in question, a reply is warranted
23 under Hulu.

24 And to this last point, if the Hulu -- if
25 the explicit provisions of Hulu's submission of



1 response is evidence doesn't apply in this
2 case, it's really, we think, hard to imagine a
3 circumstance where it was.

4 My final point in opening here -- and I'm
5 happy, of course, to take questions -- is that
6 I wanted to be clear about this, that Microsoft
7 is prepared to further address the issue of
8 public accessibility under the evolved standard
9 if it's granted the authority and the
10 opportunity to do so under Hulu today, and for
11 that we'd ask to have two weeks -- we'd like to
12 have two weeks to submit the five-page reply
13 evidence and the evidence, and we'd of course
14 offer the same to Patent Owner for responsive
15 briefing.

16 We think that within August 30th, POPR
17 date, is that would hopefully provide enough
18 time for the Board, but to the extent that two
19 weeks is just going to put you in a difficult
20 position, of course we can try to
21 (indecipherable).

22 We're just -- something to be mindful of
23 the fact that we're relying on third parties
24 here, we've got to make sure that they are
25 comfortable what is being submitted and it, in



1 fact, accurately represents their beliefs.

2 Happy to take questions but that's what our
3 request is about, Your Honor.

4 THE COURT: Mr. Renner, my line actually
5 dropped briefly right before the timing. You were
6 mentioning some timing there. Could you just
7 repeat what you said.

8 MR. RENNER: Sure, I just want to be complete.

9 And our request is for a two-week period
10 to gather the evidence to submit with a
11 five-page brief and then to offer two weeks, of
12 course, for the patent owner for their
13 responsive briefing.

14 And what I was trying to say is that if
15 Your Honors think that that's going to create a
16 timing issue, we had a POPR on August 30th, I
17 believe it was, which would set us up for a
18 November 30th institution decision, and that
19 evidence would come in right around the, you
20 know, the full briefing and evidence would come
21 in around -- right around the beginning of
22 November, but there's a holiday at the end of
23 November. If you all would like to have the
24 parties move faster than that, we'd certainly
25 try to accommodate.



1 We're just working with third parties, as
2 you know, with the evidence that's being
3 submitted.

4 So if it were ten days, that'd be fine as
5 well. We prefer 14 just to give the witnesses
6 a little extra time, but we're trying to of
7 course be accommodating.

8 THE COURT: Okay. Mr. Renner, I have some
9 questions though.

10 Regarding the 1566 proceeding, I mean, you
11 obviously mentioned that and you're saying
12 that, you know, the Board came up with what you
13 call, I guess, essentially some new precedent,
14 but you would admit that you had the benefit of
15 the patent owner preliminary response in that
16 case in which patent owner makes exactly the
17 same arguments they're making here; right?

18 MR. RENNER: We would, Your Honor, a hundred
19 percent, but it is often the case that parties know
20 that -- and again, I'll go back, I should think
21 Federal Circuit law is good way of maybe thinking
22 about this, that it gets a little divorced of what
23 might be -- well, it's a good way of thinking about
24 it.

25 It's often the case people know the



1 arguments as they're going in for consideration
2 as we did here.

3 We had, we believe, a firm and sound basis
4 to believe that we had the right evidence on
5 that case.

6 In fact, we briefed and cited to
7 authorities that were pending at the time of
8 the petition's filing and had every belief that
9 we would have institution now.

10 We honor and respect the Court's decision,
11 but it's still the case that at the time of our
12 filing of that, we had a good faith and
13 reasonable, we believe, position to expect that
14 the evidence being furnished would be
15 sufficient, and when there's a decision that
16 comes, then of course people want, you know,
17 you want to apply the law, but at that time the
18 law, it didn't have any decisions to suggest
19 that our evidence was insufficient. And in
20 fact, quite the contrary, we've seen many
21 decisions that had upheld institution in
22 particular but also final written decisions on
23 that very evidence.

24 So, your Honor, we think that parties
25 argue and that there might be a third party



1 that argue. It might be the present parties in
2 different cases that argue, but the existence
3 of arguments themselves, that's not law. And
4 it's not clear exactly what is going to be
5 resolved through a decision that's made on
6 that; and so what we believe is the parties
7 would be prejudiced and the system would be
8 prejudiced by expecting parties to
9 preemptively, necessarily have to address mere
10 arguments that haven't been resolved again.

11 We think there's a reason and good basis.
12 And here, I'll also point out that we did, in
13 fact, provide a second declaration with our
14 petition.

15 We didn't just stand still even here. We
16 provided a second petition to clarify issues
17 that we thought might be in question as a
18 consequence of what was going on there, but it
19 ends up searchability was the issue that
20 created some interest in the 01566 petition.

21 We didn't happen to get that that would be
22 the right one; so our evidence didn't
23 complement on that particular issue.

24 But if you look into Hulu, for instance,
25 you'll see that the issue of searchability or



1 that a case that was cited in Hulu itself where
2 there is expense related to that.

3 Let me get the case. It's the Seabury
4 case. It was cited in Hulu. You can see it.
5 And it's IPR 201600840.

6 And in that case there was comparably some
7 (indecipherable) not even as good as to mark
8 records about public accessibility without
9 commentary on searchability at all.

10 And the Hulu, again, decision came in even
11 then and said that that was sufficient to
12 justify institution.

13 Again, noting that the institution
14 standard isn't the same as how a written
15 standard, and it was in the context of
16 acknowledging that there are times where when a
17 party asks to provide further evidence and
18 arguments, it would be a reasonable thing to
19 grant that request.

20 Here we think with the law literally
21 changing, and you know, it's the first time we
22 saw a decision, and I grant you we had notice
23 of arguments, but parties often have arguments,
24 notice, when they look at Federal Circuit
25 briefings before a Federal Circuit decision is



1 rendered; so we just don't think that that fact
2 is one that -- well, it's our belief that fact
3 shouldn't preclude in a circumstance like this.

4 What is merely a request for additional
5 briefing and evidence to actually, directly
6 confront what was specifically at issue in that
7 decision, the decision relied upon by Patent
8 Owner.

9 THE COURT: Well, Mr. Renner, I would maybe
10 take a little bit of issue with the
11 characterization that the law actually changed
12 through the 1566 institution decision. But I
13 understand your position, and I am going to go
14 ahead and turn to Mr. Davis.

15 I'd like to hear from Patent Owner,
16 please.

17 MR. RENNER: Thank you, Your Honor.

18 MR. DAVIS: Yes, Your Honor, and for the
19 record this is Jim Davis for ThroughPuter.

20 Your Honor, I think your questions there
21 hit the nail right on the head. These
22 arguments here were not only foreseeable, but
23 they were directly being addressed in the 1566
24 petition and POPR.

25 The exact same arguments in the 1566 POPR



1 were re-raised here, and those were the
2 arguments that the Board ultimately and
3 correctly found were the basis to deny
4 institution.

5 This new argument from petitioner that
6 somehow the 1566 institution decision changed
7 the law, we again raise, Your Honor, there was
8 no change in the law. This is directly
9 following years of precedent. Not just in Hulu
10 but Acceleration Bay, the Activision, Blizzard
11 and a bunch of other cases that are cited in
12 the Hulu decision regarding this issue of
13 technical accessibility and public
14 accessibility.

15 The petitioner here decided to, despite
16 the fact that they were on notice of all of
17 these issues through the POPR in the 1566
18 proceeding which was filed over a month before
19 the petition was filed in this case, decided to
20 not only not address this issue, but if you
21 look at petition and even compare it to the
22 petition in the 1566 proceeding, they actually
23 took out arguments.

24 The only place that the petition addresses
25 or even comes close to this issue is in



1 footnote two -- excuse me, footnote one rather,
2 on page two of the petition, and there it just
3 cites four paragraphs of declarations.

4 It cites paragraph eight of Exhibit 1012.
5 And it says authenticating public availability
6 date, but if you look at that paragraph, it
7 doesn't address public accessibility, and it
8 cites paragraphs seven through nine of Exhibit
9 1015.

10 And again, they are not addressing this
11 issue of public accessibility; so despite being
12 on notice of these issues, the petitioner
13 decided not to address them at all.

14 And so by now the petitioners had multiple
15 chances, the 1566 petition, the 1566 reply that
16 it got as well as the petition that it filed
17 here, and despite all of these different
18 opportunities, the petitioner elected to not
19 address this issue despite being on notice of
20 them.

21 Petitioner is now saying, well, this is
22 somehow a change in the law, and I think the
23 Board's institution decision in the 1566
24 proceeding demonstrates that it was directly in
25 line with years and years of precedent, but if



1 petitioner truly believes this is some shift in
2 the law, it could have sought reviewing on
3 that, and it didn't do that either.

4 For context, a case that is worth noting
5 to the board on this issue of foreseeability is
6 Victoria Secret Stores, LLC, vs. Andra Group,
7 LP, this is IPR 2020-00853, Paper 11.

8 And there, if you look at page seven of
9 that decision, "Leave to file a reply was
10 denied there because" -- this is a quote --
11 "petitioner reasonably should have foreseen
12 that patent and early challenge petitioner's
13 sole reliance on a copyright date has support
14 for the alleged status (indecipherable)
15 publication."

16 Now, of course here the issue isn't just
17 foreseeability. They were directly on notice
18 of all of these issues.

19 Now, it may be that petitioner made a
20 strategic decision not to try to include
21 different evidence in this proceeding as
22 compared to the 1566 proceeding because it
23 didn't want to undermine the evidence that it
24 did or didn't put in the 1566 proceeding, but
25 it should have to live with that.



1 The petitioner, despite being on notice of
2 these issues, should have addressed it in its
3 petition -- these issues in this petition and
4 it elected not to, and it's particularly
5 problematic here where the petitioner now tries
6 to -- seems to be trying to use a denial of
7 institution in another proceeding as a reason
8 to get a second bite or really a fourth or
9 fifth bite out of the apple now to try to put
10 in not only new argument here on something it
11 decided to not address in its petition but also
12 to put in several new pieces of declaration
13 evidence which we would submit is improper.

14 And unless the Board has any questions,
15 and for the reasons really, Your Honor, that
16 your earlier questions highlighted, Patent
17 Owner opposes this release.

18 THE COURT: Okay. Mr. Renner, did you want to
19 respond briefly to Mr. Davis?

20 MR. RENNER: Yes, your Honor, I appreciate the
21 opportunity.

22 I believe that the comments there were
23 speaking past the issue to some extent, and I
24 do want to -- your final comment, Your Honor, I
25 want to make sure that you didn't hear us in a



1 way I had intended.

2 A change of the law. We think that the
3 law has now become more clear in a way that
4 prior decisions had not made the law clear; so
5 I can appreciate the numbers with the notion of
6 change in the law, and that's not really our
7 intent.

8 Our intent is to suggest that here we have
9 clarity where clarity didn't exist before, and
10 we know that because we don't seek decisions
11 that rejected the kind and quality of evidence
12 that we put forward. Yes, in a prior petition,
13 but in the current petition on the issue.

14 And the Victoria Secret case we think
15 actually speaks to this issue. The board
16 there, when you do look at that case, it
17 indicates that the petitioner should have
18 foreseen because it's shown their copyright
19 notice and the evidence that was there, it just
20 wasn't sufficient against what was then law.
21 That was then cases demonstrating there was
22 insufficiency.

23 You needed to have more evidence, and that
24 was quite clear from the precedent that was in
25 place, the authority that existed at the time



1 of that petitioner's filing.

2 And we think that's distinguishable
3 because here when we look at the cases that
4 have been decided on literally the same
5 evidence, the same time and quality showing of
6 mark records with supporting testimony as you
7 saw, institutions had been endorsed,
8 consistently they had been endorsed.

9 And I'll grant you, the questions that
10 were addressed by the Board in 01566, those
11 questions ultimately led to a decision that
12 that evidence needed to be augmented, there
13 needed to be more.

14 And again, we're trying to honor that now
15 that we have that guidance. Guidance that's
16 not just because an attorney argued it.
17 Guidance because the court told us that this is
18 what's necessary.

19 We believe that it's for the first time we
20 have seen a decision like that on this
21 evidence, and it's that very specific and
22 narrow situation that we seek to have
23 addressed, an opportunity to address here.

24 Your Honor, we don't think we've had four
25 opportunities or three or two or one. We've



1 had attorney arguments only. We submitted and
2 furnished arguments that were on authority that
3 we thought the showings on this evidence were
4 sufficient and appropriate and accurate for
5 institution decision previously.

6 Now that we know that they are not, we
7 found that out a month after the petition was
8 filed. For the very first time we're asking to
9 have an opportunity to address this, and we
10 think that when there is an evolution of the
11 law, you know, law becoming more clear and
12 parties couldn't know that prior, that a
13 request like this falls squarely under Hulu.

14 In fact, again, in Hulu there was no
15 intervening decision, and still there was a
16 grant of the submission of the type we're
17 talking about here.

18 Your Honor, we don't think that it's of an
19 undue burden here to the Board. Certainly not
20 the Patent Owner. We're offering them a
21 responsive brief.

22 We simply want the facts as they are to be
23 able to be heard and the evidence to be able to
24 be measured.

25 We think that also this case is a case



1 where you have a strong, we believe, showing of
2 unpatentability. There's not even an argument
3 on the substance that the art doesn't map and
4 suffice to show unpatentability.

5 And, again, Your Honor, it's worth that
6 the PTAB existing app (indecipherable) to do
7 what Congress had asked it to do under the
8 circumstances. Appreciate your time.

9 THE COURT: Okay, Mr. Renner. I think we
10 understand your position.

11 A brief, last word, Mr. Davis, before I
12 confer with my colleagues?

13 MR. DAVIS: Your Honor, I think it's just the
14 same points. Simply because the petitioner lost on
15 this issue in another proceeding doesn't mean that
16 there's been any sort of change in the law.

17 In fact, I think even at times Mr. Renner
18 has conceded that there's been no change here.

19 Hulu is consistent as is years and years
20 of precedence from the PTAB in requiring a
21 showing of poke (phonetic) accessibility in the
22 petition. And despite that, the petitioner
23 didn't -- well, it has not addressed this at
24 all in the entire petition.

25 And with respect to the merits of the



1 petition, the Patent Owner is in no way
2 conceding that there is any merit to address
3 the substantive arguments, but we would address
4 that only if there was institution, which we
5 shouldn't get to that stage here given
6 petitioner's failure as, again, as to the
7 public accessibility that's referenced.

8 THE COURT: Okay.

9 If you could hold the line briefly, I'm
10 going to confer with my colleagues and I'll get
11 right back to you.

12 (Brief recess)

13 THE COURT: Okay. Thank you. It's Hudalla
14 again.

15 I guess we're back on the record since we
16 have a court reporter.

17 We're going to take these issues under
18 advisement, and we'll discuss them amongst
19 ourselves, and we will issue an order in due
20 course resolving this issue as to whether there
21 will be -- whether we will authorize further
22 briefing; so with that, Mr. Renner, do you have
23 any other questions at this time?

24 MR. RENNER: No, your Honor. Thank you.

25 THE COURT: And Mr. Davis?



1 MR. RENNER: No, Your Honor. Thank you.

2 THE COURT: Okay. Thank you all. We are
3 adjourned.

4 (Whereupon, the hearing adjourned
5 at 10:54 a.m.)

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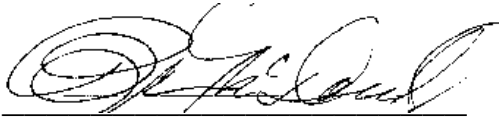
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Brian M. McDonald

Certified Shorthand Reporter

Dated this 11th day of October 2023