

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MAPLEBEAR INC. D/B/A INSTACART

Petitioner,

v.

CONSUMERON, LLC,

Patent Owner.

IPR2023-00865

Patent 11,238,465 B2

Record of Oral Hearing
Held: August 27, 2024

Before CARL M. DEFRANCO, ROBERT L. KINDER, and
MICHAEL A. VALEK, *Administrative Patent Judges*.

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The above-entitled matter came on for hearing on Tuesday, August 27, 2024, commencing at 2:00 p.m., at the U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia.

P R O C E E D I N G S

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JUDGE DEFRANCO: Let's begin. This is a video hearing for IPR 2023-00865, captioned Maplebear Incorporated doing business as Instacart versus Consumeron LLC. The challenged patent is US Patent number 11,238,465. I'm Judge Defranco. And with me are Judge Kinder and Judge Valek. Let's get started with the parties, who is here today for Petitioner.

MR. JARRATT: Good afternoon, Your Honor. This is Scott Jarratt of Haynes & Boone for Petitioner Instacart. And also appearing is Laura Vu of Haynes & Boone, also for Petitioner Instacart.

JUDGE DEFRANCO: Okay, and I assume both of you are presenting today?

MR. JARRATT: That is correct, Your Honor.

JUDGE DEFRANCO: Okay, and who do we have for Patent Owner today?

MR. HANNAH: Hi. Good morning. Or good afternoon, depending on location. I'm James Hannah, on behalf of Consumeron. And with me is Jeffrey Price.

JUDGE DEFRANCO: Okay. Both of you will be presenting as well?

MR. HANNAH: I will be presenting.

JUDGE DEFRANCO: Okay. Thank you, Mr. Hannah. Okay, welcome to everybody. So, we set forth some ground rules for today's hearing in our trial order, so I won't repeat them except to remind everyone that each side will have a total of 60 minutes. And you may allocate your time however you see fit. Just let me know how much time you'd like to

1 reserve for rebuttal. Also, given our grant of Petitioner's request for Ms. Vu
2 to participate as a LEAP practitioner in today's hearing, Petitioner will have
3 an additional 15 minutes of argument time for a total of 1 hour, 15 minutes.
4 And Ms. Vu, I assume you'll be arguing a substantive issue today?

5 MS. VU: Yeah, I will, Judge.

6 JUDGE DEFRANCO: Okay, thank you. That would be great. Also,
7 as a reminder, when you refer to your slides, please indicate the slide
8 number that you're referencing. And just one last thing. Be sure to mute
9 your audio unless you're presenting. And if you incur any technical
10 difficulties, by all means, let me know so we can try to resolve them, either
11 video or audio. Okay, so let's get started. I will keep time, but I recommend
12 that counsel do so as well. And I'll try to give you a warning before you get
13 into your rebuttal time. Mr. Jarratt or Ms. Vu, whoever the case may be, you
14 may begin whenever you're ready.

15 MR. JARRATT: Thank you, Your Honor and Petitioner would like
16 to reserve 20 minutes for rebuttal.

17 JUDGE DEFRANCO: Thank you.

18 MR. JARRATT: All right, let's begin on slide two. So, this IPR
19 challenges all claims of the '465 Patent. And this is Figure 1. You know, it
20 might look familiar because the '465 Patent is a continuation of the four
21 other Consumeron patents previously challenged by Instacart for the PTAB
22 and those IPR's have worked out on all challenge claims unpatentable. In
23 this proceeding, there is some overlapping issues because the '465
24 specification in most of the claim language is the same as those previous
25 IPR's, with one noticeable difference. The '465 Patent claims the idea of an
26 agent determining that an ordered product is not available, finding a

1 replacement product in response. And that's a concept that's not found in
2 those earlier patents, which means that the '465 Patent only gets priority to
3 its actual file, and which we'll discuss in more detail.

4 Turning to slide three, the '465 specification describes the same
5 problem and solution as earlier patents. Again, it shares the same
6 specification. If reports solve the problem of consumers not being able to
7 view or examine items they've ordered before they receive them trying to
8 solve this problem, the specification states that customers are supplied with
9 real time information about the product so they can make an informed
10 acquisition remotely. For example, if the customer ordered bananas, the
11 system lets the customer remotely examine the bananas at the store for
12 ripeness before the action is made. That's what's describing the
13 specification.

14 Turning to slide four, there's three main issues in this case, priority,
15 claim construction, and the applicability of the prior art. Let's begin with
16 priority on slide six. So the '465 Patent was filed on April 20th, 2020, and
17 claims to be a continuation of the '848 application, which matured in the
18 '835 Patent. The '835 Patent is one of those that was previously challenged
19 by Instacart. And the claims of the '465 Patent only give priority to the
20 actual filing date of April 2020 because they recite subject matter not
21 supported by the '848 application. And there's two independent reasons for
22 that. Turning to slide seven. So this is Claim 1 of the '465 Patent, and
23 there's two different limitations that do not find supports in the '848
24 application. And Claim 14 includes substantially similar limitations. And if
25 the Board finds that either of these limitations don't have support, then the

1 priority chain is broken, and I'll be addressing the first limitation, and Ms.
2 Vu will be addressing the second.

3 All right, so moving to slide ten, I think it'd be helpful to first kind of
4 level set on how we should be analyzing the '848 application with respect to
5 written description. So, what should we be looking for? And the Federal
6 Circuit said that the hallmark of written description is disclosure, and that
7 disclosure must describe the claimed invention with all its limitations.

8 Simply put, if there's no disclosure, there's no written description support.

9 Right? Of course, this doesn't require the exact words that the claim will be
10 used, as Consumeron pointed out, but there has to be some actual disclosure
11 of limitations in question. If we turn to slide eleven, the Federal Circuit is
12 also clear that obviousness does not make up for lack of disclosure, and this
13 is a lot with this case. They state entitlement or filing date does not extend
14 the subject matter which is not disclosed, but will be obvious over what is
15 expressly disclosed. All right, so with that in mind, let's turn, let's look at
16 the claim language more carefully on slide twelve.

17 JUDGE DEFRANCO: Mr. Jarratt, just to follow up on the section
18 112, written description that you just mentioned in the language you
19 highlighted from the Lockwood case as far as obviousness not being the test,
20 but following along that line, don't we also consider the state of knowledge
21 in the art?

22 MR. JARRATT: We absolutely do, Your Honor. But there actually
23 has to be some disclosure to analyze, right? To apply their knowledge to.
24 All right, so the knowledge of POSITA is certainly helpful, but it can't be
25 used to fill gaps if there's no disclosure.

1 JUDGE DEFRANCO: But it can complement the disclosure,
2 correct?

3 MR. JARRATT: Correct. Yes. All right, so turning to slide twelve.
4 So, this is Claim 1. In the claim recites, upon failing to locate an identified
5 product of the set of one or more goods, electronically transmitting
6 information on a replacement product for the identifier product. So, in other
7 words, the claim recites both a problem and solution, right? When the agent
8 fails to locate the product identified by the customer, they must take specific
9 actions, find the replacement product, and transmit information about it to
10 the customer so they can approve it. This problem and solution is the claim
11 subject matter that has to be actually disclosed in '848 grade application for
12 there to be 112 support. But as we'll see, there's a problem nor the
13 discussion agents should take to remedy this problem are supported. If we
14 turn to slide 13, we see this is Claim 14, and it recites similar limitations.
15 Excuse me. Slide 13, this is Claim 14. It recites determining that the
16 identified product is not available, and also discusses obtaining the barcode
17 replacement product or the product.

18 Turning to slide 14, this is Figure 3 of the main embodiment of the
19 '848 application, and it describes the action of the agent in fulfilling
20 acquisition requests. So, at the top, you can see that it's step 113. The agent
21 travels to the shopping location, and when he arrives at step 115, the
22 specification says that the "agent finds the desired product to acquired and
23 identify the product of interest" and want desire product. It's referring to the
24 product that the customer identified in the acquisition request. So, if the
25 customer ordered bananas. They said that the agent finds the bananas. If we
26 turn to slide 15 you can see that this is the actual disclosure of the '848

1 application, discussing those portions of Figure 3, and states that the agent,
2 “finds the desired product to be acquired, identifies the product of interest”.
3 And nowhere in this description does the ‘848 application state that the
4 agent fails to locate this customer's desired product or make an affirmative
5 determination that the product is not available. That's just simply not
6 disclosed.

7 JUDGE DEFRANCO: Well, Mr. Jarratt, isn't that describing the
8 preferred embodiment?

9 MR. JARRATT: I would say in the preferred embodiment, but it's
10 also the only value describing these acquisition services. And yes, it is
11 preferred embodied. It does not include any disclosure of the claim
12 limitation. And there is no other embodiment that includes a disclosure.

13 JUDGE DEFRANCO: Well, I think that Patent Owner's argument is
14 that the ‘848 application raises a scenario where it picks two, one product
15 rather than the correct product, meaning the desired product.

16 MR. JARRATT: Right. And I think there's two problems with that.
17 If we go to slide 26 or address that the wrong product example. So, you're
18 right. Consumeron has pointed to this wrong product example. This is in
19 the background of the ‘848 application, but it also fails to provide mutual
20 support for a couple different reasons. Now, first and foremost, the main
21 embodiment of Figure 3 does not describe the agent grabbing the wrong
22 product, what actions they should take if they do. The only description is
23 the agent finding the identified product, the product the customer wants,
24 what the agent should do in that particular case, there's no other disclosure.
25 And second, I think this wrong product example is actually inconsistent with
26 the claim language. All right, we go to slide 21. So the language in blue is

1 this idea of failing to locate the identified product. So, it seems like to the
2 consumer that this means mean that the agent potentially grabs the wrong
3 product. But that can't be right because of what the agent is supposed to do
4 in response. Right? They're required to find a replacement product, all
5 right, but if the agent grabbed the wrong product, they're not going to know
6 it's wrong. And they wouldn't look for a replacement product, all right?
7 They wouldn't send information on the wrong product, or they wouldn't --

8 JUDGE DEFRANCO: Wait a minute, I thought the latest
9 specification read or the disclosure read, was that the picker, once they find a
10 product, then they have the customer inspect it, and then only after the
11 customer inspects it, they find a replacement product. So, whether the
12 customer is inspecting a wrong product or the correct product, they're still
13 going to, the picker is still going to have some input from the customer as to
14 whether they need to choose a replacement product. I don't think it's
15 necessarily inconsistent. Wrong product is not inconsistent with finding a
16 replacement product.

17 MR. JARRATT: Okay. I would agree with you that the wrong
18 product example may not be inconsistent with the low of the -- well, actually
19 it is inconsistent with both the main flow of Figure 3 and the client. Because
20 in the main flow of Fig. 3, in every instance, it says that the agent finally
21 identified the product. That's the product the consumer wants. It doesn't say
22 that the agent accidentally finds the wrong product.

23 JUDGE DEFRANCO: Yeah, that's a single embodiment that may be
24 disclosed in the specifications. I guess we have to consider whether there's
25 more embodiments in the specification's disclosure.

1 MR. JARRATT: All right. And I do want to add that we think that
2 the wrong product example is also inconsistent, not only with respect, but
3 also the claim language. Because the claim requires the agent to have
4 knowledge that they identified the wrong product, or, excuse me, that they
5 could not locate the identified product. Right. Because they have to take
6 some action and response. Are they claiming very specific about the order
7 of what the agent has to do? They have to fail to find the product and then
8 transmit information on the product. It doesn't say fail to find the product,
9 send information on the wrong product. The customer rejects it. The agent
10 goes, finds a different product, and then repeat over and over again. That's
11 not what the claim says. It says upon failing to locate the identified product,
12 the agent is supposed to do something specific and that's send information
13 on a replacement product or the customer rejects the product.

14 JUDGE DEFRANCO: Let me ask Mr. Jarratt, does failing to locate
15 the desired product equate to failing to locate the correct product?

16 MR. JARRATT: In the context of the claim? I think that's not
17 correct. I think this is even more pronounced at Claim 14. If you look on
18 slide 13, we have the language of Claim 14 and it's determining that the
19 identified product is not available. So, this is an affirmative action on behalf
20 the agent has to take, determine identified product is not available. And if
21 they just grab the wrong product, they're not making that determination
22 because they don't know it's the wrong product. They think the product is
23 available, they just grab their own product.

24 JUDGE DEFRANCO: What about the case where they intentionally
25 grab the wrong product because products are not available or the desired

1 product's not available, or they can't find the desired product, which is the
2 language in Claim 1. Failing to identify --

3 MR. JARRATT: The language in Claim 1 is failing to locate the
4 identified product. And I guess the question is in this language, is this
5 specific action and response in the specification. And we argue it's not. In
6 the specification it says, the agent finds identified product and sends a
7 picture of the identified product. There's no teaching of what does the agent
8 do if they can't find the product. It doesn't say, well, if they can't find it, go
9 grab a different product and send a picture of that instead. That's just not
10 disclosed in specification. Okay, I think there's no more questions we can
11 move on. On slide 16, the remainder of Figure 3, which is describing the
12 agent's actions to take, have in fact located the product. First, it says in a
13 word, it's sent to the customer saying the “ product has been identified”. So
14 the agent is saying to the customer, I have found the product that you
15 wanted. All right? And the gives the customer the option of inspecting the
16 product. And so, using the same example, if the customer ordered the
17 bananas, the agent can take a picture of the bananas on the shelf and send it
18 to the customer for inspection. All right. Based on inspection, the customer
19 approves or rejects acquisition of the inspected product. So, and that's the
20 purpose of the '465 Patent, is letting the customer decide, here's your
21 product. Do you still want it?

22 So, turning to slide 17, you can see this is a disclosure in the '848
23 application discussing those sections. At no point in this disclosure does it
24 describe the agent determining if the product is not available. And because
25 of that, it also fails to disclose what steps the agent should take if the
26 customer's good is unavailable, it does not disclose the agent finding a

1 replacement product if the identifier product is not available. It only
2 discloses what an agent should do when a requested product can be located.
3 There's simply no disclosure of a specific problem or the agent actions claim
4 on the '465 Patent. All right, if we turn to slide 18.

5 JUDGE DEFRANCO: Before we leave slide 17, I just have a
6 question about this phrase, identifies the product of interest, could that be
7 just a product in general? Could this situation arise where the agent or the
8 picker identifies the product of a banana, to use your example, and then the
9 picker offers, or the delivery agent offers the customer a chance to inspect
10 that banana, and the customer says, wait a minute, this is Del Monte brand. I
11 want Chiquita brand. Or this is inorganic. This is not organic. I want
12 organic. So, in that case, it seems like the customer is going to, you know, it
13 just depends on the level of detail of what the customer has provided to the
14 picker, right? As to what the product of interest is?

15 MR. JARRATT: I think that does factor into it but --

16 JUDGE DEFRANCO: Doesn't that raise the scenario that a picker
17 has chosen the wrong product. Meaning they chose inorganic instead of
18 organic?

19 MR. JARRATT: Well, even though it doesn't give that level of
20 detail, it still is. Whenever it says the product identified, is the product that
21 the customer identified in the acquisition request. So whatever level of
22 detail the customer gave, whether it's bananas, whether it's organic Chiquita
23 bananas, that's what the agent found. This house description. And there's no
24 other details to get to provide us with any sort of understanding that there's
25 anything other than that disclosed. Which is why the whole replacement

1 product idea on the claims is not supported. There's just not that level of
2 detail in this specification.

3 JUDGE DEFRANCO: It seems to me the customer has, you know,
4 the customer may select organic bananas. And the delivery agent sees the
5 word bananas and thinks, okay, it doesn't matter. I'll just get bananas.
6 That's a product of interest. Still the product of interest is bananas. It may
7 not be organic, but it's bananas. So, in essence, the agent has picked up the
8 wrong product. And then the customer inspects it, and it's down to the level
9 of detail. So, it's like the level of detail doesn't necessarily carry with the
10 product of interest, is what I'm wondering.

11 MR. JARRATT: Well, I think the issue with that scenario, Your
12 Honor, is if the agents select the item they thought the customer wanted,
13 either organic or non-organic, they don't go and select a replacement of
14 product prior to sending information to the customer. And that's what the
15 claim requires. Claim requires finding -- upon not locating a product,
16 finding a replacement product. Right? It doesn't say finding a product. Not
17 finding a product, sending the information to customer, the customer -- and
18 then the agent goes to find a replacement product. The order of the claim is
19 very specific. Upon not locating the item, go find a replacement product
20 before you send it to the customer.

21 JUDGE DEFRANCO: So, that means that they failed to locate the
22 correct product as identified by the customer?

23 MR. JARRATT: Correct. Yes. The agent has to be aware they
24 found the wrong product. Or, excuse me, they could not locate the product
25 and then find or replace the product on their own before sending it to the
26 customer. And that's not disclosed in the specification.

1 JUDGE KINDER: Hi, this is Judge Kinder. Could I ask a really
2 quick question?

3 MR. JARRATT: Yes, Your Honor.

4 JUDGE KINDER: So, I think I understand both sides arguments on
5 this, but this may not even have been really addressed by you in the briefing.
6 But what difference does it make that the limitation we're looking at for
7 support in the spec appears to be a purely human activity? Perhaps one
8 that's a basic shopping activity? Is there -- I don't think you cited any cases
9 or anything addressing specifically just support for basic human activity. Is
10 there any difference we should give to that? Or is it treated like a normal
11 limitation?

12 MR. JARRATT: I think we should treat it as a normal limitation as
13 what it requires. It requires the agent doing, taking a specific action and
14 those actions have to be disclosed in the specification for it to be supported.

15 JUDGE KINDER: I guess a hypothetical then, if it's such, if we
16 deem it such a basic human activity that everyone would know and kind of
17 understand that it naturally follows, does that lend support for being
18 supported by what is actually in the specification?

19 MR. JARRATT: I think the case law is clear on this point is that if
20 there's not disclosure, then even if it's commonly known, that common
21 known is not filling that gap of lack of disclosure.

22 JUDGE KINDER: And when you say case law supports, are you
23 talking about the -- if it's obvious in light of the disclosure still doesn't meet
24 the standard?

25 MR. JARRATT: That is one of the cases, Your Honor, I believe on
26 slide 20 I think this is relevant to your question. The stock out problem that

1 Consumeron raised as you argue that it's a very common situation that
2 POSITA's knew about at the time. And there's two problems with this.
3 First is that the Federal Circuit has held that the knowledge of the POSITA
4 can be used to inform what's actually in the specification, but it can't be used
5 to teach limitations that are not in the specification. That's the Rivera VITC
6 case. Essentially you can't use the knowledge of a POSITA to gap fill, that's
7 what Consumeron's attempting to do. And I should note that this even
8 applies in the predictable art when the technology is simple. Because in that
9 Rivera case, the technology there was coffee maker pods. So very simple
10 mechanical technology. And even in that case, the court found that because
11 the specification lacked disclosure, the knowledge is what's common based
12 on a POSITA cannot -- so a common human experience like going to the
13 store, not finding something can't fill in the gap of the disclosure of the '848
14 application.

15 JUDGE KINDER: Thank you. I think I understand your position.

16 JUDGE VALEK: This is Judge Valek, I have a follow up on this.
17 Mr. Jarratt, what is the gap here in your view?

18 MR. JARRATT: I think there's two gaps. The first gap is the idea
19 that the agent determines that the product is unavailable. Because the only
20 disclosure is the agent finding the product and sending an image of that
21 product, the product that the customer wants. So that's the first gap. The
22 second gap is the agent supposed to do when there is a stock out problem,
23 when there is no product to get off the shelf. And the claims require that any
24 agent to find a replacement product, but that there's also a gap with that
25 respect as well, because there is no disclosure on what the agent should do if
26 the product is not in stock. It doesn't say find a replacement product, doesn't

1 say notify the customer, it doesn't say to do any of those actions because
2 that's not contemplated in the specification.

3 JUDGE VALEK: Let me follow up on that second point that you
4 made. Do you agree that the specification or the written description
5 discloses what the agent and customer can do in the scenario where the agent
6 shows a product to a customer and the customer inspects, it says I don't want
7 it, they reject it? In that instance, doesn't the written description disclose
8 that the agent can move on showing the customer other similar products?
9 Wouldn't that be showing a replacement product?

10 MR. JARRATT: Yes, Your Honor, that is what Figure 3 generally
11 shows. But I think that is different than what's claimed, right? Because
12 again, what's claimed is the agent has to make it a firm determination that
13 the product's not available and then find a replacement product immediately.
14 The agent doesn't find the product, any product, then show the customer,
15 then the customer rejects it, and then find the replacement product. That's
16 not what's claimed.

17 JUDGE VALEK: To put it back in sort of the terms that you started
18 out with, you were talking about there being a problem and a solution. It
19 seems like the specification discloses a solution, albeit for a different
20 problem. This problem where the customer looks at the product they
21 thought they wanted and they end up rejecting it and it discloses a solution
22 for that, I'll show them another product, a similar product, and maybe they'll
23 like that one. But isn't that the same solution that an agent would employ if
24 they can't find the product that the customer identified in the acquisition
25 request?

1 MR. JARRATT: I think the claim requires more. I think the claim
2 requires the agent to take the affirmative action of finding a replacing
3 product without the customer's input, and that's not disclosed in the
4 specification. So, if the agent has to make the affirmative determination the
5 product's not available, and go find a replacement product on their own, scan
6 the barcode of the replacement product, send the information to the
7 customer. The customer then can either accept or reject that replacement
8 product and that whole laundry list of agent actions that are supposed to
9 happen after this termination that the product is not available that's not
10 described in the specification. Like you mentioned, the only description is
11 the agent finds a product that is what the customer wanted, they take a
12 picture, send it, and then the customer rejects or accepts, which is a different
13 problem and solution of the claims.

14 JUDGE VALEK: You can continue with your argument.

15 MR. JARRATT: Thank you. So, turning to slide 18, one of the other
16 things Consumeron is pointed to for support is the Step 122 shown on the
17 board. That's where the customer is notified that the agent cannot complete
18 the transaction. Well, this also does not provide 112 support for two
19 reasons. First is that this step comes after the agent has already identified
20 the desired product and sent a customer an image of that product. All right.
21 Step 122 is simply about something going wrong after the identified product
22 has been located. Right. And you can turn slide 19, you see that a little
23 more. This is paragraph 25 which describes the Step 122. And it says that if
24 a delivery agent cannot complete the transaction for any reason, the
25 customer is notified. It doesn't say find a replacement product in that
26 situation. So even if this language is interpreted as the agent fails to locate

1 the good, this says for the agent to do something different than is claimed. It
2 says to notify the customer if something goes wrong, not find or replace the
3 product. So even this does not disclose what's claimed. Let's see.

4 JUDGE DEFRANCO: Mr. Jarratt, it seems like you're talking about
5 the situation where the agent unintentionally chooses the wrong product.
6 And then as opposed to the situation where maybe the agent intentionally
7 chooses the wrong product to begin with because the agent has taken into its
8 own judgment the replacement product. Meaning they said, okay, I can't
9 find the product that the customer has chosen, so I'm going to choose this
10 product and then show it to the customer for inspection to see if my
11 substitution was the correct -- is acceptable to the customer.

12 MR. JARRATT: Right. I think some of Patent Owners evidence
13 contemplated an agent similar making a judgment call. But at most, that
14 evidence shows that scenario as being obvious. Right. For the claims to
15 have support, there has to be actual disclosure of the agent making the
16 judgment call and finding a replacement product. It can't just be obvious.

17 JUDGE DEFRANCO: Well, I think the test is whether the disclosure
18 reasonably conveys to somebody who's skilled in the art that, you know, that
19 the picker couldn't find the correct product. And I think Patent Owner is
20 saying the fact that they choose the wrong product reasonably conveys to
21 one skilled in the art that they couldn't find, that the picker couldn't find the
22 correct product. We'll hear from Patent Owner, but I'm assuming that's what
23 the argument is based on my reading of the briefs.

24 MR. JARRATT: Right. And again, I think I go back to, if you
25 interpret failing to locate a product, own product, the agent would not on
26 their own volition send an image of the replacement product, which is what

1 the claims require. They instead send an image of the wrong product
2 because they don't know it's wrong.

3 JUDGE DEFRANCO: You're saying they don't know it's wrong?

4 MR. JARRATT: They don't know it's wrong, so they don't do
5 what's claimed.

6 JUDGE DEFRANCO: How do we know that they don't know it's
7 wrong? I mean, all the -- it's choosing the wrong product. So, it could, you
8 know, encompass intentionally choosing the wrong product or
9 unintentionally choosing the wrong product?

10 MR. JARRATT: Well, I think there is in the main body of Figure 3
11 and the claim, there's nothing about the agent intentionally or unintentionally
12 choosing the wrong product. All right. It is they need to locate the
13 identified product, which is the problem with the lag disclosure, I think.
14 Let's turn to slide 22 here. And because of this gap in disclosure,
15 Consumeron instead speculates as to what an agent could do in a situation.
16 All right, this is some of the evidence they point to in their response. They
17 say assembler could identify associated item or replacement product. They
18 also say a skilled artisan could envision that when a requested product is
19 unavailable, agent can notify the customer and receive instructions. All
20 right, but again, none of this is in the '848 application itself. Right. This is
21 speculation, and I think the Lockwood case again on slide 24 is actually
22 particularly on point for this. It states that it is not sufficient for purposes of
23 written description, requirement of Section 112, that the disclosure, when
24 combined with the knowledge in the art as Consumeron's doing, would lead
25 to speculate as to the modification that the inventor would envision failed to
26 disclose. And that's the exact situation we have here. The '848 inventor

1 failed to disclose, the agent determined that the product is not available and
2 locating a replacement product. Consumeron is pointing to the knowledge
3 in the art and saying, well, it's possible the product can be unstopped. It's
4 possible the agent can find a replacement product. All right, but that sort of
5 speculation is simply not enough.

6 And turning to slide 27, I'll just briefly mention that the examiner of
7 the '779 continuation application also determines there's no written
8 description support for the failing to locate the mutation. In response, the
9 applicant amended the claim determine. All right, so the offices already
10 made this 112 determination. And because Consumeron is not pointing to
11 any actual disclosure of these limitations, the Board should confirm the
12 officer's previous findings. The '465 Patent only disparities with actual
13 filing date April 20th, 2020. All right, so moving to slide 29, as I
14 mentioned, there is a second limitation in the claim '465 Patent is not
15 supported, and I'll turn it over to Ms. Vu to discuss that.

16 MS. VU: Good afternoon, Your Honors. For this limitation,
17 determining an image from the bar or QR code. I'll start from slide 30. On
18 slide 30, we have the full claim language of Claim 1, with the relevant claim
19 language highlighted in green. Claim 14 is on slide 31, and Claim 14 recites
20 similar claim language. But if we turn to slide 32, we can take a closer look
21 at the claim language. So, what do the claims require for this limitation? In
22 Claim 1, it requires determining the information from the bar or QR code,
23 where the information includes at least one image. And in Claim 14, it says
24 the image determined from the bar code or QR code where the information
25 includes at least one image. So, these claims require the specific act of
26 determining an image, barcode, or QR code. And this is the disclosure that

1 we're looking for in the '848 application. So, it's not enough to have a
2 general disclosure about barcodes and QR codes and a general disclosure
3 about images. For written description support, we need the specific act of
4 determining an image from the barcode or QR code, and slide 33 shows this.

5 The Federal Circuit has said that the standard for Section 112 is not a
6 question of whether one of ordinary skill in the art might be able to construct
7 the claim subject matter, but instead whether the specification necessarily
8 discloses that particular subject matter. And as you will see, as we go
9 through the relevant portions of the '848 application, the subsidy does not
10 actually disclose the subject matter. Turning to slide 34, here we have
11 excerpts from paragraph eight and 23 of the '848 application. And
12 Consumeron has relied on these same paragraphs for this argument to
13 support written support for this limitation. So, on top in paragraph eight, the
14 highlighted portion says that barcodes and QR codes can be used in
15 identifying and communicating information about the product of concern.
16 And on the bottom, in paragraph 23, it says that product data can be
17 collected by scanning a barcode associated with the product or perhaps the
18 QR code. And so, paragraph eight generally refers to information. And on
19 the bottom, paragraph 23 generally refers to product data. But neither of
20 these highlighted excerpts specify what kind of information is identified
21 from the barcode or QR code.

22 And neither of these highlighted excerpts say that the information or
23 product data determined from the barcodes or QR codes is an image. On
24 top, paragraph eight does refer to digital images that's proline in red, but that
25 sentence doesn't mention barcodes or QR code. And then the next sentence
26 starts off with on the other hand, and then continues on to talk about the

1 barcodes and QR codes, which indicates that the barcodes and QR codes are
2 something different than the digital pictures. Now, the '848 application
3 actually does tell us what kind of data is determined from the barcode or QR
4 code. And we see that in slide 35. Here we have paragraph 30. And in the
5 highlighted portion, it says that barcode and QR code data can be used for
6 enabling a host of information related to the product to be presented. For
7 example, nutritional or health information, product ratings and the like. In
8 the not highlighted portion, the paragraph also mentions that barcodes and
9 QR codes can be used to conduct simultaneous price comparison for the
10 product. So here in paragraph 30, this specifically kind of information is
11 obtained from the barcode and the QR code. And that data does not include
12 images. And while there is a catch all phrase and the like, the images in the
13 claim are not like the nutritional or health information or product ratings that
14 are described in paragraph 30. I think --

15 JUDGE DEFRANCO: Does a specification define the term product
16 data generally somewhere?

17 MS. VU: I don't think it does. I think it just lists examples of
18 product data, but there's no express definition.

19 JUDGE DEFRANCO: Is one of those examples images of the
20 product?

21 MS. VU: Correct. One of those examples is images, and that's
22 actually one example of that is in slide 36. And in this phrase, it says that
23 information regarding a product can include pictures, barcodes and QR
24 codes. But here, this is really just a list of information that says what kind of
25 information the product data can be. Right? So, you can have pictures or

1 barcodes or QR code data. It doesn't say that you can determine an image
2 from the barcode or QR code.

3 JUDGE DEFRANCO: So, it's really a matter of whether we
4 determine that highlighted language there on slide 36 as defining product
5 data as including possible pictures, barcodes, and, you know, video. Or we
6 interpret the list of items in the alternative because we interpret it as not
7 being all encompassing. It seems like product data, that is, could be on the
8 QR code, could be in the code, would you agree?

9 MS. VU: If you interpreted this sentence as suggesting that, yes. But
10 respectfully, Your Honor, I think what this sentence more accurately
11 conveys is that information includes pictures or barcodes or QR codes in the
12 alternative. And actually, this paragraph isn't a good representation of what
13 the claim is requiring, because if you recall what the claim says, it's that the
14 agent scans the barcode or QR code, and then the image is determined from
15 that barcode or QR code. And in this paragraph here, we're actually talking
16 about what a customer is doing in this paragraph, the customer is generating
17 like an e-shopping list or a wish list, and the customer is the one that is
18 sending information about the product, including pictures or barcodes or QR
19 codes. And so, this paragraph here doesn't address the claimed subject
20 matter, which is the agent getting the barcode or QR code. And then, you
21 know, this picture image is determined from that QR code or barcode.

22 If we turn to slide 37, this is a similar disclosure to what was on the
23 previous slide. And again, here we have the '848 application contemplates
24 various forms for data transmission, including, but not being limited to,
25 images, barcode data, and QR code data. But again, here it's just, you know,
26 a general data forms include still images, barcode data, and QR code data. It

1 does not say that the images are determined from the barcode or QR code
2 data.

3 JUDGE KINDER: Hi, this is Judge Kinder. At the time, at the
4 critical date, how well known to a person of ordinary skill in the art that
5 images could be associated with barcode or QR data?

6 MS. VU: There's nothing in the record on that point, and so I don't
7 want to speculate here.

8 JUDGE KINDER: Thank you.

9 JUDGE VALEK: This is Judge Valek. I have a question I want to
10 ask you specifically about paragraph 23 and the '848 application, because I
11 do believe that it's more on point than perhaps some of the other ones we've
12 been discussing. I know it was in your slide, but this one seems to be talking
13 about what the agent does once they have the product. And I'm looking kind
14 of midway through that paragraph, it says that if the customer chooses to
15 inspect the product, the customer can communicate instructions to the
16 delivery agent, and they can transmit data to the customer. And then it
17 describes examples of that data. So, it could be a digital picture, different
18 views. You could pan out, zoom out, you know, show certain features
19 closer, and the agent can transmit that information to the customer in real
20 time and they can make a decision. And then this is the operative sentence.
21 It's the penultimate sentence of that paragraph. It says, on the other hand,
22 the product data can be collected by scanning a bar code associated with the
23 product, or perhaps the QR code. Doesn't that sentence where it says, on the
24 other hand, you can also get the product data just by gaining the QR code.
25 Doesn't that sentence support that product data includes images just like all

1 the ones that the paragraph was talking about before, where the agent was
2 actually collecting it with a camera on their device?

3 MS. VU: I think this paragraph suggests that the agent uses the
4 camera to take a picture of the product. And in the alternative, the agent can
5 collect product data by scanning a barcode or QR code? This paragraph
6 doesn't say that the QR code or the barcode is used to determine the image.
7 That might be obvious. It might, but obviousness is not the standard for
8 written description. And again, in paragraph 30, the '848 application does
9 tell us what information is determined from the barcode or QR code data.
10 And the information is not an image. It's other information such as
11 nutritional information and health information and product rating. It's not
12 images.

13 JUDGE VALEK: But going back to the statement that's actually in
14 that paragraph, it says, on the other hand, the product data can be collected
15 by scanning a QR code. So doesn't that refer back to the previous instances
16 by saying, on the other hand, you could do it this way, doesn't that strongly
17 imply, if not expressly state, that the data includes images of the product
18 because it's another way of providing those for the customer?

19 MS. VU: At best, it's obvious. It doesn't say that, right? It doesn't
20 expressly say that the product data is an image that's collected from a
21 barcode or a QR code. And again, that's what we're looking for when we're
22 talking about written disclosure support. And so, it might suggest it. It
23 might be obvious, you know, knowledge of a POSITA might be able to infer
24 that, but I don't think that that's the standard when we're considering written
25 description support for this limitation.

1 JUDGE VALEK: To me, it seems like perhaps the specification
2 discloses, or the written description discloses that there can be different
3 types of product data, one of which is images of the product itself, whereas
4 the claim is more specific in that it specifies that the QR code needs to
5 provide an image of the product. And if that's the case, aren't you allowed to
6 claim more narrowly than the broader written description that your
7 specification provides?

8 MS. VU: I think it depends on what's disclosed here. Again, there's
9 a broad disclosure of images and a broad disclosure of barcodes and QR
10 codes, but the claims require the specific act of determining an image from
11 the barcode or QR code, and there's no express disclosure of determining it
12 from the barcode or QR code.

13 JUDGE VALEK: Okay, you can continue.

14 MS. VU: Okay. So I think if we turn to slide 38. So, the reason why
15 the '848 application doesn't disclose determining an image from the barcode
16 or QR code is because the alleged problem was directed to static images.
17 Customers were opposed to Internet shopping because an image of the
18 product might not be available, or the picture might not accurately depict the
19 item. These pictures that are described in the background of the '848
20 application are static images of the item. They're not pictures of the item
21 that are actually in the store. And on slide 39, we have the proposed solution
22 to this problem, and the proposed solution is to provide real time data to
23 allow the customer to inspect the product. So, the claims contemplate the
24 agent going to the store with the camera and then taking a picture. I'm sorry,
25 the specification contemplates the agent going to the store and taking a
26 picture of the item on the shelf and allowing the customer to see the actual

1 product that's going to be delivered when the customer can't go to the store
2 themselves. That's the solution that's contemplated.

3 And so, if you're considering the problem of unavailable or
4 inaccurate images, and then the solution to provide real time images of the
5 actual item on the shelf, then sending a static image that's determined from
6 the barcode or QR code would be inconsistent with that proposed solution.
7 That's because using the barcode or QR code to determine an image would
8 be sending a static image from a server. And you can see that in slide 40
9 where we have dependent claims that say that the image is from a database
10 on a remote server, right? So, these are static images that are determined
11 from a remote server. And so, sending these static images that are
12 determined from a barcode or a QR code would be inconsistent with the
13 proposed solution of sending real time data and more in line with the
14 problematic, unavailable or inaccurate images that the '848 application was
15 trying to improve upon.

16 And on slide 41, we have Dr. Houh's testimony supporting that. He
17 analyzed the '848 application from the viewpoint of a POSITA and
18 determined that sending a customer a static image of a replacement product
19 from a database would be the same type of potentially inadequate static
20 images that the '848 application was attempting to improve upon. And so,
21 to finish with this limitation, the '848 application does not provide written
22 description support for determining an image from the barcode or QR code
23 as required by the claim. Returning to slide 42, because the '848 application
24 does not provide written description support for two limitations in the
25 claims, the failing to locate limitation, and then the determining an image
26 from a bar code limitation. The '465 Patent's effective filing date. The '465

1 Patent is not entitled to an earlier priority date and if effective filing date it is
2 April 20th, 2020.

3 JUDGE KINDER: This is Judge Kinder. Just to clarify, is it either if
4 we determine either of those are supported?

5 MS. VU: That's correct. If either one are not supported, then the
6 '465 Patent does not get the claim. Priority is not entitled to priority to
7 earlier.

8 JUDGE KINDER: Thank you for the clarification.

9 MS. VU: And if there are no further questions, I'll turn back over to
10 Mr. Jarratt.

11 MR. JARRATT: All right, thank you Ms. Vu. Turning to slide 43,
12 let's turn to claim instruction and the term acquisition request is a dispute.
13 This is the same term that was in dispute in the previous IPR's. That and
14 this term was actually construed by the Board in those final written
15 decisions. In the '465 Patent, this term is again recited in both the
16 independent Claims 1 and 14. And you see that on slide 44. This term is
17 used in the same way as it was in the previous patents, right? Broadly to
18 cover any type of acquisition via purchase, pick up, et cetera. Normally the
19 claim is consistent with that. You can see at the bottom that the acquisition
20 request is fulfilled by an agent acquiring a replacement product. Acquisition
21 request is simply a request to acquire. If we turn to slide 45, Consumeron is
22 again urging the construction of a request from an agent to shop for goods
23 on a customer's behalf. This is the same construction they advocated for in
24 the previous IPR's. And again, construction is overly narrow and not
25 supported by the specification. All right, specification confirms that an

1 acquisition request doesn't require an agent to shop or make a purchase. All
2 right, and that's what the Board --

3 JUDGE DEFRANCO: Just to interrupt briefly, I think you've little
4 left on your opening time so that you might want to expedite things. You
5 might want to just get into the prior art challenges only because we're not
6 inclined to change our claim construction at this point, having already
7 construed the same limitation. In our Final decisions on the related
8 limitations.

9 MR. JARRATT: All right, thank you, Your Honor. All right, in that
10 case, let's turn to slide 50. A primary challenge in this claim IPR is based on
11 Carr and view of Lauka references. You can see Carr on slide 51 and Carr
12 discloses the same system and method is claimed in the '465 Patent. In
13 Carr, a customer places an order for a product. That order is forwarded to an
14 assembler at the store, who traverses the store looking for the item.
15 Assembler can't locate the item on the shelf, he scans a barcode and that
16 barcode is used to retrieve images of the replacement products. Right? So,
17 images are then sent to the customer for approval. The customer selects
18 which of the replacement products they want to purchase, and that selection
19 is sent back to the assembler. All right, similar acquires the selected product
20 and it's delivered to the customer. All right. That's exactly what's claimed
21 by the '465 Patent. Turn to slide 52. I think it's important to note that
22 Consumeron does not cede that the claims are obvious under the plain and
23 ordinary meanings of this acquisition request. All right. Which means that
24 if the Board confirmed its preconstruction from the other IPR's, as it should,
25 there's no dispute that the claims are unpatented. All of its arguments are
26 predicated upon its overly narrow construction of acquisition requests.

1 All right, let's -- I would like to address a couple of Consumeron's
2 arguments. If we turn to slide 55, it says, because a customer ordered -- this
3 is from their response to page 44. It says, because the customer ordering in
4 Carr is no more than an offer for and payment of goods over the seller's
5 website, the customer completes the transaction, not Carr assemblers.
6 Accordingly, Carr's assemblers do not receive notifications of the approval
7 of the purchase, prompting them to complete the transaction, purchase the
8 goods, during the acquiring step. And there's two problems with this. The
9 first is that as we've seen on slide 66 in green, the claims do not require
10 acquiring or -- excuse me, the claim does not require the agent to make a
11 purchase. They simply require the agent to acquire. All right. And with
12 respect to this approved, the purchase language in yellow Carr also discloses
13 that. All right, if we turn to slide 57.

14 In this top passage, it says that the method of communication allows
15 the customer to select one of the substitute goods as an alternative good.
16 And then the second pass says, the alternative good is communicated back to
17 the assembler. The assembler includes the alternative good in the customer
18 order. That communication back to the assembler gives the customer's
19 approval of the purchase of the substitute good. That client. The customers
20 saying, yes, I want to buy the substitute good. And logically, the customer
21 has to give that purchase approval because the replacement good is different
22 from the good the customer orders. They have not given previous approval
23 for the new different product. They affirmatively say, yes, I want to
24 purchase the replacement good. And again, it's worth repeating if the Board
25 confirmed it's previous construction, there's no dispute to Carr in Lauka

1 render obvious challenge claims. If there's no more questions, I'll reserve
2 the remainder of my time for rebuttal.

3 JUDGE DEFRANCO: Okay, Mr. Jarratt, I believe you're about two
4 and a half minutes into your rebuttal. So you have 17 and a half minutes
5 left.

6 MR. JARRATT: Thank you, Your Honor.

7 JUDGE DEFRANCO: Patent Owner, you may start whenever you're
8 ready.

9 MR. HANNAH: Thank you, Your Honor. I am going to share my
10 screen. Can you see my screen, Your Honors?

11 JUDGE DEFRANCO: Yes.

12 MR. HANNAH: Okay, great.

13 JUDGE DEFRANCO: How much time would you like to reserve for
14 rebuttal?

15 MR. HANNAH: Oh, I'm sorry. Thank you. I'll reserve 20 minutes
16 for rebuttal as well. So I'd like to -- well, first of all, thank you for your
17 time, Your Honors. I do appreciate it. I do want to thank you for your time
18 and taking a hard look at this, and may it please the court, I'd like to proceed.
19 The first thing I want to start off with is the standard. That was one of the
20 first questions that was raised by Your Honors during the opening remarks.
21 And I think it is very important to understand what that standard is and what
22 we're being applying to the facts of this case. And I think the most, one of
23 the most relevant cases here is this Pozen vs. Pharmaceutical case decided
24 throughout our brief. It is 696 F.3D1151. This is the 2012 Federal Circuit
25 case. And what's important to recognize here is that the Federal Circuit
26 specifically affirmed the District Court's analysis that new and unpredictable

1 concepts do not have to be disclosed in the written description in the
2 specification in order to satisfy written description. And this, you can find
3 them. I'm showing it on the screen here. But this is in this quotation, in
4 paragraph 17, as shown here. And if we look, this is at 1166. And then at
5 1167, they further confirm the standard that we're looking at. And in
6 particular, I want to look at the bottom half this paragraph, where it says, the
7 patent specification is written for a person of skill in the art, and such a
8 person comes to the patent with the knowledge of what has come before.
9 Placed in that context, it is unnecessary to spell out every detail of the
10 invention in the specification. Only enough must be included to convince a
11 person of skill in the art that the inventor possessed the invention, and to
12 enable such a person to make and use the invention without undue
13 experimentation. Now, that's the standard.

14 I want to talk a little bit about the facts opposing. The facts opposing
15 are remarkably similar to our case here, in that the other side argued that this
16 limitation, which I've highlighted here, which is going to be found on 1158
17 of the case, the other side argued that the sensation of a finished
18 pharmaceutical container that contained, and that also contained labeling,
19 was not disclosed in the specification at all, anywhere in the specification.
20 Now, as I'm going to show you, in our view, it is expressly disclosed. This
21 is what the other side argues, similar to what they're arguing here. Even if
22 you took that at face value, the court found that putting these pharmaceutical
23 dosages in containers was not a new and unpredictable concept. Therefore,
24 it did not even have to be explained at all in the specification. And the
25 Federal Circuit agreed. The Federal Circuit said that is the standard. So,
26 these arguments that counselor are making, saying that you don't take into

1 account what one skilled in the art would do, would know, it's not the
2 appropriate standard. You have to come to look at the patent with the
3 knowledge of what has come before. And if you look at that in conjunction
4 with the specification, failing to locate an identified product limitation meets
5 is disclosing the specification. And that is met by the standard here.

6 So, I want to take a look at now that we level set in terms of what the
7 loss, you can take this knowledge of what's skill in the art and what's out
8 there. Let's take a look at what is actually disclosed. So here now I'm
9 showing on the screen and I hope you can see it. This is the actual
10 application itself, the '848 application that the '465 is claiming priority to.
11 And this is the gist of the written description argument that addressing today,
12 and as the court knows, we're specifically talking about the upon failing to
13 locate an identified product, that limitation is expressly disclosed with this
14 passage in 24. In 24, let me just put this in context. So, 23 goes through a
15 whole process which I'll get into about this. Agent goes to a store, finds a
16 product, the agent takes a picture of the product and then it's inspected by
17 the customer. When the customer rejects that product, at that point, the
18 agent has failed to identify the product. That's exactly what the first two
19 sentences of 24 contemplate. It says next, the customer either approves or
20 rejects acquisition of the inspected product. Right. You want to look at the
21 inspected product to see is that the right product or is that the wrong
22 product? If the product is rejected by the customer, at that point, the agent
23 knows that it failed to identify the correct product or the identified product.
24 And so, then it will continue to inspect another product which follows in 24.
25 So that particular step is found with the rejection by the customer.

1 Now what I wrote down and what counsel's argument seems to be is
2 that there can be -- counsel's argument is assuming that the customer doesn't
3 have to give any feedback before the agent realizes it was the wrong
4 product. That is not what the claims say. The claims don't say anything
5 about limiting the agent to, they know it's the wrong product. If you look at
6 the claims, and I'm putting the claims up on the screen now this is of the
7 '465 Patent Claim 1. All the claim says is upon failing to identify, upon
8 failing to identify, locate and identify product of the set of one or more
9 goods, right? That can happen when the product is rejected by the customer.
10 And that is what the invention is solving. That's the paragraph. And
11 paragraph five, the '848 application, is that you can send these people to do
12 errands for you. And I'm putting on paragraph five of the '848, you can
13 send people to do errands for you. However, if the person running the
14 errand purchases the wrong product, they won't know until the item is
15 delivered. And so what the '465 tells you is that you have this real time
16 mechanism in order to inform the agent that you got the wrong product.

17 And how do you do that? One way you can do that is you can send,
18 the agent can send them a picture and the customer can provide fee back and
19 say, I'm rejecting that you got the wrong product. And that's when the
20 claims of the '465 are talking about failing to locate a product of one or
21 more good is when it receives that, when the agent received that feedback, at
22 that point they realize, I failed to receive the identified products. I'm going
23 to go look for replacement products. And then paragraph 24, we'll discuss
24 exactly how to do that.

25 JUDGE VALEK: Mr. Hannah, I would like to ask you a question
26 and follow up on that. Is the claim limited to that scenario? In other words

1 does the claim only encompasses instances where the agent goes to the store,
2 they find the product that's in the acquisition request, they show it in real
3 time to the customer, and the customer rejects it? Or does it also include a
4 scenario where they go to the store, they're looking for bananas, or whatever
5 product is in the acquisition request, and it's just not there and they don't
6 have anything for the customer to inspect. Does it also encompass that latter
7 scenario?

8 MR. HANNAH: Yes. Yes, Your Honor. And it says that on
9 paragraph 23.

10 JUDGE VALEK: Let me follow up on that before you move on.

11 MR. HANNAH: Sure.

12 JUDGE VALEK: Where in the specification does it provide written
13 description for that latter scenario where the agent can't find a product and
14 so there's nothing for the customer to inspect and reject? It isn't at the store.

15 MR. HANNAH: So I would say that's in paragraph 23. Because in
16 paragraph 23, and this is like Your Honor pointed out earlier, is that say you
17 wanted to find organic bananas and the picker or the agent just finds bananas
18 and believe that it identified the correct product and then sends that to the
19 customer and then they identify that as being the incorrect product. So, they
20 failed to locate it because they chose what they thought was the correct
21 product and it was the incorrect product. So I think that's in 23. But
22 furthermore --

23 JUDGE VALEK: Let me ask you a follow up on that, Mr. Hannah. I
24 thought we got this before, but maybe my question wasn't precise enough.
25 Does the claim encompass a scenario where the picker or the agent doesn't
26 make an incorrect choice? They just say, there are no bananas at the store. I

1 went to the produce section. I went to the bin where the bananas are, and it's
2 empty. So, there's nothing for you to inspect. I'm not going to pick a non-
3 organic banana. I'm just not going to show you anything. Where is that
4 described in your specification?

5 MR. HANNAH: No, I don't think that's covered by the claims. I
6 misunderstood your question. I'm sorry, Your Honor, that's not described in
7 the claims. The claims require you to be able to look for and find. Look for
8 a replacement product and then send information on the replacement
9 product. So, if you have an empty bin of bananas, then you're not going to
10 complete the rest of the steps of the claim.

11 JUDGE VALEK: Well, how does the claim language, upon failing
12 to locate an identified product, exclude that scenario? It seems quite broad.
13 And actually, the more reasonable interpretation of that phrasing seems to
14 contemplate a scenario where the agent goes to the store, and can't locate the
15 identified product. It's just not there. It's out of stock.

16 MR. HANNAH: Yeah, well, so I would say that you have to look to
17 other parts of parts of the claim where you have to electronically transmit
18 information on the replacement product. That provides a more specific
19 scenario in which if you go to a store and it's not there, there's nothing to
20 take a picture of for a replacement product.

21 JUDGE VALEK: You can move on.

22 MR. HANNAH: Okay, so when we're talking about --

23 JUDGE DEFRANCO: Mr. Hannah, this is Judge Defranco. I'll just
24 follow up on Judge Valek's question. If the claim didn't cover out of stock
25 items, then why does Patent Owners submit evidence as to what the state of
26 the art is with respect to out of stock items being a problem in the art?

1 MR. HANNAH: Well, so then I think. So let me be clear. If you're
2 out of organic bananas and you try to substitute it with a non-organic
3 banana, I would say that you're out of stock on organic, but the replacement
4 would be the non-organic banana.

5 JUDGE DEFRANCO: Okay.

6 MR. HANNAH: Yeah. If you're out of bananas and you show them
7 an orange or a, you know, a Nike shoe, then I would say that that's not a
8 replacement, I wouldn't say that that's a replacement product. That was my
9 point, if that makes sense.

10 JUDGE DEFRANCO: Got it.

11 MR. HANNAH: And the other thing that I want to emphasize
12 though too, is, you know, we pointed to paragraph 23. But also, this is
13 something that is known to someone in the arts, right? This is not a new and
14 unpredictable concept. You know, as we see in the Pozen case that you're
15 going to go to a store and there might not be organic bananas. And, you
16 know, just to follow up on, you know, this analogy that we've been using,
17 that it is known. It's not a concept that's going to be out there. I mean, that's
18 not going to be new. That they're going to use this invention to say, okay,
19 there's not organic bananas, but I'm going to take a picture of a replacement
20 item and send that to the customer for their approval. That is upon failing to
21 find the organic bananas, that is still within the written description for the
22 '465 Patent, because that is something that is known. And what the Board
23 asked for on this aspect is evidence. That's why we're here at trial. And
24 that's what we submitted. We submitted evidence with Dr. Mitzenmacher
25 and he talked about specifically, and this is going to be found in exhibits
26 2009 at page 325 and exhibits 2010 at 91.

1 So Instacart doesn't rebut this evidence. They keep making the
2 argument saying, well, obviousness is the wrong inquiry. They want to
3 make it clear that this isn't submitted as an obviousness type inquiry for
4 under 103. This evidence is used to demonstrate exactly what Pozen says,
5 that you have to come to the patent with the knowledge of what has come
6 before. And what has come before is that stores have stockout problems.
7 Someone's going to know that reading the specification, and they're going to
8 know that, okay, I can use this invention in the case that there's going to be a
9 stockout. Again, in exhibit 2010. Substitution for items out of stock is a
10 problem. This is knowledge that the person of ordinary skill in the art comes
11 into. This is not an obvious 103 inquiry. This is the knowledge of one. And
12 we've all dealt with it. We've all dealt with going to a store and something
13 being out of stock. And so, someone reading the specifications is going to
14 have that type of information. And so, now that we have a full record and
15 evidence that is in the case, saying that this is the knowledge that we have
16 coming into reading this patent specification. These are the examples that
17 provides the entire picture of what the written description discloses. And it
18 discloses a scenario in which you fail to identify a product. And that's what
19 the limitation requires for the claim. You fail to identify the product that the
20 customer requires.

21 Now, one thing I want to point out, and I think I want to make sure
22 that it's not lost, is, you know, we talked about this paragraph 23 a lot. I
23 mean, the Petitioner does. In this scenario, when you're going through 23,
24 this talks about the delivery agent enters the shopping location and identifies
25 the product of interest. So, this is the delivery agent identifying what they
26 think is the product. There's the product of interest language here. It's not

1 confirmed with the customer's product of interest until you get to the step in
2 24 where the customer either approves or rejects acquisition of the inspected
3 product. And this is subtle, but there's a point. The point here is that what
4 the claim requires is you receive through the remote server, our first
5 acquisition request from the customer. So, this is the customer's identified
6 product of interest. This is the customer's identified product interest. This is
7 not what the agent thinks might be, which 23 is talking about. The agent
8 thinks that this might be the product of interest. Once it sends that real time
9 feedback to the customer, that's when the agent realizes that it's failed to
10 identify what the customer has identified as the product of interest. And it
11 will take the remedial steps in order to get the correct product. And I think
12 that's an important point. Because the way the claims are written is to make
13 sure that the customer is getting what they want. To get the items that
14 they're requesting and the agent is doing their best job. But as we know
15 from paragraph five, agents will pick up wrong products sometimes and we
16 need to solve that problem. And that's what these claims are solving, is
17 solving that problem of you getting the wrong product. I realize I got the
18 wrong product. I need to do something about it. And I need to replace it
19 with something else.

20 JUDGE VALEK: Mr. Hannah, I have another question for you. It
21 seems like the product or the -- what you're calling the right product or the
22 wrong product may be a bit of a moving target. What about the scenario
23 where the customer sends the acquisition request, they say, I want a
24 particular shirt, something that they're going to wear. And the agent goes
25 and finds the shirt in the store. And then shows them a picture of it, and the
26 customer, upon looking at that picture, says, you know, that's not really what

1 I wanted after all. And so, they reject it. When you read the specification, it
2 seems like that scenario is encompassed by the disclosure, but in that
3 particular scenario, it seems like the identified product has changed from at
4 least what it was in the acquisition request to what it is in this later limitation
5 where it says that the agent has failed to locate that product. I guess what
6 I'm getting at is, to me, at least looking at the claim language, it doesn't seem
7 like that scenario is the agent failing to locate the identified product. I mean,
8 it seems like the agent has located the identified product, and the customer
9 has changed their mind and decided they don't want it. And so, in that
10 scenario, how does this claim language read on it, if at all?

11 MR. HANNAH: Well, I mean, so the test here's written description,
12 and I think Your Honor just said that you think that the, you agree that the
13 specification discloses that scenario. And so, I would submit then, based on
14 that, that's adequate written description for that. Maybe I'm
15 misunderstanding the question.

16 JUDGE VALEK: It seems like you're suggesting at least that that
17 phrase where it says that the customer can reject the product, I think it's in
18 paragraph 24 of the priority application you're saying that, contemplates an
19 instance where the agent is only finding the wrong product, and therefore the
20 customer rejects it. But I think the more natural reading, or at least another
21 natural reading of the description, is that this is talking about a scenario
22 where the agent finds exactly what the customer identified in the acquisition
23 request. But for whatever reason, upon closer inspection, the customer says,
24 I don't want it. And so, I'm struggling to understand why someone of skill in
25 the art would interpret this sentence the way you say I should interpret it, as

1 opposed to perhaps this other interpretation, which seems more consistent
2 with the overall disclosure.

3 MR. HANNAH: Okay. I mean, I would just rely on common sense
4 for that, Your Honor, because if I'm going to the specification in this
5 application contemplates that you're going to be spending money on this
6 service, regardless if they pick up the item, or, you know, depending on how
7 they pick up the item and different billing situations and whatnot, if the
8 agent picks up the correct exact item that the customer wants and the
9 customer rejects it, I would say common sense says it was probably the
10 wrong item. It's tough for me to think that, okay, the customer made this
11 request, and then just decided to change their mind. I mean, that's
12 essentially what the scenario you're contemplating is, that they change their
13 mind, and they don't want the product anymore. I think that the more natural
14 reading is that, and in light of what paragraph five says, especially about
15 solving this problem with the wrong product, is that the product is rejected
16 because after it's inspected, it's inspected and determined to be the incorrect
17 product. It's not the product that was rejected. I mean, that was requested.
18 And therefore, the agent has failed to identify the product. And so, now
19 we're going to be looking for a replacement product, I mean.

20 So, I mean, that's a, it's almost like a take back scenario, right? I
21 mean, that the agent, the customer says, I want this specific item, an iPhone.
22 You know, and they take a picture of the iPhone and then they say, okay, I
23 don't want the iPhone. I think that the more natural reading is, they said, I
24 want the iPhone. They pick it up and they picked up the wrong version of
25 the iPhone and they said, nope, that's the wrong, that's the wrong product.

1 And you need to get me the iPhone 16. You showed me the 15. And so, I
2 reject, I'm rejecting your, I'm rejecting it for that purpose.

3 JUDGE VALEK: So, I'm looking at your slides right now, and I'm
4 on Slide 16. You have a quotation here from the specification, the '465
5 Patent. The second sentence here seems to be exactly the scenario I just
6 described where it says, for instance, customers who are particular about
7 style, quality, or actual function may wish to further view or examine an
8 item. Isn't that the scenario I talked about before where the customer in the
9 acquisition request, selects a shirt or a dress or some particular style, and
10 then when the agent goes to the store and finds it and shows them a closer
11 view, perhaps with their real time imaging device, they say, no, never mind,
12 that's not going to look good on me. I don't want it.

13 MR. HANNAH: That might be an example, but the question is
14 whether there's written description support for the example of a wrong
15 product as well, and whether one who is skilled in the art, bringing their
16 knowledge in, is going to understand the specification, to disclose that. And
17 so, the fact that there are multiple embodiments disclosed helps us, it doesn't
18 hurt us. It helps us that there's multiple embodiments that are talking about
19 this.

20 JUDGE VALEK: So that's kind of what I'm getting at. You've cited
21 a sentence in, I believe it's paragraph 24 again, that I told you, I think, can be
22 read multiple different ways. You're saying I should read it multiple
23 different ways, but then I'm pointing you to other parts of the same
24 disclosure which seem to suggest a different way of reading than you're
25 proposing. And so, I know that it's your position that there's multiple
26 different disclosures or multiple different embodiments, but why wouldn't

1 one of skill in the art looking at this disclosure that you've highlighted on
2 slide 16, then use that to interpret the more ambiguous statement in
3 paragraph 24?

4 MR. HANNAH: So can you ask that one more time, Your Honor,
5 just so I'm sure.

6 JUDGE VALEK: So let me start with kind of first principles. We
7 agree that the written description as a whole should be read in context of
8 itself, that you should look at the whole of the description.

9 MR. HANNAH: Absolutely. In addition to, you bring forth the
10 knowledge of one skilled in the art, right?

11 JUDGE VALEK: Yeah, I think we've seen several cases to that
12 effect. What I'm getting at is this sentence in paragraph 24 that you
13 highlighted here on the screen, the one that begins next, the customer either
14 approves or rejects. It can be read on multiple different embodiments, as
15 you say, either the one where the agent is unable to find the right product,
16 the one in the acquisition request, or perhaps a scenario where the agent
17 finds the product in the acquisition request, but the customer decides to
18 reject it because they don't like the style or the quality or whatever. So,
19 shouldn't a statement in paragraph 24, in view of other statements of
20 specification, like the one that we see here on your slide 16 where it talks
21 about the background of the invention perhaps, and the ways to solve these
22 problems, shouldn't I interpret that to address that particular problem as
23 opposed to this other scenario that you've identified?

24 MR. HANNAH: I think you have to do it with both. So, you have to
25 do it with both because the very next paragraph of the application talks about
26 the wrong product scenario. So, you're pointing to the one that you're going

1 to get this feedback for the purchases, right? And so, that's slide 16 talking
2 about that. So, you're going to inspect it and you're going to reject it because
3 you don't like the quality or actual function. Then you have to go to the very
4 next paragraph which says also if it's the wrong product that the agent
5 picked up and this is, you know, at paragraph five, slide 17. Then that's a
6 problem too. And that's the solution for that problem if you have the wrong
7 product. So, I think it encompasses both of those.

8 JUDGE VALEK: And what about the third scenario where the
9 product just isn't available? It's in the acquisition request, the agent goes to
10 the store and it's just not there. Is there a written description support for
11 that?

12 MR. HANNAH: I think in 23, I mean, that's what we talked about
13 earlier. I think 23 provides that support. And this is the example of the
14 organic versus the non-organic bananas. And they pick up the wrong one in
15 terms of the bananas. But also, this is where it comes in with Pozen and the
16 knowledge of skill in the art. Coming to looking at this application, to have
17 that information and reading this application, you're going to know, okay, if
18 I go to the store, it might not, it might not have this information. We know
19 that there's out of stock problems. There's evidence of that 2009, 2010.
20 And, you know, that's just going to be something that they know. And that
21 kind of leads me into, you know, I don't think we need to get there, but to the
22 extent we do, we have this whole doctrine of the inherency as well. Right?
23 We raise that with regards to the Yeda case. We cite several cases, but one
24 of the leading cases on this issue is the Yeda versus Abbott case. And the
25 principle really here is that, you know, an out-of-stock item is an inherent
26 part of the shopping process. And so, to the extent that we even need to get

1 here because we believe it's expressly disclosed, but assuming argue
2 window, I guess I should say is that this is absolutely going to be inherently
3 disclosed because of this inherent problem of out of stock items being part of
4 the shopping process.

5 And I think it's important to highlight that Yeda case and says under
6 the doctrine of inherent disclosure, when a specification describes an
7 invention that has certain undisclosed, yet inherent properties, that
8 specification serves as adequate written description. I think as part of the
9 shopping process, it's inherent that there may be items that are out of stock
10 and that you can use this invention or an agent and use this system in order
11 to go to the store, determine that is out of stock. You fail to locate the item,
12 and then you would find a replacement item, take a picture and send that to
13 the customer for approval. So that's, you know, again, this inherent
14 argument. And when you look at the briefing, there's little rebuttal to this
15 inherency argument. And that's because it is common sense that you're
16 going to store is going to have things that are out of stock. There's going to
17 be situation which things are failed to find. There's not going to be a
18 premise, and there's no, you know, going to be a perfect world in which
19 every single item is always going to be in stock. I think that's exactly what
20 this, when you read the specification as a whole translation, solve that
21 problem. The problem of things being out of stock being not accurately
22 described on the Internet and things of that nature. And so, you have to have
23 this real time feedback mechanism.

24 It's kind of part of this, you know, we pointed out in our brief, but I
25 think it's kind of worth showing as well, is this whole argument is actually
26 something that their experts conceded with regard to just failing to locate or

1 things being out of stock is something that a POSITA would recognize,
2 means failing to locate the goods. And so, this is paragraph 117 of exhibit
3 1300 that I'm showing on the screen now. And as the doctor said, he said,
4 Carr teachers failing to locate and identified product of the one or more
5 goods is claimed because a POSITA would have recognized that when an
6 item an identified product's out of stock, an order, someone would fail to
7 locate the item. He's not saying anything about obviousness here or
8 anything of that nature. He's saying, what does it mean if something's out of
9 stock? And what it means that something is out of stock is that you're going
10 to fail to locate. And we provided evidence in this trial that out of stock is
11 something that a POSITA is going to know. A POSITA is going to know
12 that this is a problem that exists, and you're going to read the specification in
13 light of that.

14 So just a couple of things on this point before I move on to the QR
15 code that I noticed during the opening remarks. One of them was, Your
16 Honor, to ask them specifically, what are the two gaps? What are the gaps
17 that they're arguing are here in the disclosure? The first one was
18 determining that the product is unavailable. Right. That's what they wrote
19 down. And when you press them, when you press counsel on that, that's
20 when it really became apparent that the counsel specifically said this, the
21 failing to locate requires that the product be failed to locate. Cannot locate
22 the product without customer input. And there's nothing in the claim that
23 requires that. It is absolutely part of the disclosure that the failure to
24 determine their product is unavailable or that it's the wrong product can
25 happen when the customer rejects, rejects the 724, reject the acquisition of
26 the inspected product, it can absolutely happen.

1 Then the second one, in terms of the quote unquote gap, was, what
2 does an agent do if the product is unavailable? If it's not the identified
3 product. I think this one was kind of already addressed. But just to be clear,
4 the paragraph 24 addresses that specifically. Once the agent gets the
5 feedback that the product is rejected, the customer can request further
6 shopping and the delivery agent will move to other similar products or travel
7 to another location in search of the satisfactory product so it can continue
8 this process in order to try to find the correct product for the customer. So,
9 there are no gaps. And even the two identified, quote unquote gaps counsel
10 tried to identify during the opening is specifically found in paragraph 24.

11 The other thing is, counsel tried to really downplay that if the
12 sentence in paragraph 25 where it says if the customer is not qualified for the
13 amount of the desired purchase, or if the delivery agent cannot complete the
14 transaction for any reason, the customers notify that the acquisition cannot
15 be made as indicated in 122. If the delivery agent cannot complete the
16 transaction for any reason. One who is skilled in the art reading this in
17 conjunction with paragraph 23 and 24 would understand that you can't
18 complete the transaction if you fail to locate the goods. And that's
19 absolutely contemplated as part of the specification here. I'd like to ask,
20 Your Honors, if you have any questions about the failing to locate. If not, I
21 can move on to the QR code limitation?

22 JUDGE DEFRANCO: No. Mr. Hannah, I don't. And you have
23 about three and a half minutes left in your opening.

24 MR. HANNAH: Three and a half?

25 JUDGE DEFRANCO: Yes.

1 MR. HANNAH: Okay, thank you. So I will be on this one. I'm
2 showing the slides for here. So, during the opening remarks, I think that it
3 was confirmed at least what I wrote down was that the specification does
4 disclose the ability, and this is in paragraphs, you can find it in paragraph 23,
5 is very informative because it talks about scanning the QR code, on the other
6 hand, and then identifying the product data as being pictures. But this can
7 also be found at paragraph eight, I would say 29 and 30 as well. In all of
8 those paragraphs, there's absolute disclosure for being able to scan a QR
9 code and be able to send product data in those paragraphs, and I believe this
10 also was confirmed, is that that product data as disclosed in specifications
11 can include pictures. And so, based on that disclosure, the element of
12 determining from the barcode which is explicitly disclosed, and if that
13 information includes an image of the replacement product, that's product
14 data that can include pictures.

15 And so, it's expressly disclosed that you can determine an image of a
16 product from a bar, QR code, this is on slide 22. And some of the evidence
17 here with regard to the teaching away set forth in our brief on slides 23, 24,
18 and 25. But in any case, it doesn't teach away because there's this ability to
19 be able to locate the product and actually find the QR code, solve the
20 problem of an agent picking up the wrong product. And that's exactly what
21 we cite for these slides and in our briefing. With that, I'm not sure if, Your
22 Honors, question about the QR code. I'd be happy to answer them.

23 And finally, with regard to the claim construction and the acquisition
24 request and the Carr reference, the other references, we preserve our
25 arguments with regard to the claim construction and the prior art, but we'll
26 rest on the papers with regards to those arguments. I'm not sure if Your

1 Honors have any questions about the claim construction if we want to talk
2 about.

3 JUDGE DEFRANCO: No, I don't think we do, Mr. Hannah. I think
4 your time is about up here, about 27 seconds, 25 seconds if you want to take
5 them, or you can just relinquish them.

6 MR. HANNAH: For the opening or for the rebuttal?

7 JUDGE DEFRANCO: For the opening.

8 MR. HANNAH: That's fine. Thank you.

9 JUDGE DEFRANCO: All right, Petitioner, do you have a rebuttal?

10 MR. JARRATT: Yes, Your Honor, just to address a couple of things
11 that counsel mentioned in their presentation. First is that counsel mentioned
12 and brought up Dr. Houh's declaration at paragraph 117. I just want to
13 mention that in that paragraph, Dr. Houh is analyzing the out of stock
14 situation in Carr, which is expressly disclosed. He's not analyzing within the
15 '848 application and then going to Pozen, the Pozen case. We certainly
16 agree that the knowledge of a POSITA can be used to interpret the
17 disclosure. We're not disputing that, but I would dispute that Pozen said that
18 even if there's no disclosure at all, you can fill that gap with knowledge of
19 the POSITA. Right. It can't mean that because we know the hallmark of
20 written description is disclosure, right. What the court in Pozen did is find
21 disclosure and then say this is how a POSITA would have interpreted it, and
22 that's perfectly acceptable.

23 JUDGE DEFRANCO: Can a POSITA use the disclosure and also
24 use the knowledge in the art to do some gap fill in the disclosure. Is that
25 correct? In whatever is disclosed, say, interpreting a term in that disclosure.

1 MR. JARRATT: I would agree a POSITA can interpret a term, but
2 they can't fill in a gap if there's no disclosure at all. I brought up the Pozen
3 case here to show that what the Board, excuse me, what the court did is they
4 first analyzed the '499 Patent discloses. They say the '499 Patent discloses
5 several dosage forms, including an oral unit dosage to treat migraines by
6 concomitantly administering therapeutic amounts of these drugs. This report
7 said, based on these disclosures, person of ordinary skill in the art would
8 know these pharmaceutical doses are administered. All right, so they looked
9 at the disclosure, found relevant disclosure says this is how a POSITA would
10 have interpreted it. Right. And that's not the case. There's no disclosure at
11 all of an agent determining the product unavailable and finding a
12 replacement product. And we know the knowledge of POSITA cannot fill
13 the gap, even when the knowledge is simple like in that's the Rivera case
14 with the coffee maker.

15 My next point is, counsel also said that the claims don't say anything
16 about an agent knowing the product's unavailable. Right. And I don't think
17 that is accurate. On slide 14. Excuse me, slide eight, we see Claim 14. And
18 the claim affirmatively recites determining the identified products not
19 available. So, the claims do in fact require the agent to know that the item is
20 unavailable. Not that it's the wrong product, but affirmatively determines
21 the identified product not available. And Judge Valek, you mentioned
22 Figure 3 seems to be focused on a customer being able to make sure they
23 actually want the item that they requested. And that's actually the problem
24 in the '465 Patent solving in Figure 3, right? They're saying if the customer
25 wants bananas, and the agent goes finds bananas, and the customer wants to
26 be able to say, are these bananas I actually want? Right? And that's the

1 problem Figure 3 is solving, not the problem of a product being out of stock.
2 And that's why I only described the agent actually finding the customer
3 desired product. It does not say anything about the agent determining it out
4 of stock.

5 JUDGE VALEK: Let me ask you a follow up on that. What about
6 the scenario that Mr. Hannah described where between the contacting and
7 determining steps in Claim 14, there's some other activities that occur.
8 Namely, the agent goes to the store, picks up the wrong product, takes a
9 picture of it, sends it to the customer. Customer says, that's not it. They
10 reject it. And then that disclosure about the agent then going to look for
11 similar products. What about that scenario? Isn't that determining the
12 identified product is not available as recited here in Claim 14?

13 MR. JARRATT: I think the idea of grabbing the wrong product is
14 different from a product determining that the product is not available.
15 Because if the agent grabs the wrong product, they think the product is
16 available.

17 JUDGE VALEK: Yeah, but through activities and interactions with
18 the customers, they realize that it isn't available because the product they
19 picked up is, forgive me, the wrong banana.

20 MR. JARRATT: The claims cannot cover that because of the way
21 the wording is in the claims itself. So, if you look at, I think it's more
22 pronounced on Claim 1. So, including on slide seven, it says failing to
23 locate an identified product and that's the product that the customer wants.
24 Right. Then electronically transmitting information of this product or the
25 identified product. This can't cover the wrong product because what are the
26 agents supposed to do the second time around? Right. They're supposed to

1 translate information on the replacement product or the identified product.
2 Right. If the agent grabbed the wrong product, showed it to the customer,
3 and they said, no, that's the wrong product, what will they need to do?
4 They'll go back and get the identified product. All right. They won't go
5 back and get a replacement product for the identified product. They'll go get
6 the actual product, the original product the customer wants. So that's why
7 these claims cannot cover the wrong product example.

8 JUDGE VALEK: I suppose that's one interpretation. But I mean, it
9 could also be that they then go to get a different replacement. I mean, you're
10 assuming there's just two products, there could be a third. Maybe they pick
11 up the wrong banana and the customer says, no, that's not going to work. It's
12 not an organic banana. And so, then the agent goes and picks up a plantain.

13 MR. JARRATT: I agree that may be obvious, right. But we're not
14 looking for obvious, we're looking gradual disclosures and that's overall
15 thrust of our presentation. I do quickly want to mention the proposed
16 inherency, although we agree inherency can support 112, but it's a high bar
17 to meet. That would mean the '848 applications would necessarily have to
18 disclose claim subject matter. And Consumeron has not made that showing.
19 One of the things they argue that the sale of the located desired product is
20 kind of inherent part of the shopping process. And they reference this
21 common human experience of going to the store and finding what you need.
22 Maybe that's common in everyday life, but there's no evidence that it's
23 inherent in the context of the specific system of the '848 application. Just
24 because you and I might go to Target and not find an item, that has no
25 relevance on whether an agent in the '848 system would necessarily not find
26 an item. So, it's also not inherent the agent would find you a replacement

1 product when the desired product's out of stock, right? Because there's a lot
2 of different things an agent can do if the product's out of stock, they can find
3 replacement products, but they can also notify the customer. They can
4 cancel the order and go home. So, finding a replacement product is not
5 necessary.

6 And Patent Owner even acknowledges this in their response. You go
7 to slide 25. You'll see that they describe the situation when the product's out
8 of stock. They say the '848 application as read in view of the skilled artisan
9 conveys with reasonable certainty that an agent would either identify a
10 replacement product or notify a customer that the transaction can't be
11 completed. So, Patent Owner acknowledges that finding replacing a product
12 is not necessary when an item is out of stock. Right. The agent could also
13 alternatively notify the customer, and that's not what's claimed. Right. So,
14 we all agree that the agent will not necessarily find a replacement product
15 which is not inherent.

16 JUDGE DEFRANCO: Well, Mr. Jarratt, is necessity the be all, end
17 all of the tests. It seems to me like the test involves knowledge reasonably
18 conveyed to somebody with ordinary skill in the art as to whether the
19 inventor would have possession of that particular aspect of the invention of
20 what's claimed.

21 MR. JARRATT: I was addressing specifically the concept of
22 inherency that Patent Owner brought up at the end of their presentation, and
23 inherently --

24 JUDGE DEFRANCO: But I think Patent Owner relies on the fact
25 that it was common knowledge that the problem with online shopping is out

1 of stock items. And they point to, I think, it was either exhibit 2009 or 2010,
2 something like that.

3 MR. JARRATT: All right. I think it appears like they're relying on
4 both either or. But I would say that common knowledge, again, cannot gap
5 fill, as the Federal Circuit has said. So, I think just last remark is, you know,
6 at the end of the day, it was clear that the claims of the '465 Patent were
7 written to cover something other than what was disclosed in the '848
8 application. And the point of the written description requirement is to
9 prevent inventors from doing just that. Petitioner respectfully asking the
10 Board to hold Consumeron to that standard and find that '465 Patent claims
11 only get priority to April 20, 2020. If there's no more questions, I will cede
12 the rest of my time.

13 JUDGE DEFRANCO: Okay, great. Okay, does anybody have any
14 more questions? Judge Kinder or Judge Valek? So that'll conclude our
15 hearing.

16 MR. HANNAH: Your Honor, do I get a chance to respond?

17 JUDGE DEFRANCO: Oh, yes. I'm sorry, Mr. Hannah, go ahead.

18 MR. HANNAH: Or I can take that as a --

19 JUDGE DEFRANCO: You definitely should respond. 20 minutes.
20 I just jumped the gun.

21 MR. HANNAH: No, no, I won't take 20 minutes. I just wanted just
22 a couple of points. So first, I want to talk about opposing, and there were
23 some questions about, you know, what did this case talk about and what was
24 actually disclosed. And I just want to make sure that it's very clear. So,
25 what was argued in this case was that this limitation that I'm highlighting on
26 the screen, which is found on 1158, which is that it's a finished

1 pharmaceutical container, therefore, where the container contains or
2 comprises labeling. Right. This was a specific element of the claims. Then
3 the court went and they looked at, okay, what was actually disclosed and
4 they didn't point anything about the container. The container was not
5 disclosed in the claims as the court found. What the court found here is that
6 -- and all this talks about, if you look at 17 here, this is 17. All this talks
7 about is the drugs and have no mention of the containers at all or the
8 labeling.

9 JUDGE VALEK: Well, they do, counsel to push back just a little. I
10 believe there is a statement that the FDA, there is evidence that the FDA
11 regulations required packaging with labeling. I think it's at the top of that
12 page. You just can't see it in your screen view right now.

13 MR. HANNAH: Right. But that wasn't exactly -- you're exactly
14 right. That was the knowledge that was in the skill in the art, but not in the
15 disclosure of the specification. In the description.

16 JUDGE VALEK: As I read the facts of the District Court's
17 determination there, they observe that there were oral dosage forms
18 described in the specification and added to that, that one of skill in the art
19 would know that when you have an oral dosage form, you need to include
20 labeling and interpret it that way. Then the Federal Circuit didn't say that's
21 necessarily the rule for all cases. But here the District Court didn't have
22 clear error in that finding.

23 MR. HANNAH: I absolutely agree. I think. Yeah, we're on the
24 same page. Yeah, yeah, absolutely. I think the point is that the claim
25 limitation didn't -- the claim limitations of the container was labeling. Right.
26 Container, you can be both things. The specification didn't specifically call

1 out a container with labeling. The District Court and the Federal Circuit
2 affirmed saying you didn't have to have that disclosure because that's just
3 well understood. That is not a, you know, as I pointed out, a new and
4 unpredictable concept. Right. That's what the court and the Federal Circuit
5 tells us. It's not a new and unpredictable concept. And then it went further
6 to say, you have to go into this reading the specification with the context of
7 what has come before. What is the knowledge of one of skill in the art.
8 Right. And here are skilled in the art, I believe is the electrical engineer or
9 the like. I believe Instacart says someone with e-commerce experience, all
10 those people are going to know that the different problems that exist in the
11 art include failing to locate a product. And that's the point that we're trying
12 to make here is that the standard is you have to come in with this knowledge.
13 And so, the disclosure, and that's the point I want to make, is that the
14 disclosure in Pozen did not contain the word a container and labeling that
15 was known in the art. And so, the court in Federal Circuit said, that's
16 absolutely okay. And in fact, you have to do that. Right? You have to use
17 that information.

18 JUDGE VALEK: So, this is kind of the area that I'm struggling with
19 when I look at the facts here. You know, saying one of skill in the art would
20 know this. It would. It's something that is known to a POSITA in the
21 regulation. It would be obvious to them. And so, I'm trying to figure out
22 how to reconcile what we see here in Pozen with other cases like Lockwood
23 that distinguish between written description and obviousness. And just
24 because something would be obvious to one of skill in the art doesn't mean
25 that it's described. And that the applicants were in possession of that subject
26 matter when they filed their original application. So that tension is really the

1 crux of this issue, at least for me. And what I'm trying to -- what I'm
2 struggling with is trying to understand a line between those two things. I
3 agree with you that there are cases that are kind of on either side of that line.

4 MR. HANNAH: Yeah. And I think the test to look for, Your Honor,
5 is this one right here. Whether it's a new or unpredictable concept. And
6 that's going to be the difference between if I put two things together and
7 determine if we're trying to figure out if something is obvious. Because then
8 you're going to have to have the motivation to combine. And I'm going to
9 try to have to put these references together to meet the elements of the claim.
10 The test here is, is it a new or unpredictable concept? And, you know, we
11 submit that out-of-stock items, and failing to locate items is not as new and
12 unpredictable concept in terms of shopping. That's just not a new and
13 unpredictable concept. The other line to draw is when you're looking at
14 obviousness, you're trying to, again, combine two references to say, okay,
15 can I meet this element with these combined references? But here, when
16 you're looking at the written description, you're looking at it from, it's like
17 kind of specifying what are the eyes that I'm looking through, the written
18 specifications through? Right. What eyes am I looking for? And this is
19 where you have to come with the knowledge that has come before. Right.
20 And that's the test that's found, you know, in the highlighted part that I'm
21 identifying here.

22 And it's our position that, you know, there's description based on,
23 especially based on what has been known before and not new, unpredictable
24 concepts that you could apply the convention, and an agent would fail to
25 locate the items because they're out of stock and whatnot. And that kind of
26 leads me into the discussion of the out of stock that was done on the rebuttal,

1 which is, you know, is that going to be something that's going to be known?
2 We submitted the evidence now that we have a full trial, that it is pulling it
3 out. Exhibit 2009, 2010. I'd also point to, you know, paragraph four where
4 it says that a picture may not be available for the item or the picture
5 inadequately to accurately depict the item. So, in that scenario, if you have a
6 picture that might be available and you go to the store, it might not be there.
7 It might be out of stock because it doesn't accurately depict the item that is
8 there. So, I think based on the knowledge, the disclosures in paragraph four,
9 all of those are going to be supporting this argument that the written
10 description is there. And someone certainly that has skill in the art would
11 understand that you could apply this invention and do, and locate
12 replacement items for things that are out of stock or the wrong product.

13 The final thing that I wanted to touch on is this inherency. So
14 counsel kept saying during the rebuttal that, you know, inherency, you
15 know, for the inherency doctrine, and it's not inherent to find a replacement
16 product. And I -- that's the -- and that's not what -- they've never argued
17 that. And our position is not that inherency is about finding a replacement
18 product because that's, you know, we find the claim. The point is having an
19 item that's out of stock because we're talking about this is the failure to
20 locate an item. Right. It's not. We're not talking about the replacement stuff
21 here. We're talking about the failure to locate an item out of being --
22 thinking out of stock is an inherent part of the shopping process. That's what
23 we're talking about. That is a necessary part of the shopping process, is that
24 items are going to be out of stock and read in that context, that's where you
25 would be able to -- you need to get there because, again, we believe it's
26 expressly disclosed for Pozen and the knowledge, skill. But even if you had

1 to get to inherency, you would say having an item be out of stock is a
2 necessary part of the shopping process, and therefore, that's inherently
3 disclosed. And you can use this invention to be able to prevent in those
4 scenarios. With that, Your Honor, I can -- unless Your Honors have any
5 other questions, I can cede the rest of my time.

6 JUDGE DEFRANCO: I do not. That's great.

7 MR. HANNAH: Thank you very much for your time today.

8 JUDGE DEFRANCO: All right. Like I said before, thank you,
9 counsel. The presentations were very helpful. I'd especially like to thank
10 Ms. Vu for her willingness to participate as a LEAP practitioner here. You
11 know, it benefits us greatly from your participation. So we're pleased that
12 your client took advantage of the opportunity. And we hope you got some
13 valuable experience. All right, so that concludes our hearing, then, and we'll
14 take this case under advisement and issue our decision. Thank you all.

15 MR. JARRATT: Thank you, Your Honor.

16 (Whereupon, the proceedings at 4:01 p.m. were concluded.)

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