

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BRYCER, LLC, and BRYCER MANAGEMENT, INC.,
Petitioners,

v.

TEGRIS, INC.,
Patent Owner.

IPR2023-01196
Patent 11,126,966 B2

Record of Oral Hearing
Held: October 24, 2024

Before HUBERT C. LORIN, MEREDITH C. PETRAVICK, and
BRENT M. DOUGAL, *Administrative Patent Judges*.

APPEARANCES:

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The above-entitled matter came on for hearing Thursday, October 24, 2024, commencing at 1:00 p.m. EDT, at the U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia.

P-R-O-C-E-E-D-I-N-G-S

1:00 p.m.

COURTROOM DEPUTY: All rise.

JUDGE LORIN: Please be seated. All right. Welcome. All right, good afternoon. We are convened for oral arguments in IPR 2023-01196 which pertains to patentability challenges of claims in U.S. Patent No. 11,126,966. I'm Judge Lorin.

And I'm joined with Judge Petravick and Judge Dougal. They're appearing remotely. Let us start with appearances for both parties for those who will be arguing today. If anyone else is attending in person or remotely will be arguing with you today or will not be speaking, please identify them as well.

For example, please state if your client is attending. Following the hearing, please confer with the Court Reporter to ensure there are no questions regarding the spelling of names or terms. We'll start with Petitioner.

MR. COLSHER: Good afternoon, Your Honors. This is Patrick Colsher with Reichman Jorgensen for Petitioners and I'll be arguing on behalf of Petitioners.

JUDGE LORIN: All right, thank you, Counsel.

MR. BERKOWITZ: Your Honor, Matt Berkowitz also on behalf of Petitioner. My colleague obviously is here.

JUDGE LORIN: Correct. Thank you so much. Patent Owner?

MR. LEHRER: Good afternoon, Your Honor. My name is Richard Lehrer with FisherBroyles representing Patent Owner and I'm joined here

1 with my partner Chris Perque who also is with FisherBroyles. We're
2 representing Patent Owner and we will both be arguing today.

3 JUDGE LORIN: All right. Very good. Thank you so much.
4 Welcome to USPTO's Alexandria office. I want to take this opportunity to
5 address counsel and their clients before we begin. As an inter parties' review
6 as a contested proceeding, today's hearing provides you an opportunity for
7 counsel to orally advocate for your positions on the patentability of the
8 challenged claims as raised in the Petition.

9 We understand that in every case that comes before us, the parties,
10 both the Patent Owner and Petitioner have a lot at stake. The Judges before
11 you today take our role in deciding the dispute seriously. We have reviewed
12 the briefs in evidence and we have prepared for today with questions.

13 These questions and their answers will help us decide the issues in the
14 case. In the interest of fairness and due process, we must limit our
15 considerations to the arguments in evidence already presented in the record.

16 We have the briefs in evidence available to us on our computer so if
17 we look away or look down during the hearing, we may be consulting
18 documents in the record or taking notes. Please know that we are paying
19 close attention to your arguments and carefully considering the case.

20 If we interrupt you, I apologize in advance. We do so to be able to
21 ask you questions that may be essential to resolving the issues or to keep the
22 hearing on track with time. Recording of any PTAB hearing is prohibited.

23 The Court Reporter will provide a transcript of the hearing and it will
24 become part of the record and then the proceeding at a later date. To ensure
25 that the transcript of this hearing is clear, we ask you to speak, to speak
26 directly into the microphone when talking.

1 And to identify specific slide numbers, numbering of figures and any
2 other pertinent identifying information when referring to the demonstratives.

3 This is especially important given that Judges Petravick and Judge Dougal
4 are appearing remotely.

5 To prepare for oral arguments we have familiarized ourselves with the
6 record and issues in this case. Our role as judges on the panel is to assess
7 your arguments and evidence and weigh those in accordance with those
8 established by our rules of procedure and precedential authority.

9 We remind the parties that Petitioner has the ultimate burden of
10 establishing patentability by preponderance of the evidence. Prior to the
11 Hearing Order which Page 31 in this proceeding, each party has 45 minutes
12 total time to argue their cases.

13 Petitioner will open the argument and may reserve rebuttal time which
14 may not exceed more than half of Petitioner's total argument time. Patent
15 Owner will then respond to Petitioner's arguments and may reserve
16 surrebuttal time, also to not exceed more than half of Patent Owner's total
17 argument time.

18 Please remember that your arguments should be limited to only those
19 arguments previously presented in your briefs. Please make it clear which
20 challenges and claims you are addressing at all times. I am retaining a clock
21 and in order to give each party five minute warning toward the opening
22 argument and appropriate warning near the end of when you reserved
23 rebuttal time.

24 Before we proceeding, I would like to address Patent Owner's
25 objections to Petitioner's demonstratives. We permitted the Petitioner to

1 present the second set of slides, that's Exhibit 1042 per our Order of October
2 23, Paper 40.

3 On October 23, Patent Owner filed a supplemental objection to certain
4 slides in Petitioner's second set of slides, Paper 41. First, according to Patent
5 Owner, Slides 15 to 18, 44, 53, 55 to 61, 72 to 76, 81 and 86 contained new
6 arguments.

7 For example, Patent Owner objects to Slide 15 because it cites to new
8 sections of the Lloyd reference, Exhibit 1021. That is Column 2, lines 9 to
9 22 and Column 7, lines 24 to 42. This is on Page 5 of Paper 41, however, at
10 the bottom of each slide, Petitioner provides citations to the Petition and/or
11 Reply.

12 At the bottom slide 15, Petitioner cites to Pages 20 to 21 and 26 of 27
13 of the Petition. When we turn to the Petition, we see on Page 27 a
14 discussion of the Lloyd reference and a citation to Column 1, line 9 to
15 Column 2 to line 24 and Column 7 lines 24 to 42 Lloyd.

16 Thus, it would appear that Slide 15 has basis in the Petition just as
17 Petitioner indicates on the slide. We have not verified the accuracy of the all
18 the citations to the record that appear at the bottom of every slide Patent
19 Owner has objected to.

20 We simply observe that taking Slide 15 is an example of citing to the
21 Petition and a Reply, Petitioner appears to have met its burden not to present
22 new arguments or new evidence. For that reason, we have noted Patent
23 Owner's objections, but we will not strike the objected-to slides.

24 Second, according to Patent Owner, Slides 5 to 39, 41 to 67, 71 to 78,
25 80 to 83 and 85 to 104 are objected to for being written text citing *CBS*

1 *Interactive, Inc. v. Helferich Patent Licensing, LLC*, Case IPR 2013-00033,
2 PTAB October 23, 2013, Paper 118.

3 According to *CBS Interactive*, "written text setting forth various
4 statements, characterizations, and assertions go beyond serving as visual aids
5 as they constitute additional briefings themselves." Patent Owner does not
6 sufficiently explain how the slides presented have prohibited written text.
7 For example, Slide 5 reproduces a cover page of U.S. 11,126,966. There's
8 no written text setting forth various statements, characterizations and
9 assertions on that slide.

10 There's also an inconsistency in what Patent Owner's objecting to.
11 Slide 34 reproduces a portion of Claim 8, highlighting certain limitations.
12 This is objected to and yet Slide 40 which also reproduces a portion of
13 Claim 8 highlighting a limitation is not objected to.

14 For these reasons, we have noted Patent Owner's objections, but we
15 will not strike the objected to slides.

16 We know Patent Owner's concern that certain "presented text is
17 prejudicial, argumentative, and/or misleading." But this is not a trial
18 conducted before a jury. This is a trial before the Board conducted on paper.

19 We base our decision on the evidence on record not on how a party
20 presents its oral argument. Demonstratives are not evidence. Okay, let's
21 proceed. Petitioner, do you wish to reserve any rebuttal time?

22 MR. COLSHER: Yes, Your Honor. I'd like to reserve 20 minutes.

23 JUDGE LORIN: Great. You may begin. All right, Counsel, you
24 may begin.

1 MR. COLSHER: Good afternoon, Your Honors. I'm on Slide --
2 we're here today to address Petitioner's challenge to Claim 8 through 16 of
3 the 966 Patent. All of the disputes center around independent claiming.

4 There's no independent disputes for the dependent claims. We're
5 focused on certain disputes with respect to independent claiming. In
6 particular I plan on discussing four remaining issues about the obviousness
7 of these claims at a high level.

8 And applying Key's, the Key prior art reference of teaching higher
9 management, the timing and content of notices, the system users and
10 inspector selection. Of course, I'm happy to address any questions the Board
11 may have. So I'll get right into the issues.

12 And I'm on Slide No. 40. And the first issue is the obviousness of
13 applying Key's teaching about what causes -- sorry.

14 JUDGE LORIN: Can you continue?

15 MR. COLSHER: Okay and so on Slide No. 30, we hit the first issue
16 which is the obviousness of applying Key's teachings of its Jurisdictional
17 Online Manager which in the reference it turns JOM for short to Fire
18 Hydrant Management.

19 And we submit the answer is yes, it was obvious and this is
20 demonstrated both as a 966 Patent's finding admissions as well as the
21 teachings of Key and it's purpose supported by the extensive state of the art.
22 If we go to Slide No. 41, we submit this issue is very simple.

23 With the 966 Patent submissions and Key's own teachings, it all but
24 confirms that obviousness of applying to various interchangeable assets.
25 The systems in both references are applicable to a wide range of regulated
26 assets.

1 And the assets are disclosed as being interchangeable with one
2 another. We can see this in the side-by-side comparison of the 966 Patent's
3 background in the left side and Key's paragraph 15 on the right side.

4 You can see that they disclose several of the same assets, for example,
5 boilers, elevators, amusement park rides. They both specify that they apply
6 to others which we can see highlighted in green on Slide No. 41 and in Key
7 what it qualifies as other required jurisdictional inspections and objects.

8 And that's on all fours with the state of the art with the knowledge of
9 the art and with the 966 Patent. But the Patent goes further, the 966 Patent
10 that is. And it confirms and you can see this highlighted in the background
11 on the bottom of the slide in blue that for purposes of a non-limiting
12 example and I'm going to emphasize that, a non-limiting example, a fire
13 hydrant will be used as an owned asset throughout their specification.

14 And then it doubles down. Right? It says, however, it should be
15 readily appreciated that any owned asset may be substituted for the fire
16 hydrant. In this proceeding, Patent Owner effectively ignores these finding
17 admissions and argues there's something special unique about fire hydrants
18 and other life safety systems.

19 Not only is that contradicted by the 966 Patent's teachings and I think
20 the claims as well, but it's also contradicted by the Key and the state of the
21 art. So if we go to Slide 42 and I'll just touch on this briefly, Key we've
22 already talked a little bit about, but Key, not only does it disclose, hey, use a
23 bunch of different assets, it also makes note that's you know, understood
24 cross ways as the objects such as these boilers, pressure vessels, other
25 regulations, these regulations exist because these objects are dangerous and
26 they need to be maintained and inspected. Right?

1 Chauhan is another example which is Exhibit 1016 from Slide, on
2 Slide No. 42. And that's talking about fire hydrant inspections and a whole
3 host of others. And I think in Chauhan, right, was one of the many examples
4 that we explained in the Petition as exactly why one would look to apply the
5 state of the art, these prior teachings to all sorts of assets among them, fire
6 hydrants.

7 And if we look at Slide No. 43, we have another example. And this is
8 Lloyd '150. And this is a reference that Patent Owner never addresses in any
9 of its papers. Right? And it provides additional reasons as to, as applied to
10 fire and life safety systems as we were talking about in our papers explaining
11 the importance of co-compliance operational readiness and keeping various
12 interested parties such as owners informed.

13 Just one more example and it's Campion on Slide No. 44. And that's
14 Exhibit 1007, another reference that is not addressed by Patent Owner in this
15 proceeding. It's similar to Lloyd '150 and talks about the desirability of
16 monitoring co-compliance for jurisdiction regulated assets.

17 And so in sum, what we would submit as Key in the state of the art
18 consistent with the 966 Patent's binding admissions, clearly demonstrate the
19 interchangeability of assets being managed and the reasons to apply Key's
20 system to fire hydrant management specifically.

21 So with that, I'm going to shift to Slide No. 46 and turn to a second
22 issue. And this issue has there are two subparts. So the first part, question
23 one of this concerns the timing of user notification namely the obviousness
24 of notifying the owner and the approval authority in advance of an
25 inspection.

1 You can see that this is relative to limitations 8d and 8e as the parties
2 have framed them. And we submit that there can be no real dispute that one
3 of ordinary skill who, regardless of whether you applied Petitioner's or
4 Patent Owner's level, is knowledgeable about asset management systems and
5 inspection processes in the state of the art.

6 Just simply, again, that one of ordinary skill wouldn't understand the
7 notices are to be provided to users throughout the asset inspection life cycle,
8 both before and after inspection. To suggest otherwise fails to recognize the
9 state of the art and the knowledge one of skill brings to bear.

10 And question two which I'll touch on in a little bit, concerns whether
11 step 8e even requires the notice to the authority to be in advance. We submit
12 that the both the plain language of claims and the intrinsic record says it
13 does not, but regardless, we submit the claims are obvious no matter which
14 interpretation is used.

15 So first let's look at Key and I'm on Slide No. 47. Right? And we're
16 going to talk about the timing issue. Right? So as an initial matter, Key
17 teaches notifying its system users which include owners, inspectors and
18 approval authorities using various methods such as describing Key at
19 paragraph 67.

20 In a known manner, usually via email, it describes other methods.
21 Paragraph 71, for example, using automatically generated phone calls among
22 other things. And these notices that Key describes, all right, these usual
23 notices are just like what the 966 Patent describes.

24 Which in its Patent, it describes, for example, at Column 4, lines 24 to
25 36, that the notices could be provided via email, physical mail, and other
26 unspecified means. It just says other. Right? And so you can see in Slide

1 No. 47 that Key discloses that the notifications include both notifications to
2 the owners in the jurisdictions, Key uses jurisdiction, controlling jurisdiction
3 authority, but that's what we've equated to the approval authority in the
4 claims.

5 And you can see that, for example, in paragraph 77, when Key talks
6 about the owner is automatically notified, before and another inspection is
7 scheduled, that is in advance. Right? We all know and, you know, the
8 papers bore this out.

9 That these inspection cycles repeat because they're regulated assets
10 and they require periodic inspection. He also talks about sending
11 information to the approval authority. For example, in paragraph 19, it talks
12 about providing information data to the controlling jurisdiction.

13 If we shift down to Slide No. 49, and I just want to make this point
14 briefly, but in addition to the notifications to the approval authority and the
15 owners in Key, while Plaintiffs require for Claim 8 just consistent with the
16 state of the art and the knowledge of one of skill, Key, like the other
17 reference talked about notifying the third class, the inspectors, the one
18 actually go out and do the inspection.

19 So what we see in Key just like what we see throughout the state of
20 the art is that it's system automatically notifies each of the three classes of
21 views at various points and times in the inspection cycle to keep them
22 informed of information.

23 I'm going to shift down to Slide No. 54. And Key also explains and
24 you can see this excerpted on paragraph 63 from Key on Slide No. 54 that
25 the steps can be disclosed, can be performed in different art order.

1 And we state that the state of art explains why you might do that.
2 Even if Patent Owner's assertions regarding timing are correct, and we
3 submit they're not. It would have been a trivial and obvious application to
4 Key to send the notice at a particular time simply to keep the users informed.
5 Right?

6 Many other reasons, but fundamentally, keep the users informed. And
7 if we look at Slide No. 55, we see Key and a couple of the state of the art
8 references talking about keeping users informed throughout the life cycle.

9 Key, itself, as it explains in paragraph 14, just upper center box, that
10 this is designed to address the need of an efficient, economical process by
11 the transfer of information between jurisdictions and other entities.

12 McKinney, on the right-hand side and this is paragraph 45 of
13 McKinney, explains why you would practically keep the approval of
14 authorities informed. Among other reasons, they've limited resources and so
15 you want to tell them so they don't have to constantly go out and monitor for
16 compliance and chase people down. Right? If you tell somebody it, they
17 have that information at their fingertips and they can do what they need to
18 do in more efficient and economical process.

19 And Campion which is Exhibit 1007 in the middle discloses, for
20 example, to notify owners of inspections required during the timeframe as
21 well as upcoming inspections and scheduling. If we go to the next slide,
22 which is Slide No. 56, we got additional disclosure from Key.

23 And there's lots of disclosure in the papers from a Key, but I just
24 wanted to highlight just a couple of other points. Excuse me, from
25 McKinney. I apologize. And that's Exhibit 1020. McKinney provides

1 additional disclosure why you proactively send notices such as emails and
2 form letters.

3 For example, in paragraph 56 of McKinney, McKinney explains to
4 notify the owner that a renewal is coming up as well as keeping responsible
5 parties informed. Paragraph 57 in the bottom middle talks about automatic
6 letter forwarding to owners and other responsible parties.

7 And paragraph 80 talks about standardized warning letters to advise
8 about upcoming events here, the regulations requiring renewal. And there's
9 simply we submit, nothing inventive about notifying users at various times
10 within these systems.

11 If we look at Slide No. 57, we have excerpted from Lloyd '150,
12 Exhibit 1021 which similarly explains the need to keep various entities
13 informed such as owners and other interested parties about the preparedness
14 of life and fire safety systems and if this results according to Lloyd '150 and
15 more strict compliance and improved maintenance practices and system
16 reliability.

17 You can see that from the abstract, you can see that from the Column
18 7 disclosure as well. And there's many other references that are in the record
19 on this. Chauhan is another record, is another reference that was described
20 in the Petition and the Reply talking about how it's invaluable to keep users
21 informed.

22 So it can do things so they're more efficient so if you have the
23 information at their fingertips. In paragraph 166, for example, of Chauhan,
24 it talks about keeping customers informed of events that are going to happen.

25 So they can stay abreast and informed and logically if something is
26 going to happen around you or with an asset that you own or impacted by

1 and it just makes sense to tell that person before the event happens. I would
2 submit, it's really no different than putting up a road sign that warns of
3 construction ahead.

4 On Slide No. 59, just to marshall through a little bit more of the
5 evidence that Petitioner set forth, you have the Woodings reference which is
6 Exhibit 1025. And explains here the need to keep owners informed in
7 regulated industries to ensure compliance.

8 Ultimately, the owner is right, but the assets will be in trouble if their
9 assets do not remain in compliance. Right? And so you want to keep them
10 informed. On Slide 60, just one final point on this is even the state of the art
11 that Patent Owner submitted which is Cober Exhibit 1, 2008 explains in
12 paragraphs 0071, and 0504 and 0505, you provide notifications to owners to
13 assist them in staying current such as notifications at various periods in
14 advance.

15 I'm going to shift down to Slide No. 65 and I won't go through all the
16 evidence of Petitioner's expert Mr. MacInnes, but I do want to make one --

17 JUDGE LORIN: Counsel?

18 MR. COLSHER: Yes.

19 JUDGE LORIN: Before you move on to that, I have a question. It
20 seems to me that you agree with Patent Owner that the Owner must be
21 notified before an inspection takes place.

22 MR. COLSHER: Yes, Your Honor, and with respect to limitation 8d,
23 the plain language of the claim requires that the notice to the owner occurred
24 in advance of an impending inspection. And I'll just shift to --

25 JUDGE LORIN: Yes, that is my question. I'm --

26 MR. COLSHER: Yes, sir.

1 JUDGE LORIN: -- looking at 8d and I'm not that certain that the
2 claim requires the owner to be notified before the inspection takes place.
3 The notice, the owner is notified of a notification event and the event
4 comprises a designable interval in advance of an impending deadline. But
5 why doesn't the claim cover notifying an owner of the notification event
6 after the inspection?

7 MR. COLSHER: Well if you read it that way, Your Honor, then there
8 is no dispute as to the disclosure relative to Key. We have been interpreting
9 it more narrowly sort of consistent with how the Patent Owner has pushed
10 this to just demonstrate the obviousness.

11 But we have been looking at it relative to the notification event
12 comprises a designated interval in advance of an impending deadline for the
13 inspection. In other words, that notification event that there being notice of
14 is for a future event.

15 Now, I suppose it could, the notice itself could go after that event.
16 But we have been reading it more conservatively and I don't actually see a
17 significant dispute relative to the timing of this. I think the record and the
18 state of the art do make clear that notices are sent to each of the users and
19 why you would send them at various times both before and after an
20 inspection.

21 JUDGE LORIN: All right. Thank you, Counsel.

22 MR. COLSHER: So I'm on Slide No. 66. And we submit the record
23 demonstrates the obviousness of the timing limitations in Key. But
24 regardless, I just want to make one additional point is Key also disclosed an
25 additional notification consistent with what Patent Owner's theory as to why
26 it practices Claim 8 for secondary considerations.

1 Just generally throughout this proceeding, Patent Owner has taken one
2 position for claim construction for secondary considerations, typically a
3 very, very broad one. And the opposite construction for invalidity which
4 and they've never tried to reconcile those two. And so we see one of these
5 examples here.

6 Patent Owner took the position that a dashboard, a web-based
7 dashboard cannot be the notice in 8e, but for its own system and you can see
8 that excerpted on Slide No. 66 on the left-hand side is the Exhibit 2008 at 6.
9 It says it's system practices it because it has a dashboard. Those positions
10 are just irreconcilable.

11 But if you take that as true and we explain this in the Petition, we
12 explain this in the Reply, that's on all fours with Key as well as an additional
13 disclosure. You can see that on Key's Figures 20 and 21 on Slide 66 and
14 you can also see that on Figure 16 on Slide No. 67 and that's Figure 16 of
15 Key Exhibit 1005. Right?

16 Talking about this just home page accessible by the users and you can
17 see on there there's users can do various things such as reviewing changes,
18 viewing schedules, scheduling and inspections. And just to touch briefly on
19 the timing issue of AE and I would appreciate it if you also raised it with
20 respect to 8d, Your Honor, but 8e I think is pretty clear. There is no timing
21 requirement.

22 And you can see that simply by marshalling through the claim
23 limitations. 8c talks generically about identifying unspecified notification
24 events. 8d then introduces a new notification event, a notification event if
25 not the notification event.

1 So it's not referring back to what was in 8c and then it also talks about
2 and we already talked about this. The additional requirements regarding the
3 notification. Right? When the Patent Owner meant to say something about
4 timing, it said something about timing. And then in 8e, all that's required is
5 the approval authority gets the status of the assets.

6 And so we would submit it's just improper to read into notification
7 events that all of these things have to happen in advance. And that's also
8 consistent with the 966 Patent itself and you can see this on Slide No. 69.
9 The 966 Patent teaches to the approval authority both before and after the
10 inspection. Right?

11 And you can see that Column 4, lines 49 to 67 says hey, the approval
12 authority is going to be continued to be notified up until the time of payment
13 after the inspection occurs. And so with that, we reach the third issue and it
14 largely overlaps with the second issue so I'm not going to spend much time
15 on this one.

16 But Patent Owner also raised the issue with respect to limitation 8d
17 whether the inclusion of costs and inspection type in a notice to the owner
18 and just like with the other issues, there can be -- I always get this, I mean no
19 real dispute that one of ordinary skill on either party's definition would
20 possess the knowledge that you inform the owner basic information such as
21 cost and inspection type for its assets.

22 And it would have been obvious both under the claim's plain meaning
23 where the notice actually includes that information and it's also under
24 obvious and even more so under Patent Owner's theory for secondary
25 considerations where the notice doesn't even need to have that information
26 itself.

1 So just to begin very quickly and I'm on Slide No. 71, notice view
2 Key teaches cost and inspection type as part of its JOM system. In other
3 words, when addressing the plain meaning of the claim where the
4 information is actually included within the notice, that's the only issue there
5 is would it have been obvious to do so? And we submit the answer is, yes, it
6 would have been obvious.

7 JUDGE LORIN: Five minutes, counsel.

8 MR. COLSHER: Thank you, Your Honor. On Slide No. 72, the state
9 of the art we submit and we explain this in our papers about the trivial nature
10 of including relevant information in notices such as costs and inspection
11 type. We see a few examples here about Sweeney, McKinney,
12 Buildingreports.com.

13 I won't go through all of this, but at its core, it's helpful and necessary
14 to know what services are required and how much they're going to cost.
15 There's just nothing to that. And beyond these teachings, we would submit
16 that much of the rationale for notifying the owner in advance of an
17 inspection would apply equally here.

18 And I'd already discussed this so I won't repeat that. Other than to
19 note that the state of art is full of reasons why you would keep the parties
20 informed with various data so you know how much an inspection will cost,
21 what the inspection entails and other useful information such as when it
22 occurred and the result of it. There's just nothing inventive to that. Very
23 briefly, --

24 JUDGE LORIN: Counsel?

25 MR. COLSHER: Yes, sir.

1 JUDGE LORIN: I have a question. I think one of the arguments
2 Patent Owner was making is you don't, you don't show in the prior art a
3 notice that includes both the type of inspection and the cost associated with
4 the type.

5 MR. COLSHER: Oh, I think, we would submit that we're, because
6 we're dealing with obviousness, if the prior art is seen through their
7 reference, if Key actually told you all of this information, we'd be arguing
8 anticipation.

9 And so what we're looking at here consistent with KSR, with Graham
10 vs. John Deere, and you know, so on and so forth, we've got to look at the
11 totality of the record. And the totality of the record says there's just nothing
12 inventive about including that information in notice. Right?

13 When you provide the information to the owner, logically you would
14 include costs and you would include inspection type. You would include the
15 relevant information about the event that's occurring. That's just what the
16 standard form letters and notices and all of the different prior art brings to
17 bear.

18 JUDGE LORIN: All right, thank you, Counsel.

19 MR. COLSHER: And so just, I'm on Slide No. 92. Just to briefly
20 touch on Patent Owners practicing the Patent argument, we'll talking
21 secondary considerations here, there's two points. First Patent Owner asserts
22 that costs can be nonmonetary.

23 That's contrary to the intrinsic record and we'd actually submit their
24 Patent Owner's own witnesses. But putting that to the side, if costs can be
25 basically anything, well there's nothing left to talk about for obviousness.

1 And then the second part is that you don't actually even need that
2 information within the notice itself. It can be found anywhere in the system.

3 Well if that's true, there's no dispute that's in Key's system. And so I'm
4 going to shift back to Slide No. 84.

5 I'm just going to touch very briefly on one final point and that's the
6 owner selecting a qualified inspector based on asset proximity. As with the
7 other issues, we submit that Petitioner has shown obviousness both under the
8 plain meaning of the claim and additionally under Patent Owner's incorrect
9 theory for why the parties practice the claim.

10 So if we look at Slide No. 85, there's no dispute that Key like pretty
11 much every system involving regulated assets discloses that it's inspections
12 must be performed by an inspector that it's qualified in a particular
13 jurisdiction.

14 For Patent Owner's secondary consideration argument, that is all you
15 need. You keep, we can see you need more for this Claim, but Patent Owner
16 says we practice it simply because there's an inspector qualified in
17 jurisdiction.

18 If you look there, marshal through their evidence, they never once say
19 that the owner can slap the inspector because at least as the Petitioner says,
20 they cannot. And, but even if we look at the actually look at what the claim
21 says, it is trivial.

22 And just very briefly on Slide No. 86, the state of the art explains why
23 you would have selected the qualified owner based on asset proximity. We
24 explained in our papers that it was logical and obvious for the owner to
25 select the local qualified inspector for reasons such as increased deficiencies,
26 getting inspections performed quickly, reduced labor costs that could be

1 passed on to the owner or the inspector if that's part of the process and the
2 quality of work and bid parameters.

3 And logically, selecting a qualified inspector that's local just makes
4 sense. I mean that's how service personnel are just routinely selected. And
5 just one final point and I'm on Slide No. 88, all of this testimony, like the
6 other was confirmed by Mr. MacInnes. And unless there's any questions, I
7 will --.

8 JUDGE LORIN: No, thank you so much, Counsel. Patent Owner,
9 would you like to reserve some rebuttal time?

10 MR. LEHRER: Yes, please, ten minutes.

11 JUDGE LORIN: Ten minutes. Thank you.

12 MR. LEHRER: Good afternoon. My name is Richard Lehrer. And I
13 will be addressing briefly the technology of the 966 Patent and Patent
14 Owner's Motion to Exclude the Declaration of Mr. MacInnes. My partner
15 after me, Mr. Perque, will then address the missing elements from the cited
16 references.

17 As we all know, we're here today to discuss the 966 Patent. Very
18 briefly, the technology of the 966 Patent provides methods for managing and
19 tracking the inspection of fire hydrants and related life safety assets utilizing
20 fuel resources to obtain significantly better results than were previously
21 achievable.

22 What does that mean, related life safety assets? Well if you look at
23 Slide 1 of Patent Owner's demonstrative exhibits, a fire hydrant is not a
24 stand-alone piece of equipment. It's a system that requires a water source, a
25 pump, pipes to bring the water to the fire hydrant, stand pipe for indoor
26 connections, a hydrant for outdoor connections and the many systems.

1 It also includes sprinkler heads and/or other fire suppression and
2 detection elements. Now inspection and management to fire hydrants are
3 controlled by the very specific and very stringent codes and regulations.

4 These codes and regulations are much more stringent than for other
5 assets such as those listed in the 966 Patent. While select, sorry, while strict
6 regulations can be applied to assets that do not require such high levels of
7 regulation, the reverse cannot be said.

8 One reason for this is the difference between the assets themselves. A
9 fire hydrant is hopefully not something that's used on a regular basis. So
10 you can't have monitors or sensors or anything like that attached to it which
11 will tell you whether or not the fire hydrant is in working order, whether or
12 not the water is polluted or otherwise.

13 Sorry. Whereas with, for example, a boiler, a boiler is on
14 continuously or is operating continuously and therefore you can monitor the
15 boiler on a regular systematic basis. Testing of fire hydrants must be
16 performed while the system is operating, but again, like I said, the system is
17 not usually in operation.

18 Therefore, you want to make sure that in order, that when you actually
19 need the fire hydrant, the fire hydrant will work and it will save lives and
20 property whereas, as my opponent said, the other assets such as boilers,
21 those are dangerous products where if they fail, people die.

22 Whereas a fire hydrant is a safety element where it's preventing
23 people from dying. Now as this Board is aware, the claims of the 966 Patent
24 were narrowed during the patent prosecution to specifically relate to fire
25 hydrants.

1 Accordingly, a person skilled in the art would need to know these
2 very strict codes and regulations in order to know what information is
3 required for monitoring system. Excuse me. And what information is
4 optional and frankly to have any idea at all what information you would
5 want with such a system.

6 Mr. MacInnes admittedly does not have fire hydrant experience. It's
7 telling that when he was asked about his experience, he only referred to his
8 team's experience, not his personal experience. This is a classic example of
9 a manager taking credit for the work done by his team.

10 Mr. MacInnes is not a person of skill in the art and is clearly not an
11 expert. Mr. MacInnes's lack of experience aside for the moment, and more
12 significantly, he's not a reliable witness. And as such, his testimony does not
13 meet the standard of Federal Rule of Evidence 702.

14 Petitioners want this Board to overlook as a very small issue the fact
15 that Mr. McInnes stated under oath that he reviewed and analyzed the
16 prosecution history when in fact, he did not. Telling the lie as the Mitchell
17 vs. Holt patent interference, No. 105,746 states, telling the lie while under
18 oath is a big deal.

19 It doesn't matter what you're lying about. The fact is, you lied. Even
20 if Petitioners want to argue that he didn't actually write his declaration, he
21 still lied. He reviewed the declaration and he attested at the end that
22 everything in the declaration was truthful. It was not.

23 He also was not entirely honest about his review of secondary indicia
24 of non-obviousness. He signed his Declaration which Petitioner's attorneys
25 drafted stating that "he was not aware of any secondary indicia" when, in

1 fact, he had not actually considered any secondary indicia. It's a difference.
2 It's misleading.

3 This is not the reliable testimony that Federal Rules of Evidence 702
4 require. It is Petitioner's burden to show that Mr. MacInnis's testimony is
5 reliable and that it meets the requirements of 702. They have not met this
6 burden.

7 The Board should strike Mr. MacInnis's Declaration from the record.
8 One last thing before I hand over to my partner, Mr. Perque. Petitioners
9 incorrectly argue that the pre-2023 law regarding Federal Rules of Evidence
10 702, namely, 702 does not go to the weight of the evidence, but instead it
11 goes to the admissibility.

12 This is exactly what the Committee stated in its notes in the 2023
13 amendment. It said, we flatly reject the idea that a general rule of questions
14 relating to bases and sources of an expert's opinion affect the weight to be
15 assigned that opinion, rather the admissibility.

16 They also state that a tie in any element to Rule 702's admissibility
17 requirements should be broken in favor excluding the expert, not admitted. I
18 will now hand over the rest of my time to my partner, Mr. Perque, who will
19 talk to you about the missing elements.

20 MR. PERQUE: Good afternoon. Petitioner's case should be and must
21 be limited to the grounds that are set forth in their Petition. And if you, if
22 the Board who is aware of the grounds that have been presented recalls the
23 references that were applied, and by way of example with regard to 8e, they
24 relied entirely on Key and the teachings of Key.

1 Yet today we heard about Lloyd, Chauhan, lots of different references
2 and the assertion being for several of the limitations that are present in the
3 claims that those limitations are met by general knowledge in the art.

4 And the Patent Owner asserts that that's inconsistent with applicable
5 law. The controlling law which is set forth in *Arendi v. Apple* which is 832
6 F.3d 1355 is that general knowledge or common sense should not be relied
7 upon and often cannot be relied upon to meet missing limitations.

8 So let's talk about the missing limitations briefly. I'd like to start by
9 talking about and what I have up on the screen is Exhibit 2013. That shows
10 all of the elements of Claim 8 and one of the issues that was raised by the
11 Board is timing.

12 And while the Patent Owner doesn't have to prevail on the timing
13 issue necessary as it relates to all the elements to prevail in this proceeding,
14 the evidentiary record is such that both of the designated experts in this case,
15 Mr. Williams and Mr. MacInnes, both testified that a person of ordinary skill
16 in the art reading these claims would conclude that the notice sent out in 8d
17 and the notice sent out in 8e are sent out at essentially the same time. Now
18 why is that?

19 The reason is because when you look at 8b, it refers to the fire hydrant
20 management software retrieving real time records. In 8c, it refers to
21 analyzing those records and then in 8d, it's says based on that analysis. In
22 8e, it refers to based on that analysis.

23 And the general concept of a computer operated process is that once
24 the computer retrieves the records and does the analysis, the sending of the
25 notice is automated shortly thereafter. So while we don't have to prevail on
26 the timing issue to prevail in this proceeding because there are several

1 missing limitations, the evidentiary record is clear aside from attorney
2 argument that the experts agreed that a person of ordinary skill in the art
3 reading this claim would conclude that the notice sent to the asset owner and
4 the notice sent to the approval authority happens around the same time. So
5 let's get into the individual limitations.

6 JUDGE LORIN: Counsel, can I interrupt for a second? These two
7 steps based on the analysis I don't see that needs to be performed by a
8 computer.

9 MR. PERQUE: Well, Your Honor, based on the analysis, in the
10 Patent Owner's view, refers back to 8c analyzing the records of assets and
11 the analysis refers back to 8c analyzing.

12 JUDGE LORIN: That too doesn't require a computer. Not as I read
13 the claim.

14 MR. PERQUE: Well, Your Honor, the claim, it requires software.
15 Just so we're speaking on the same terms. In 8d, it refers to the fire hydrant
16 management software system retrieving the records and then 8c refers to
17 analyzing the records.

18 And it's Patent Owner's assertion that minimum, Your Honor, that the
19 analyzing of records is consistent with the preamble of the claim which
20 refers to a computer implemented method for using the fire hydrant
21 management software and web-based registry to track requisite inspections
22 so that the steps of the method are performed by either the fire hydrant
23 management software or the web-based register.

24 JUDGE LORIN: So you're construing the claim, you're construing
25 the claim as each step, each step must be performed by a computer and then

1 the two based on the analysis steps are performed simultaneously by the
2 computer.

3 MR. PERQUE: Well it would simultaneously not in the same instant,
4 Your Honor, but in process cycles. Yes.

5 JUDGE LORIN: Okay. Thank you, Counsel.

6 MR. PERQUE: So turning to the specific limitations within Claim 8
7 and referring to element 8d, which recites the based on the analysis sending
8 standard format notice to the approval authority, pardon me, I'm reading 8e.

9 Focusing on 8d, based on the analysis notifying an owner of an assets
10 of a notification event and that notification has to include certain details.
11 And I'm going to turn us to Key. This is what's shown on the slide now is
12 Slide 2 of Exhibit 2048 which is Patent Owner's demonstrative aides.

13 And this is showing Figure 4 of Key Exhibit 105 and it's showing
14 paragraph 76 which describes Figure 4 which is, which is described in Key
15 as an architectural representation of the JOM or Jurisdiction Online
16 Manager.

17 And if you look at the middle of that paragraph, it has a statement that
18 says the scheduled work assignment is operative to generate and place a task
19 in the insurance company scheduled inspection listing. You see that?

20 And then right above that, it says the work assignment unit
21 automatically schedules inspections for objects with upcoming inspection
22 due dates. And so what's described there in Key is that the JOM
23 automatically schedules inspections.

24 It doesn't allow the asset owner to schedule inspections as recited in
25 8f, and also, that after that inspection is scheduled, it placed a task in a
26 listing that belongs to the insurance company not the asset owner. And so it

1 teaches a way from what's recited in 8d which requires that the asset owner
2 be notified of the inspection in advance of the inspection.

3 And even if the Board doesn't construe 8d as requiring notice in
4 advance, it still requires that the asset owner be notified of the inspection
5 and that notice has to have certain criteria that's set forth in 8d. And Key
6 teaches away from that.

7 Now, the next slide of 2048, Slide 3, that shows a portion of the
8 inspection routine for Key which is Figure 5. And then it also shows
9 paragraph 84 which describes that inspection routine and just like the
10 paragraph that we've just talked about, it describes the JOM automatically
11 scheduling the inspection.

12 It's in the middle of the paragraph where it says 530 is followed to
13 step 535 in which the inspection is scheduled. And then it states that the
14 JOM computes the required inspection based on the last performance and in
15 Step 535, a task is generated and placed in the task listing covering the
16 insurance company for those objects.

17 So again, this is just reinforcing what Key teaches that the inspection
18 is scheduled automatically by the JOM and that it only places a task in the
19 insurer's task list. It doesn't describe that the asset owner is notified in
20 advance of the inspection and it doesn't describe the details that are in 8t, 8d
21 for such notification. And --

22 JUDGE LORIN: In other words, you don't view the task listing as a
23 notice?

24 MR. PERQUE: Well, Your Honor, I don't think we have to go that
25 far. Patent Owner, Patent Owner argues in its papers that a proactive

1 notification is different than simply placing a task in a list where someone
2 has to go and open the software and open the list and find the list.

3 But even if you look at the tasks there in Figures 20 and 21, -- I'm not
4 going to put that up just for saving time, they don't provide the detail that's
5 required in 8d and that task is provided to the insurer not the --

6 JUDGE LORIN: Oh, I --

7 MR. PERQUE: -- and why is this important, Your Honor? This goes
8 back to one of the fundamental differences between the parties' view of this
9 case. Hydrants, fire hydrants and related life safety assets have much more
10 strict regulations than other types of assets.

11 So while the 944 Patent, or pardon me, the 966 Patent may describe
12 that the stringent restrictive process that's claimed in the patent at issue here
13 may be applied to other things, the record is uncontroverted in this case.

14 That the process that's described in Key could not be used on fire
15 hydrants without violating the very regulations that the claims are supposed
16 to be enhancing compliance with. And that's in the Declarations of Mr.
17 Moren and the Declaration of Mr. Williams and also with regard to Mr.
18 MacInnis.

19 The reason why he though Key might work is because he admitted he
20 didn't have any knowledge of the regulations that apply to fire hydrants.
21 And so Key not only teaches a way from what's in 8d, it would also violate
22 the very regulations that apply to fire hydrants.

23 Now Petitioners, when they were arguing, they pointed the Panel to
24 paragraph 77 of Key and that's not up on the board. Excuse me. Paragraph
25 77 of Key only relates to notifying the Patent Owner of whether an
26 inspection is denied.

1 And if it is denied, then the, then the method described in Key goes
2 back into the inspection routine. It doesn't describe providing to the asset
3 owner notice as required in 8d with all of the details in 8d. Now, if you, if
4 the Board considers the actual grounds that were asserted by the Petitioners
5 in their Petition, they said Key alone or in combination with Sweeney
6 discloses 8d.

7 Well, Sweeney doesn't disclose providing notice to an asset owner of
8 an upcoming inspection because all Sweeney does is it is an online
9 construction bid process. And Sweeney describes that inspection reports are
10 available.

11 But again, that teaches away from the asset owner identifying or
12 selecting the inspection because the inspection is already performed. So
13 even the combination of those two doesn't satisfy 8d. And a person of
14 ordinary skill in the art wouldn't combine them because they're so disparate
15 in the assets that are being managed.

16 And the problems that are trying to be solved in Key versus Sweeney
17 and Mr. Williams went to great extent to explain why in asset management
18 systems assets aren't interchangeable. Because there are different data layers
19 that are required depending on the asset.

20 And by way of example, Key doesn't include data layers or describe
21 data layers that related to GIS or a geographic location of the assets. And
22 neither does, neither does Sweeney. Now it's not that this particular
23 limitation that we've been talking about 8d includes that, but it is included in
24 8f which I'll talk about in a minute.

25 But it's just another example as to why a POSA looking at the
26 problem to be solved in the 966 Patent wouldn't look to Key because it sends

1 them down a road that doesn't facilitate compliance. And they certainly
2 wouldn't look at the combination of Key and Sweeney. Now turning to --

3 JUDGE LORIN: Counsel? Counsel, let me ask you the same
4 question I asked Petitioner. Does this claim require the notice to be sent to
5 the owner before the inspection is made?

6 MR. PERQUE: Patent Owner believes that it does. And it certainly
7 does, Your Honor, and it's in the language itself in our view that the and it
8 was the language that was identified earlier that it wherein the notification
9 event comprises the designated whole interval in advance of an impending
10 deadline for the inspection.

11 And I'll note, Your Honor, that the actual, you know, the preamble of
12 the claim refers directly with inspections which brings into account two
13 things. One is the applicable regulations that are needed that have to be
14 complied with and also that its inspections that are required upcoming.

15 So that's further support for that, the 8d notice is provided in advance.
16 Even if, pardon me, even if the 8d notice, even if the Board finds that it's
17 not required to be provided in advance for 8d, he still doesn't disclose
18 providing notice to the asset owner of an inspection because when you look
19 at the inspection routine, the JOM automatically schedules it.

20 And then all it does is places a task in the insurer's task list. It never
21 discloses providing notice to the asset owner in advance of an inspection or
22 of an inspection or the details that are required in 8d in that notice.

23 JUDGE LORIN: Okay, my next question is what is the patentable
24 significance between a notice with information on it and a, and say a task
25 list? What is the patentable significance between the two?

1 MR. PERQUE: Well in this particular context, Your Honor, Patent
2 Owner believes it is significant because it's the difference -- here what the
3 parties, what the patents, what the inventors were trying to achieve is they
4 were trying to improve compliance.

5 And the best way to improve compliance is to proactively send
6 someone the notice as opposed to placing an indicator somewhere that an
7 inspection may be due. And you never know whether or not the asset owner
8 received or not.

9 If I send you an email, I can confirm that the email has been received.
10 Or if I send you a registered letter, you know that the letter has been
11 received. Where you have a regulatory agency that's trying to get the asset
12 owners to comply and perform inspections, I think there is a significant
13 difference between being noticed, sending a notice as opposed to by way of
14 example, putting the notice, putting some kind of information on bulletin
15 board somewhere that the asset owner may be able to say, well you know, I
16 never looked there.

17 I didn't know it was there. Whereas sending a notice is a proactive
18 effort. And the interesting thing and I think the, you know, as you talk about
19 patentable significance, what the inventors achieved here was balancing the
20 contributions by the different stakeholders.

21 In this instance, just like in many instances, you know, fire
22 departments and fire marshals, they have a limited human resources. They
23 have limited budgets and what the Patent Owners did is as you read this
24 claim, every time there was something that the fire marshall would have to
25 do, it's automated.

1 So the notices are sent out to the asset owners about their inspection.
2 It's automated. It's something that the fire marshall now doesn't have to do.
3 They don't have to write letters. They don't have to follow up on those
4 letters. The notices can be sent automatically.

5 And then similarly, when you look down into 8g and 8h where the
6 inspections are done and they're using a standard format, all of that means
7 that the inspection information can be automatically uploaded into the
8 system and it's all an effort to take the workload off of the fire department
9 and to put the workload on the folks that can handle it which are the asset
10 owner and the inspector.

11 So in the context, I know I went a little bit beyond your question, but
12 the goal of this claim and the remarkable results of this system is that they
13 achieve four-fold increases in compliance in the first year using less
14 resources than the fire department.

15 So it's all part of being proactive and balancing I think Mr. Williams
16 referred to it as collaborative software. That, you know, that the idea of
17 collaborative software is not something that's obvious. It's difficult to
18 design.

19 It takes an intense knowledge and intimate knowledge of the roles of
20 the different players and that's what the inventors brought to the table.
21 Going to, if I may, I was going to move to the next missing --

22 JUDGE LORIN: Oh, yes. Thank you, Counsel.

23 MR. PERQUE: The next missing element I would like to talk about --

24 JUDGE DOUGAL: Counsel?

25 MR. PERQUE: -- is 8e which --

26 JUDGE DOUGAL: Can I ask a question real quick?

1 MR. PERQUE: Yes, please.

2 JUDGE DOUGAL: This is Judge Dougal. So your position that Key
3 teaches that these notifications go to the insurer, doesn't the combination
4 with Sweeney deal with that because it takes the boiler and the issuer, you
5 know, who's insuring this, takes that out and puts it into the world of asset
6 owners.

7 And doesn't the asset owner basically then take the role of the insurer
8 as being the person responsible for maintaining the fire hydrant or the
9 internal sprinkler system or I guess are you arguing that the insured is still
10 involved in management and so he would resolve that issue?

11 MR. PERQUE: So you know, Sweeney Exhibit 1006 was the, is the
12 reference that deals with online construction bids. And with Sweeney, --

13 JUDGE DOUGAL: All right.

14 MR. PERQUE: -- I think you may be referring to Chauhan where
15 Chauhan, Chauhan --

16 JUDGE DOUGAL: Sorry, yes.

17 MR. PERQUE: No, that's fine. Chauhan which is Exhibit -- I have it
18 here, Exhibit 1016. Chauhan was a reference that described a system that
19 would be used by a utility, by an entity that's not necessarily a public entity.

20 I understand utilities are quasi-public entities in certain places, but in
21 their managing their own assets, and the one reference to a fire hydrant
22 themed interface and I think it's in paragraph 207 of Chauhan, it merely
23 states that if an inspector comes on the property and needs to input data into
24 our system, we can give them a laptop with an interface on it so they can
25 input information.

1 It doesn't answer the question. Even if you adopted Key so that
2 inspectors could input information directly into Key's system, as would be
3 taught in Chauhan, that still doesn't change the fundamental teaching of Key
4 that the JOM automatically schedules inspections.

5 And in that instance, Chauhan, the inspector would come on to a
6 facility and use a pad and fill out the information, but it doesn't change the
7 fundamental teaching of Key that the JOM automatically schedules
8 inspections and it doesn't provide the notice that's required in 8d with all of
9 the detail therein to the asset owner.

10 Because in the context of Key, what they were trying to solve was,
11 you know, various different jurisdictions have different forms for
12 performing inspections. And they wanted to automate the process for
13 providing to the inspector the right form.

14 And so taking your hypothetical, what the combination of Key and
15 Chauhan would teach is that now the inspector when they're handed this
16 notepad to enter the data they had the right form. But it doesn't change the
17 fundamental teaching of Key that the asset owner really doesn't have a role
18 to play in the inspection process. In the Patent Owner's point of view.

19 JUDGE DOUGAL: Okay, thank you.

20 MR. PERQUE: So --

21 JUDGE LORIN: You have five minutes, Counsel.

22 MR. PERQUE: Thank you. So referring to 8e briefly, that's the
23 notice that's sent to the jurisdictional authority or the approval authority.
24 And that notice has to provide a status update on the assets assigned to the
25 approval authority.

1 And there's nothing in Key that teaches that. And if you look at the,
2 again, the Petition grounds, not all of the other arguments that were made
3 today, the Petition grounds rely solely on Key for 8e. And then if you look
4 at the Figure 20 and Figure 21 which shows the interface for the tasks that
5 are included, the only thing that the interface shows is that a review is
6 required and it identifies the asset.

7 It does not provide -- and it's a single asset. It doesn't provide the
8 notice that's recited in 8e where it has to provide notice to the approval
9 authority of the assets under its control. And then turning briefly to 8f, 8f is
10 the element that provides that the asset owner, again, is selecting the
11 inspector.

12 So before the inspection happens, the asset owner knows about it as in
13 8d and then the asset owner is selecting the inspector and it's selecting the
14 inspector based on certain criteria. And it was tacitly admitting during
15 argument here that Key doesn't disclose that.

16 There were lots of references that were put on the Board to say that
17 should be generally known in the art, but at the end of the day, when Key
18 teaches that the asset owner is not involved in scheduling the inspection,
19 then it certainly doesn't teach that the asset owner selects the inspector.

20 And neither does the combination of McKinney or Sweeney. We've
21 talked about, we've talked about Sweeney a fair amount. McKinney just
22 deals with the really what McKinney is directed to is a communication
23 system for wastewater treatment facilities.

24 And as part of that, it describes a process where an asset owner can
25 renew a contract with a vendor online, but it doesn't describe an inspection

1 process or the asset owner selecting an inspector or an asset owner selecting
2 the inspector based on the criteria that's laid out in 8f.

3 So the only other point that we would make is I would like to renew
4 the discussion -- pardon me, I left my notes here. About the new arguments
5 that have been presented both in the slides of Petitioner's slides and I'm not
6 going to go into it in great detail.

7 But we would urge the Board to consider those arguments in their
8 entirety when they're considering whether the arguments that are being made
9 now are actually presented in the Petition because Patent Owner believes
10 that they were not in many instances.

11 By way of example, one of the references that was talked about today
12 was Cober. That's not referenced in their Petition or their Reply. They
13 basically said, oh, Patent Owner referenced it. It was in the Declaration of
14 Mr. Williams when he identified the references that he reviewed.

15 And that was a reference that was argued during the prosecution
16 history so he did the work. He looked at the references. And that was their
17 basis for adding it to their argument. Similarly, with Campion, Campion
18 was a reference that was argued extensively during the prosecution history.

19 And because it was argued in that fashion, the inventor submitted a
20 declaration, a swear behind that reference. But because that reference was
21 presented so late in the day, if those arguments were actually presented in
22 the Petition, we would have the inventors present the testimony to support
23 that it's not prior art.

24 The point being that the Patent Owner is severely prejudiced by new
25 arguments that are presented during oral argument and in the slides and
26 would re-urge the Board to consider the objections that have been made and

1 assert that those same objections apply to the oral argument today. And with
2 that --.

3 JUDGE LORIN: Do you want to use the computer?

4 (Off microphone comment)

5 JUDGE LORIN: Okay, Counselor, 20 minutes.

6 MR. COLSHER: Okay. I just have a couple of quick points. So first
7 you heard Counsel and their arguments about nonobvious and Mr.
8 MacInnes. And it really comes down to the supposed complexity of
9 hydrants and regulated assets.

10 What you didn't hear was them ever taking on in anywhere in this
11 proceeding still have not to this day the admissions in the Patent. And
12 moreover, none of that is actually clean. Nor does the 966 Patent every
13 anywhere says it's going to be neat. It says in fact, it's the opposite. It's
14 nonlimiting, substitutable, there's just nothing to it.

15 And it's just not nonobvious to send a notice onto the owner or anyone
16 else for that matter. It's basic human behavior. Notifying, hey, there's an
17 impediment in the road. There's something that's happening, there's a
18 customer that's going to be impacted by a service outage. It's all in the
19 record. It's all there. Really also, --

20 JUDGE DOUGAL: Counsel?

21 MR. COLSHER: Yes, Your Honor.

22 JUDGE DOUGAL: This is Judge Dougal. So I am a little concerned
23 with some of these finer details of Patent Owner's about like how the owner
24 is notified and the things that are in the particular notice. You know, it's fine
25 to say it's obvious or are not super new and, you know, some other reference
26 talked about it.

1 But your burden, right, is to show us where these things were taught
2 or obvious, based on the arguments you made in the Petition. And you
3 know, in our decision, we can't kind of hand waive and say oh, I feel kind of
4 generally, do these things and say you could do it.

5 So I would love to hear your responses to some of maybe to some of
6 these specific issues, you know, how Key teaches, you know, these
7 notifications to the asset owner or how, you know, the Petition sets forth that
8 this was obvious and address Patent Owner's argument, – that it's
9 unsuccessful because you failed to show that in the Petition.

10 And, you know, I worry about what Patent Owner just raised, that
11 some of these patents that you've relied on in these slides are not in your
12 Petition or Reply and that they're not relied on by declarants. That's
13 concerning. So if you could hit some of those points, I would appreciate it.

14 MR. COLSHER: Yes, I think, why don't I take that last one first just
15 to put the record straight regarding that Cober exhibit. That was Exhibit
16 2008. And I would specifically point to Page 12 of the Reply about half way
17 down.

18 And it talks about it is further confirmed by PO's own cited art and
19 that's specifically talking about Cober Exhibit 2008 therein and citing to that.
20 I think more generally, I'm confident in saying that everything that's been
21 relied upon has been presented in our papers.

22 The theories were laid out in the Petition. Patent Owner responded to
23 some stuff. We then consistent with, you know, the various Federal Circuit
24 precedent, you know, *Rembrandt vs. Alere*, 76 F.4th 1376 (Fed. Cir. 2003).
25 We elaborated on some of that.

1 We provided the support for the theories that was already in there. It
2 was already supported. And we just provided some additional examples. So
3 contrary to I think what Counsel for Patent Owner said, this has all been
4 consistent throughout the Petition, throughout this proceeding.

5 And, frankly, we never heard anything about this in their Sur-Reply.
6 It was never raised in any of those new arguments or different arguments. It
7 wasn't until we got this week that we started hearing oh, there's new
8 something different. Right?

9 If there was new and different, the time has already passed in our
10 submission. But in any event, we don't think that is actually there. Now, to
11 get back to your first point. Right? About the obviousness of the claims.
12 Right?

13 You know, you heard Counsel saying, for example, was quoting I
14 guess from Page 42 of the Petition talking about limitation 8d and he did this
15 a couple of times. He also did this with respect to limitation 8e talking about
16 how Key alone or in combination with Sweeney discloses. Right?

17 He stopped there. I think it's important because that's not the end of
18 that sentence. The end of that sentence then reads, or it would have been
19 obvious to include it as part of Key. Right? And so fundamentally, what we
20 explained in the Petition and what we explained in the Reply and I think
21 what the records show is when one of skill in the art is looking at this is the
22 particular information that's in the notice. Right?

23 I don't think there can be any real dispute that all of that information is
24 in the state of the art and when you're designing these systems as you would
25 with these with these regulated assets, you would, as we explained, notify.
26 Right?

1 And include the relevant information. We explain in the Petition. We
2 explain in the Reply why that information would do things like costs. Why
3 thing would be like inspection time and why? Well one, it's to keep the user,
4 the owner, informed and two, well you want to know how much it costs.
5 Right?

6 If they're going to have to pay a fee which Key undisputedly
7 discloses. Right? Well there's a cost associated with that. So logically you
8 would provide that notice and that's bore out throughout the Petition,
9 throughout the various state of the art and everything else.

10 And you know, Patent Owner has urged the Board to limit the record
11 to the specific prior art references that are identified as being part of the
12 ground, but that's not legally correct. Nor is it correct on this record. Right?

13 The Randall case which we cited in our brief, in our Reply brief, that
14 specifically tells you per KSR. Right? That you need to consider the totality
15 of the record. The state of the record because it explains exactly why one of
16 skill would have brought all of this to bear.

17 And I can get into more granularity, but I wanted to sort of step back a
18 second because we would submit that everything that we've done here is
19 procedurally proper. We laid it out in the Petition. We replied in some of
20 the arguments in the Reply.

21 And now here we are just explaining and tying together that evidence
22 using the record that is there. Unless there's any other questions, I will cede
23 the rest of my time. Thank you, Your Honors.

24 JUDGE LORIN: Thank you, very much.

25 MR. PERQUE: A few brief points. This assertion that the 966 Patent
26 has admissions about interchangeability, is false logic. The 966 Patent

1 addressed the method for improving compliance associated with fire
2 hydrants and related life safety assets.

3 Petitioners, in their Reply Brief I think it's at Page 6, argued that the
4 claims are limited to fire hydrants or managing the inspections of fire
5 hydrants. The record as created in the Declaration of Mr. Moren and Mr.
6 Williams is clear that those assets, fire hydrants and related life safety assets
7 have very stringent regulations regarding their inspection and maintenance.

8 So if you have a system that can be used for fire hydrants and related
9 life safety assets that comply with very stringent regulations, it is true that
10 the system may be used with other types of assets provided that they use
11 similar data layers as was described by Mr. Williams in his discussion about
12 why assets are not interchangeable in asset management systems.

13 But it is not true that a system as described in Key for boilers and
14 pressure vessels that doesn't comply with the regulations for fire hydrants in
15 the record is clear on that, that is the case and that would not be applicable
16 here for a claim that is directed to improving compliance with those
17 regulations.

18 So there's false logic in the 966 admissions argument. Also, the
19 primary assertions that were made with regard to new arguments is and I
20 think the law is fairly clear on this, that the Petitioner is held to the
21 arguments that are presented in the Petition.

22 And if there are new arguments in the Reply or new arguments that
23 were today, or new arguments that were made in the demonstrative aids,
24 those arguments should be disregarded. So with reference to Cober, and
25 there's a fairly recent case that discusses this in some detail. It's Netflix v.
26 DivX and it's I have a cite for it here.

1 It's Fed. Circuit, it's 84 F.4th 1371. And in that case, the Fed. Circuit
2 affirmed a PTAB decision where a Petition denying that the Petitioner met
3 the burden of proof patentability, where the Petitioner was arguing well I
4 refer to this here and that there.

5 And that the Panel found you didn't make the argument in your
6 Petition that you were presenting at oral argument or presenting elsewhere
7 and the Petitioner is held to what's in the Petition and the Federal Circuit
8 affirmed that. So with regard to the references that yes, we made a reference
9 to Cober in the Reply, I invite the Board to look at that reference. It's
10 nothing but a cite to Cober alone.

11 There's no explanation whatsoever and what was argued today goes
12 well beyond that and certainly well beyond anything that was in the Petition
13 which I wouldn't describe it as improper, I would describe it as not allowed
14 under the law.

15 And that the Board should disregard any arguments that are not
16 clearly presented in the Petition as is discussed in the Netflix case that I
17 reference. Does the Board have any questions?

18 JUDGE LORIN: Any questions? No. No, thank you, Counsel.
19 Thank you very much.

20 MR. PERQUE: Thank you very much for your time and attention.

21 JUDGE LORIN: All right. Thank you both for appearing today and
22 for answering our questions. We will take this case under advisement and
23 issue our decision in due course. We are adjourned.

24 (Whereupon, the above-entitled matter went off the record at 2:23
25 p.m.)

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