

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PELOTON INTERACTIVE, INC.
Petitioner

v.

NEC CORPORATION,
Patent Owner.

IPR2023-01240 (Patent 9,769,427 B2)
IPR2023-01241 (Patent 9,769,427 B2)

Record of Oral Hearing
Held: November 8, 2024

Before MICHAEL J. STRAUSS, CHARLES J. BOUDREAU, and
CHRISTOPHER L. OGDEN, *Administrative Patent Judges*.

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

1:07 p.m.

JUDGE OGDEN: Welcome to the Patent Trial and Appeal Board. We're convened for oral arguments in two cases, IPR2023-01240 and IPR2023-01241. Both cases challenge claims in US Patent No. 9,769,427. I am Judge Ogden and appearing also are Judges Strauss and Boudreau. Let's get started with appearances for both of the parties and find out who will be arguing today for each side.

And if there's anyone attending remotely with you today but will not be speaking, I'd like you to also please identify them as well. For example, please state if your client is attending. And also, at the end of the hearing, please confer with the court reporter and make sure that there are no questions about how your names are spelled. So let's start with appearances for Petitioner.

MR. WEIDENFELLER: Thank you, Your Honor. This is Scott Weidenfeller with Covington & Burling on behalf of Petitioner Peloton Interactive. With me today are my colleagues Emily Mondry and Anupam Sharma. And Ms. Mondry will be arguing for us today.

JUDGE OGDEN: Okay. Welcome.

MR. WEIDENFELLER: Thank you.

JUDGE OGDEN: And appearances for Patent Owner?

MR. WILLIAMS: Good afternoon, Your Honor. This is Eliot Williams for Patent Owner. With me today is backup Counsel Nick Palmieri. I think I also have additional backup Counsel Jen Tempesta watching on the public link, as well as several representatives from my client

1 NEC. I'm not sure how many there actually are watching the link. It's either
2 four or five, last I checked.

3 JUDGE OGDEN: Okay. Welcome. And will you be arguing, Mr.
4 Williams?

5 MR. WILLIAMS: Yes. Yes, I will, Your Honor.

6 JUDGE OGDEN: Okay. Just let me go over a few initial things. First
7 of all, recording of any PTAB hearing is prohibited. The court reporter will
8 provide a transcript of the hearing and that will become part of the record at
9 a later date. So if you could, it would be helpful if you could try to make
10 sure that the transcript of the hearing is clear. So if you could identify
11 yourself before you begin speaking, that would be helpful.

12 And also, please try to identify specific slide numbers in your
13 demonstratives or specific places in the record to identify anything you
14 might refer to. And try to mute yourself when you're not speaking so that
15 there's no feedback, cross talk, between the different people participating
16 today. If there happens to be any technical difficulties during the hearing,
17 please let us know immediately and we can stop the hearing and get the
18 problem sorted out or get you reconnected.

19 As I understand it, I don't believe that there is any intent by the party
20 to discuss confidential matters in this hearing. I know that there was a
21 motion to seal particular documents that the Patent Owner submitted. And
22 we denied that without prejudice, but we have not seen a revised motion to
23 seal. And so, Mr. Williams, are we to understand then that the Patent Owner
24 is not going to be pursuing a motion to seal those documents?

25 MR. WILLIAMS: Yeah, that's right, Your Honor. I was just rereading
26 the Board's order on that before the hearing. I noticed, you know, the

1 implication of that was that the Board was going to make them available to
2 the public. I'm not sure if that's been done yet or if you're intending for us to
3 refile them with that designation. So we're happy to do it either way. Just let
4 us know.

5 JUDGE OGDEN: As it stands now, they are still classified under seal
6 on the record, but that will change. We'll take care of that later. But I just
7 wanted to make sure that there's no issues keeping -- there's nothing that
8 would prevent anybody participating here from discussing any of those
9 documents.

10 MR. WILLIAMS: That's correct, Your Honor.

11 JUDGE OGDEN: Okay, thank you. Per the Hearing Order, I believe
12 each side has 60 minutes, except that there's been a request by Petitioner that
13 Ms. Mondry will participate as a LEAP practitioner. So that will afford
14 Petitioner 15 extra minutes according to our rules because of that.

15 Petitioner will start because Petitioner has the burden of persuasion,
16 and Petitioner can reserve some amount of time for rebuttal. And then Patent
17 Owner will go next. And Patent Owner can also reserve some time for
18 surrebuttal. And then we'll go back to Petitioner and Patent Owner after each
19 reserve time.

20 And just remember that the argument should be limited to only those
21 issues that have been previously raised in the briefs. And I will keep track of
22 the time on a stopwatch, and I'll try to give you warnings in advance of when
23 your time is about to run out.

24 Okay. So let's get started with Petitioner. Ms. Mondry, I understand
25 that you'll be arguing on behalf of Petitioner. Is that correct?

26 MS. MONDRY: Yes, Your Honor.

1 JUDGE OGDEN: Okay. Would you like to reserve rebuttal time?

2 MS. MONDRY: I would. If I could please reserve 20 minutes for
3 rebuttal, which I believe, given your statement earlier, would mean that for
4 opening arguments that would be 55 minutes, correct?

5 JUDGE OGDEN: Yes, that's good. Okay, you can proceed when
6 you're ready.

7 MS. MONDRY: Thank you. I'm just sharing my screen. Give me just
8 one moment. Okay, is the screen sharing for everyone? Hearing no concerns,
9 I will assume that it is. Good afternoon, Your Honors. My name is Emily
10 Mondry, and I represent the Petitioner, Peloton, in IPR2023-1240 and
11 IPR2023-1241.

12 I'd like to begin briefly by just addressing the content in the 1240 and
13 the 1241 Petitions, where they overlap and how they differ. With respect to
14 the issues that remain to be decided between the parties, the grounds, the
15 prior art combinations that comprise those grounds, and the evidence of
16 record, the 1240 and the 1241 Petitions are substantively identical. The
17 primary distinction between the two is the individual claims challenged in
18 each Petition.

19 For ease of reference here, I've identified the claims challenged in the
20 1240 Petition here in black and those challenged in the 1241 Petition here in
21 red. But going forward, given the fact that they are substantively identical, I
22 intend to refer largely to the issues with respect to the 1240 Petition and
23 mostly with respect to Claim 1, and also with respect to the evidence of
24 record. But it should be understood, given the similarity, that those
25 discussions and the evidence of record apply equally to both the 1240 and
26 the 1241 Petition.

1 Now, what are the remaining disputed issues between the parties at
2 this point in the proceeding? There are very few. In terms of the actual claim
3 limitations, the NEC argues are not met by any of these sort of prior art
4 combinations at this point. There are only two, which are interrelated
5 limitations that each speak to a process that must occur at a same time as the
6 other.

7 The first of those being a process which includes guaranteeing a
8 communication bandwidth, which going forward I'm going to refer to more
9 generally as the bandwidth limitation. And the second of those being, again
10 at a same time, transmitting the playlist information or the playlist
11 limitation.

12 Beyond these two limitations, NEC does not identify any other
13 limitation of any claim, be that an independent claim or a dependent claim,
14 that is purportedly not disclosed by the prior art combinations. Beyond these
15 issues, remaining issues also include motivation to combine and a new
16 argument that was raised by NEC for the very first time in its Patent Owner
17 Response, which is that Ueda is purportedly not eligible as prior art.

18 With respect to Grounds 3 and 4, the remaining issues that are distinct
19 to Grounds 3 and 4 are even fewer. As I mentioned previously, the only
20 challenged claim limitations at this point are the bandwidth limitation and
21 the playlist limitation, leaving only motivation to combine, which many of
22 which the arguments for motivation combine are also subsumed into those
23 for Grounds 1 and 2 as well.

24 I'd like to start by focusing on NEC's argument that Ueda is not
25 eligible as prior art. As I mentioned previously, this is a new argument, one
26 that was raised for the very first time by NEC in its Patent Owner Response,

1 and one that the Board did not have the opportunity to consider previously
2 on the record, which is premised on the idea that the '427 Patent should be
3 afforded an even earlier priority date than the earliest possible date that is
4 listed on the face of the '427 Patent of November 18, 2008.

5 JUDGE OGDEN: Ms. Mondry, you're not suggesting that it was
6 improper for Patent Owner to raise this in their Patent Owner Response,
7 right? Because their Preliminary Response was preliminary. And once we
8 decide whether to institute a trial, isn't Patent Owner able to raise things that
9 they didn't raise in their Preliminary Response?

10 MS. MONDRY: With respect to the rules of the Board, no. I believe
11 there was a separate question earlier in these proceedings which the Board
12 determined not to address with respect to additional evidence involving a
13 separate district court proceeding. But we understand that the Board elected
14 not to address those issues, and no, we're not challenging any aspect of that
15 today.

16 JUDGE OGDEN: Thank you.

17 MS. MONDRY: But prior to this argument being raised by Patent
18 Owner in its Patent Owner Response, there had been no question that Ueda
19 is eligible as prior art. Having been filed earlier than November 18, 2008, on
20 September 19, 2008, that clearly would have made Ueda eligible as prior art.

21 Now, according to NEC, as I mentioned, it is seeking to establish an
22 earlier priority date for the '427 Patent. What does that timeline look like
23 according to NEC? Well, it starts with an internal NEC presentation dated
24 August 6, 2008, that according to NEC, establishes conception for the
25 entirety of the invention of the '427 Patent.

1 Then, following this presentation, according to NEC, one of the
2 named inventors of the '427 Patent, Mr. Taniguchi, began working on a draft
3 specification for a Japanese priority application to the '427 Patent, which
4 was then transmitted three months later on November 6, 2008, to NEC's
5 Patent Counsel, who then filed the Japanese priority application 12 days
6 later, on November 18, 2008.

7 The question remains, however, whether or not Mr. Taniguchi was
8 actually diligent in working to reduce that claimed invention to practice
9 during the critical period, which includes just before the filing date of Ueda,
10 which happened during that three-month period. But none of the evidence
11 that NEC actually puts forward to establish Mr. Taniguchi's diligence shows
12 that NEC should be afforded this earlier priority date.

13 JUDGE OGDEN: Before we get to the diligence issue, I don't want to
14 skip over the conception issue. Is Petitioner still challenging the date of
15 conception?

16 MS. MONDRY: Petitioner is still challenging the date of conception.
17 We elected to focus primarily on where we think it would be most helpful to
18 isolate issues in the record between the parties at this point. However, we're
19 of course prepared to address the issue of conception if there are specific
20 questions relating to it. But our intention was to specifically address
21 diligence with respect to the Ueda eligibility question.

22 JUDGE OGDEN: Okay, thank you.

23 MS. MONDRY: So what does NEC actually have to show to establish
24 that Mr. Taniguchi was diligent? A few things. First, that his diligence was
25 reasonably continuous. Second, that there is some other evidence of record
26 beyond just Mr. Taniguchi's testimony alone that corroborates his claims of

1 his diligence. And third, that the activities NEC actually relies on in
2 purported support of that diligence actually relate to reducing the claimed
3 invention to practice.

4 But none of the evidence that NEC actually relies on does these
5 things. The evidence effectively can fall into two categories, which can be
6 easily represented by excerpts from Mr. Taniguchi's declaration. The first of
7 those relates specifically to his purported activities in drafting a specification
8 for the Japanese priority application, as he relates in the excerpt from his
9 declaration here on slide 8 on the top left.

10 The second of those is a separate set of activities that NEC relies on,
11 specifically referring now to the excerpt from his declaration in the bottom
12 right, of him spending time working on additional or related research
13 projects for IPTV. But the record evidence relating to either of these theories
14 of diligence doesn't actually set out Mr. Taniguchi's diligence.

15 Focusing first on this first category relating to Mr. Taniguchi
16 purportedly working on the draft specification, now turning to slide 9, I want
17 to direct your attention to this excerpt from his declaration again, which I'd
18 like to read out to you in full, specifically the highlighted sentence. I
19 therefore began in mid-August 2008 to draft a technical specification
20 document setting out additional background and implementation details,
21 including those already well known in the industry.

22 This one sentence represents the entirety of the evidence NEC relies
23 on in order to purportedly establish his diligence in working on the
24 specification. But the case law is very clear that an inventor must provide
25 specific details on activity during the critical period. General testimony that

1 the inventor worked continuously and diligently will not suffice. But the
2 only thing that Mr. Taniguchi provides is general testimony of diligence.

3 JUDGE OGDEN: Ms. Mondry, we also have that actual technical
4 specification as well, right? And isn't that at least some corroboration that
5 Mr. Taniguchi did work at least at some point before November 6th on the
6 technical specification, because we have it and it's actually pretty extensive,
7 and it seems like it would have required a great deal of work on his part to
8 prepare that. So isn't that at least some amount of corroboration of his work
9 during the critical time period?

10 MS. MONDRY: So I'd like to turn back to slide 6, which illustrates
11 the timeline. So NEC makes a similar argument that pointing simply to the
12 existence of the draft specification alone that was transmitted on November
13 6th is sufficient evidence in and of itself of diligence. But to suggest that
14 would collapse the question of diligence into the question of reduction to
15 practice entirely.

16 The question is not whether ultimately a draft specification setting out
17 the '427 Patent's invention exists. The question is whether in the entirety of
18 the critical period, the invention was reasonably -- the diligence was
19 reasonably continuous throughout that period.

20 It's entirely possible, for example, that Mr. Taniguchi did not -- even
21 taking him at his word that he was working on this declaration at some point
22 during that period, it's entirely possible that he did not begin working on that
23 declaration until late October or even earlier, which completely excludes a
24 portion of the critical period, specifically where Ueda was filed. So simply
25 acknowledging that the specification ultimately existed is not sufficient to
26 establish diligence.

1 JUDGE OGDEN: So I don't think you can say, can you, that the issue
2 of diligence collapses into the issue of conception because the conception,
3 according to Patent Owner, is based on that presentation on August 6, 2008.
4 And we have that presentation and that's what they base their date of
5 conception on.

6 So it's just a question, as I see it, of whether -- and at the same time,
7 we also have evidence toward the end of the critical period, November 6,
8 2008, that a substantial amount of work had been done at that point to move
9 the claimed invention along toward constructive reduction of practice.

10 So I don't think that there's any question that there was diligence
11 during that period of time. I think the question, as I understand it, is: Is that
12 diligence reasonably continuous within that period? Right? Would you agree
13 with that?

14 MS. MONDRY: I would certainly agree that that is an important
15 aspect of the problem. And I just want to clarify if I misspoke earlier. I
16 intended to say that the interpretation put forward by NEC would collapse
17 the question of diligence into reduction to practice. That the ultimate
18 question of whether or not the specification exists doesn't resolve the
19 question, as you point out, of whether or not the diligence leading up to the
20 creation of that document was reasonably continuous.

21 And I'd also like to turn your attention to slide 10, which sets out
22 some of the case law on this issue addressing very similar problems and
23 pointing out that the mere existence of the fact that the specification
24 ultimately existed is not sufficient to show that that diligence was reasonably
25 continuous.

1 Some examples of this, again referring to slide 10, are the Shu-Hui
2 Chen case, which again involved very similar circumstances of a plaintiff
3 trying to make a case for diligence in reducing an invention of practice based
4 off of a constructive reduction to practice, but had provided no evidence
5 whatsoever other than just the general testimony of having worked on that
6 specification.

7 Again, there was no question that the specification ultimately existed.
8 The question, and where the plaintiff had failed, is in showing that there was
9 diligence leading up to that point. And we have a very similar circumstance
10 here over a very similar period of a critical period. And similarly, there's
11 also no evidence of corroboration for these same activities whatsoever. The
12 only thing that we have, referring back to slide 9, is this one sentence from
13 Mr. Taniguchi, that he was working on it.

14 He does not provide any digital metadata showing when the document
15 was created, comments or revisions, or anything showing that the drafting of
16 the document was reasonably continuous in its advancements. No third-party
17 testimony speaking to the fact that Mr. Taniguchi was working on it during
18 this period. The only thing that we have from NEC is this one sentence.

19 JUDGE OGDEN: I think we have more than that. I mean, we have the
20 actual specification. And we have -- aren't we able, based on that
21 specification, to infer that there has been a substantial amount of work done
22 by the inventor himself during the critical period? And isn't the question just
23 -- can't we just put that aside, the question that there has been a lot of work
24 done during the critical period, and that's been corroborated by the
25 specification itself?

1 So the question, isn't the question just whether that work that was
2 done was reasonably continuous during that critical period so that there was
3 no abandonment or unreasonable delay during that critical period?

4 MS. MONDRY: Absolutely. Referring back to slide 6 again, the
5 reason that showing that reasonably -- that that diligence is reasonably
6 continuous, and how simply even taking as a fact that there was some
7 amount of work done on the specification prior to it being sent to Patent
8 counsel on November 6, there is -- by failing to provide any detail or
9 evidence other than this simple statement that he was working on the
10 specification, we have no way of actually attributing this to the critical
11 period and showing that reasonably continuous diligence.

12 For example, I think one example I gave is that it's entirely possible
13 that he didn't begin to even work on it until late October. There's nothing to
14 actually indicate that before the, or just before the filing date of Ueda, that
15 there was reasonably continuous diligence with that frame of time in mind.

16 JUDGE OGDEN: So if we assume that that's true, that he didn't begin
17 working until late October, that would be maybe a gap of a month in the
18 critical period where he wouldn't have done work on the constructive
19 reduction of practice. Would it be reasonable to have a one-month gap,
20 particularly for an inventor who was busy doing other things during that
21 period of time as part of his job? Wouldn't that have been a reasonable gap
22 for him not to have done much on the specification?

23 MS. MONDRY: First of all, I think the one-month gap in this
24 particular circumstance is solely from my hypothetical. It certainly could
25 have been longer than that. But regardless, even if it was one month, I
26 believe the answer is still yes.

1 Turning to slide 10 again, setting out the case law. There are many
2 examples of relying on lack of diligence during critical periods of similar
3 timeframes or even shorter. One such example is the Board's decision in the
4 Tesla case on the bottom, which involved no evidence whatsoever or
5 corroboration of general testimony of working on a draft specification over a
6 period of one month.

7 The kind of a barometer for what is reasonable is in part just what the
8 entire critical period, again, referring back to slide 6, even is. Here we're
9 talking about a period of just a couple of months. So, yes, according to the
10 Board, at least in Tesla, similar time periods of even a month, or even
11 shorter in other instances are evidence of a lack of diligence.

12 Turning now, unless there are further questions specifically on Mr.
13 Taniguchi's activities involving the purported drafting of the specification. I
14 wanted to draw brief attention to Mr. Taniguchi's other claims about
15 working on other activities, turning now to slide 11. Specifically, referring to
16 this excerpt from Mr. Taniguchi's declaration, he states that, in addition, he
17 spent nearly 100 percent of his time from August 2008 until November 2008
18 on additional or related research projects for IPTV.

19 But the case law is very clear here that the work relied on must
20 ordinarily be directly related to reduction to practice of the invention.
21 Neither NEC nor its inventor, Mr. Taniguchi, purports to have invented
22 IPTV. The invention of the '427 Patent relates to specific systems that
23 transmit particular data based on stored selection information involving
24 specific processes that are performed by intermediary connection control
25 servers. They do not pretend to have invented IPTV.

1 So to the extent that Mr. Taniguchi was working on activities within
2 the normal course of his job that involved IPTV, this is not evidence of
3 diligence. And even worse, he specifies he spent nearly 100 percent of his
4 time during that same period where he was supposedly working diligently
5 on the drafts specification for the Japanese priority application, doing these
6 unrelated activities.

7 So collectively, neither the testimony nor evidence relating to Mr.
8 Taniguchi purportedly working on the draft specification nor the evidence
9 relating to his other research projects is sufficient to show that he was
10 actually diligent during that critical period.

11 JUDGE OGDEN: Well, we consider the issue of reasonable diligence
12 under rule of reason standard. And can't we consider various factors such as
13 how busy he, Mr. Taniguchi, was during that time period and whether in
14 light of his busy schedule during the critical period, it was reasonable for
15 him to take, you know, a month and a half or whatever amount of time to
16 prepare a very extensive technical specification that he submitted to his
17 attorneys?

18 MS. MONDRY: Sure. So actually, I'd like to direct you to slide 12,
19 which addresses the question of the rule of reason, because part of the case
20 law that NEC relies on speaks to the rule of reason, particularly in
21 mentioning the perfect surgical techniques case. But it would be one thing if
22 Peloton were asserting that in order to be diligent, Mr. Taniguchi needed to
23 have burned the midnight oil every single day during the critical period in
24 order to show that diligence.

25 But this is very far afield from the record that's actually before us,
26 which again, in contrast to perfect surgical techniques, which was setting out

1 this question of rule of reason, included a plethora of different types of
2 documentary evidence actually setting out this diligence over the period and
3 speaking to how much the inventor was actually working on reducing the
4 invention to practice.

5 This involves a third-party declaration saying that the inventor had
6 met with Patent Counsel to go back and forth working on this declaration --
7 on this specification. A letter showing the revisions that occurred during the
8 critical period. Billing records showing that these meetings had occurred.

9 By contrast, the only thing that we have going back to, again slide 9,
10 is this one sentence. To the extent that NEC wanted to put forward a
11 narrative that Mr. Taniguchi was nevertheless very diligent in working on
12 drafting the specification during that period, despite how busy was. They
13 simply don't provide this evidence.

14 And again, the evidence that they do provide, turning back to slide 11,
15 says the opposite. Again, not that he needed to spend every single waking
16 moment working on reducing that invention to practice, but worse that he
17 spent nearly 100 percent of his time doing other things. With that being the
18 case, unless I have further questions, I'd like to turn now to Ground 1,
19 specifically the combination of Ueda SIP Standard and SDP Standard.

20 As I mentioned previously, at this point, there are only two limitations
21 that are at issue between the parties, both of which are comprised within
22 what the parties have referred to as limitation 1G. In full, that language is for
23 that first limitation, a process for guaranteeing a communication bandwidth
24 required for transmitting content data as a process for establishing the
25 connection, which again is the bandwidth limitation.

1 And the second of those requirements is that at a same time, they must
2 transmit the playlist information via the one or more connection control
3 servers to the user equipment, which has transmitted the content delivery
4 request. Again, beyond these two limitations, the bandwidth limitation and
5 the playlist limitation, there are no other limitations that NEC has identified
6 as purportedly not being disclosed by the asserted prior art grounds at this
7 time.

8 Starting first with the bandwidth limitation. I'd like to address this
9 limitation by speaking to where the parties actually seem to agree and where
10 they appear to differ. Importantly, NEC appears to agree that it was known
11 that a proxy server may guarantee bandwidth on the basis of a SIP message.
12 The question, then, is why NEC does not agree that the bandwidth limitation
13 is disclosed by the prior art combination of Ground 1.

14 NECs arguments primarily rest on a misinterpretation of what it
15 means to use a SIP message, which is an argument that should be familiar to
16 the Board because it is one that NEC previously submitted in its Patent
17 Owner Preliminary Response in which the Board dismissed in its institution
18 decision. Beyond this, NEC also puts forward several other arguments that
19 seek to import additional requirements into the claims that do not actually
20 exist and are not supported by the specification of the '427 Patent.

21 Starting first with just the question of what will the SIP Standard and
22 SDP Standard teach? It's very clear based off of the record that the
23 combination does disclose the bandwidth limitation. As discussed, the
24 proposed combination incorporates a SIP proxy system into Ueda for
25 connecting its content user device and media servers as operated by the SIP
26 and SDP Standards.

1 Such a setup involves a series of messages sent between a user device
2 and media servers using intermediary proxy servers. The SIP Standard
3 provides an example of this in figure 1, which you can see on the left here,
4 referring to slide 16.

5 In figure 1, the SIP Standard shows an example where Alice's
6 softphone seeks to make a connection with Bob's SIP phone. And in order to
7 do that, it begins by initiating a session -- it formulates an invite request.
8 And you can see this in figure 1 with Alice's softphone sending invite F1,
9 which is propagated through each of the proxy servers until it reaches Bob's
10 SIP phone.

11 Now, at the point that Bob's SIP phone receives this invite message, it
12 has a couple of options. One of those options is to send a 200-level response,
13 which is an okay response. And you can see that actually occurring in figure
14 1, which are sent back through each of the proxy servers until it reaches
15 Alice's softphone, which indicates that Bob would like to continue and set
16 up the session.

17 However, that is not the only option that is available as set out by the
18 SIP Standard. The SIP Standard also teaches that if the invitation is not
19 accepted, a 300-, 400-, 500-, or 600-level response is sent depending on the
20 reason for the rejection. And turning now to slide 17, the SIP Standard
21 actually provides a lot of additional detail about the format that those
22 rejections can take.

23 One such example, referring to the excerpt from the SIP Standard at
24 the top of slide 17, is a 606 not acceptable response. In that instance, the
25 user's agent was contacted successfully, but some aspects of the session

1 description, such as the requested media, bandwidth, or addressing style
2 were not acceptable.

3 And the SIP Standard provides further explanation of these rejections
4 by presenting error codes, one of which is error code 370, now referring to
5 the excerpt in the middle on slide 17, which is an error code for insufficient
6 bandwidth.

7 And in that instance, the bandwidth specified in the session
8 description or defined by the media exceeds that known to be available. And
9 that media is what is known to be available, for example, because it is
10 specified in the SDP Standard, an excerpt of which is provided at the bottom
11 of slide 17, which indicates that there is a bandwidth field which can show
12 the proposed bandwidth to be used by the session or media.

13 Turning now to slide 18, all of these teachings together make it very
14 clear that the SIP Standard sets out a process where a person of ordinary
15 skill in the art would be able to determine whether or not there is sufficient
16 bandwidth in order to respond positively to a request.

17 And based off of that determination, either send back a response
18 indicating that it is not possible to go forward with the request because there
19 is not sufficient bandwidth or finding, in the alternative, that there is
20 sufficient bandwidth to then go forward with that request. And it appears
21 that this is something that both parties agree on.

22 Referring to the excerpts here at the bottom of slide 18, **bolded in red**
23 **from Patent Owner's Response**, the Patent Owner stated that a person of
24 ordinary skill in the art would have understood that a session control server
25 could reserve bandwidth on the basis of a SIP session request. So this is not

1 something the parties appear to disagree on. So what is it that NEC does
2 disagree on?

3 Turning now to slide 19, what NEC instead takes issue with is a
4 misrepresentation of Peloton's argument, asking that Peloton instead
5 required that a SIP message in and of itself be what must execute a process
6 for guaranteeing a bandwidth. This is simply not what Peloton argued. And
7 this argument in and of itself, as I mentioned earlier, should be a familiar
8 one because NEC argued it once before, and the Board correctly recognized
9 that this is simply not what Peloton's position is.

10 What Peloton had stated in its Petition is simply a recognition, as the
11 Board came to the same conclusion, that there is very little in the '427 Patent
12 specification that actually sets out the process for guaranteeing a
13 communication bandwidth. And I'd like to turn briefly to slide 22 to draw
14 your attention to what that limited information is.

15 On the right, we have an excerpt from the '427 Patent, which sets out
16 the one and only embodiment that actually speaks anything about the
17 bandwidth guarantee process, where at most the patent states that the
18 transport functions part 80, in this example, executes a process to guarantee
19 the communication bandwidth represented by the received communication
20 bandwidth information on the communication channel specified by the
21 received communication channel specification information (bandwidth
22 guarantee process).

23 Beyond this, the patent does not provide any other information about
24 what it means to guarantee a bandwidth.

25 In recognition of this, now turning back to slide 19, Peloton merely
26 indicated in its Petition that in this example, which involved utilizing SIP

1 proxy servers the same way that the combination of what the SIP Standard
2 and SDP does, that given this lack of information, it would have been
3 obvious that a process to guarantee a communication bandwidth, indicating
4 that this process is a standard process performed by SIP servers using SIP
5 messages.

6 NEC, in turn, referring to the excerpt from its Patent Owner Response
7 on the bottom of slide 19, has instead interpreted this to mean that a SIP
8 message must be what executes a process for guaranteeing communication
9 bandwidth. But using information from a SIP message is not the same thing
10 as requiring that a message be what executes a process.

11 Turning to slide 20 again, the Board clearly recognized this. In its
12 institution decision, it explained that Peloton was not arguing that the SIP
13 messages themselves constitute the recited process for guaranteeing a
14 communication bandwidth. Rather, as Peloton's expert, Dr. Reader,
15 explained, the guaranteeing process involves checking that the bandwidth
16 specified in the session description or defined by the media does not exceed
17 the available bandwidth, and then either continuing or aborting the process
18 for establishing the connection.

19 Turning to slide 21, it's also clear that NEC's own expert, Dr.
20 Cooperstock, understands what it means to use a SIP message. In his
21 deposition, he was asked a question about the processes of a proxy server
22 specifically, as they are explained in the SIP Standard in figure 1. And Dr.
23 Cooperstock testified that it's very clear that the biloxi.com proxy is using
24 the destination address. In other words, the information provided by the SIP
25 message in order to carry out, in this instance, a lookup function.

1 So NEC's own expert makes it clear what it means to use a SIP
2 message to perform a function. The --

3 JUDGE OGDEN: So just before we move on, Ms. Mondry, so the
4 claims do require that there is -- a process is executed by the connection
5 control server for guaranteeing the communication bandwidth required. So
6 you are saying that there is an actual process that's executed in order to
7 determine whether to transmit the content or not based on the SIP message?

8 MS. MONDRY: Correct. And this is something that I can turn back to
9 the citation from the Board's institution decision on slide 20, that the Board
10 set out fairly well. As the Board explains, this process involves, as explained
11 by the SIP Standard and the SDP Standard, checking that the bandwidth
12 specified in the session description or defined by the media does not exceed
13 the available bandwidth.

14 Which again perfectly mirrors the limited and only explanation that
15 we have of this in the '427 Patent, which similarly teaches receiving
16 bandwidth information using SIP messages and then either continuing or
17 aborting that process to establish the connection.

18 So again, simply using that information that is provided from the SIP
19 message about the required bandwidth, and then determining whether or not
20 to move forward based off of the available bandwidth, which we know is
21 something that is contemplated as being possible to do based off of, turning
22 back to slide 17, the teachings in the SIP Standard, which show that it is
23 possible to indicate there is insufficient bandwidth in order to proceed.

24 JUDGE OGDEN: Thank you.

25 MS. MONDRY: Turning now to slide 22, NEC's remaining
26 arguments instead revolve around the idea of trying to find additional

1 limitations as to what it means to guarantee a bandwidth and requiring that
2 the combination proposed in Ground 1 must do those things, despite the fact
3 that they are not actually required in any of the claims and are not specified
4 in any part of the '427 Patent.

5 One such instance that this is the case is NEC's argument that the
6 bandwidth limitation must be performed by transport protocols. This is a
7 very similar argument to what NEC argued and the Board rejected in its
8 institution decision, which is again premised on this language here on the
9 right-hand side of slide 22 in the '427 Patent, which explains that the
10 transport functions part 80 executes a process and so on.

11 And as the Board correctly recognized, what this is describing here is
12 simply identifying a functional block, a portion of a server, which you can
13 see in figure 2 on the left-hand side from the '427 Patent here, where in that
14 embodiment, the process for guaranteeing the bandwidth occurs. It does not
15 describe what occurs or how it occurs or provide any additional
16 requirements about what it means to guarantee a bandwidth.

17 And furthermore, even to the extent that it does, which it does not,
18 Claim 1 doesn't require that either. Claim 1 does not say anything about the
19 transport functions part 80 or require where in the system, more specifically
20 than the connection control server, that process must occur.

21 In its Sur-reply, Patent Owner takes one step further to transition from
22 transport functions part 80 to transport protocols to now require that the
23 bandwidth limitation must be performed by transport protocols. But this
24 limitation is -- simply, again, does not exist at all in the claims and certainly
25 does not exist in the patent itself. The term transport protocol is never used
26 at all with respect to the bandwidth guarantee process.

1 And again, referring back to figure 2 here on the left of slide 22, we
2 can see that further functional blocks within the transport functions part 80
3 include the bandwidth guarantee part 81 and also equipment authentication
4 part 82. NEC provides no explanation for why, again, never mentioned
5 transport protocols necessarily perform both this bandwidth guarantee
6 process, but also equipment authentication, which has no bearing on
7 transport protocols at all.

8 So again, this is simply not supported by the plain language of the
9 claims or anything in the specification of the '427 Patent.

10 JUDGE OGDEN: So, if based on Petitioner's theory of what this
11 bandwidth guarantee is, it seems more like sort of a check that there's
12 enough bandwidth at a period before establishing the connection. That's not
13 literally a guarantee that there's going to be enough bandwidth for the
14 requested media, right? Because, you know, for example, maybe you do a
15 check at that stage, and then there are some network problems that happen
16 that make it impossible for bandwidth to continue to be what was initially
17 reserved or identified.

18 So it's not literally a guarantee, right? Doesn't your position require at
19 least some sort of a more general idea of guarantee rather than just having it
20 literally be a 100 percent guarantee that that bandwidth will occur?

21 MS. MONDRY: I'd like to, in order to answer your question, turn to
22 slide 25, which addresses a very similar question and I think should help
23 resolve your question as well. The '427 Patent, either in Claim 1 or any other
24 claim or in the specification of the patent itself, does not describe particular
25 circumstances wherein the system must guarantee in all possible situations,
26 including where the request involves a preposterous or simply just

1 unavailable amount of bandwidth, that the system must be able to guarantee
2 in all possible circumstances that that request will be able to be fielded.

3 Similar to that issue, I think there's a similar thread to your question
4 here, that if there's an unplanned-for system error that means that the system
5 can no longer guarantee that bandwidth, what happens in that situation? And
6 in neither of those situations, either with respect to always needing to
7 guarantee every possible bandwidth or anticipating all possible errors that
8 could occur, does the '427 Patent explain that that's what is required to
9 guarantee?

10 Similarly, in addressing that first issue in its institution decision, the
11 Board explained Claim 1 doesn't require that a connection must be
12 established in all cases. And I think the same is true for the claim requiring
13 that a bandwidth must be guaranteed in the case of catastrophic technical
14 failure.

15 And NEC's own expert, Dr. Cooperstock, in addressing that situation,
16 provides a similar logic that addresses the other question of potential
17 technical failure. He mentions, referring now again to slide 25 on the bottom
18 hand side of the image on the left, that the '427 Patent does not appear to
19 state what should happen in the case of a bandwidth guarantee process not
20 being able to succeed.

21 The same would apply to an instance of catastrophic technical failure
22 where an initial idea that the bandwidth would be able to be guaranteed was
23 interrupted by some unplanned-for server going offline outside of the
24 system's control, for example. But the person of ordinary skill in the art
25 reading the patent would then have the liberty of deciding what to do in that

1 situation. The fact that these other scenarios exist is not something that the
2 patent explicitly says must be covered by the concept of guaranteeing.

3 And again, just referring back briefly to slide 22 on the right-hand
4 side, the only thing that the patent says about guaranteeing is this one
5 passage here, simply that the process for guaranteeing a bandwidth occurs
6 based off of the information provided about the necessary bandwidth for that
7 particular request. It provides no other information about confirming in all
8 possible scenarios for all possible requests of bandwidth, for all possible
9 situations of technical failure, that that guarantee must proceed.

10 I'd like to turn next to the playlist limitation for Ground 1. And
11 similarly, I'd like to acknowledge that it appears that there's not too much the
12 NEC seems to actually disagree with about why this limitation is
13 purportedly not met by the proposed combination.

14 Turning now to slide 27, and starting with Ueda. Ueda already
15 discloses a system that creates and sends a playlist from the server back to
16 the user device. Thus, in the combination of Ueda, the SIP Standard and
17 SDP Standard, where the SIP Standard and SDP Standard are teaching use
18 of intermediary elements of proxy servers in order to facilitate that
19 connection between the server and the content providing device.

20 The question is not why would a person of ordinary skill in the art
21 send a playlist? That is already very clear from Ueda in and of itself, which
22 teaches sending a playlist. The question is just how would a person of
23 ordinary skill in the art send that playlist using SIP and SDP? Which turning
24 to slide 28, a person of ordinary skill in the art would recognize that it would
25 be obvious to do so in any number of ways.

1 There are a large variety of ways, even that SIP and SDP both indicate
2 for sending this playlist. I've represented here just a few of them that I'd like
3 to address the Board's attention to. For example, the top left image on slide
4 28 from the SDP standard, which explains that media descriptions have any
5 number of attributes that are media specific. And these media level attributes
6 add information about the media stream.

7 The person of ordinary skill in the art already tasked with sending
8 Ueda's playlist using SIP and SDP would have clearly recognized that any
9 number of these attributes could be used in order to do that. And just the
10 concept of utilizing an SDP message in order to indicate a sequence of
11 media to be transmitted during that session is not even a new concept to
12 SDP.

13 Referring to the excerpt on the bottom left here from a contemporary
14 white paper discussing SDP. As this paper explains, another way of referring
15 to a media stream is by using the order of the M line in the SDP session
16 document. For example, the fifth media stream in the session description. So
17 what this example is explaining is that it was understood even at the time
18 that an SDP message can, by order of the M media lines, indicate the order
19 of the media that is intended to be played during that session.

20 So it's very clear that a person of ordinary skill in the art, already
21 tasked with sending Ueda's playlists, would have clearly been able to utilize
22 any one of these methods in order to send Ueda's playlists. The only thing
23 the NEC argues in response, which it does not appear to take issue with the
24 fact that a playlist could be sent using any one of these methods, is an
25 improper focus on the question of whether or not SIP or SDP in isolation

1 alone, as a singular reference, discloses sending a playlist. But that is simply
2 the wrong question to ask.

3 For example, in this case, *Bot M8* from the Federal Circuit, addressing
4 a very similar argument explained, the question is not whether an individual
5 reference in isolation discloses a claim limitation, but rather whether it
6 would have been obvious to a person of ordinary skill in the art to combine
7 the references to yield the claimed invention and whether that combination
8 discloses the reference.

9 NEC offers no argument actually addressing the proposed
10 combination, solely attacking the concept that SIP and SDP in isolation do
11 not teach a playlist. But that is simply not the question that is necessary to
12 resolve in order to determine the patentability of the '427 Patent.

13 JUDGE BOUDREAU: Ms. Mondry, this is Judge Boudreau. Claim 1
14 doesn't only require transmitting playlist information. It requires that the
15 playlist information be transmitted, that the -- sorry, that the first transmitter
16 be configured to transmit the playlist information at the same time that one
17 or more connection control servers execute a process for guaranteeing the
18 communication bandwidth required for transmitting content data as a
19 process for establishing the connection.

20 Where, in the prior art that is asserted here, is it taught that that
21 information is transmitted at the same time as the playlist information?

22 MS. MONDRY: Sure. So I'd like to, in order to answer your question,
23 refer to slide 21, which helpfully has figure 1 of the SIP Standard. It's
24 important to remember that just as a part of this combination, which again
25 involves using SIP's process of setting up a connection, that all of these
26 messages are part of establishing the connection.

1 So when we're saying that a person of ordinary skill in the art would
2 have utilized any number of these ways disclosed in the SIP and SDP
3 Standard, we're talking about utilizing messages that are sent as a part of
4 establishing this connection and including as part of the process for
5 guaranteeing the bandwidth.

6 So it's already inherent in the concepts of what SIP and SDP in and of
7 themselves already do, which is to establish a connection. All of this
8 information is therefore sent at a same time that SIP is working to establish
9 this connection.

10 JUDGE BOUDREAU: So are you arguing that we -- that that
11 limitation is found in the SIP Standard, that we don't need to look to the SDP
12 Standard or to --

13 MS. MONDRY: Well, given the fact that, turning to slide 28, some of
14 the concepts for how that playlist could be formatted specifically points to
15 the SDP Standard. No, it could be both. It could be just that the playlist is
16 formatted through -- I think another example that's not represented here is
17 the header in a SIP message, which wouldn't necessarily implicate SDP.

18 So it's possible that that could be comprised entirely within the SIP
19 Standard, but it's also possible that the playlist could be provided through the
20 SDP message, which again is often used as the body of a SIP message.

21 So, SIP in and of itself teaches a format for sending messages back
22 and forth, including particular headers that can be used, but also teaches that
23 a type of body must be used for that message. And both SIP and SDP teach
24 that they're often used with each other where an SDP message is used as the
25 body of a SIP message.

1 So collectively, they're used together in order to provide teachings that
2 disclose this limitation. Although theoretically it's possible that one of the
3 options that a person of ordinary skill in the art might choose is solely using
4 the media specification options that are provided through SIP.

5 JUDGE BOUDREAU: I'm still just trying to figure out where you're
6 getting the timing limitation from, whether that's coming from SIP, or if
7 you're relying on SDP, or if you're relying on Bechtolsheim for that.

8 MS. MONDRY: I see. In the combination for Ground 1 of Ueda, the
9 SIP Standard and SDP Standard referring to, again just to get figure 1 of the
10 SIP Standard on slide 21 here on the left, all of these processes, which is
11 explicitly a function of SIP about establishing the connection, yes, that
12 aspect of it does come from the SIP Standard.

13 JUDGE BOUDREAU: Okay, thank you.

14 MS. MONDRY: Turning now to slide 30, I'd like to very briefly
15 address motivation to combine largely in part because any of the remaining
16 arguments on motivation to combine from NEC effectively completely
17 mirror the exact same arguments that were already addressed by the Board
18 and its institution decision.

19 Turning now to slide 31, as Peloton set out in its Petition, Ueda
20 discloses a content-providing device and means for updating that content on
21 the device by connecting one or more servers, which you can see in figure 6
22 on the left-hand side, where a cloud is showing connecting multiple servers,
23 191 and 192, with content-providing device 150. But Ueda is otherwise
24 fairly silent on any specific requirements of what that network must look
25 like.

1 However, turning to slide 32, the SIP Standard teaches a network
2 configuration, which uses proxy servers as intermediary network agents, and
3 these proxy servers can help route requests, authenticate and authorize
4 agents, implement call routing, and provide various other features to users,
5 which certainly could have been used as those interstitial elements, turning
6 back to slide 31, of the network that is presented in Ueda.

7 Turning to slide 33, as Peloton's expert Dr. Reader set out, there are a
8 variety of reasons, given these teachings, that a person of ordinary skill in
9 the art would have found the motivation to combine them, starting along
10 with the fact that SIP and SDP are globally recognized and widely adopted
11 standards, which are commonly used by experts for a variety of contexts and
12 settings. And that in this particular circumstance, both SIP and SDP would
13 have provided well-known means of providing those intermediating
14 resources between agents to yield predictable results of forming a
15 connection.

16 In addition, SIP alone teaches the ability to signal a desire to
17 communicate with other devices and locating a server. SIP and SDP
18 themselves provide a variety of ways to characterize a communication
19 session to be set up between agents, several dozens of different fields and
20 headers that can be used to provide a variety of different information for a
21 session.

22 SIP provides a large suite of security options, not limited to
23 prevention of denial-of-service attacks, preserving the privacy of users, and
24 different ways of authenticating or authorizing a user. And as the Board
25 itself recognized in its institution decision, both SIP and SDP teach already

1 their mutual interoperability because they're often used with each other, with
2 SDP forming the body of a SIP message.

3 Now again, in response, NEC's arguments as to why no such
4 motivation exists are all arguments that the Board has already seen and
5 already rejected, one of those being that Ueda does not need to locate a
6 server, which as the Board already explained, in showing a reason to
7 incorporate the proxy servers from SIP, is not necessary to show that Ueda's
8 system was deficient or inferior in any way.

9 And that regardless, there are a variety of reasons or settings where,
10 for example, in the situation where you might scale to a variety of different
11 servers to be reached by a single device, that it would still be necessary to
12 locate a server.

13 NEC also argues that Ueda and the SIP Standard would be
14 incompatible in certain circumstances, for example, the idea that Ueda
15 teaches sending applications back and forth software as part of the process
16 for sending data back and forth. But again, as the board itself recognized,
17 that is explicitly possible already through SIP and SDP, which teach that a
18 type of media you can send as an application.

19 Similar arguments with respect to the characterization of media,
20 which NEC argues would be redundant with Ueda. As the Board recognized,
21 the SIP Standard is an agile general-purpose tool used for creating,
22 modifying, and terminating sessions. And as I mentioned earlier, there are
23 several dozens of ways in which the SIP Standard and SDP Standard
24 through all those headers provide to actually characterize that session.

25 And finally, with respect to the security options, again, as the Board
26 recognized, there are a variety of different circumstances where the security

1 options could apply, including the fact that the only thing that NEC takes
2 issue with is the fact that Ueda also discloses a process for authenticating a
3 user, which again is not the only thing that the SIP Standard teaches with
4 respect to security. It has over 20 pages addressing different security issues,
5 including like I mentioned, denial of service issues and preserving user
6 privacy, none of which is mentioned in Ueda at all.

7 JUDGE OGDEN: Just to let you know, we're at about 52 minutes. So
8 you have about three minutes left in the initial time, although you can
9 continue into your rebuttal time if you would like.

10 MS. MONDRY: Thank you. I intend to finish up briefly. I think that
11 the issues remaining for Grounds 2 to 4 are largely addressed by the issues
12 in Ground 1, so I don't think that they will take too much time.

13 Turning to Ground 2 briefly, with respect to the bandwidth limitation,
14 the only additional argument unique to the combination involving
15 Bechtolsheim is an argument raised by NEC that the disclosure in
16 Bechtolsheim referenced on the top left of slide 36 here, that a stream
17 represents the reservation of bandwidth and streaming capacity of the switch
18 unit 135. That rather than reserve, what reserve actually means here is store,
19 that the switch unit stores information about available bandwidth and doesn't
20 actually have the capacity to reserve bandwidth.

21 NEC presents no reason why reserve should actually mean store. And
22 in fact, looking to the rest of Bechtolsheim, another excerpt of which is
23 presented here at the bottom of 36, it's clear that that's not the case. As
24 paragraph 55 of Bechtolsheim explains, the switch unit 135 hardware and
25 software scheduling facilities provide high bandwidth utilization while
26 guaranteeing that egress ports will not be overloaded, i.e., bandwidth

1 allocation. So again, it's very clear, looking to the rest of Bechtolsheim, that
2 reserve means reserve.

3 Very briefly on slide 37, NEC puts forward a very similar argument to
4 Ground 1 that a system must in every possible scenario guarantee
5 bandwidth. But again, for the same reasons as discussed with respect to
6 Ground 1, this is simply not a requirement of claim, and as its own expert
7 identified, the '427 Patent does not describe what must occur in these
8 scenarios.

9 With respect to the playlist limitation, again, first of all, Ueda in and
10 of itself already teaches the concept of sending a playlist, but so does
11 Bechtolsheim in this instance, referring on slide 38 to the excerpt from
12 Bechtolsheim on the left-hand side. The content segments may be put
13 together into a playlist by switch unit 135.

14 Turning to slide 39, I think it's important to recognize that the one and
15 only arguments that NEC makes as to why this limitation is not met by the
16 combination with Bechtolsheim, referring to the Patent Owner Response at
17 the top here on slide 39, is that Bechtolsheim does not teach executing a
18 process for guaranteeing a communication bandwidth at a same time that the
19 playlist information is transmitted to the user.

20 But I think it's important to remember that this has never been NEC's
21 argument about what must occur at a same time. Referring to the Patent
22 Owner Preliminary Response at the bottom of slide 39, NEC had previously
23 argued that what must occur at a same time is only the connection
24 establishment, not guaranteeing a communication bandwidth.

25 Taking NEC at its word, which I believe the board preliminarily
26 agreed with in its institution decision, the only argument that NEC provides

1 here is solely about whether guaranteeing a communication bandwidth
2 occurs at a same time as the playlist, which again, NEC never argued was
3 what the limitation requires in the first instance. NEC presents no argument
4 actually arguing that the establishing of the connection does not occur at a
5 same time as sending the playlist.

6 JUDGE BOUDREAU: This is Judge Boudreau again. Just to be clear,
7 as Judge Ogden pointed out at the beginning of the hearing, there's no
8 requirement that the Patent Owner put forward all of its arguments in its
9 Preliminary Response, is there?

10 MS. MONDRY: There is not. But there is also no indication that the
11 Patent Owner has jettisoned its earlier interpretation of Claim 1, stating that
12 at a same time means guaranteeing a communication bandwidth specifically
13 at a same time and not the more broad process of establishing the connection
14 at a same time.

15 But even accepting this argument and leaving it aside, it's still clear
16 for the same reasons as Ground 1, that the playlist is sent at a same time
17 based off of the fact that Ueda teaches sending that playlist and the SIP
18 Standard, as part of establishing that connection, sends those messages using
19 that information at a same time. That does not change between Ground 1 and
20 Ground 2.

21 JUDGE BOUDREAU: So you're not relying on Bechtolsheim for the
22 -- at the same time aspect of the limitation. Is that correct?

23 MS. MONDRY: It is a portion of that argument for Ground 2 as well,
24 which discloses, referring to slide 38 here, the idea that the switch unit also
25 in this circumstance sends a playlist to the used device in this reference as
26 well.

1 JUDGE BOUDREAU: Sending a playlist, but at the same time?

2 MS. MONDRY: Right. So because this combination also includes the
3 SIP Standard, which as referring to that figure from the SIP Standard as
4 well, shows that these messages occur as part of establishing the connection,
5 that is equally applicable to Ground 2 as well.

6 Very briefly addressing Grounds 3 and 4, because as I mentioned,
7 there are no additional arguments with respect to the claim limitations. The
8 only argument that NEC puts forward is based on motivation to combine,
9 but the motivation to combine was already clearly set out by Peloton in its
10 Petition and through its expert, Dr. Reader. As Dr. Reader explained, Cohee
11 teaches that it would be possible for media clips to reside at any location,
12 including at a remote server on the internet.

13 NEC does not present any particular reason that this is not a sufficient
14 motivation to combine, other than simply to argue that it isn't one. But
15 turning now to slide 44, it's clear from NEC's own expert, Dr. Cooperstock,
16 that such a motivation exists.

17 Referring to the excerpt from his deposition here on the bottom right,
18 Dr. Cooperstock explained that as you scale up to large numbers of streams,
19 so in the common circumstance that, for example, in commercializing a
20 product you might want to consider the situation where you have a large
21 amount of traffic that you might want to be fielding.

22 It generally becomes more cost effective to consider replication of
23 data over multiple machines, multiple transmitters, multiple different
24 locations where the servers can be housed, i.e., the same motivation
25 provided in Cohee, to position them closer to some of the receiver

1 communities. So again, the exact same motivation that Cohee itself
2 espouses.

3 Again, very briefly, Ground 4, no additional arguments whatsoever
4 referring to slide 46. This in and of itself, from NEC's Patent Owner
5 Response, is the entirety of its additional arguments with respect to Ground
6 4, which simply is basically a see above about the motivation to combine
7 arguments for Grounds 1-3.

8 So for the same reasons, those motivations do exist and they were
9 clearly set out by Peloton. That being the case, I would like to reserve any
10 remaining time for rebuttal.

11 JUDGE OGDEN: Okay. Thank you, Ms. Mondry. It looks like you've
12 spent about 58.5 minutes. So you'll have a rebuttal time of, I believe that will
13 be about --

14 MS. MONDRY: 16.5.

15 JUDGE OGDEN: 16.5, yeah. I think that's right, 16.5 minutes. Thank
16 you.

17 MS. MONDRY: Thank you, Your Honor.

18 JUDGE OGDEN: Okay. All right, let's move to Patent Owner. Mr.
19 Williams, would you like to reserve surrebuttal time?

20 MR. WILLIAMS: Sure. Why don't I reserve 10 minutes for that?

21 JUDGE OGDEN: Okay. So your initial time will be 50 minutes. You
22 can start when ready.

23 MR. WILLIAMS: Okay. Thanks, Your Honor. So Petitioner here has
24 chosen to tie all of its grounds to a single primary reference that was filed 60
25 days before the patent's effective filing date. That was a gamble that we'd be

1 unable to show an earlier filing date or an earlier priority date, and that
2 gamble has sort of failed.

3 Petitioner needs to bear the burden here to show that Ueda is prior art,
4 and it can't do so. As we've shown, the inventors conceived this invention by
5 August 6, 2008. Exhibit 2013 in the record is the inventor's presentation that
6 it made to various people within NEC. The existence of that document and
7 its date are corroborated by many pieces of evidence in the record. I don't
8 think Petitioner is actually challenging the authenticity of that document.

9 And I'll get to the reduction diligence towards reduction to practice in
10 a minute, but I do want to point out that, you know, with the testimony we
11 have in the record is unchallenged. That there was no cross-examination
12 taken of any of the fact witnesses, including the inventor who testified that
13 he began working on producing this invention to practice by mid-August,
14 which is corroborated again by the numerous pieces of evidence and other
15 testimony we have in the record.

16 And it's un rebutted because there was no cross-examination taken and
17 there's been no further evidence to call any of his testimony into question.
18 Let me, although --

19 JUDGE OGDEN: Mr. Williams, even if we agree that this testimony
20 is un rebutted, that doesn't necessarily mean that we can just accept Mr.
21 Taniguchi's testimony as that he was diligent during this time period, right?
22 Don't we have to consider the evidence that we have, including kind of the
23 lack of evidence within a -- lack of specific evidence within the particular
24 critical time period in question. And consider all of that and determine
25 whether we have enough corroborated evidence of reasonably continuous
26 activity during that time?

1 MR. WILLIAMS: So, a lot in that question. I'll try to unpack a little
2 bit about it. I mean, I agree that certainly the Board, you know, is free to
3 draw its own conclusions from the evidence. That's its job as a fact finder.
4 So I think in that, as far as that goes, we agree with that.

5 JUDGE OGDEN: I guess I can help you out. Maybe what I'm trying
6 to ask is just because his testimony is, as you view it, un rebutted, that doesn't
7 mean that the question of reasonable diligence is set and we have to accept
8 his word for it, right?

9 MR. WILLIAMS: No, no. Yeah, that's right. I agree. I agree with you
10 about that. However, it's hard to see how the Board could reach any other
11 conclusion, frankly. But the thing I just want to pause on here for maybe a
12 minute is, you know, to just draw to the Board's attention the case law that
13 we cite. It's on slide 14 of our demonstratives. I'm not going to try to share
14 them because last time I did that, didn't work great. But, I mean, the Board
15 obviously can read that case law at its leisure.

16 What I would point out is that the Federal Circuit has repeatedly sort
17 of cautioned against this overly myopic focus on looking for an interval of
18 no diligence, right? Which is sort of what Petitioner's argument here is. This
19 is a theme of Petitioner's argument that, you know, there is some period
20 where there was nothing happening.

21 Now, as a matter of fact, I have no evidence that that's true. As I just
22 indicated, the inventor's testimony is that he began in mid-August and
23 worked diligently through the whole period doing that and his other assigned
24 work. So it's simply not the case that there's a period of there's any kind of
25 gap in the diligence.

1 But even if there were, I would just caution the Board that that is the
2 kind of analysis. Doing an analysis in that way is exactly backwards. And
3 the Federal Circuit has reversed the Board several times when it's tried to do
4 an analysis like that of the diligence period.

5 Instead, as the Federal Circuit has pointed out, the point, it's not to
6 scour the corroborating evidence for an interval where there was, you know,
7 some lack of activity. It's to assure that when you read the evidence as a
8 whole, the invention wasn't abandoned or unreasonably delayed.

9 And I think here you're going to see the evidence is overwhelmingly
10 in favor of the fact of the matter, which is the inventor did not unreasonably
11 delay getting this invention filed. He moved amazingly quickly, in our view,
12 from when the conception happened to when the actual first draft of this
13 patent specification was developed by the inventor, followed by a very quick
14 turnaround by his attorneys in Japan to get the priority document on file
15 there.

16 So with that said, let me just kind of dig into the details of -- unpack
17 what I just said, maybe for another minute or two. Okay. Let me just pause
18 on the conception for just one minute, because although Petitioner didn't
19 address it, they did say -- and I think in response to your question, Your
20 Honor, they do still dispute that the conception document is sufficient. So I
21 just want to kind of pause on that for a moment or two. I start to address this
22 on slide 8 of our demonstratives.

23 The one element that they seem to challenge as being missing in
24 Exhibit 2013, which is the inventor's conception document, is the equipment
25 specification information. As we point out, you know, that's actually not an
26 element of all the claims. So even if the Petitioner were correct in

1 establishing that somehow that element hadn't been conceived, that
2 argument wouldn't really resolve the case. It would only address some of the
3 claims, not all of them.

4 But the argument, as we point out, just is insufficient on the merits
5 because, as you'll see on slide 9, you know, the actual pieces of data that
6 even the Petition maps to this claim element are very clearly shown in the
7 conception document. So the Petition points to examples of equipment
8 specification information as being these email addresses or I assume that's
9 what they are.

10 But these identifiers that they quote, `alice@atlanta.com`, and there's
11 another one there, which they show in figure 7 of the patent, those are both
12 in Exhibit 2013 in exactly the same way as they are in the actual patent
13 document. So in our view, this argument that the conception document is
14 somehow missing something is just incorrect on the merits by Petitioner's
15 own admission.

16 Additionally, you can see on slide 10 of our demonstratives that the
17 idea of using equipment information, equipment specification information,
18 as part of this authentication process to set up the connection was shown in
19 other places in Exhibit 2013, including that figure shown there on slide 10.

20 So, in our view, I think the conception was certainly complete by the
21 date of this document, Exhibit 2013. The data -- that document, by the way,
22 was also corroborated by the metadata, showing that that file was updated on
23 August 5, 2008. So for sure, it existed by then, which especially corroborates
24 the inventor's testimony that he presented that the next day on August 6,
25 2008.

1 Okay. I don't think I have anything else on conception. I think I want
2 to now turn to the reduction to practice. So, as you know, the point of the
3 reduction to practice inquiry which I just alluded to earlier, is to show that
4 the inventor having once conceived of the idea then proceeded to reduce it to
5 practice to show that it would work for its intended purposes.

6 And in this case, what we're relying on is the reduction of practices,
7 the constructive reduction of practice associated with the filing of that
8 Japanese priority document. The evidence in this case shows that the
9 inventors were very diligent during this period. So when you look at our
10 slide 13, it sort of catalogs much of the evidence we have to show the
11 diligence during this period.

12 The evidence the inventor has been able to produce here relates to
13 these activities over a 60-day period that occurred 16 years ago. And it's
14 certainly more than reasonable to corroborate his testimony that he was
15 diligent in reducing to practice beginning, as we point out in his declaration,
16 which is Exhibit 2011.

17 In paragraph 12, he says, I therefore began in mid-August 2008 to
18 draft technical specification documents setting out additional background
19 and implementation deals, including those well-known. This became the
20 basis of the application that was filed in Japan. I'm paraphrasing that last
21 sentence, but you can look at, obviously, Exhibit 2011 and see the testimony
22 for yourself.

23 The point here is that he says he began in mid-August 2008. That
24 testimony is corroborated by many things, including the existence of the
25 actual draft specification that he sent to the patent attorneys in November. It
26 is, as you point out, a very long, complicated document. It does have a lot of

1 detail. It's reasonable to say that it would have taken some time to prepare
2 that, even for someone who had nothing else to do. But as you'll see on slide
3 13, the inventor actually did have quite a bit to do during this period.

4 For one thing, he was working on his other work that's related to this
5 exact technology, IPTV. That was his job. And what he says about that job
6 in his declaration is that he was working nearly 100 percent of his time
7 during this period on that job, including both this patent application, which
8 is one aspect of his job, as well as all the other work attendant to what he
9 was doing in this field, which has to do with, you know, what they call
10 IPTV, including the standard-setting process relating to the exact invention
11 that is shown in Exhibit 2013, which is the conceptions in his conception
12 document.

13 JUDGE OGDEN: So, Mr. Williams, this other work that he
14 performed during this time related to IPTV, I can see an argument to be
15 made if the work that he was performing there was directed toward some
16 sort of an actual reduction to practice of the particular invention that's
17 claimed in these patent applications.

18 You know, maybe you could see that as moving toward a reduction to
19 practice. And so, you know, maybe that would be very relevant. But do we
20 have evidence on the record to suggest that this work that he performed
21 related to IPTV was specifically related to the claimed inventions?

22 MR. WILLIAMS: So I think it depends what you mean by related to
23 the claimed inventions and what do you think that would require --

24 JUDGE OGDEN: What I mean is, is it directed toward some sort of
25 an actual reduction to practice of the claimed invention?

1 MR. WILLIAMS: So we don't have evidence of that, I think, Your
2 Honor. I think what we have evidence of is that he was working full-time in
3 his job at NEC on IPTV, which this invention is certainly an IPTV
4 invention. It's directly, obviously, related to IPTV. And the other work he
5 was doing relating to standard-setting included standard-setting relating to
6 the exact standards that that invention was using.

7 So, for instance, you know, we have in the record Exhibit 2024, which
8 is a fairly complicated document describing a standard-setting process for
9 integration testing. And if you look at that document, you'll see many of the
10 figures, including figure 1 of that document, are very similar to the figure in
11 Exhibit 2013, the conception document. The architecture is identical.

12 Now, those documents don't talk about this invention, right? So I
13 think that's what you're getting at is the actual invention that's described in
14 2013 shown in 2024. And the answer is no, at least we don't submit evidence
15 that it is. I mean, maybe there's an argument that it is, but we haven't made
16 that argument in this case.

17 Instead, what we've shown is that during this period, all of his
18 activities are reasonably explained because he was clearly very busy in
19 doing a lot of things related to this technology at that time, over that 60-day
20 period. He coauthored a paper in this space, which is Exhibit 2027. The date
21 of that is in the record. And he led, as we indicated, this standardized
22 interoperability testing, which is reflected in Exhibit 2024 and is shown as
23 Exhibit 2025 and 2026.

24 He was awarded an award by his peers for his work during this period
25 in October and November of 2008. So all of his activities during this period
26 are accounted for by the evidence that we've been able to generate.

1 We showed that, again, despite the fact that he was working on this
2 paper and this testing for which he received an award during this exact
3 critical period, he's nevertheless prepared this very long, complicated
4 technical specification, which is Exhibit 2016, that was conveyed to the
5 Japanese patent attorneys by November 6th of 2008. And it was very quickly
6 thereafter finalized and filed a few days later on November 18th.

7 So again, as we point out here, you know, we've done the best we can
8 with events that took place 16 years ago over a very short period of time.
9 And I think using the rule of reason, there's more than sufficient evidence
10 here to corroborate that what the inventor was doing during this period was
11 not abandoning or unreasonably delaying work on this. If anything, the guy
12 seems to have been tremendously overworked and still managed to get this
13 done.

14 JUDGE OGDEN: I think that there's pretty good evidence, at least at
15 the very end, from November 6th to November 18th, that there was
16 reasonable diligence in turning the technical specification into an application
17 and then getting it on file. But what I think is the critical question here is the
18 rest of that critical period between September 19, 2008 and November 6,
19 2008. It doesn't seem like we have a lot of specific information there.

20 And we do have a very extensive technical specification at the end of
21 that process. But we don't really know if Mr. Taniguchi prepared that before
22 the critical period, you know, between August 6th and September 19th, and
23 then just let it sit for that period, that month and a half or so period between
24 September 19th and November 6th. Or if he did an all-nighter or two just a
25 couple of days before November 6th. We just don't really know from the
26 record, do we, other than his own uncorroborated testimony?

1 MR. WILLIAMS: Well, I mean, so I disagree it's uncorroborated. We
2 have his testimony that says it, right? There's no ambiguity about that. He
3 tells us when he started working on this. And, as I said, I think that
4 testimony is corroborated by the evidence that we have, the --

5 JUDGE OGDEN: Just to be clear, the part that I'm suggesting might
6 not be corroborated is when he did work on it. He said that he reasonably,
7 diligently did work between August and November 2008. But the specifics
8 of that, we don't have any. The only corroboration we have, it looks like to
9 me, is the endpoint there, November 6, 2008, when he had the technical
10 specification ready and transmitted that to attorneys.

11 Then we have the beginning of that as well. We have at the point of
12 conception, the presentation that was performed at that point. But there's not
13 a lot of specific information about what happened between August 6th and
14 November 6th. And the timing aspect is what I'm saying is maybe not
15 corroborated.

16 MR. WILLIAMS: Okay. So, I mean, we have one other -- if you're
17 asking for a specific date, then the other piece of evidence we have in the
18 record is Exhibit 2026, which I mentioned a moment ago. It talks about the
19 award that the inventor, Mr. Taniguchi, received for his work on this
20 integration testing. And as that document indicates, the actual test that got
21 done, which, you know, would have been sort of the end of that project, not
22 the beginning, was in October of 2008.

23 So that document says the verification test. Again, this is Exhibit 2026
24 in the record, and I'm reading from around the third paragraph. The
25 verification test was conducted from October 20 to 31, 2008. And when you
26 read this press release, what you'll see is it describes how because of that

1 work, the inventor received an award from his peers for, you know, getting
2 all the documents in place and actually getting this project done. And the
3 award was going to be presented in December of that year.

4 So that's the only other specific date I think we have in the record that
5 shows what he was doing during this period. But again, I would just point
6 out that, you know, to scour the record for evidence of gaps is not the correct
7 way to do this analysis.

8 JUDGE OGDEN: Well, this Exhibit 2026 corroborates work that he
9 did relating to the general field of technology. But as I understand, you're
10 not saying that this corroborates any steps taken toward an actual reduction
11 of practice, right? This is a corroboration of something that's not directly
12 related to either actual or constructive reduction of practice.

13 MR. WILLIAMS: Right. I mean, it's corroborating what he said was
14 going on at the time, which is during this period, he was working on these
15 things. The constructive reduction of practice and his other work in this
16 field. So, yeah, I think it does corroborate that he wasn't just idly sitting by.
17 He was doing work.

18 And again, whether it's related or not, I mean, I think, the evidence is
19 clear that it is certainly related to the invention, but it is not the invention
20 itself. So we can see that. But again, you know, proof of reasonable
21 diligence doesn't require that you abandon everything else you're doing, that
22 you drop all of other work and work constantly on the invention. It only
23 requires that you move reasonably quickly to show that you're not delaying
24 the invention or abandoning it.

25 JUDGE OGDEN: Thank you.

1 MR. WILLIAMS: And if nothing else, it shows he was certainly very
2 busy and any gaps in this diligence were completely explainable. Okay. I
3 don't think I have anything else to say on Ueda's prior art status. Let me just
4 turn to the merits of the actual grounds if I could, beginning with the
5 bandwidth guarantee element. Our slide 6 has some of the claim language
6 that's at issue here. Particular, the middle claim term on slide 6 is I think the
7 element of issue that's in dispute here.

8 Our point about this is really that the claim requires the servers
9 executing a process for guaranteeing bandwidth. Now, what that process is
10 does not necessarily have to be very specific, but it has to be executing
11 something. It has to be executing a process for guaranteeing bandwidth.
12 That's the plain term here. So you have to do something. There has to be
13 some action taken to ensure bandwidth is going to be available for that
14 requested content.

15 The problem we have with the Petition is that nothing in the Petition
16 has ever explained to us what that is. And instead, the theory in the Petition
17 was solely that the SIP Standard either taught or disclosed this element. The
18 problem for Petitioner is that the SIP Standard explicitly has nothing at all to
19 do with executing a process for guaranteeing bandwidth. In fact, it tells you
20 it doesn't.

21 So, if you look at our slide 19, we have an excerpt there from this SIP
22 Standard, which appears at page 10 of Exhibit 2000 -- sorry, Exhibit 1004.
23 And it says, SIP cannot and does not provide any kind of network resource
24 reservation capabilities. So, and we recognize that uses the word reservation
25 and not executing a process for guaranteeing a bandwidth. But very clearly
26 what this -- what a person of ordinary skill may or would have understood

1 from reading SIP is that it has nothing to do with executing this bandwidth
2 guarantee.

3 Now, to be sure, you can send messages via SIP that tell the endpoints
4 what's going on with respect to bandwidth reservation and whether there is a
5 bandwidth that's been reserved for this and what the expected bandwidth is
6 going to be. Yes, we admit that that's part of SIP. The inventors knew that.
7 That was their entire invention was taking that existing infrastructure and
8 using it to convey information about this other process that's being executed
9 to guarantee bandwidth.

10 And the problem for the Petition is they never explain what that other
11 thing is. What is it that does the bandwidth guarantee? What is it that gets
12 put into the SIP message? They were relying solely on the SIP Standard as
13 teaching this aspect of the invention when the SIP Standard itself teaches the
14 opposite. So that ultimately is the problem.

15 Now, Petitioner argues, well, you know, it's the combination that
16 matters, which I agree with. And that's the problem for Petitioner. They
17 never explain what the combination actually is. What are they saying? Are
18 they saying it's obvious to implement a bandwidth guarantee into an SIP
19 server in accordance with SIP? Are they saying that it's some other server?
20 Are they saying it's part of Ueda?

21 This is the problem I've had as a patent owner in this entire case. I
22 have nothing to go after because there's simply not a sufficient combination
23 that's articulated in the Petition for us to respond to. So the record is entirely
24 silent on these sort of essential aspects of an uncognizable obviousness
25 theory. Instead, the Petition again relies solely on SIP as teaching this

1 element and SIP teaches express opposite of that. That's why we think the
2 Petition has failed.

3 Now, let me just turn to their other grounds, Ground 2, where they
4 address -- I'm going to call this, try to pronounce this reference as
5 Bechtolsheim. I'm not sure if that's correct, but that's what I'll call it. So this
6 reference doesn't solve their problem for several reasons. First of all, the
7 Petition doesn't actually rely on Bechtolsheim to perform the guarantee.
8 They still, when they map this combination to the claims, rely on the theory
9 that SIP teaches the bandwidth guarantee. So that's one problem.

10 But second, as we point out in our Patent Owner Response, this
11 Bechtolsheim reference is different from the claim requirement. So we noted
12 this on page 56 of our Patent Owner Response. What this reference is
13 teaching is a process of modifying the actual content to be streamed during
14 the transmission rather than executing some sort of action before
15 transmission to ensure that sufficient bandwidth is available, right? So that's
16 a significant difference.

17 At best, what Bechtolsheim is doing is saying, if there's not sufficient
18 bandwidth, we will take some other action. But when it's doing that, it's
19 happening during the stream. There's nothing that suggests there's some sort
20 of action executed before this transmission takes place to ensure that that
21 bandwidth is going to be available.

22 I think the only thing I just want to respond to just to make clear,
23 because given some of the questions I heard, I was a little -- I wanted to
24 make clear. It's not our view that in this instance that the claim has to
25 guarantee the bandwidth is available because obviously there are many
26 instances when it will not be. For any number of reasons, you know, tables

1 get severed or just because there's simply not enough bandwidth and there's
2 no way to get it.

3 The point of the claim is that you have to do something, you have to
4 execute some sort of process that's goal is to ensure there's going to be
5 bandwidth available. And that's what we've said all along, never taken a
6 different view than that. And nothing in the Petition maps to that
7 understanding of this claim element.

8 JUDGE OGDEN: Isn't that consistent with what Bechtolsheim
9 teaches about? If there is some bandwidth issued during the transmission, it
10 issues a warning or drops frames or whatever during that period of time. Isn't
11 that just basically saying that there's no guarantees. You know, there could
12 be network conditions that change things. So maybe, you know, if that
13 happens, then this is what you do. But otherwise, according to the
14 combination, you do a check at the beginning and make sure that there's
15 enough bandwidth.

16 MR. WILLIAMS: Well, I guess that means -- it would depend on
17 what you mean by at the beginning, right? So what the claim is talking about
18 is executing this bandwidth guarantee process as part of setting up your
19 connection. And that's the thing that we don't see in Bechtolsheim, right?
20 What Bechtolsheim talks about is detecting that there is a bandwidth
21 insufficiency.

22 So this is paragraph 38, I think, of Bechtolsheim, which is Exhibit
23 1006. Just I'm not sure if we have it on any of the slides, but in case you
24 want to turn to the language, what it actually talks about. So what he says
25 there is that in some embodiments -- well, I'll back up.

1 At the beginning of paragraph 38, in one embodiment prior to
2 operation, the import preprocessor may be configured with the set of desired
3 trick play modes and target bandwidth by the CFE. If this target bandwidth
4 is too small, the import preprocessor may be configured to issue warnings
5 and drop data in order to meet the schedule. In some embodiments, the B-
6 frames are dropped first.

7 Okay. So I'll stop there for a second. So what's that describing is a
8 couple of things. This seems to be going on during a stream and in no sense
9 is it telling us that before a stream is going to happen, we're going to do
10 some process to make sure we understand the bandwidth and, you know,
11 send some content that we know is consistent with that bandwidth, right?
12 That's not what's being described here.

13 What this is saying is as we're streaming, if we detect that there's a
14 problem, what we're going to do is either send a warning, which it's not clear
15 to me how issuing a warning would map to this requirement that it execute a
16 process for guaranteeing bandwidth. And Petitioner hasn't made that
17 argument. So I'm not inclined to try to address it here in the hearing. But the
18 next thing it says is drop data in order to meet the schedule. And then the B-
19 frames are dropped first.

20 What that's saying is that instead of giving you the content user you've
21 asked for, I'm going to delete some of that content and send it back to you,
22 right? And that is very different than the process that's cited in this claim,
23 which is doing something before I send you the thing you've asked for to
24 make sure that what I'm sending you is going to match our bandwidth
25 connection. So that is the distinction we're drawing.

1 Okay. Just see if I have anything else on the bandwidth. I don't think
2 so. Let me just turn to now the other claim element then, if I might. Okay.
3 So there was a claim construction of at the same time. I probably should just
4 point out the Board in the institution decision addressed this, relying on the
5 file history.

6 And I don't think the parties disputed, but I just want to point out that
7 we agree with what the Board did in the institution decision, which is to say
8 that, you know, what has to happen at the same time is that you transmit this
9 playlist information and you need to do that at the same time that you're
10 executing this process for establishing the connection.

11 And, you know, that process for establishing the connection obviously
12 involves also this bandwidth business we just talked about, but it's this
13 overall establishing the connection that happens at the same time that the
14 playlist is transmitted. So, in other words, you don't need to simultaneously
15 transmit the playlist information while you're guaranteeing the bandwidth.

16 So, I mean, I think the Board understood that, the institution decision
17 was correct about that. But claim construction actually, I think, does matter
18 to the grounds based on Bechtolsheim. So, Ground 2. And I think one of the
19 other grounds used Ground 2 as the base ground.

20 So, under that construction, I think Bechtolsheim is not going to meet
21 the claim element sort of for the reasons that I believe, Judge Boudreau, you
22 were kind of alluding to in some of your questions. But let me turn to that
23 now, just so I can sort of be more clear about what I mean.

24 So as to this element involving, you know, the transmission of the
25 playlist during this relevant time period. And this is a totally separate
26 argument, obviously, from the bandwidth guarantee element. This is a

1 separate reason that the Petition's grounds all fail. And again, the problem
2 here has to do with the sloppiness of the Petition because it does not
3 adequately explain this combination. What it does is it maps inconsistent
4 teaching of references to the same claim element, right?

5 So, in particular, the Petition is relying on the SDP specification to
6 teach the playlist portion, which appears in element 1G2, but not the playlist
7 portion that's recited in element 1H, right. And so, you know, both places are
8 talking about transmitting playlist information. And element 1H tells you
9 what that is, like what the contents of that need to be, what needs to be
10 included in playlist information. And element 1G2 has to do with when are
11 you transmitting the playlist information.

12 And the Petition maps two totally different references to that same
13 claim element, which may be fine. But the Petition then needs to explain
14 that, needs to harmonize that. Explain what the modification is. How do you
15 take Ueda's playlist information and apply it in the context of the SDP
16 transmission of playlist information?

17 The Petition never attempts to explain how those distinct teachings
18 and two references are combined to map to the single element. And they
19 don't explain why that combination would be pursued other than to say, well,
20 it could be done. But the fact that it could be done is certainly not sufficient
21 to show motivation to combine. And then we need to show that that
22 combination that they're going to create would have a reasonable expectation
23 of success. Petitioner didn't do any of these things.

24 So Patent Owner's left again with nothing coherent to respond to in
25 this proceeding, which is, I think, why the briefs are sort of unsatisfying and
26 kind of getting to what it is that we're supposed to be attacking. All they've

1 done is pick and choose disparate features. And, you know, that really is sort
2 of insufficient.

3 I mean, when you look at -- this is sort of set up by the way in our
4 slide 26, just so you can kind of see what one of the issues is, which is, you
5 know, playlist information is a is a specific thing in this claim, right? There's
6 some specific things got to be formatted a certain way. And the Petitioner
7 has really just failed to explain how their combination would actually do this
8 and send this information at the time that it needs to be sent in this claim.

9 As Dr. Cooperstock points out in his supplemental declaration, you
10 know, this is this is not sort of a trivial element. This is, in fact, if you read
11 Mr. Taniguchi's inventor declaration, paragraph 9, you'll see it's the same
12 thing. This is basically what they thought the invention was. It was taking
13 this idea of imposing this playlist information on these invite messages that
14 are taking place during this, you know, during the connection setup period.
15 And it just doesn't appear in the prior art.

16 And it's just not good enough to find two different prior references
17 that sort of teach the two things in separate places and never explain why
18 you would have done it the way the invention claimed. And without having
19 ever made that argument that we can respond to, Petitioner just can't have
20 carried this burden here on showing obviousness.

21 JUDGE OGDEN: Mr. Williams, is it fair for us to interpret the
22 Petition as saying that Ueda already discloses sending a playlist at some
23 point in some way? And the SIP Standard is, in conjunction with SDP, is a
24 known way to send playlists known in the art? Therefore, it would have been
25 a known alternative that a person of ordinary skill in the art would have
26 turned to in order to send a playlist?

1 MR. WILLIAMS: I mean, the answer to that I think is, no, that's not
2 sufficient for one thing. Again, what the playlist is, it's not just any playlist.
3 It is a specific kind of playlist that's being claimed here. And, you know, the
4 point of that playlist is it's including not just -- so this is not a situation
5 where I decide, hey, I want to watch Revenge of the Sith and I send a
6 request for that and I get Revenge of the Sith back, right?

7 Perhaps there's prior art systems that have playlists like that and where
8 the playlist maybe even could have been sent as a process during that setup
9 period. Although that's not really what Ueda is about. But even if that
10 existed, that's not the invention. The invention is creating a playlist that
11 includes not just main content, but other subcontent, right? Some other stuff.

12 Putting it together in a particular way and sending it at a particular
13 time, which was at the time of the invention considered to be new and
14 inventive. No one had done. And there wasn't really an explanation in any of
15 these references why you would have done it that way. Ueda had its own
16 type of playlist. It was working in a very different system. It's sent to the --
17 you know, it contains different information that's sent at a different time.
18 And so is this playlist that's shown and described in the SDP Standard, right?

19 So these are two different things sent to two different time periods. So
20 if you're going to want to say, as you just articulated, an obviousness
21 argument, then okay, well, maybe you could take this playlist that existed in
22 Ueda and was being used in a different way and do it as part of the
23 connection setup process with SDP messages or in accordance with the SDP
24 Standard.

25 You know, that's fine. Explain that, right? Give me that combination.
26 Explain why you would pursue that. Show me which pieces of SDP would

1 have done the Ueda thing and why you would have done that technique from
2 Ueda in SDP. And show me that a person of ordinary skill would expect the
3 success. And then I'll respond to that. I'll give you the evidence for why we
4 don't think that's obvious or I'll concede that it is. But that's not the case we
5 have here, and this is not what the Petition has set forth.

6 JUDGE OGDEN: Thank you.

7 MR. WILLIAMS: I don't really have any specific arguments. We're
8 going to rely on our briefs with respect to Ground 3 and 4 involving Cohee. I
9 think it's largely the same problem, which they just sort of bootstrap these
10 other grounds that are insufficient and add Cohee for some of these
11 dependent claim terms. So, unless the Board has specific questions about it,
12 I'm going to just reserve the rest of my time.

13 JUDGE OGDEN: Okay. I don't think we have any further questions.
14 So it looks like Patent Owner's spent about 37 minutes and will have 23
15 minutes of surrebuttal time. Let's go back to Petitioner. Ms. Mondry, you
16 have about 16.5 minutes, and you can begin when you're ready.

17 MS. MONDRY: Thank you, Your Honor. I'd like to start by referring
18 to Patent Owner's demonstratives and quickly address some of the points on
19 conception. I'd like to direct your attention specifically to slide 9. So,
20 referring to slide 9, Patent Owner makes the point that the idea that the
21 August presentation in and of itself might reference equipment specification
22 information is sufficient evidence to show that there was conception of this
23 limitation.

24 But the limitation is not disclosing equipment specification
25 information is a particular limitation that requires using equipment
26 specification in order to perform a particular process, specifically to

1 authenticate the user equipment as something that occurs before the
2 handshake that allows the user device in the server to then exchange media
3 after the fact.

4 If you then take a look at slide 10 in Patent Owner's demonstrative,
5 seeing what they actually point to as supposed evidence of conception of the
6 entire limitation, they don't reference anything that actually has to do with
7 the separate process of authenticating the equipment. What Patent Owner
8 points to here is the description on slide 10 that describes authenticating a
9 user. This is a different process in the '427 Patent.

10 It's very clear that there is a separate process of authenticating a user,
11 which occurs prior to initiating a particular session than the authentication of
12 equipment that occurs when the equipment is turned on. There is no
13 evidence whatsoever that Patent Owner points to that actually speaks to that
14 limitation, not authentication of a user.

15 So even if we were to agree with Patent Owner that there is a
16 description of something that could be considered equipment specification
17 information in that presentation, there is no description of that limitation.
18 And conception requires disclosure of the entire invention in order to show
19 the conception is met.

20 Turning next to diligence, again I wanted to at the top very briefly
21 address an important framing question, which is the standard and who bears
22 the burden here. I think it's important to recognize that we heard from Patent
23 Owner on several occasions. Petitioner did not show this. They have the
24 opportunity to do that and they put forward no evidence of this.

25 While the ultimate question of patentability is Petitioner's burden,
26 under *Dynamic Drinkware* is the Patent Owner's burden to put forward

1 evidence to show that the they are allowed to be afforded an earlier priority
2 date than whatever is actually shown and available to the public as a notice
3 function of the priority date of the patent.

4 So it is not Petitioner's burden to put forward evidence of a lack of
5 evidence of why Mr. Taniguchi was not diligent. It is Patent Owner's burden
6 to affirmatively put forward evidence establishing that diligence.

7 Next, I want to turn to the question of the rule of reason and what it
8 means to be diligent. It seems like the Patent Owner is suggesting that in
9 order -- that what Peloton is arguing is that perfect diligence is necessary.
10 But again, at no point has Peloton argued that in order to be diligent, Mr.
11 Taniguchi must have worked every single day around the clock during that
12 entire three-month period in order to be diligent.

13 At the other end of the spectrum, actually, is exactly where we are.
14 The only thing that Mr. Taniguchi has actually put forward in support of his
15 diligence during that important period that Your Honors identified of before
16 the draft specification was actually sent to the patent counsel when he was
17 reportedly working on it. Is that one sentence of generic testimony simply
18 saying he was working on it?

19 There is no testimony actually corroborating his statements that he
20 was working in a reasonably continuous manner during that period. And
21 even in the case that Patent Owner's rely on in support of that point, again
22 the idea of identifying a particular period that there was no diligence is
23 simply not what we're looking at here. We're looking at the entire passage of
24 the critical period and saying you have pointed to no evidence whatsoever.

25 Again, in that *Perfect Surgical Techniques* case that Patent Owner's
26 relying on, there was a plethora of evidence actually speaking to the

1 diligence. While again, there was a similar question there of whether or not
2 the inventor was busy working on other things. By contrast, here we have no
3 evidence whatsoever affirmatively making the Patent Owner's case.

4 So again, the question is not whether or not there are justifications for
5 a lack of diligence. It's saying even assuming that those justifications are
6 reasonable, where is the affirmative evidence? And there isn't any.

7 Turning next to the question of the bandwidth limitation. It seems that
8 Patent Owner's primary argument is that -- in fact, if I can turn your
9 attention to a specific slide in their demonstratives, specifically slide 20.
10 Slide 19. So again, it seems that Patent Owner's primary argument is what a
11 SIP message looked at in isolation can and cannot do. And this idea that the
12 SIP Standard in and of itself does not, quote, provide any network resource
13 reservation capabilities.

14 But again, this is not a new argument. These are not new citations to
15 the record. These are the exact same arguments and the exact same citations
16 to the record that Patent Owner previously pointed to. And that the Board
17 recognized as not relevant to the question of whether or not the combination
18 teaches the ability to reserve a band or the ability to guarantee a bandwidth.

19 The Board explained that the process for guaranteeing a
20 communication bandwidth instead involves checking that the bandwidth
21 specified in the session description or defined by the media does not exceed
22 the available bandwidth. And then either continuing or aborting the process
23 for establishing the connection.

24 If I were to simply say to a colleague in a room, please pick up this
25 pen, it is not me saying that message pick up a pen which must in and of

1 itself provide an executory function of doing that. It's providing information
2 that then allows that person to perform that message.

3 And to the extent that Patent Owner appears to be implying that it's
4 not so much that there is no disclosure of a guarantee of bandwidth, but no
5 disclosure of a guarantee of bandwidth performed in a particular manner,
6 which it seems to be what Patent Owner is implying. That simply is not
7 supported by the '427 Patent.

8 Again, if I can draw your attention to Petitioner's demonstratives,
9 slide 22, which again sets out the only thing that the '427 Patent actually
10 says about the bandwidth guarantee. The only thing that it says is that after
11 receiving this SIP message, which conveys the bandwidth information, that
12 the transport functions part 80 executes a process to guarantee the
13 communication bandwidth.

14 The only things that Patent Owner states in response is that the
15 proposed combination doesn't guarantee bandwidth in the right way, where
16 the right way is never actually disclosed by the patent. For example, I think
17 one of the things that Patent Owner indicated is that the Petition doesn't set
18 out a particular piece of information that is additionally included in a SIP
19 message. But again, this is not something that the '427 Patent describes
20 either.

21 You can see examples of those SIP messages in the '427 Patent as
22 well, for example at figure 7, which simply set out an addition providing a
23 playlist information. It does not specify any additional requirements about
24 guaranteeing a bandwidth that must be performed in a particular way that is
25 supposedly not being done by the proposed combination.

1 Again, to the extent that Patent Owner appears to be implying, this
2 must be done in some sort of way. This is simply just not supported by the
3 patent itself.

4 With respect to Bechtolsheim, I wanted to briefly address that as well
5 for the bandwidth limitation. If I can direct your attention to slide 38, or
6 slide 36, from the Petitioner's demonstratives. In Patent Owner's
7 representations that you heard just recently about why there is no such
8 bandwidth limitation guarantee, they only address paragraph 38.

9 I will address that in just a moment. But first, I wanted to point out
10 that at no point does Patent Owner explain why the excerpts from
11 Bechtolsheim represented here on slide 36, which very explicitly say that the
12 stream represents the reservation of bandwidth and streaming capacity of
13 switching at 135. And again, on the right-hand side of slide 36, bandwidth
14 allocation, guaranteeing that egress ports will not be overloaded. This is
15 simply not addressed at all.

16 And with respect to paragraph 38 of Bechtolsheim, the Board was
17 correct that what is being described there is ways of how to address
18 situations where the system might not be able to guarantee or -- let me
19 rephrase that. Ways to address situations in which the system is struggling to
20 find enough bandwidth to actually provide the desired content. And it lists
21 out two possible ways of addressing that situation. One of those is to
22 downgrade the quality. The other is to issue warnings and drop data.

23 First of all, as the Board has pointed out, again the patent claims do
24 not require that in every possible situation that the proposed combination
25 must guarantee that bandwidth. But nevertheless, the Patent Owner does not
26 explain why even the second option that is provided for those kind of

1 extraneous circumstances where that might occur of issuing warnings and
2 dropping data, how that is not actually guaranteeing the bandwidth.

3 Again, to the extent that Patent Owner is describing that guaranteeing
4 a bandwidth must mean never dropping frames. Again, this is just not
5 something that's required in the '427 Patent. Dropping a couple of frames or
6 issuing warnings is in fact preserving the bandwidth. The bandwidth is a rate
7 of data over a period of time or a type of quality. If you drop a couple of
8 frames in order to preserve that quality, you are actually still guaranteeing
9 that bandwidth.

10 So again, it's not even necessary to reach this question because in
11 those circumstances, the patent doesn't require guaranteeing a bandwidth in
12 all situations. But even in this situation, the Patent Owner does not describe
13 why that is not guaranteeing a bandwidth. And there's no teachings in the
14 '427 Patent limiting it to guaranteeing a bandwidth in a particular manner.

15 Turning to the playlist limitation, I want to direct your attention again
16 to Patent Owner's demonstratives, specifically slide 26. The arguments put
17 forward by Patent Owner are exactly how I laid out in my beginning
18 arguments. Again, the issue that Patent Owner takes with the proposed
19 combination of Ueda, the SIP Standard and SDP Standard is not that that
20 combination in and of itself actually teaches the limitation.

21 It's that looking at the SIP Standard or SDP Standard in isolation that
22 purportedly that does not teach sending a playlist. But again, as the Board
23 pointed out, the reason for sending a playlist is pretty clear from Ueda itself,
24 which teaches sending a playlist.

25 Now, it sounds like for the first time that Patent Owner is arguing that
26 it's not just the problem of sending a playlist, which I believe the Patent

1 Owner agreed that that would have been known of any type of playlist
2 necessarily from the SIP or SDP Standard, but a particular kind of playlist.
3 But I think it's important to recognize that this language here on slide 26 on
4 the left-hand side describing the playlist information is a separate limitation
5 that has not been contested in Claim 1.

6 The idea that the playlist must be main content identification
7 information and selected subcontent specification information. Up until this
8 point, Patent Owner has made no arguments of the fact that Ueda discloses a
9 playlist that is main content identification information and selected
10 subcontent identification information. In fact, it's very clear that that is the
11 case.

12 What it teaches, sending different types of video content like a TV
13 show back and forth. And also explains that you can insert commercial
14 content, which is an example of one kind of subcontent specification
15 information that the '427 Patent teaches. So again, NEC has never made any
16 issue of this limitation beforehand, but to the extent that that could be
17 challenged, it's very clear that the idea of what type of playlist this is and
18 whether or not that can be sent is something that's already clearly covered by
19 Ueda.

20 And for the same reasons that were already discussed with respect to
21 the ways of specifying media and how that can also include a playlist that
22 are taught by SIP and SDP, that that information can clearly be sent using
23 those methods.

24 JUDGE BOUDREAU: Ms. Mondry, in connection with that, I
25 understand Mr. Williams to be arguing that Petitioner was relying on

1 different portions of different references for the same limitation that's
2 repeated from element 1G into 1H. Could you address that point?

3 MS. MONDRY: Sure. I think that was specifically with respect to
4 Bechtolsheim. Right, so let me move down to slide 38 of Petitioner's
5 demonstratives. And I think it's correct to note that Bechtolsheim
6 additionally does teach a type of playlist that can be put together, which also
7 teaches the idea that a playlist can be comprised of different types of
8 content, including commercial content.

9 So the idea is not simply that these are competing references in some
10 way, but merely that the motivation to combine is even more clear, where
11 both Ueda teaches a playlist that is comprised of those things as well as
12 Bechtolsheim. That simply shows that the references are more compatible,
13 not that there is some sort of competing redundancy in how they would be
14 combined together.

15 JUDGE OGDEN: You have a little bit more than two minutes left.

16 MS. MONDRY: Thank you. Unless there are additional questions,
17 that is all I have at this time. Thank you for your time.

18 JUDGE OGDEN: Okay. Thank you, Ms. Mondry. Thank you,
19 Petitioner. Let's turn back now to Patent Owner. Mr. Williams, you have 23
20 minutes of surrebuttal time.

21 MR. WILLIAMS: Thank you, Your Honor. Okay, I'll just try to hit a
22 couple points on conception. I don't really have much. I don't think the
23 Petitioner addressed the main point I made, which is by the Petition's own
24 admission, the inventor's conception document shows equipment
25 specification information exactly as it is in the issued patent. So let me move
26 on to the diligence and burden question.

1 So Petitioner raises *Dynamic Drinkware*, and I'm not sure I entirely
2 understood the argument that Petitioner was making, but I certainly agree
3 *Dynamic Drinkware* is helpful to understand what the burden actually is,
4 which is, as set forth in *Dynamic Drinkware*, the Federal Circuit said, once
5 Patent Owner's evidence and argument in support of an earlier filing date is
6 before the court, the burden of going forward shifts to the proponent of the
7 invalidity defense to convince the court that the Patent Owner is not entitled
8 to the benefit of the earlier filing date.

9 So couldn't be clearer. Once we put under evidence that we can see
10 first, and there was diligence to a reduction of practice, the burden goes back
11 to them. And they haven't met it, as we pointed out.

12 JUDGE OGDEN: Well, I think what counsel was saying was that
13 Patent Owner has an initial burden of production to put forth any evidence,
14 including corroborating evidence that would corroborate that there was
15 reasonable diligence in the critical period, and it's not Petitioner's burden to
16 come forth of evidence of non-diligence to produce that evidence.

17 MR. WILLIAMS: No.

18 JUDGE OGDEN: That's Patent Owner's duty, and then it shifts back
19 to Petitioner to show based on whatever evidence is on record that there was
20 no reasonable diligence during that time. And if there isn't enough evidence
21 on record to show corroboration, then Petitioner doesn't have to show the
22 negation of that, right?

23 MR. WILLIAMS: Well, that's fair. I mean, yeah, and I'm not
24 suggesting that. But what I'm suggesting is, you know, in Petitioner's
25 opening remarks, counsel said it's possible there was a period of no
26 diligence. But, I mean, okay, that's perhaps that is possible that there was a

1 period of no diligence, but they bear the burden on that, right? It's not me
2 that bears the burden to prove continuous diligence.

3 It's them that bears the burden to prove that this reference is prior art.
4 That's my point. You know, who bears the risk of failure proof here is them,
5 not me.

6 So what we've done is we have obviously marshaled a tremendous
7 amount of evidence corroborating the activities over this very short period of
8 time. It happened many, many years ago.

9 The inventor has done the best he can to recreate what he was
10 working on at the time, and I think done a remarkably good job of showing
11 the Board that, to show that there was a diligent reduction to practice leading
12 him to be, you know, while he's in the middle of an obviously very busy
13 period of work that led to an award from his peers and other companies, he
14 was writing a very detailed patent specification document and providing it to
15 his patent attorneys.

16 So yeah, in our view, it's not -- this is not a case where all we have in
17 the record is the inventor's say so and nothing else, right? This is not that
18 case. We've got a tremendous amount of evidence in the record showing
19 what was going on in this inventor's work life during this short, critical
20 period of time. It's more than sufficient to show that he's entitled to that
21 conception date and removing Ueda.

22 JUDGE BOUDREAU: Just to be clear, what is that additional
23 evidence that you have, beyond the inventor's say so?

24 MR. WILLIAMS: So we have the actual document that he created
25 himself, the technical specification. We have the evidence showing what
26 else he was doing during that period that was taking up his time, right? So

1 it's not that just he says, oh, I was busy. No, we've got a press release from
2 the company talking about him particularly as winning this award from his
3 peers because of work he did in exactly the critical period.

4 So, I mean, it's way more than just these cases that just keep citing are
5 just completely irrelevant to the factual record we have here.

6 JUDGE BOUDREAU: And does that additional evidence relate to
7 this patent application?

8 MR. WILLIAMS: Well, I mean, it doesn't. In some sense it shows he
9 was continuing to work on this standard setting process that this patent is
10 meant to address, right? The patent is an improvement on the standard. But
11 more particularly, what it shows is that during the period where he was
12 reducing the invention to practice, he had other things going on.

13 So it is part of the rule of reason analysis, right? The Board in
14 analyzing whether what he was doing during this period was reasonable
15 diligence has to take into account what his other responsibilities were. So,
16 yeah, I think that this other evidence is certainly related to the diligence and
17 it shows what he was having to do during this period while he was writing
18 this very lengthy technical specification.

19 And, you know, again I think it's dangerous to think about this in
20 terms of trying to find evidence of, you know, lack of diligence because that
21 is not the test. So I'm just, again, reiterate what the Federal Circuit has
22 repeatedly said. You need to look at what was reasonable during the period,
23 during the critical period. What is the inventor showing he was doing? Does
24 it show that he was moving with some diligence to proceed this thing
25 forward, right?

1 Was he in fact showing persistence in moving his project forward?
2 And he was. He didn't abandon it, right? He was very busy and yet he still
3 got this done in a very short period of time. Okay. Let me turn to the SIP
4 Standard. So, you know, counsel gave an example of telling someone across
5 the room to pick up a pen, which I think is an interesting one because that's
6 exactly what's missing in the Petition. There is no second person in the
7 Petition to pick up the pen, right?

8 You have to do an action in this claim. There needs to be an execution
9 of an action to do something to try to guarantee this bandwidth. So you need
10 another entity. You need someone taking some action. And that's the thing
11 that's missing in the Petition because all the Petition says is, it's the SIP
12 Standard. It tells you to do this thing, but it doesn't. It teaches the opposite. It
13 teaches you the SIP Standard won't do this thing.

14 So you need something else. You need to find -- you need something
15 else to execute the bandwidth guarantee. And it's just a failure of Petitioner
16 to articulate in the Petition what that thing is that's doing the bandwidth
17 execution at that particular time. That's what they needed to show and they
18 just didn't do it. I mean, if they meant to say that you would have a server
19 executing SIP messages do the bandwidth guarantee, okay, fine. Let's see
20 that Petition. Let me see your reasoned articulation for why you would have
21 done that thing.

22 Show me that you would have expected it to work and then I can
23 present evidence that is marshaled against that. But they haven't given me
24 that. They've just said the SIP Standard does it and it doesn't. So that should
25 be the end of this case.

1 Okay. On the, I guess I'll address the Bechtolsheim, I forget how I
2 agreed I was going to pronounce that already. The B reference, we'll just call
3 it. Hopefully you know what I mean. I would say, first, with respect to the
4 bandwidth guarantee, again, our argument, we make several arguments in
5 the Patent Owner Response about this. The main -- the thrust of argument
6 has to do with the timing of this guarantee, not exactly whether it's a
7 guarantee or not.

8 But as to the argument we make about whether it's a guarantee or not,
9 the point is that the thing that the B reference is actually teaching about
10 guaranteeing bandwidth, it's a guarantee only that you're going to not get
11 what you've asked for if there's a problem with the bandwidth. And that to us
12 is just not really what this claim is getting at. All right. It's getting at trying
13 to do something before you send the data to ensure that you're getting what
14 you asked for.

15 You know, you want this particular video file? All right, we're going
16 to do something so that you get that particular video file. What the B
17 reference does is if it asks, if the user asks for a video file and I can't give it
18 to you, I'm going to start taking frames out. I'm not going to give you what
19 you want. I'm going to give you less than what you've asked for. And that to
20 us is not really what this claim element is getting at.

21 Okay. And then, yeah, just lastly, again, with respect to the interaction
22 between elements, you know, 1G and 1H, I mean, the Board can actually
23 look at the claim element. But what's going on there is that, you know, we
24 have an element 1G that talks about transmitting this playlist information at
25 the same time as other things are going on.

1 And then we have element 1H that tells you what that playlist
2 information is, what it includes. It's a lot of stuff. It's specific. It has to do
3 with, you know, it has to do with not just the main content, but the other
4 content that's being communicated as the claim recites.

5 And the Petition is mapping the actual detailed structure of the playlist
6 that's reciting the claims to a different reference than it is when it talks about
7 when the playlist is transmitted at the same time and changing that order of
8 operation, right? Our argument is that that is the inventive thing. That's what
9 the inventors thought was inventive, as I indicated earlier, if you read his
10 declaration.

11 That's what he thought really was kind of the thrust of his invention
12 here was. This is paragraph 9 of the Taniguchi Declaration, which you've
13 seen before. What he says is he discussed with his inventors that if the
14 playlist information is superimposed on an invite message, while the core
15 IMS server executes the bandwidth guarantee process, this would improve
16 upon prior art systems.

17 All we have in the Petition is essentially that again with a statement
18 that, well, that was obvious because you could have done it. Well, I mean,
19 you got to show more than that. You got to show what the actual
20 combination is. Where are those things taken from the prior art? How and
21 why would you put them together in the way that the inventors did? Show
22 that would have succeeded.

23 And that just is what we think is missing in the Petition. It's always
24 been missing in the Petition. That's what we've been pointing out in our
25 papers repeatedly. And, you know, Dr. Cooperstock and his supplemental
26 declaration, which is Exhibit 2010 at paragraph 33 says the same thing. You

1 know, the Petition fails to identify why a POSITA would specifically modify
2 these messages to include the playlist of Ueda.

3 It was certainly not common practice to include a playlist within any
4 of the fields of an SIP or SDP message. This is in part the very invention of
5 the patent. I think that's all I have unless the Board has some specific
6 remaining questions for me to address.

7 JUDGE OGDEN: I have one question in terms of your argument
8 about whether or not there's a reasonable expectation of success in including
9 playlist information in an SIP message. Is the fact that SIP and SDP are
10 standards and that they're well known in the art, does that to some extent
11 help Petitioner to show that there would have been a reasonable expectation
12 of success in applying those standards?

13 MR. WILLIAMS: Well, so the fact that they are standards doesn't
14 really help you, I think, in this combination. Like for instance, I mean, Ueda
15 is talking about a Blu-Ray disc and reading data off a Blu-Ray disc and then
16 getting a command to go to an internet server somewhere to get some
17 additional information. There's nothing there that would suggest you would
18 want to go to SIP, which is an internet solely protocol for exchanging
19 session information or SDP, which has to do with doing media transfers over
20 the internet.

21 I mean, because maybe you can make the argument for SDP and
22 connection, but certainly not SIP, right? So I mean, I don't think the fact that
23 they're standards is enough to prove obviousness here, right? You still need
24 to show how this combination would work. I mean, the inventors showed
25 very detailed diagrams with pictures of these elements, how the messages

1 are being sent back and forth, what's in those messages, what those messages
2 are supposed to be doing.

3 None of that is in the Petition. There's no combination that's put
4 together that shows how that would work and why a POSITA would have
5 been motivated to pursue that combination at the time. So all we're left with
6 is hindsight. We're just left with the fact, well, these are standards and, you
7 know, each of these things individually were known in different contexts for
8 different reasons. Okay. Well, that is not an obviousness argument.

9 I mean, it's possible you could have put a Petition together with these
10 references and made an obviousness argument that would have at least been
11 plausible and we would have responded to that. But, you know, they didn't,
12 right? And that's what the Federal Circuit tells us. It's the Petitioner's job to
13 explain how the combination would work, why it would have been pursued,
14 and that it would have reasonably expected success, right?

15 So those are the elements of an obviousness argument. And that's
16 what's missing. All we have here is mapping the claim elements to disparate
17 pieces of art with the argument that you could have done all of these things
18 without ever explaining what is that combination, show me the combination,
19 show me how it works, show me why it would have been put together that
20 way and that a POSITA would have expected success.

21 So I mean, okay, yeah, the fact that it's a standardized message that,
22 you know, you could have put text in there into an SIP message. Okay,
23 maybe that would make the expectation of success relatively easy to prove.
24 But before you even get to that question, show me the combination, how it
25 works, why you would have done it. These are the things we've been

1 pointing out were missing in the Petition. And, you know, we don't think it's
2 appropriate to sort of bail Petitioner out of its own errors here.

3 If it wanted to make that argument, it could have made that argument.
4 Instead, it decided to give us this sort of mapping of disparate elements of
5 prior art to the claim features and say, well, therefore, and because these are
6 all things that were understood and how they could work, then the claims are
7 obvious. In our view, that's just not enough.

8 JUDGE OGDEN: Okay. If you don't have anything further, I guess I'll
9 bring this to the end of this hearing. And I'd like to thank the parties and
10 counsel for appearing today and answering our questions. They've been very
11 helpful. And we'll take this case, these two cases under advisement and issue
12 a decision in due course. And we are adjourned.

13 (Whereupon, the above-entitled matter went off the record at 3:23
14 p.m.)

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