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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

REOLINK INNOVATION INC. and SHENZHEN REOLINK TECHNOLOGY CO., LTD.,
Petitioner,

v.

THROUGHTEK CO., LTD.,
Patent Owner

IPR2024-00509
Patent RE47,842 E

Record of Oral Hearing
Held: May 12, 2025

Before MICHAEL J. STRAUSS, DAVID C. McKONE, and SHEILA F. McSHANE, *Administrative Patent Judges*.

APPEARANCES:

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The above-entitled matter came on for hearing on May 12, 2025, commencing at 9:00 a.m., via video teleconference.

1 P R O C E E D I N G S
2 - - - - -
3 JUDGE STRAUSS: Good morning, everyone. I'm Judge Strauss
4 in Alexandria. We have Judge McKone in Detroit and Judge McShane
5 remoting in. We're conducting a hearing for Reolink Innovations versus
6 ThroughTek. This is IPR2024-00509. Let's have appearances, please. Who
7 do we have from Petitioner?
8 MR. HAWKINS: Good morning, Your Honors. This is Michael
9 Hawkins, lead Counsel for Reolink.
10 JUDGE STRAUSS: Good morning, Counsel. And Patent Owner?
11 Counselor, you're on mute. Can you please unmute your mic? Thank you.
12 MR. KING: Good morning, Your Honor, this is Justin King, the
13 lead Counsel for the Patent Owner.
14 JUDGE STRAUSS: Good morning, Counsel. Okay. Very
15 briefly, I have some general guidance for you. If at any time during the
16 proceeding you encounter technical or other difficulties, let us know or
17 contact the team members who provided you with connection information.
18 We have the entire record including demonstratives. We only received
19 demonstratives from Petitioner at this point. When referring to
20 demonstratives, papers, or exhibits, please do so clearly and explicitly by
21 slide or page number. This is important for a clear record.
22 It does not appear that any confidential information will need to be
23 discussed at this hearing, but please be aware that the public may be
24 listening to this hearing. If there are any confidential information issues that
25 arise, please let us know and we will figure out how to deal with them. The

1 hearing will be conducted as set forth in the oral hearing order. Each side
2 has been allotted 45 minutes of argument time. Petitioner Reolink will go
3 first and may reserve rebuttal time. Patent Owner may present its response
4 and may reserve sur-rebuttal time. Any questions?
5 MR. HAWKINS: No questions, Your Honor.
6 JUDGE STRAUSS: Okay. Petitioner, you may proceed. Do you
7 wish to reserve any rebuttal time?
8 MR. HAWKINS: Yes, Your Honor, we wish to reserve 15
9 minutes of rebuttal time.
10 JUDGE STRAUSS: Okay. Okay. You may proceed.
11 MR. HAWKINS: Good morning, Your Honors. This is Michael
12 Hawkins representing the petitioner in the IPR against US Patent Number
13 RE47,842. Before diving into the issues disputed in this proceeding, I'd first
14 like to address a couple of background items relating to the '842 patent. The
15 first is that the '842 patent is a reissue stemming from a utility application
16 originally filed on July 2013. It claims priority to a provisional filed a few
17 months earlier in April of 2013, and that difference between April and July
18 will come alive in one of the later issues I hope to discuss today.
19 Importantly, it's worth noting the '842 Patent also discusses a
20 couple of items that are claim elements that are conceded to be prior
21 arguments that's conceded to -- or that's alleged to be the key focus of the
22 patent. So on the left side of Slide 3, you'll see that we are citing to the
23 background section of the '842 patent and then in column 5, the background
24 section acknowledges the idea that the connection -- I'm sorry, using a
25 terminal such as a cellphone or computer to connect to a webcam was
26 conventional in the art including using the server to provide the P2P

1 connection.
2 In the background section, they allege that the cumbersome part is
3 the idea of having to type in the camera ID into the terminal using, for
4 example, a keyboard. In column 5 of the patent, they discuss that that hole-
5 punching technique used to establish the P2P connection using the network
6 server was admittedly well known in the field. And on the right side of
7 Slide 3, you'll see where the Patent Owner contends that the key focus of the
8 patent is actually the idea of putting a barcode on the back of the webcams
9 that are called networked devices.
10 And on Slide 4, you will see where that appears in the claim. This
11 is Claim 1 shown on Slide 4. There is the structure of the network server
12 that has the conventional structure with the P2P connection or the hole-
13 punching technique that's admitted to be well known. There's recited what's
14 called a first networked monitoring device. The example in the preferred
15 embodiment is a webcam. And then the third element is the image pattern.
16 So that's the example of a barcode that was alleged to be a key focus, the
17 image pattern on the back of the camera.
18 And then finally there's a terminal device. You'll note on Slide 4
19 there's also a final element we highlighted that the parties refer to as the
20 negative limitation because that recites what the first networked monitoring
21 device should not do.
22 So with this background, I'd like to then dive into the grounds of
23 the petition. The petition raised three different grounds. All of them are
24 obviousness grounds. And the petition was supported by the expert
25 declaration of Dr. Harry Bims, a professor at Stanford, who analyzed the
26 prior art, identified where the prior art discloses each and every claim

1 element, and then identified multiple motivations to combine each of the 103
2 combinations. Importantly, during this entire proceeding, the Patent Owner
3 elected to never challenge or rebut Dr. Bims during any cross examination.
4 So most of this testimony is, in fact, I would say not acknowledged by the
5 Patent Owner but certainly not rebutted.
6 There are a few things that make this IPR a little different. This is
7 shown on Slide 6. It shows the three things that are not disputed by the
8 Patent Owner. So first the Patent Owner does not dispute the idea that the
9 cited references in each of Grounds 1 to 3 disclose each and every element
10 of the claims.
11 Patent Owner also does not dispute that there are multiple
12 motivations to combine in each of the grounds. And then finally there is no
13 dispute that a person of skill in the art would have had a reasonable
14 expectation of success -- reasonable expectation of success in -- for each of
15 these combinations.
16 Slide 7 draws out where the dispute lies. Here you can see the
17 Patent Owner has disputed two primary issues. The first relates to the fact of
18 whether the Lorex Guide and Lorex Video are prior art. There the Patent
19 Owner's leaning upon the narrow 102(b)(1)(A) exception. And the second
20 relates the idea of whether the ThroughTek-2012 reference in Ground 3 is
21 prior art. There it relates to the idea of whether the new matter related to
22 that negative limitation is supported by the provisional application. I'll
23 address each of these in turn.
24 JUDGE MCSHANE: Mr. Hawkins, this is Judge McShane. Just a
25 quick question. For the ThroughTek reference, doesn't the Patent Owner
26 make this same 102(b) argument about the exception --

1 MR. HAWKINS: Yeah.
2 JUDGE MCSHANE: -- applying to that, too? Yeah?
3 MR. HAWKINS: Yeah, you are correct. That's why it's shaded in
4 blue here on the slide. It does relate to that. And, you know, realistically the
5 way it's resolved for Grounds 1 and 2 would reach the same result for
6 Ground 3 in terms of the Lorex Guide and Lorex Video being prior art in the
7 102(b) exception. That applies to all Grounds 1 to 3. And then for Ground
8 3 in isolation, it's the ThroughTek reference, is where what I'll call the new
9 argument for Ground 3 from the Patent Owner arises. So that's how that
10 would be sorted out.
11 JUDGE MCSHANE: Okay. Thank you.
12 MR. HAWKINS: Yep. So let's turn to that first issue, the Lorex
13 Guide and Lorex Video qualifying as prior art. Here you'll see on Slide 9 on
14 the left side of the slide, you'll see the subject matter that's disclosed in these
15 Lorex references and what's relied upon. In particular, the red arrows are
16 annotations that are added in the petition. You can see the petition is relying
17 upon the subject matter disclosed in the Lorex Guide related to the fact that
18 in 2012, QR codes on the back of security cameras and using a smartphone
19 as a terminal to capture that QR code to enter the camera ID was
20 conventional in 2012.
21 Again, the priority date, the earliest one, would be 2013 here.
22 Importantly on Slide 9, you'll see on the right side of that of this slide that
23 these references are supported by the declaration of Mr. Vlad Kardashov
24 who provided testimony of his personal knowledge of the publications in
25 each of these scenarios. He was an employee at Lorex at the pertinent time
26 and laid out what they disclosed and his personal knowledge of his memory

1 of then being published. And so we'll dive into that in just a bit more detail.
2 It's important to note here is that for Grounds 1 to 2, the petition
3 did not rely upon the Lorex Video nor the Lorex Guide for the idea of the
4 network connectivity. What's happening at the network server and the P2P
5 connection are what's called a, you know, the hole-punching technique in the
6 patent. Instead, the petition for Grounds 1 and 2 relies upon the Kim
7 reference. In other words, the subject matter disclosed in Kim relates to the
8 idea of network connectivity. This is shown on the right side of Slide 10.
9 There you'll see the text of the petition reads, "Although the Lorex
10 Guide does not expressly describe a network server using a conventional
11 hole-punching technique, Kim does." And from there the petition elaborates
12 relying upon Dr. Bims' expert testimony. For Ground 3, the same type of
13 process appears. There you'll see that the Lorex Video is used as a
14 reference, but it's not relied upon at all in the petition for a disclosure
15 relating to the network server in Claim 1 or the P2P connection. Instead, for
16 Ground 3, the petition relies on the ThroughTek-2012 reference.
17 And this will be an important fact as we dive a bit more into the
18 102(b) exception. You'll see on Slide 11 for Ground 1, Dr. Bims made this
19 abundantly clear, the same fact relying upon Kim for the idea of the network
20 server and the connectivity using the P2P connection. And also for Slide 12
21 as it relates to Ground 2. And then I will -- for Ground 3, the same exact
22 fact as on Slide 13. Again, the main point here is the Patent Owner elected
23 to never dispute this nor challenge or cross-examine Dr. Bims in any way.
24 What did Patent Owner dispute is shown on Slide 14. There, in the
25 Patent Owner's response, they contend that the Lorex Guide and the Lorex
26 Video do not qualify as prior art under the narrow 102(b) exception. The

1 text of that statute is shown at the bottom of Slide 14 and that's going to be
2 some important text. Importantly, also on the right side, the Patent Owner
3 relies upon an exclusivity agreement. And that's shown on the right side of
4 Slide 14.
5 After receiving these arguments, the petitioner laid out several
6 different arguments that's shown on Slide 15 as to why their reach for the
7 102(b) exception is improper and that in fact the Board should not excise a
8 prior art publication from the public domain in this scenario. In particular,
9 we refer to something called the subject matter shortcoming, the temporal
10 impossibility, and then a legal error which is based upon the plain text of the
11 statute and what Patent Owner's burden and what they were supposed to
12 show.
13 I'll deal with the subject matter shortcoming first. Here this relates
14 to what I was foreshadowing before, the whole idea that the petition was
15 very clear that when it comes to network connectivity and the point-to-point
16 connection at the network server the petition was relying upon the Kim
17 reference, or in Ground 3, the ThroughTek-2012 reference. In an exclusivity
18 agreement that's shown on Slide 15, you can see that it refers to something
19 called the Partner. That case is ThroughTek. And the Partner was
20 apparently the owner of these assets that were -- they were going to use in
21 order to help Lorex with some future project. And it refers to Schedule A as
22 defining the assets. That's magnified here on Slide 15.
23 These assets, the subject matter of this agreement, relates to cloud
24 connectivity services. And importantly, it describes what the partner, in that
25 case ThroughTek, will develop in the future after October 2012 and it relates
26 to a point-to-point connection. That, as you can see on Slide 16, at best,

1 even if it was going to be tethered to any prior art ground here, would be
2 related to what we rely upon for the Kim reference, not the Lorex references.
3 And that is what we try to draw out with the subject matter problem. The
4 Kim reference, of course, was published many years before this October
5 2012 meeting. It does not qualify under any 102(b) exception at all.
6 That is why the Patent Owner does not point to it to say, ah, the
7 Kim reference is not prior art, because they can't. Instead, they're looking at
8 the wrong reference and the subject matter of that reference was never
9 mentioned anywhere in this agreement, nor during the meeting. I'll bring up
10 the proof of that in a moment. Finally, I would like to add one thing on
11 Slide 17. Again, the patent itself admits that the hole-punching technique
12 for connecting these devices was well known in the art. So, in other words,
13 even if this agreement somehow foreshadowed any type of sharing of
14 technology, it was the sharing of technology of what was well known in the
15 art. And, again, the Kim reference published, I believe in I want to say in
16 2007 or 2008, very much establishes the same fact too.
17 So additionally, beyond just the lack of -- or I'll say the
18 shortcoming of the Patent Owner's evidence, the Petitioner cited more
19 evidence. We -- there was a first declaration of Mr. Kardashov where he
20 explained that we, in other words Lorex, did not obtain the subject matter
21 disclosed in these 2012 Lorex publications, directly or indirectly, from any
22 employees or publications of ThroughTek. That was his first declaration.
23 Then on the right side of Slide 18, you'll see Mr. Kao. That's Patent Owner's
24 witness. He's a named inventor of the '842 patent, or one of them.
25 And this is his testimony in the top right of 18 where he says
26 ThroughTek did not involve in any Lorex publications. I believe that was

1 meant to be was not involved. But basically, everyone's agreeing. These
2 Lorex publications, ThroughTek had nothing to do with them. And we even
3 asked him this question during a cross-examination. You'll see that on the
4 top right of Slide 18. Mr. Kao answered that's correct.
5 Finally, on the lower right side of Slide 18, you'll see paragraph 6
6 of Mr. Kardashov's second declaration. An important fact here is that I'm
7 showing you paragraph 6, but it's actually paragraphs 6 through 12 lay out in
8 detail exactly when the Lorex Guide and Lorex Video were formally
9 published, and these products were selling. And that, you know, that he was
10 meeting with Amazon and Best Buy in June of 2012 and sharing PowerPoint
11 slides so they could put it on their shelves, and laying out the exact software
12 developer contractors he was using when he met in October of 2012, the
13 purpose of that meeting.
14 That second declaration laying out all these facts, they decided
15 never to cross-examine or depose him in any way. The second declaration
16 of Mr. Kardashov is unchallenged just like the first declaration of Dr. Bims.
17 And here you'll see his testimony on paragraph 6. He reiterated what he was
18 saying in his first declaration. It wasn't obtained from anybody at
19 ThroughTek. And then he explained that the Lorex Guide and the Lorex
20 Video was developed and publicized well before any in person meeting
21 between Lorex and ThroughTek on October of 2012. And in subsequent
22 paragraphs, he lays out the details and provides corroborating examples in
23 exhibits of that fact.
24 So that's the subject matter shortcoming. In other words, the
25 Patent Owner is not looking at the subject matter disclosed in the Lorex
26 Guides and Lorex references and is, instead, if anything, should be looking

1 at what was disclosed in Kim. That's where the network connectivity arises
2 and in terms of the IPR grounds for today.
3 Next there's a temporal impossibility. This relates to the fact that
4 there's no dispute within the parties that apparently this meeting happened
5 on October 11, 2012 and that's when somebody at Lorex signed this
6 exclusivity agreement. There's also no dispute between the parties that the
7 Lorex Guide was published no later than September of 2012. In other
8 words, unless Mr. Kao traveled back in time one month, shared all of his
9 secrets about what's in the '842 patent to Lorex so they could publish it, there
10 was no way it could be obtained directly or indirectly from any ThroughTek
11 employee.
12 So this comes alive on Slide 20. You'll see Dr. -- or Mr.
13 Kardashov's second declaration on the right side. Again, all of this is
14 unchallenged. This is paragraph 8 of the declaration where I said paragraphs
15 6 through 12 are pretty pertinent here. And he confirms that in fact the
16 October 11th meeting was just one of many meetings on an Asian tour
17 where they were meeting with a variety of vendors. And so there was lots of
18 these meetings happening for Mr. Kardashov and his team at Lorex. And
19 this meeting was completely unrelated to that Lorex LNC 100 camera and
20 the Lorex Ping app, which was already publicly launched prior to that
21 meeting.
22 And then he provides some corroborating examples of that fact
23 including other, for example, videos showing that the same exact Lorex
24 camera that were all predating the October 11th meeting. So it wasn't just
25 the manual. There was lots of other literature out there publicizing this and
26 encouraging consumers to buy more of these cameras.

1 Finally, on the temporal impossibility, there's actually kind of a
2 future looking thing beyond just traveling back in time. Again, keep in mind
3 that on the lower left side of Slide 21, the agreement calls out not what
4 ThroughTek has shared on October 11th with Lorex. The agreement calls
5 out what Lorex will develop in the future going forward from October 2012.
6 And it calls out that there will be some sort of an end result. But it was not
7 an end result on whatever was discussed during October 11, 2012, and that
8 lies -- therein what I just said, therein lies the problem. We actually don't
9 know what was discussed. They provide -- Patent Owner did not provide
10 any evidence of that. Only Mr. Kardashov's second declaration explains
11 what was described there.
12 And that then gets to the legal error, ignoring the plain text of
13 Section 102(b)(1)(A) and the Patent Owner's burden. Here you'll see on
14 Slide 22 the text of 102(b)(1)(A). And importantly, the key phrase there is
15 that it was not just that the inventor or joint inventor met with Lorex. That's
16 not the burden. The burden is that the subject matter disclosed, in other
17 words, those images and that teaching about Lorex cameras having a QR
18 code on the back and the Lorex Ping app on a smart phone being used to
19 capture that and then put the ID, the subject matter disclosed must be the
20 thing that was obtained from Mr. Kao or another inventor of the '842.
21 That's the burden Patent Owner had to share, and it's simply not
22 met by saying here's a copy of an agreement that I'm going to redact part of
23 and not even share with anybody. And so that's where the legal shortcoming
24 comes in. But importantly, there's more. If you turn to Slide 23, you'll see
25 the text of the MPEP. Now, I know the MPEP is not binding upon the
26 PTAB here. It's a guideline. But importantly, if this was a regular

1 examination and an examiner raised a prior art based upon the Lorex guide,
2 if the Patent Owner, all they did was submit the declaration of Mr. Kao in
3 this agreement, it would not be enough under the MPEP. It would not be
4 enough for an examiner. Why should it be enough for the PTAB here?
5 And this comes alive if you look at the text. Again, it's MPEP
6 2155.03. And I will pause and note that I believe our Petitioner's reply was
7 a typo. It says 2153.03 in a couple of places. It's 2155.03 relates to the
8 102(b) exceptions. In the very bottom of this text -- I'm sorry for the small
9 text. The MPEP is a lengthy document, but there's a sentence -- the initial
10 red underlining at the bottom of that text, it talks about if the applicant can
11 establish something, then you can qualify for this exception. And there's
12 three things. The first is right after that red underlining. It says if the
13 applicant can establish that the subject matter disclosed originated with the
14 inventor. There's no actual testimony or evidence that says the idea of a QR
15 code on the back of a camera, that somehow that was originated with Mr.
16 Kao prior to that October 2012 meeting. That's not there.
17 Next, and what's highlighted in yellow, which is in my view
18 perhaps more important, is that that subject matter, the idea of the Lorex
19 camera should have the QR code on the back and you should use an app to
20 capture it with a phone, that subject matter was communicated from Mr. Kao
21 or another inventor to Lorex. That is the critical part that is lacking from
22 Patent Owner's declaration and copy of an agreement here. And, finally, the
23 last part as shown in red underlining is really that full sentence there. It says
24 that any documentation that provides evidence of what was communicated --
25 any -- should be accompanying that declaration. We don't have that. We
26 have a copy of an agreement and nothing more. So the guidelines are telling

1 us this isn't enough and beyond just the text of the statute.
2 And finally, on Slide 24, we even cited a previous Board decision.
3 Again, I understand it's not binding upon the Board here. But they address
4 the 102(b) exception explaining why it's such a narrow exception. This case
5 that's cited here is the *K/S Himpp v. Bragi* case, IPR2023-00901, Paper 39.
6 Now, admittedly, that is discussing the 102(b)(1)(B) exception, but it is
7 addressing the exact same statutory text obtained directly or indirectly from
8 an inventor.
9 And here the Board properly said no, this exception does not apply
10 to the prior art reference. The Patent Owner has failed to show that what
11 you're alleged to be obtained from you, that it's identical to what was
12 disclosed, the subject matter that was disclosed in that prior art reference.
13 And if it's not the same, then I'm sorry, you don't get to excise this from the
14 public domain. This remains prior art. It's a narrow exception and it's a high
15 burden for the Patent Owner to show and it's not even close to being shown
16 here.
17 I will add one more point that even on this point on the legal error,
18 there is actually some testimony from Mr. Kardashov, again on the right side
19 of Slide 25, confirming that again, the Lorex camera and the Ping app were
20 developed internally by Lorex including the help of a contractor team,
21 StarVedia. And then he -- and this is in paragraph 7 and 8. Right after that
22 he goes on to explain in June of 2012 he was meeting with Amazon and Best
23 Buy and here's a copy of a PowerPoint slide I was sharing showing the exact
24 same QR code on the back of these cameras. And so all of his establishes
25 that the 102(b)(1)(A) exception simply does not apply here.
26 If there's no other questions about Lorex Guide and Lorex Video, I

1 want to turn to the issue related to the ThroughTek-2012 reference and the
2 provisional application. So here you'll see on Slide 27, again there is a
3 utility filing date of July 2013. There is a provisional filing date of April of
4 2013, and then the key on the right side of Slide 27, it was an amendment in
5 2016 when they added this negative limitation into the claims. That's the
6 first time such a negative limitation of this type appeared anywhere in the
7 specification was during this amendment and it was an amendment to the
8 claim. And so those are the dates, 2016, 2013, and April of 2013.
9 So what's important to understand here it's actually a very narrow
10 issue and a narrow dispute. On Slide 28, you're going to see what is not
11 disputed by the parties. Everyone here agrees ThroughTek-2012 published
12 in June of 2012. Everyone here agrees that the provisional application that
13 was filed in April of 2013 does not expressly describe that negative
14 limitation. Also, everyone agrees on the utility application filing date is
15 more than a year after ThroughTek-2012's publication date mentioned above
16 in number one. Same with Item 4, everyone agrees that the September 2016
17 amendment was, of course, more than a year later. And, finally, the parties
18 agree exactly on which precedent should apply. It's the Novartis precedent.
19 So in the end, when it comes to the ThroughTek-2012 reference, if
20 the provisional application does not provide support and they don't get
21 support for that negative limitation, the ThroughTek-2012 reference is
22 indeed prior art because it'd be more than a year before even the July 2013
23 utility date, if that was applied. So what is disputed?
24 Slide 29, you'll see. The question is whether the provisional
25 application does not inherently describe the negative limitation. And so on
26 the right side of Slide 29, the lower right, you'll see the Patent Owner's

1 response. There they're saying that, of course, the provisional application
2 supports it because it's inherently applied. And you'll see the petition, which
3 occurs before the Patent Owner's response on the right side of Slide 29,
4 where we're establishing that in fact the provisional application does not
5 provide such detail about what the camera should not do. It's silent on it.
6 And in fact, we cited to the expert testimony of Dr. Bims. You'll see it's
7 underlined in red there. It's paragraph 52 of Bims. I'll show that in a
8 moment, which is highly pertinent here.
9 Both the petition and the Patent Owner's response, and then
10 actually the petitioner's reply, all cite to the same *Novartis* precedent. And
11 here we laid it out on Slide 30. There you can see the general rule. Silence
12 is generally not a disclosure. And, in fact, the public policy is laid out in
13 Novartis, too. Because if it were, then every later added negative limitation
14 would be supported so long as the patent makes no mention of it. That's
15 contrary to public policy. That's why we have this general rule in place.
16 There is a narrow exception. It's at the very bottom of Slide 30.
17 You'll see it says, if, however, a Patent Owner could establish that a
18 particular limitation would always be understood by a skilled artisan as
19 being necessarily excluded from a particular claim, method, or apparatus,
20 well, then you can apply this exception. Then the inherency can come alive.
21 But what does the record show?
22 Slide 31, you'll see that we -- on the right side, we highlight Dr.
23 Bims' testimony in paragraph 52. Again, this was from his first and only
24 declaration submitted with the petition. This was -- Patent Owner had notice
25 of this the entire time. Never once did Patent Owner mention this paragraph,
26 dispute it, or any of the testimony, nor cross-examine them. And,

1 importantly, it -- Dr. Bims explains not only do I know it's not inherent, I
2 actually know of examples in the prior art of where the security camera
3 would indeed go and look at a QR code that's displayed on a terminal or a
4 mobile phone for purposes of establishing a connection.
5 And so when he read the provisional application, he said there's
6 nothing in there that would exclude that prior art knowledge that somebody
7 might implement what's taught in that provisional application in a way
8 where the webcam does indeed get directed to capture some QR code or
9 image on the camera -- on the terminal device that's trying to connect to.
10 And so he cites several prior art examples, one of them being the Jain
11 reference which was cited during prosecution. And so of course the
12 evidence here, unrebutted, establishes that it's not necessarily present. We
13 all know the standard for inherency. And this is confirming it's not there.
14 So when you take this evidence that's not disputed on Slide 31, let's
15 go back up to Slide 30 and look at the general rule. And here we're going to
16 see silence is not a disclosure and there's only one exception. It has to be
17 necessarily excluded for a negative limitation to be counted. And to us,
18 that's the law. We know it applies, is that the general rule should apply here.
19 So unless the Board has any other questions about this, I will reserve the rest
20 of my time for rebuttal.
21 JUDGE STRAUSS: I just have one question. You state the
22 position that it is not inherent -- the negative limitation that it's not inherent
23 but that it would be obvious from the prior art; is that correct?
24 MR. HAWKINS: Yes. So, again, that is true. So what's
25 happening is that the ThroughTek-2012 reference which has a display very
26 similar to the provisional application, they're just not related. So it published

1 beforehand in 2012 and then a little bit later in 2012, we showed the Lorex
2 video as establishing, especially via the testimony of Dr. Bims, confirming
3 that, yes, a person of ordinary skill would understand that that is showing
4 this establishing a connection without having to direct your webcam back at
5 your mobile phone. And so by 2012 it would have been obvious because
6 both these references were in 2012. And so that's the position in Ground 3.
7 That's why the Lorex video is relied upon only for the negative limitation.
8 It's the only shortcoming that is absent from the ThroughTek-2012
9 publication itself.
10 JUDGE STRAUSS: Thank you, Counselor. Any questions from
11 the rest of the panel? Thank you very much, Counselor.
12 MR. HAWKINS: Thank you.
13 JUDGE STRAUSS: Okay, Patent Owner, you may proceed. Do
14 you wish to reserve any rebuttal time?
15 MR. KING: Yes, I would like to reserve 15 minutes for rebuttal
16 time.
17 JUDGE STRAUSS: Okay. Thank you. You may proceed. You
18 have 30 minutes.
19 MR. KING: Thank you. Thank you, Your Honors. My response
20 is very quite brief. What we have here is the 3 -- 103 ground of rejection
21 here to challenge Patent Owner, challenge this patent on record. The
22 primary just as the Counsel indicated is the Lorex related documentation.
23 And what we have here is that Lorex -- is Patent Owner positing that Lorex
24 has been a close relationship -- basically a relationship with the Patent
25 Owner. So therefore, any disclosure by the Lorex should not consider as
26 prior art.

1 The opposing Counsel mentioned that critical time limit because
2 he mentioned a couple times about the trouble (INDISCERNIBLE -
3 TECHNICAL DIFFICULTY) as the Lorex publication has been published
4 before the execution of our agreement. But, however, I'd like to point out
5 that this agreement is conclusion of an ongoing cooperation. The
6 cooperation does not start after execution of this agreement. Therefore,
7 everything before that should also be considered as part of the Patent
8 Owner's disclosure. Furthermore, the opposing Counsel mentioned about if
9 this is something being prosecuted, then Patent Owner would -- the applicant
10 would not at the time would not be able to overcome the challenge.
11 However, I'd like to point out that the applicant at the time, if the
12 USPTO examiner does mention that concern would either go under the
13 103(c) exception or 131 declaration to overcome any concern the examiner
14 might have. Therefore, it's Patent Owner's position that any Lorex
15 documentation would not be considered as a prior art.
16 Further, about Dr. Bims' declaration, as opposing Counsel pointed
17 out, that Dr. Bims' declaration mentioned that there's a couple of references
18 also mention about the particular (INDISCERNIBLE) is a general reference
19 that also mentioned that QR code practice in association with the
20 connection. However, the -- whatever the reference is, it's not on the record.
21 And if that reference is so critical, I think that should be on record for
22 discussion. But, however, it's not part of 103 rejection's challenge here, and
23 Dr. Bims certainly entitled to his own opinion. However, we also have our
24 expert witness, which is Dr. Chen, who is also a IEEE scholar who provided
25 a counter-argument for Dr. Bims' statement.
26 JUDGE McSHANE: Mr. Kim, this is Judge McShane. Just a

1 quick one. Could you please just slow down a bit? You know, we're
2 having -- I'm having some trouble following. So if you just slow it down?
3 Go ahead. I appreciate it.
4 MR. KING: My apologies.
5 JUDGE McSHANE: Thank you.
6 MR. KING: All right. So it is the Patent Owner's position that any
7 documentation or disclosure from Lorex is not prior art. The reason being is
8 that based on exclusion of the exclusivity agreement, this agreement simply
9 is a conclusion of the cooperation and commitment to cooperation. This
10 agreement does not mean the cooperation just started on that date. Because
11 for any business practice, you don't just jump into an agreement. Then you
12 have to do some evaluation before you jump into final written agreement
13 and commitment. And this exclusivity agreement is the evidence of that.
14 Therefore -- yes?
15 JUDGE MCSHANE: Mr. King, this is Judge McShane, sorry to
16 interrupt you. But on that issue, okay, what we have in evidence is we have
17 the agreement itself and Petitioner points to the forward-looking language of
18 the agreement, you know, what will be done and so on and so forth. What's
19 your response to that?
20 MR. KING: Yes, my response to that is, where we are, that means
21 we're going to -- they're going to put into the full scale industrial
22 deployment. It's something that they're going to put in the production so
23 they can support the full industrial consumer to put -- to support a consumer
24 activity for this particular product. But the protocol and the technology
25 behind it has been proved to be workable. Furthermore, I'd like to point out
26 the differences or discrepancies for the Mr. Kardashov's statement.

1 I'd like to bring you to -- your attention to Exhibit 2007, page 9.
2 Which Mr. Kardashov indicated that they do not do any internal solutions
3 but rather they collect -- they find a suitable vendor or partner to provide a
4 solution so they can integrate together to do the product. Which is slightly
5 different from the second declaration that Kardashov provides, which
6 indicate that they do everything internally. Therefore, I'd like to --
7 JUDGE McKONE: Mr. King?
8 MR. KING: Yes?
9 JUDGE McKONE: Mr. King, this is Judge McKone.
10 MR. KING: Yes?
11 JUDGE McKONE: What evidence do you have that the inventors
12 communicated their invention to the people at Lorex before the agreement
13 that you've referenced?
14 MR. KING: We have a few emails but nothing on the record so
15 far. Nothing on the --
16 JUDGE McKONE: So the record that we have contains no
17 evidence that the inventors communicated their invention to the Lorex
18 people before the agreement that you've referred to; is that correct?
19 MR. KING: Nothing on record. That's correct, Your Honor.
20 JUDGE McKONE: Okay. Thank you.
21 MR. KING: So Mr. Kardashov mentioned in our 2007 Exhibit, he
22 expressly state that they do not develop solutions from scratch. But they
23 simply just find the solution provider and they integrate a project together.
24 So therefore, I'd like to have the Court to consider that portion and determine
25 that what, if anything, from Lorex should not be considered as a prior art.
26 And since the 103 rejection is based on Lorex Guide, Lorex related

1 document, if the Lorex document cannot be considered prior art, our 103
2 rejection should not be -- cannot be properly established. Therefore, we'd
3 like to ask the Court to reconsider it and remove the -- any challenge to the
4 instant patents. Thank you.
5 JUDGE STRAUSS: Okay. I don't have any questions. Any
6 questions from the panel?
7 JUDGE McKONE: Nothing further from me.
8 JUDGE STRAUSS: Okay. Thank you very much, Counselor.
9 Petitioner, you can proceed with your rebuttal. You have 18 and a half
10 minutes.
11 MR. HAWKINS: Understood. Thank you, Your Honors. I
12 believe I'll be brief here. First, I think I'd like to at least to the extent there's
13 new arguments from Patent Owner here, I -- we would object to that.
14 There's nothing on the record that indicates there was some type of
15 meetings and disclosure happening before October 11, 2012. And even if
16 there was, there'd be nothing in there that indicates it relates to the Lorex
17 LNC 100 camera. And that might get to my next point where Mr. King was
18 arguing that the second declaration of Mr. Kardashov alleges that it was all
19 internally developed from scratch. Just to be clear, I think I'm going to share
20 the declaration on screen here. Hopefully it's being -- in your view -- it's
21 viewable. This is the second declaration of Mr. Kardashov. In paragraph 7,
22 I've highlighted a part.
23 So here Mr. Kardashov is direct -- Mr. Kao in the Patent Owner's
24 response had alleged that Lorex has no internal software development team.
25 And he explains --
26 JUDGE STRAUSS: Counselor, I can't see your -- could you give

1 us --
2 MR. HAWKINS: Sure.
3 JUDGE STRAUSS: -- a exhibit number --
4 MR. HAWKINS: Yeah.
5 JUDGE STRAUSS: -- and a page so we can --
6 MR. HAWKINS: Yeah, it's Exhibit number 1101, that's the
7 second Kardashov declaration and it's paragraph 7. And --
8 JUDGE STRAUSS: Just a minute here.
9 MR. HAWKINS: Okay. Hopefully now it's displayed there on
10 screen for you.
11 JUDGE STRAUSS: I have my local copy that I can see.
12 MR. HAWKINS: Great. So at paragraph 7, here he's explaining
13 that in fact it was in early 2012 Lorex engaged a contractor named
14 StarVedia. This is a different technology company that was the software
15 development team assisting Mr. Kardashov and his engineers to develop the
16 LNC 100 camera and the Lorex Ping app. And all this occurred in early
17 2012. You know, StarVedia was selling cameras with QR codes in the back
18 of their cameras in 2011. And, you know, he had met with them in 2012 and
19 introduced the Lorex version of the product.
20 So it was actually developed internally with the help of
21 contractors, of course, but nothing to do with ThroughTek. This is
22 paragraph 7. If you scroll to the bottom of paragraph 7, he explained all that
23 work was finalized in mid-2012. So this is page 6 of that Exhibit 1101, the
24 second line. All of this work was finalized in a working prototype and
25 successfully tested in mid-2012. And then finally I just want to highlight
26 that if you scroll down to paragraph -- I want to say it's -- yeah, paragraph 9,

1 he's discussing how in June of 2012 he personally met with retailers
2 displaying the LNC 100 camera, its QR code on the back and the Lorex Ping
3 app modeling it so that they would agree to put it on their shelves and sell it.
4 And that was all in June 2012 and he provided a copy of a PowerPoint
5 slideshow that he was presenting to them in June of 2012.
6 So fast forward many months to October 2012, that's when he then
7 said there was an initial meeting with ThroughTek where it was discussed --
8 they were actually sampling a meeting with many different vendors. It was
9 not some sort of a, you know, final culmination of an engineering project.
10 And that it related to the different type of product, not related to the product
11 that was already on the market and being sold. So unless the Board has any
12 other questions, I think Petitioner will just save the rest of its time in this
13 formal hearing.
14 JUDGE McSHANE: Mr. Hawkins, this is Judge McShane. Let
15 me ask a quick question. With the ThroughTek reference, you argue the
16 issue of the provisional application date. But the assertion, my
17 understanding is the assertion is that ThroughTek is still a 102(a) reference,
18 right?
19 MR. HAWKINS: ThroughTek-2012 was published more than a
20 year before the utility filing date. And so, so long as the provisional
21 application fails to inherently disclose necessarily present that negative
22 limitation, as long as that is true, then ThroughTek-2012 published more
23 than a year before the utility filing date in 2013, and therefore qualifies as
24 prior art under 102(a), a publication more than a year before the earliest
25 effective filing date.
26 JUDGE McSHANE: Okay.

1 MR. HAWKINS: There is -- I will say there's a bit of a public
2 policy argument that in fact an applicant goes and adds new matter into its
3 application in 2016, perhaps that's the date that should be applied for
4 purposes of assessing prior art. But technically when you read the actual
5 statute, and there's a definition for effective filing date, I believe it's 35 USC
6 100 provides that definition. There it seems to imply that it would be the --
7 if the provisional is lacking, you then turn to the utility filing date in July of
8 2013. Which in either case, July 2013 or September of 2016, either case
9 ThroughTek-2012 is more than a year before it and so there is no exception.
10 It just simply is prior art.
11 JUDGE McSHANE: Right.
12 MR. HAWKINS: And the pre-AIA world, that would be called
13 102(b) prior art if published more than a year before.
14 JUDGE McSHANE: Right. So, yeah, the patent date is, I've got
15 down April 6, 2013. Right?
16 MR. HAWKINS: That's the provisional date.
17 JUDGE McSHANE: Right, that's the provisional date. That's
18 correct. And then the through date -- ThroughTek date is June 6th. I'm just
19 trying to get -- make sure I'm getting my numbers right -- is June 6th, 2012,
20 right?
21 MR. HAWKINS: Yes.
22 JUDGE MCSHANE: Yeah, so it's within the one-year window
23 prior to the -- even the provisional date, correct?
24 MR. HAWKINS: Yes, so if they -- I see. If Patent Owner can
25 prove that the provisional filing date is indeed the earliest effective filing
26 date because the provisional does provide disclosure for that negative

1 limitation, then the ThroughTek-2012 is not more than a year before.
2 JUDGE McSHANE: Okay.
3 MR. HAWKINS: Yes.
4 JUDGE McSHANE: All right.
5 MR. HAWKINS: Yeah, the issue relates to does the provisional
6 provide an inherent teaching that it's necessarily doing that negative
7 limitation.
8 JUDGE McSHANE: Okay.
9 MR. HAWKINS: Then if it doesn't, then you go to July 2013.
10 JUDGE McSHANE: Right, but if -- well, let's assume we're using
11 the 2013 date just for the sake of argument. But even still, if the -- you're
12 contending that ThroughTek is a 102(a) reference and if the 102(b)
13 exception doesn't apply, then it's prior art, correct?
14 MR. HAWKINS: Yes, yes.
15 JUDGE McSHANE: Okay.
16 MR. HAWKINS: Our position is that it was published, you know,
17 in that case ten months before, yes.
18 JUDGE McSHANE: Okay. I'm just checking that. Okay. Very
19 good. Thank you.
20 JUDGE McKONE: And this is Judge McKone. To be clear, on
21 the issue of priority, the ultimate burden is on Petitioner, correct? The
22 Patent Owner may have a burden of production but under *Dynamic*
23 *Drinkware*, I think the burden is on -- of proof -- or the burden of persuasion
24 is on Petitioner, correct?
25 MR. HAWKINS: Correct. And that's why we relied upon that
26 testimony that we displayed for paragraph 52 of Dr. Bims where he was

1 laying out that he has read this provisional, and that he does not read it as
2 mandating that you're necessarily not doing something with the webcam.
3 And in fact, he cited a prior art option. Known options at the time were, in
4 fact -- the webcam would, in fact, capture an image. And so there's nothing
5 in there that would mandate the exclusion of those prior art options when
6 reading the provisional. So that is enough for the evidentiary burden. And
7 Patent Owner for the most part just repeats the word inherently applied and
8 doesn't actually provide evidence on it.
9 JUDGE McKONE: I understand your position. I just wanted to
10 make sure we were on the same page as far as how the burdens are working.
11 MR. HAWKINS: Correct, correct. Yes, yep. Well, thank you,
12 Your Honors. I'll save the rest of my time.
13 JUDGE STRAUSS: Thank you, Counselor. And Patent Owner,
14 do you have any rebuttal?
15 MR. KING: Yes, I'd like to add that there's -- that opposing
16 Counsel mentioned StarVedia that Lorex had -- the witness -- the expert
17 witness alleged that they had this company called StarVedia to provide their
18 internal development. I'd like to mention that this is also in my previous
19 brief that if StarVedia is solely to provide the solution for the so-called P2P
20 connection, then there's no point for Lorex to contact the Patent Owner later
21 on to proceed with this exclusive agreement.
22 Further, the opposing Counsel mentioned that the date that the
23 agreement was executed was the initial meeting, which we don't think that
24 this is -- it was not an initial meeting because they met and they discussed
25 the matter before, and no one is going to sign an exclusive agreement in an
26 initial meeting.

1 Thus, the other point I'd like to point out is that the publication.
2 Earlier the opposing Counsel mentioned that the Patent Owner's expert
3 witness stated that the Patent Owner does not -- they're not involved with the
4 publication of Lorex, which is correct because the -- as I mentioned in my
5 previous brief, any publication is marked and contained. The solution
6 provided is not involved in those publications which is consistent with the
7 practice in the industry.
8 I don't have anything more. Is there any question from the Judge
9 that -- from the panel that I can answer?
10 JUDGE STRAUSS: I don't have any questions. Any questions
11 from the other members of the panel?
12 JUDGE McSHANE: Nothing from me, thank you.
13 MR. KING: Thank you.
14 JUDGE STRAUSS: Okay. Well, thank you, Counselors. This
15 case is submitted and undertaken for advisement. We thank the parties for
16 the preparation, presentation of the arguments. They've been very helpful.
17 The parties should remain connected in case the court reporter has any
18 questions. That would be appreciated. And we are off the record.
19 (Whereupon, the above-entitled matter went off the record at
20 9:50 a.m.)

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