

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION,
Petitioner,

v.

PROXENSE, LLC,
Patent Owner.

IPR2024-00573
Patent 8,646,042 B1

Record of Oral Hearing
Held: May 13, 2025

Before THU A. DANG, DAVID C. McKONE, and NORMAN H.
BEAMER, *Administrative Patent Judges*.

APPEARANCES:

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The above-entitled matter came on for hearing Tuesday, May 13, 2025, commencing at 1:00 p.m. EDT, via Video-conference.

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

1:00 p.m.

JUDGE DANG: Good afternoon, everyone. We are here for oral arguments in IPR2024-00573, challenging patent number 8,646,042. Microsoft Corporation is the Petitioner, and Proxense, LLC is the Patent Owner. Your panel today includes myself, Judge Thu Dang, with Judge McKone and Judge Norman Beamer. Okay. Let's start with appearances. Who do we have for Petitioner today?

MR. DEVOTO: Yes, good afternoon, Your Honors. My name is Roberto Devoto. I am joined with my colleagues, Karl Renner, Jonathan Driesslein, and Chris Von Gunten, also of Fish & Richardson.

JUDGE DANG: Will you be presenting Mr. Devoto?

MR. DEVOTO: Yes, I will be presenting.

JUDGE DANG: Okay. Great. Thank you. And who do we have for Patent Owner?

MR. ZAK: James Zak, Your Honor. And I'm here with Selina Kyle, who will be helping me with displaying our demonstrators during my presentation.

JUDGE DANG: Great. But, Mr. Zak, you will be presenting. Is that correct?

MR. ZAK: Yes, I will be presenting.

JUDGE DANG: Okay. Great. Thank you. Thank you, everyone, for joining us today. Before we get started, I have a couple of administrative details to go over. First, please be reminded, unless you are speaking, please make sure that you are on mute. And when speaking, please identify

1 yourself first.

2 MR. WOO: Hi, Judge.

3 JUDGE DANG: Yes.

4 MR. WOO: Hello, Judge Dang. Good morning, Your Honor. This is
5 Philip Woo. I'm with the Petitioner Apple who was joined to the 00573
6 proceeding. So I'll be attending, but we are in the role of understudy for this
7 particular proceeding.

8 JUDGE DANG: Okay. Great. Thank you so much, Mr. Woo.

9 MR. WOO: Thank you, Judge Dang.

10 JUDGE DANG: Okay. I'm sorry. Okay. So as I was continuing
11 with our administrative details, we have all the access to the papers filed
12 with us. So if you refer to your demonstratives, please refer by number so
13 we can follow along. There might be an audio lag, so please be mindful and
14 observe a slight pause before you talk. That will also prevent crosstalks,
15 okay?

16 And I also remind the parties to please remain online at the end to
17 answer any questions our court report may have. Also, we do have a public
18 line connected. So please be mindful of that.

19 Okay. So with that, let's begin. Mr. Devoto, you have 60 minutes and
20 you go first. Would you like to reserve any time?

21 MR. DEVOTO: Yes, Your Honor. We would like to reserve ten
22 minutes for rebuttal.

23 JUDGE DANG: Okay. Ten minutes. Let me know when you're
24 ready and we'll start the clock.

25 MR. DEVOTO: I am ready, Your Honor.

1 JUDGE DANG: Okay. Great. Thank you.

2 MR. DEVOTO: Thank you. Would you please turn to slide 2, Your
3 Honors. This slide shows the main topics for discussion related to this
4 proceeding as in the '289 and '960 patent proceedings. I'm going to begin by
5 providing a brief overview of the patent at issue in this case, the '042 patent,
6 including presenting its independent claims.

7 Now, we'll then spend the rest of my time on the main claim
8 construction dispute, Your Honors, which relates to whether three different
9 claim terms recited in the independent claims should be construed as means-
10 plus-function or MPF terms, with Proxense again arguing in favor of MPF
11 construction.

12 Now, as in the '289 and '960 patent proceedings, Your Honors, Your
13 Honors accepting or rejecting Proxense's, MPF constructions will largely be
14 dispositive of this case as Proxense has made no other arguments untethered
15 to its MPF claim construction. Stated differently, the '289, '960 and '042
16 patent proceedings, all largely stand in fall together as Proxense has
17 anchored all three of them to similar MPF construction analyses.

18 Now, given this and due to time constraints, I again do not intend to
19 spend any of my time on the particular combinations and mappings in our
20 petition. However, of course, if Your Honors have any questions about
21 them, I of course stand ready to answer your questions.

22 Would you please turn to slide 4, Your Honors. This slide shows the
23 grounds of our petition against the '042 patent. As you can see, the grounds
24 rely on either Giobbi-157 or Broadcom as a primary reference. Giobbi-157
25 is combined with one or both of Giobbi-139 and Dua as secondary

1 references, while Broadcom is advanced alone.

2 Please turn to slide 6, Your Honors. This slide shows the two
3 independent claims of the '042 patent. Independent claim 1 is a device claim
4 directed to a hybrid device that includes two different components. First, an
5 integrated personal digital key or PDK for storing information and capable
6 of communicating information wirelessly with at least one external receiver-
7 decoder circuit or RDC. And second, an integrated RDC for communicating
8 wirelessly with at least one external PDK within a proximity zone.

9 The integrated RDC is coupled to the integrated PDK by a first signal
10 line and to at least one other component of the hybrid device by a second
11 signal line. And on one or more of the integrated RDC and integrated PDK
12 enables one or more of an application, a function, and a service on one or
13 more of the hybrid device and a device associated with the external RDC.
14 Independent claim 10 is a method claim version of device claim 1.

15 Please turn back to slide 5, Your Honors. The '042 patent provides
16 various example implementations of its recited hybrid device, one of which
17 is shown in figure 14, which is reproduced on this slide. The '042 patent
18 describes a hybrid device as being, for example, implemented in a cell phone
19 and is being able to create two separate wireless links as shown in figure 14.

20 The first wireless link is between the integrated RDC of the hybrid
21 device and an external PDK, and the second wireless link is between the
22 integrated PDK of the hybrid device and an external RDC. The '042 patent
23 provides examples of how each of these two wireless links may be used to
24 enable one or more of an application, a function, or a service.

25 Now, Your Honors, two of its disclosed examples, two of them, there

1 are more, but two of these I'd like to focus on are worth noting as they shed
2 light on the meaning of the enabling function recited in the independent
3 claims. With respect to the first wireless link, which is between the
4 integrated RDC and an external PDK, the '042 patent describes an example
5 of this link at column 14, line 24 to column 15, line 33, with reference to
6 figure 12.

7 In this example, an external PDK that stores a user's cell phone
8 account information is carried by a user and brought into close proximity to
9 a hybrid device included in a cell phone. An example of the recited first
10 wireless link is then created between the integrated RDC of the hybrid
11 device and the external PDK. The integrated RDC receives via a first signal
12 or receives a first signal via the first wireless link from the external PDK that
13 includes the user's cell phone account information.

14 The integrated RDC then generates a signal for communicating the
15 cell phone account information and sends the signal over an implementation
16 example of the recited second signal line to other components of the cell
17 phone, such as component 1204 shown in figure 12, to enable call
18 functionality. Now, assuming, of course, that the cell phone account is
19 verified by the cell phone service provider and or other cell phone
20 components to be a valid account, the user is then able to use the cell phone
21 to make cellular calls.

22 Now, in this example, Your Honors, the integrated RDC performs the
23 recited enabling function with respect to a cell phone service on the user's
24 cell phone by receiving the cell phone account information from the external
25 PDK and generating and sending an enablement signal that provides that cell

1 phone account information to other components of the cell phone. Of
2 course, only if the authentication process performed by the other cell phone
3 components and or the cell phone service provider confirms that the cell
4 phone account information corresponds to a valid account is the user then
5 able to make calls using the cell phone.

6 Now, turning now, Your Honors, to the second wireless link, which is
7 between the integrated PDK and an external RDC. The '042 patent
8 describes an example of this second wireless link at column 8 line 50 to
9 column 9 line 13 with reference to figure 4. In this example, the integrated
10 PDK of the hybrid device stores username and password information and is
11 brought into close proximity to an external RDC coupled to a standalone
12 computer.

13 An example of the recited second wireless link is created between the
14 PDK of the hybrid device and the external RDC, and the PDK sends the
15 username and password to the external RDC over the second wireless link.
16 The computer receives the username and password from the external RDC
17 and then authenticates the username and password.

18 If their username and password are valid, the computer enables access
19 to the applications or functions resident on the computer. Of course, if the
20 username and password are not valid, the computer denies access to the
21 applications or functions resident on the computer.

22 Now, in this example, Your Honors, the integrated PDK performs a
23 recited enabling function with respect to applications or functions on the
24 computer by storing and enabling access to the username and password that
25 are used by the computer to authenticate the user. Only if the authentication

1 process performed by the computer confirms that the username and
2 password are valid is the user then able to access the applications or
3 functions on the computer.

4 Now, Your Honors, one important observation about the recited
5 enabling function can be made from these two disclosed examples. With
6 respect to the cell phone service example, the integrated RDC only performs
7 some but not all of the multiple necessary steps to enable the cell phone
8 service. And with respect to the computer access example, the integrated
9 PDK also only performs some, but not all, of the multiple necessary steps to
10 enable the applications or functions resident on the computer.

11 A POSITA, of course, would have considered these disclosed
12 examples in discerning the meaning of the enabling function and its
13 associated features, specifically the feature that recites one or more of the
14 integrated RDC and integrated PDK enabling one or more of an application,
15 a function and a service. In doing so, they would have recognized that the
16 recited enabling function does not demand that every step necessary to
17 enable the one or more application, function or service must be performed
18 by one or both of the integrated RDC and PDK.

19 Instead, as we asserted on pages 12 and 15 to 18 of our reply with
20 citations to our expert declaration, a POSITA would have recognized that a
21 PDK can perform the recited enabling function by simply storing access
22 information such as the username or password that are able to be retrieved
23 and used to access or otherwise invoke the application, function or service.

24 And as we asserted on page 12 and 20 of our reply with citations to
25 our expert declaration, an RDC can perform the enabling function by

1 communicating access information such as cell phone account information
2 necessary to access or otherwise invoke the application, function or service.

3 Please turn to slide 8. Now, Your Honors, as shown by the text of the
4 Patent Owner response and our Petitioner reply reproduced in this slide, the
5 main dispute between the parties relates to claim construction, and
6 specifically to the construction of three distinct claim terms which I will
7 present next.

8 Please turn to slide 9. Similar to its arguments in the related '289 and
9 '960 patent proceedings, Proxense argues that the “integrated RDC” term is
10 an MPF term because the processor and transceiver structures that it
11 acknowledges are part of an integrated RDC are according to Proxense, not,
12 quote, sufficiently definite structures for performing the enabling function.
13 It cites to the *HTC Corp.* case to support this proposition.

14 Please turn to slide 10, Your Honors. Similar again to its arguments
15 with respect to the integrated secure memory in the related '289 and '960
16 patent proceedings, Proxense argues that the “integrated PDK” term is an
17 MPF term because the computer readable media or storage device structure
18 that it acknowledges is part of an integrated PDK are according to Proxense,
19 not, quote, sufficiently definite structures for performing the enabling
20 function, end quote. It cites to the *Rain Computing* case to support this
21 proposition.

22 Please turn to slide 11. Lastly, Proxense again argues, just like it did
23 in the related '289 and '960 proceedings, that the “enablement signal” claim
24 term is an MPF term because it is a nonce term. Please turn to slide 12.
25 Now, Your Honors, having identified the claim terms in dispute, this slide

1 shows the specific topics that I would like to present next with respect to that
2 dispute. As in the related '289 and '960 patent proceedings, Proxense again
3 advocates for constructions that are, simply put, inconsistent, with those that
4 it advanced in the related litigations.

5 I will go over these inconsistencies briefly. I will then explain how
6 and why Proxense's constructions are the results of its misapplication of
7 MPF Federal Circuit case law. In doing so, I will note that adoption of
8 Proxense's new approach to determine whether or not to apply MPF
9 treatment to a given limitation would not only fail to be supported by
10 existing case law, but also would open Pandora's box, and that parties would
11 no longer know with any certainty whether a claim term that recites structure
12 recognizable by a POSITA will be given MPF treatment.

13 And finally, I will go over the evidence that we introduced into the
14 record, supporting a conclusion that a POSITA would have recognized
15 structure as being recited in the disputed claim terms for performing the
16 enabling function. And therefore, that the disputed claim terms are not
17 nonce terms. Given this, Proxense's MPF constructions should be rejected.

18 Please turn to slide 16. Now, Your Honors, in the *Microsoft* litigation,
19 Proxense and the District Court adopted constructions that include receiving,
20 decoding, memory, and antenna structures. Notably, neither party nor the
21 Court itself advanced MPF constructions for the “RDC” and “PDK” terms.

22 Please turn to slide 18. Now, in the *Samsung* litigation, the parties
23 also did not advance MPF constructions. Despite arguing that an
24 enablement signal’s meaningless nonce in this proceeding, Proxense instead
25 advanced the meaning for the enablement signal term in the *Samsung*

1 litigation. Specifically, it argued that enablement signal means a message
2 that enables or authorizes.

3 Please turn to slide 20. Now, in its PORs shown on this slide,
4 Proxense argues that it actually does not disagree. It does not disagree with
5 the constructions adopted by the Court in the *Samsung* litigation. Instead, it
6 is just saying that the structures indicated by the constructions of PDK and
7 RDC are each, quote, nothing more than a general purpose computer. Given
8 this, Proxense concludes that it is entirely proper to apply MPF treatment to
9 these terms. But, Your Honors, this is based on an incorrect legal analysis
10 for reasons that I will describe shortly.

11 Now, slides 22 to 27 show similar inconsistencies between Proxense's
12 claim constructions of this proceeding and those advocated for by Proxense
13 and or adopted by the District Court in the related *Apple* and *Google*
14 litigations. Now, it is important to further note that neither Proxense nor any
15 other party argued in the related litigations that the enablement signal term
16 was a nonce term as Proxense is doing for the first time in this proceeding.

17 Now, Your Honors, before explaining why Proxense's construction
18 should be rejected, few observations should be made. Few observations
19 should be made about the inconsistencies between Proxense's current
20 position in this proceeding and in the related '289 and '960 proceedings and
21 the related litigation. First, all parties in the litigations were obligated to
22 consider the impact of the intrinsic evidence on the construction of the terms
23 with the claim language of the term and its full context within the claim as a
24 whole being considered first and foremost.

25 Given the direct recited connection between the enabling feature and

1 the PDK and RDC terms, it is simply not credible to assert that the parties
2 forgot to consider the impact of the enabling function on the constructions of
3 PDK and RDC.

4 Second, all parties in the litigation, by failing to argue for MPF
5 constructions, implicitly acknowledged that the words of these terms as
6 understood by persons of ordinary skill in the art have sufficiently definite
7 meaning as the name for structure. In other words, they are not nonce terms.
8 Instead, the constructions argued and ultimately arrived at by the District
9 Court included structures readily recognized by a POSITA such as memory
10 structures, receiver structures, decoder structures and antenna structures.

11 Third, Proxense in this proceeding is not asking for a small change to
12 the constructions adopted in the related litigations. Instead, it is asking for a
13 massive change that requires each of the PDK and RDC to be configured to
14 have a very specific interaction with each other. With the PDK receiving
15 service block specific access keys from the RDC and only allowing the RDC
16 to access data from a given service block if it receives and validates the
17 correct access key for responding to that service block.

18 This is a massive narrowing of the claims that would have an
19 enormous impact on both validity and infringement in the related and any
20 future litigations. To say that adopting Proxense's constructions would not
21 disturb the existing litigations is simply not credible.

22 Please turn to slide 29. Your Honors, I would like to now focus on
23 the legal framework advanced by Proxense to support its MPF constructions.

24 As shown on this slide, Proxense identifies the enabling function recited in
25 the claims as the function for the various claim limitations that are in

1 dispute. Proxense further notes that in order to determine whether MPF
2 treatment should be applied, quote, it must be determined if each of claims 1
3 and 10 recite a sufficiently definite structure for performing that function
4 other than a general purpose computer, end quote.

5 Please turn to slide 31. This slide shows the various key cases relied
6 upon by Proxense to support its arguments with relevant quotes advanced by
7 Proxense for each. The quotes identified by Proxense for each of these
8 cases, however, do not speak to structure recited in claims and therefore do
9 not speak to whether or not a claim should be given MPF treatment. Instead,
10 they speak to disclosed rather than recited structure, and specifically asked
11 the question whether structure disclosed in the patent specification is
12 sufficiently definite to support an MPF limitation.

13 The case law indicates that disclosed structure corresponding to a
14 general purpose computer is insufficient to support an MPF limitation absent
15 a specific algorithm disclosed in the specification to convert the general
16 purpose computer to a special purpose computer.

17 Now, Your Honors, despite these cases clearly being directed to
18 disclosed structure rather than structure recited in claims, Proxense
19 nevertheless believes that their general purpose computer analysis, that is the
20 general purpose computer analysis performed by the Federal Circuit in these
21 cases, should also be applied to structure recited in claims to determine
22 whether or not the claim is an MPF claim.

23 Proxense appears to believe this as far as we can tell because the cases
24 it cites use the words “sufficiently definite structure” with respect to
25 disclosed structure while some cases use these same or similar words with

1 respect to recited structure to determine whether or not a claim limitation is
2 or is not MPF. And, Your Honors, the error in Proxense's analysis arises
3 from Proxense's failure to consider the context in which these words are
4 used. Whether when the words are used in step 1 of the MPF analysis, they
5 have a different meaning than when they are used in step 2 of the MPF
6 analysis.

7 Recall that step 1 of the MPF analysis requires determining whether
8 or not a limitation is an MPF limitation by looking at the words recited in
9 the limitation. While step 2 of the MPF analysis is only performed -- it's
10 only performed if step 1 concludes that the limitation is an MPF limitation
11 and then determines the proper scope of the limitation of the MPF limitation
12 by looking at disclosure in the patent specification.

13 Now the *Rain Computing* case illustrates well this contextual
14 difference. Please turn to slide 39. Pages 4 to 5 of the Patent Owner
15 response include a quote taken directly from the *Rain Computing* case. As
16 shown on this slide, in *Rain*, the Federal Circuit stated the following. Quote,
17 to determine whether 112 paragraph 6 applies to a claim limitation, we must
18 inquire whether the words of the claim are understood by persons of
19 ordinary skill in the art to have a sufficiently definite meaning as the name
20 for structure.

21 If those words lack sufficiently definite meaning, 112 paragraph 6
22 applies. If the limitation uses the word “means,” there is a rebuttable
23 presumption that 112 paragraph 6 applies. If not, there is a rebuttable
24 presumption that the provision does not apply. But that presumption can be
25 overcome and 112 paragraph 6 will apply if the challenger demonstrates that

1 the claim term fails to recite sufficiently definite structure or else recites
2 function without reciting sufficient structure for performing that function.

3 Now in *Rain*, Your Honors, the Federal Circuit is clear as to the
4 inquiry of step 1 of the MPF analysis. And that inquiry is simply whether
5 the words recited in the claim would have been understood by a POSITA to
6 have a sufficiently definite meaning as the name for structure. In this
7 context, the later sentence that refers to sufficiently definite structure is
8 really just asking whether the recited words have a sufficiently definite
9 meaning as the name for structure.

10 In other words, this sentence is simply noting that MPF treatment will
11 be applied if the claim term fails to recite words having a sufficiently
12 definite structural meaning, stated differently. This sentence is simply
13 stating that MPF treatment will be applied if the claim term recites
14 meaningless or nonce words that have no definite structural meaning.

15 Now turning back to Proxense's statement, Your Honors, which as
16 you may recall is that, quote, it must be determined if each of claims 1 and
17 10 recite a sufficiently definite structure for performing that function other
18 than a general purpose computer. This statement is wrong and does not
19 reflect the case law. Instead, for it to properly reflect the case law, it should
20 be rewritten to state the following. It must be determined if each of claims 1
21 and 10 recite words having a sufficiently definite structural meaning rather
22 than meaningless words or nonce for performing that function.

23 Now, Your Honors, how do we know that this is the correct
24 interpretation of the case law? Well, let's please turn back to slide 35. To
25 understand why this is the correct interpretation of the case law, look no

1 further than every single case cited by Proxense in its briefs. This table,
2 which is continued in slide 36, identifies the following for each cited case.
3 The name of the case, the claim terms at issue in the case, whether the claim
4 terms were interpreted as MPF terms, and why the claim terms were
5 interpreted as MPF terms.

6 The Federal Circuit, in every single one of these cases, which
7 Proxense relies on for its general purpose computer analysis, performed the
8 following analysis in concluding that each of the disputed claim terms was
9 an MPF term.

10 It first assessed whether the term recited “means for” language. If it
11 recited “means for” language and no convincing rebuttal was offered, the
12 claim term was deemed an MPF term. If not, the Court then assessed
13 whether the words of the claim term were meaningless nonce, or instead had
14 a sufficiently definite structural meaning. If the words were meaningless
15 nonce, the claim term was deemed an MPF term.

16 Importantly, in all of these cases, the Federal Circuit concluded that
17 the claim terms were MPF because they either expressly recited “means for”
18 language, or instead recited words failing to have a sufficiently definite
19 structural meaning, that is nonce words. Notably, none of these cases do
20 what Proxense is asking Your Honors to do, and that is to acknowledge
21 words in a claim as having a well-recognized structural meaning, such as a
22 memory, a receiver, an antenna, or a decoder, but nevertheless deem the
23 claim term an MPF term because the recited structures are general purpose
24 computers.

25 Proxense's analysis is simply not supported by the law. There is no

1 third category in step 1 of the MPF analysis for claims that do not recite
2 “means for” language. Either the words of these claims, as understood by a
3 POSITA, have a sufficiently definite meaning as the name for structure, or
4 they are meaningless nonce. Contrary to Proxense's arguments, there is no
5 third category where they have recognized structural meaning, but the
6 structure is disregarded because it is its general purpose computer and
7 therefore is not the right type of structure.

8 Now this is further confirmed, Your Honors, by the fact that Proxense
9 itself has been unable to find a single case showing this third category being
10 used in step 1 of the MPF analysis. And this, Your Honors, is really not
11 surprising. Even Proxense's proposed third category would open Pandora's
12 box and that parties would no longer know with any certainty whether a
13 claim from the recited structure recognizable by a POSITA will avoid MPF
14 treatment.

15 JUDGE BEAMER: Counsel.

16 MR. DEVOTO: For example, how do you know whether recited
17 structure is a general purpose computer? The case law says that a disclosed
18 transceiver is a general purpose computer, given this, what other
19 components in a computer would be deemed a general purpose computer.
20 General purpose computers include many different types of memories such
21 as SRAMs and DRAMs.

22 If it claims to recite one of these memories, performing a function,
23 would it be given MPF treatment as a general purpose computer? A general
24 purpose computer includes a hard drive or a CD-ROM drive. When reciting
25 a hard drive or a CD-ROM drive for performing a function, be given MPF

1 treatment as a general purpose computer. The general purpose computer
2 includes a motherboard --

3 JUDGE BEAMER: Counsel.

4 MR. DEVOTO: Yes.

5 JUDGE BEAMER: You didn't hear me earlier. I was trying to ask a
6 question with respect to slide 35. Looking at these various claim terms in
7 the center column, if it said "distributed learning general purpose computer"
8 or "user identification general purpose computer" or "game control general
9 purpose computer," are you saying those would all be sufficient structure to
10 get around the classification of means-plus-function?

11 MR. DEVOTO: Yes, I would say exactly that because they're not
12 meaningless, they're not nonce terms. They have a well-recognized meaning
13 as to structure. And so the way you deal with those claims, of course, is you
14 turn to the other laws in front of you, enablement, full enablement, full
15 scope, written description. That's how you deal with those claim terms.

16 See, the issue here, Your Honors, is really recognizing that you want
17 to treat first and foremost the words of the claim limitation. Those are of
18 paramount importance because they create certainty and decision making by
19 the courts. So you don't want to lightly deviate from those words to go into
20 the much more inherently ambiguous constructions that arise from just
21 simply analyzing a spec.

22 So it's only in rare circumstances where you, in exceptional and
23 prescribed circumstances, where you will want to inject into and depart from
24 the actual words of the claim construction to go into the spec to determine
25 other limitations implicated by that limitation. And those rare circumstances

1 have been shown by us, by the courts, by the cases, to mean they have no
2 structural meaning. They are meaningless nonce.

3 They are not definite in the sense that they are ambiguous because
4 they are abstract recitations of structure. They have black boxed recitations
5 of structure. It's only in those scenarios that the Court has said, you know
6 what, we'll accept the inherent uncertainty of going to the spec and trying to
7 figure out what's going on in this spec when we have to, because the words
8 of the claims themselves create such a lack of boundaries in terms of what
9 the structure, their implication that's performing this function is that we're
10 willing to do that.

11 But in cases where you actually have a meaningfully disclosed
12 structure, such as a processor, for example, that does not invoke, that's not a
13 nonce term. In fact, Your Honors, I was going to point out to it later, but we
14 have, in fact, on the case that's quite helpful and relevant, and I'll cite it to
15 Your Honors, it's the case of *Zeroclick, LLC v. Apple Inc.*, 891 F.3d 1003
16 (2018).

17 In this case, the claim terms at issue were “program” and “user
18 interface code.” Both of these terms would certainly fall within the scope of
19 what Proxense calls a general purpose computer, as all such computers
20 would clearly include both programs and user interface code. And yet the
21 Federal Circuit rejected applying MTF treatment to them by concluding that
22 they were not nonce terms, or rather had an understood meaning in the art.

23 So this is not -- surprisingly, Your Honor suggests that the Federal
24 Circuit would similarly reject Proxense's overtures in this proceeding to
25 dismiss the far more structural terms that Proxense itself acknowledges as

1 structures, which include antennas, memories, transceivers, and other
2 structures from saving the dispute of claim terms from MTF treatment.

3 So again, you can think of it as the courts have drawn a boundary.
4 They want to stick to the words of the claim themselves. They don't want to
5 inject uncertainty unless they're really forced to do it, and so they've drawn a
6 line in doing that. If the words say “means-plus-function” language, you
7 know the claims say, you know what, go ahead. When we drafted this
8 claim, we want you to look at the spec, we want you to figure it out from the
9 spec.

10 But if the words don't say “means-plus-function” language, then the
11 courts have subscribed a very narrow scope of the types of words that will
12 force you to inject this uncertainty of looking at the spec to find the
13 limitations or scope of this limitation. And that narrow prescribed set is
14 when it's meaningless words. When there really is just black box recitation
15 or abstractions of structure.

16 It's only when you have this narrow that the word says, you know
17 what, the Court say, you know, in this case, you guys did such a bad job
18 with your words. We have no idea what structures you're talking about.
19 There's nothing here. We recognize this structure. It's all ambiguous.
20 There's no definite structural meaning to these words. This is black box. It's
21 just abstractions of structure. It's just nonce.

22 Okay. Given this, I guess I have no choice but to break usually the
23 golden rule which is stick to the claims of the words, and I'm going to jump
24 into the spec. But only in those prescribed narrow circumstances will I do
25 that because typically doing that creates uncertainty. Creates uncertainty

1 and that's undesirable for courts to do. Which is evidence in the fact that
2 there's no case that does what they're asking you to do.

3 Every case that is making the decision in step 1 doesn't say. It's
4 always either you use "means for" or it's nonce. "Means for" or black box
5 recitations, abstractions or nonce. That's it. So don't take my word for it that
6 that is the drawn scope. It's the courts themselves that have told us this.
7 Does that help answer your question, Your Honors?

8 JUDGE BEAMER: Yes, but could you -- I don't want to put you off
9 base too much, but could you go back to the actual claim language that's at
10 issue here?

11 MR. DEVOTO: So the claim language that issue, certainly there are
12 three claims terms at issue --

13 JUDGE BEAMER: Yeah, go ahead.

14 MR. DEVOTO: The three claims terms at issue are "portable digital
15 key," "receiver-decoder circuit," and "enablement signal." Now, we've
16 submitted evidence into the record that all three of these terms implicate
17 structure, but, again, you actually don't have to take our word for it.

18 JUDGE BEAMER: So those words don't contain general purpose
19 computer. Why are you even talking about general purpose computer?

20 MR. DEVOTO: That's an excellent question, Your Honors. I think in
21 terms of judicial, you know, avoiding judicial activism and dealing with only
22 the facts in front of you, while I am presenting to you a framework and an
23 explanation of why we think Patent Owner has come up with this
24 interpretation of the case law that we think is simply not supported and
25 inconsistent with it, you certainly don't have to arrive at that.

1 The only thing that's needed to arrive at to decide that their
2 constructions are not credible is simply the recognition that all the case law
3 shows when it comes to step 1 that it's either nonce or it has "means for"
4 language. It wasn't, you know, for claims that do not recite "means for"
5 language, it's either nonce or it has some -- it's not nonce, basically. It has
6 some type of meaning of structure. That's it. As to whether general purpose
7 computer, which is not -- I mean, and then you can dispense with the case by
8 just recognizing that look.

9 The Patent Owner itself has recognized that in these related
10 litigations, that these terms have structure in it. They've got antennas. They
11 have memory. They have transceivers and they've never said that these
12 aren't structures that are recognized as names for structures by a POSITA.
13 So you're entirely correct. I was entertaining the question about the general
14 purpose computer construction because I think it was raised as a
15 hypothetical question by Patent Owner in the last oral hearing, but you're
16 entirely correct.

17 For your purposes and in the view of judicial restraint, you would
18 certainly not have to go that far as we have additional structural elements
19 that are implicated in these particular terms that do not say general purpose
20 computer or microprocessor or those broad terms. And yet as I indicated
21 with the case that I cited, we can see that the Fed Circuit has always applied
22 this notion of well, is it nonce or is it not nonce?

23 And they've even embraced arguing that things as broad as a program
24 or user interface code, which are far less structural than the claims we're
25 dealing with here, are in fact not nonce and therefore shouldn't be given

1 MPF treatment. And consistent with that case, we kind of get a sense of
2 what the Fed Circuit would do with these terms. Does that make sense to
3 Your Honors?

4 JUDGE BEAMER: Yes. And the reason I asked about general
5 purpose computer is I'm not sure I'm aware of the case law that says that's
6 not a nonce sword. But we're not presented with that word here, so I'm not
7 sure it matters.

8 MR. DEVOTO: I think that's exactly right, Your Honors, nor have
9 they cited to that case, which we would contend with had they cited with it.
10 Instead, all of the description of the general purpose computer cases they
11 have cited do not engage in a claim term that actually recites general purpose
12 computer. They engage in claim terms that recite other structures and look
13 no further than their own claim constructions for these terms that they
14 expressly acknowledged in the related litigations.

15 JUDGE BEAMER: Okay. Thank you.

16 MR. DEVOTO: Thank you. One second to get back to where -- so
17 the point that I was trying to make, Your Honors is to inject this notion of a
18 general purpose computer analysis in the step 1 process would be to open
19 Pandora's box. I don't know what a structure is that -- you can make
20 arguments that a lot of structures, as I gave in my example list, are general
21 purpose computers, things like graphics cards, things like CD-ROM drives.
22 And you could say, well, those are general purpose computers under the case
23 laws, so you can dismiss them.

24 But of course, the problem with that approach is it injects a
25 tremendous amount of uncertainty in terms of claim construction, and also

1 even more so because frankly, Your Honors, how do you know or how do
2 you deal with the evolving nature of general purpose computers? I mean,
3 general purpose computers do not typically include graphics cards in the
4 early '80s, but they all include them now. So how do you deal with the fact
5 that components found in general purpose computers may change from one
6 year to the next?

7 So the bottom line is when you make this -- when you inject, as
8 Proxense wants you to do, this notion of looking for a structure recognizable
9 by a POSITA, seeing it -- and it's not a general purpose computer or a
10 microprocessor structure, okay? So we can set that fact pattern aside,
11 something other than that. And then you say, but is it a general purpose
12 computer? Well, that's hard to know.

13 And now, and it makes a massive impact on the scope of the
14 limitation, creates a massive amount of uncertainty, which of course
15 explains why the Fed Circuit just doesn't do that. They don't do that. They
16 don't do this third category that is being advocated for by Proxense.

17 Now, Your Honors, I'd like to turn to slide 37. As shown in this slide,
18 Your Honors already rejected Proxense's incorrect legal analysis in the
19 institution decision you issued in connection with the *Google* IPR
20 proceeding.

21 In reaching your decision, you of course performed the correct step 1
22 analysis. Specifically, you first noted that the disputed terms do not recite
23 “means for” language, and then concluded that the terms also do not recite
24 nonce, that is, they do not recite generic terms or black box recitations of
25 structure. Given this, you rejected Proxense as MPF constructions.

1 Please turn to slide 53. Now, Your Honors, we are mindful that there
2 exists a presumption against applying MPF treatment to claim terms when
3 the terms do not expressly recite “means for” language. Now, as I hinted at
4 earlier, this presumption reflects a general preference by the courts to
5 enhance certainty in claim construction by construing a claim term based on
6 the actual words recited in the claim itself, with any deviations from that
7 approach being done only in exceptional and prescribed circumstances.

8 With respect to the MPF construction analysis, when a claim term
9 expressly recite “means” words, the claim construction certainty is created
10 by the words of the claim itself, which directly invoke MPF construction.
11 But when the claim term fails to recite “means” words, applying MPF
12 treatment introduces undesirable inconsistent uncertainty, undesirable
13 uncertainty in claim construction by imposing meaningful limitations
14 nowhere found in the words of the claim itself.

15 Given this, such a departure from the recited words should only be
16 done in rare and exceptional circumstances, which is reflected in the case
17 law by forcing a party to prove such exceptional circumstances to overcome
18 the presumption against MPF treatment. And the courts have indicated that
19 the exceptional circumstances that the party seeking MPF treatment must
20 prove is that the words of the claim term have no structural meaning at all.
21 In other words, they are nonce or meaningless, also known as black box
22 recitation or abstractions.

23 And this makes sense because when you turn away from the words of
24 the claim itself and look instead to disclosure and specification for claim
25 construction, as is done in an MPF analysis, you introduce a lot of

1 undesirable ambiguity that reduces predictability and consistency in the law.

2
3 Now, Your Honors, turning to the present proceeding, we have seen
4 these same disputed claim terms argued many times before. In the *Microsoft*
5 litigation, the *Samsung* litigation, the *Apple* litigation, and the *Google*
6 litigation. And in all of the arguments related to these terms, nowhere was
7 advance an argument that MPF is the applicable construction for these
8 terms.

9 Why is that? That's because nobody has thought that these terms
10 recite words that reflect the exceptional circumstances required to overcome
11 the presumption against MPF treatment. That is no party believed that the
12 disputed terms recite nonce or black box recitations of structure. It is only
13 now that Proxense are being presented with damning prior art argues that
14 MPF is all of a sudden the applicable standard for these terms.

15 Now, isn't that convenient? Well, we think it is telling, Your Honors.
16 It is telling that the presumption against MPF treatment should apply as
17 implicitly acknowledged by all of the litigation parties and the District
18 Court.

19 So what do we see Proxense do in its attempt to convince you
20 otherwise in this proceeding and the related '289 and '960 proceedings? We
21 see them submit no evidence that the “RDC” and “PDK” terms are nonce
22 terms. And we see them rely only on largely conclusory statements from
23 their expert that the “enablement signal” term is a nonce term. This is not
24 the type of evidence needed to overcome the presumption against MPF
25 treatment.

1 In contrast, and as I will briefly describe next due to time constraints,
2 we have placed ample evidence into the record that a POSITA would have
3 recognized that each of this disputed claim terms recite structure for
4 performing the recited function, and therefore do not recite nonce.

5 Please turn to slide 57, Your Honors. So turning to the first disputed
6 claim term, specifically the “integrated PDK storing information” term, this
7 term contemplates a memory as both parties have acknowledged and
8 therefore would have been recognized by a POSITA to speak to a broad
9 class of structures used to retain data for various purposes. The definiteness
10 of the structural term is further reinforced by the adjectives integrated and
11 digital, which further narrowed the class of memory structures to memory
12 stored locally at the recited device and to digital rather than analog memory
13 structures.

14 Please turn to slide 58. Moreover, as we explained in our reply and as
15 I explained earlier, a POSITA would have recognized in light of the '042
16 patent specification that the recited PDK structure could perform the recited
17 enabling function by simply storing access or authentication information
18 such as a username and password of the -- such as the username or password
19 of the example in the '042 patent I described earlier, that can be retrieved by
20 other components to enable the recited function application or service.

21 Now, Your Honors, in its surreply, Proxense again asserted that the
22 “integrated PDK” is an MPF term based on its incorrect legal analysis
23 because it is purportedly a general purpose computer structure. This
24 argument is not credible for the reasons I noted earlier. Moreover, Proxense
25 has already admitted in the related litigations that the integrated PDK has a

1 sufficiently definite structural meaning. That is, it has recognized that the
2 “integrated PDK” is not a nonce term. It rather includes an antenna or a
3 transceiver and a memory, all of which have a sufficiently definite meaning
4 as the name for structures to a POSITA.

5 Please turn the slides 64. Now, turning to the second disputed claim
6 term, Your Honors, specifically the “integrated RDC” term, we explained
7 with supporting evidence that this term would not be understood to be a
8 black box recitation of structure, but rather would be understood to denote a
9 specific class of structure readily recognizable by a POSITA, such as the
10 structure and a common access card, an RFID tag, a garage door opener, a
11 television remote or a gate opener, identified in paragraph 19 or our expert's
12 declaration.

13 Please turn back to slide 63, Your Honors. Additionally, as we
14 explained in our reply, and as I explained earlier today, a POSITA would
15 have recognized, in light of the '042 patent specification that the recited
16 integrated RDC structure could perform the recited enabling function by
17 simply communicating access or authentication information, such as the cell
18 phone account information of the '042 patent, example as described earlier,
19 to other components, such as other cell phone components, to enable the
20 recited function application or service.

21 Now, in its surreply, it should come as no surprise that Proxense again
22 simply reiterates its flawed argument that the “integrated RDC” is an MPF
23 term based on its incorrect legal analysis because it is a general purpose
24 computer structure. As before, Proxense has already admitted in the related
25 litigations that the “integrated RDC” has a sufficiently definite structural

1 meaning. It has recognized that the “integrated RDC” is not a nonce term,
2 but rather includes structures for wirelessly receiving data and or decoding
3 encrypted data.

4 Please turn to slide 69. Now, Your Honors, turning to the last
5 disputed claim term, the “enablement signal” term, Proxense argued that this
6 term is a meaningless nonce term because it merely recites the function that
7 it performs. In our reply, we again provided evidence that the term is not a
8 nonce term, but rather is a well-known term used in the art that indicates the
9 type of signal structure, such as a trigger signal or pulse used to initiate an
10 operation, start or activate a process or allow a process to take place.

11 The term signal itself, of course, is commonly used in electrical
12 engineering, telecommunications, and software to describe the detectable or
13 measurable phenomenon that can be information or instructions. Now, as
14 shown in this slide, we provided evidence to support this commonable
15 understood meaning of “enablement signal” in the form of multiple
16 dictionary definitions.

17 We also identified the *Greenberg* and *Flo Healthcare Solutions* cases
18 as indicating that structures often take the names for functions they perform
19 as is the case here. Given this, we asserted that the “enablement signal”
20 term is not meaningless nonce and therefore is not an MPF term.

21 As I stated earlier today, a POSITA also would have further
22 understood, in light of the application -- excuse me, in light of the
23 specification, that an enablement signal could enable an application, function
24 or service by simply containing or otherwise communicating access or
25 authentication information such as the cell phone account information in the

1 example of the '042 patent I described earlier to other components such as
2 other cell phone components for authentication.

3 Would you please turn to slide 72. Now, Your Honors, in response to
4 our assertion, Proxense relies on the language of the claim itself, asserting
5 that the recited first wireless link and the recited first signal of claim 10
6 somehow indicate the receipt of a signal or creation of a link are according
7 to the claim insufficient to perform the enabling function.

8 Proxense's reasoning really doesn't make sense to us. As I explained
9 earlier in one implementation example disclosed in the '042 patent, the
10 service that is enabled is a cell phone service. The first wireless link is
11 created between the integrated RDC and an external PDK that stores the cell
12 phone account information. The integrated RDC receives cell phone
13 account information from the external PDK in a first signal via the first
14 wireless link.

15 The integrated RDC then generates and sends an enablement signal
16 that provides the received cell phone account information to other
17 components of the cell phone thereby enabling the cell phone service. As
18 such, this claim is both supported and its scope is clear, that is as I stated
19 previously and consistent with the '042 patent specification, a POSITA
20 would have understood that an enablement signal could perform an
21 application, function or service by simply containing or otherwise
22 communicating access or authentication information such as cell phone
23 account information.

24 Now, Your Honors, in some -- Your Honors, you were correct in your
25 institution decision that all of the disputed claim terms recite a sufficiently

1 definite structural meaning and therefore are not nonce terms or black box
2 recitations of structure. In the prior oral hearings related to the '289 and '960
3 patents, Proxense argued that the claim terms are either indefinite or MPF,
4 and then asserted that the Board was obligated to deem them MPF based on
5 a presumption of validity that simply does not apply to these proceedings.

6 Regardless, Proxense presents a false dichotomy, as should be evident
7 from the example implementations of the '042 patent that I previously
8 described. The claim terms can also be non-MPF and definite, which of
9 course is the case here.

10 Proxense's assertions, to the contrary, are not credible as they are
11 based on adding a third general purpose computer structure category that
12 triggers MPF treatment not supported by any case law.

13 The case law instead identifies only two categories, with the first
14 category indicating -- and two categories for claim terms that do not recite
15 “means for” language, with the first category indicating that the words
16 which do not recite “means for” language have some structural meaning that
17 would be recognized as structure by a POSITA, and the second category
18 indicating that the words of the claim are simply meaningless nonce,
19 meaning they are abstractions, they are black box recitations, they have no
20 definite non-ambiguous structure that would be recognized by a POSITA.

21 To accept Proxense's proposed third category would not only
22 constitute a meaningful departure from established case law and massively
23 disturb the related litigations, but also would open Pandora's box, as I
24 indicated earlier, by introducing substantial uncertainty regarding MPF
25 treatment of claim terms that recite acknowledged structure.

1 For these and the other reasons advanced in the papers, we request
2 that you reject Proxense's constructions. Unless Your Honors have any
3 questions, I've covered all the topics that I wish to present at this time.
4 Hearing none --

5 JUDGE DANG: Yeah, thank you very much.

6 MR. DEVOTO: Thank you, Your Honors.

7 JUDGE McKONE: And you'll have about 11 minutes left in your
8 rebuttal.

9 MR. DEVOTO: Excellent. Thank you.

10 JUDGE DANG: Okay. Yes, Mr. Zak, do you want to reserve any
11 time?

12 MR. ZAK: I think we'll reserve 15 minutes, Your Honor.

13 JUDGE DANG: 15 minutes. Okay, great. Thank you. Let us know
14 when you're ready and we'll start the clock.

15 MR. ZAK: I think I can start right now.

16 JUDGE DANG: Okay. Great. Thank you.

17 MR. ZAK: Well, let me start off by saying it's great to be back in
18 front of this panel. Today I will explain why this panel should not overturn
19 the District Court's construction of nearly identical terms. And I want to
20 pause here and just make one thing clear. The District Court issued
21 opinions. We are bound by those opinions. Now, whether or not I -- and I
22 know I did ask the Court to take different constructions on different terms. I
23 lost. The Court said "no, Mr. Zak, you and Proxense are wrong." And I
24 have to accept that.

25 I cannot come before this board and say, "please, please, overrule the

1 District Court.” No, that's not how collateral estoppel works. It was a final
2 decision on the merit. I'm bound by it. So I am not defending my
3 construction -- I am not defending Proxense's construction, I am defending
4 the District Court's construction today.

5 Now, if we can move on to slide 2, thank you. The first reason is that
6 the District Court properly analyzed the claims and achieved the results
7 required under the case law. The case law presents very clear instructions
8 on how to determine if 35 U.S.C. Section 112 paragraph 6 is invoked. If we
9 take the time to detail these instructions and apply them to the claims at
10 issue, as the District Court did, it becomes apparent that Microsoft's petition
11 fails as a matter of law.

12 Despite this, Microsoft asked this board to overrule the District
13 Court's claim construction yet they did not ask the District Court to change
14 its construction. Rather, they chose this venue to challenge the District
15 Court's prior construction.

16 Under the doctrine of collateral estoppel, the Patent Owner is not free
17 to challenge the District Court's construction or assert infringement
18 contentions inconsistent with it. The Patent Owner is bound by it, must
19 follow it, and can only defend it. And that's what we're doing here today.
20 We are defending it.

21 JUDGE McKONE: Mr. Zak, you keep talking about the District
22 Court's construction that you want us to follow and that you feel bound by.
23 Could you point us to that in the record, just so I can make sure I'm looking
24 at the right thing? Is there an exhibit and a page that I ought to be looking
25 at?

1 MR. ZAK: Sure. It would be Exhibit 202, Your Honor. I'm sorry,
2 Patent Owner's Exhibit 202 at 26. And those are respecting nearly identical
3 terms, or nearly identical claims as we'll be discussing later, but I can just
4 jump ahead right now and read it to you. It says claims 1 and 10 state one or
5 more of the integrated RDC and integrated PDK enabling one or more of an
6 application of function and service.

7 An application, function or service is enabled by a PDK when it
8 receives information from a PDK in exchange for an access fee. Similarly,
9 an RDC enables one or more of an application, function or service when it
10 forward sets a message to the application, function or service. That'll be the
11 end quote. And as we'll explain -- and we'll get back to this later, but that's
12 just a little preview for you, Your Honor. Do you have any other questions
13 or should I continue?

14 JUDGE McKONE: You said this was a nearly identical claim. That
15 means this is a -- that you're referring to the District Court's construction of a
16 different claim of a different patent that you want us to --

17 MR. ZAK: Yes, this is claims 1 and 10 --

18 JUDGE McKONE: Go ahead.

19 MR. ZAK: Sorry. This is claims 1 and 10 of the '188 patent and the
20 '700 patents, which are nearly identical to the claims before us today.

21 JUDGE McKONE: Did the District Court construe the patent that is
22 before us today?

23 MR. ZAK: No, Your Honor. Nobody ever challenged the District
24 Court's construction. We're bound by it under the government's --

25 JUDGE McKONE: I simply wanted to know whether the District

1 Court construed the patent we're looking at. It sounds like you want us to
2 construe it similarly to how the District Court construed terms of a different
3 patent, but please go ahead.

4 MR. ZAK: Well, yes, the District Court construed this patent. This
5 part of its construction nearly identical terms, identical phrasing, and other
6 patents was not challenged. And as we know, we construe similar terms,
7 identical terms, consistently across family members. So I don't think I'm
8 allowed to say, well, that's not this patent, so I could ignore it even though
9 it's similar identical terms. But if I'll move on now.

10 Now, the best way to defend the District Court's construction is to lay
11 out the legal framework for determining the application of 35 U.S.C. Section
12 112 Paragraph 6. It was summarized very well in *Rain Computing* and *MTD*
13 *Products*. In general, to determine whether Section 112 Paragraph 6 applies
14 to a claim limitation, we must first inquire whether the words of the claims
15 are understood by a person of ordinary skill in the art to have sufficiently
16 definite meaning as the name for structure.

17 If those words lack a sufficiently definite meaning, Section 112
18 Paragraph 6 applies. But this is the overarching broad view of the inquiry.
19 To answer this question of whether Section 112 Paragraph 6 applies, we
20 have to first do two critical steps. And I've outlined these critical steps in the
21 flow chart, and we'll see this little arrow popping up as we go through it.

22 First, we examine the words of the claims themselves. If the
23 limitation uses the words "means," there's a rebuttable presumption that
24 Section 112 Paragraph 6 applies. Accordingly, if the claims use the term
25 "means," we assume Section 112 Paragraph 6 applies. But we don't stop

1 there, because if not, there's a rebuttable presumption that the provision does
2 not apply.

3 But that presumption can be overcome and Section 112 Paragraph 6
4 will apply if the challenger demonstrates that the claim term fails to recite
5 sufficiently definite structure, or else recites function without reciting
6 sufficient structure for performing that function. Accordingly, we need to
7 determine if the claims recite a sufficiently definite structure.

8 Now, many assume the presence or absence of a nonce word is
9 determinative. The case law clearly states that it is not. It is true that one
10 way to demonstrate that a claim limitation fails to recite sufficiently definite
11 structure, is to show that although not employing the word “means,” the
12 claim limitation uses a similar nonce word that can operate as a substitute for
13 “means” in the context of 112 Paragraph 6.

14 Now, I've always found it interesting that despite this proposal to look
15 for nonce words, there's no listing of nonce words in the MPEP. They just
16 say determine if it's meaningless. But this is just one way, and it is far from
17 determinative, because even if the claims recite a nonce term followed by
18 functional language, other language in the claim might inform the structural
19 character of the limitation in question, or otherwise impart structure to the
20 claim term yet Microsoft would like it to be determinative.

21 Now, the Federal Circuit defined a nonce term in *Egenera*
22 *Incorporated v. Cisco Systems Incorporated*, and this is going to be 972 F.3d
23 1367 at 1373, Federal Circuit 2020. According to the Court, a term may
24 amount to a coined nonce word, that is a word invented for one occasion
25 only. Now, if this is indeed determinative, then Microsoft is taking a very

1 different position than it advanced before the District Court.

2 If we could look at Microsoft's Exhibit 1013, which is their claim
3 construction briefing, their opening claim construction briefing. If we go
4 down to page 16, Microsoft stated, as an initial matter, PDK was coined by
5 the inventor and not a term of art. And where a claim term has no ordinary
6 custom meaning, a court must resort to the remaining intrinsic evidence to
7 obtain the meaning of the term.

8 And if we scroll down to page 23 of the same briefing, we find that
9 Microsoft also characterized an “RDC” as a coined term. Owing to its
10 coined name, receiver-decoder circuit, the RDC is plainly a circuit, not
11 merely a component or collection of components. As the CAFC has defined
12 coined terms as nonces, Microsoft unquestionably advocated before the
13 District Court that “PDK” and “RDC” are nonces. Before this board,
14 Microsoft takes the opposite position.

15 Now, the rules, however, permit Microsoft to do so. We all know that
16 the rules don't require parties to take consistent claim construction positions
17 before the District Court and the PTAB. Unfortunately, collateral estoppel
18 applies to Patent Owner a little bit differently here because we got a final
19 order and were bound by it. But regardless, whether or not it's a nonce term
20 art or not is really a weak point. What is determinative is not the presence or
21 absence of a nonce word, but rather claim construction, that is determining
22 how the claims would be understood by a person of ordinary skill in the art.

23 Accordingly, the essential inquiry is not merely the presence or
24 absence of the word “means,” but rather the words of the claims are
25 understood by persons of ordinary skill in the art to have a sufficiently

1 definite meaning as the name or structure. Such that in each case, a critical
2 question is whether the claim term is used in common parlance by a person
3 of ordinary skill in the art that doesn't need structure, including a particular
4 structure or a class of structures.

5 Now, the ultimate question is whether the claim language, read in
6 light of the specification, recites sufficiently definite structure to avoid
7 Section 112, Paragraph 6. Now, reading the claims in light of the
8 specification to determine how they would be understood by a person of
9 ordinary skill in the art is the process of claim construction. Thus, to
10 determine if Section 112, Paragraph 6 applies, the case law requires us to go
11 through the process of claim construction.

12 If after going through the process of claim construction we fail to find
13 sufficiently definite structure, we know that Section 112 Paragraph 6
14 applies. But the work does not stop here. Instead, we move on to a second
15 round of claim construction. And I think this is where a lot of people get
16 confused because we're doing two claim construction inquiries here now.
17 Just kind of double the work, double the claim construction. And that can be
18 confusing, but it must be done. And we know this because the case law tells
19 us so.

20 The first step in construing a means-plus-function claim is to identify
21 the claim function. Accordingly, after doing a first round of claim
22 construction to determine that Section 112 Paragraph 6 applies, we start a
23 second round of claim construction by identifying the claim function. After
24 identifying the claim function, we then determine what structure, if any,
25 disclosed in the specification corresponds to the claim function.

1 Under the second step, structure disclosed in the specification is
2 corresponding structure only if the specification of prosecution history
3 clearly links or associates that structure to the function recited in the claim.
4 Accordingly, the second round of claim construction continues by
5 examining the prosecution history and the specification to find the structure
6 associated with the claim function.

7 But not just any structure we may find in the specification of
8 prosecution history will be sufficient. If the function is performed by a
9 general purpose computer or microprocessor, then the second step further
10 requires that the specification disclose the algorithm that the computer
11 performs to accomplish that function. For means-plus-function claims in
12 which the disclosed structure is a computer or microprocessor program to
13 carry out an algorithm, we have held that the disclosed structure is not the
14 general purpose computer, but rather the special purpose computer
15 programed to perform the disclosed algorithm.

16 We have consistently required that the structure disclosed in the
17 specification be more than simply a general purpose computer or
18 microprocessor. General purpose computers or processors can be
19 programmed to perform very different tasks in very different ways.
20 Accordingly, simply disclosing a computer as the structure designated to
21 perform a particular function does not limit the scope of the claims to the
22 corresponding structure of material or acts that perform the function as
23 required by Section 112 Paragraph 6.

24 But a general purpose computer is generally not a sufficiently definite
25 structure. It isn't. The definite structure rather is the algorithm disclosed in

1 the specification. We're therefore seeing that a general purpose computer is
2 a nonce term because if it's not going to be sufficient when disclosed in the
3 specification, why would it suddenly be sufficient when disclosed in the
4 claims? That's just moving the inquiry, that's just hiding the peep and using
5 draft metrics.

6 And finally, if the patentee fails to disclose adequate structure or
7 adequate corresponding structure, the claim is indefinite. Now this last step
8 of the process reminds us of something very important, that an indefiniteness
9 is part of claim construction. If the claims cannot be construed, they are
10 indefinite. This general rule applies means-plus-function claims as well.

11 Accordingly, a challenge to indefiniteness of a claim can be resolved
12 by determining if the claim can be construed under section 112 paragraph 6.

13 This is exactly what the District Court did with respect to nearly identical
14 claims, almost verbatim identical claims and the Samsung litigation. Now
15 that will become clear when we apply this legal framework outlined in the
16 case law to the claims of the '042 patent.

17 Now we start by determining if the claims recite the words “means.”
18 Well, claim 1 does not. You can look at it, the word “means” isn't there.
19 The same is true for claim 10. Again, I can look at this, the word “means”
20 isn't there. I'm not going to read it verbatim. I hope the patent will accept
21 that the words “means” is not in either claim. But before determining that
22 Section 112 Paragraph 6 does not apply, we have to determine if the claims
23 recite a sufficient structure or recite a function without a sufficient structure
24 for performing that function.

25 Now, claim 1 recites the function of enabling one or more of an

1 application, a function and a service, and we can see that highlighted in blue.

2 The structures attributed to performing the function are one or more of an
3 integrated RDC and an integrated PDK, and that's in yellow. Accordingly,
4 we need to determine if a PDK and RDC are sufficiently definite structures.
5 We already know that Microsoft said they weren't for the District Court. So
6 don't know what they're doing here.

7 Likewise, claim 10 recites the function of enabling one or more of an
8 application, a function and a service. Here, however, the structure is
9 attributed to an enablement signal, generating an enablement signal.
10 Accordingly, we need to determine if an enablement signal or the process of
11 generating an enablement signal is a sufficiently definite structure.

12 And again, we need to make these determinations because Section
13 112 Paragraph 6 will apply if the challenger demonstrates that the claim
14 term fails to recite sufficiently definite structure or else recites function
15 without reciting sufficient structure for performing that function.
16 Accordingly, we must begin a first round of claim construction.

17 Now, as Dr. Jakobsson stated in his declaration, the term “integrated
18 PDK,” personal digital key, is not recognized by those of ordinary skill in
19 the art to provide a sufficiently definite structure for performing the function
20 of enabling one or more of an application, a function and a service. Instead,
21 he related these to being general purpose computers. As disclosed earlier
22 before the District Court, Microsoft also argued that the term “PDK” was
23 coined by the inventor and not the term of art.

24 Now, the District Court has been consistent in its construction of
25 PDK. From the *Samsung* litigation through to the *Microsoft* litigation. The

1 *Microsoft* litigation would be Exhibit 2012, the *Samsung* litigation is Exhibit
2 2001. And it's even been consistent in the *Apple* litigation claim
3 construction, which I think we also made a record. And the PDK has always
4 been construed to be an operably connected collection of elements, including
5 an antenna and a transceiver for communicating with an RDC, and a
6 controller and memory for storing information particular to a user.

7 Now the District Court's construction comes straight out of the
8 specification, which defines a PDK. In the minimum embodiment, the PDK
9 includes an antenna and a transceiver for communicating with an RDC, not
10 shown, and a controller and memory for storing information particular to a
11 user. There can thus be no dispute that a PDK is an antenna and a
12 transceiver and a controller, i.e. processor and memory.

13 Now the case law makes clear that this is not a sufficiently definite
14 structure for enabling one or more of an application, a function and a
15 service. The District Court misstated the law, however, when it stated that
16 disclosure of a processor and a transceiver alone was sufficient to provide
17 structure to these claims. The processor and the transceiver amount to
18 nothing more than a general purpose computer.

19 We have consistently required that the structure to disclose in the
20 specification be more than simply a general purpose computer or
21 microprocessor. Accordingly, the court otherwise would require misstating
22 the law. And this is exactly what happened here. We're pursuing PDK, we
23 found out what PDK means. It means a processor and a transceiver. That
24 aren't enough. That would be a misstatement of the law to hold that that was
25 enough.

1 Now if that one was not enough, it has been repeated. The District
2 Court aired, however, in concluding that the disclosure of computer readable
3 media or storage devices provide a sufficient structure for control access
4 function.

5 These computer readable media or storage devices amount to nothing
6 more than a general purpose computer. And controlling access to one or
7 more software applications to which the user has a subscription requires
8 more than merely plugging in a general purpose computer. Rather, some
9 special programming, i.e. an algorithm, would be required to control access
10 to the software application packages.

11 So while I will agree with Microsoft that I know what a general
12 purpose computer is. I'm using one right now, I have my cell phone right
13 next to me as my access point to help me get great wireless today. That's
14 another general purpose computer. I have them all over my house. But
15 those are never going to be sufficiently definite structures. The case law has
16 made that abundantly clear. Yet Microsoft asked the Board to repeat these
17 errors and misstate the case law.

18 Now, as with the PDK, an RDC is also not a sufficiently definite
19 structure. As Dr. Jakobsson stated in his declaration, the term “integrated
20 RDC” is not recognized by those of ordinary skill in the art to provide
21 sufficiently definite structure for performing the function of enabling one or
22 more of an application, a function and a service. And again, Dr. Jakobsson
23 went on to explain why this was just a general purpose computer.

24 Again, also Microsoft agreed of Dr. Jakobsson that the term “RDC”
25 was a coined term not recognized by those skilled in the art when before the

1 District Court. But here, it says something different.

2 The District Court, again, consistently construed this term across the
3 *Samsung* litigation -- from the Samsung litigation through to the *Microsoft*
4 litigation, again, that's 2012, and into the *Apple* litigation. And it always did
5 so as saying, an RDC is a component or collection of components capable of
6 wisely receiving data in an encrypted format and decoding the encrypted
7 data for processing, while receiving and decoding data would require a
8 transceiver and a processor. But we've already determined that that is a
9 general purpose computer and not a sufficiently definite structure.

10 Furthermore, and again, the District Court construction comes straight
11 from the specification which defines an RDC. The RDC 305 provides the
12 wireless interface of the PDK. Generally, the RDC 304 wirelessly receives
13 data from the PDK 102 in encrypted format and decodes the encrypted data
14 for processing by the processor. Accordingly, the RDC does nothing more
15 than receive data and processes the data by decoding it. Again, the operation
16 of a receiver and a processor which is not a sufficiently definite structure.

17 But claiming something that merely receives and processes data is
18 nothing more than claiming a general purpose computer. As the CAFC has
19 noted, we've held that a possible narrow construction of the terms
20 processing, receiving, and storing the disclosure of a general purpose
21 computer was sufficient. We explained that in substance, claiming means
22 for processing, receiving, storing may simply claim a general purpose
23 computer, although in means-plus-function terms.

24 Thus, both the RDC and PDK are defined in the specification and then
25 consistently construed by the District Court to be nothing more than general

1 purpose computers, which have been repeatedly held not to be sufficiently
2 definite structures for enabling one or more of an application, a function, and
3 a service.

4 Now, moving on to the enablement signal. Again, Dr. Jakobsson
5 stated, the term “enablement signal” is not recognized by those of ordinary
6 skill in the art to provide a sufficiently definite structure for performing the
7 function of enabling one or more of an application, a function, and a service.

8 Now, claim 10 was not recited -- was not asserted in the District
9 Court. So we don't have any idea what Microsoft's position on this would
10 have been there. It was asserted in the *Samsung* litigation and the Court
11 gave a construction with respect to, again, a nearly identical claim. Now,
12 Microsoft complains that there is no step plus function analysis, but
13 Microsoft has not shown how that would be different than the legal
14 framework for any other application of Section 112 Paragraph 6.

15 And in fact, I used to teach the MPEP and patent prosecution for
16 several years, and I taught that means-plus-function as taught by the MPEP.
17 There is no section separate process for step-plus-function and means-plus-
18 function. It's all the same. You go through the same process, the same
19 analysis. So if there's a different process, I'd love to know about it because I
20 taught it wrong for years and I'd like to correct myself.

21 Additionally, it was argued that the enablement signal is the result --
22 in our briefing, it was argued that the enablement signal is the result of the
23 operation of the PDK and RDC, and even Microsoft alluded to this. This is
24 clearly shown in the specification. For instance, with referencing Figure 14,
25 the specification states only when hybrid device 1102 has multiple links,

1 1402 and 1404, will the hybrid device generate an authorization or enable
2 signal on signal line 1406.

3 Now, as we can see from figure 14, links 1402 and 1404 are between
4 a PDK and a RDC. But it is the operation of the RDC 304b and PDK 102,
5 and the operation of RDC 304a with PDK 102b that generates the
6 enablement signal allowing the computer to operate. Now, this is an
7 example of where you're using a double enablement signal instead of a
8 signal enablement signal, but it still pertains. Accordingly, if the RDC 304
9 or PDK 102b is not present, the hybrid device does not allow operation of
10 the personal computer.

11 Now, the same is shown for system 1500. Only when multiple PDK
12 links, 1502 and 1504, and the hybrid device 1102 exists, will an
13 authorization enablement signal be generated on signal line 1506. Again,
14 links 1502 and 1504 are between a PDK and an RDC. Here, however, both
15 the PDKs are operating with a single RDC, but that does not change the fact
16 that the enablement signal is the result of the operation of the PDK with an
17 RDC.

18 Accordingly, generating an enablement signal results in the operation
19 of a PDK with an RDC because both the PDK and RDC are general purpose
20 computers. The operation is defined by an algorithm. But this is getting
21 ahead of ourselves for a bit. First, we need to see if Microsoft's proposed
22 definition of an enablement signal is consistent with the claims.

23 While Microsoft defines an enablement signal as a signal that starts an
24 operation, but according to the claims, the operation is started with receiving
25 a first signal at the integrated RDC via the first wireless link from the

1 external PDK. Okay. But this signal starting the process does not generate
2 an enablement signal. Rather, generating the enablement signal is clearly
3 decided as a separate and distinct step.

4 And if Microsoft wants to say that figure 14 or figure 15 somehow
5 changed that -- notice it doesn't say first and second RDCs and PDKs. We
6 have one PDK, one RDC. By creating that link between them, that starts the
7 process, that is not the enablement signal. The enablement signal comes
8 later. You start the process by creating that link, you then generate the
9 enablement signal.

10 Thus, by the expressed language of the claims, the mere receipt of a
11 signal generating a process or receipt of a signal via a wireless link is
12 insufficient to perform the function of enabling one or more of an
13 application, a function, and a service. Accordingly, a single starting a
14 process, not an enablement signal. Therefore, Microsoft's purported
15 definition is inconsistent with the expressed language of the claims.
16 Microsoft has just failed to show that an enablement signal is a sufficiently
17 definite structure.

18 Now, as neither the PDK, RDC nor enablement signal are sufficiently
19 definite structures, we proceed on to identifying the claim function. Now,
20 claim 1 recites the function of enabling one or more of an application, a
21 function and a service. And again, that's highlighted in blue. Claim 10,
22 likewise, recites the function of enabling one or more of an application,
23 function and service. Again, highlighted in blue for claim 10.

24 Next, we need to identify the structure disclosed in the specification
25 for performing the function. As a PDK and RDC are general purpose

1 computers, and an enablement signal is generated by the operation of these
2 general purpose computers, we need to find the algorithm disclosed in the
3 specification.

4 Now, the algorithm is produced right here on this slide. It entails
5 applications gaining access to specific service blocks by providing the
6 corresponding access key. The wireless application provides a service block
7 access key in order to store, retrieve, and or modify data in the service block.

8 And while in some embodiments, a select signal is used in addition to the
9 access key, in others, the service block may be selected based on the service
10 block access key, eliminating the need for a separate select signal.

11 So while we know in some embodiments, there may be a selection in
12 addition to the access key, we know that the basics of the algorithm requires
13 application. You provide me access key, I'm going to -- PDK will then
14 provide back the data you need, whether it's going to be the authentication
15 information, biometric information, passwords, cell phone data, whatever.
16 First you send me the access key, then I send you back the data.

17 Now, having found the disclosed algorithm, we can now construe the
18 claims to be limited to the structure, which is exactly what the District Court
19 did. When it held, one or more of the integrated RDC and integrated PDK
20 enabling one or more of an application, a function and a service. An
21 application, function or service is enabled by a PDK when it receives
22 information from a PDK in exchange for an access key. Similarly, an RDC
23 enables one or more of an application, a function and a service when it sets a
24 message to the application, function or service.

25 Now, the District Court's claim construction was made with respect to

1 nearly identical claims in the related patent number 9,049,188. And this gets
2 to your question, Judge McKone. Now, the only difference between the
3 claims are trivial. Claim 1 of the '188 patent limits the information stored in
4 the PDK to local secured biometric information for authenticating a user, but
5 biometric authentication is just one example of an application or function
6 and a service that may be enabled.

7 Additionally, the final clause of claim 1 of the '042 patent, which is
8 the patent that is before us today, recites limitations that are found with the
9 dependent claims of the '188 patent. Now, neither of these differences is
10 meaningful and these claim terms are almost substantially identical. And
11 again, substantially identical terms should be construed consistently across
12 family members. Now, similar observations can be made with respect to
13 claim 10 of the '042 patent. Again, including limitations that were presented
14 in the dependent claims of the '188 patent.

15 Now, the District Court's prior claim construction cannot be dismissed
16 simply because it was proposed to address an indefinite challenge by
17 Samsung. Indefiniteness under 112 and the application of Section 112
18 Paragraph 6 opposite sides of the same statutory coin. If the claims cannot
19 be construed because the patentee fails to disclose adequate corresponding
20 structure, the claim is indefinite. Thus the District Court had to determine if
21 the claims could be construed to determine if the claims were indefinite.

22 First I need to see, can I construe these claims? Okay. If I can
23 construe these claims, they're not indefinite. And it did this by finding the
24 algorithm disclosing the specification and limiting the claims to the
25 disclosed algorithm. And this was the proper analysis because the Court was

1 construing and trying to determine if the term hybrid device was indefinite.

2 Now, it at first construed the term hybrid device to be a collection of
3 two general purpose computers. It said a hybrid device is a PDK and an
4 RDC. A PDK which is construed to be a general purpose computer and an
5 RDC which is construed to be a general purpose computer. Thus, in order to
6 find sufficiently definite structure in the specification, the District Court
7 needed to find an algorithm for enabling one or more of an application, a
8 function and a service and limit the claims to that algorithm, which it did.

9 Now, the Board should not overrule the District Court. The District
10 Court construction is binding on the Patent Owner here and all proceedings
11 before the District Court. Therefore, as much as Microsoft would love this
12 to be my argument, would love this to be my claim construction, I didn't ask
13 for it. Proxense didn't ask for it. The Court gave it to us in response to an
14 indefiniteness challenge.

15 We said the claims aren't indefinite, Your Honor. It's clear what they
16 mean. And the Court said, "yeah, they mean this." The courts did a sua
17 sponte. They put it in its final order. I am bound by it, so I can't challenge
18 it. I can't propose something different. I can only defend it.

19 And if you asked me, honestly, "Mr. Zak, did you or anybody else
20 propose this construction to the District Court?" No, we didn't. The Court
21 came up with it on its own. I can defend it. I've shown you why I think it's -
22 - why it can be legally defensible, but it's the Court's construction. It's Judge
23 Albright's construction, not mine. Still does.

24 And if this construction was to be challenged, I would submit a proper
25 construction to challenge it as the District Court. Neither Apple or

1 Microsoft or Petitioner here today challenge this claim construction. They
2 knew of it, they did not challenge it. Patent Owner's census has come down,
3 has honored it. As we've shown in our surreply, on pages 1-5, I believe, we
4 highlighted certain passages of our infringement contentions, which
5 explicitly adopted this construction, which are consistent with this
6 construction. We are not broadening the scope of infringement. We are
7 limiting our infringement contentions and our assertion with this
8 construction.

9 Now, if we had done anything else, Microsoft and Apple would have
10 been screaming collateral estoppel. They would have been asserting
11 collateral estoppel was a defense and demanding dismissal. But they didn't
12 because we were consistent. And they didn't challenge this in front of the
13 District Court, no. Instead of asking the District Court to reconsider its
14 construction, like it did of so many other terms, they bring the challenge here
15 before this tribunal.

16 Now, I don't know if this board has the authority to overrule the
17 District Court. I honestly don't. All I know is that the District Court made
18 this final determination. Proxense as a party to the case, this was a final
19 determination on the merits. It was necessary -- this claim construction was
20 necessary to decide the issue of indefiniteness. All the elements of collateral
21 estoppel apply. I can't do anything but defend it, and I would ask this panel
22 to honor it. That's the end of my argument.

23 JUDGE DANG: Mr. Zak, I have a question. Do you agree with
24 Petitioner that you are not going to address the prior art, and that all the
25 arguments will hinge on whether or not this is a means-plus-function

1 construction of claims?

2 MR. ZAK: I think everything hinges on whether or not we will or
3 will not accept the District Court's construction. Like I said, I can do
4 nothing else but accept it.

5 JUDGE DANG: Okay. Thank you.

6 JUDGE McKONE: All right. You have a little less than 22 minutes
7 left in your surrebuttal. And to remind Petitioner, you have about 11
8 minutes to go in your rebuttal.

9 JUDGE DANG: Okay. Yes, Mr. Devoto please tell us when you are
10 ready to begin. We will start the clock for your rebuttal.

11 MR. DEVOTO: Yes. Thank you, Your Honor. So I'm ready to start
12 now. So, Proxense talks a lot about this notion of estoppel, they point to this
13 claims construction order. But frankly, it's not entirely clear that that claim
14 construction order is final. They would have imposed estoppel on them
15 because it was after all settled. But regardless, there really is no question
16 that what they're proposing, Your Honors, to do here is to depart from the
17 claim constructions that were agreed to in these related litigations. This idea
18 that somehow they are not deviating from those is just simply not credible.

19 Just look at the actual claim construction order itself, hanging the hat
20 on this memorandum that's speaking to the definiteness of a of a claim term,
21 the hybrid device claim term, as Your Honors correctly surmised in your
22 institution decision. That's not a claim construction analysis. That's a
23 definiteness analysis. It does not define the means and bounds of that term.
24 It just defines an example of what may fall within the term. Very distinct
25 from claim construction. Doesn't limit it to that narrow set of embodiments

1 that may fall within that claim term.

2 I would like to then touch upon the slides and specifically the flow
3 diagram that Proxense puts into one of its slides. Let's look at their slide 23
4 as exemplary. And I think the slide really shows the confusion regarding --
5 Proxense's confusion regarding the relevant MPF case law. For example,
6 the flow diagram shown in the slide 23, Proxense asserts the question, do the
7 claims recite sufficiently definite structure claim construction?

8 This is really not the question asked in step 1 of the MPF construction
9 analysis based on the case law. Instead, the proper question should be, do
10 the claims recite words having a sufficiently definite meaning as the name
11 for structure or instead recite meaningless nonce? That's the question that's
12 done in step 1.

13 The general purpose computer analysis described in *Rain* and
14 referenced in slide 23 is not applied in that case in step 1 to assess whether
15 the recited structure in a claim is sufficient to preclude MPF treatment.
16 Instead, it is applied in step 2 to assess whether disclosed, not recited
17 structure, is sufficiently definite to determine the scope of an MPF
18 limitation.

19 Proxense is improperly applying *Rain*'s general purpose computer
20 analysis to recited structure in step 1 of the MPF analysis. And in doing so,
21 is creating something no more supported by the case law.

22 A third category where recited term is acknowledged to have a well-
23 known structural meaning, that is it's not nonce, such as a memory structure,
24 a transceiver structure, and an antenna structure, and yet the claim term is
25 deemed to be an MPF term because the structure clearly recites is what they

1 call a general purpose computer structure. And yet they've shown us no
2 cases that say a recited general purpose computer structure is nonce and
3 therefore should trigger MPF treatment.

4 As I previously indicated, to accept Proxense's proposed third
5 category is to meaningfully depart from the established case law, to
6 massively disturb the related litigations, and to open Pandora's box by
7 introducing substantial uncertainty with respect to whether a claim term that
8 recites recognized structure would or would not be given MPF treatment.

9 Now, Your Honors, there is much confusion exhibited by Proxense as
10 to the meaning of the words “definite structure” with respect to how it's used
11 in the MPF claim construction analysis. As should be apparent from all of
12 the case law, the meaning of the words “definite structure” when used with
13 respect to step 1 of the MPF analysis would be understood to refer to words
14 recited in the claim that have a definite structural meaning as opposed to an
15 ambiguous, that is not definite, an ambiguous black box or abstract
16 structural meaning.

17 In contrast, the meaning of the words “definite structure” when used
18 with respect to of the MPF analysis would be understood to speak to the
19 scope of the MPF limitation and whether given the structure disclosed in the
20 specification -- and whether given the structure disclosed in the specification
21 would the scope be definite or instead be no different than pure functional
22 claiming, which has an indefinite scope.

23 In this context, that is in this context where you're determining the
24 scope of an already acknowledged MPF limitation by turning to the
25 specification, some disclosed structure such as general purpose computer

1 structure is referred to as indefinite structure, not because it has an indefinite
2 or ambiguous meaning or that it's a black box -- that it's a black box
3 structure, but rather because it does not meaningfully bound the scope of the
4 MPF limitation, resulting in that scope being indefinite.

5 As I noted previously, Proxense's mistake is thinking that the case law
6 speaking to the latter type of definite structure in step 2 of the MPF analysis,
7 which of course speaks to disclosed structure, not recited structure, should
8 also be used for the former type of definite structure in step 1 of the MPF
9 analysis, which speaks to recited, not disclosed structure. And they have
10 shown no cases, look no further than every single case that has been cited.

11 Every single case shows it's either -- when you're at step 1 and there's
12 no “means for” language, it's either nonce or it has structural meaning.
13 Nonce or structural meaning, that's it. There's no third category where it's
14 structure, but -- that's a general purpose computer structure, so MPF. That
15 category simply does not exist.

16 I would also -- time permitting, I would also like to again touch upon
17 the presumption against MPF treatment when a claim limitation does not
18 recite “means for” language, as is the case in this and the related '289 and
19 '960 proceedings. This presumption exists because the law wants to reduce
20 uncertainty as much as possible by focusing first and foremost on the words
21 recited in the claims themselves.

22 Therefore, the law says that if the words specifically recite “means
23 for” language, the words themselves are inviting the inherently ambiguous
24 process of looking for structural meaning in the patent disclosure. However,
25 by placing a presumption against using MPF analysis for claims that fail to

1 recite “means for” language, the courts indicate their hesitance to inject such
2 an inherently ambiguous process into the claim construction process absent
3 exceptional circumstances that force them to turn to the specification for
4 structural meaning.

5 And as evidenced by all of the cases cited by Proxense, those
6 exceptional circumstances as identified by the courts are that the words of
7 the claim term recite absolutely no structural meaning. That is, they only
8 recite meaningless nonce, black box recitations of structure, abstractions of
9 structure. They have no definite -- no structural meaning.

10 Only in this situation, where the words of the claim term are
11 meaningless nonce and thus fail to give guidance as to the structure
12 performing the function, do the courts decide that the words are so lacking in
13 any type of recognizable structure that the courts are forced to inject now, in
14 this circumstance, the inherently ambiguous process of analyzing the patent's
15 disclosure for structure to properly interpret the limitation.

16 Now, Your Honors, in this case, there can be no reasonable dispute in
17 this proceeding and the related '289 and '960 proceedings that Proxense has
18 failed to overcome the presumption against MPF treatment. Not only
19 because their own litigation positions acknowledge meaningful structure in
20 the disputed claim terms, and therefore admit that these claim terms are not
21 meaningless nonce, but also because their evidence in support of their
22 constructions is conclusory and is also largely directed to the irrelevant
23 inquiry as to whether clearly recited structure in the disputed claim terms is
24 or is not a general purpose computer, citing no case that indicates that the
25 term general purpose computer is known to be nonce. That term -- no, that's

1 a nonce term. It has no meaning as structure. They've shown us no case to
2 that effect, because there is no case to that effect that we have been able to
3 find, or they.

4 So, unless Your Honors have any questions, I would like to rest my
5 case. Hearing no questions, thank you, Your Honors.

6 JUDGE DANG: Thank you very much. Mr. Zak, you can begin
7 anytime you're ready, and we'll start the clock.

8 MR. ZAK: All right. I think I'm ready now, Your Honor.

9 JUDGE DANG: Thank you.

10 MR. ZAK: First off, when we talk about opening up Pandora's box,
11 dear God, I've prosecuted patents for almost 20 years now, and if you're
12 going to tell me I can open up Pandora's box by just reciting general purpose
13 computer in the claims for functional language and avoid *Aristocrats*, I am
14 going to be so happy, because I no longer have to limit my specification to a
15 disclosed function, or disclosed algorithm. That is opening up Pandora's
16 box. But that is also ignoring years of precedent, specific guidance in the
17 MPEP.

18 If it's a general purpose computer, where's the algorithm? Just like
19 that old '80s commercial, where's the beef? If it's a general purpose
20 computer, where's the algorithm? And we know that this is a general
21 purpose computer. They try to say, "well, no, it's not, because PDK is a
22 made-up term," but we construe that to be general purpose computer, and
23 that's sufficient. No. No, that's not. We've seen the case law where it said
24 it's an error or a misstatement to say that a general purpose computer is
25 sufficient, and they have not overcome that. They just try to hide and hide

1 and hide again by saying, well, nobody said general purpose computer was a
2 nonce term. We don't need to.

3 If we hold that a general purpose computer is not a nonce term, we are
4 running right into contradiction of *Aristocrats*. We are running right into
5 contradiction with *In re Katz*, *Blackboard*, *WMS Gaming*. We'd have to
6 rewrite a whole section of the MPEP. I'm not going to ask the Board to do
7 that. I'm sorry.

8 And as far as whether or not collateral estoppel applies, it was a final
9 determination. It was claim construction. That was final. After that was
10 issued, we could have appealed it or we could have settled it. We settled the
11 case. We accepted that construction forever and forever. We are bound by
12 it forever and ever. I can't go and appeal that case. The terms are nearly
13 identical. Our infringement contentions have been consistent with what
14 we've understood the District Court's construction to be.

15 I presented that evidence in our surreply. They keep saying that
16 they're not, but they don't present any evidence as to how they're not. They
17 just say they're not. Well, show it. I showed that I was consistent. They
18 haven't showed I wasn't.

19 And as a final point, and I just want to make this really clear. The
20 Court's claim construction, the Court's memorandum, was on almost
21 identical terms. They knew of it. They could have read it, and I'm pretty
22 sure they did. And they didn't challenge it. Not once. They challenged its
23 construction of PDK. What was its construction of PDK? Processor,
24 memory, transceiver, general purpose computer.

25 They challenged the District Court's construction of RDC. What is it?

1 RDC, receiver-decoder circuit. Again, receiving and decoding the operation
2 of a transceiver and a processor. They challenged those constructions the
3 most. The implication of those constructions is general purpose computer,
4 and that's clear from the case law.

5 Now, the argument before the District Court, which I think Microsoft
6 completely ignores, was not does a PDK have a transceiver? Does it have
7 memory? Does it have a processor? Does an RDC receive and decode?
8 Those weren't the arguments. The arguments were, are they monolithic
9 structures, or can they be piece constructions, pieces that are put together
10 like a computer?

11 Like, for instance, I build a computer. I get a motherboard. I socket
12 in my processor, usually AMD. I socket in my graphics card. If I can find
13 one nowadays, because they're kind of hard to get. But I socket in my
14 graphics card. I plug in my RAM modules. I plug in my power supply, all
15 my cables, put in my M.2 drive, and then put that into my case. Could it be
16 modular like that, or did it have to be one monolithic printed structure?
17 More akin to a laptop circuit board where everything's usually soldered
18 down.

19 The District Court said no, it should be modular. That was the whole
20 basis of that claim construction. Nobody ever challenged whether these
21 things were a collection of components that amounted to nothing more than
22 a general purpose computer. That wasn't even talked about. We were just
23 arguing, do they have to be monolithic, or can they be individual pieces put
24 together?

25 So I have no idea why and where they're coming from. And I

1 especially don't understand why they're saying these terms aren't nonce
2 terms when before they argued in front of the District Court that they have
3 no accepted meaning in the art. So, again, they can take that different
4 position. They don't have to present the same evidence here that they
5 presented before the District Court. They don't have to take the same
6 position they presented here as they presented before the District Court.

7 But if anyone is being inconsistent, please don't say it's Patent Owner.
8 Proxense has done all it can to abide by the District Court's construction and
9 present consistent and honest arguments to this tribunal. It has done nothing
10 less. And we will continue to do so. And seeing no more questions, I think
11 I'll just rest my case there.

12 JUDGE DANG: Thank you very much, Mr. Zak. The panel would
13 like to thank the parties for your presentations today. And thank you also --
14 I'm sorry. I forgot to mention also Apple for joining us also. Your
15 explanations of the record will help us with our final determination. We will
16 issue the final decision in due course. And with that, we are adjourned. And
17 as a reminder, please stay online to answer any question our court reporter
18 may have. Thank you so much. Have a good day.

19 (Whereupon, the above-entitled matter went off the record at 2:46
20 p.m.)

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