

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LEDUP MANUFACTURING GROUP LTD.,
Petitioner,

v.

SEASONAL SPECIALTIES, LLC,
Patent Owner.

IPR2024-01258 (Patent 11,096,252 B2)
IPR2024-01259 (Patent 11,533,794 B2)

Record of Oral Hearing
Held: November 19, 2025

Before KRISTEN L. DROESCH, MICHELLE N. WORMMEESTER, and
ANDREW L. NALVEN, *Administrative Patent Judges*.

IPR2024-01258 (Patent 11,096,252 B2)

IPR2024-01259 (Patent 11,533,794 B2)

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

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3 JUDGE DROESCH: Good afternoon, everyone. We're here for
4 the consolidated oral arguments for IPR2024-01258 and IPR2024-01259,
5 challenging the claims of Patent Number 11,096,252 and Patent Number
6 11,533,794. I'm Judge Droesch. And joining me for this hearing is Judge
7 Wormmeester and Judge Nalven.

8 So we'll get started with appearances for both parties. And please
9 identify anyone else that's attending in person or remotely but will not be
10 speaking. And I guess we'll start with Petitioner.

11 MR. COCHRAN: Well, may it please the Board. I'd like to
12 introduce myself. I am Bill Cochran and good afternoon. Happy
13 Thanksgiving.

14 JUDGE DROESCH: Who's attending with you, sir?

15 MR. COCHRAN: This is Chris Whitham.

16 JUDGE DROESCH: Okay.

17 MR. COCHRAN: And Bridget Cochran.

18 JUDGE DROESCH: Okay. Thank you. We're not ready to begin
19 our arguments.

20 MR. COCHRAN: Okay.

21 JUDGE DROESCH: We'll take appearances from Patent Owner
22 next.

23 MR. COCHRAN: Okay. All right.

24 MR. MERRILL: Good morning, Your Honors, Courtland Merrill
25 on behalf of Patent Owner, Seasonal Specialties. And with me, I believe
26 remotely, is Joseph Kuo and Brian Landry that are appearing on the audio

1 line, to the extent there is one available. Andrew Schwerin may also be on
2 the line as well. All of those have made appearances. Thank you.

3 JUDGE DROESCH: Okay. Thank you. Counsel for Petitioner, I
4 just wanted to clarify something. I believe we received a LEAP practitioner
5 request; is that correct?

6 MR. COCHRAN: That's correct. Chris Whitham has applied for
7 that, and it was granted. Also, Bridget Cochran applied, but she will not be
8 speaking on as far as a major part of that. She may speak in rebuttal,
9 depending on what issues are raised.

10 JUDGE DROESCH: Okay. So you have two LEAP practitioners?

11 MR. COCHRAN: Yes.

12 JUDGE DROESCH: Okay. All right. I just want to clarify.
13 Thank you. All right. So per the oral -- so per the order regarding the oral
14 hearing, Petitioner has 75 minutes for its presentation. And because you
15 have the LEAP practitioners, you get an extra 15 minutes, for a grand total
16 of 90 minutes. Petitioner will go first. Petitioner may reserve some time for
17 its rebuttal, but that cannot exceed 45 minutes.

18 Following Petitioner's presentation, Patent Owner will make its
19 presentation. Patent Owner will have 75 minutes and may reserve some of
20 his time for rebuttal, but that cannot exceed half of your total time.

21 We have a couple of quick reminders before we begin. To aid in
22 the preparation of the hearing transcript, please identify your demonstrative
23 slides by their slide numbers as well as identify any referenced exhibits by
24 their exhibit numbers. Please remember that your argument should be
25 limited only to those arguments that were presented in your briefs. Please
26 make it clear which challenges and claims you are addressing at all times.

1 And if you have any objections, we ask that you hold them until it is your
2 time at the podium to note any objections. And the last one is at the
3 conclusion of the hearing, please remain available for any questions by the
4 court reporter. So I'm going to ask both parties how much time you would
5 like to reserve for rebuttal.

6 Counsel for Petitioner, how much time would you like to reserve
7 for rebuttal?

8 MR. COCHRAN: Well, we believe that it may be up to 20
9 minutes, maybe less, because our initial argument, depending on questions,
10 may go over.

11 JUDGE DROESCH: Okay. All right. Counsel for Patent Owner?

12 MR. MERRILL: We'll reserve 15 minutes, although I don't expect
13 to use all of it.

14 JUDGE DROESCH: Okay. Thank you. All right. So I've got the
15 timer on the wall behind us set for your visual cue for the time. Counsel for
16 Petitioner, you may begin your presentation when you're ready.

17 MR. COCHRAN: Thank you. Well, thank you for having this
18 oral hearing. We appreciate it, you spending your valuable time to hear our
19 arguments. Are we going to have the slides projected onto the --

20 JUDGE DROESCH: You may begin again whenever you're
21 ready.

22 MR. COCHRAN: Okay. We'll just go ahead and proceed. Again,
23 thank you very much. We represent LEDUP Manufacturing Group Limited
24 (sic). My name is Bill Cochran. And we have Chris Whittam as part of the
25 LEAP program and Bridget Cochran may possibly speak with regard to the
26 rebuttal. You've already gone over the time, so the -- we'll just skip Slide 3;

1 we don't need that.

2 I'm going to be presenting on why Inoue and Smith are
3 combinable. And I'm going to talk about why they're combinable and how
4 they are combined. Chris Whitham will speak on Yu as a proper
5 anticipatory reference and that the objective indicia does not support
6 patentability.

7 I'm going to go ahead and start with Ground 5 on Slide 39.
8 Ground 5 has to do with -- in a way, in view of Smith, and it covers Claims
9 2, 3, 4, 5, 6, 8, and 9. Claims 2 through 6 and 8 are dependent on Claim 1.
10 Claim 9 is independent claim, but it is essentially Claim 1 with another
11 limitation added. Claim 1 is anticipated by Inoue. And what I'm going to do
12 is go through each of the claims in Ground 5 and discuss how these
13 references are combined.

14 So if you look at -- on Slide 39, Claim 2 has to do with series
15 parallel connections. Inoue, as shown in Figure 3 on this slide, discloses a
16 resistor series circuit. Going to Slide 40, Smith discloses a series parallel
17 circuit. In the specification, Smith describes the circuit as series parallel.
18 This is in the abstract of Smith line 32.

19 Going to Slide 41, I don't know if this came out on your slides or
20 not, but we used some color coding just to make the -- just to explain this
21 and make it easier to follow. We've got a single power source plug 128 that
22 we have in our highlighting as yellow, which supplies power to a power strip
23 or trunk line, which is in blue and it's numbered 126, 127. And that powers
24 a series connected light string, which is in orange. That is column 22, lines
25 3 to 68, and column 23, lines 1 to 8. And also in the expert report, expert
26 declaration 1013, pages 39 to 42, as stated in Smith, column 22, lines 34

1 plus, a plurality of series circuits can be connected to the trunk line; that's in
2 column 22, lines 37 plus. So the orange, the -- are you getting the color? Is
3 that showing in your slides?

4 JUDGE DROESCH: Unfortunately, no.

5 MR. COCHRAN: Okay. Well, that's -- the series connected light
6 string 141 is an example of one series connected light string. And it says in
7 column 22 lines 37 plus that you can have other series light strings that are
8 connected to these connectors that I have shown that go vertically on the
9 -- on that figure.

10 So why use the teachings of Smith to modify anyway? Our
11 Petition states very clearly that there are numerous record supported
12 advantages set forth in Smith that provide a clear motivation for the use of
13 the teachings of Smith as applied to Inoue so that you can enjoy these
14 advantages of Smith and Inoue. These are not made-up advantages. These
15 are advantages that are specifically stated in the references. And a lot of
16 these advantages are right on the face of the Smith reference in the abstract.

17 Going to Slide 43, the abstract of Smith states many of these
18 advantages. So Smith states a series parallel -- the series parallel connection
19 enables more lights to be illuminated with less power, and the use of a single
20 power source causes the uniformity of illumination along the length of the
21 string. So this is clearly stated both in the expert report at 1013 at page 41
22 and page 40; and in Smith, in the abstract, pages 38 and 39. So the Patent
23 Owner had an opportunity to dispute these advantages.

24 JUDGE DROESCH: Counsel, were these citations to -- these
25 advantages in Smith, were they provided in the petition?

26 MR. COCHRAN: I don't believe -- I'm not sure about that. I think

1 we refer to the abstract -- yes, we do refer to the abstract, in the petition, of
2 Smith. So they were referred to -- we didn't refer to the expert report.

3 So, as I was saying, the Patent Owner had the opportunity to
4 dispute these advantages. These advantages were not disputed. They said
5 nothing about this. So the only response to that by the Patent Owner was
6 that he made a procedural argument regarding the scope of the Reply.

7 Turning to Slide 44. Petitioner's argument basically is that we
8 should be able to permissibly expand our general statements and motivation
9 by referring to the expert declaration Exhibit 1013 submitted with the
10 Petition and the benefits stated in the references. Again, the Petition stated
11 that there were numerous record supported advantages in Smith that are a
12 clear motivation for the use of the teachings of Smith and Inoue so that you
13 can enjoy these advantages of Smith and Inoue.

14 Okay. So in the Reply to the POR and the expert declaration, we
15 provide this further explanation. Both documents list the advantages of
16 Smith, and the Patent Owner did nothing in his Patent Owner Reply or the
17 Sur-reply to contest these advantages and -- or even though the Patent
18 Owner had that opportunity.

19 Going to page 45, Slide 45, in the Reply to the POR in the reply
20 declaration, that was our -- as Petitioner, that was our first opportunity to
21 address the issues argued by the Board and the Patent Owner. The series
22 parallel connection increases the uniformity of illumination, as I stated
23 before. That was in the expert declaration provided with the Petition and it's
24 in the abstract right on the face of the patent of Smith.

25 And it also states it minimizes light outages. That was in the Reply
26 to the POR on page 7. The expert states in his expert declaration that based

1 on these specific advantages in the references a POSA familiar with the
2 Inoue prior art would be motivated to adopt the series parallel lighting
3 circuit configuration to increase uniformity of illumination and minimize
4 light outage due to bulb burnout.

5 Going to Slide 46, in the reply declaration Dr. Schubert states that
6 the references Inoue and Smith both disclose series parallel circuits. Of
7 interest today and importance today, going to point two, Inoue shows a
8 series parallel connected circuit as I showed before. And that's Figure 32.
9 And a trunk line or power strip supplies power from a single power source to
10 multiple limb lines and they are connected to the trunk in parallel with the
11 limb lines. So hence we have a series parallel connection. That was in the
12 Smith reference column 22 lines 8 plus and it's also in our Reply to the
13 Patent Owner Response on page 8.

14 I'm going to Slide 47. The next few slides address the fact that
15 we're showing a permissible expansion of why Inoue and Smith can be
16 combined. Our original Petition said there were numerous record supported
17 advantages set forth in Smith as applied to Inoue to provide a clear
18 motivation to use the teachings of Smith as applied to Inoue so that you can
19 enjoy these advantages of Smith and Inoue.

20 The expert declaration submitted with the Petition states that a
21 POSA would be motivated to add advanced functionality of Smith into the
22 light circuits of Inoue. That expert declaration also states that the
23 combination of Inoue and Smith would broaden the capabilities of the LED
24 lighting circuits by Inoue to include the advanced functionalities of Smith.
25 That's in the expert report on page 100.

26 Going to Slide 48, Dr. Schubert was not deposed on his statements

1 and they were not challenged. As such, Dr. Schubert's statements and why
2 the references can be combined was unrebutted. The only response by the
3 Patent Owner, again, was a procedural argument regarding the scope of our
4 response. So we, on the other hand, made arguments arguing that Smith
5 shows motivation to combine by showing advantages and benefits of Smith
6 and that the broadened capabilities of the light circuits of Inoue include the
7 advanced functionalities of Smith so --

8 JUDGE DROESCH: Counsel, may I interrupt you for a moment?

9 MR. COCHRAN: Sure.

10 JUDGE DROESCH: The testimony of Dr. Schubert that you're
11 discussing right now, are they in the petition, like this page 99?

12 MR. COCHRAN: No. It's not referred to in the petition, but the
13 Petition was filed with the declaration and in there were a number of
14 references in Reply that brought that issue up. So again, the expert
15 declaration Exhibit 1013 shows that various AC and DC control circuits are
16 provided for driving the light-emitting diodes, for blinking effects, for
17 alternating between two colors/three colors, improving the length of the
18 string, and the uniformity of illumination. This is in the expert report, page
19 99. So the statements of motivation in the Petition and the expert
20 declaration on pages 99 and 100, in combination, provide reasons why a
21 POSA would combine Inoue with Smith.

22 Okay. So Claim 2 had to do with series parallel.
23 (INDISCERNIBLE - TECHNICAL DIFFICULTY). Going to Slide 50,
24 we're looking now at Claim 3. Claim 3 says the light sources are a
25 semiconductor providing a twinkling effect and wherein the semiconductor
26 utilizes electronic circuits that control the flashing rate.

1 Going to Slide 51, we're aware of these limitations shown in
2 Figure 3 -- I mean, of Claim 3. So Smith states that various AC and DC
3 control circuits are provided for driving the light-emitting diodes for
4 blinking effects. This is in Smith, abstract lines 22 through 24.

5 Referring now to -- well, let me just state that why would a POSA,
6 you know, want to use blinking. Okay. Well, if you look at our Reply to the
7 Patent Owner's Response, Smith's teachings to modify Inoue provides
8 advanced circuitry for creating blinking. Blinking effect draws attention to
9 potentially important instruments.

10 So imagine yourself, you're a private pilot and you're in your plane,
11 you're flying over the mountainous part of Pennsylvania, you know, you're
12 low on fuel and unexpected weather comes up and you are using all of your
13 attention to concentrate on flying the plane. You're flying the plane with
14 both hands, both feet, and controlling the throttle at the same time, you
15 know. You're in a bad storm, getting sucked up into a cloud. The airplane is
16 being tossed into extreme attitudes, you're looking out the left window,
17 you're looking at the ground; and 20 seconds later, you're looking at the right
18 window and you're looking straight at the ground.

19 Obviously, you're very focused on keeping that plane in the air and
20 not running into the ground. It's very nice to have a flashing light. Even
21 though you're -- you know you're low on fuel if you have a flashing light on
22 your fuel gauge, you know, just scanning by the instrument panel you will
23 see that you're going to run out of fuel in just a few minutes. So that helps
24 you in making a decision, you know. Do I put this claim -- excuse me, do I
25 put this plane, you know, on the ground in an alfalfa field in mountainous
26 West Virginia on the side of a mountain, or do I still try to fly out of this

1 storm? So it can make -- you know, the difference -- the blinking can make
2 a difference a life and death -- in a life and death matter.

3 So blinking can also provide decoration, as stated on page 9 of the
4 Reply to the Patent Owner's Response. Blinking, also in that vein, it can
5 provide sequencing between multiple colors.

6 So going to Slide 53, Claim 4. And again, I'm trying to point out
7 how these references show this because we're trying to show how and why
8 this is done. So the Petitioner states it would have been obvious for a POSA
9 to use LEDs having 0.2 watts or less as a matter of design choice. This is in
10 the Petition on page 50. Nothing in the record suggests that the range
11 produces any unexpected results.

12 And there's other reasons, too. Low power LEDs -- well, low-
13 wattage LEDs provide low power consumption. And that is pointed out by
14 the expert on page 104, paragraph 2; and page 103, footnote 35, on -- in the
15 expert report 1013. And on page 51 of that same expert declaration, the
16 expert states that 2 watts or less is -- was standard wattage for LEDs at that
17 time that the application of the '252 Patent was filed. So the Patent Owner
18 had a chance to respond to this and he did not.

19 So let's move to Slide 54. The resistor bypass circuit of Claim 1
20 against -- again, these are dependent on Claim 1 where the light source is a
21 semiconductor and has a twinkling effect. Both Inoue abstract line 2 and
22 Smith abstract line 2 state that the references use LEDs. They're both light
23 circuits as described in those references. So they're analogous art. The
24 Petitioner has not argued that analogous art is a substitute for a statement of
25 motivation. We are only saying that the references are available for
26 combination as analogous art.

1 Also, as stated in the Petition -- this is in the petition, it states that
2 variable duty cycle controllers are used to provide a desired number of
3 switching signals, which includes flashing rate. The Smith discusses both
4 AC and DC power sources that can be switched, quote, unquote, "extremely
5 fast due to the solid state nature of the LEDs." And this is in the Petition
6 pages 51 and 52. This was unrebutted by the adverse party -- the opposing
7 party, excuse me.

8 Let's move to Slide 55. This has to do with Claim 6. So Claim 6
9 states that they're using electronic circuits to control the flashing and it
10 would only affect the individual lighting element. Also, it would only affect
11 one LED. So again, Smith states in the abstract lines 22 to 24, the various
12 AC and DC control circuits are provided for driving light-emitting diodes for
13 blinking effects. This is on the face of the patent of Smith in the abstract.

14 The expert then states that it would be apparent to a POSA that
15 Smith's statements as quoted above would be applicable to individual LEDs
16 and others of course -- individual groups, multiple groups, and an entire
17 string. So Dr. Schubert wasn't deposed, and his statements were unrebutted.
18 So the motivation for this Claim 6 and this blinking was the same motivation
19 as Claim 3 and it was not rebutted by the Patent Owner.

20 Claim 8 on Slide 56 is the -- Claim 8 essentially states that there
21 are AC and DC circuits powered from a power source selected from a
22 Markush group. And these are things like batteries, step down transformers,
23 AC utility power converters from AC to DC and DC to AC, pulse DC,
24 filtered, unfiltered DC, or partially filtered ac. These are all standard power
25 sources. So Smith discloses both AC and DC power sources. And this is
26 stated in the Petition on page 54, and it was in the abstract also of Smith.

1 So let's move to Slide 57. So this has to do with Claim 9, this is
2 the last claim. Claim 9 is the same as Claim 1, but it has a further limitation.
3 It is an independent claim, but it has a further limitation that states that the
4 LED flashing light source includes a flashing circuit which will cause the
5 entire circuit to flash. Again, we have shown that Claim 1 is anticipated by
6 Inoue. And the experts stated here that it would be apparent to a POSA that
7 Smith's statements as quoted above would be applicable to individual LEDs
8 -- excuse me, groups of LEDs, multiple groups, or the entire string, which is
9 what this claim says.

10 Dr. Schubert was not deposed and his statements were unrebutted.
11 So in the Reply to the POR, the motivation of Claim 9 was the same as the
12 motivation for Claim 3. And this was not disputed by the Patent Owner.

13 So we're going to switch gears here and we're going to go to Slide
14 58. We're going to talk about the case law and what actually can be a
15 permissible expansion. Rembrandt Diagnostics v. Alere, which is a Federal
16 Circuit case from 2023, decided many aspects of what is a permissible
17 expansion of a statement of motivation. So the law and the rules state that a
18 Petitioner must identify with particularity the evidence that supports the
19 grounds for the challenge to each claim, quoting Title 35 and 37 CFR. The
20 general rule advanced by Rembrandt is that the Petitioner can reply to
21 arguments raised by the opposing party or the Board as long as new
22 evidence is not submitted and that there's no new theories that are presented
23 of unpatentability.

24 So let's go through that, what Rembrandt says. The Rembrandt
25 decision reviewed case law as to what is a new theory of patentability. So in
26 Slide 59, it goes through a series of cases where they did say this was a new

1 theory of patentability. For example, in Intelligent Bio-Systems, the
2 Petitioner first argued a single reference disclosed a limitation. And then
3 later in a reply, they argued that there was more than one reference required.
4 And that was because they were -- they needed to point out these nucleotides
5 that were required to show the prior art. And so they argued new
6 publications that showed these nucleotides and a motivation to combine
7 these references.

8 The Federal Circuit said, well, this was an entirely new theory.
9 You switch from one reference and now you're, you know -- have two or
10 more references here and that's not a permissible expansion.

11 In Henny Penny, they argued for the first time a reference
12 disclosed a limitation. In Wasica, they use an entirely new theory of prima
13 facie obviousness that was absent in the petition. And Ariosa, there -- in
14 response to an argument of incompatibility -- this may have been an in re:
15 Gordon or an in re Ratti type of response -- the Petitioner switched theories
16 and the Petitioner went to a new embodiment of the reference to support the
17 arguments that they could be combined. Apple was similar, they had to refer
18 to a new embodiment of the reference. And the Court, the Federal Circuit,
19 again said this was a new theory of unpatentability.

20 Okay. Referring to Slide 60, the Federal Circuit and Rembrandt
21 gave examples of what is an allowable expansion of a previous rationale. So
22 they cited Ericsson. Here, the Petitioner merely expanded on a previous
23 argued rationale as to why prior art disclosures are insubstantially distinct
24 from the challenged claims. In our case, we don't have insubstantially
25 distinct, we have the references showing all of these limitations and most of
26 them are shown in the abstract of Smith.

1 So we expanded the statement of motivation, of utilizing the
2 advanced functionalities and benefits of Smith, and that these advantages
3 and benefits were specifically described in the expert declaration to Dr.
4 Schubert which was filed with the petition.

5 JUDGE DROESCH: All right. Counsel, I've been notified that we
6 can have the screen fixed. So if you wouldn't mind taking a two or three-
7 minute break for you to get set up with the screen to work.

8 MR. COCHRAN: Sure. Yes.

9 JUDGE DROESCH: All right. Thank you.

10 MR. COCHRAN: Great. The first case that they cited -- and they
11 stated that the Petitioner merely expanded on previously argued rationale as
12 to why the Board should -- why prior art disclosures are insubstantially
13 distinct. And as I said in our case it's, this is not an issue, of insubstantially
14 distinct. These references show these limitations exactly.

15 We expanded on our statement of motivation of utility -- excuse
16 me, of utilizing the advanced functionality and benefits of Smith. And these
17 advantages and benefits were specifically described in the expert declaration
18 of Dr. Schubert, 1013, Exhibit 1013. In our case, Inoue and Smith show all
19 the limitations of the Claims 2 through 6, 8. and 9.

20 In Chamberlain, the Court says the parties are not barred from
21 elaborating on their arguments or issues previously raised. We elaborated
22 by arguing that the two - we argued that -- elaborated on incorporating the
23 advantages of Smith and Inoue. The expert declaration, in Reply to the
24 POR, pointed out these advantages.

25 In Belden, the Federal Circuit held that evidence should be
26 responsive such that it offered to explain, repel, counteract, disprove the

1 evidence of the adverse party. So we have simply explained, you know,
2 what these advantages are in the Reply to the POR.

3 Moving to Slide 61, in Rembrandt, Rembrandt was the Patent
4 Owner in this litigation. And they made assertions that there was no
5 motivation. So it's very similar to our case. And to add -- and it had to do
6 with adding multiple test strips are an expectation -- there was no
7 expectation of success. So the Court held that by discussing time and cost
8 savings in the form of efficiency. It properly expanded on the original
9 statement in the petition. And it was a fair extension of that statement that
10 raised the efficiency argument.

11 What Alere did, the Petitioner, was they cited previously
12 unidentified disclosures in MacKay and Lee-Own for teaching these benefits
13 of removing the wicking material. So Alere pointed out the disclosures and
14 the references that provided these benefits and they expanded upon that to
15 state that there was time and cost savings. So the Federal Circuit basically
16 stated here that the benefits recited in the reference was not a new evidence
17 and that it was a valid argument for motivation.

18 Turning to Slide 62, in Rembrandt, the Court held that Alere's
19 reply argument elaborates on the motivation to combine argument that Alere
20 made in the petition and that there -- and basically, that there were benefits
21 known in the art of removing wicking materials by relying upon these
22 benefits that were stated in MacKay and Lee-Own. That was page 381 of
23 Erickson.

24 So Alere states you can look to the cited art to show benefits and
25 these benefits support and permissibly expand the motivation statement.
26 The Court, Federal Circuit, also stated that Alere's reply arguments of using

1 these benefits stated in the references involves the same legal ground based
2 on the same legal arguments, that the motivation to remove Tydings'
3 wicking materials and reverse its orientation was a permissible expansion.

4 In our case, we have the same legal grounds. We also use the same
5 legal arguments -- advantages stated in the references provide motivation to
6 combine. That's been our argument from the beginning. The case law says
7 advantages in the references can be used to expand the motivation
8 statements. Rembrandt used these advantages stated in MacKay and Lee-
9 Own to expand their motivation statement to add more wicks.

10 Moving to Slide 63. Hence the motivation to combine Inoue and
11 Smith provides was -- is permissible. The Smith teaches the motivations for
12 the combination, as pointed out numerous times above, in the abstract lines
13 37 to 39, 22 to 24, 32 and 35 to 36. The Petition itself states that there are
14 numerous record supported advantages set forth in Smith to combine these
15 references. This was also raised in the response to the POR on pages 6 to
16 18.

17 So let's look at each one of these claims real quickly. The Smith
18 teaches series parallel connections that provide uniform illumination for
19 Claim 2. Claims 3, 5, 6 and 9, Smith teaches -- blinking is claimed in these
20 claims for all of the beneficial ways of blinking, such as blinking rate,
21 individual blinking, alternating blinking, color blinking, whole string
22 blinking, and color sequencing. And this is in the Smith reference in the
23 abstract.

24 Referring now to page 64, Slide 64, we'll look at Claim 4. Claim 4
25 was 0.2 watts or less. And this was stated as a matter of design choice and a
26 matter of convenience in the petition, at page 50. So also in the expert

1 report, the expert states that this was just simply a matter of convenience
2 because that was the standard wattage for LEDs at that time. Claim 8 has to
3 do with the power source. Smith discloses these AC and DC standard power
4 sources. And it's also disclosed in the petition, on page 54.

5 In the reply -- well, let's move to Slide 65. And this is my last
6 slide I'll be presenting on. So let's look at similarities that we have between
7 Rembrandt and our present case. So in both cases, we have a general
8 statement of motivation in the petition. Both cases expand that general
9 statement.

10 In Rembrandt, in the petition, they referred to efficiency. And then
11 in a reply, they talked about time and cost savings. Well, that came from
12 -- this was -- came from the references that they had, that was MacKay and
13 Lee-Own. So they pointed out that these references talked about time and
14 cost savings and they were allowed to use that. That was a permissible
15 expansion.

16 In the present case, the record supported advantages were argued
17 in the Petition that provide motivation so that the advantages of Smith can be
18 enjoyed in Inoue. The expert declaration listed these advantages of Smith.
19 And, you know, I just listed them here again: uniformity of illumination
20 relates to Claim 2; selective blinking relates to Claims 6 and 9; flashing rate,
21 Claims 3 and 6; energy savings from low power, that's Claim 4. And these
22 were all stated in the Reply to the POR and the expert reply declaration.

23 So we do not use a new rationale for unpatentability. We use the
24 same references, Inoue and Smith. We use the same embodiments of Inoue
25 and Smith. We use the same arguments.

26 JUDGE DROESCH: Counsel.

1 MR. COCHRAN: Yes?

2 JUDGE DROESCH: What is the rationale of repetition? When
3 you say you use the same rationale, can you tell me what exactly
4 (INDISCERNIBLE)?

5 MR. COCHRAN: Yes. Yes, Your Honor. The rationale is that
6 we refer to the benefits of Smith and that we incorporate those benefits in
7 Smith to allow the Inoue to enjoy all those advantages set forth in Smith.
8 And then, you know, these have been listed in --

9 JUDGE DROESCH: The advantages, that's the --

10 MR. COCHRAN: Advantages or benefits, any way you want to
11 say that. But the 0.2 watts was specifically raised in the petition. And that
12 was specifically stated as a matter of design choice and a matter of
13 convenience that was in the -- actually, in the expert report, the matter of
14 convenience.

15 JUDGE DROESCH: And was that cited here in the petition?

16 MR. COCHRAN: Yes. That was page 47, I believe, of the
17 petition. Excuse me, it might be page 42. I can go back. Let's see. Was the
18 question with regard to Claim 4?

19 JUDGE DROESCH: I guess I just want to know where the
20 articulation of the rationale (INDISCERNIBLE - TECHNICAL
21 DIFFICULTY) besides just the general statement that (INDISCERNIBLE -
22 TECHNICAL DIFFICULTY).

23 MR. COCHRAN: We said you can use the advantages of Smith.
24 Okay. And the Petition that was filed with -- excuse me, the expert report
25 that was filed with the Petition listed all of these advantages.

26 JUDGE DROESCH: And were those paragraphs in the declaration

1 cited in the Petition where the (INDISCERNIBLE - TECHNICAL
2 DIFFICULTY).

3 MR. COCHRAN: I'm not sure of the question, could you, Your
4 Honor, please --

5 JUDGE DROESCH: You said the declaration listed the
6 advantages?

7 MR. COCHRAN: Yes. It listed the advantages.

8 JUDGE DROESCH: (INDISCERNIBLE).

9 MR. COCHRAN: No, Your Honor. It did not. But we feel that
10 there were sufficient advantages listed in the expert report. And they were
11 -- these advantages, most of them, were on the face of the Smith reference,
12 you know, right in the abstract.

13 Okay. So, you know, these advantages, where the uniformity of
14 illumination for Claim 2; the selective blinking, Claims 6 and 9; the flashing
15 rate, Claims 3 and 6; and the energy savings from low power, for Claim 4,
16 and the cites to the expert report are shown here on this slide, do you want
17 me to speak those or -- is that okay?

18 Well, we're talking about page 99 and 102 for illumination, pages
19 103, 105, 106 of the expert report for Claims 6 and 9, column 55, lines 21 to
20 25, for flashing rate and the energy savings from low power in Claim 4.
21 However, the flashing rate was raised in the petition. And I had a cite earlier
22 on in my slides as to the page in the Petition that referred to the flashing rate.
23 If you can find it, that would be good. That has to do with Claims 3 and 6.

24 So as I was saying, we don't use any new rationale here. We use
25 the same references, Inoue and Smith. We use the same embodiments of
26 Inoue and Smith. We use the same arguments, that the benefits of the -- and

1 advanced functionalities of Smith can provide advantages in the operation of
2 Inoue. The same theories of unpatentability -- we use the same theories of
3 unpatentability. The reasons in the form of advantages stated in the art
4 provided the reasons for motivation for combining these references. And
5 this is all supported by the decision in Rembrandt. And we hope that you
6 will find that our statements of motivation are permissible. Thank you.

7 Let's find -- okay. That's Slide 51 and we were looking for a cite
8 to the petition. Slide 51. Okay. That's on Slide 51 and it refers to the
9 Petition on page 49. Thank you.

10 MR. WHITHAM: May it please the Board. I am Chris Whitham,
11 also counsel for the Petitioner. I will be presenting that Yu is a proper
12 reference and anticipatory reference for the Altamura patents and that the
13 objective indicia do not support the patentability of the Altamura patents.

14 Turning to Slide 66, I will first present that Yu, Exhibit 1010, is a
15 proper anticipatory reference for both the '252 and the '794 Altamura
16 patents. The '252 patent is Exhibit 1001, the '252 Patent. The '794 Patent is
17 actually Exhibit 1001 from the '794 case, which I believe is 01259.

18 Turning to Slide 67, I'll first present that Yu is a proper
19 anticipatory reference for both the '252 and the '794 Altamura patents. First,
20 Yu does actually anticipate the subject matter. Just as a matter of merit, the
21 subject matter of the Altamura patents, the Patent Owner has not contested
22 that Yu doesn't disclose the same subject matter. The Patent Owner has only
23 argued that the Altamura declarations presented in the two cases swear
24 behind the Yu reference and establish a date of conception prior to the July
25 21st, 2006, filing date of Yu.

26 Just to emphasize how similar the Altamura patents are -- and the

1 Altamura patents and Yu are, I'm going to kind of skip a few just to keep us
2 speeding along here. Go to Slide 70. You can look at the two circuits there.
3 They're remarkably similar. That is a comparison of Figure 2a of the
4 Altamura patents, both the '252 and '794 and Figure 3 of the Yu reference
5 which is Exhibit 1010. In fact, you can see that the way the series parallel
6 that's shown is almost identical between the two.

7 With regard to the arguments of the Patent Owner, I will now turn
8 to Slide 71. The Patent Owner argues that the Altamura declarations remove
9 Yu from consideration as prior art. Patent Owner argues that the '794
10 Altamura declaration, which is Exhibit 2005 from the Patent Owner's
11 exhibits, is sufficient evidence on its own for reduction of practice prior to
12 the July 31st, 2006, filing date of Yu, under the rule of reason. Patent
13 Owner has additionally argued it has established its burden of production to
14 remove you from consideration as prior art without much more than just that
15 bare statement.

16 Turning to Slide 72, in looking at this, the Board has invited the
17 parties to provide further briefing to determine if Mr. Altamura's declaration
18 testimony is sufficiently corroborated. That's in the decision pages 42 to 43.
19 The Board asserted that the inventor testimonial requires independent
20 evidence, as described in Brown versus Barbacid. And further, in order to
21 prevent fraud, that the independent evidence also helps to prevent fraud,
22 from Kridl versus McCormick. The Board then acknowledged that without
23 independent corroboration there would be a temptation to perjury where the
24 adverse party would be precluded from rebuttal. That is in Price versus
25 Symsek.

26 Turning, going on to page or Slide 73, the Board further

1 acknowledged that while a rule of reason exists from Price at 1195, yeah, at
2 1195, the rule does not dispense with requirements for some evidence of
3 independent cooperation as described in Coleman versus Dines. The Board
4 stated that aside from declaration testimony and accompanying exhibits of
5 Mr. Altamura, the Patent Owner does not offer any additional evidence to
6 establish reduction to practice. Consequently, the Board invited the parties
7 to provide further briefing on this issue. That's from the decision on page
8 43.

9 Turning to Slide 74, despite this invitation, the Patent Owner
10 submitted the same deficient arguments in its POR that were submitted in
11 the POP. And you can see a comparison of those at Exhibit 1018. As the
12 Patent Owner has provided no additional corroborative evidence, Mr.
13 Altamura's declarations, on their own, failed to establish a conception date
14 prior to the July 31st, 2006 filing date of the Yu reference.

15 Turning to Slide 75, Patent Owner has not met its burden of
16 production to remove you from consideration as prior art. Patent Owner
17 provided no evidence that either the '252 or the '794 declarations and the
18 '252 declaration from Exhibit 1002 that was actually submitted twice on the
19 record -- so it's pages 110 through 111 and pages 122 through 23 -- were
20 considered by the examiner during patent prosecution. Therefore, there has
21 been no evaluation of whether or not their production met the requirements
22 necessary to remove you from consideration.

23 And accordingly, consideration of the Altamura Declarations are
24 considered de novo in this proceeding. Patent Owner's failure to provide
25 corroborative evidence is fatal to its contention that Yu is not prior art.

26 Turning to Slide 76. Even if you take at face value the declarations

1 of Mr. Altamura, they are deficient on their own. Notably, the '252
2 declaration, which is Exhibit 1002 and again at 110 through 111 and 122
3 through 23, was missing Exhibits A through D, cited in in the declaration
4 itself. The Exhibits A through D were submitted with the '794 Patent,
5 Exhibit 2005, which we presume to be the same exhibits intended for the
6 '252 declaration. They are dated, but they lack either a creator or a witness
7 signature, simply a note stating Seasonal Specialties next to a date.

8 Exhibits A through D of Exhibit 2005 further show light sources as
9 incandescent bulbs and not LEDs. This is at the Petitioner's Reply and also
10 discussed in greater detail in the Reply, the additional reply declaration, of
11 our expert at page, paragraphs 78 through 79. Thus, Mr. Altamura's
12 declarations failed to meet the requirements, which requires you to show the
13 exact invention claimed.

14 Turning to Slide 77, this is a reproduction of the '794 Altamura
15 Declaration Exhibit A so that's from Exhibit 2005. If you look at the top you
16 can see that Seasonal Specialties -- and I apologize that this is so small. It's
17 somewhat difficult to read even on a larger thing. But it just says Seasonal
18 Specialties and the date. It doesn't have any witness signatures or any other
19 indication of who you might contact or who created it.

20 Again, as is further described in the expert report, the supplemental
21 expert report, what is shown is just incandescent bulbs. It is not LEDs,
22 which would be consistent with the application because the original
23 application did cover both incandescent bulbs and LEDs. But for this
24 declaration, it is only incandescent bulbs. It does never, does not show
25 LEDs.

26 Turning to Slide 78. Similarly, the -- this is a similar thing that

1 happens with Exhibit B. Those again are mini bulbs. The lower left hand
2 corner, Seasonal Specialties and just a date, no signatures.

3 Turning to Slide 79. Again, only mini bulbs, the date and Seasonal
4 Specialties there at the top. Sorry, this is Exhibit C -- yeah, Exhibit C of
5 Exhibit 2005.

6 Turning to Slide 80. And once again you -- we look at this, and
7 you see the same problems. It's just mini bulbs and no witness signatures,
8 Seasonal Specialties and the date in the bottom left corner.

9 Turning to Slide 81. Wait, we are on 80 -- yes, 81. Further, Mr.
10 Altamura's declarations changed with time and circumstances. If you look at
11 the '252, this is a reproduction from Exhibit 1019, which is a word
12 comparison between -- redline comparison between the '252 Declaration and
13 the '794 Declaration. So if you look at a common paragraph -- and there was
14 an intermediary paragraph, so it's paragraph 4 of the '252 and paragraph 5 of
15 the '794 -- you can see that they took out -- both LED incandescent elements
16 have the same failure problems which can benefit the same from the bypass
17 resistor.

18 And instead, they added that with time, it was known to me until
19 the building of the -- it was unknown to me until the building of the LED
20 prototype whether the LED would function. And this was, I believe, done in
21 response to a letter they received that pointed out the problems that they did
22 not have a true reduction of practice shown in the '252 declaration.

23 Turning to Slide 82, they also changed -- if you look at the
24 paragraph 8 there from the '794, it was paragraph 7 in the '252. And at that
25 point they had said that they made the circuit at some time in the spring of
26 2006 without a specific date for a customer. In the second declaration, they

1 now are now stating that it was on, specifically made on January 15th of
2 2006, as far as testing goes.

3 And further, both of these declarations weren't submitted until well
4 over a decade after the conception. So just the vagaries of memory would
5 certainly affect what was going on. The laws and the case law is there to
6 help protect from mistaken identity or mistaken memory and to assure that
7 the invention was the actual thing that was created. In this case, the
8 invention is for LEDs, not for incandescent bulbs. And you can see that the
9 declaration changed with whatever circumstances they felt they needed.

10 Therefore Yu is a proper anticipatory reference.

11 Turning to Slide 83, we're going to switch gears and move on to
12 the objective indicia, that the objective indicia do not support patentability.
13 This section appears in the Petitioner's Reply at pages 22 through 26.

14 Moving to Slide 84, upon filing of the petition, the burden of
15 production shifted to the Patent Owner to provide credible evidence of
16 objective indicia. This is found in Dynamic Drinkware versus National
17 Graphics. The Board, accordingly, invited the parties to provide further
18 briefing on this issue. And similar to the swearing behind issue, Patent
19 Owner has not provided any additional argument. They've used the same
20 arguments in the POR as they used in the POPR. Patent Owner's reply
21 offered -- oh, got that. The Federal Circuit has rejected such conclusory
22 testimony. You can take a look at Bosch Auto Services Solutions versus
23 Matal.

24 Moving to Slide 85, the Patent Owner's sole evidentiary offer is in
25 its interrogatory response in the associated district court case, which contains
26 the bare assertion that Seasonal Specialties' products have been

1 commercially successful. This is just an argument of counsel, of attorneys,
2 and not evidence. Patent Owner provided no factual evidence of the sales
3 figures, market share revenue, any other objective measures, nothing, just
4 the statement that it is. Thus the Patent Owner has failed to meet its burden
5 of production.

6 Moving on to Slide 86. The Patent Owner has said presumption of
7 nexus is not appropriate here. The Patent Owner incorrectly stated that the
8 law alleging if a Patent Owner's product embodies the challenged claims and
9 is coextensive with them, commercial success is presumed.

10 The Patent Owner's reply at page 40, citing Polaris Industries
11 versus Arctic Cat. This is a wrong interpretation. While Polaris at 1072
12 holds that a nexus may be presumed, there is no presumption of commercial
13 success. Here there's also no presumption of a nexus because the Patent
14 Owner's commercial products combine multiple features beyond those
15 claimed in the patent. You can see Fox Factory versus SRAM.

16 Moving on to Slide 87. This is an example of the Patent Owner's
17 own marketing materials, that's Exhibit 102, promoting multiple features not
18 claimed in the patent, so it is not coextensive. For instance, there are
19 features such as up to 25,000 hours of life, of connecting multiple sets
20 together, ultra-low power, cool to the touch, none of which have anything to
21 do with the bypass resistor. Therefore, it is not coextensive.

22 Moving on to Slide 88, without coextensiveness, there's a legally
23 sufficient relationship of that which is patented and that which is sold. So
24 without co-existence you need to establish that there is a legally sufficient
25 relationship. Ultimately, the Patentee bears the burden of showing that a
26 nexus exists. That's from WMS Gaming Inc. versus International Game

1 Tech.

2 Moving on to Slide 89, Patent Owner further failed to demonstrate
3 any long-felt or unmet need. Patent Owner relies solely on the interrogatory
4 answers of Exhibit 2011 as supporting evidence of long-felt need. Again,
5 Exhibit 2011 is not evidence of need, it is an interrogatory response filed in a
6 district court containing attorney argument. The Patent Owner is required to
7 submit actual evidence of the long-felt need, as opposed to just simply
8 argument.

9 And on to 90, Slide 90. To the extent the Patent Owner's
10 unsupported attorney argument is considered long-felt -- is considered for
11 long-felt problems remaining with circuit bypasses, those alleged problems
12 were also solved by the prior art, as you can see through the multiple records
13 and multiple grounds here, including Exhibits 1004, Exhibits 1008, Exhibits
14 1010, which is the Yu reference, and Exhibit 1013, where prior art addressed
15 the alleged problem. No long-felt need exists. You can find support for that
16 in George Martin versus Alliance Machine Systems.

17 Moving on to Slide 91. Evidence of simultaneous invention
18 further demonstrates obviousness. Yu Exhibit 1010 was filed on July 31st,
19 2006, before the challenged patent's December 22, 2006, priority date
20 demonstrating independent, simultaneous adoption of the claimed resistor
21 bypass feature. This record evidence of Yu demonstrates independent
22 simultaneous invention that further confirms objective evidence of
23 obviousness. Therefore, all the claims of this '252 and '794 Patent, which
24 specifically for the Yu patent -- well, actually this one's for all of them is
25 -- are invalid as evidenced by the prior art. Thank you, Your Honor.

26 JUDGE DROESCH: Thank you, Counsel. You're just about out

1 of time, of the time that you wanted to have for your primary arguments.

2 MR. COCHRAN: That was it --

3 JUDGE DROESCH: Okay.

4 MR. COCHRAN: -- for our primary arguments.

5 JUDGE DROESCH: Thank you. We're going to take a five-
6 minute recess in order to allow counsel for Patent Owner to enter the room
7 and make his appearances. I believe he was held up in security downstairs.

8 MR. COCHRAN: Okay.

9 JUDGE NALVEN: We appreciate that. Thank you.

10 JUDGE DROESCH: We're off the --

11 (Whereupon, the above-entitled matter went off the record at 2:26
12 p.m. a.m./p.m. and resumed at 2:32 p.m.)

13 JUDGE DROESCH: All right. Counsel, if you're ready to resume
14 --

15 MR. SCHWERIN: Sure.

16 JUDGE DROESCH: -- please go ahead.

17 MR. SCHWERIN: Sure. I'm on-site.

18 MR. MERRILL: Reference the pages when you're talking.

19 MR. SCHWERIN: Sure. Reference page 3. Just by way of
20 background, our Petitioner's Ground 5 relates to Smith and Inoue. And what
21 Petitioners argued is that Claims 2 to 6, 8 and 9 are invalid as obvious over
22 Inoue, in view of Smith. And they make this argument in their petition.
23 And let's talk about Smith and Inoue briefly. Inoue uses light-emitting
24 diodes or LEDs -- and this is Slide 4. And we move on to Slide 5. Smith
25 also uses LEDs.

26 And moving on to Slide 6. Part of what Petitioners burden in their

1 case is to show a motivation to combine. And this is an element of their
2 claim. They have to show a motivation to combine prior art references, and
3 they have to show this by a preponderance of the evidence. And this is cited
4 in the Intel case that we cite in our Sur-reply.

5 So what does Petitioner's Petition have? Well, it lacked a
6 motivation to combine. And Petitioner says three things that kind of get at a
7 motivation to combine.

8 First thing they say is that it points out that LEDs can readily
9 replace incandescent bulbs and they have superior advantages to
10 incandescent bulbs. And I'm sorry, I'm on Slide 7. Well, that doesn't work
11 and we know that doesn't work because both Smith and Inoue teach LEDs.
12 So a rationale for replacing incandescent bulbs with LEDs, that still doesn't
13 give us a motivation to combine Smith and Inoue.

14 There's a second one. And the Petition talks about how Inoue and
15 Smith are in the same field of endeavor, or decorative lighting circuits. And
16 that one doesn't work. And we'll say a little more about that later. But this
17 is a separate element of Petitioner's claim, okay? They need to show that the
18 references are in the same field of endeavor. And then separate and apart
19 from that, they need to show a motivation to combine references. And you
20 can't use one, you can't use the earlier one, to get to the latter one. You need
21 to make a showing.

22 And then the third one is the Petition points these numerous record
23 supported advantages that Smith provides. There's no cite to Smith for this.
24 It just says numerous record supported advantages. And this goes all -- this
25 goes across all the claims that are challenged on Ground 5, including the
26 dependent claims.

1 Just (INDISCERNIBLE - TECHNICAL DIFFICULTY) Petition
2 and let's get to the institution decision. In the Board's institution decision, it
3 set forth articulated reasoning with rational underpinning to support the
4 conclusion that it would have been obvious to one of ordinary skill in the art
5 to combine Inoue and Smith. Okay. So there's no articulated reasoning.
6 And the Board goes on a little further, that there's no rational underpinning
7 for why a POSITA would modify Inoue to reach LEDs and circuits with the
8 twinkling effect. So the Petition hasn't shown a motivation to combine. But
9 the Board institutes to all -- on this ground and all Petition grounds as it has
10 to, per SAS Institute versus Iancu.

11 So we've covered the Petition, we've covered the Institution
12 Decision, and now we get to the Reply. And the law prohibits improper
13 reply matter. Okay. The statute, which covers what the Petition has to have,
14 the statute requires that the Petition have the grounds on which the
15 challenged claim is based and the evidence that support those grounds. I'm
16 sorry, I'm on Slide 9.

17 And moving on to Slide 10, the law is also strict about improper
18 reply matter, and the law gives us some guidance for when reply matter is
19 improper. And this is -- we're on Slide 10. This is from the PTAB's trial
20 practice guide. One indicator that it's improper reply matter is that it's a
21 newly raised rationale to combine prior art references that wasn't in the
22 petition. Another one is that the reply presents new evidence, including new
23 expert testimony. We think both of these are on point to this case.

24 So Petitioner's argument is that, no, their Reply matter is okay.
25 And Petitioner relies on the Rembrandt versus Alere case to get them there.
26 And we think Petitioner is stretching Rembrandt too far. So in Rembrandt,

1 what the patent claims related to, was a test assay device for biofluids. And
2 there were two references that come up where the Board discusses a
3 motivation to combine.

4 The first one is MacKay and what the Petitioner had to do to
5 MacKay to get to the claim subject matter, they had to modify it. And the
6 modification was to -- from holding a single test strip in a single housing, to
7 holding multiple test strips. And the reason they proffered in their petition
8 was for the efficiency of allowing multiple tests to be conducted
9 simultaneously. So then Rembrandt countered in its POR that the references
10 did not provide the missing motivation or expectation of success.

11 And so what Alere did on reply, it said, such a modification would
12 save costs and time. And this was permissible reply material because what
13 you had in the petition was this anchor for showing efficiency and this
14 reason, multiple tests to be conducted simultaneously. And a statement like
15 saving cost and time related back, it was grounded in that statement in the
16 petition. So that was proper reply material.

17 Moving on to Slide 12 -- and you had another reference there too
18 in Rembrandt -- you had Tydings. And the modification you had to do to
19 Tydings was to remove the wicking material. And what this modification
20 would have done, it let the liquid sample contact the test strip only at a
21 predetermined designated area. And that was in the petition there.

22 And so Rembrandt countered in its POR, that there was a lack of
23 motivation to combine because this wicking material is fundamental to the
24 invention. And on reply, Alere argued that this modification had still lined
25 up with Tydings' objectives of reducing cost and simplifying its device.
26 And this, too, was proper replay matter because it elaborated on the

1 motivation argument that Alere had in its petition, that there were benefits to
2 removing the wicking material. So just like MacKay, there was something
3 -- there is an anchor in the petition that these statements could ground back
4 to and expound upon.

5 And we're moving on to Slide 13. Rembrandt doesn't get
6 Petitioner where they need to go. Remember, what Petitioner articulated for
7 motivation to combine was for replacing incandescent bulbs with LEDs.
8 And so this wasn't like Rembrandt, where the petition included arguments of
9 efficiency or simplicity that provided some anchor to tie back to these reply
10 arguments. This, this is, this was nothing. This was a statement about why
11 you could -- this was irrelevant to combining Smith and Inoue because
12 they're both LEDs, and so there's nothing to tie back to. So that can't be
13 fixed on reply.

14 We're moving on to Slide 14. Here's an excerpt from their Reply.
15 And again, this shows that Petitioner articulated a motivation for replacing
16 incandescent bulbs with LEDs. And this isn't like Rembrandt, where the
17 Petitioner include arguments of efficiency or simplicity. So with -- the
18 Petitioner could tie back its Reply argument. I think it's telling if we go to
19 Petitioner's demonstrative Slide 45, I think this is making our point for us
20 because it cites to the Reply and cites the Schubert reply but it still doesn't
21 cite to the petition. There's nothing in the Petition to ground back to.

22 Moving on to Slide 15, this is to address Petitioner's field of
23 endeavor argument; and this fails. So Petitioner makes the point that Inoue
24 and Smith are in the same field of endeavor. And that's all well and true, but
25 that's not responsive to our argument here. Our argument is that they haven't
26 shown a motivation to combine. And you can't get there by showing that the

1 references are in the same field of endeavor. Neither boasts separate
2 elements of Petitioner's case they need to show by a preponderance of the
3 evidence. And you can't use field of endeavor to get to motivation to
4 combine. And this is in the Wyers versus Master Lock case that we see, cite
5 in our Sur-reply. And this is on Slide 16 of our presentation.

6 That brings me to the end of my presentation. But I'm happy to
7 take questions on that.

8 JUDGE DROESCH: I don't believe there's any questions at this
9 time. Thank you.

10 MR. SCHWERIN: Okay. Thank you, Judges.

11 MR. COCHRAN: Do we need to plug in our computer to have the
12 slides up or you have --

13 JUDGE DROESCH: We have access to the slides.

14 MR. COCHRAN: I'm just want to say a few words here. If you
15 look at our Slide 42, our statement of motivation is in the petition, on page
16 47, with I think that they're setting up a straw man. The Patent Owner is
17 setting up a straw man by saying that our motivation statement was to
18 replace incandescents with LEDs. That was simply for the purpose of
19 showing analogous art. Analogous art is one of the elements of qualifying
20 references as 103.

21 Our Petition on page 47 states that the motivation is the numerous
22 record supported advantages set forth in Smith that provide a clear
23 motivation. We're talking about motivation here on page 47 for the
24 teachings of Smith as applied to Inoue so as to enjoy these advantages of
25 Smith in any way. And again, these are not made-up advantages. They're
26 using the wrong statement of motivation to make their arguments. I'd like to

1 turn it over to Chris. He may have additional statements, if that pleases
2 Court. Thank you.

3 MR. WHITHAM: Thank you, Your Honors. I just wanted to also
4 point out that for instance, the Intel case they're talking about, they actually
5 added references. It wasn't just simply, you know, a difference in argument.
6 They actually added additional evidence, which is not the case here.
7 Further, the Trial Patent Appeal Board -- guidance documents and a number
8 of these cases come well before Rembrandt, so they aren't taking into
9 account how Rembrandt handles things. That's all I have to add.

10 JUDGE DROESCH: Okay. Thank you, Counsel. Counsel for
11 Patent Owner, would you like to --

12 MR. SCHWERIN: I would. Just give me one minute.

13 JUDGE DROESCH: Okay. You can begin whenever you're
14 ready.

15 MR. SCHWERIN: Sure. Yeah. Hi, Your Honors. Two brief
16 points in rebuttal or surrebuttal over on the first and this is drawn to Slide 7
17 in Patent Owner slides. Petitioner's pointing to this statement at the very
18 bottom -- the numerous record supported advantages set forth in Smith. This
19 is outside the bounds of what Rembrandt allows. This is a vague statement.

20 And this is not something like efficiency or simplicity that can be
21 grounded in the Petition. This is a vague statement and this is -- it's an open-
22 ended blank statement. And you can't just put something like that and
23 backfill it on Reply.

24 And note that there's no citation to Smith. Petitioner has been
25 talking about Smith and this motivation to combine and record support
26 advantages. But there's -- in the abstract, I don't see a citation to Smith's

1 abstract here.

2 The second one, Petitioners pointed to the Schubert Declaration,
3 Exhibit 1013, at page 103, paragraph 3, and this alleged motivation to
4 combine. And there Schubert discloses that Inoue discloses series parallel
5 lighting control and that Smith discloses blinking and says the combination's
6 obvious. As a matter of substance, that doesn't get Petitioner to where they
7 need. This is a conclusory statement, that the combination is obvious
8 without any further analysis. And that still isn't enough to get them to their
9 burden. I have no more comments unless the panel had any questions for
10 me.

11 JUDGE DROESCH: I don't believe there are any questions.

12 Thank you, Counsel.

13 MR. SCHWERIN: Thank you. Thank you, Counselors, for your
14 presentations today. We are adjourned. Please stay in the room in case the
15 court reporter has any questions. Thank you.

16 (Whereupon, the above-entitled matter went off the record at
17 2:50 p.m.)

IPR2024-01258 (Patent 11,096,252 B2)

IPR2024-01259 (Patent 11,533,794 B2)

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