UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SONY CORPORATION,
Petitioner,

v.

ONE-E-WAY, INC.,
Patent Owner.

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Case IPR2016-01638 (Patent 9,282,396 B2)
Case IPR2016-01639 (Patent 9,282,396 B2)

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Record of Oral Hearing
Held: November 6, 2017

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Before DAVID C. MCKONE, ROBERT J. WEINSCHENK, and JOHN F. HORVATH, *Administrative Patent Judges.*

APPEARANCES:

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The above-entitled matter came on for hearing on Monday, November 6, 2017, at 1 p.m., at the U.S. Patent and Trademark Office, Madison Building East, 600 Dulany Street, Alexandria, Virginia, before Chris Hofer, Notary Public.



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Samsung Electronics Co., Ltd. et al. v. One-E-Way, Inc.
IPR2025-01541

P R O C E E D I N G S

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2 JUDGE WEINSCHENK: All right. Good afternoon everyone.
3 This is a hearing for IPR2016-01638 and 01639, Sony Corporation v.
4 One-E-Way, Inc. Let's start with appearances. When you make your
5 appearance, please step up to the center podium. Who do we have for
6 Petitioner?
7 MR. QUALEY: Good afternoon, Your Honor. Paul Qualey from
8 Andrews Kurth Kenyon for Sony Corporation.
9 JUDGE WEINSCHENK: Thank you, Mr. Qualey. And who do
10 we have for Patent Owner?
11 MR. MUEHLHAUSER: Doug Muehlhauser, and my partner and
12 colleague Payson LeMeilleur. We'll both be arguing on behalf of One-
13 E-Way today.
14 JUDGE WEINSCHENK: Okay. Mr. Muehlhauser and what was
15 the other name?
16 MR. LEMEILLEUR: Payson LeMeilleur.
17 JUDGE WEINSCHENK: LeMeilleur, okay. All right, thank you
18 Mr. Muehlhauser. As to few preliminary matters, as you can see Judges
19 McKone and Horvath are appearing remotely so whenever you speak
20 please make sure you step up to the center podium so that they can hear
21 you, and also when you're referring to slides in your demonstratives
22 please use slide numbers so that they can follow along.
23 As we indicated in our order, each side will have 60 minutes to
24 present its case. You can use that time however you want between the

1 two cases. Just for Petitioner, before you begin please let us know how
2 much time you'd like to reserve for rebuttal, if any. So Petitioner, you
3 may begin when you're ready.
4 MR. QUALEY: All right. Good afternoon, Your Honors. I think
5 I'd like to start with reserving 20 minutes for rebuttal and we'll just see
6 how it goes. Okay. As you already stated, this is hearing for two IPRs,
7 1638 and 1639 IPRs.
8 Slide 2 please. Both of these IPRs involve U.S. patent No.
9 9,282,396 entitled Wireless Digital Audio Music System, and assigned
10 on their face to Patent Owner, One-E-Way.
11 As shown on slide 3, so the wireless digital audio music system of
12 the claimed invention is largely shown in figure 1 here with some
13 primary components, an audio source 80, audio transmitter 20, and a
14 receiver 50 that is included in the wireless headphone 55.
15 Moving on to slide 4, in figure 2 we see a block diagram with the
16 audio transmitter portion and figure 3 we see a block diagram of the
17 audio receiver portion.
18 Moving on to slide 5, it shows claim 1 of the 396 patent. This is
19 largely representative of the claims as a whole with a couple of
20 exceptions I'll note in just a moment. So this claim shows the entire
21 system as the portable transmitter which is largely shown in the left hand
22 column and in the right hand column is recited the headphone on the
23 receiver side.
24 Now there are five other independent claims in the patent. Two of
25 them are set up similarly to this, that's claims 6 and 9 which are set up
26 reciting both the transmitter and receiver side. The other three

1 independent claims 2, 14 and 16 only claim the headphone on receiver
2 side, and then the dependent claims are largely addressing adding a
3 differential phase shift keying limitation into the various independent
4 claims.
5 So we move on to slide 6. So in the 1638 IPR, slide 7 please,
6 there's one instituted ground and that ground is that claims 1 through 17
7 of the 396 patent are unpatentable over One-E-Way's own prior
8 published application, No. 2003-0118196 which we generally refer to as
9 the 196 publication.
10 So moving on to slide 8, we see here is the 196 publication itself,
11 published in June, 2003 and it's a publication of an application filed in
12 December of 2001.
13 So moving over to slide 9, this is the priority chain in 396 patent.
14 So 396 patent appears at the bottom of the slide and going back through
15 five prior applications we then reach the 2001 application which is the
16 119 application and published as the 196 publication.
17 Now all of these connections are continuations except for the first
18 one, and that's the one that matters for our purposes in this IPR. So the
19 2003 application, serial No. 10/648,012 is a CIP, continuation in part, of
20 the 2001 application.
21 JUDGE WEINSCHENK: Mr. Qualey, does it matter at all that
22 when the 012 application was filed that it had an incorrect priority claim
23 that they later corrected?
24 MR. QUALEY: Are you talking about the typographical error?
25 JUDGE WEINSCHENK: Yes.
26 MR. QUALEY: No. That's not the source of our case, no sir.

1 JUDGE WEINSCHENK: Okay. So it doesn't impact our analysis
2 though?
3 MR. QUALEY: No. Okay. Moving on to slide 10. So here we
4 see the 2001 application. It was filed with the specification obviously
5 and three figures. Figure 1 which is relatively similar to the 396 figure 1
6 we just looked at, as well as figures 2 and 3 which are block diagrams of
7 the transmitter and receiver sides.
8 Moving on to slide 11, so the 2001 application was entitled
9 Wireless Digital Audio System and it says that the present invention is
10 directed to a wireless digital audio system for transmission of a signal for
11 an audio player device to a headphone. Now included in the
12 specification the 2001 application recited a number of elements that go
13 into the wireless digital audio system, including a direct conversion
14 receiver, a differential phase shift keying or DPSK transmitter, and a
15 decoder is used to reduce intersymbol interference.
16 Now after some prior art rejections and responses exchange with
17 the examiner, the 2001 application was expressly abandoned when a
18 continuation in part application was filed and just prior to that
19 abandonment in June of 2003, the 2001 application published as the 196
20 publication.
21 So moving on to slide 12, here we see the 2003 application which
22 is the continuation in part. So it was filed with the specification and two
23 figures. Figure 1, which is similar to -- perhaps identical -- to the 2001
24 application's figure 1 and figure 2 which is, it's set up as a graph.
25 Moving on to slide 13. So the 2003 application had a different title.
26 It was the Fuzzy Audio Wireless Music System and it included a

1 continuation in part priority claim but no incorporation by reference of
2 the 2001 application, and it recites that the present invention is "directed
3 to fuzzy audio wireless music systems for coded digital transmission of
4 an audio signal from any audio layer device with a headphone jack to a
5 receiver headphone using fuzzy logic technology." Now missing from
6 the specification in the 2003 application was any reference to a direct
7 conversion receiver, differential phase shift keying or an encoder to be
8 used to reduce intersymbol interference. These elements are also not
9 inherent in the disclosure of the 2003 specification.
10 Now slide 14 shows Petitioner's Exhibit 1008 and this, while
11 obviously the text is too small to read here, it illustrates the changes and
12 differences between the 2001 and 2003 specifications. So the black text
13 is text that was maintained between the two. The blue text is text that
14 was newly added in the 2003 application and the red strike through
15 shows material that was included in the 2001 application and then
16 omitted from the 2003 application. It says "Concededly the changes
17 were extensive."
18 Moving over to slide 15, about a year after the 2003 application
19 was filed, One-E-Way began making amendments to the disclosure. So
20 these included removing some of the references to fuzzy audio wireless
21 music system and fuzzy logic in general, adding figures 2 and 3 from the
22 2001 application into the 2003 application, adding a description of a
23 direct conversion receiver and adding a description of a differential phase
24 shift keying transmitter.
25 JUDGE WEINSCHENK: Some of these were from the parent
26 application, correct?

1 MR. QUALEY: Some of them were material that was included in
2 the parent application.
3 JUDGE WEINSCHENK: And the examiner did not object to
4 those as being new matter, correct?
5 MR. QUALEY: He did not object at the time, no.
6 JUDGE WEINSCHENK: Okay. How are we to say that that's
7 improper now?
8 MR. QUALEY: Well the question is the examiner never examined
9 the legal issue of the fact that the incorporation by reference was missing
10 and the DeSeversky case that the priority claim they made is not an
11 incorporation by reference of the prior material. So then we're faced
12 with the issue that the examiner never examined the legal ramifications
13 of U.S. 35 U.S.C. 132 and its prohibition against new matter in methods.
14 JUDGE WEINSCHENK: Do we have anything that tells us that
15 adding material from a parent into a child is new matter?
16 MR. QUALEY: We have cases that talk about adding material
17 from a parent into a child in terms of reissue and reexamination. In both
18 cases they said that it was improper because it was a violation.
19 JUDGE WEINSCHENK: But do we have anything that talks
20 about whether that's improper if added during prosecution and before the
21 patent issues?
22 MR. QUALEY: There is not a case that addresses these particular
23 facts.
24 JUDGE WEINSCHENK: Okay. So then how are we to say that
25 the examiner was wrong in doing something that doesn't seem to have
26 necessarily been prohibited at the time that he allowed it?

1 MR. QUALEY: Well at the time there was language in the MPEP
2 saying that incorporation by references added after the filing date of the
3 patent application were new matter and this is effectively what he's
4 allowing them to add material to the patent application, and when we get
5 to the next slide he allows them to add an incorporation by reference
6 statement which was prohibited.
7 JUDGE WEINSCHENK: Does the Patent Owner need to rely on
8 the incorporation by reference statement or was the material that they
9 needed just added directly into the specification? Because they made
10 some other amendments where they actually expressly stated things in
11 the specification.
12 MR. QUALEY: There are some amendments that they made that
13 were directly to the specification. Other things are relying on the
14 incorporation by reference statement.
15 JUDGE WEINSCHENK: Is there a distinction between those two,
16 or are they both improper?
17 MR. QUALEY: Really they're both improper.
18 JUDGE WEINSCHENK: Okay. You can continue.
19 MR. QUALEY: Okay. Moving on to slide 16. As we see here,
20 this where the incorporation by reference statement was added in August
21 of 2006. So approximately three years after the application was filed
22 they further amended the specification to add an incorporation by
23 reference statement.
24 JUDGE WEINSCHENK: Was that incorporation by reference
25 statement discussed at all by either the Applicant or the examiner during
26 prosecution?

1 MR. QUALEY: It was not discussed. So moving on to slide 17,
2 this is Petitioner's Exhibit 1010. It shows the extent of the changes that
3 were made between the as filed 2003 application and the as issued 2003
4 application. So, again, the text that they were the same is shown in in
5 black, the new text is shown in blue, and deleted text is shown in red
6 strike through.
7 Now, Patent Owner's position is that all these are allowed because
8 of the statement that it was a continuation in part application. But as
9 we've cited in our papers, there's a number of other cases that set forth
10 principles that do not seem to comport with Patent Owner's position. So
11 first that the disclosure of the as filed specification is what matters, that a
12 priority claim is not an incorporation by reference of any material from
13 the parent, and that all applications that (indiscernible) already must have
14 written disclosures.
15 So Patent Owner does cite a number of cases, so we'll move on to
16 slide 19. So one of the primary cases they cite for their position is -- I'm
17 not sure how it's pronounced, I'm not sure if Your Honor has a
18 preference -- In re Reiffin.
19 JUDGE WEINSCHENK: You may choose.
20 MR. QUALEY: So in this case the Federal Circuit rejected to use
21 attempt to add material from a parent application during reexamination.
22 The patent at issue was a continuation where material present in parent
23 application had been omitted from the child application as filed. The
24 Federal Circuit rejected the patentee's attempt to add the omitted material
25 back into the specification during reexam. So that's the holding of the
26 Reiffin case. Obviously that doesn't support Patent Owner's position.

1 Patent Owner instead seeks to use remarks about what the patentee
2 hypothetically could have done during prosecution to support its position.
3 JUDGE WEINSCHENK: Doesn't the Federal Circuit in this
4 Reiffin case say,
5 "It is true that the statutory prohibition against introducing new
6 matter in a patent application does not apply in the limited circumstance
7 in which the application incorporates material from an earlier application
8 in a chain of copending applications."
9 So doesn't that address exactly what we have here?
10 MR. QUALEY: That statement was made to be supported from
11 the Litton case and, as I'll get to in just a moment, there's problems with
12 that in the Litton case. It doesn't actually hold that that's the case.
13 JUDGE WEINSCHENK: But if our reviewing court has said that,
14 whether we disagree with them or not, shouldn't we follow what they
15 have said?
16 MR. QUALEY: Well the Reiffin case is also non-precedential and
17 the statement you're referring to is dicta, it wasn't necessary for the
18 holding and it's also a problem in that they don't ever grapple with the
19 issue of how to reconcile the new matter prohibition in the reissue statute
20 with the new matter prohibition in Section 132.
21 JUDGE MCKONE: Counselor, is it your argument that the Litton
22 case contradicts Reiffin or that it just doesn't provide enough support for
23 the positive statement in Reiffin?
24 MR. QUALEY: It's that it doesn't provide support for the positive
25 statement in Reiffin.

1 JUDGE MCKONE: So if we were to follow what you say is dicta
2 in Reiffin, we wouldn't be contradicting Federal Circuit precedential
3 decision in Litton, correct?
4 MR. QUALEY: No. It does not contradict --
5 JUDGE MCKONE: No, I'm not correct or no, (indiscernible.)
6 MR. QUALEY: I'm sorry, I'm sorry. It does not contradict Litton
7 because Litton -- the holding in Litton is actually dependent on the fact
8 that the applicant conceded that what they were adding was new matter,
9 so again all of the discussion in Litton about adding material from parent
10 applications is dicta.
11 JUDGE WEINSCHENK: But if the most on point thing we have
12 here, even though it's dicta in a non-precedential opinion, but that's the
13 most on point statement we have from our reviewing court, why
14 shouldn't we follow that?
15 MR. QUALEY: Well the problem is there's also statements from
16 the reviewing court that contradict this, the DeSeversky case says an
17 incorporation by reference is not a -- I'm sorry, got it backwards. The
18 DeSeversky case says that a priority claim is not an incorporation by
19 reference. It goes on to say that the disclosure must be present in both
20 applications.
21 JUDGE WEINSCHENK: Yes. But here we do have an
22 incorporation by reference statement. It just happens to have been added
23 after the filing date. It's still in the patent as issued.
24 MR. QUALEY: It is in the patent as issued, but it was added three
25 years after the filing date which presents a number of problems when
26 you're dealing with the disclosure of the patent because the patent's

1 filing date is assumed to be the presumed invention date as well as the
2 reduction of practice date. But here we have a patent filed in 2003 that's
3 missing certain elements that are in the claims and the 2001 filing is also
4 missing certain elements that are present in the claims. In particular --
5 JUDGE MCKONE: Isn't that between the examiner and the
6 applicant to sort that out since this is all pre-issuance?
7 MR. QUALEY: It was pre-issuance --
8 JUDGE MCKONE: Two years or three years?
9 MR. QUALEY: It's pre-issuance but the problem is that there was
10 no -- when is the date for the complete invention of the 396 claims,
11 because the 396 claims we have them reciting a direct conversion
12 receiver, the DPSK transmitter, and this reduced intersymbol interference
13 limitation. That's not present in the 2003 application as filed. It's only
14 present in the 2001 application. But the other problem is --
15 JUDGE MCKONE: But it would be present in the 2003
16 application if the incorporation by reference was proper, correct?
17 MR. QUALEY: Not at the time of filing. I'm speaking at the time
18 of filing is when the presumed invention date and the presumed reduction
19 of practice date occurs. So at that time that incorporation by reference
20 wasn't there. So we're left with the problem of what becomes the
21 presumed invention date or the presumed reduction of practice date and
22 this is important because what the 2003 application has is disclosure of
23 the use of packets which is not present in the 2001 application. So the
24 396 claims essentially have elements that are present in the 2001 but not
25 in the 2003 as filed, but it also has elements that are present in the 2003
26 as filed that were never present in the 2001. So we're left –

1 JUDGE MCKONE: No. The Patent Office, at least the current
2 version of the Patent Office rules -- and I'm talking about 37 CFR 1.57, I
3 believe it is (b), that's it, yeah, (b) -- does at least seem to have some
4 provisions for considering an incorporation by reference that was omitted
5 inadvertently by, in certain circumstances, deeming a priority claim to be
6 an incorporation by reference if you follow certain procedures afterward.
7 So it seems like at least the most recent version of the rules contemplate
8 amending an incorporation by reference after filing.
9 Has anybody done any research to find out what the rules were,
10 you know, and my understanding is that this rule came about part way
11 through the prosecution of the patent in suit. Has anybody done any
12 research to figure out what the rules were prior to that?
13 MR. QUALEY: My understanding is that there was no such rule
14 prior to that and that rule comes into effect -- I'm afraid I don't have it in
15 front of me -- but the rule comes into effect for applications filed after a
16 certain date which does not apply here.
17 JUDGE MCKONE: But at least it looks like the Patent Office is
18 not reading the statute to prohibit a later filed amendment that amends an
19 incorporation by reference. Do you agree with that?
20 MR. QUALEY: Under the circumstances laid out in that rule in
21 particular, yes.
22 JUDGE MCKONE: And since we're looking at an application that
23 was filed before that rule came about, what would prohibit the examiner
24 from allowing an amendment to the incorporation by reference at that
25 time?

1 MR. QUALEY: Well at that time we had the statute. We did not
2 have this new rule and more importantly we had no evidence that the
3 failure to include the incorporation by reference was inadvertent.
4 JUDGE MCKONE: But as far as the statute is concerned, the
5 Patent Office has interpreted the statute to allow an amendment to an
6 incorporation by reference. So if the statute allows it now, why would it
7 have prohibited it before the rule?
8 MR. QUALEY: Well for one thing because the rule didn't exist,
9 so the rule is an interpretation of a statute that was entered later and it's
10 only entered in the case of certain circumstances applying to inadvertent
11 omissions.
12 JUDGE MCKONE: Why shouldn't we interpret the statute as
13 allowing it before the rule? I mean the statute hasn't changed.
14 MR. QUALEY: Correct. But the interpretation of the statute was
15 changed by the Patent Office in that particular case, but only applying to
16 inadvertent changes.
17 JUDGE MCKONE: Was the interpretation changed or just --
18 you're implying that the interpretation prior to the rule was that these
19 type of amendments were prohibited. What is the evidence of that?
20 MR. QUALEY: I didn't mean to imply that there was a change in
21 the interpretation. It was just that that was the first time the interpretation
22 was applied.
23 JUDGE MCKONE: I mean in this case why don't you assume that
24 the examiner implicitly implied that interpretation?
25 MR. QUALEY: Because we were forced to follow what we have
26 in the written record and there's no indication that the examiner reviewed

1 that issue. I mean it repeatedly seems to have believed that the
2 incorporation by reference already existed.
3 JUDGE MCKONE: And whose burden is it here to show that the
4 examiner made a mistake?
5 MR. QUALEY: I don't know there's a burden to show that the
6 examiner made a mistake, but the case law is that it's the burden on the
7 Patent Owner to show entitlement to a priority date.
8 JUDGE WEINSCHENK: But isn't it your burden to establish that
9 what you've alleged is prior art actually is prior art?
10 MR. QUALEY: Well it's our burden to make a prima facie case
11 which the prior art is obviously 102(b) art to the original filing date of the
12 396 patent.
13 JUDGE WEINSCHENK: So don't you bear the ultimate burden
14 of persuasion on whether something's prior art, not the Patent Owner?
15 MR. QUALEY: The Patent Owner bears the burden on
16 establishing the entitlement to a priority date.
17 JUDGE MCKONE: And then how does that interpret -- your
18 interpretation there square with the Dynamic Drinkware case?
19 MR. QUALEY: Excuse me?
20 JUDGE MCKONE: Then how does that statement you just made
21 square with the Dynamic Drinkware case? I thought that that case
22 established that the Patent Owner had a burden of production to show
23 entitlement to an earlier priority date, but the ultimate burden of
24 persuasion remained on Petitioner. Am I incorrect in the reading of that
25 case?

1 MR. QUALEY: Your phraseology -- maybe I misspoke? I think
2 your phraseology is probably correct. But the burden shifts back and
3 forth as the -- once Petitioner comes forth with an intervening piece of
4 prior art, the ultimate burden of proving validity is obviously on
5 Petitioner.
6 JUDGE MCKONE: One way to look at this case is that the
7 examiner considered and allowed amendment to the incorporation by
8 reference and nothing in the statute prohibited the examiner from doing
9 so. Patent Owner has produced evidence that it's entitled to an earlier
10 priority date, namely the prosecution history. Why is it not your burden
11 to prove then the burden of persuasion that the examiner made an error?
12 MR. QUALEY: Well I don't know that that's how the burden is
13 shifted but I think we have shown that the case law that Petitioner cited
14 doesn't support it and there's case law that we cited, the DeSeversky
15 case, Zenon, and some of these other ones that show that this priority
16 claim is not an incorporation by reference, and how is it that what is not
17 an incorporation by reference, how do we treat that differently under
18 reissue as opposed to under regular prosecution when the statute in both
19 cases prohibits the addition of new matter?
20 JUDGE WEINSCHENK: Isn't the whole purpose here of new
21 matter just to determine whether the inventor was in possession of what's
22 being claimed as of the filing date sought, and so here if we look at the
23 matter that's being incorporated from the parent is there any question that
24 the inventor was in possession of that invention as of the 2001 date
25 because it's disclosed in the parent, that merely bringing that into a later

1 application, why shouldn't they get the filing date of 2001 for the stuff
2 that was in that application?
3 MR. QUALEY: Well there's two issues. To get entitlement to a
4 priority date, you have to show that you just had possession of all the
5 claim limitations. It's not a big issue in the papers but in our petition it is
6 noted that the 2001 application does not disclose packets. That's only
7 disclosed in the 2003 application. That's why we're making an
8 obviousness case here, not an anticipation based on the 196 publication.
9 So in fact there is no -- that is what I was alluding to earlier is that right
10 now we don't have a fixed date when the entire invention was disclosed
11 unless you start paging through the 2003 application and figure out when
12 these various elements were added into that application, because it's only
13 when those elements are added together to the disclosure of packets in
14 the 2003 application do we actually get a full disclosure of the claims of
15 the 396 patent.
16 JUDGE WEINSCHENK: Is the packet requirement in every
17 challenged claim?
18 MR. QUALEY: Yes.
19 JUDGE WEINSCHENK: Did you make the argument that the 396
20 patent isn't entitled to claim priority all the way back to the 2001
21 application because it doesn't disclose packets?
22 MR. QUALEY: That's not part of our argument. Well indirectly
23 yes, but it's not the focus of the argument. Before I run out of time here
24 too much, if you don't mind I'd like to move on to a few other items.

1 So we go to the next slide. This is the Litton case. I think we
2 already talked about this a little bit but Litton involves a different set of
3 facts here.
4 JUDGE WEINSCHENK: Do you mind if I interrupt you and
5 actually in your remaining time turn you to the 1639 case for a bit?
6 MR. QUALEY: Okay, if you prefer.
7 JUDGE WEINSCHENK: Yes. I have some questions about that
8 one. If you have more time you can come back to discussing these cases,
9 but there's at least a few things I'd like to chat with you about in the 1639
10 case.
11 MR. QUALEY: Sure. Do you want me to start or (indiscernible) -
12 -
13 JUDGE WEINSCHENK: No. I can start for you actually. So one
14 of the questions I had for you is, you know, we do have different
15 disclosures that you're pulling from what I'll refer to as the Haartsen
16 patent and then also from the 1998 paper and one of the questions I had
17 for you is what evidence do we have that the transmitter that's disclosed
18 in the 1998 paper uses the differential phase shift keying or DPSK that's
19 in the Haartsen patent? How do we know that the transmitter in that
20 paper is using the DPSK?
21 MR. QUALEY: Well the transmitter in the paper is not using the
22 DPSK at the time because it was previous to the 892 patent. So what is
23 happening in the 892 patent is Haartsen, the author of the 1998 paper, is
24 saying here I've come up with some potential improvement techniques
25 that can be used with Bluetooth to overcome what he refers to as the
26 "slowly varying disturbances" that can interfere with the signal.

1 So what he's saying in the 1998 paper is these are techniques that
2 are useful to produce for Bluetooth and then he talks about how DPSK
3 and DFSK can help resolve some of these issues with slowly varying
4 disturbances.
5 JUDGE WEINSCHENK: So I think I understand your declarant
6 saying that this invention in the Haartsen patent is broader than just
7 Bluetooth. Do you agree with that?
8 MR. QUALEY: Well the invention can be applied to a number of
9 systems, correct.
10 JUDGE WEINSCHENK: Right.
11 MR. QUALEY: That's what it says in the 892 patent. It says he
12 used this with various kinds of wireless systems and then he uses
13 Bluetooth as a specific example of such system.
14 JUDGE WEINSCHENK: Right. I guess my question for you is
15 how do we connect? How do we know that the DPSK -- because they
16 also disclose other types of modulation and encoding in the Haartsen
17 patent -- how do we know that the DPSK is supposed to be used with
18 Bluetooth? Is there some explicit disclosure or is there some leap being
19 made there and the reason I ask is because this is an anticipation ground
20 and not an obviousness ground. Is there some disclosure in there that
21 connects DPSK to Bluetooth?
22 MR. QUALEY: It says, so I've jumped here to slide 40, and it
23 talks about --
24 JUDGE WEINSCHENK: Just want to make sure you're speaking
25 into the microphone so that they can hear you.

1 MR. QUALEY: Sorry. It talks about how the techniques are
2 useful with the Bluetooth invention, I'm sorry not the Bluetooth
3 invention, the Bluetooth system. Wait, I might be on the wrong slide.
4 Here we are, sorry. I'm on slide 41, at the top here the 892 patent says,
5 "The exemplary rate of communications discussed here and are useful in
6 systems employing the Bluetooth technology." So he's saying you can
7 take the DPSK or the DFSK, or some of the other things I'm talking
8 about in here, and you use them with Bluetooth.
9 JUDGE WEINSCHENK: So what were you saying --
10 MR. QUALEY: He's saying put it into the Bluetooth system.
11 JUDGE WEINSCHENK: -- so what were you -- in that statement
12 being brought up to say that anything I discuss herein, any features of this
13 invention can be used with Bluetooth?
14 MR. QUALEY: Yes, I think that's correct.
15 JUDGE WEINSCHENK: All right. Second thing I wanted to ask
16 you about is you proposed a construction for the term "independent
17 CDMA" and you proposed construing it to mean "configured for CDMA
18 operation performed independent of any central control" and I think
19 Patent Owner has said we don't dispute that construction and my
20 question for you is, where have you pointed us to some evidence that the
21 CDMA disclosed in the Haartsen patent meets this construction of
22 independent, meaning it's independent of any central control? What
23 evidence do we have of that?
24 MR. QUALEY: Okay. Moving ahead to slide 47. So this is one
25 of the limitations we're speaking of where it talks about independent
26 code division multiple access. So that construction was one that was

1 adopted by the ITC in a related case involving a different patent and how
2 Bluetooth discloses that is well, for one thing Bluetooth does use
3 frequency hopping CDMA so that's the first part of our analysis, and
4 then the independent of central control -- Bluetooth is an ad hoc system --
5 I believe this is discussed in our expert's declaration as well as in the
6 opening petition -- that it's an ad hoc system, it doesn't involve a base
7 station so just distinguishing it from, say, a WIFI or a cellular system
8 which both involve base station units that connect to little client devices.
9 In Bluetooth it's an ad hoc system where you have a point to point
10 connection between, without a use of a central device, you're connecting
11 through one device, for example a phone, to a headset other device. So
12 in that case it's independent of the central control.
13 JUDGE WEINSCHENK: Can you point me to where that is in
14 your petition?
15 MR. QUALEY: Excuse me, I'm looking in my folder.
16 JUDGE WEINSCHENK: I have other questions for you, if you
17 want to find that citation for me during Patent Owner's argument and
18 give it to us in the rebuttal, that's fine.
19 The next question I had for you is that you relied, for the direct
20 conversion module in the claims, you relied on the Homodyne receiver
21 that's in the Haartsen patent, and the claims require that the direct
22 conversion module capture packets. I'm curious, where is the evidence
23 that we have that the Homodyne receiver captures packets as opposed to
24 some other component in the Bluetooth headset? How do we know that
25 it's that specific component that's capturing the packets?

1 MR. QUALEY: Well it's the receiver end, that's essentially the
2 front end of the device, so it captures everything that eventually goes into
3 the rest of the chain.
4 JUDGE WEINSCHENK: Do we have some evidence that the
5 Homodyne receiver is the front end of the headset?
6 MR. QUALEY: Well the receiver is. It's what's connected to the
7 antennae.
8 JUDGE WEINSCHENK: I guess that's what I'm asking is how do
9 I know that from the record?
10 MR. QUALEY: Well I believe there's testimony from our expert
11 directed to that, but if you want a specific cite I can find that.
12 JUDGE WEINSCHENK: Yes, that would be helpful. The next
13 question I had for you was you rely on the Viterbi decoder in the
14 Haartsen patent as disclosing the decoder in the challenged claims. Is
15 there some connection in there that we know that the Viterbi decoder is
16 actually decoding DPSK, because I think Patent Owner makes an
17 argument that you're relying on DPSK as the coding but you never
18 connect the decoder to that type of encoding?
19 MR. QUALEY: Right. Well our expert, in his declaration,
20 discussed how inherently if you have a DPSK transmitter you have to
21 have a DPSK decoder so you're going to have it on both ends. So
22 disclosure of a transmitter in a system inherently discloses the decoder as
23 well.
24 JUDGE WEINSCHENK: Did you rely on inherency in your
25 petition?
26 MR. QUALEY: Yes. It's discussed in our expert's declaration.

1 JUDGE WEINSCHENK: Yeah –

2 MR. QUALEY: He's discussing that in disclosing a DPSK
3 transmitter inherently discloses the decoder because you have to have the
4 matching of both sets.

5 JUDGE WEINSCHENK: Okay. So if we were to find an encoder
6 your argument is based on inherency for that element and not an express
7 disclosure of a DPSK decoder?

8 MR. QUALEY: Correct.

9 JUDGE WEINSCHENK: Okay. And the last question I have for
10 you on this is there's some dispute about the last element that requires
11 signals from other transmitters to be inaudible. Could you tell me exactly
12 what you're relying on as teaching that, because I think there's some
13 confusion. There's sort of different ways of suppressing interference
14 disclosed in the prior art and I'm curious which you're relying on for
15 that?

16 MR. QUALEY: We're relying on two things primarily. Let's
17 jump ahead to slide 54. So what we're relying on here primarily are two
18 different elements. The first is the frequency hopping nature of
19 Bluetooth. Because we're hopping from frequency to frequency to avoid
20 interference on demand, the whole idea is in a frequency system,
21 Haartsen system, is you jump from frequency to frequency, the two
22 devices at either end are synced up so they know they coordinate their
23 hops and that avoids areas of interference in the larger band of
24 frequencies because it's hopping at such a high rate of speed, 1600 hops
25 per second I think.

1 So there's one way you're avoiding you're interfering on the band,
2 but then the second thing is when the Bluetooth device receives the
3 packet, each piconet which is what they call a Bluetooth network
4 essentially -- the devices connect to each other, they form a piconet --
5 they have a 72 bit access code that is unique to their channel and if they
6 receive a packet that does not contain that access code, then that packet is
7 ignored. So I get a packet from another Bluetooth device or packet that's
8 somehow corrupted that doesn't have the right 72 bit access code, my
9 Bluetooth receiver is going to discard that packet. You're never going to
10 hear any content or anything from that packet.
11 JUDGE WEINSCHENK: Which portion is that referring to? In
12 the 1998 paper it says, "Interference can be suppressed by means of
13 spectrum spreading." Them relying on that, is that something different?
14 MR. QUALEY: That's the frequency hopping piece.
15 JUDGE WEINSCHENK: Right. The packets is something -- the
16 code is something different.
17 MR. QUALEY: Packets and the 72 bit access code is something
18 different. So the frequency hopping happens sort of first. You know,
19 we're hopping from frequency to frequency, we're not on a frequency
20 where the other signals are then we're never going to receive those
21 signals. But if we happen to hop to a frequency where there are signals
22 that we're receiving from other devices, the Bluetooth receiver then looks
23 for the access code and if it doesn't have the right access code it discards
24 or ignores the contents of that packet.

1 JUDGE WEINSCHENK: Is it one or the other, or some
2 combination that renders the signal inaudible? I'm just trying to get a
3 sense as to what you're relying on.
4 MR. QUALEY: It's sort of a combination but perhaps the first
5 stage, the frequency hopping stage for lack of a better word, reduces the
6 amount of potential interference it could ever even be received and the
7 second stage says any signals that I'm receiving from other devices, if
8 they're not the right access code I'm going to throw them away.
9 JUDGE WEINSCHENK: Okay. For the second part with the
10 access codes, could you point me to where that was in your petition?
11 MR. QUALEY: I can get a specific cite for you. I know that the
12 language we see here on the slide is right on the claim charts.
13 JUDGE WEINSCHENK: Okay.
14 MR. QUALEY: If you want (indiscernible) --
15 JUDGE MCKONE: I have a question for you back on the
16 Homodyne receiver from Haartsen. The only disclosure that I see in
17 Haartsen is in the background where it's describing problems that can
18 happen with the Homodyne receiver. How do I connect that to the
19 described embodiments in Haartsen? In other words, how do I know that
20 the described embodiments have a Homodyne receiver as opposed to
21 something else?
22 MR. QUALEY: Well what's going on in the Haartsen patent, he's
23 trying to address problems that crop up in Bluetooth systems and he's
24 saying that one of the problems that can crop up in this kind of system is
25 you use a Homodyne receiver and you get a DC offset. So it's disclosed

1 in that way that these Homodyne or direct conversion receivers can be
2 used in Bluetooth systems and he's trying to --
3 JUDGE MCKONE: So as far as the embodiment that's disclosed
4 and you're outside the background, what's actually disclosed in Haartsen
5 is the solution. How do we know that the solution has a Homodyne
6 receiver?
7 MR. QUALEY: Well because the solutions are all directed to
8 addressing the problems that are recited.
9 JUDGE MCKONE: As far as the problems, it's not recited as just
10 a Homodyne receiver, you know, offset in FM discriminators as well.
11 How do we know that Haartsen's solution isn't just addressing the FM
12 discriminators and not the Homodyne receivers?
13 MR. QUALEY: Well because he tells us that his solutions will
14 address all of the slowly varying disturbances.
15 JUDGE MCKONE: So you're inferring the existence of a
16 Homodyne receiver in the solution because it's stated as part of the
17 problem to be solved?
18 MR. QUALEY: I don't know if I'd say inferring, but that's
19 generally, yes.
20 JUDGE MCKONE: Well where would you use that as not
21 inferring?
22 MR. QUALEY: I think that it's implicit.
23 JUDGE MCKONE: Okay.
24 JUDGE WEINSCHENK: Mr. Qualey, just so you know you're
25 about a minute into your rebuttal time. You can keep going if you like or
26 you can reserve --

1 MR. QUALEY: I'll reserve and come back.
2 JUDGE WEINSCHENK: Okay.
3 MR. QUALEY: Thank you.
4 MR. MUEHLHAUSER: Good morning, Your Honors. I'm Doug
5 Muehlhauser for Patent Owner, One-E-Way. We're going to start by
6 referring to IPR2016-01639 which is the review that I think the Board
7 was questioning Petitioner about just before we turned over to us.
8 So I'd like to start with going to the question that the Board had
9 regarding what evidence do we have that there is a transmitter disclosed
10 in the Haartsen patent. What evidence is there that it's using DPSK, and
11 Patent Owner's position is that there's no evidence of any transmitter
12 disclosed as using DPSK. Could I have control of the Elmo?
13 JUDGE WEINSCHENK: Just so you know, Mr. Muehlhauser,
14 that the remote judges are not going to be able to see what you're putting
15 on the Elmo so you'll have to describe it, what exhibit you're referring to
16 and figures and things of that nature.
17 MR. MUEHLHAUSER: Thank you. I will do that. So I thought
18 it would be a good idea to go right to the disclosure of the 892 patent.
19 This is one of the items of the Ground One prior art and I think it's very
20 helpful to look at what is the actual disclosure concerning DPSK in the
21 entirety of the Ground One prior art and it boils down to one sentence.
22 But let me give a little context, I'll read just a little bit of this section of
23 the 892 patent and I'm referring to Exhibit 1006, page 0015, specifically
24 column 5 and lines 24 through 40.
25 So looking at this disclosure we start off with a little bit of
26 historical background being provided by the inventor. I think it's helpful,

1 he believes it's helpful. I believe that he's pointing out where differential
2 keying comes and where we've seen it. So the paragraph starts,
3 "A known technique that uses the difference between two adjacent
4 symbols is differential keying." So we're introduced here to differential
5 keying. "In differential keying a one is represented by a change between
6 two adjacent symbols whereas a zero is represented by no change
7 between adjacent symbols, or the other way around. Differential keying
8 is primarily found in phase modulation schemes," and then in parenthesis
9 after phase modulation schemes we have the lone reference to DPSK --
10 it's a parenthetical, DPSK – "that can be used in other modulations
11 schemes as well."
12 And now from here on in the disclosure of the '892 patent, the
13 inventor turns to frequency shift keying and how differential frequency
14 shift keying works -- you can see the remainder of this paragraph while I
15 can tell you, for those of you who can't see it -- is that there are equations
16 given talking about how DFSK -- differential frequency shift keying -- is
17 implemented, and then the remainder of the disclosure goes on to explain
18 how DFSK works and how the invention uses a modification to DFSK to
19 achieve its goals. There's never again a reference to DPSK. And so the
20 Petitioner wants to rely on this lone exemplary reference to DPSK as a
21 disclosure of a transmitter that uses DPSK, and the Petitioner is saying
22 that the Ground One prior art is showing a transmitter that uses DPSK
23 simply based on this one sentence. Their expert told me that in his
24 deposition, I asked him:
25 "Is this all you're relying on for the disclosure of DPSK in the
26 Ground One prior art?"

1 JUDGE WEINSCHENK: Does it matter how many sentences
2 there are, if there's one sentence that discloses the feature, then why does
3 it matter how many sentences there are?
4 MR. MUEHLHAUSER: Well that's a good point. Does it matter
5 how many sentences there are? But the point is that we're talking about a
6 theory of anticipation and anticipation is a theory of prior invention
7 where a single reference needs to explain to us, and disclose to us, all of
8 the limitations of a patent claim as they're arranged and combined
9 including all of the relationships set forth in the claims.
10 And so yes, there could be a single sentence that is effective in an
11 anticipation argument, but it needs to have linking disclosing language to
12 explain how it is used by other components -- if there are those
13 relationships claimed and there are in the 396 patent claims -- but this
14 lone sentence disclosing DPSK as simply an example of differential
15 keying just isn't connected by any language to any other embodiment,
16 any product, any component, any system at all. It's a disembodied,
17 disconnected disclosure that Patent Owner believes can't be part of an
18 anticipation analysis here.
19 There's nothing that indicates that Bluetooth is using DPSK. In
20 fact if you look at Exhibit 1007, which is the Haartsen paper that's
21 allegedly incorporated by reference in this 892 patent, if you look at the
22 Haartsen paper it's disclosing that Bluetooth is using gaussian frequency
23 shift keying, not DPSK, and there's no basis, no evidence in the record to
24 suggest that somebody of ordinary skill reading this patent and seeing
25 this lone mention of DPSK would understand that somehow it's now

1 connected to Bluetooth and that a transmitter in a Bluetooth system is
2 somehow using DPSK.
3 JUDGE WEINSCHENK: Do we have any evidence in the record
4 one way or the other whether Bluetooth at this time could or did use
5 DPSK?
6 MR. MUEHLHAUSER: I'm not aware of any evidence in the
7 record to that effect.
8 JUDGE WEINSCHENK: Did you have any record or evidence
9 from your expert saying that Bluetooth cannot use DPSK?
10 MR. MUEHLHAUSER: No, I don't believe there's anything like
11 that from our expert, but I would note that whether it could or not really
12 is not pertinent to the test for anticipation. It's got to be disclosed as
13 using DPSK and we don't have that in the record.
14 JUDGE WEINSCHENK: How do you respond to Petitioner's
15 argument that the Haartsen patent says the radio communication systems
16 discussed herein are useful for Bluetooth and then it goes on to discuss a
17 system that could use DPSK?
18 MR. MUEHLHAUSER: Well I would take issue respectfully that
19 there's not a disclosure of a system that could use DPSK. I don't find
20 that anywhere in the record, but I would say that, sure there's a mention
21 that this invention in the '892 patent, which is a small interference
22 suppression circuit, could be used in Bluetooth. It also indicates it could
23 be used in a host of other communication systems. It's not -- but there's
24 no disclosure of any particular component here in the 892 patent actually
25 being used working in a Bluetooth system, working with any of the
26 components identified in the Haartsen paper.

1 JUDGE WEINSCHENK: Is it your position that the system
2 disclosed in the Haartsen patent is limited to frequency shift keying and
3 not phase shift keying?
4 MR. MUEHLHAUSER: Yes. What's disclosed in the Haartsen
5 paper is a collection of characteristics, part of the early Bluetooth system,
6 and it's disclosed as using gaussian frequency shift keying --
7 JUDGE WEINSCHENK: I'm talking, I'm sorry, I'm talking about
8 the patent, not the paper. The patent, is that limited to frequency shift
9 keying also?
10 MR. MUEHLHAUSER: I would say that's the only disclosed
11 modulation scheme, but I would add to that -- it's not simply differential
12 frequency shift keying. The patent goes on at length about how it is
13 making improvements to DFSK and that it's using in its disclosed system
14 a modified version of DFSK that out performs DFSK according to the
15 multiple comparisons to conventional DFSK that we find in the '892
16 patent.
17 Okay. So I'd like to move on, if I might, and talk about the
18 limitation independent CDMA. Sorry, I'm going to go back to the Elmo,
19 if you don't mind. I apologize but I think it's important. As far as
20 disclosure in the Ground One prior art concerning independent CDMA,
21 number one I'll point out that there's nothing in the Ground One prior art
22 that ever references independent CDMA. The word independent never
23 shows up anywhere. There is one single mention of CDMA that shows
24 up in the '892 patent and I want to cover that, and let's look again at the
25 actual disclosure in the Ground One prior art and here we have, it's again
26 really just an exemplary mention of a modulation scheme.

1 JUDGE HORVATH: Before you do that, where does your patent
2 disclose what independent CDMA means?
3 MR. MUEHLHAUSER: I don't think that it's expressly disclosed,
4 but I think if you review the specification of the '396 patent, you find that
5 it's an ad hoc modulation system that's not controlled by any sort of
6 central orthogonality control system for modulation. What it is, it's a
7 system that's designed to have a user pair a receiver with a transmitter
8 using a unique user code and it's self contained and so there's simply no
9 involvement by any kind of a central modulation organizing system.
10 JUDGE HORVATH: But is Bluetooth also an ad hoc system?
11 MR. MUEHLHAUSER: Bluetooth is an ad hoc system.
12 JUDGE HORVATH: Doesn't the Haartsen paper at least talk
13 about -- I might be getting confused here -- but is it the Haartsen paper
14 that mentions having unique user access codes that -- as Petitioner
15 pointed out -- that if a packet is received, it doesn't have the correct
16 access code it's simply ignored?
17 MR. MUEHLHAUSER: I believe that is correct. But I think the
18 important point is that the Haartsen paper, even though it's disclosing
19 early Bluetooth characteristics says nothing about CDMA. What it
20 discloses is the use of TDD which is time division, not code division, and
21 so I was going to get to that but it's an important point here because,
22 again, there's no disclosure of a system or a Bluetooth system that's
23 using CDMA except for the brief mention that I'll get to in the 892
24 patent. And so I think if you look at the Ground One prior art in total,
25 there's nothing suggesting that Bluetooth is using CDMA particularly if
26 I'm looking at the Haartsen paper.

1 JUDGE WEINSCHENK: Hold on one second. If we're looking at
2 the Haartsen patent though, it says,
3 "The exemplary radio communication system discussed herein are
4 useful in systems employing Bluetooth technology, e.g. having operating
5 characteristics such as frequency hop CDMA." So it does connect
6 Bluetooth with CDMA.
7 MR. MUEHLHAUSER: I agree with you. It does connect
8 Bluetooth generally -- some embodiment of Bluetooth, some
9 characteristics of Bluetooth, but certainly not the Bluetooth in the
10 Haartsen paper. It's described several times there as using time division
11 duplex only.
12 JUDGE WEINSCHENK: But if we have a reference to Bluetooth
13 technology using CDMA, and you've acknowledged that Bluetooth is an
14 ad hoc system that has independent codes for different devices, why
15 wouldn't that be an independent CDMA system?
16 MR. MUEHLHAUSER: It could be. It's not expressly disclosed
17 as that though and I would continue on in the disclosure that you're
18 referring to in the '892 patent, and here just for the record, I'm referring
19 to Exhibit 1006, page 0014 and we're in column 4, lines 12 through 21.
20 So here this disclosure in the '892 patent reads as you pointed out the,
21 "Exemplary radio communication systems discussed herein are
22 described as useful in systems employing the Bluetooth technology, e.g.
23 having operating characteristics such as frequency hops, CDMA, low
24 transmit power, et cetera," and it goes on and says, "however those
25 skilled in the art will appreciate that the concepts disclosed herein find
26 use in other protocols and systems including, but not limited to,

1 frequency division multiple access, that's FDMA, time division multiple
2 access TDMA and code division multiple access or some hybrid of any
3 of the above."
4 So when we look at the disclosure in the Haartsen paper which is
5 time division based, we're not seeing connecting language connecting
6 CDMA to the use of Bluetooth disclosed in the Haartsen paper.
7 So let me move to another point. The Board had questions about
8 whether there's evidence of Bluetooth used in frequency hop CDMA. I
9 think I addressed this already and I'll move on quickly, but I do want to
10 point out that Exhibit 1007 doesn't disclose CDMA, it discloses only
11 time division duplex.
12 All right. Let me move on to the Homodyne receiver point and
13 discuss that a little bit, and again I think I'd like to start with the actual
14 disclosure in the '892 patent. Here I'm again looking at Exhibit 1006,
15 again on page 0014, and I'm looking at column 4, lines 54 through 58 it
16 looks like and it reads here,
17 "In figure 3(b) an additional DC step response in the middle of the
18 burst is seen in the composite signal which additional DC step response
19 can be experienced, for example, in Homodyne receivers due to
20 intermodulation in the receive chain."
21 But I think you have another disclosure in the '892 patent of a
22 Homodyne receiver, I think it's at column 2, line 39 through 41, and
23 there it's again referred to as an exemplary source of signal disturbance.
24 Now how does that fit with the disclosure of the '892 patent? The '892
25 patent again is an interference suppression circuit and what the inventor
26 is explaining to us is what kinds of disturbances to signals can this

1 invention address. So he lists several different types of sources of these
2 kinds of disturbances. A Homodyne receiver is mentioned simply as just
3 one of them, no more than that. There's no disclosure of a Homodyne
4 receiver as part of any embodiment, part of any product, as part of any
5 system or component, it's a disconnected isolated mention just for the
6 purpose of an example, and I want to do one more thing.
7 JUDGE MCKONE: Is there anything disclosed that's inconsistent
8 with the Homodyne receiver?
9 MR. MUEHLHAUSER: Well what I can tell you there is that
10 Petitioner's expert agreed with me in his cross-examination testimony
11 that this invention in the '892 patent could work with any kind of
12 receiver. It wasn't limited to a Heterodyne receiver or a Homodyne
13 receiver, it could work with a Heterodyne or a super Heterodyne, really
14 the receiver was unimportant to the operation of the invention.
15 JUDGE MCKONE: Is there anything inconsistent with the
16 Homodyne receiver in the described embodiment of Haartsen?
17 MR. MUEHLHAUSER: Not that I'm aware of. I don't think
18 there's anything in the record to that effect.
19 JUDGE WEINSCHENK: Why does it matter if it can work with
20 other types of receivers so long as we have a disclosure that it can include
21 a Homodyne receiver?
22 MR. MUEHLHAUSER: Well I think it just goes to the argument
23 that a Homodyne receiver can't be looked at as somehow inherently part
24 of the invention because it's not necessary to it.
25 JUDGE WEINSCHENK: But it's expressly disclosed as being in
26 there, so we don't need inherency.

1 MR. MUEHLHAUSER: It's not expressly -- well, there's an
2 express mention of a Homodyne receiver, but there's no express
3 connection, no express linking language connecting it to being used by
4 any type of system and if I could amplify on that point, the passage that I
5 just read referred to figure 3(b). If we look at the description of the
6 drawings and we look at how drawings 3(a), 3(b), 3(c), 3(d) are
7 described, the specification tells us, and I'll just read it,
8 "Figures 3(a) through (d) show various types of disturbed
9 information signals which can be found in communications receivers."
10 More specifically, and then it goes on to describe each of the figure
11 3 items more specifically. But the important point is that what this
12 description of the figures is indicating is it's simply talking about
13 disturbed information signals which can be found in communications
14 receivers. They're just referred to generally. There's no linking
15 disclosure to any embodiment using a Homodyne receiver or any
16 component, or any product, or any part using a Homodyne receiver and I
17 would refer the Board to a case that we cited in Patent Owner's response
18 called Net Moneyin, and in that case -- it's at 545 F.3rd and I would cite
19 you to page 1370 -- where there's a description of the Federal Circuit's
20 Ecolochem case and in that case a figure in a prior art patent was
21 excluded from anticipation analysis specifically because there was no
22 linking language connecting it to any embodiment or system in the
23 patent. So the Federal Circuit found no anticipation because of the
24 failure to disclose all of the limitations as arranged in the claims and no
25 linking disclosure to link that figure to any embodiment. I think it's
26 directly on point.

1 So I'd like to move on to the questions that the Board had about a
2 Viterbi decoder. Patent Owner's position there is that there's no
3 evidence in the record of a Viterbi decoder could in any way decode any
4 DPSK coding so therefore our position is that there's no disclosure of the
5 limitation of a decoder with DPSK functionality. Again, I've already
6 discussed the limitations of the reference to DPSK in the '892 patent. It
7 really is simply a lone mention of a modulation scheme simply to show
8 that differential keying had been in existence in some modulation
9 scheme, no more than that.
10 JUDGE WEINSCHENK: If we put aside your argument for the
11 moment, and I understand you made it, but if we put aside the argument
12 that DPSK is not disclosed as being part of this invention or isn't
13 sufficiently connected to the transmitter, but let's assume that the
14 transmitter uses DPSK. How do you respond to Petitioner's argument
15 that the receiver of course is going to have a DPSK decoder if you have a
16 DPSK encoder; wouldn't that seem inherent?
17 MR. MUEHLHAUSER: I guess I can understand that there could
18 be an inherency argument framed that way, but as One-E-Way, the Patent
19 Owner, looks at the record there's just no evidence of any transmitter
20 that's using DPSK.
21 JUDGE WEINSCHENK: Your argument is more focused on the
22 transmitter side really. If we found that there was a DPSK transmitter
23 connected to a system that's disclosed here then, you know, it would
24 make sense that there would be a DPSK decoder.

1 MR. MUEHLHAUSER: It could make sense but I don't think that
2 the Viterbi decoder could satisfy that type of a decoder which is all that's
3 been pointed to by Petitioner.
4 JUDGE MCKONE: So is there evidence that there's a technical
5 reason a Viterbi decoder would not work for a DPSK?
6 MR. MUEHLHAUSER: Well I believe it's this, that the Viterbi
7 decoder is disclosed as simply one part of the small suppression circuit in
8 the '892 patent. There really are only two components to the entire
9 invention. One is an FIR filter that removes some of the DC offset
10 disturbing signals and the problem with the FIR filter according to the
11 '892 patent is that it introduces intersymbol interference and so the only
12 reason that the invention is using and disclosing a Viterbi decoder is to
13 handle that -- is to suppress that intersymbol interference that's
14 introduced by the FIR filter, and all of this is going on on the receiver
15 side. So there's nothing about any modulation of any kind that this
16 invention is addressing, that the Viterbi decoder is addressing.
17 JUDGE WEINSCHENK: How do you address the portion of the
18 Haartsen patent which is on column 8, about line 35 to 37 it says,
19 "Thus a coefficient of the equalizer or the metrics used in the
20 Viterbi decoder to be determined taking into account the filter
21 coefficients employed in filter 60 to optimize the detection of symbols in
22 the desired signal."
23 Doesn't optimizing the detection of symbols sound like it's
24 decoding the symbols that were encoded?
25 MR. MUEHLHAUSER: Well I think given the context of this
26 patent, I think the detection of symbols -- improving optimization the

1 detection of symbols in the desired signal is simply the result of
2 eliminating or reducing the intersymbol interference and I think you get
3 that looking at the section before that which is talking about the
4 intersymbol interference that's being introduced by the FIR filter.
5 JUDGE WEINSCHENK: So it's your position that the FIR filter
6 that's in the receiver introduces some interference --
7 MR. MUEHLHAUSER: Yes.
8 JUDGE WEINSCHENK: -- and that the Viterbi decoder simply
9 gets rid of that interference but doesn't actually do the decoding of the
10 DPSK?
11 MR. MUEHLHAUSER: That's correct.
12 JUDGE WEINSCHENK: Okay.
13 MR. MUEHLHAUSER: I think I'm going to stop there and turn
14 our presentation over to address the 1638 review, unless there are any
15 further questions for me.
16 JUDGE HORVATH: I just had one further question on the
17 frequency shift hopping of a Bluetooth system. Is there an event where
18 that could be considered a CDMA? You know, you've got to decide
19 beforehand which frequencies that you're going to hop to, and isn't the
20 CDMA aspect of it the selection of, you know, we're going to go from
21 frequency A to B to C to D, back to A, in some sequence. Isn't that a
22 code division multiple access?
23 MR. MUEHLHAUSER: I think in some instances of Bluetooth it
24 could be but the record before us is based on the Haartsen paper and the
25 Bluetooth characteristics disclosed there, and so I think I'll go ahead and

1 put up a pertinent area in Exhibit 1007 at page 0005 to just show what it
2 actually discloses about that very point you're making.
3 JUDGE WEINSCHENK: Mr. Muehlhauser, just so you know
4 you're stepping away from the mike which is going to make it difficult
5 for the remote judges.
6 MR. MUEHLHAUSER: Okay. So here I have put up for display
7 on the Elmo Exhibit 1007, page 0005 looking at the very bottom of the
8 third column in this exhibit, and I'll go ahead and just read the disclosure
9 here. Under the heading Channel Definition, the Haartsen paper states,
10 "Bluetooth channels use a frequency hop time division duplex
11 scheme. The channel is divided into 625 microsecond intervals called
12 slots where a different hop frequency is used for each slot. This gives a
13 nominal hop rate of 1600 hops per second --
14 JUDGE HORVATH: So isn't that --
15 MR. MUEHLHAUSER: I want to just finish the disclosure here,
16 on to the top of the very next page –
17 "per interval per slot. Subsequent slots are alternately used for
18 transmitting and receiving which results in a TDD scheme, a time
19 division scheme."
20 So that's what's disclosed and there's nothing in the Haartsen
21 paper about CDMA at all.
22 JUDGE HORVATH: Well as I'm reading this and feel free to
23 correct me if you think I'm interpreting it incorrectly, each time slot in
24 this TDD system is transmitted on a different frequency and those
25 frequencies have to be selected somehow, and so they're randomly
26 selected based on some code, some digital code that tells you, you know,

1 go to this frequency A first, then go to frequency D and then go to
2 frequency E and then go to frequency B, and then go to frequency G, and
3 every time you hop to a different frequency you're trading essentially one
4 time slot in a TDD system. Is that not the correct way to interpret that
5 definition there?
6 MR. MUEHLHAUSER: As I read this disclosure I'm not sure --
7 the disclosure I just read into the record -- I'm not sure that I can read as
8 much into it as you just described.
9 JUDGE HORVATH: Well isn't the question how one of skill in
10 the art would interpret it?
11 MR. MUEHLHAUSER: I think that's right, and --
12 JUDGE HORVATH: Isn't the evidence in the record as to how
13 either Petitioner's expert or Patent Owner's expert has interpreted this
14 particular passage?
15 MR. MUEHLHAUSER: I'm not aware of that.
16 JUDGE WEINSCHENK: Mr. Muehlhauser, before you sit down I
17 have another question for you. How do you respond to Petitioner's
18 argument regarding the claim limitation that requires making the signals
19 transmitted by other devices inaudible, and they pointed to the disclosure
20 that Bluetooth uses unique codes for each device and then basically any
21 other signal that doesn't have that code is just stripped out so you
22 wouldn't hear it on the headphones. Doesn't that disclose rendering
23 those signals inaudible?
24 MR. MUEHLHAUSER: I don't -- One-E-Way's position is that it
25 does not disclose rendering those signals inaudible and we have, I think,
26 Petitioner's expert in cross-examine admitting that the system disclosed

1 in the Haartsen paper, a system in accordance with those characteristics,
2 would not render inaudible interference signals in the same spectrum.
3 JUDGE WEINSCHENK: Yes. I think what you were talking
4 about with Petitioner's declarant, Mr. Moring, is that just suppressing
5 interference doesn't mean that it makes it inaudible but I think what
6 Petitioner's argument is here we're doing more than simply suppressing
7 interference. We're actually stripping out any signals from other devices.
8 So I think there's more here going on than what you talk about with
9 Petitioner's declarant. Could you address that?
10 MR. MUEHLHAUSER: Well my understanding of the Petition is
11 that the Petitioner is relying on a disclosure of interference being
12 suppressed, the disclosure occurring in the Haartsen paper, and
13 Petitioner's expert agreed with me during his cross-examination
14 testimony that being able to suppress interference is not the same as
15 rendering interfering signals inaudible. Inaudible means can't be heard
16 and that's different from suppressing which just means reducing.
17 JUDGE WEINSCHENK: Okay. One more thing before you sit
18 down. Could you provide us an update on any litigation involving this
19 patent, if there is any. I know there is an ITC case but I'm not sure if this
20 patent was involved in the ITC case. Can you give an update on that for
21 us?
22 MR. MUEHLHAUSER: Sure. This patent is not involved in any
23 litigation including the ITC case.
24 JUDGE WEINSCHENK: Okay. Is the ITC case still going on?
25 MR. MUEHLHAUSER: It is. It is starting up again on remand
26 from the Federal Circuit.

1 JUDGE WEINSCHENK: Okay. Are there related patents in that
2 case?
3 MR. MUEHLHAUSER: Yes, there are.
4 JUDGE WEINSCHENK: Are there any overlapping issues that
5 you know of that may impact this case or that a decision we render in
6 these cases would impact the ITC decision on remand?
7 MR. MUEHLHAUSER: Sure. I think there are overlapping
8 issues. I mean, so number one the claims differ as they must but
9 interpretations concerning the claims and how prior art may read on the
10 claims could potentially have a bearing. I don't think it would be binding
11 but potentially could be considered by the ALJ. I'm not sure that it
12 would, but could be. With respect to the 1638 review that's going on, I
13 think that priority question could apply in the case of the two patents that
14 are before the ITC.
15 JUDGE WEINSCHENK: Is there a priority dispute in the ITC
16 case?
17 MR. MUEHLHAUSER: I think that it's been raised, I think it's a
18 contention.
19 JUDGE WEINSCHENK: Are there patents in that same chain?
20 MR. MUEHLHAUSER: Yes.
21 JUDGE WEINSCHENK: Could you tell us which ones they are, if
22 you know?
23 MR. MUEHLHAUSER: Not sure if I have the patent numbers off
24 the top of my head but if you allow me to switch places here with my
25 colleague to address the other review, I'll come back and let you know.

1 JUDGE WEINSCHENK: That'd be great, thank you. Thank you,
2 Mr. Muehlhauser.
3 MR. MUEHLHAUSER: I might as well go ahead --
4 JUDGE WEINSCHENK: Okay.
5 MR. MUEHLHAUSER: -- make the record here that the two
6 patents that are involved in the ITC matter are U.S. patent 7,865,258 and
7 patent No. 8,131,391. Those are the two patents.
8 MR. LEMEILLEUR: Good afternoon, Your Honors. Payson
9 LeMeilleur of Knobbe Martens on behalf of the Patent Owner. I'll be
10 arguing the 1638 case.
11 I'd like to jump ahead in my presentation because I think Your
12 Honors were aware of some of the arguments that we've made in our
13 response so I want to get right to those. Your Honor had mentioned that
14 the correct time for determining written description is as of the filing date
15 sought, and I believe we made that point in our response and that comes
16 right from the en banc Ariad case, citing the Vas-Cath case, I have that
17 on my screen. Is it correct that the remote judges cannot see what's on
18 the screen right now?
19 JUDGE WEINSCHENK: They can't.
20 JUDGE HORVATH: We do not.
21 JUDGE WEINSCHENK: They're referring to -- so if you give
22 them a slide number they have the presentation.
23 MR. LEMEILLEUR: Okay. I think this is approximately slide
24 No. 7. At the top it's entitled Ariad en banc and Vas-Cath. Okay. The
25 point I'd like to make about this citation as well is Petitioner's cite, the
26 Anascape case, multiple times for the proposition that written description

1 is determined as of the filing date but when you look at the citation to
2 Anascape it actually says the filing date sought and I believe it cites the
3 Ariad case in support of that as well as the Lockwood case, and that's
4 important because I think as Your Honor point out there really is no
5 dispute that the Patent Owner had possession of the inventions in the 396
6 patent as of the filing date sought. That is basically the entire basis for
7 the petition.
8 JUDGE WEINSCHENK: Well let's accept your premise that
9 we're looking at as of the filing date sought, but what do we look at to
10 determine if they were in possession of it. Do we just look at the
11 application that's in front of us or do we look at all the parents as well to
12 determine if they were in possession of it, because my understanding is
13 we look at the application in front of us and see if that written description
14 indicates that they were in possession of the invention?
15 MR. LEMEILLEUR: That's a good question, and it's an
16 important one because we have two different things that are going on
17 here. The first is the establishment of written description support as of
18 the filing date sought and once we have that established, we also must
19 make sure that there's a continuity of disclosure along the chain of
20 applications up to the present application. So we need to do both and in
21 most cases that's really not an issue because the specifications are the
22 same all throughout. But in certain circumstances, the specifications
23 aren't and we have a couple of cases that talk about what the Federal
24 Circuit calls in the Reiffin case "the limited circumstance" and so we're
25 going to look at that next, and that's why we think the Reiffin case is so
26 on point here. And I think what's important to do is to go back and look

1 at the Board's decision underpinning the Federal Circuit's decision in
2 Reiffin.
3 Petitioner doesn't even talk about this case but I think it's very
4 instructive and what it does is it will inform our understanding of what
5 the Federal Circuit is talking about in Reiffin when they discuss the
6 Litton case and when they discuss the ability to add subject matter to a
7 continuing application from a parent application. So I don't have the
8 Reiffin case on a slide and I apologize if the remote judges don't have
9 those cases in front of them, but what I'd like to do is go to -- this Ex
10 parte Reiffin and I'm looking here at first to start off at page star 62 --
11 JUDGE WEINSCHENK: You're talking now about the Board
12 decision that was on appeal to the Federal Circuit in the Reiffin case that
13 you have on your slide?
14 MR. LEMEILLEUR: That is correct.
15 JUDGE WEINSCHENK: Okay.
16 MR. LEMEILLEUR: Okay. And we've cited this in our papers.
17 So on star 62 there's a heading Principles of Law and the Reiffin Board
18 starts out by saying that in order to gain the benefit of a filing date of an
19 earlier application under Section 120 each application in the chain
20 leading back to the earlier application must comply with the written
21 description requirement. They're talking there about the continuity of
22 disclosure. They cite Lockwood for that proposition. They cite Hogan
23 and Schneider. They end that paragraph by saying that is there may be a
24 break in disclosure of continuing applications. They clearly understand
25 what it means and what the rule relies on how to treat a continuing, I'm
26 sorry, the continuity of disclosure.

1 The next paragraph goes on to talk about how Section 120 does not
2 substitute for disclosure and what do they cite there? They cite In re
3 DeSeversky which we heard from counsel during his arguments, and they
4 quote at length Dart and they end the lengthy quote on Dart by saying
5 Section 120 cannot limit the absolute and express prohibition against new
6 matter contained in Section 251.
7 So we know the Reiffin Board clearly had the slot in mind. This
8 first Principles of Law section is almost written like Petitioner's brief. So
9 we know the Board clearly understood what the law was and now on
10 page star 65 there's a heading called Analysis and we're going to see
11 what the Board decided, and just to remind Your Honors what was going
12 on in that case, the applicant was trying to add, on reexamination, subject
13 matter in a 1994 application that it had included in the 1990 application
14 but removed in the '94 application. Essentially the same thing we have
15 going on here except it's not a reexamination situation.
16 The key statement is in the second paragraph under the heading
17 Analysis, and I'll put that on the screen. It's actually on the screen, so
18 again this is star 65.
19 "Patent Owner could have amended the 1994 application while it
20 was pending to incorporate subject matter from the 1990 application.
21 However, by allowing the 1994 application to issue as the 604 patent
22 without the natural language subject matter, Patent Owner created a break
23 in the chain of disclosures which cannot be cured by amendment."
24 So again, Patent Owner could have amended the 1994 application
25 while it was pending. Says nothing about filing, makes clear that while it

1 was pending the Patent Owner could have amended to incorporate the
2 subject matter from the parent.
3 JUDGE MCKONE: This is all dicta and this is clearly dicta. It's
4 not necessary for the whole -- then the entity at the time didn't amend the
5 application and it was after the time period anyway. So I don't see how
6 any of this is relevant to us.
7 MR. LEMEILLEUR: Well we're going to get to that when we see
8 what the Federal Circuit has to say about this analysis. I think that's
9 instructive, and so just to continue on. The Board addresses an argument
10 from Reiffin about the Litton case and what does the Board say about
11 Litton? They say Litton refers to,
12 "Adding subject matter to a pending application, emphasis
13 original, not an issued patent as in this case. Once the patent issues, the
14 record is fixed and new matter may not be added."
15 Again, this is not about when the patent is filed, it's about a
16 pending application.
17 JUDGE WEINSCHENK: But Litton doesn't actually say that you
18 can add matter from a parent any time you want during prosecution.
19 That's not in Litton, is it?
20 MR. LEMEILLEUR: Well let's look at what Litton says. That is -
21 - okay. It was quoted in the Institution decision at 10–11. The Federal
22 Circuit has noted that -- here's the quote from Litton,
23 "If matter added through amendment to an CIP application is
24 deemed inherent in whatever the original application discloses, however
25 that matter is also entitled to the filing date of the original parent
26 application."

1 It's talking about adding through an amendment. It doesn't say if
2 matter added at the filing of CIP application.
3 JUDGE WEINSCHENK: But isn't this just for the general
4 proposition that if you amend your claims or the spec to include
5 something that was inherent, then it gets the same filing date. In Litton,
6 as I understand, you had a parent, then you filed a CON , they were the
7 same, there wasn't stuff that was omitted from it like there was in this
8 case, and then they added stuff to that and it became a CIP. Whether if
9 that was not inherent, then it was entitled to a later filing date. If it was
10 inherent, then it got the same filing date. So that's not really the situation
11 we have here where you filed a CIP that deleted stuff from the parent.
12 MR. LEMEILLEUR: To go back to your earlier comment, I think
13 the same principle applies. Whether or not we're dealing with a typical
14 situation where you're adding subject matter to an application that is
15 inherent of -- the same principle applies when you're adding it to a later
16 continuation application and that becomes important because it's not new
17 matter. You're not introducing new matter. You've already established
18 possession of the invention as of the filing date sought. So that's why it's
19 important.
20 And let's take a look at what the Federal Circuit said about the
21 Board's analysis. Now moving on to the --
22 JUDGE MCKONE: Before we do that though, it's your position
23 that -- well the facts of this case show that there was a break in the
24 priority chain and it's your position that that could be corrected through
25 amendment. What was at the time the proper procedure under the Patent

1 Office rules for correcting the incorporation by reference through an
2 amendment?
3 MR. LEMEILLEUR: I believe it was the procedure that was
4 actually used. I think that's why the examiners had no issue with subject
5 matter that was included from the parent application. The examiners
6 were very vigilant. They were rejecting a lot of matter that wasn't found
7 in the parent, but when it was found in the parent they allowed the
8 amendment.
9 JUDGE MCKONE: I read the record and I didn't see any
10 reasoning given by the examiner as to why the amendment to the
11 incorporation by reference was accepted. What procedure should the
12 examiner have followed and what is your support for that? Are there
13 rules, you know, rules at the time that he should have used?
14 MR. LEMEILLEUR: We're not aware of any particular rules
15 other than the rule that I'm describing, that is subject matter that is from a
16 parent application is not new matter and can therefore be incorporated.
17 JUDGE MCKONE: So you say that's a rule. I mean I'll use the
18 word regulations, something from the CFR. We often call those the rules
19 that would govern the examiner. Are there any rules you would like to
20 cite to that would have been on point for amending the specification to
21 fix the incorporation by reference problem?
22 MR. LEMEILLEUR: I don't recall the rule number at this time.
23 We can obviously find out what that might have been but I don't think
24 that that's controlling. I think what's controlling again here is the
25 principle that's articulated by the Board's decision in Reiffin and to what
26 was endorsed by (indiscernible.)

1 JUDGE MCKONE: But if I assume that the applicant could have
2 made such an amendment and the examiner could have accepted it, that
3 still doesn't tell me that the examiner should have accepted it. That's
4 why I'm asking you, what is the correct procedure that should have been
5 followed so that I can look at what happened in the file history to see if
6 that was followed?
7 MR. LEMEILLEUR: Well I think that we would dispute that there
8 wasn't a correct procedure followed. But, again, the only rule that comes
9 to mind is Section 132 itself that says no new matter can be added. This
10 was not new matter. The applicant showed possession of the subject
11 matter as of the filing date sought. It was not new matter to the
12 continuation application.
13 JUDGE WEINSCHENK: So I think my colleague raised this to
14 Petitioner that there's a regulation in place as of 2004 that says that if you
15 have a proper priority claim that may count as an incorporation by
16 reference of any material that was inadvertently omitted. Doesn't the fact
17 that we have that rule allowing you to use it as an incorporation by
18 reference of inadvertently omitted material suggest that you couldn't just
19 do it at any time?
20 MR. LEMEILLEUR: I'm not aware of that, I don't know. We
21 haven't looked at that. That wasn't briefed. But, again, I think what the
22 driving principle here is exactly what the Federal Circuit has told us is
23 the proper procedure and that is the ability to amend a pending
24 application to include subject matter from a parent.

1 JUDGE WEINSCHENK: Okay. So you've not made any
2 argument that there was an inadvertent omission here or anything like
3 that?
4 MR. LEMEILLEUR: We have not.
5 JUDGE WEINSCHENK: Okay.
6 MR. LEMEILLEUR: Okay. So again I would just like to look at
7 how the Federal Circuit in a unanimous decision authored by Judge
8 Bryson how they treated the Board's analysis, and I'm moving on to a
9 slide that is titled In re Reiffin and it has the Judges Bryson, Mayer and
10 Prost at the top.
11 JUDGE WEINSCHENK: Are we bound by non-precedential
12 decisions of the Federal Circuit?
13 MR. LEMEILLEUR: I don't believe that you are, but before I go
14 I'm hopefully going to leave you with a note that that might be worth
15 considering. But let's spend some time and look at what the Federal
16 Circuit has actually said here about the Board's analysis because, again,
17 what the Board was talking about, whether you want to call it dicta or
18 not, the Board addressed the exact situation that we're dealing with here.
19 So let's see what the Federal Circuit has said.
20 The first quote there says, and this comes from star 7 of the In re
21 Reiffin decision,
22 "The Board explained that where there is a continuous chain of
23 copending applications, matter from an earlier application can be added
24 through amendment to a continuation in part application," and that is the
25 exact quote that I just read for you from the Board's decision.
26 The Federal Circuit goes on,

1 "And for priority purposes, that matter will be entitled to the filing
2 date of the parent application from which the added matter was derived,"
3 quoting Litton at 1438.
4 The Federal Circuit goes on to reiterate what the Board did, and
5 my next quote also from star 7,
6 "The Board added that by allowing the 1994 patent to issue as the
7 '604 patent without the natural language subject matter, Patent Owner
8 created a break in the chain of disclosures which cannot be cured by
9 amendment."
10 With respect to the rule in Litton on which Reiffin relies, the Board
11 stated that,
12 "Litton refers to adding subject matter to a pending application,"
13 not an application as filed, "not as issued patent as in this case. Once the
14 patent issues, the record is fixed and new matter may not be added."
15 Again, once the patent issues, not once it's filed, but once it's
16 issued the record is fixed and new matter may not be added. And what
17 did the Federal Circuit conclude about that analysis? At star 7 they say,
18 "We find the Board's reasoning sound."
19 The Federal Circuit went on then to state in its own words the
20 same principles and that's where we get the quote from the Institution
21 decision that's been talked about.
22 "In a continuation in part application, an applicant is free to add
23 matter from earlier related applications in a chain of copending
24 applications in order to reap the benefit of the full scope of the inventions
25 disclosed in the applicant's earlier disclosure. Once the patent issues,

1 however, the scope of the patentee's freedom to modify the patent,
2 whether through reexamination or reissue, is limited."
3 So here the Federal Circuit has reiterated in its words the same
4 principle we see, that the time for determining the continuity of
5 disclosure -- because that's what was at issue in the Board decision in
6 Reiffin -- the time for determining the continuity of disclosure is when
7 the patent issues. Why? Because we're building a record. A record of
8 the exchange between the patentee and the Patent Office and this isn't a
9 written description priority issue where you're concerned about what
10 possession you had of the subject matter as of the filing date sought.
11 This is a disclosure situation. What are you telling the public as far as
12 notice of what subject matter you're seeking, and that's based on the
13 entire record of the exchange between the patentee and the examiner and
14 it's concluded when the patent issues.
15 JUDGE MCKONE: Now the Reiffin case, is that your best case
16 for your position?
17 MR. LEMEILLEUR: It is, but we have other cases.
18 JUDGE MCKONE: It is? But in order to rule in your favor we
19 would have to find that Reiffin is controlling and binding on this issue?
20 MR. LEMEILLEUR: I don't think that you'd have to find it
21 controlling or binding, but it's certainly telling you how the Federal
22 Circuit sees this issue.
23 JUDGE MCKONE: Well it's telling us how one panel might have
24 seen this issue if the issue had come before it.
25 MR. LEMEILLEUR: Okay. Well let's look.

1 JUDGE MCKONE: That's my concern with dicta here, especially
2 in a non-precedential opinion is it's giving hints or clues as how a panel
3 would react in a different set of facts, to the facts that they were
4 considering or if it had been briefed to them.
5 MR. LEMEILLEUR: Okay. Well first I'd like to point out that
6 the Federal Circuit is weighing in on the precedential Litton opinion and
7 it's interpreting that opinion and that statement as applying to post-filing
8 amendments, that's based on what it said about the Board's analysis of
9 that Litton quote, so that's something to keep in mind. And then there's -
10 -
11 JUDGE MCKONE: Was Litton factually similar to our case?
12 MR. LEMEILLEUR: Not exactly, but there was a --
13 JUDGE MCKONE: In fact it was quite different, wasn't it?
14 MR. LEMEILLEUR: Well it depends. But it's still -- the Federal
15 Circuit still announced what you're able to do post-filing with regard to
16 subject matter added from a parent application and that's guidance that I
17 don't think we can overlook, especially when a unanimous panel of the
18 Federal Circuit has weighed in and found the Board's reasoning sound
19 about the ability to do that.
20 It also makes clear that we're not having new matter and that's
21 why we're not in violation of the new matter rule. So I think Petitioner
22 made an argument about it doesn't explain why it's not violating new
23 matter. Yes, the Federal Circuit exactly explained why it's not new
24 matter. The Applicant has shown possession of the subject matter in his
25 parent application, and I'd also point out that we do have some other
26 precedential opinions that we believe fortify this conclusion. We

1 mention Dart in our brief and, again, the Dart case -- the Federal Circuit
2 in Reiffin also talked about the Dart case.
3 JUDGE WEINSCHENK: But doesn't the Dart case say continuity
4 was lost however when the parent was filed without that statement and
5 without any other legally adequate disclosure or incorporation of the
6 feature?
7 MR. LEMEILLEUR: It does.
8 JUDGE WEINSCHENK: But doesn't Dart indicate that we judge
9 it as of the filing date?
10 MR. LEMEILLEUR: But that's not the only thing Dart says. Dart
11 goes on to say that when the application issued, the failure to maintain
12 continuity became uncorrectable.
13 JUDGE WEINSCHENK; What does that mean?
14 JUDGE MCKONE: But --
15 MR. LEMEILLEUR: That means that – I apologize, go ahead.
16 JUDGE MCKONE: No, go ahead, please.
17 MR. LEMEILLEUR: It means that the touchstone for when you
18 can add new matter or correct whatever issue you think you have is when
19 the patent issues. You're creating a record through the examination
20 process and that's what the Federal Circuit is telling us here. When the
21 application issued, not when it filed. So, yes, Dart does say that early on
22 but then it -- I think Petitioner referred to it as a cryptic comment -- it's
23 not cryptic. It's perfectly understandable and the Federal Circuit has so
24 interpreted it here in Reiffin.
25 JUDGE MCKONE: But it's also purely dicta, isn't it because
26 that's not the facts that that case had?

1 MR. LEMEILLEUR: That's true. But, again, it's guidance and
2 it's guidance that's consistent with how the unanimous panel of the
3 Federal Circuit has interpreted this issue and since we've talked about
4 dicta a lot, I'd like to turn to the Ariad decision. Again, this was an en
5 banc decision if you recall, and the issue in Ariad was whether or not the
6 written description requirement was separate from the enablement
7 requirement, if you recall.
8 And so the Federal Circuit on about page 1346, and then I'm going
9 to focus on 1347, was setting forth some of the precedent and prior cases
10 that have discussed the written description requirement and the Festo
11 case had recently issued from the Supreme Court, and so the Federal
12 Circuit talked about something that the Supreme Court said in Festo and
13 at the top of 1347 they have a big paragraph there about what the
14 Supreme Court said kind of disambiguating written description from
15 enablement, and then they said this as an en banc court,
16 "As a subordinate Federal Court, we may not so easily dismiss
17 such statements as dicta but are bound to follow them."
18 Now I think that doesn't mean that you have to follow dicta here,
19 but I think it demonstrates a potential pitfall when the Federal Circuit has
20 looked at -- this wasn't an issue that the Board dealt with in passing. The
21 Board laid out the law, it understood the law of new matter, it understood
22 the law of continuity of disclosure which is what that basically was about
23 in that section. It set forth it in detailed analysis and the Federal Circuit
24 took up that analysis almost line by line and found the reasoning sound,
25 and that's the guidance that the Federal Circuit has given us here and
26 we're not saying this is an exception. I think Petitioner keeps saying

1 we're trying to make this an exception. It's not an exception. We have a
2 situation here where we've shown possession of our invention going back
3 to the 2001 filing date and we have continuity of disclosure because we
4 have not added new matter to the subsequent application. It's the matter
5 that we demonstrated in the original filing and the multiple examiners,
6 again, were very vigilant throughout the prosecution of that application to
7 reject matter that it did not find in the original application, but to allow
8 matter that it did find in the original application.
9 Unless there's any other questions, there's one more point I'd like
10 to make. We heard from Petitioner that there allegedly might not be
11 disclosure of packets in the 2001 application. This was an argument that
12 we saw for the first time in a footnote in their reply so we haven't had the
13 chance to address it. But we would note that that's -- I think as they
14 admitted -- that's not their basis for the petition. The petition is based on
15 a reference, it's not based on written description support.
16 But, as their own expert has admitted, and I'll quote "the attributes
17 of packet communication" are explicitly found in the 196 publication and
18 that's -- you can find that in Petitioner's reply at 22 citing their expert
19 Moring, paragraphs 52 to 59, and so Petitioner's own expert
20 demonstrates that the use of packets are inherent at a minimum in our
21 2001 application.
22 And, again, let's not forget that there was no issue with packets in
23 any of the subsequent claims that were added. There was no new matter
24 issue with that, and I think even counsel in the beginning of their
25 presentation when he talked about what matter was left out of the 2003

1 application. If you go back and look, he didn't mention packets. Lastly,
2 obviously if the panel needs briefing on this, we're happy to do it.
3 JUDGE WEINSCHENK: The focus of your argument has been on
4 whether the '196 publication is prior art or not. Let's say we disagree
5 with you and found that it was prior art, there's no dispute about whether
6 it discloses all the limitations of the challenged claims, correct?
7 MR. LEMEILLEUR: We did not dispute that on the papers.
8 JUDGE WEINSCHENK: Okay. The other question I had for you
9 is I think there's some indication in the MPEP about whether an
10 incorporation by reference statement added after a filing date is proper or
11 not. I understand that the MPEP is not controlling law, it's not binding
12 on us, but why shouldn't we give that some weight if that's what guides
13 the examiners during prosecution?
14 MR. LEMEILLEUR: Well so the MPEP cite I think you're
15 referring to was at 201.06(c)(4). That is simply I think a standard new
16 matter prohibition. We don't disagree with that. But as the Federal
17 Circuit says at In re Reiffin star 8, and I'm moving to the slide that has
18 the MPEP section on it. Again, we're not violating that MPEP section.
19 Here the Federal Circuit says at star 8 in In re Reiffin,
20 "It is true that the statutory prohibition against introducing new
21 matter under Section 132 does not apply in the limited circumstances,"
22 that's what we have here, limited circumstances, "in which the
23 application incorporates material from an earlier application in the chain
24 of copending applications."
25 And we know from Reiffin and looking at the Board decision,
26 we're talking about post-filing amendments here. That's the context of

1 this statement, and again you can see the MPEP section there as what's
2 citing Section 132, that's basically what it says. We don't disagree with
3 that.
4 JUDGE WEINSCHENK: So you're saying that that section of the
5 MPEP just doesn't apply in the circumstance, wasn't referring to the
6 circumstance where you're adding the incorporation by reference to a
7 parent in the chain of continuity?
8 MR. LEMEILLEUR: That's correct.
9 JUDGE WEINSCHENK: Mr. Qualey, just so you know, you have
10 19 minutes for your rebuttal.
11 MR. QUALEY: Thank you. I guess perhaps I'll start and address
12 the 1638, some issues there quickly.
13 First the Ariad case which counsel has referred to a number of
14 times, It's important to note that as he said, the Ariad case involves an en
15 banc decision trying to determine whether there's a separate enablement
16 requirement, separate from the written description requirement in the
17 statute. The Ariad case doesn't address our facts obviously and in that
18 case, what had happened was a jury had already selected essentially a
19 priority date and the only question was whether the application that they
20 had selected supported the claims under the -- that's where the written
21 description and enablement dispute came up.
22 So it's not an issue of there was a break in the chain. It's not an
23 issue that there was omitted material that they were adding. It's simply
24 not addressing our facts. The Federal Circuit was concerned with the
25 dichotomy between written description and enablement.

1 Now moving on to the Reiffin case. As Your Honors noted, it
2 relies heavily on the Litton case and the facts of the Litton case are very
3 different than ours because there a couple of things going on there. One,
4 the entire disclosure from the parent was included in what was originally
5 filed as a continuation child application. So there was no issue of omitted
6 material. The issue became whether additional, essentially entirely new
7 text which had never appeared in the parent, whether that was new matter
8 to the patent application and eventually the further -- sort of confusing
9 the decision, the applicant admitted that that was new matter and then
10 essentially changed their continuation application into a continuation in
11 part application.
12 So there's a number of different facts in Litton which cause it to be
13 not congruent with our case and also quite frankly the decision is
14 somewhat confusing given the way the court eventually came out. But
15 the final holding was that the patentee had conceded they'd added new
16 matter. So the remarks from Litton there relied on the Rieffen case, are
17 dicta.
18 And then coming back to the Reiffin case, I think it's important to
19 note that the Reiffin case also is the court was reviewing the material in a
20 different context than here because in the Reiffin case, what happened
21 was you had a parent application and a child application was filed which
22 omitted material from the parent. But then the two patent applications
23 proceeded in parallel and actually issued on the same day as consecutive
24 patent numbers and so in that respect it's understandable that the patentee
25 could have done something during prosecution to fix the problem
26 because the parent application was still pending. So, in essence, they

1 could have filed a new application containing all of the parent's
2 disclosure at any time right up until the day both the child and parent
3 issued together.
4 Another item on the 1638 case, I think it's important to note that
5 the decisions that Patent Owner is relying on here; we have Reiffin non-
6 precedential and they're relying on dicta; Litton relying on dicta but
7 different facts; the Harari case which we haven't discussed today
8 involves the clarity of an incorporation by reference statement, not
9 whether an incorporation by reference statement could be added; the GE
10 v. Wabash case is a regional circuit, so it's not precedential. It's from
11 1938 so it predates the Patent Act and the language of Section 132; the
12 Dart Industries case, again is a regional circuit out of the D.C. circuit so
13 it's not precedent and the remark about the problem becoming
14 uncorrectable is dicta; the Hanft and O'Hara cases are both District Court
15 decisions with different facts; and the Huang and Choo case are routine
16 decisions of this Board with different facts.
17 JUDGE MCKONE: Can you remind me what is your best case
18 that's in your favor?
19 MR. QUALEY: I think our best case is probably the DeSeversky
20 case, saying that the priority claims are not incorporations by reference.
21 And then coming back finally to the MPEP section, the fact that the
22 MPEP says that these incorporation by references are not allowed after
23 filing, while yes, it isn't controlling law but it's interesting that if the
24 examiner had been considering this issue when he allowed the
25 incorporation by reference to be added, why didn't he explain why he
26 was deviating from the guidance of the MPEP.

1 Now if I can move to the 1639. Okay. I'll try and address some of
2 the questions that you had. I'm afraid I may not be addressing them in
3 the order that we sort of talked through them before.
4 JUDGE WEINSCHENK: That's fine.
5 MR. QUALEY: The transmit receive symmetry issue regarding
6 differential phase shift keying. If you refer to our expert's declaration in
7 the 1639 case, it's Exhibit 1013. He addresses this issue at paragraphs 54
8 and 55 of his declaration, particularly talks about how successful
9 communication with DPSK signal necessitates a DPSK capability at both
10 and transmitter and receiver. Transmission of a code implies reception of
11 that same code and modulation implies demodulation. So he does
12 address that. If you have a transmitter you obviously have to have the
13 corresponding decoder.
14 JUDGE WEINSCHENK: So I have a question for you on this.
15 You're relying on DPSK for the encoder limitation of the claims, but
16 then it sounded like you were relying on features of FSK for some of the
17 later limitations, for example, I think when we talked about the signals
18 from other transmitters being inaudible you talked about some features of
19 frequency shift keying being relevant to whether they're audible or
20 inaudible. Aren't we being inconsistent within the claim then if we're
21 using some features in DPSK for certain limitations and features of FSK
22 for other limitations?
23 MR. QUALEY: Well I think what we're referring to is the use of
24 frequency hopping for the inaudibility limitation.
25 JUDGE WEINSCHENK: Okay.

1 MR. QUALEY: Right. That frequency hopping is different from
2 frequency shift keying.
3 JUDGE WEINSCHENK: Okay. Can we use frequency hopping
4 with DPSK?
5 MR. QUALEY: Yes.
6 JUDGE WEINSCHENK: How do we know that?
7 MR. QUALEY: Well it's discussed in -- the 892 patent says you
8 can use differential keying and the reference is differential phase shift
9 keying in particular.
10 JUDGE WEINSCHENK: Okay.
11 MR. QUALEY: Because the frequency hopping is what frequency
12 you're transmitting on, whereas the DPSK is the modulation that occurs
13 on that frequency.
14 JUDGE WEINSCHENK: Okay.
15 MR. QUALEY: Now going to your question about the Homodyne
16 or direct conversion receiver being the front end of the receiving so that it
17 is where the packets are initially captured before they're processed. So in
18 our expert's declaration, again Exhibit 1013 to the 1639 IPR, he
19 discusses how Homodyne and Heterodyne receivers work and explains
20 how they are what captures the signal coming off of the antenna, that
21 basically the first stage when you capture the signal coming off the
22 antenna and then you have to modulate it, move it from the frequency at
23 which it's received down to what's called the baseband frequency which
24 is where all the other processing occurs.
25 Now turning to the issue about CDMA independent operation. So
26 in the claim chart attached to our petition at page -- well I guess it's part

1 of the petition, not attached to the petition -- page 44 referring to the
2 digital modulator limitation configured for independent code division
3 multiple access. The very first citation there is,
4 "Bluetooth is a system for providing local wireless connectivity
5 between portable devices. It is particular suitable for ad hoc
6 networking."
7 Now moving to the argument that Patent Owner was making about
8 frequency hopping not being CDMA and instead referring to it as TDD.
9 So again going back -- I don't believe that this is an argument that they
10 raised in their papers and I don't believe it's an argument that their expert
11 opined on, but our expert did. Again in Exhibit 1013 to the 1639 IPR at
12 paragraph 48, our expert particularly discusses frequency hopping being
13 code division multiple access and cites to a couple of different things in
14 both the Haartsen and the '892 Haartsen patent including the citation
15 where the '892 patent explicitly says that Bluetooth technology, for
16 example having operating characteristics such as frequency hop CDMA.
17 And now the TDD that is referred to is not a multiple access
18 technology, it's a duplex technology. It's time division duplex. It is
19 what allows for the Bluetooth system to send communications in each
20 direction so they're alternating the time on the channel between the
21 receiver, between the device at one end and the device at the other end so
22 that each has a chance to transmit data back and forth. So that is
23 compatible with the frequency hopping CDMA, it's not something that's
24 separate. And I also note that that discussion of TDD is included in the
25 1998 paper in pages 112 and 113 of that paper it talks about how TDD is
26 used for that duplex alternate transmitted receive operation.

1 And I'll also note that in the ITC case which obviously has
2 different patents and different claims, but there is the commonality of the
3 CDMA limitation. Exhibit 1015 at page 18 and 19, the Patent Owner in
4 that case is saying that Bluetooth does use frequency hopping CDMA.
5 Let me go now to the question about inaudibility, and our expert's
6 testimony. In fact I think his testimony has been abbreviated in terms of
7 what it discloses. He actually -- in Exhibit 2006, so it's exhibit submitted
8 by Patent Owner to the 1639 IPR at page 50. There's a discussion from
9 page 50 going over on to page 51 regarding this very issue. Bear with me
10 for just a moment. So there's a citation starting at I believe it's line 5 on
11 page 15 in Patent Owner's material saying,
12 "As we consider the Haartsen paper, it never discusses even the
13 notion of interfering signals resulting in inaudible sounds, right?"
14 And our expert said,
15 "It does not describe anything in those words, correct."
16 But then the transcript goes on and our expert is asked,
17 "And the Haartsen paper never describes how to prevent
18 interfering signals from resulting in inaudible sounds, correct?"
19 Our expert, Mr. Moring, said,
20 "No, that's not correct."
21 Then he goes on to describe over the next page or two about how
22 the system uses two methods to achieve making the interfering signals
23 inaudible, the two we discussed previously -- frequency hopping and the
24 unique access code. So I think to suggest that he agreed that the
25 interference would not be inaudible is not correct.

1 JUDGE WEINSCHENK: I forget. Did you point us in your
2 original argument where this position about the codes, use of the codes
3 rendering the interference inaudible, was in your petition? And the
4 reason I ask is I'm looking at page 27 of your petition which addresses
5 that limitation, I didn't see anything about codes. It talks about can be
6 avoided using an adaptive scheme that finds unused parts of a spectrum.
7 I'm not sure that's what you're referring to.
8 MR. QUALEY: Correct. That's the frequency hopping part. Yes,
9 it's in the claim chart at page 52 of the petition.
10 JUDGE WEINSCHENK: Okay.
11 MR. QUALEY: There's the discussion of the 72 bit access code.
12 It's the second citation there and it goes over on to page 53.
13 JUDGE WEINSCHENK: I have one more question for you about
14 the decoder limitation too. How do you respond to Patent Owner's
15 argument that the Viterbi decoder that you're relying on really just
16 eliminates interference from a filter in the receiver and doesn't decode
17 the encoding from the transmitter?
18 MR. QUALEY: Well again, as we discussed before, there's the
19 inherent transmit and receive symmetry. Anything that's being
20 transmitted on the transmitter side that's been coded has to be decoded on
21 the receiver side.
22 JUDGE WEINSCHENK: Is that an argument you made in your
23 petition because I'm looking at page 26 of your petition, for example, and
24 I didn't see anything about inherency there? So if you can point me to
25 somewhere else in your petition, it looked to me like you were relying on

1 an express disclosure of the Viterbi decoder on page 26. I didn't see
2 anything about inherency.
3 MR. QUALEY: Right. There's a decoder present that's applied in
4 the Viterbi argument, but then we also discuss how there's DPSK
5 encoding on the transmitter side and that's why it has to be also on the
6 receiver side.
7 JUDGE WEINSCHENK: Is there anything else I should be
8 looking at other than page 26 here?
9 MR. QUALEY: Well I think I pointed you before to the expert's
10 discussion about the transmit receive symmetry, so I think you should be
11 looking at that and that's in Exhibit 1013, 54 to 57.
12 JUDGE WEINSCHENK: You said 1013, 54 to 57?
13 MR. QUALEY: Yes. And if I can turn to one final point. I'm not
14 sure, just for clarity, there's been some discussion about how the '892
15 patent and the 1998 Haartsen paper go together and I think it needs to be
16 clear that '892 patent is describing improvements to the Bluetooth in the
17 1998 paper. So the fact that there might be things in the 1998 paper that
18 are not the same as in the '892 patent is understandable because what Mr.
19 Haartsen was saying was I can improve what's in that Bluetooth system
20 with these other features including DPSK to address the signal detection
21 errors.
22 I don't think I have anything else, unless you have any questions.
23 JUDGE WEINSCHENK: Nothing from me. Any questions from
24 you, Judge McKone?
25 JUDGE MCKONE: Nothing further for me. Thank you very
26 much.

1 JUDGE WEINSCHENK: Okay. Anything from you, Judge
2 Horvath?
3 JUDGE HORVATH: Nothing from me. Thank you.
4 JUDGE WEINSCHENK: Okay. Mr. Qualey, are there any other
5 issues we should discuss while we're here related to any of these cases?
6 Talking procedurally or anything like that?
7 MR. QUALEY: No, not that I'm aware of, no.
8 JUDGE WEINSCHENK: Okay. Mr. Muehlhauser, is there
9 anything from Patent Owner that we should discuss?
10 MR. MUEHLHAUSER: Not that I'm aware of either.
11 JUDGE WEINSCHENK: Okay. All right, great. Thank you all.
12 We appreciate all of your time today, your preparation and your
13 arguments are very helpful to us. We will take the cases under
14 advisement, and we are adjourned.
15 (Whereupon, 3:02 p.m., these proceedings were concluded.)

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