Paper No._____

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

XILINX, INC, Petitioner

v.

Patent of INTELLECTUAL VENTURES MANAGEMENT, LLC, Patent Owner.

Inter Partes Review No. IPR2013-00112 Patent No. 5,779,334

XILINX REPLY BRIEF IN SUPPORT OF PETITION FOR *INTER PARTES* REVIEW OF U.S. 5,779,334

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I. Introduction

The evidence in this trial establishes that claims 1-6 and 11-14 of the '334 patent are obvious. Xilinx's Petition explains how all of the elements of the '334 patent are taught in two prior art references, Takanashi and Lee, and why it would have been obvious to a person or ordinary skill in the art to combine these references to arrive at the claimed invention. As explained below, the record generated since Xilinx filed its Petition—in particular, the testimony of IV's expert—confirms that the claims are invalid.

IV's Response identifies three purported distinctions between the claims of the '334 patent and the asserted prior art references—Takanashi and Lee. None of these purported distinctions have merit.

IV first argues that Takanashi does not teach a "light-shutter *matrix*" because it uses "continuous" elements instead of "matrix" elements. This is not a proper distinction, however, because all liquid crystal displays, including the ones in Takanashi and the '334 patent use "continuous" liquid crystal elements, as even IV's expert admits (XLNX-1014 (Smith-Gillespie) at 174:4-11 ("Q Is the liquid crystal layer in the '334 and the '545 patents a continuous layer? A Yes, it is.")

Next, IV argues that the Board should uphold the validity of the '334 patent because the Petition mistakenly identified item 19 in the Lee reference as a "video controller." This is also not a valid reason to uphold the '334 patent. As IV's expert admits, "any real video projection system in 1996 would have had a video controller." (XLNX-1014 at 206:8-11.) Moreover, IV's argument willfully ignores the fact that items 20 and/or 21 of Lee are, indisputably, video controllers under either the Board's construction or IV's proposed construction.

Finally, IV argues that Takanashi does not have "equivalent" switching matrices because Takashi uses color-specific (red, green, blue) components. This is also not a valid distinction. As the Board noted in its Initial Decision, Takanashi uses equivalent components because they "correspond to each other and, apart from allowing different colors of light (red, green, or blue) to pass through, appear to function in the same manner." (XLNX-1012 at ¶ 32.) The same is true of the color filters in the '334 patent, each of which are color-specific because they operate on a different color, but are nevertheless equivalent.

Because IV's arguments for upholding the validity of the '334 patent all fail, and because the remaining claim elements are indisputably taught by the prior art submitted in Xilinx's Petition, the Board should find the challenged claims of the '334 patent invalid.

II. Disputed Issues of Fact

The following factual issues are disputed:

- 1. Does Takanashi disclose a light-shutter matrix system?
- 2. Does the combination of Takanashi and Lee disclose a video controller?

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- 3. If not, would the video controller element nevertheless have been obvious to a person having ordinary skill in the art in 1996?
- 4. Does Takanashi disclose equivalent switching matrices?

5. Petitioner disputes items 1, 6, and 10 in Patent Owner's "Material Facts." With respect to item 1, Dr. Buckman said "I didn't use video projection as an example 7 of -- of the kinds of image processing that I taught or 8 that I -- or that I wrote about." (Ex. 2010, page 44, lines 6-8). With respect to items 6 and 10, Petitioner cannot speak on behalf of the Board and, thus, cannot say that the Board did or did not rely on particular information.

III. Admitted Facts

A Listing of Admitted Facts is attached hereto.

IV. Claim Construction

There are three disputed terms: "light-shutter matrix system," "video controller adapted for controlling the light-shutter matrix system," and "equivalent switching matrices." These terms were construed in the Board's Initial Decision. As explained below, Xilinx agrees with the Board's preliminary constructions and disagrees with IV's proposed constructions.

A.	"light-shutter	matrix	system"
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Board Preliminary Construction	IV Proposed Construction
A set of matrices, such as monochrome	A two-dimensional array of elements
LCD arrays or cells of a monochrome	that selectively admit and block light.

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