UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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UNIFIED PATENTS INC.
SAP AMERICA, INC.,

Petitioners,

v.

CLOUDING IP, LLC

Patent Owner.
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Case IPR2013-00586
Case IPR2014-00306

Patent 6,738,799

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**PETITIONERS' CONSOLIDATED OPPOSITION TO PATENT OWNER'S
CONTINGENT MOTION TO AMEND**

I.   Introduction

The Patent Owner proposes an amendment to claim 42 that the Patent Owner's own expert admitted was disclosed by the prior art of record and that is not enabled by the originally-filed specification. For at least these reasons, the Board should deny the Patent Owner's motion.

In the Patent Owner's Contingent Motion to Amend (hereinafter "Motion"), Patent Owner Clouding IP, LLC (hereinafter "Clouding" or "Patent Owner") proposes a new claim 47 to replace current claim 42 in the event that claim 42 is found unpatentable. Claim 47 contains all limitations of claim 42 and adds the limitation that determining if the second computer has the latest version of the file occurs "by comparing representations of segments of the latest version of the file with representations of segments of an earlier version of the file in which ends of each of the segments of the earlier version of the file are defined by segment delimiters that are statistically determined to be optimal division points for the segments." Motion, at 1.

Clouding's motion should be denied because the motion does not meet the basic requirement of motions to amend – that the proposed claim be patentable over the prior art. Indeed, proposed claim 47 is not even patentable over *the prior*

art already of record in this proceeding.[1] As described below, the Williams patent (Ex. 1006) discloses the new limitations of claim 47. While Clouding attempted to distinguish Williams in its Motion, Clouding's expert admitted at his deposition that Williams discloses every limitation that Clouding argued was absent. Accordingly, Williams anticipates proposed claim 47. And, as discussed in more detail below, other prior art also renders claim 47 unpatentable.

Moreover, this new limitation is not enabled because, although the '799 Patent contains the precise words of the new limitation ("statistically determined to be an optimal" Ex. 1001, at 8:14-18), the specification fails to describe how this functionality is achieved. For example, the '799 patent does not describe the

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[1] Clouding's motion should also be denied because Clouding has not met its burden of establishing that it is entitled to relief it requests. Clouding relies on the declaration of its expert, which states that added limitations were not known in the prior art, but does not point to any specific prior art other than two references already at issue in this case. To be entitled to a claim amendment in an IPR, "the patent owner must show patentability over the prior art in general, and not just over the references applied by the petitioner against the original patent claims." *Toyota Motor Corporation v. American Vehicular Sciences LLC*, IPR2013-00419 (PTAB) (Paper 32) at 4. *See also Idle Free Sys., Inc. v. Bergstrom, Inc.*, IPR2012-00027 (PTAB) (Paper 66) at 33.

statistical procedure, the "optimal" algorithm, or any of the factors that a person of ordinary skill in the art would consider when determining how to practice this limitation. Ex. 1019, at 53:20-54:9; 54:14-17; 55:19-56:6; Ex. 1018, at ¶ 16. Thus, one of ordinary skill in the art would be left to unduly experiment. Ex. 1018, at ¶¶ 15-19.

For at least these reasons, Clouding's Motion should be denied.

II.   Claim Construction

Pursuant to 37 C.F.R. § 42.204(b)(3), the claims subject to *inter partes* review shall receive the "broadest reasonable construction in light of the specification of the patent in which [they] appear[]." *See*, 42 C.F.R. § 100(b); 77 Fed. Reg. 48756, 48764, 48766 (Aug. 14, 2012).

Clouding appears to argue that "segments" should be construed to mean "variable length portions of a file, defined by segment delimiters" and/or "a part into which a file may be divided." Motion, at 11. Petitioners contend that the meaning of "segments" is clear to one of ordinary skill in the art, and does not require construction. Ex. 1018, at ¶ 3. If the Board disagrees, this term should be construed to mean "portions of a file." *Id*. Petitioners further contend that construing "segments" to mean "*variable length* portions of a file" improperly narrows the claim to only "variable length" segments.

Clouding appears to argue that "ends of each of the segments of the earlier version of the file are defined by segment delimiters that are statistically determined to be optimal division points for the segments" should be interpreted to mean "optimal locations for the file segment delimiters are determined using a statistical procedure" or that "determining [the] end points . . . relies upon a statistical procedure to determine the optimum end points." Motion, at 12. Petitioners contend that Clouding's proposed construction is unnecessary because it simply rearranges the claim language. *See Google Inc. and Yahoo! Inc. Petitioners v. Createads LLC Patent Owner*, IPR2014-00200, Paper 10, at 10 (PTAB) (rejecting the proposed construction as "not helpful because it simply rearranges the express claim language.").

III. Clouding's Motion Should be Denied Because Proposed Substitute Claim 47 is Unpatentable

"As the moving party, [Clouding] bears the burden of proof to establish that it is entitled to the relief requested." *Idle Free Sys., Inc. v. Bergstrom, Inc.*, IPR2012-00027 (PTAB) (Paper 66) at 26 (citing 37 C.F.R. § 42.20(c)). A motion to amend is granted only with the patent owner "having demonstrated the patentability of those substitute claims." *Id.* at 26. Clouding cannot meet this burden because, as demonstrated below, claim 47 is unpatentable over the prior art and because it is not enabled.

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