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UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

Inter Partes Review Nos. IPR 2013-00593(SGW)
and IPR 2013-00594(SGW)
Patent Nos. 8,045,952 and 8,050,652
Inter Partes Review Nos. IPR 2013-00597(SGW)
and IPR 2013-00598(SGW)
Patent Nos. 8,230,099 and 8,214,873

YAMAHA CORPORATION OF AMERICA,

Petitioner,

vs.

BLACK HILLS MEDIA,

Patent Owner.

TELEPHONE CONFERENCE
WEDNESDAY, SEPTEMBER 10, 2014
3:00 P.M.

BEFORE ADMINISTRATIVE PATENT JUDGES:

BRIAN J. McNAMARA

PETER P. CHEN

STACEY G. WHITE

REPORTED BY: ADRIENNE M. MIGNANO, RPR
Job Number: 84415

1
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15 BY: LANA GLADSTEIN, ESQ.
16 THOMAS ENGELLENNER, ESQ.
17

18
19 ALSO PRESENT BY TELEPHONE:
20 MEHRAN ARJOMAND
21 REZA MOLLAAGHAEABA
22
23
24
25

1 PROCEEDINGS

2 strike new claim construction in the
3 '593 and '594 -- patent owner seeks to
4 strike new claim construction stated
5 by the petitioner for the first time
6 on reply and the three new exhibits
7 that were associated with the new
8 claim construction.

9 Petitioner acknowledged in the
10 replies in the '593 and '594 cases in
11 the reply that it is proposing for the
12 first time claim construction for
13 the -- petitioner did not propose a
14 construction for the term "playlist"
15 in the original petition where such
16 construction should have been
17 submitted under Rule 42.104(b), nor
18 accepted the board's construction as
19 set out in the institution decisions.

20 It is the patent owner's
21 position that this is not proper
22 rebuttal and is a submission of new
23 argument and new evidence in support
24 of petitioner's case in chief.
25

There are three exhibits that we

1
2 JUDGE McNAMARA: As I just
3 indicated, my understanding is that
4 this call is because the patent's
5 owner is seeking authorization to file
6 a motion to strike the petitioner's
7 reply.

8 I think we'll hear from the
9 patent owner first.

10 MS. GLADSTEIN: This is Lana
11 Gladstein.

12 The patent owner is seeking to
13 file a motion to strike certain
14 portions of petitioner's reply filed
15 in the IPR 2013-00593, '594, '597 and
16 '598 because those replies and new
17 evidence are not responsive to the
18 patentee's responses in those
19 proceedings.

20 I will start with the '593 and
21 the '594 because they have the same
22 arguments and the same exhibits were
23 submitted in those IPRs.

24 JUDGE McNAMARA: Okay.

25 MS. GLADSTEIN: We seek to

1 PROCEEDINGS

2 are objecting to in connection with
3 the '593 IPR, Exhibits 1019, which is
4 a patent application to Microsoft;
5 Exhibit 1020, which is an Apple
6 patent; and Exhibit 1023, which is a
7 reference to Nomad Jukebox. And the
8 same exhibits were submitted on the
9 '594 IPR as Exhibits 1017, 1018 and
10 1021.

11 So aside from the fact that the
12 Microsoft patent application and the
13 Apple patent are improper evidence in
14 support of claims construction,
15 petitioner did not submit any expert
16 declaration in support of its usage of
17 these exhibits or the argument that it
18 set out with respect to the meaning of
19 the term "playlist" on reply.

20 Moreover, in light of the
21 related litigation history of this
22 case and the relationship among
23 defendants, petitioner was aware of
24 the issues that would be in dispute in
25 these IPRs.

PROCEEDINGS

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2 That the patent owner would
3 contest the construction for the term
4 "playlist" is not a surprise. Indeed,
5 this issue should have reasonably been
6 anticipated and should have been
7 supported with testimony in the first
8 instance.

9 Moreover, even if petitioner did
10 not believe that construction of this
11 term would be an issue at the time of
12 filing, the patent owner's attention
13 to this issue in the preliminary
14 response should have provided
15 sufficient notice to enable the
16 petitioner to present supplemental
17 information within one month of the
18 institutional decision. Petitioner
19 did not do that.

20 The petitioner's belated
21 position and new evidence is
22 prejudicial to the patent owner
23 because the patent owner has no
24 opportunity to respond to the new
25 construction and new exhibits. And as

PROCEEDINGS

1
2 such, petitioner's back door attempt
3 to introduce new arguments after the
4 closing of argument is improper and
5 should be rejected.

6 That was in connection with the
7 '593 and '594 IPRs.

8 JUDGE McNAMARA: Before I have
9 you move on, I would like to hear what
10 the petitioner has to say about that.

11 MR. FEHRMAN: This is David
12 Fehrman. It is not clear to me how
13 the petitioner is required to
14 anticipate and think ahead as to every
15 claim construction issue that may be
16 brought up by the patent owner or even
17 brought up by the board.

18 When we filed a petition, we did
19 not see a necessity to construe the
20 term "playlist". Then the patent
21 owner put in their response and the
22 board made a construction. Patent
23 owner did their response and presented
24 much evidence regarding construction
25 of this term. And what we did in our

PROCEEDINGS

1
2 reply was exactly respond to those
3 arguments presented by the patent
4 owner. And I don't see any
5 requirement that we needed to respond
6 to those any earlier.

7 And as an aside, this was not
8 raised in the meet and confer that
9 these arguments could have been
10 presented somehow in response to the
11 institution's decision.

12 MS. GLADSTEIN: May I respond?

13 JUDGE McNAMARA: I have a quick
14 question for the petitioner.

15 The exhibits, was there some
16 reason for not submitting them as
17 supplemental information within a
18 month of the decision?

19 MR. FEHRMAN: Yes, your Honor.
20 They were in response to the
21 submissions, the declaration and
22 supporting evidence made by the patent
23 owner's expert in terms of what one of
24 ordinary skill in the art would take
25 as the meaning of "playlist". And it

PROCEEDINGS

1
2 was evidence directly responsive to
3 those arguments and their additional
4 evidence at that point in time.

5 JUDGE McNAMARA: Let me ask
6 this -- never mind.

7 Okay, let me hear the patent
8 owner's response to the petitioner's
9 petition.

10 MS. GLADSTEIN: Thank you, your
11 Honor.

12 First of all, we believe that
13 reply is improper because it supposes
14 brand new claim construction. It is
15 not that the reply adopts the board's
16 construction or merely attacks the
17 proposed construction advanced by the
18 patent owner, it proposes a brand new
19 construction on reply and submits no
20 declaration.

21 So there is no expert that we
22 could cross examine or on whose
23 testimony we could submit observations
24 on cross examination. So basically
25 the patent, the petitioner's position

PROCEEDINGS

is the last word and it stands un rebutted. And for that reason, it is simply improper. That's one point.

And with respect to the point of the issue of claim construction, we had an e-mail correspondence exchange where petitioner's counsel responded on the issue of claim construction and the three exhibits that were used in support of that issue.

JUDGE McNAMARA: Let me ask the petitioner: Patent owner makes an interesting point with respect to the fact that you are proposing a new construction here.

What do you say to that?

MR. FEHRMAN: Your Honor, it is not a brand new construction. In the institution decision, the board adopted a construction which we think in many aspects is correct, but there are some direct inconsistencies in the specification itself. And because of that, we pointed that out, that that

PROCEEDINGS

construction was adopted for the first time in the institution decision.

It seems that this is the appropriate time for us to provide our opinion as to the correct construction rather than just sit on the sidelines because the patent owner was the first one to raise that issue, that term as a construction issue.

MS. GLADSTEIN: Your Honor, construction of the term "playlist" was raised in the preliminary response and then the board issued its decision on institution construing the term "playlist".

A brand new construction on the reply at this phase of the proceeding is simply prejudicial. And we have no meaningful opportunity to respond to the propriety of the proposed construction.

JUDGE McNAMARA: Okay. All right.

Let's hear, I guess, the other

PROCEEDINGS

two cases that you wanted to talk about, '597 and '598.

MS. GLADSTEIN: With respect to the '598 and '597, the first issue that I will raise is, again, with respect to claim construction and essentially for the same reasons.

Let me take a step back.

On reply, the petitioner submitted two new exhibits. Again, it's a Microsoft patent application and the Apple patent in support of a different construction of the term "playlist". And our issue is that aside from the fact that the Microsoft patent application and the Apple patent are improper extrinsic evidence in support of claim construction, petitioner relies solely on attorney argument to interpret these new exhibits.

Petitioner could have presented these documents when it cross-examined patent owner's expert on July 28th and

PROCEEDINGS

29th, but didn't, and is submitting brand new exhibits that it purports to rebut the positions that we have taken on claim construction.

It is new evidence that is belatedly presented and is objectionable because we have no way of responding to the impropriety of using another inventor's patent application and the patent in support of the claim construction of a different patent.

They have not -- that is one issue with respect to the '597 and '598 of the IPRs.

And the last issue solely with respect to the '598 IPR is a new argument and new exhibits that were introduced on reply with respect to the prior art reference. That was one of the references on the ground of unpatentability on which that decision was instituted.

So at page 14 of the reply in

PROCEEDINGS

1
2 the '598 IPR, petitioner presents a
3 new unsupported attorney argument and
4 new exhibit, Exhibit 1022, which I
5 will refer to as the Motorola
6 reference for the preparation that,
7 and it's a quote, "It appears that the
8 Bi's navigator was essentially a form
9 of PDA."

10 It is the patent owner's
11 position that this is improper
12 rebuttal and points to new argument
13 and evidence in support of
14 petitioner's case in chief.

15 As I just mentioned, petitioner
16 did not submit an expert declaration
17 in support of its new theory. In
18 fact, petitioner's expert did not
19 opine in the original declaration
20 submitted with the petition that the
21 navigator of Bi appears to be a PDA.
22 As such, patent owner and its expert
23 never had an opportunity to respond.

24 Moreover, this new argument in
25 evidence is not responsive to the

PROCEEDINGS

1
2 patent owner's response, which argued
3 that the petitioner provided no
4 evidence why a person of ordinary
5 skill in the art would have been
6 motivated to replace the dedicated
7 navigator of Bi for the general
8 purpose remote control of Ericsson to
9 arrive at the claims of the '873
10 patent.

11 As such, the petitioner's new
12 argument and new evidence is improper
13 and should be stricken.

14 Additionally, with its original
15 petition, petitioner submitted a
16 13-page expert declaration in support
17 of eight different grounds of
18 patentability. And only three short
19 paragraphs of that 13-page declaration
20 were allocated to the analysis of the
21 combination of the Bi and Ericsson
22 reference.

23 JUDGE McNAMARA: It sounds like
24 at this point we're getting into the
25 motion. This is only a conference as

PROCEEDINGS

1 to authorization to file a motion.

2 Let me hear about the
3 petitioner's response to that.

4 MR. FEHRMAN: Yes, your Honor.
5 I'll first respond to the discussion
6 about Bi.

7 The patent owner declares that
8 Loy provided a declaration with over
9 100 paragraphs. At paragraph 107, Loy
10 was specific in discussions about the
11 Bi navigator and the difference
12 between Bi and Ericsson and made
13 assertions regarding that.

14 So in direct response to his
15 discussions regarding the scope of the
16 Bi reference, we submitted in response
17 a data sheet that shows -- that
18 discusses the processor that Bi
19 identified as being used in its
20 product. The data sheet speaks for
21 itself. There is no requirement that
22 an expert then opine. The board can
23 determine what weight is to be given
24 to the data sheet or not. But it was
25

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1 clearly in direct response to the
2 arguments made by the patent owner and
3 was appropriate in that regard.

4 And there is a recent case, GE
5 Vibrant Media v. PE, IPR 2013-00172,
6 and it says, "The need for relying on
7 evidence not previously discussed in
8 the petition may not exist until a
9 certain point has been raised and the
10 patent owner responds."

11 Much depends on the specific
12 argument in the patent owner response.
13 And this is one of the clearest of it
14 was in direct response to assertions
15 made regarding the scope and content
16 of the Bi prior art reference.

17 JUDGE McNAMARA: Okay.

18 MR. FEHRMAN: Now, with respect
19 to the patents and patent applications
20 referred to, again, the patent owner
21 provided arguments and their evidence
22 that they best afforded their position
23 on playlist, and stated so through
24 declarations after the testimony and
25

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