

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZTE CORPORATION and ZTE (USA) INC.,
Petitioners,

v.

IPR LICENSING, INC.,
Patent Owner.

Case IPR2014-00525
Patent 8,380,244 B2

Before SALLY C. MEDLEY, MIRIAM L. QUINN, and
BEVERLY M. BUNTING, *Administrative Patent Judges*.

BUNTING, *Administrative Patent Judge*.

DECISION
Institution of *Inter Partes* Review
37 C.F.R. § 42.108

I. INTRODUCTION

ZTE Corporation and ZTE (USA) Inc. (collectively, “Petitioner”) filed a corrected Petition requesting *inter partes* review of claims 1–8, 14–16, 19–29, 36–38, and 41–44 of U.S. Patent No. 8,380,244 B2 (Ex. 1001, “the ’244 patent”) pursuant to 35 U.S.C. §§ 311-319.¹ See Paper 9 (“Pet.”). Patent Owner, IPR Licensing, Inc. (“Patent Owner”), filed a Preliminary Response to the Petition on July 2, 2014. See Paper 12 (“Prelim. Resp.”). We have jurisdiction under 35 U.S.C. § 314, which provides that an *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”

A. *Petitioner’s Motion to Correct Clerical Errors*

Petitioner was notified by a Board Trial Paralegal in an email on August 5, 2014, that the uploaded version of Corrected Exhibit 1010 was truncated, and requested that Petitioner resubmit the complete exhibit. Upon investigating, Petitioner determined that Corrected Exhibits 1010 and 1011, as filed, were mistakenly reversed, and that one citation in the Corrected Petition incorrectly listed Exhibit 1010 instead of Exhibit 1011. We authorized Petitioner to file a Motion to Correct Clerical Errors, a Second Corrected Petition, and Second Corrected Exhibits 1010 and 1011, and Petitioner complied. See Papers 14–16; Exs. 1010, 1011. In support of its Motion, Petitioner also submitted an affidavit from one of its attorney’s,

¹ Petitioner’s Motion to Correct Clerical Errors in the Petition and Resubmit Exhibits and Patent Owner’s opposition to such motion is discussed *infra*. See Papers 14–18.

Mr. Charles M. McMahon, in which the nature of the error and manner in which the error occurred is explained. *See* Paper 15.

Patent Owner submitted its Opposition to Petitioner’s Motion to Correct Clerical Errors and Resubmit Exhibits. *See* Paper 17. Specifically, Patent Owner asserts that it would be prejudiced by Petitioner’s second opportunity to correct the Petition, because its Preliminary Response was based on the “then currently pending petition and exhibits, which included an incomplete copy of Exhibit 1011 (previously filed as Exhibit 1010).” *Id.* at 1. Patent Owner also argues that adding a portion of a document not previously part of the record constitutes new evidence. *Id.* at 2. Patent Owner also requested leave to file an Amended Preliminary Response should we grant Petitioner’s Motion. *Id.* In a Reply In Support of Its Motion to Correct Clerical Errors and Resubmit Exhibits, Petitioner counters that Patent Owner will not be prejudiced, as Patent Owner was on notice on March 21, 2014, when Petitioner filed and served a complete copy of the document (then-labeled Exhibit 1010) and Petition. *See* Paper 18.

We grant Petitioner’s Motion to Correct Clerical Errors and Resubmit Exhibits, as correcting this error will clarify the record. Additionally, because the correct document was served on Patent Owner, and Patent Owner will have the opportunity to address this document in its Patent Owner Response, we find no prejudice to Patent Owner at this time necessitating amendment to its Preliminary Response.

II. BACKGROUND

Petitioner challenges the patentability of claims 1–8, 14–16, 19–29, 36–38, and 41–44 (i.e., “the challenged claims”) under 35 U.S.C. § 103(a).

Pet. 8. Upon consideration of the information presented in the Petition and Preliminary Response, we determine that Petitioner has demonstrated that there is a reasonable likelihood that the challenged claims are unpatentable. Accordingly, pursuant to 35 U.S.C. § 314, we institute an *inter partes* review as to claims 1–8, 14–16, 19–29, 36–38, and 41–44 of the '244 patent on the ground identified in the Order of this decision.

A. Related Proceedings

Petitioner indicates that the '244 patent is the subject of the following judicial matters: (1) *InterDigital Commc'ns Inc. v. ZTE Corp.*, Case No. 13-cv-00009-RGA (D. Del.), filed January 2, 2013; (2) *InterDigital Commc'ns Inc. v. Nokia Corp.*, Case No. 13-cv-00010-RGA (D. Del.), filed January 2, 2013; and (3) *InterDigital Commc'ns Inc. v. Samsung Elec. Co. Ltd.*, Case No. 13-cv-00011-RGA (D. Del.), filed January 2, 2013. Pet. 2.

B. The '244 Patent (Ex. 1001)

The '244 patent is directed to a system and method of short-range, high-speed, and long-range, lower-speed, data communications using a dual-mode unit. Ex. 1001, Abstract. In an embodiment, a subscriber unit 101 connects to a computer 110 via a computer interface 120, to transmit data over the Internet via a first communication route or second communication route (*id.* at 9:27–57) as shown in Figure 6:

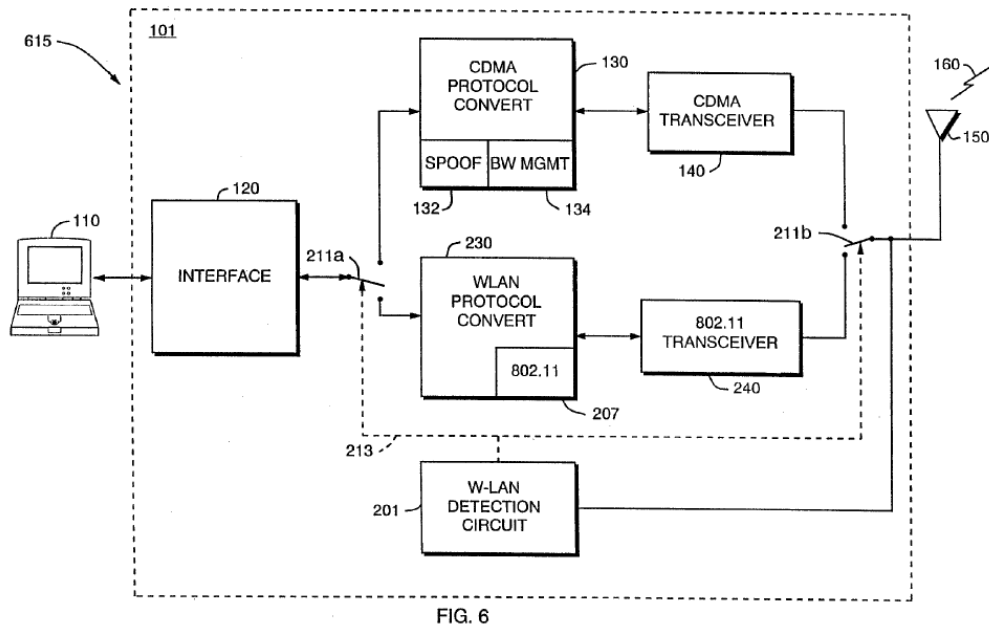


Figure 6 is a block diagram illustrating the subscriber unit.

Specifically, the interface establishes a connection over the first, faster wireless communication path 213, e.g., wireless local area network (WLAN), if available, using a protocol such as IEEE 802.1. *Id.* at 3:23–27, 8:46–59, 9:40–42. If the WLAN connection is not available, the interface automatically switches to a second, slower, wireless digital long-range communication path, e.g., CDMA. *Id.* at 3:29–50, 9:15–57. When data is being transmitted over the second communication path, the protocol converter initiates a spoofing function, which involves having the CDMA transceiver loop back synchronous data bits to spoof the terminal equipment so that it appears that “a sufficiently wide wireless communication link is continuously available.” *Id.* at 9:58–63, 10:29–59.

[W]ireless bandwidth is allocated only when there is actual data present from the terminal equipment to the CDMA transceiver [W]hen data is not being presented upon the terminal equipment to the network equipment, the bandwidth management function 134 deallocates initially assigned radio

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