UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SONY COMPUTER ENTERTAINMENT AMERICA LLC
Petitioner

v.

APLIX IP HOLDINGS CORPORATION
Patent Owner

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Case No. IPR2015-00229
Patent 7,667,692

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PETITIONER'S RESPONSE TO PATENT OWNER'S

MOTION FOR OBSERVATION

I.   INTRODUCTION

Petitioner respectfully requests that the Board consider the record, rather than Patent Owner's ("PO") characterizations of the record, in determining patentability of U.S. Patent No. 7,667,692 ("the '692 Patent"). PO's observations are misleading, because the observations either mischaracterize the record, or include assertions that are not supported by the record.

II.   RESPONSES TO OBSERVATIONS

1.   The testimony cited in this observation does not support PO's assertion that Dr. Welch's opinion is based upon a misunderstanding. *See* **Ex. 2022**, *Welch Dec. 17 Tr.* at 6:10-10:25; **Ex. 1041**, *Welch Supp. Decl.* at ¶¶ 2-10. To the contrary, the record shows, and Dr. Welch explained, that statements in Dr. Welch's supplemental declaration are in direct response to specific opinions offered by Dr. MacLean. *See id.* Previously, Dr. MacLean opined that delineations must be defined at the application level, and therefore would change from application to application. *See, e.g.,* **Ex. 1040**, *MacLean Tr.*at 137:5-13 (Liebenow is not sufficient because Dr. MacLean "just couldn't find examples of where [Liebenow] ha[d] an application <u>actually define</u> where the delineations were.") (emphasis added); **Ex. 2003**, *MacLean Decl.* at ¶ 66. Now, PO's position is apparently that the delineations must be changeable from application to application, but do not actually have to change. This attempt to soften Dr. MacLean's opinion is misplaced, and is different than PO's position in its

Response. *See id.*; *see also* **Paper 18**, *Response* at 19 (citing MacLean as support for the proposition that in the '692 Patent "delineations themselves are defined, i.e., drawn, at the application level."). In any event, there is no more support in the '692 Patent for the requirement that the delineations must be changeable than there is for the requirement that delineations must change. *See, e.g.*, **Ex. 1041**, *Welch Supp. Decl.* at ¶¶ 2-10.

2.   The testimony cited in this observation does not support PO's assertions. Dr. Welch testifies that the '692 Patent describes computational aspects broadly, and pointed to specific disclosure in the specification that supports his opinion. *See* **Ex. 2022**, *Welch Dec. 17 Tr.* at 11:1-15:11; *see also* **Ex. 1001**, *'692 Patent* at 14:50-60.

3.   The testimony cited in this observation does not support PO's assertions. As Dr. Welch testified, just because the '692 Patent allowed that a game developer "could" set up configurations does not mean that the claims must be limited to application-defined delineations. *See* **Ex. 2022**, *Welch Dec. 17 Tr.* at 15:13-17:3; *see also id.* at 11:1-15:11; **Ex. 1001**, *'692 Patent* at 14:50-60.

4.   The testimony cited in this observation does not support PO's assertions, and PO mischaracterizes Dr. Welch's testimony by omitting relevant testimony. Looking to the full testimony on this point, Dr. Welch explains that "the description of the invention is the entire patent. Everything from the claims down to the specification and the background is an important part of setting the context of, for example, the

later sections….” **Ex. 2022**, *Welch Dec. 17 Tr.* at 24:5-19; *see also generally id.* at 23:16-29:4. Dr. Welch also explains that a patent specification would be understood to be like a funnel, where the background sets the stage and context, and the detailed description provides specific examples. *See id.* at 28:11-29:4. PO's assertion that paragraph [0002] is not part of Liebenow's description of the invention is simply untrue, and no part of Dr. Welch's testimony supports this faulty conclusion. *See* **Ex. 1003**, *Liebenow*; *see also* **Ex. 2022**, *Welch Dec. 17 Tr.* at 23:16-29:4.

Respectfully submitted,
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ATTORNEYS FOR PETITIONER

CERTIFICATE OF SERVICE ON PATENT OWNER
UNDER 37 C.F.R. § 42.6

Pursuant to 37 C.F.R. § 42.6(e), the undersigned certifies that on January 8, 2016 the foregoing *Petitioner's Response to Patent Owner's Motion for Observation* was served via electronic filing with the Board on the following counsel of record for Patent Owner:

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