

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SONY COMPUTER ENTERTAINMENT AMERICA LLC
Petitioner

v.

APLIX IP HOLDINGS CORPORATION
Patent Owner

Case No. IPR2015-00533
Patent 7,218,313

PETITIONER'S REPLY TO PATENT OWNER'S RESPONSE

PURSUANT TO 37 C.F.R. § 42.120

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I. INTRODUCTION

Most of the substantive positions advanced by PO in this proceeding are a criticism of how the teachings of a secondary reference would allegedly be incorporated into the physical structure of a primary reference. PO resorts to vague notions of design principles, reasoning that (in the view of PO and its experts) the combinations would be physically subpar. Last week, the Federal Circuit rejected exactly this type of reasoning. *MCM Portfolio LLC v. Hewlett-Packard Co.*, --- F.3d ---, No. 2015-1091, 2015 WL 7755665, at *9-10 (Fed. Cir. Dec. 2, 2015). “[T]he test is what the combined teachings of the references would have suggested to those of ordinary skill in the art.” *Id.* Even where physical incorporation of one technology into another would have conflicted, there was no error in the finding the claimed subject matter obvious. *Id.* For exactly the same reason, PO’s arguments are fatally flawed, because PO focuses on combining one physical structure into another, and overlooks what the combinations would have suggested to a PHOSITA.

Another prominent and flawed theory in PO’s argument involves interpreting prior art teachings. Without identifying any support for its approach, PO relies on a form of hyper-rigid textualism. According to PO, a PHOSITA must consider only the narrowest possible interpretation of language, blinding herself to other interpretations or implications of prior art teachings. The Supreme Court and Federal Circuit have instructed otherwise. *See, e.g., KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 421 (2007)

(“A person of ordinary skill is also a person of ordinary creativity, not an automaton.”); *MCM Portfolio*, 2015 WL 7755665, at *9-10.

PO’s remaining positions involve reading limitations from the specification into the claims, or excluding scope from the field of endeavor that the inventors of the ‘313 Patent explicitly included in the specification. These theories are rooted in oversimplifications of the record and misapplications of the law. The Board should consider the entire record, rather than the limited and oversimplified view that PO promotes. When the correct legal principles for obviousness and claim interpretation are applied, the Board should find that all Challenged Claims are unpatentable.

II. ARGUMENT

A. The Instituted Grounds are Properly Supported

In its Response, PO renews an argument presented in its Preliminary Response that the Petition only maps Liebenow to claims 37-39 and 49. *See Paper 15, Response* at 5-14. According to PO, the Board’s decision to proceed on obviousness grounds instead of anticipation created a fatal flaw in this proceeding, and PO would now have the Board find that patentability of these claims must be confirmed regardless of their substantive merit. *See id.* The Board should reject PO’s position for two reasons.

First, PO’s argument has already been rejected, and PO has not identified any reason for the Board to reach a different outcome. PO still has not identified any authority to support its conclusion that a rejection based on a prior art combination

must cite to underlying evidence from every reference that comprises the combination. *See id.* There is no support for this rigid rule, and there is nothing to prevent the Board from rejecting claims as obvious in view of a prior art combination even where the relevant teachings for a particular claim come from a single reference.

Second, PO's argument is legally flawed because, based on the record in this proceeding, the evidence of anticipation also shows obviousness. A claim may be rendered obvious if all of its limitations are disclosed in a single prior art reference because "anticipation is the epitome of obviousness." *In re McDaniel*, 293 F.3d 1379, 1385 (Fed. Cir. 2002); *see also Invensense, Inc. v. STMicroelectronics, Inc.*, IPR2013-00241, Paper 20 (PTAB Nov. 26, 2013). Once it is established that a single prior art reference discloses each limitation of a claim, there is no need to further apply the remaining references. *See, e.g., ADC Technology, Inc. v. Nintendo of North Am., Inc. et al.*, Reexam Nos. 95/001,234 and 90/009,521 (PTAB May 28, 2015); *see also Vibrant Media, Inc. v. General Electric Co.*, IPR2013-00170, Paper No. 56 at 37 and Paper No. 55 at 13 (PTAB Jun. 26, 2014 and Apr. 8, 2014).

On *this* record, the evidence is overwhelming that: (1) Liebenow, either alone or in combination with Ishihara, discloses all elements of claims 37-39 and 49; (2) any combinations of Liebenow and Ishihara would have been obvious to a PHOSITA; and (3) there are no secondary considerations sufficient to overcome the strong showing of obviousness. Thus, the Board should conclude, *inter alia*, that claims 37-39 and 49

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