

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

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APPLE INC.,

Petitioner,

vs.

OPENTV, INC.,

Patent Owner.
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Case IPR2015-01031; (Patent 7,900,229 B2)

TELEPHONE CONFERENCE
BEFORE THE PATENT TRIAL AND APPEAL BOARD
HONORABLE JAMES B. ARPIN
HONORABLE DAVID C. MC KONE

June 17, 2016

1:00 p.m.

Reported by: Carrie LaMontagne, CSR

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<p style="text-align: right;">2</p> <p>1 APPEARANCES: 2 FOR THE PATENT OWNERS: 3 ERIKA H. ARNER, ESQ. CORY BELL, ESQ. 4 FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, LLP 11955 Freedom Drive 5 Reston, Virginia 20190 (571) 203-2700 6 7 FOR THE PETITIONERS 8 MELODY DRUMMOND HANSEN, ESQ. MARK MILLER, ESQ. 9 O'MELVENY & MYERS LLP Two Embarcadero Center, 28th Floor 10 San Francisco, California 94111 (415) 984-8880 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p style="text-align: right;">4</p> <p>1 silence before the judges joined period. So forgive 2 me. 3 JUDGE ARPIN: That's all right. Are you 4 alone in this call, Ms. Arner? 5 MS. ARNER: I'm joined by my colleague 6 Cory Bell, and we're both here on behalf of OpenTV, 7 the patent owner. 8 JUDGE ARPIN: Is Cory Bell an attorney of 9 record in this case? 10 MS. ARNER: No, Cory's not of record. He's 11 an associate at our firm who has worked on the case. 12 He's not entered an appearance before the board. 13 JUDGE ARPIN: All right. Hold on for one 14 second, Ms. Arner. 15 Do counsel for petitioner have any objection to 16 Mr. -- to Cory Bell, I don't know if that's a Mister 17 or Miss -- 18 MS. ARNER: Mister. 19 JUDGE ARPIN: -- participating in this 20 call? 21 MS. DRUMMOND HANSEN: No, your Honor. 22 JUDGE ARPIN: All right. Would the 23 attorneys for the petitioner introduce themselves 24 again for the benefit of Ms. Arner. 25 MR. MILLER: Yes, your Honor. Mark Miller</p>
<p style="text-align: right;">3</p> <p>1 JUDGE ARPIN: Good afternoon. This is 2 Judge Arpin joined on this call by Judge McKone. 3 This is a call for IPR2015-01031, Apple V. OpenTV. 4 This call was requested by both parties, and I'd like 5 to begin with the roll call. 6 Who do I have on the call for the petitioner, please? 7 MR. MILLER: Good morning, this is 8 Mark Miller of O'Melveny & Myers. With me is 9 Melody Drummond Hansen. Ms. Hansen will be arguing 10 today. 11 JUDGE ARPIN: Thank you. Who do we have on 12 the call for the patent owner, please? I guess we 13 don't have anybody from the patent owner right now. 14 We'll wait for the patent owner to join. 15 MS. ARNER: Is anyone waiting for me? This 16 is Erika Arner. I've been on for a couple minutes. 17 JUDGE ARPIN: This is Judge Arpin. I 18 announced earlier that we were on the call with Judge 19 McKone and that this is a call for IPR2015-01031. 20 Ms. Arner, you're here representing the patent 21 owner? 22 MS. ARNER: Yes, I am. I'm lead counsel 23 for the patent owner, and I apologize. I dialed in 24 about a minute soon and I think I missed your 25 introduction. And I just thought we were in the</p>	<p style="text-align: right;">5</p> <p>1 of O'Melveny & Myers and with me is 2 Melody Drummond Hansen. 3 JUDGE ARPIN: All right. Counsel, I 4 understand we have a court reporter on the call 5 today; is that correct? 6 THE REPORTER: Yes, I'm here. 7 JUDGE ARPIN: Thank you very much. I'll 8 address the court reporter. 9 To the extent that it is possible, I would 10 appreciate it if you would not interrupt during the 11 conference. In that regard, I would ask counsel to 12 identify themselves for the benefit of the court 13 reporter before they begin to speak. And if it is 14 necessary to interrupt during the call, I would ask 15 the court reporter to try to keep it to a minimum if 16 that's possible. 17 Also, it will be necessary for any transcript of 18 this call to be -- to be filed with the board. Who 19 is providing the court reporter today? Is it the 20 petitioner or patent owner? 21 MS. ARNER: The patent owner. 22 JUDGE ARPIN: All right. So Patent Owner, 23 I assume the transcript will go to you. I would 24 appreciate it if you would provide a copy to the 25 petitioner so that they can address any errata before</p>

6	<p>1 the transcript is filed. That will simplify the</p> <p>2 process. And it will probably not be possible, of</p> <p>3 course, for the transcript to be filed before the</p> <p>4 hearing on Tuesday, but I would ask the parties to</p> <p>5 work together to try to prepare the transcript for</p> <p>6 filing as soon as possible.</p> <p>7 Is that understood, Petitioner?</p> <p>8 MS. DRUMMOND HANSEN: Yes, your Honor.</p> <p>9 JUDGE ARPIN: Patent Owner?</p> <p>10 MS. ARNER: Yes, sir.</p> <p>11 JUDGE ARPIN: Thank you. All right. This</p> <p>12 call was, as I mentioned a few moments ago, requested</p> <p>13 by both parties, Patent Owner initially and then</p> <p>14 Petitioner raised its own objections to the patent</p> <p>15 owner's slides. This call is going to be directed to</p> <p>16 the demonstratives.</p> <p>17 Before we begin, I'd like to remind the parties</p> <p>18 of some things we told them in the trial order.</p> <p>19 First, we noted that neither party may file a</p> <p>20 demonstrative without our prior authorization. The</p> <p>21 demonstrative exhibits are not evidence. They are</p> <p>22 merely visual aids to be used at the oral argument.</p> <p>23 The demonstrative exhibits may not introduce new</p> <p>24 evidence or raise new arguments, but instead should</p> <p>25 site to the evidence in the record. So we expect</p>	8	
7	<p>1 that any of the demonstratives will identify where</p> <p>2 they are supported in the record.</p> <p>3 The board may ask any -- ask the parties to</p> <p>4 confine any objections to the demonstratives to those</p> <p>5 identifying egregious violations that are prejudicial</p> <p>6 to the administration of justice and that although we</p> <p>7 were going to ask the parties to provide paper copies</p> <p>8 of their demonstratives to the court reporter on the</p> <p>9 day of the hearing, those paper copies are not part</p> <p>10 of the record. So the demonstratives are not</p> <p>11 evidence and will not become part of the record.</p> <p>12 With that said, I'm going to let the patent</p> <p>13 owner speak first since they initially requested this</p> <p>14 call. Please explain to us the basis of your</p> <p>15 objections.</p> <p>16 MS. ARNER: Thank you, your Honor. On</p> <p>17 behalf of OpenTV, we have objections to the</p> <p>18 petitioner's slides because many of the slides</p> <p>19 represent a -- really a continuing problem that the</p> <p>20 patent owner has stated throughout this proceeding,</p> <p>21 which is that the petitioner continues to revise and</p> <p>22 develop its arguments, which is improper here in an</p> <p>23 IPR where the petitioner bears the burden of proof</p> <p>24 and must put its entire case in the petition. And it</p> <p>25 was in writing and with particularity as the statute</p>	<p>1 requires.</p> <p>2 This continued revision, development,</p> <p>3 augmentation of arguments is prejudicial to the</p> <p>4 patent owner because certainly in the reply and even</p> <p>5 more so in the oral hearing, new arguments do not</p> <p>6 give the patent owner any opportunity to respond or</p> <p>7 to put in new evidence or arguments. And the rules</p> <p>8 and the statute of an IPR proceeding are set up to</p> <p>9 avoid that prejudice of the patent owner by requiring</p> <p>10 everything the -- the petitioners put in its entirety</p> <p>11 in the petition.</p> <p>12 Given what you have reminded us of and what the</p> <p>13 board has previously told the parties, I'll focus on</p> <p>14 just a couple of egregious points, as you called</p> <p>15 them, on sort of -- there are a couple of types of</p> <p>16 problems with the demonstratives that really are</p> <p>17 the --</p> <p>18 JUDGE ARPIN: Patent Owner, I hate to</p> <p>19 interrupt because I did tell you to speak and I did</p> <p>20 tell the court reporter that I wouldn't interrupt or</p> <p>21 didn't want her to. But I will say that --</p> <p>22 Petitioner, am I correct that you submitted 99</p> <p>23 demonstrative slides for this case?</p> <p>24 MS. DRUMMOND HANSEN: Yes, your Honor,</p> <p>25 we --</p>	9

<p style="text-align: right;">10</p> <p>1 owner, right?</p> <p>2 JUDGE ARPIN: Yes, it is. Thank you.</p> <p>3 MS. ARNER: Okay. It may well be</p> <p>4 premature. One of the things that we wanted to ask</p> <p>5 the board was whether and how we should note specific</p> <p>6 objections because, as you said, we understand that</p> <p>7 the demonstratives are not evidence. They are not</p> <p>8 entered into the record for the board's order. And</p> <p>9 really what our objection is -- would be is to the</p> <p>10 new arguments that would be raised in the oral</p> <p>11 hearing for the first time, the new specificity being</p> <p>12 added to argument for the first time.</p> <p>13 And so until they make the argument next</p> <p>14 Tuesday, it would not be part of the record, I guess,</p> <p>15 and so we could save our objections and raise them</p> <p>16 then. But we wanted to follow the board's procedure</p> <p>17 given that the oral hearing order did set out a</p> <p>18 timeline for whether we should talk with the board</p> <p>19 about this issue. So we raise it up to you.</p> <p>20 I have some specific slides that I can go</p> <p>21 through if you'd like some examples. But, as you</p> <p>22 said, it may be more appropriate to do this on</p> <p>23 Tuesday once we see what actually transpires.</p> <p>24 JUDGE ARPIN: In response to your</p> <p>25 questions, Patent Owner, the way we usually like to</p>	<p style="text-align: right;">12</p> <p>1 any slide that Petitioner may have presented during</p> <p>2 its initial presentation.</p> <p>3 Petitioner would then have its chance to use its</p> <p>4 rebuttal time. And, of course, in this situation</p> <p>5 Patent Owner doesn't have another opportunity to</p> <p>6 speak. If Petitioner raised a slide during its</p> <p>7 rebuttal, and that would be a slide rebutting,</p> <p>8 supposedly, the argument raised by Patent Owner, we</p> <p>9 would afford Patent Owner the opportunity before</p> <p>10 adjournment to state its objection to any additional</p> <p>11 slides produced during the rebuttal period.</p> <p>12 Does that answer your question as to how an</p> <p>13 objection would work at the hearing?</p> <p>14 MS. ARNER: Yes, it does. That's very</p> <p>15 helpful.</p> <p>16 JUDGE ARPIN: All right. I would -- given</p> <p>17 that we've granted 30 minutes to decide, I'm not sure</p> <p>18 that it would behoove either party to spend a lot of</p> <p>19 that time on objections, but certainly to state them</p> <p>20 for the record is what we would be looking for.</p> <p>21 MS. ARNER: Okay. We will be prepared to</p> <p>22 do that.</p> <p>23 JUDGE ARPIN: All right. Thank you.</p> <p>24 Petitioner, do you understand what I've just</p> <p>25 said about the objection procedure?</p>
<p style="text-align: right;">11</p> <p>1 run the oral arguments is that we do not have the</p> <p>2 parties object during -- or one party object while</p> <p>3 another party is presenting. We do this for a couple</p> <p>4 of reasons. One, it disrupts the presentation and</p> <p>5 tends to extend the proceeding.</p> <p>6 Secondly -- this may be the more important</p> <p>7 reason -- if an attorney stands up at their counsel</p> <p>8 table and speaks an objection, because of the</p> <p>9 limitations on our microphones and especially when we</p> <p>10 have a remote judge, as we will for these hearings,</p> <p>11 the remote judge frequently cannot hear the</p> <p>12 objection. And so it makes it very difficult to rule</p> <p>13 on it. So what we usually do is objections are</p> <p>14 reserved until the party wishing to make an objection</p> <p>15 gets to speak.</p> <p>16 Now, with these cases the petitioner bears the</p> <p>17 burden. The petitioner will speak first and may</p> <p>18 reserve time. Patent Owner, after Petitioner has</p> <p>19 spoken up to their reserve time amount, will then</p> <p>20 present its case.</p> <p>21 I believe in these three hearings we do not have</p> <p>22 motions to amend, motions for observations, or</p> <p>23 motions to exclude. So the patent owner would</p> <p>24 present their case in chief. So this would be the</p> <p>25 patent owner's opportunity to state an objection to</p>	<p style="text-align: right;">13</p> <p>1 MR. MILLER: We do, your Honor.</p> <p>2 JUDGE ARPIN: All right. Patent Owner,</p> <p>3 would you like to say anything else then about your</p> <p>4 concerns about the petitioner's slides at this time?</p> <p>5 MS. ARNER: No. I think with the guidance</p> <p>6 that you've just provided, we'll follow the</p> <p>7 procedures that the board prefers and be prepared to</p> <p>8 address our specific objections when -- if and when</p> <p>9 new arguments are raised at the hearing on Tuesday.</p> <p>10 JUDGE ARPIN: Thank you.</p> <p>11 Petitioner, on this first point on Patent</p> <p>12 Owner's objections, is there anything you would like</p> <p>13 to say in response to what Patent Owner has just</p> <p>14 said?</p> <p>15 MS. DRUMMOND HANSEN: No, your Honor.</p> <p>16 JUDGE ARPIN: All right. Thank you.</p> <p>17 Petitioner, you had raised your own separate</p> <p>18 objections to certain of Patent Owner's slides. And</p> <p>19 if I understand those objections, they are to slides</p> <p>20 21 through 27 which argue that Petitioner presented</p> <p>21 new arguments in its reply.</p> <p>22 Now, before you speak on this point, the board</p> <p>23 has on numerous occasions informed the patent owner</p> <p>24 that they may bring up an argument that new material</p> <p>25 was presented -- or new arguments or evidence were</p>

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<p>1 presented from the reply during the oral hearing. I 2 would draw your attention just as an example to 3 IPR2014-00153, paper 18, page 3, you can look at that 4 at your convenience.</p> <p>5 But as I said, this is something that we have 6 allowed patent owners, if they wish, to spend time 7 during the oral hearing to raise these points to 8 make. I would also point out that, you know, the 9 federal circuit has given certain guidance regarding 10 the introduction of new evidence during the trial and 11 that -- the most recent example would probably be the 12 Genzyme decision just this week.</p> <p>13 And with regard to raising new arguments or 14 evidence at the oral argument, our trial practice 15 guide makes clear that that's prohibited. And the 16 federal circuit has instructed the board on the 17 problems with reliance on such new arguments raised 18 or new evidence presented at the oral hearing in the 19 Dell decision.</p> <p>20 So with that preface, I'm going to allow 21 Petitioner to speak to their objections to slides 21 22 through 27.</p> <p>23 MS. DRUMMOND HANSEN: Thank you, your 24 Honor. I think the issue with our objections here is 25 that it was unclear whether or not Patent Owner is</p>	<p>1 MS. DRUMMOND HANSEN: Yes, your Honor. 2 JUDGE ARPIN: Go ahead.</p> <p>3 MS. DRUMMOND HANSEN: You know, our concern 4 was if they believe there truly was new evidence in 5 the reply as opposed to new argument that they should 6 have brought a motion to exclude that we could 7 respond to and resolve before the hearing.</p> <p>8 JUDGE ARPIN: Well, I believe that the 9 board has also said on numerous occasions that new 10 evidence is not necessarily the subject of a motion 11 to exclude.</p> <p>12 MS. DRUMMOND HANSEN: Okay. 13 JUDGE ARPIN: And also, our -- the 14 determination of whether new evidence has been 15 presented in a reply, I believe that the board has 16 also said in the past on various occasions that that 17 is something for the board to decide and that if we 18 decide that there is new evidence that has been 19 presented improperly in a reply -- when I say 20 "improperly," I mean not properly in response to 21 argument or evidence presented in the patent owner's 22 response -- that the board is capable of making that 23 determination.</p> <p>24 MS. DRUMMOND HANSEN: Yes, your Honor. 25 JUDGE ARPIN: Are you familiar with those</p>
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<p>1 truly claiming that there is new evidence presented 2 on reply that should have been addressed or a motion 3 exclude. For example, if you look at slide 23 --</p> <p>4 JUDGE ARPIN: Before we look at particular 5 slides, I point out the same comment that I had made 6 earlier to Patent Owner, that none of these slides 7 have been presented yet; and, in fact, they are not 8 evidence and they are not part of the record. So 9 before you go into particular slides, could you 10 please address whether this issue isn't premature at 11 this time.</p> <p>12 MS. DRUMMOND HANSEN: Your Honor, I -- I 13 agree with you that this would have the same approach 14 as the other matter. The concern was if there is a 15 claim that we presented new evidence on reply, there 16 was a time in the procedural schedule to bring such a 17 motion so that we could respond to it, whereas having 18 put these types of claims in these demonstratives for 19 the first time, we did not have an opportunity to 20 respond to it. If they're not making a claim for new 21 evidence under the rules, then we can address this 22 exactly the same way as other objections to 23 demonstratives.</p> <p>24 JUDGE ARPIN: Are you talking about a 25 motion to exclude?</p>	<p>1 decisions?</p> <p>2 MS. DRUMMOND HANSEN: We agree with that, 3 your Honor.</p> <p>4 JUDGE ARPIN: Okay. With that, is there 5 anything we need to discuss about these -- these 6 non-record, not yet presented slides at this point?</p> <p>7 MS. DRUMMOND HANSEN: No, your Honor.</p> <p>8 JUDGE ARPIN: Patent Owner, is there 9 anything that you would like to say in response to 10 what Petitioner has just said?</p> <p>11 MS. ARNER: No, your Honor, I don't have 12 anything to add beyond what was said.</p> <p>13 JUDGE ARPIN: All right. Is there anything 14 else that either party would like to add at this time 15 before I put you on mute for a few minutes to consult 16 with my colleague? Patent Owner?</p> <p>17 MS. ARNER: Nothing from us.</p> <p>18 JUDGE ARPIN: Petitioner?</p> <p>19 MS. DRUMMOND HANSEN: Nothing from us, your 20 Honor.</p> <p>21 JUDGE ARPIN: All right. If you'll indulge 22 us for a few moments, we'll confer on this issue.</p> <p>23 (Pause in the proceedings.)</p> <p>24 JUDGE ARPIN: Counsel, panel is back on the 25 line. At this point because these slides are not</p>

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