

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE, INC.,
Petitioner,

v.

CHESTNUT HILL SOUND INC.,
Patent Owner

Case IPR2016-00794
Patent No. 8,090,309

ORAL AND VIDEOTAPED DEPOSITION OF
MELVIN RAY MERCER, Ph.D., P.E.
NOVEMBER 11, 2016
VOLUME 1 OF 1

ORAL AND VIDEOTAPED DEPOSITION OF MELVIN RAY MERCER,
Ph.D., P.E., produced as a witness at the instance of
the Patent Owner, and duly sworn, was taken in the
above-styled and numbered cause on November 11, 2016,
from 9:13 a.m. to 2:45 p.m., before April R. Brunson,
CSR in and for the State of Texas, reported by machine
shorthand, at the law offices of Fish & Richardson,
P.C., 5000 Bank One Center, 1717 Main Street, Dallas,
Texas, pursuant to the Federal Rules of Civil Procedure
and the provisions stated on the record or attached
hereto.

Page 2

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2

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1 E X H I B I T S

2 NO. DESCRIPTION PAGE

3 1017 Claim elements list for 6

4 U.S. Patent 8/090/309

5

6 2006 Petition for Inter Partes Review 96

7

8 APPLE 1003 Declaration of M. Ray Mercer 19

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7 THE WITNESS: MELVIN RAY MERCER, Ph.D., P.E.

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1 P R O C E E D I N G S

2 THE VIDEOGRAPHER: We're now going on the

3 video record. Today is November 11th, 2016. The time

4 is approximately 9:13 a.m. The location is Fish &

5 Richardson, 1717 Main Street, Dallas, Texas.

6 My name is Jeremy Gilliam. I'm the video

7 specialist representing HG Litigation Services.

8 The case number is IPR 2016-00794, in the

9 matter of Apple, Inc., versus Chestnut Hill Sound, Inc.

10 The deponent is Melvin Ray Mercer, Ph.D. This video

11 deposition is requested by the patent owner's counsel,

12 Caldwell Cassady Curry, PC.

13 Counsel, please state their appearances

14 for the record.

15 MR. HAMAD: This is Hamad Hamad and

16 Alexis Mosser from Caldwell Cassady Curry.

17 MS. VIDAL: Kathi Vidal, and on the phone

18 with me is Josh Griswold, as well as Dan Smith, all from

19 Fish & Richardson representing Apple, Inc.

20 THE VIDEOGRAPHER: Will the court

21 reporter please swear in the witness.

22 MELVIN RAY MERCER, Ph.D., P.E.,

23 having been first duly sworn, testified as follows:

24 EXAMINATION

25 BY MR. HAMAD:

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1 **Q. Good morning, sir. Can you please introduce**
 2 **yourself for the record.**
 3 A. Yes. My name is Melvin Ray Mercer.
 4 **Q. Dr. Mercer, for today's deposition and for the**
 5 **sake of the court reporter, can we agree to try not to**
 6 **speak over each other?**
 7 A. Yes.
 8 **Q. Similarly, can you agree to provide verbal**
 9 **answers, as opposed to a head shake or a head nod?**
 10 A. I will do my best.
 11 **Q. And you do understand that you're providing**
 12 **testimony under oath today?**
 13 A. I do.
 14 **Q. Before we went on the record, you had a**
 15 **document that appears to list the claim elements with**
 16 **the numbering used in Apple's petition; is that correct?**
 17 A. That's correct. Though it started like that.
 18 There were a few minor changes, but essentially that was
 19 just to sort of capture what I think they would have
 20 done.
 21 **Q. That's fine. And just for the record, we're**
 22 **going to mark this as Exhibit 1017, and you're welcome**
 23 **to refer to it as needed throughout the deposition.**
 24 **(Exhibit 1017 was marked.)**
 25 A. Thank you very much, Mr. Hamad.

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1 **Q. (BY MR. HAMAD) Dr. Mercer, what did you do to**
 2 **prepare for today's deposition?**
 3 A. Well, a while back I started work on this
 4 particular case and actually was a person who made a
 5 declaration for a previous patent. And then there
 6 was -- then I started working on this particular patent.
 7 Obviously, all of the things that I've done which I've
 8 been working on since the day I started have been
 9 ultimately in preparation for this case.
 10 If the question is what have you done
 11 recently, I can give you more details about that.
 12 **Q. I think the question was just what did you do**
 13 **to prepare for today's deposition?**
 14 A. Well, I kind of think I'm always preparing for
 15 the deposition that's coming because I think about that
 16 at the moment I get hired. But if you want in the last
 17 few days, then for probably a week and a half, I have
 18 been reviewing key documents that I think are at issue
 19 in this IPR. And yesterday I visited Fish & Richardson
 20 and spent several hours here speaking with counsel.
 21 **Q. Can you please identify the documents that you**
 22 **reviewed in preparation for today's deposition?**
 23 A. I'm not sure I can give you an exhaustive
 24 list, but I can certainly give you what I have -- what I
 25 remember.

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1 The first -- first thing that comes to my
 2 mind is my declaration.
 3 MS. VIDAL: I'm just going to counsel the
 4 witness not to disclose any attorney-client
 5 communication.
 6 THE WITNESS: Understood. Thank you.
 7 A. Second thing I remember is the petition. The
 8 third thing I remember is the patent owner's response --
 9 initial response, the patent board's finding and
 10 decision to initiate trial, the '309, which I would say
 11 is the patent in review, the prior art that's referenced
 12 in my report. That includes a patent by Mr. AbiEzzi,
 13 something like that; Mr. -- another patent by
 14 Mr. Baumgartner. And those are put forward as the
 15 obvious combination at issue here.
 16 And then there were some other documents
 17 that were supportive of generic points or opinions that
 18 I held. I'm not sure that I can remember every one of
 19 those because I think there were about six or seven.
 20 Bar is one that comes to mind because it
 21 was at the top of the list. I remember seeing it. I
 22 just don't remember the names of the others.
 23 And you asked -- you asked what documents
 24 I reviewed?
 25 **Q. (BY MR. HAMAD) Yes, sir, that was the**

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1 **question.**
 2 A. Okay.
 3 **Q. And you said that you visited with folks from**
 4 **Fish yesterday?**
 5 A. I did.
 6 **Q. Can you identify the names of individuals that**
 7 **you spoke to?**
 8 A. Well, certainly Kathi Vidal here, Josh
 9 Griswold, and Dan Smith. They were the three people
 10 that I remember in the room.
 11 **Q. Have you talked to any non-Apple attorney in**
 12 **preparation for today's deposition?**
 13 A. What you're saying is -- in preparation for
 14 this deposition, no, I have not.
 15 **Q. Have you spoken to any non-Apple attorney**
 16 **about this IPR proceeding?**
 17 A. Not that I can remember. Maybe I should amend
 18 that because sometimes there are discussions with
 19 attorneys in other cases and I indicate something about
 20 the schedule to them, like I will not be available until
 21 after November the 11th because I'm tied up on another
 22 case until that time, but not -- not any technical
 23 details at all, just the logistics.
 24 **Q. Okay. I appreciate the clarification. So**
 25 **your point is you haven't talked to any non-Apple**

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1 **counsel about the substance or the merits of this IPR**
 2 **proceeding?**
 3 A. I would agree with that statement.
 4 **Q. Do you remember when you were retained for**
 5 **this IPR proceeding?**
 6 A. No, I honestly do not. My recollection is
 7 that the declaration went in in March, I believe, and --
 8 but I would just -- I would have to conjecture about
 9 exactly when the retention occurred.
 10 **Q. Do you remember about when you started working**
 11 **on the IPR proceeding?**
 12 A. Generally speaking, I start working on
 13 something the day I get the assignment because I want to
 14 start to build up a general understanding, and so that
 15 was some period before. Maybe it was March the 27th or
 16 something like that.
 17 **Q. Do you have, like, an estimate of a time**
 18 **period of when you might have started working on it?**
 19 A. You are asking for calendar time period,
 20 right?
 21 **Q. Yes, sir.**
 22 A. It would be a rather poor estimate, I think,
 23 but I mean, if you want a number, I would say 60 days,
 24 but I certainly couldn't certify that. That's just the
 25 best I can give you as a recollection.

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1 **Q. And when you say "60 days," you mean**
 2 **approximately 60 days before submitting your declaration**
 3 **in this IPR?**
 4 A. That is correct, so about sometime in January,
 5 maybe.
 6 **Q. When did you first become aware of the AbiEzzi**
 7 **reference?**
 8 A. That would have been when counsel provided it
 9 to me as part of my work for this activity.
 10 **Q. And your best estimate of that was January**
 11 **2016?**
 12 A. Yeah, though it might have been a few days
 13 before -- a few days after we had a telephone
 14 conversation. Normally, I get sort of a group of
 15 materials, and those usually involve the -- in the -- in
 16 this particular case, obvious prior art, obviousness
 17 prior art.
 18 **Q. Okay. Just to clarify, when counsel provided**
 19 **you the AbiEzzi reference, your best estimate as to when**
 20 **it was provided to you is about the January 2016 time**
 21 **frame when you were given this assignment?**
 22 A. That would be my best estimate.
 23 **Q. Were you aware of the AbiEzzi reference prior**
 24 **to your engagement by Apple?**
 25 A. Not to my recollection.

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1 **Q. When did you become -- I'm sorry. Strike**
 2 **that.**
 3 **When did you first become aware of the**
 4 **Baumgartner reference?**
 5 A. I would suspect it was the same time or very
 6 close. I think they -- I think those documents were
 7 provided to me simultaneously.
 8 **Q. So again, your best estimate as to when you**
 9 **learned about the Baumgartner reference was when it was**
 10 **provided to you by Apple's counsel in approximately**
 11 **January 2016?**
 12 A. Yes.
 13 **Q. And were you aware of the Baumgartner**
 14 **reference prior to your engagement by Apple in this IPR?**
 15 A. Not that I recall.
 16 **Q. Dr. Mercer, do you understand that when you**
 17 **conduct an obviousness analysis, you have to do it from**
 18 **the perspective of a person of ordinary skill in the art**
 19 **at the time of the invention, right?**
 20 A. At the critical date of the invention is the
 21 way I -- that's the word I use.
 22 **Q. When you were doing your analysis, you were**
 23 **able to look at Chestnut Hill's patent claims first,**
 24 **right?**
 25 A. Yes.

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1 MS. VIDAL: Object to form.
 2 THE WITNESS: I'm sorry.
 3 A. You mean -- let's be -- let's be clear about
 4 what you mean by "first," I guess. The very last word
 5 you used was you were able to look at Chestnut Hill's
 6 patent claims first; is that correct?
 7 MR. HAMAD: Can you please read back the
 8 question to him?
 9 (Requested portion read by the reporter.)
 10 A. Okay. So I think the real thing I need
 11 clarification about, when you -- when you say "your
 12 analysis," could you be more specific about that?
 13 Because, if you remember, with respect to the claims
 14 now, there were prior proceedings.
 15 **Q. (BY MR. HAMAD) So the clarification you're**
 16 **asking for is whether I'm talking about the patent in**
 17 **this IPR proceeding or another patent in another IPR**
 18 **proceeding?**
 19 A. The same patent, but in the context of this
 20 IPR proceeding or generically with no context specified,
 21 just the earliest time I ever looked at the claims of
 22 the '309 patent.
 23 **Q. I think I'm confused by your answer, but let**
 24 **me see if I can -- let me see if I can try to break this**
 25 **down. The patent at issue in this IPR is the '309**

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1 patent, correct?
 2 A. That's right.
 3 **Q. And the '309 patent was assigned to Chestnut**
 4 **Hill, correct?**
 5 A. That's my understanding.
 6 **Q. For purposes of today's deposition, if I say**
 7 **the "'309 patent" or "Chestnut Hill's patent," can we**
 8 **agree to be meaning that we're talking about the same**
 9 **patent within the context of this IPR?**
 10 A. Yes.
 11 **Q. When you were conducting your obviousness**
 12 **analysis, you got to look at Chestnut Hill's patent**
 13 **claims before analyzing the AbiEzzi and Baumgartner**
 14 **references, correct?**
 15 A. That is a true statement.
 16 **Q. So when you were conducting your obviousness**
 17 **analysis, you got to see the claims, the claim elements,**
 18 **and then you looked at AbiEzzi and Baumgartner, analyzed**
 19 **those, and figured out or analyzed how they would meet**
 20 **the claim limitations in the '309 patent?**
 21 A. No. That's not correct. And I'll be happy to
 22 explain, if you wish.
 23 **Q. When you were conducting your obviousness**
 24 **analysis, you did not compare the claims of the '309**
 25 **patent to the AbiEzzi and Baumgartner references?**

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1 A. Well, when I first saw the '309 patent, I
 2 didn't consider those claims at all in light of AbiEzzi
 3 and Baumgartner, because I wasn't at that time even
 4 aware, as I've already testified, of those two pieces of
 5 prior art.
 6 **Q. Okay. I think we're maybe running into the**
 7 **same issue we had last time. For purposes of today's**
 8 **questions, unless I, you know, specifically say**
 9 **otherwise or I guess make it clear with my question, I'm**
 10 **really talking about your analysis for purposes of this**
 11 **IPR proceeding. Is it fair if we conduct the rest of**
 12 **the deposition with that understanding?**
 13 A. Yes. But I think it's also important to
 14 understand that your question didn't involve just the
 15 analysis of the '309 but the analysis of the '309 in
 16 light of the AbiEzzi and the Baumgartner patent, and so
 17 my response is, obviously, I had access to the '309 and
 18 I might well have known that there was going to be a new
 19 IPR. I just didn't happen to know what art there would
 20 be initially. But even at that time, I did have access
 21 to the claims of the '309 patent.
 22 **Q. Okay. I think we might be talking past each**
 23 **other because I think I may be getting at something**
 24 **simpler than what you're thinking. Let's back up.**
 25 **You said it was a true statement that when**

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1 **you were conducting your obviousness analysis, you got**
 2 **to look at Chestnut Hill's patent claims before**
 3 **analyzing the AbiEzzi and Baumgartner references?**
 4 A. That's true.
 5 **Q. So I was -- the point that I was trying to get**
 6 **to -- and I'll try asking it again with this in mind,**
 7 **when you started analyzing or reviewing the AbiEzzi and**
 8 **Baumgartner references --**
 9 A. Yes.
 10 **Q. -- you had already analyzed and looked at the**
 11 **claim elements of the '309 patent, correct?**
 12 A. As claim elements?
 13 **Q. As claim elements.**
 14 A. But your earlier question involved obviousness
 15 analysis and not with respect to obviousness analysis
 16 with respect to these two pieces of prior art.
 17 Logically, it couldn't be that way.
 18 I have the patents, let's say, on day one,
 19 and I have the prior art on another day, one plus some
 20 constant. So the first time that I can -- that I can
 21 consider an obviousness analysis is when I have two
 22 pieces of the puzzle.
 23 And maybe if your start date is the day
 24 that I have all the pieces of the puzzle, then I think
 25 I -- then I would have to answer I did them at the same

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1 time, right? You understand?
 2 **Q. I'm not sure I do, but let me ask you this:**
 3 **When you were tasked with this assignment, this IPR**
 4 **proceeding, what did you look at first when you began**
 5 **reviewing the materials?**
 6 A. I'm pretty sure that I looked at the '309
 7 because I already had the '309, and I would -- and so I
 8 would look at the '309, but I would not be conscious at
 9 that point of what the proposed obviousness combinations
 10 or whatever invalid combin- -- invalidity combinations
 11 there might be.
 12 **Q. In the context of the '309 patent, do you have**
 13 **any opinions about what a mode is?**
 14 A. Yes, I do.
 15 **Q. In the context of the '309 patent, what is a**
 16 **mode?**
 17 A. Okay. So let me first be very specific. When
 18 I answered that question, I thought you just meant "a"
 19 as one or more, okay? So my opinion has to do with two
 20 modes, the first mode and the second mode, as they
 21 appear in the claim.
 22 Is that an answer to your question? And
 23 then I'll tell you what those are, if I understand the
 24 question.
 25 **Q. If I'm not -- I'm not asking what mode 1 or**

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