

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

VOIP-PAL.COM, INC.,
Patent Owner

Cases IPR2016-01198 and IPR2016-01201
Patents 9,179,005 B2 and 8,542,815 B2

Before SCOTT R. BOALICK, *Chief Administrative Patent Judge*, JACQUELINE WRIGHT BONILLA, *Deputy Chief Administrative Patent Judge*, and MICHAEL P. TIERNEY, *Vice Chief Administrative Patent Judge*.

BOALICK, *Chief Administrative Patent Judge*.

DECISION

Denying Petitioner's Request for Rehearing
*37 C.F.R. § 42.71(d)*¹

¹ This decision pertains to both Cases IPR2016-01198 and IPR2016-01201, as Petitioner's Requests for Rehearing are substantively the same in each case. Citations are to the paper numbers in Case IPR2016-01198.

I. BACKGROUND

On December 21, 2018, an Order was entered granting-in-part a motion for sanctions filed by Petitioner Apple Inc. (“Petitioner”). Paper 70 (“Order”). The Order authorized Petitioner to file a request for rehearing of the Final Written Decision entered on November 20, 2017 (Paper 53, “Final Written Decision” or “FWD”). Order 13–16. The Order also authorized Patent Owner Voip-Pal.com, Inc. (“Patent Owner”) to file a response to Petitioner’s request for rehearing, and Petitioner to file a reply. *Id.*

In accordance with the Order, Petitioner filed a Request for Rehearing. Paper 71 (“Reh’g Req.”). In response, Patent Owner filed an Opposition to the Request for Rehearing. Paper 73 (“Reh’g Opp’n”). Petitioner also filed a Reply in support of its Request for Rehearing. Paper 74 (“Reh’g Reply”).

At the outset, we note that in a request for rehearing we do not review the merits of the Final Written Decision de novo. Instead, we consider whether Petitioner has met its burden of showing that a matter has been misapprehended or overlooked in the Final Written Decision. 37 C.F.R. § 42.71(d) (“The burden of showing a decision should be modified lies with the party challenging the decision. The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.”). We conclude that Petitioner has not met this burden in its Request for Rehearing.

II. ANALYSIS

In the Final Written Decision issued in each of the above-captioned cases, the panel determined that Petitioner had not shown by a preponderance of the evidence that the challenged claims (i.e., claims 1, 24–26, 49, 50, 73–79, 83, 84,

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88, 89, 92, 94–96, 98, and 99 of U.S. Patent No. 9,179,005 B2, and claims 1, 7, 27, 28, 34, 54, 72–74, 92, 93, and 111 of U.S. Patent No. 8,542,815 B2, respectively) would have been obvious over (1) Chu ’684² and Chu ’366,³ or (2) Chu ’684 and Chen.^{4, 5}

In its Request for Rehearing, Petitioner asserts that, in the Final Written Decision in both cases,⁶ the panel misunderstood the nature of the proposed combinations of prior art references (Reh’g Req. 7–9), as well as the proposed combination’s application to the step ordering required by the challenged claims (*id.* at 9–13), and that the panel did not adequately consider the asserted reasons to combine the references (*id.* at 14–17).

² U.S. Patent No. 7,486,684 B2 to Chu et al. issued Feb. 3, 2009 (Ex. 1006) (“Chu ’684”).

³ U.S. Patent No. 8,036,366 B2 to Chu issued Oct. 11, 2011 (Ex. 1007) (“Chu ’366”).

⁴ U.S. Patent Application Publication No. 2007/0064919 A1 to Chen et al. published Mar. 22, 2007 (Ex. 1008) (“Chen”).

⁵ On March 25, 2019, in a district court case involving Patent Owner and Petitioner (among other defendants), the U.S. District Court of the Northern District of California granted a motion to dismiss, finding that “asserted multi-network claims (claims 1, 7, 12, 27, 28, 72, 73, 92, and 111 of the ’815 Patent and claims 49 and 73 of the ’005 Patent) and the asserted single-network claims (claims 74, 75, 77, 78, 83, 84, 94, 96, and 99 of the ’005 Patent) are directed to unpatentable subject matter and are thus invalid under 35 U.S.C. § 101.” *Voip-Pal.Com, Inc. v. Apple Inc.*, No. 18-CV-06217-LHK, 2019 WL 1332762, at *25 (N.D. Cal. Mar. 25, 2019), *appeal docketed*, No. 19-1808 (Fed. Cir. Apr. 26, 2019).

⁶ As noted above, arguments presented in the Request for Rehearing papers in both cases are substantively the same. Thus, we refer to the Final Written Decision and Request for Rehearing papers in the singular, citing papers in Case IPR2016-01198, as also noted above.

A. *Nature of the Proposed Combinations*

Petitioner contends that the panel failed to properly consider how the asserted combinations would function because the panel misunderstood the combinations and did not expressly discuss certain of Petitioner's arguments, particularly those set forth in Petitioner's Reply to Patent Owner's Response (Paper 34, "Reply"). Reh'g Req. 7–9. Petitioner asserts the panel showed it misunderstood the nature of the combinations by criticizing Petitioner for failing to explain why Chu '684's assessment of dialed digits would apply to a reformatted number. *Id.* at 8 (citing FWD 22–23). Petitioner states that, in the asserted combinations, "the Chu '684 system could continue to receive and process long form E.164 compatible numbers as per its normal disclosed operation." *Id.* According to Petitioner, it need not explain how Chu '684 would process numbers converted to E.164 format because Chu '684 already used such numbers. *Id.* at 9. Petitioner's argument for error asserts that "Chu '684 contemplates receiving long form E.164 compatible numbers." Reh'g Req. 9; *accord id.* ("the same E.164 compatible format that Chu '684 expressly contemplates using"); Reh'g Reply 1 ("[I]n the Proposed Combinations, Chu '684 receives the very E.164-compliant numbers that it processes.").

Patent Owner disputes Petitioner's factual assertion, pointing to record evidence that, in Chu '684, users would dial according to the dialing conventions of their geographic area. Reh'g Opp'n 8 (citing Ex. 2016 ¶ 66). Patent Owner's expert witness, Dr. Mangione-Smith, testified that "in Chu '684, the users would dial PSTN 'public numbers' based on the location of the customer premises." Ex. 2016 ¶ 66 (citing Ex. 1006, Fig. 2). Figure 2 of Chu '684 supports Dr. Mangione-Smith's testimony, in that Figure 2 of Chu '684 illustrates customer premises 105 (which includes IP phones) as connected to a service provider central office 205. *See* Ex. 1006, Fig. 2; Reh'g Opp'n 9 (contrasting Petitioner's assertion

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that “IP phones . . . are not tied to any specific physical location and thus do not inherently provide the user an option to dial short form numbers” with Figure 2 of Chu ’684 (emphasis omitted) (quoting Paper 44, 8)).

Patent Owner also points out that, when Chu ’684 discusses E.164 numbers, it is in the context of assigning such numbers to IP-based phones, not in the context of placing calls by such phones to other such phones. Reh’g Opp’n 7 n.2 (citing Ex. 1006, 13:1–11; Ex. 2016 ¶ 66; Reply 21–23 (relying on disclosure in Chu ’684)). Patent Owner also identifies that Chu ’684’s “public E.164 telephone numbers” are not compliant with the “long-form E.164 format, which would require a ‘+’ sign and country code.” *Id.* (citing Ex. 1006, 13:4) (explaining that an example of a “public E.164 telephone number” provided in Chu ’684 is “732-949-xxxx,” which does not include the “+” sign and country code of a fully formatted E.164 number, and is instead the local dialing format used in area code 732). These two distinctions reinforce the view of Patent Owner’s declarant, Dr. Mangione-Smith.

And, as Patent Owner points out, the panel relied on the same evidence—testimony by Dr. Mangione-Smith—when rejecting Petitioner’s view of the prior art and reason for the combination. *See* FWD 19 (citing Ex. 2016 ¶¶ 65–67); Reh’g Opp’n 6. Thus, when the panel concluded that Petitioner had not shown that Chu ’684’s method would apply to a number reformatted by the secondary references (*see* FWD 22–23), it relied on record evidence supporting its conclusion. We determine that the panel did not misapprehend the nature of the proposed combination; rather, based on the record, it resolved a factual dispute and concluded that Petitioner failed to show the proposed combination would operate as asserted.

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