# UNITED STATES PATENT AND TRADEMARK OFFICE

# BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC. Petitioner v. VOIP-PAL.COM, INC. Patent Owner

Case No. IPR2016-01201 Patent 8,542,815

PETITIONER'S REPLY IN SUPPORT OF ITS REQUEST FOR REHEARING

PURSUANT TO 37 C.F.R. § 42.71(d)



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#### I. Patent Owner Ignores the FWD's Three Fundamental Defects

In requesting rehearing, Petitioner demonstrated that the Final Written Decision ("FWD") reflects a fundamental misunderstanding of the Proposed Combinations. Patent Owner has no response to three critical points:

*First*, the Replacement Panel did not understand that in the Proposed Combinations, Chu '684 receives the very E.164-compliant numbers that it processes, and that the E.164 numbers that Chu '684 receives and processes were reformatted from short-form numbers according to the teachings of the Secondary References. Paper 71, Motion, at 8-9. The Replacement Panel performed a flawed analysis on a flawed understanding.

Second, this problem appears to have arisen because the Replacement Panel overlooked Petitioner's Reply brief and other post-Response filings and arguments.1 Patent Owner focuses on the Replacement Panel's boilerplate assertions that it "considered the record that has developed" and rendered its opinions "[a]fter careful review of the record at hand." Paper 73, Opposition at 4. But Patent Owner does not identify any portion of the FWD that suggests the Replacement Panel actually

<sup>&</sup>lt;sup>1</sup> The Replacement Panel also overlooked numerous post-Response filings and arguments where the combination was again explained. For example, Petitioner's Response to Patent Owner's Motion to Exclude explained the combination. Paper 44, at 8-11. Petitioner also devoted the first 25 slides of its Demonstratives and the Oral Argument to explaining the combination. Ex. 1018 (Petitioner's Demonstratives); Paper 52 (Hearing Transcript), at 4-23.

considered Petitioner's Reply to explain the combination. Nor does Patent Owner dispute that the Reply provided a very simple restatement of the purpose and nature of the Proposed Combinations. Paper 71, Motion at 7-8 (citing Paper 34, Reply at 15-16). Had the Replacement Panel considered the Reply, it would not have operated from a flawed understanding of the Proposed Combinations.

*Third*, the Replacement Panel adopted Patent Owner's mischaracterization of the motivations to combine. As a result, the FWD ignored the express motivations provided by the Secondary References themselves. Paper 71, Motion at 14-17. Patent Owner attempts to rewrite the FWD by contending that because it included citations to the portions of the Secondary References discussing the motivation, the Replacement Panel must have considered them. Paper 73, Opposition at 10-11. These citations, however, are merely contained in the background summaries of references in the FWD. The FWD does not indicate that the Replacement Panel considered these teachings. Instead, it appears they were ignored.

Individually, each of the above three defects are sufficiently problematic to justify rehearing. Together, they provide a roadmap to how the Replacement Panel failed to conduct the correct analysis. The Replacement Panel's failure to apprehend the motivations to combine by accepting Patent Owner's representation of the same (and ignoring Petitioner's Reply) was fatal to its analysis. II. The Final Written Decision Did Not Comprehend The Proposed Combinations, As Evidenced By Its Adopting Patent Owner's Flawed "Deficiency" Argument.

Patent Owner defends the FWD based almost entirely on two paragraphs:

Notably absent, however, from both the Petition and Dr. Houh's testimony is underlying evidentiary support for the proposition that one of ordinary skill in the art would have regarded Chu '684's teachings as deficient. Indeed, *Petitioner's statement and Dr. Houh's bare testimony that "[u]pon reading the disclosure of Chu '684," a person of ordinary skill in the art would have sought to improve that very disclosure* seemingly warrants underlying explanation or citation, yet no adequate support in that regard is supplied.

Moreover, this panel has the benefit of Dr. Mangione-Smith's testimony, in which he expresses disagreement with the positions noted above taken by Dr. Houh and Petitioner and highlights the potential inadequacies in that respect. See Ex. 2016 ¶¶ 65–67. Indeed, we credit Dr. Mangione-Smith's view that Dr. Houh does not explain adequately the nature of the deficiency in Chu '684 that is intended to be addressed. Id. ¶ 66.

FWD, at 19-20 (emphasis added). These paragraphs demonstrate the misapprehension the Board adopted from Patent Owner. The Replacement Panel found that Dr. Houh (and Petitioner) had not adequately explained the nature of the deficiency that was intended to be addressed by the addition of the Secondary References. By its own admission, the Replacement Panel did not understand the nature or purposes of the Proposed Combinations because it accepted Dr. Mangione-Smith's flawed understanding. The confusion inserted by Patent Owner is exactly

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