

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CISCO SYSTEMS, INC.,
Petitioner,

v.

TQ DELTA, LLC,
Patent Owner.

Case IPR2016-01466 and IPR2016-01760
Patent 8,611,404 B2 and 9,094,268 B2

Record of Oral Hearing
Held: November 8, 2017

Before SALLY C. MEDLEY, TREVOR M. JEFFERSON and MATTHEW
R. CLEMENTS, *Administrative Patent Judges*.

Case IPR2016-01466 and IPR2016-01760
Patent 8,611,404 B2 and 9,094,268 B2

APPEARANCES:

ON BEHALF OF THE PETITIONER:

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The above-entitled matter came on for hearing Wednesday, November 8, 2017, commencing at 1:00 p.m., at the U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia.

1 PROCEEDINGS

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3 JUDGE CLEMENTS: Good afternoon. This is the final hearing for
4 IPR2016-01466 and 01760 between petitioner, Cisco Systems, Inc. and
5 patent owner, TQ Delta, LLC.

6 I'm Judge Clements, participating remotely from San Jose. In the
7 room with you are Judges Medley and Jefferson. And at this time we'd like
8 counsel to introduce yourselves beginning with petitioner, please.

9 MR. MCCOMBS: Your Honor, this is David McCombs here
10 representing Cisco Systems. With me is Michael Parsons and Theo Foster.
11 And Theo Foster will be making our presentation today.

12 JUDGE CLEMENTS: Okay. Thank you.

13 And patent owner?

14 MR. MCANDREWS: Good afternoon, Your Honors. I'm Peter
15 McAndrews on behalf of patent owner TQ Delta. With me I have Rajendra
16 Chiplunkar -- who will be making the argument -- Tom Wimbiscus and
17 Chris Scharff. I also have a representative from the client, Nabha Rege.
18 That's spelled N-A-B-H-A, R-E-G-E. Thank you. JUDGE CLEMENTS:

19 Thank you. Before we proceed, I have a couple reminders. Number one,
20 each party will have 45 minutes of total time for arguments in the two cases.
21 Petitioner will proceed first and reserve rebuttal time. Thereafter, patent
22 owner will respond to the petitioner's presentation, and petitioner may then
23 make use of any time it has reserved.

24 Second, with respect to demonstratives, please refer to the slide
25 number so it will appear on the record and so I can follow along remotely. I

1 have a copy of your demonstratives here in front of me.

2 Any questions, petitioner?

3 MR. MCCOMBS: No, Your Honor.

4 JUDGE CLEMENTS: Okay. Any questions, counsel for patent
5 owner?

6 MR. MCANDREWS: No, Your Honor.

7 JUDGE CLEMENTS: Okay. Very good.

8 Mr. Foster, would you like to reserve any rebuttal time?

9 MR. FOSTER: Yes, Your Honor. I would like to reserve 15 minutes.

10 JUDGE CLEMENTS: Okay. 15 minutes. I'll give you a warning as
11 we get close to that. And otherwise, you may begin when ready.

12 MR. FOSTER: Thank you.

13 Good afternoon. May it please the Board. I believe the panel is
14 already familiar with the patents and the technology involved in these two
15 cases. And so I will jump straight into the issues. And going to slide 2,
16 there are four issues that I've tried to encapsulate the arguments that patent
17 owner has made regarding the obviousness of the two patents at issue.

18 And so I will go straight to slide 6. And the first of those issues, which
19 is that Bowie, our primary reference, stores loop transmission characteristics
20 which are associated with full power mode. And looking at slide 7, I have a
21 short quotation from the patent owner's own response, where patent owner
22 acknowledges that Bowie has a teaching to store in memory characteristics
23 of the loop. So that is the line between two communicating transceivers.

24 And then the second quote -- and this is, again, from patent owner's
25 response -- their footnote, number 1, page 10, of their response, where they
26 acknowledge that when Bowie is talking about characteristics of the loop or

1 loop characteristics, those are indeed loop transmission characteristics.
2 Those are characteristics or parameters associated with the transmission of
3 data. And patent owner acknowledges that the term loop characteristics and
4 loop transmission characteristics are used interchangeably in Bowie. And so
5 I believe that shows that what Bowie is storing are indeed parameters
6 associated with the transmission of data and associated with full power
7 mode.

8 Moving to slide 8 and looking at quotations from Bowie itself as I
9 highlighted at the top of the slide, Bowie describes storing loop
10 characteristics and that that enables the rapid resumption of user data
11 transmission after exiting low power mode.

12 So again, Bowie is describing that by storing these characteristics, it
13 can resume data transmission. Therefore, those parameters being stored, the
14 characteristics being stored, are associated with full power mode in data
15 transmission.

16 Moving to slide 9, and this is an issue that is specific to the '404
17 patent, which, in its independent claims, has a further limitation describing
18 the parameters that are stored and requiring that they include a bit allocation
19 of the fine gain parameter. And our position there is that that concept is
20 obvious over the combination of Bowie and the ANSI T.1413 standard.

21 As we see in the quotations on slide 9 from Bowie, Bowie is storing in
22 memory the characteristics that are determined during handshaking. And
23 that handshaking process includes a process in which parameters and values,
24 these -- characteristics is what it calls them -- those values are exchanged.

25 And the ANSI standard further explains that exchange process and
26 explains that, included in the exchange of parameters during initialization of

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