UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

VALENCELL, INC.,
Patent Owner.

Case IPR2017-00319 (Patent 8,923,941 B2)
Case IPR2017-00321 (Patent 8,923,941 B2)[1,2]

Record of Oral Hearing
Held: February 27, 2018

Before BRIAN J. McNAMARA, JAMES B. ARPIN, and SHEILA F. McSHANE, *Administrative Patent Judges.*

APPEARANCES:

ON BEHALF OF THE PETITIONER:

BYRON L. PICKARD, ESQUIRE
MICHELLE K. HOLOUBEK, ESQUIRE
MICHAEL D. SPECHT, ESQUIRE
MARK CONSILVIO, ESQUIRE
Sterne, Kessler, Goldstein & Fox
1100 New York Avenue, N.W.
Washington, D.C. 20005

ON BEHALF OF THE PATENT OWNER:

JUSTIN B. KIMBLE, ESQUIRE
JEFFREY BRAGALONE, ESQUIRE
Bragalone Conroy, P.C.
2200 Ross Avenue, Suite 4500W
Dallas, Texas 75201-7924

and

R. SCOTT RHOADES, ESQUIRE
Warren Rhoades
1212 Corporate Drive, Suite 250
Irving, Texas 75038

The above-entitled matter came on for hearing on Tuesday, February 27, 2018, commencing at 11:50 a.m., at the U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia.

P R O C E E D I N G S

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JUDGE McNAMARA: This is going to be the hearing in IPR2017-00319 and 00321. And again, we'll hear first from the petitioner, then the patent owner and any rebuttal from the petitioner. Petitioner has 40 minutes. Is there some amount of time you would like me to alert you to?

MS. HOLOUBEK: Yes, Your Honor, I would like to reserve ten minutes for rebuttal, please.

JUDGE ARPIN: Counselor, before you begin, because we are doing this as a consolidated hearing, although it is the same patent for both cases, if there are arguments that you are presenting which are related only to one of the two petitions, if you would please specify which petition you are speaking of.

MS. HOLOUBEK: Yes, Your Honor, I'll do that.

JUDGE McNAMARA: All right. Please proceed.

MS. HOLOUBEK: Thank you. Good morning. May it please the Board, my name is Michelle Holoubek and I represent petitioner, Apple Inc., along with my colleagues Mark Consilvio and Michael Specht, who are backup counsel on this case.

At the outset, as I mentioned, I would like to reserve ten minutes for rebuttal in this portion of the hearing. Both of them relate to Valencell's '941 patent. First I will plan to discuss the 319 IPR which covers claims 1 to 2 and 6 to 13. And then I'll turn to the 321 IPR which covers claims 14 through 21, along with its motion to amend.

Regarding claims 1 to 2 and 6 to 13, the Board's analysis of these claims in its institution decision was correct. Rather than presenting

anything new during the trial portion of this proceeding, Valencell simply dug in on the same arguments as before that the Board had already considered in its institution decision. No new information has been provided that should change the decision previously rendered by the Board.

Each claim in this IPR would have been obvious based on the combination of Luo and Craw, if we could turn to slide 2, which provides us with a summary. And again, these demonstratives that I'm referring to right now are in the 319 portion of our demonstratives.

So we have the combination of Luo plus Craw, and then separately a combination based on the references Mault and Al-Ali. Valencell's arguments to the contrary rest on a faulty and overly narrow reading of claim 1. And because the arguments have focused on claim 1 and not any of the dependent claims, claim 1 is what we'll focus on today as well.

So let's take a look together at claim 1 to see what it actually recites. If we turn to slide 3, we can see that we have a method with two steps. We have a sensing step and a processing step. And I find these individual steps pretty long, so I find it helpful to break them up. In the sensing step, two types of data are sensed, physical activity and physiological information. This data is sensed by a monitoring device. And that monitoring device is open-ended so it can comprise any number of sensors. But the claim does require that the physical activity be sensed by at least one motion sensor. And the claim also requires that the physiological information be sensed by at least one PPG sensor. Now, that doesn't mean that all the physiological information sensed by the entire monitoring device must come solely from this PPG sensor. It simply means that the PPG sensor has to contribute to the physiological data. That's what it says.

JUDGE ARPIN: Counselor, with regard to claim construction, the physiological information was something we construed in the DI, and I don't believe that patent owner has challenged that construction. Is that your understanding?

MS. HOLOUBEK: That's my understanding as well, yes.

JUDGE ARPIN: Patent owner, however, has proposed a modification for the construction of the term "PPG sensor" which you just mentioned. Do you have any objections to the patent owner's construction of that term?

MS. HOLOUBEK: No, I have no objections to that, Your Honor. We agree with that.

JUDGE ARPIN: Are those the only claim construction issues that we are dealing with in the 319 case?

MS. HOLOUBEK: To my knowledge, we don't really have any claim construction issues other than that correction to the PPG sensor. We have not disputed any of the claim constructions as instituted by the Board.

JUDGE ARPIN: Thank you very much, counselor. Please continue.

MS. HOLOUBEK: So going back to the claim, the claim says at least one PPG sensor for sensing the physiological data. That is open-ended. So other sensors can contribute to the physiological data as well. And that's important because Valencell's primary argument against both grounds in the 319 IPR is that all the physiological data in the claim has to come from the PPG sensor. But again, the claim uses words like "comprising" and "at least" and is open-ended.

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