Paper No. ___
Filed: April 7, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

CALIFORNIA INSTITUTE OF TECHNOLOGY,
Patent Owner.

Case IPR2017-00423
Patent No. 7,916,781

PATENT OWNER'S PRELIMINARY RESPONSE PURSUANT TO 37 C.F.R. § 42.107

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I. INTRODUCTION

The Board should not institute *inter partes* review (IPR) on claims 13-22 of U.S. Patent No. 7,916,781 ("the '781 patent") because petitioner Apple Inc. ("Petitioner" or "Apple") has not met its burden of showing that it has a reasonable likelihood of prevailing on any of its proposed grounds of unpatentability.

As a threshold issue, neither the Petitioner nor its expert sufficiently explain why a person of ordinary skill would have combined the references as proposed. As explained in detail below, Petitioner fundamentally misapprehends the teachings of the cited references in proposing modifying the admittedly "regular" code of Ping to include the so-called "irregularity" of MacKay. Petitioner has misconstrued those prior art disclosures and fails to acknowledge that the "irregularity" of MacKay is already found in Ping. As such, there can be no rationale to combine the cited references.

Additionally, the proposed grounds of challenge fail to demonstrate that each element of claims 13-22 of the '781 patent is found in the cited art. Indeed, multiple elements of the claimed subject matter are missing from the asserted references.

Finally, review should be denied on the basis that the present petition rehashes substantially the same art and arguments that have already been presented

to the Office and rejected by the Board in a previous IPR challenge. Petitioner acknowledges that the '781 patent was already "challenged in one petition for *inter partes* review." Pet. at 1. The Board rejected the grounds of that petition that relied on Ping alone or in view of other references, including a patent to Luby *et al.* ("the Luby '909 Patent"). In this instance, Petitioner presents the same Ping reference and substitutes the MacKay paper for the Luby '909 Patent to present substantially the same disclosures and arguments that the Board rejected in a prior petition.

Accordingly, institution of *inter partes* review should be *denied*.

II. THE PRESENT PETITION RECYCLES PREVIOUS CHALLENGES REJECTED BY THE OFFICE

The instant petition presents one in a series of challenges to the '781 patent, but rehashes substantially the same art and arguments already presented to the Office and rejected by the Board. Accordingly, the Board should exercise its discretion in denying institution on all grounds in the petition. 35 U.S.C. § 325(d) ("In determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31, the Director may take into account whether, and reject the petition or request because, ***the same or substantially the same prior art or arguments*** previously were presented to the Office.") (emphasis added).

The present petition fails to offer any art or arguments substantially different from what has already been presented to—and rejected by—the Board. Petitioner

acknowledges that the '781 patent was already "challenged in one petition for *inter partes* review." Pet. at 1. In the prior petition, the Board rejected grounds substantially identical to the grounds Petitioner presents in this instance. *See Hughes Network Sys., LLC v. Cal. Inst. of Tech.*, Case No. IPR2015-00059, Paper 18 at 14-16 (PTAB Apr. 27, 2015). Petitioner has also filed another pending petition challenging claims of the '781 patent. *See Apple Inc. v. Cal. Inst. of Tech.*, Case No. IPR2017-00297, Paper 5 (PTAB Dec. 12, 2016).

Specifically, the earlier Hughes IPR similarly presented grounds based on Ping, either alone or in view of the Luby '909 Patent (U.S. Patent No. 6,081,909), which is similar in scope to the MacKay paper on which Petitioner relies in this instance. *Compare Hughes Network Sys.*, Case No. IPR2015-00059, Paper 4 at 16-31, 33-47 (challenging , *inter alia*, claim 19 as anticipated by Ping, claims 13-15 as obvious over Ping in view of the Luby '909 Patent, and claim 16 as obvious over Ping in view of the Luby '909 Patent and U.S. Patent No. 4,623,999) *with* Pet. at 37-41 (challenging claims 13-15 as obvious over Ping and MacKay), 43-47 (challenging claims 19-21 with a *de facto* anticipation ground over Ping), 48-50 (challenging claim 16 as obvious over Ping in view of MacKay and further in view of Coombes). Concurrent with the present petition, Petitioner filed another IPR petition (IPR2017-00297) using Ping as the primary reference for each ground,

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