

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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DELL INC.; EMC CORPORATION; HEWLETT-PACKARD  
ENTERPRISE CO.; HP ENTERPRISE SERVICES, LLC; TERADATA  
OPERATIONS, INC.; and VERITAS TECHNOLOGIES, LLC,  
Petitioner,

v.

REALTIME DATA LLC,  
Patent Owner.

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Case IPR2017-00176 (Patent 7,161,506 C2)  
Case IPR2017-00179 (Patent 9,054,728 B2)  
Case IPR2017-00806 (Patent 7,161,506 C2)  
Case IPR2017-00808 (Patent 9,054,728 B2)

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Record of Oral Hearing  
Held: February 20, 2018

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Before JASON J. CHUNG, SCOTT C. MOORE, SHEILA F.  
McSHANE, and KAMRAN JIVANI, *Administrative Patent Judges*.

Case IPR2017-00176 (Patent 7,161,506 C2)1  
Case IPR2017-00179 (Patent 9,054,728 B2)2  
Case IPR2017-00806 (Patent 7,161,506 C2)1  
Case IPR2017-00808 (Patent 9,054,728 B2)2

APPEARANCES:

ON BEHALF OF THE PETITIONER:

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The above-entitled matter came on for hearing on Tuesday,  
February 20, 2018, commencing at 2:38 p.m., at the U.S. Patent and  
Trademark Office, 600 Dulany Street, Alexandria, Virginia.

Case IPR2017-00176 (Patent 7,161,506 C2)1  
Case IPR2017-00179 (Patent 9,054,728 B2)2  
Case IPR2017-00806 (Patent 7,161,506 C2)1  
Case IPR2017-00808 (Patent 9,054,728 B2)2

P R O C E E D I N G S

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3 JUDGE CHUNG: We are convened for the consolidated  
4 hearing of IPR2017-00176, which has been consolidated with  
5 IPR2017-00806, and joined with IPR2017-01688. The judges for that  
6 panel consist of Judges Scott Moore and Sheila McShane and I. The  
7 other three cases in this consolidated hearing are IPR2017-00179, which  
8 has been consolidated with IPR2017-00808 and has been joined with  
9 IPR2017-01690. The panel for those three cases consists of Judges Scott  
10 Moore and Kamran Jivani and I. The presence of four judges here is not  
11 an indication of an expanded panel. The judges will be presiding on  
12 cases only as noted.

13 Because three of my colleagues are joining remotely, we  
14 respectfully request counsel for each side to speak clearly into the  
15 microphone and identify the slide number that they are referring to. To  
16 the extent that petitioner wants to use the ELMO projection device,  
17 please keep in mind that there's a chance that the remote judges cannot  
18 see what you are referring to on the ELMO device and to please speak  
19 clearly and describe clearly what you are referencing in the ELMO  
20 device.

21 As for objections, we want the free flow of conversation of each  
22 party, so to the extent that each party has an objection, please preserve  
23 them until it is their time to speak.

Case IPR2017-00176 (Patent 7,161,506 C2)1  
Case IPR2017-00179 (Patent 9,054,728 B2)2  
Case IPR2017-00806 (Patent 7,161,506 C2)1  
Case IPR2017-00808 (Patent 9,054,728 B2)2

1 At this time, will petitioner please identify themselves?

2 MR. SOMMER: Thank you, Your Honor. Andrew Sommer on  
3 behalf of petitioners.

4 JUDGE CHUNG: Patent owner?

5 MR. NOROOZI: Kayvan Noroozi on behalf of Realtime Data.

6 JUDGE CHUNG: Thank you. Each party will have  
7 45 minutes to present their arguments. And because petitioner has the  
8 burden, petitioner will go first. Petitioner has the option of reserving  
9 some rebuttal time which will be taken away from -- which will be part  
10 of their 45 minutes total. At this time, does petitioner know how much  
11 rebuttal time they would like to reserve?

12 MR. SOMMER: Yes, Your Honor, we would like to reserve  
13 18 minutes for rebuttal.

14 JUDGE CHUNG: Thank you. Because there is no timer on the  
15 wall, I will let petitioner know when they have a few minutes left and I  
16 will also do the same for patent owner. Because petitioner reserved  
17 18 minutes of rebuttal time, I set the timer for 27 minutes. At this time,  
18 petitioner, you may begin.

19 MR. SOMMER: Thank you, Your Honor. Can all the remote  
20 judges hear me?

21 JUDGE JIVANI: Yes, please proceed.

22 JUDGE McSHANE: Yes, we can.

23 MR. SOMMER: May it please the Board, Andrew Sommer on  
24 behalf of petitioner. Today we are going to be discussing two patents,

Case IPR2017-00176 (Patent 7,161,506 C2)1  
Case IPR2017-00179 (Patent 9,054,728 B2)2  
Case IPR2017-00806 (Patent 7,161,506 C2)1  
Case IPR2017-00808 (Patent 9,054,728 B2)2

1 the '506 and the '728 patent. And both share a very common  
2 specification. I think they are identical but for some of the formalities of  
3 cross-referencing the related applications. And there are some slight  
4 differences in the claims, some of which matter in these proceedings.  
5 And we'll talk about those in a bit.

6 So here are the topics that I would like to cover today here in  
7 our argument. This is slide 2. And the first thing I would like to do is  
8 give a brief overview of the '506 and '728 patents. No doubt Your  
9 Honors are familiar with the disclosure and the claims of this particular  
10 patent. So I will be expeditious.

11 Then, I will give an overview of Franaszek, Hsu and Sebastian  
12 and the relevant teachings of these references with respect to the  
13 invalidity arguments that are presented in the petition and explained  
14 further in the reply.

15 Finally, I'll conclude about giving our explanation about why  
16 the evidence in this proceeding establishes that the challenged claims are  
17 obvious over the prior art.

18 So turning to slide 3, we have here Figures 13A and 13B of the  
19 challenged patents, and it's identical between the two. What happens  
20 here is a data stream is received by this compression device, and after  
21 some buffering and some counting of the blocks, there's a decision made.  
22 It looks at the content of this data and it determines whether it recognizes  
23 it or not. And if the system recognizes the content of the data, it sends it  
24 into the branch called content-dependent encoders. And the idea in the

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