UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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APPLE INC.,
Petitioner,

v.

UNILOC 2017 LLC,
Patent Owner.

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Case IPR2018-00884
Patent 8,539,552 B1

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Record of Oral Hearing
Held: July 15, 2019

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Before SALLY C. MEDLEY, KARL D. EASTHOM, and
SEAN P. O'HANLON, *Administrative Patent Judges.*

APPEARANCES:

ON BEHALF OF THE PETITIONER:

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      The above-entitled matter came on for hearing on Monday, July 15, 2019, commencing at 1:00 p.m. at the U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia.

1   P R O C E E D I N G S

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3   1:02 p.m.

4   JUDGE O'HANLON: Please be seated. Good afternoon, everyone.

5   This is a hearing in Case Number 2018-00884, Apple, Inc. versus Uniloc

6   2017, LLC, formerly Uniloc Luxembourg SA.

7   I'd like to begin by having counsel for the parties introduce their

8   selves. Beginning with the Petitioner, please?

9   MR. SEITZ: Good afternoon, Your Honors. Adam Seitz for

10   Petitioner Apple. With me is my partner, Paul Hart. And then behind me is

11   Ben Huh from Apple, in house counsel.

12   JUDGE O'HANLON: Thank you. And Patent Owner?

13   MR. MANGRUM: Good afternoon, Your Honors. Brett Mangrum.

14   I'm with the Etheridge Law Group. I'll be representing the Uniloc entities

15   today.

16   JUDGE O'HANLON: Thank you. I'm Judge O'Hanlon. I'm joined

17   on my right by Judge Medley. On my left I have Judge Easthom.

18   Per our order dated June 11, each side will have 45 minutes to argue.

19   Petitioner will go first. Patent Owner will go second. Either side can

20   reserve time for rebuttal.

21   If you run over during your argument in chief, I will reset the clock

22   with your reserve time. I will endeavor to let you know when that happens,

23   but please be mindful of the clock and the lamps.

1   As usual, speaking objections are not allowed. If you have anything

2   to note, you can do so during your time to argue. And I'll also ask counsel

3   who are referencing demonstratives to please note the slide number for the

4   record.

5   And with that I'll ask Mr. Seitz to begin. Would you like to reserve

6   any time for rebuttal?

7   MR. SEITZ: I'd like to reserve 15 minutes, please, Your Honor.

8   JUDGE O'HANLON: Fifteen minutes.

9   MR. SEITZ: And as a matter of housekeeping, I have paper copies

10   of the demonstratives. So, I know most people prefer electronic these days.

11   But if any of Your Honors prefer paper, I certainly have them available.

12   JUDGE O'HANLON: I think we're set with our electronic copies.

13   MR. SEITZ: Very good.

14   JUDGE O'HANLON: So you said 15 minutes. So I'll set the clock

15   for 30. Please begin.

16   MR. SEITZ: Thank you, Your Honors. May it please the Court.

17   I'd like to start today referring to demonstrative two, with an

18   understanding of the purpose of the '552, the solution it was trying to solve.

19   And then compare that to the primary reference that we'll be discussing

20   today, which is the Kalmanek reference.

21   During the course of the briefing there was some discussion on

22   whether these two references are even solving the same problem or

23   addressing the same issue. And I want to start there to set our discussion for

24   the rest of the day.

1   So the '552 patent teaches a centralized service authentication that is

2   designed to prevent theft by intelligent end points. So the intelligent end

3   points in the '552 patent are what we would look at today as IP phones.

4   They are smarter phones that have much more processing capability.

5   That can handle the call set up and much of the signaling that traditionally

6   would have been taking place on a network by a service provider.

7   These phones, however, have that processing capability. Could set

8   up phone calls amongst themselves, and in doing so, would cut out the

9   service provider and the revenue they would have made from otherwise

10 allowing certain services, call waiting, caller ID, those types of traditional

11 services.

12   So the invention of the '552 was directed at using a central service

13 authentication that would intercept signals from these intelligent end points.

14 And then authorize the services.

15   I'm going to jump forward to demonstrative four. Which is Figure 1

16 of the '552 patent. It provides the basic network architecture for how this is

17 accomplished in the '552 system.

18   Here, depicted in blue, are two intelligent end points, two user

19 phones. They are communicating with each other through the core packet

20 network.

21   You access the core packet network through the border elements,

22 which are depicted in green. And then in the yellow box, at the top of EX-4

23 are the components in the system that are responsible for intercepting the

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