

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG TECHNOLOGIES, LTD.,
Petitioner,

v.

IRON OAK TECHNOLOGIES, LLC,
Patent Owner.

IPR2018-01553
U.S. Patent No. 5,699,275

PATENT OWNER RESPONSE

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I. INTRODUCTION

The Board instituted review of claim 1 of U.S. Patent No. 5,699,275 (“the ’275 patent”) based on the proposed combination of Hapka (Ex. 1008) and Parillo (Ex. 1009), hereafter the “Hapka-Parillo” combination.

Patent Owner presents herein only those arguments necessary to demonstrate that Petitioner did not carry its burden of showing unpatentability of claim 1. Patent Owner does not accede to those arguments and evidence set forth in the petition, or to those conclusions drawn by the Board in the Institution Decision, that are not directly addressed herein. Patent Owner incorporates herein for all purposes those arguments presented in its Preliminary Response.

II. THE PETITION DOES NOT DEMONSTRATE INVALIDITY OF CLAIM 1 BY A PREPONDERANCE OF THE EVIDENCE

After institution, Petitioner has the burden of persuasion to establish by a preponderance of the evidence that claim 1 is invalid as alleged in the petition. 35 U.S.C. § 316(e); *Nike, Inc. v. Adidas AG*, 812 F.3d 1326, 1334 (Fed. Cir. 2016) (“[T]he burden of proof is on the petitioner to prove unpatentable those issued claims that were actually challenged in the petition for review and for which the Board instituted review.”). The burden of persuasion burden never shifts to the Patent Owner. *Dynamic Drinkware LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375, 1378

(Fed. Cir. 2015) ("In an *inter partes* review, the burden of persuasion is on the petitioner to prove ‘unpatentability by a preponderance of the evidence,’ 35 U.S.C. § 316(e), and that burden never shifts to the patentee.").

Perhaps more importantly, the ***burden of production*** never shifts to the Patent Owner. *In re Magnum Oil Tools International, Ltd.*, 829 F.3d 1364 (Fed. Cir. 2016) (“We thus disagree with the PTO's position that the burden of production shifts to the patentee upon the Board's conclusion in an institution decision that "there is a reasonable likelihood that the petitioner would prevail.").

In other words, to prevail on its allegation that claim 1 is rendered obvious by the proposed Hapka-Parillo combination, the petition must demonstrate by a preponderance of the evidence that the differences between the subject matter of claim 1 and the properly characterized prior art are such that the claimed subject matter, ***as a whole***, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007).

The determination of obviousness involves multiple fact questions, for which Petitioner bears the un-shifting burdens of production and persuasion. See *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966). A fundamental factual inquiry in the obvious analysis is the “***content***” of the prior art. *Id.* In other words, Petitioner has

the burden to prove what a person of skill in the art would have understood what each prior art reference disclosed at the time the '275 patent application was filed.

To establish obviousness of claim 1, the petition must demonstrate that *all* of the claim elements are disclosed or suggested by the properly combined prior art. See *CFMT, Inc. v. Yieldup Int'l Corp.*, 349 F.3d 1333, 1342 (Fed. Cir. 2003); *In re Royka*, 490 F.2d 981, 985 (CCPA 1974). Thus, the petition “must specify where each element of the claim is found in the prior art patents or printed publications relied upon.” 37 C.F.R. § 42.104(b)(4); see also *Arendi S.A.R.L. v. Apple, Inc.*, 832 F.3d 1355 (Fed. Cir. 2016) (reversing Board obviousness determination based on “common sense” that was conclusory and unsupported by substantial evidence).

Conclusory statements, whether by attorney or expert, cannot satisfy the burden of demonstrating obviousness. *In re Magnum Oil Tools*, 829 F.3d at 1380.

A. Petitioner Has Not Shown That The Proposed Hapka-Parrillo Combination Rendered Obvious Claim 1

Among many other things, claim 1 requires that “the manager host is further operable to address the at least one discrete patch message such that the at least one discrete patch message is *transmitted to the first mobile unit but not the second mobile unit.*” Ex. 1001 at claim 1 (emphasis added).

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