

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

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MICROSOFT CORPORATION,  
Petitioner,

v.

IRON OAK TECHNOLOGIES, LLC,  
Patent Owner.

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IPR2019-00106  
U.S. Patent No. 5,699,275

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**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 two petitions, one filed by petitioner Samsung (IPR2018-1552) and the other filed by petitioner Microsoft (IPR2019-106). Both petitions are based primarily on the Petitioner’s characterizations of the Japanese Sugita reference (Ex. 1005 in both proceedings, but different translations). Petitioner Samsung also based its petition on Ballard as a primary reference. Petitioner Microsoft uses Ballard as a secondary reference (Ex. 1006 in both petitions).

Patent Owner presents herein only those arguments necessary to defeat the petition. Patent Owner does not accede to those arguments and evidence set forth in the petition, or to the conclusions drawn by the Board in the Institution Decision, that are not directly addressed herein. Patent Owner incorporates herein those arguments presented in its Preliminary Response for all purposes.

## II. THE PETITION FAILED TO 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 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." ).

Additionally, 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 anticipated by Sugita, a Petitioner must have produced a preponderance of evidence in its petition showing that "each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros., Inc. v. Union Oil Co. of Cal.*, 814 F.2d 628, 631 (Fed. Cir. 1987). As shown below, when the content of Sugita is properly characterized neither Petitioner has met this burden.

To prevail on showing obviousness over Sugita, the Petitioner must have produced in its petition a preponderance of evidence showing 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 continually bears the burden of persuasion. *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 un-shifting burden to prove what a person of skill in the art would have understood each prior art reference disclosed at the time the '275 patent application was filed. As shown below, the petition goes well beyond the literal disclosure of the prior art and base arguments of invalidity on conjecture about things not expressly or inherently disclosed. This error that cannot support invalidity of claim 1. See *In re Magnum Oil Tools*, 829 F.3d at 1380 (conclusory statements, whether by attorney or expert, cannot satisfy the burden of demonstrating obviousness).

To establish obviousness of claim 1, ***all*** of the claim limitations must be disclosed or suggested by the legitimately 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.

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