

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ZTE (USA) INC.,  
Petitioner,

v.

BELL NORTHERN RESEARCH, LLC,  
Patent Owner.

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IPR2019-01365  
Patent 7,039,435 B2

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Before BRYAN F. MOORE, STACY B. MARGOLIES, and  
SCOTT E. BAIN, *Administrative Patent Judges*.

MOORE, *Administrative Patent Judge*.

DECISION

Granting Institution of *Inter Partes* Review  
35 U.S.C. § 314, 37 C.F.R. § 42.4

I. INTRODUCTION

A. *Background and Summary*

ZTE (USA) Inc. (“Petitioner”) filed a Petition (“Pet.,” Paper 1) pursuant to 35 U.S.C. § 311 to institute an *inter partes* review of claims 1–3 and 6 of U.S. Patent No. 7,039,435 B2 (“the ’435 patent,” Ex. 1001). The Petition is supported by the Declaration of Jonathan Wells, Ph.D. (Ex.

1003). Bell Northern Research, LLC (“Patent Owner”) filed a Preliminary Response (“Prelim. Resp.,” Paper 8). Petitioner filed an authorized reply to the Preliminary Response. (“Reply,” Paper 10). Patent Owner filed an authorized sur-reply to the reply. (“Sur-Reply,” Paper 11).

For the reasons set forth below, we institute an *inter partes* review of claims 1–3 and 6 of the ’435 patent.

#### *B. Real Parties in Interest*

Petitioner names ZTE Corporation, ZTE (USA) Inc., and ZTE (TX), Inc. as the real parties-in-interest. Pet. 3.

#### *C. Related Matters*

The parties advise us that the ’435 patent is asserted against Petitioner in *Bell Northern Research, LLC v. ZTE Corp.*, 3:18-cv-01786 (S.D. Cal. Oct. 15, 2018). Pet. 3; Paper 3, 1. The parties advise us that the ’435 patent was asserted against other parties in *Bell Northern Research, LLC v. Huawei Device (Dongguan) Co., Ltd.*, 3:18-cv-01784 (S.D. Cal. Nov. 13, 2018) and is currently asserted against other parties in *Bell Northern Research, LLC v. LG Elecs., Inc.*, 3:18-cv-02864 (S.D. Cal. Dec. 20, 2018). Pet. 4; Paper 3, 1. The ’435 patent was also the subject of IPR2019-01186, which has been terminated due to settlement prior to institution.

#### *D. The ’435 Patent*

The ’435 patent generally describes techniques for reducing the transmit power level of a portable cell phone when located near a human body. Ex. 1001, 1:63–67. For example, the ’435 patent describes a cell phone device including a “typical power circuit” that provides a transmit power level. *Id.* at 3:31–34. A “proximity regulation system” is coupled to the “power circuit” and determines a “proximity transmit power level” based on “its location proximate the portable cell phone user.” *Id.* at 3:43–47. The

'435 patent discloses that a “network adjusted transmit power level may be reduced to a value determined by the proximity transmit power level when the location of the portable cell phone 200 is within the vicinity of the user’s head” or “just within the vicinity of a user’s body.” *Id.* at 5:29–36.

*E. Illustrative Claims*

Challenged claim 1 is an independent claim. Challenged claims 2, 3, and 6 depend directly from claim 1. Claim 1, reproduced below, is illustrative.

1. A portable cell phone, comprising:
  - a power circuit that provides a network adjusted transmit power level as a function of a position to a communications tower; and
  - a proximity regulation system, including:
    - a location sensing subsystem that determines a location of said portable cell phone proximate a user; and
    - a power governing subsystem that determines a proximity transmit power level of said portable cell phone based on said location and determines a transmit power level for said portable cell phone based on said network adjusted transmit power level and said proximity transmit power level.

Ex. 1001, 8:2–15.

## F. Evidence

Petitioner relies on the following references. Pet. 13–66.

Name	Reference	Exhibit
Baiker	EP 1091498, filed Oct. 7, 1999, published Apr. 11, 2001 <sup>1</sup>	1004
Werling	US 6,456,856 B1, filed July 26, 1999, issued Sept. 24, 2002	1005
Irvin	WO 2002/05443 A2, filed June 20, 2001, published Jan. 17, 2002	1006
Myllymäki	US 6,018,646, filed Aug. 22, 1997, issued Jan. 25, 2000	1007
Bodin	US 5,390,338, filed Apr. 11, 1994, issued Feb. 14, 1995	1008

## G. Prior Art and Asserted Grounds

Petitioner asserts that claims 1–3 and 6 would have been unpatentable on the following grounds:

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1–3	102(a)	Baiker
1–3, 6	103	Baiker, Werling
1–3	102(e)	Irvin
1–3, 6	103	Irvin, Myllymäki
1–3	103	Irvin, Bodin
6	103	Irvin, Bodin, Myllymäki

## II. ANALYSIS

### A. Discretionary Denial

#### 1. 325(d)

Patent Owner argues the Petition should be denied institution under 35 U.S.C. § 325(d), because Grounds 3–6 rely on the “same or substantially the

<sup>1</sup> This exhibit is a translation of the European Patent Application.

same prior art or arguments” previously presented to the PTO and it would not be an efficient use of the Board’s time and resources to institute on all grounds. Prelim. Resp. 38–42, 48–49, 53–54. Specifically, Patent Owner asserts that the Examiner considered Irvin (*id.* at 38–39) and that Myllymäki and Bodin are cumulative of a reference (Vogel) that was the basis for rejections by the Examiner (*id.* at 48–49, 53–54).

In its Petition, Petitioner states that its grounds are “based on prior art that the U.S. Patent Office did not have before it or did not fully consider during prosecution.” Pet. 2. Specifically, Petitioner asserts the following:

[A]ll references but Irvin and Werling were never before the examiner during prosecution. Irvin was not addressed in an office action and is not cumulative to art applied in prosecution of the ’435 patent. Werling is applied here in a manner similar to that by the Office during prosecution, which was not challenged by Patent Owner. For at least these reasons, there is no basis for a determination under 35 U.S.C. § 325(d) that “substantially the same prior art or arguments” were presented to the Office.

*Id.* at 8.

The Board has enumerated non-exclusive factors to be considered in evaluating whether to exercise discretion under 35 U.S.C. § 325(d). *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 at 17–18 (PTAB Dec. 15, 2017) (Institution Decision) (“*Becton, Dickinson*”) (precedential as to § III.C.5, first paragraph). The non-exclusive *Becton, Dickinson* factors are:

1. the similarities and material differences between the asserted art and the prior art involved during examination;
2. the cumulative nature of the asserted art and the prior art evaluated during examination;

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