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Filed on behalf of:

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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.

**VOIP-PAL.COM, INC.,**

Patent Owner

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Case No. IPR2016-01198

U.S. Patent 9,179,005

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**PATENT OWNER'S REQUEST FOR REHEARING  
PURSUANT TO 37 C.F.R. § 42.71(d)**

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Pursuant to 37 C.F.R. § 42.71(d), Patent Owner Voip-Pal.com, Inc. (“Voip-Pal”) respectfully requests reconsideration of the Board’s November 21, 2016 Decision Granting Institution of *Inter Partes* Review (“Decision,” Paper 6). The Board’s decision overlooked two key arguments of the Patent Owner, either of which is sufficient to show that Petitioner failed to carry its burden of proof.

### **I. STATEMENT OF THE PRECISE RELIEF REQUESTED**

The Board’s Decision overlooked that the challenged claims require a specific ordering of steps yet the Petition fails to use a claim construction that accounts for this ordering of steps. The Decision also overlooked that the Petitioner ascribed—without any substantial evidence—an alleged deficiency to Chu ‘684 as its key motivation to combine Chu ‘684 with Chu ‘366 or Chen. Both deficiencies were explained in the Patent Owner’s Preliminary Response but were not addressed by the Board’s reasons in its Decision. In view of these oversights, Voip-Pal respectfully requests that the Board reconsider the Decision and deny institution of *Inter Partes* Review of claims 1, 24–26, 49, 50, 73–79, 83, 84, 88, 89, 92, 94–96, 98, and 99 of U.S. Patent No. 9,179,005.

### **II. LEGAL STANDARD FOR REHEARING**

A patent owner may request rehearing of a decision granting institution of *inter partes* review. 37 C.F.R. § 42.71(d). A rehearing request “must specifically identify all matters the party believes the Board misapprehended or overlooked,

and the place where each matter was previously addressed in a motion, an opposition, or a reply.” *Id.* The Board reviews its decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion occurs when a “decision was based on an erroneous conclusion of law or clearly erroneous factual findings, or... a clear error of judgment.” *TRW Automotive US LLC v. Magna Elecs., Inc.*, IPR2014-00266, 2014 WL 3899428, at \*1 (P.T.A.B. Aug. 11, 2014) (quoting *PPG Indus. Inc. v. Celanese Polymer Specialties Co.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988)). “The Board necessarily abuses its discretion when it rests its decision on factual findings unsupported by substantial evidence.” *O’Keefe v. U.S. Postal Service*, 318 F.3d 1310, 1314 (Fed. Cir. 2002).

### **III. REASONS FOR THE REQUESTED RELIEF**

Voip-Pal submits that the Board has overlooked two key arguments made in the Patent Owner’s Preliminary Response (“POPR”), either of which is a sufficient basis for the Board to reconsider its decision to institute *Inter Partes* Review.

First, the Board overlooked Patent Owner’s argument that a proper construction of the claims requires a particular *ordering of steps*, whereas the Petitioner’s obviousness argument is based on the performance of these steps in a different order. Petitioner did not provide a construction of the claims regarding the ordering of steps and presented combinations of references that do not lead to the order of steps recited in the claims.

Second, the Board overlooked Patent Owner’s arguments demonstrating the Petition’s failure to provide a valid motivation for why a skilled person would combine Chu ‘684 with either Chu ‘366 or Chen. As stated in the POPR, Petitioner’s reasoning for why these references would be combined is premised on an *unproven deficiency* in the primary reference, and Petitioner’s arguments for this reason to combine are unsupported (i.e., not based on substantial evidence).

**A. THE PETITION DID NOT CONSIDER ORDER OF STEPS**

The Decision overlooked Patent Owner’s argument in the POPR pointing out that a proper construction of the challenged claims requires a particular ordering of steps yet the Petition fails to provide, let alone to apply, a claim construction which accounts for the required ordering of the steps Petition. POPR at 17-20. The Petitioner’s obviousness analysis fails when a claim construction of the ordering of steps is carried out and the obviousness case considered in view of the construed claims.

Claim 1 of the ‘005 Patent recites, *inter alia*, a step of “locating” ([1a] “using caller identifier associated with the caller to locate [...]”) and two steps of “producing” ([1b] “when at least one of said calling attributes and at least a portion of a callee identifier associated with the callee meet private network classification criteria, producing [...]”; and [1c] “when at least one of said calling attributes and at least a portion of said callee identifier meet a public network classification

criterion, producing [...]”), in that order. As pointed out in the POPR, because the steps of “producing” ([1b]-[1c]) depend on results from the step of “locating” ([1a]), claim 1 requires that the “producing” steps be performed after the “locating” step. POPR at 17, citing *Mformation Techs., Inc. v. Research in Motion Ltd.*, 764 F.3d 1392, 1398 (Fed. Cir. 2014) (citations omitted) (“[A] claim ‘requires an ordering of steps when the claim language, as a matter of logic or grammar, requires that the steps be performed in the order written, or the specification directly or implicitly requires’ an order of steps.”). Subsequent steps referencing components of prior steps lead to a construction requiring an ordering of steps. *Avigilon USA Corp., Inc. v. JDS Technologies, Inc.*, IPR2016-00511 Paper 16 at 8 (P.T.A.B. July 15, 2016) (denying institution, stating “[T]he claim language requires step 2 to be performed after step 1 because step 2 requires the computer to receive a unique identifier from the specific video server to which a request is sent in step 1. See *Mantech Env'tl. Corp. v. Hudson Env'tl. Servs., Inc.*, 152 F.3d 1368, 1375–76, (Fed. Cir. 1998) (holding that the steps of a method claim had to be performed in their written order because each subsequent step referenced something indicating the prior step had been performed)”).

The Petitioner failed to construe the ordering of steps in claim 1 and premised its obviousness theory on Chu ‘684’s ordering of steps, which are distinct from those in claim 1. POPR at 17-19. In particular, the Petitioner relies on Chu



‘684’s steps that take place on server 110 for the steps of “producing,” and relies on steps that take place *later* on soft-switch 220 for the step of “locating.” Petition at 17-20, 43-45; POPR at 17-20, 48-49. Such a sequence of steps cannot meet the limitations of claim 1 because it is not in the order required by the claim. POPR at 17-20, 48-49. That is, Chu ‘684 teaches a method distinct from that of claim 1 because Chu ‘684 performs its method in an order different from that required by claim 1. *Id.*

The Petitioner did not construe the order of steps in Patent Owner’s claims and instead expressly based its arguments on the ordering of steps within Chu ‘684. The Petitioner also did not attempt to reconcile the difference between the claimed ordering of steps and Chu ‘684’s ordering of steps when it proposed the combination of Chu ‘684 with either Chu ‘366 or Chen.

The Board’s Decision overlooked the significance of the Patent Owner’s claim construction explaining the required ordering of steps and the Patent Owner’s arguments showing that the Petition’s obviousness arguments fail due to Chu ‘684’s distinct ordering of steps. Even assuming, for purposes of this Request, that all facts asserted in the Petition are true, the necessary task of claim construction was not performed in the Petition or the Decision, and, consequently, the Board misapprehended the distinction between the claims and the cited references with respect to the order of steps. The Decision states:

“We determine that Petitioner has made a sufficient showing at this stage. Petitioner does not rely exclusively on Chu ’684 for teaching the classification criteria limitations. Rather, Petitioner contends that Chu ’684’s disclosure of classifying the call based on a dial plan combined with Chu ’366’s teaching of reformatting dialed digits based on matching dialed digits to caller attributes teaches producing a private or a public network routing message when a calling attribute and a portion of a callee identifier associated with the callee meet private or public network classification criteria, respectively. Pet. 18–19. [Decision at 19; emphasis added]

The Decision’s explanation of the Petitioner’s “showing” focuses solely on the issue of whether the “producing” steps of claim 1 (which include the notion of classifying) are met by “Chu ’684’s disclosure of classifying” combined with “Chu ’366’s teaching of reformatting”. What is missing in the Board’s explanation is any consideration of the order of these steps with respect to the “locating” step. The POPR specifically argued, “[t]hus the ‘classification criteri[a]’ in [1b]-[1c] must be based on the step of ‘using a caller identifier ... to *locate*’ in *claim [1a]* because features recited in [1b]-[1c] find antecedent basis in *step [1a]*.” POPR at 17 (emphasis added). The Board overlooked this argument of the POPR, and thus overlooked that the Petitioner’s identification of elements in Chu ’684, Chu ’366 and Chen fails to account for performing the “locating” step [1a] *before* the “producing” steps [1b]-[1c] as required by the claims. POPR at 17.

Thus, even if the combination of Chu '684's "classifying" and Chu '366's "reformatting" was made, this does not resolve the ordering problem inherent in Petitioner's reliance on Chu '684's soft-switch 220 for the step of "locating", which, in the proposed combination, takes place *after* the step relied on for "producing", contrary to the requirements of claim 1. Combining Chu '684 with Chu '366 or Chen, even as proposed in the Board's explanation, cited above, does not negate the clear distinction between the combined references and claim 1.

Thus, the proposed combination of Chu '684 with Chu '366 would still fail to practice the claim steps in the proper order. The Petition did not construe the order of steps in claim 1, much less articulate any reason why Chu '684 would be combined with Chu '366 in such a way that the ordering of the steps would be rearranged from how they are disclosed in Chu '684. POPR at 17-20, 48-49.

For the reasons stated above, the Institution Decision overlooked the construction of claim 1 as stated in the POPR in evaluating the Petitioner's obviousness challenges. The Board overlooked the Patent Owner's argument that the Petitioner failed to construe the ordering requirements in the claims of the '005 Patent, and, consequently, failed to show how the combined references meet the requirements of the construed claims. POPR at 17-19. Because the Petitioner's proposed combination of references does not practice the order of steps as claimed, the Petitioner has failed to carry its burden, and thus the Petition should be denied.

**B. THE PETITION DOES NOT PROVIDE A VALID MOTIVATION TO COMBINE REFERENCES**

The Petitioner's proposed motivation for combining Chu '684 with Chu '366 incorrectly assumes that certain features are lacking in Chu '684 without providing substantial evidence that such features are actually lacking. The Board's Decision relied on this assumption without recognizing any of Patent Owner's arguments showing that this assumption is unsupported. *O'Keefe*, 318 F.3d at 1314 ("The Board necessarily abuses its discretion when it rests its decision on factual findings unsupported by substantial evidence.").

Petitioner bears the burden of demonstrating that there was a motivation to combine the references. *Intelligent Biosystems v Illumina Cambridge*, 821 F.3d 1359, 1367-1368 (Fed. Cir. 2016) ("It was [Petitioner]'s burden to demonstrate both 'that a skilled artisan would have been motivated to combine the teachings of the prior art references to achieve the claimed invention ...'" (internal citations omitted)). *Dynamic Drinkware v. National Graphics*, 800 F. 3d 1375, 1378-1379 (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. 'Failure to prove the matter as required by the applicable standard means that the party with the burden of persuasion loses on that point—thus, if the fact trier of the issue is left uncertain,

the party with the burden loses.” (citing *Technology Licensing Corp. v. Videotek, Inc.*, 545 F.3d 1316, 1327 (Fed. Cir. 2008)).

As discussed in the POPR and below, because Petitioner’s asserted motivation to combine the references is unsupported by substantial evidence, the Petition failed to carry the burden of establishing “that a skilled artisan would have been motivated to combine the teachings of the prior art references” as required by *Intelligent Biosystems*, and thus failed to meet its burden of establishing a *prima facie* case of obviousness. POPR at 38-42. The Decision states:

“Petitioner contends that it would have been obvious to a skilled artisan to modify the system described in Chu ’684 with the specific dialed digit reformatting teachings of Chu ’366 and that a skilled artisan would have recognized that allowing users to place calls as if they were dialing from a standard PSTN phone would be desirable, creating a system capable of supporting a more intuitive and user friendly interface. Pet. 15-16 (citing Ex. 1009 (Houh Decl.) ¶¶ 35–39). [Decision at 16, emphasis added]. And:

“Petitioner cites evidence showing that (i) one of ordinary skill in the art would have recognized upon reading Chu ’684 that allowing users to place calls as if they were dialing from a standard PSTN phone would have been desirable, creating a system capable of supporting a more intuitive and user-friendly interface; .... See Pet. 19 [*sic*]; Ex. 1009 ¶¶ 37, 38.” [Decision at 22-23, emphasis added]

These allegations presume that Chu '684 *lacks* the ability to allow users to place calls as if they were dialing from a standard PSTN phone and thus that its interface is somehow deficient. These allegations originate from the Petition at 16:

“Upon reading the disclosure of Chu '684, a person of ordinary skill in the art would have recognized that allowing users to place calls as if they were dialing from a standard PSTN phone would be desirable, creating a system capable of supporting a more intuitive and user-friendly interface. See Ex. 1006, Houh Decl. at ¶¶ 35-39.” [Petition at 16, emphasis added; similarly, see Petition at 40]

The Petition does not cite any portion of Chu '684 for support, citing only to the Declarant in support of this assertion. The Houh Declaration states that:

“Upon reading the disclosure of Chu '684, a person of ordinary skill in the art would have recognized that allowing users to place calls as if they were dialing from a standard PSTN phone would be desirable, creating a system capable of supporting a more intuitive and user-friendly interface.” [Houh Declaration at ¶¶ 38, 43, emphasis added]

The Decision has therefore relied upon an allegation from the Petition, which relied solely upon the Declarant's identical allegation for support. However, paragraphs 38 and 43 of the Houh Declaration do not rely upon any evidence for support. These paragraphs contain no citations to Chu '684 and offer no explanation or reasoning for their allegations. In the preceding paragraphs, the Declarant provides citations to Chu '684 in arguing for other unrelated features in

Chu ‘684. See Houh Declaration at ¶¶36-37, 41-42. But none of these paragraphs provide any evidentiary basis or underlying rationale for the Declarant’s allegation in paragraphs 38 and 43 that the system of Chu ‘684 does not allow users to place calls as if they were dialing from a standard PSTN phone. As was explained in the POPR, Chu ‘684 never states or suggests that users are *not* able to place calls as if they were dialing from a standard PSTN phone, thus there is *no evidence* that Chu ‘684 fails to support such dialing. POPR at 38-45.

The Board overlooked the POPR’s arguments pointing out these evidentiary deficiencies in the Petition and Houh Declaration.

The Board also overlooked the POPR’s argument that the Board’s Rules require that the Houh Declaration “should be entitled to little or no weight.” POPR at 41 and 61, citing 37 C.F.R. § 42.65(a): “Declarant testimony that does not disclose the underlying facts or data should be entitled to little or no weight.” Although the Decision states that the Petition cites “evidence” of a motivation to combine the references, the Petition fails to cite any portion of the cited art to support the alleged motivation to combine, contrary to 37 C.F.R. § 42.104(b). See Petition at pages 16, POPR at 40-42, 61-62. Petitioner only cites ¶¶ 35-39 or 40-44 of the Houh Declaration, which provide no substantial evidence since paragraphs 38 and 43 make identical statements as contained in the petition without disclosing any underlying facts or even citing to Chu ‘684. An unsupported allegation is not

substantial evidence and cannot, absent more, carry the Petitioner's burden. 37 C.F.R. § 42.65(a). POPR at 41-42, 61-62. *See also Kinetic Technologies, Inc. v. Skyworks Solutions, Inc.*, IPR2014-00529, Paper 8 at 15 (P.T.A.B. Sept. 23, 2014): "...Dr. Mohapatra's Declaration does not provide any factual basis for its assertions. [...] Dr. Mohapatra also fails to explain why a person of ordinary skill in the art would have combined elements from specific references *in the way the claimed invention does*. [...] Accordingly, we give Dr. Mohapatra's Declaration no probative weight."

The Board's Decision overlooked the Patent Owner's arguments that the Petition's key motivation to combine the references is unsupported by substantial evidence. POPR at 38-45, 59-64.

The Board briefly cites two other Petitioner arguments in its Decision, but neither cures the Petitioner's failure to provide a motivation to combine the references. For example, the Board cites the following Petitioner argument:

"Petitioner argues with citations to the references that both Chu '684 and Chu '366 teach telecommunications systems in which VoIP subscribers can place calls to a callee on the PSTN. See Pet. 15; Ex. 1006, 8:65-9:1; Ex. 1007, 14:30-33." [Decision at 22]

But this is no more than a "same technological field" argument, which is insufficient to provide a *reason* to combine references, as was pointed out by



Patent Owner. See POPR at 38, citing *Unified Patents Inc. v. William Grecia*, IPR2016-00789, Paper 8 at 12 (P.T.A.B. Sept. 9, 2016) and *K-TEC, Inc. v. Vita-Mix Corp.*, 696 F.3d 1364, 1375 (Fed. Cir. 2012). Similarly, Petitioner's allegation that Chu '684's infrastructure would be *able* to support digit reformatting, even if true, is not itself a *reason* to combine the references. See *Heart Failure Technologies, LLC v. Cardiokinetix, Inc.*, IPR2013-00183, Paper 12 at 11 (P.T.A.B. July 31, 2013) (“...that Murphy, Khairkahan, and Lane all concern human heart repair is not in itself sufficient rationale for making the combination... Petitioner must show some *reason* why a person of ordinary skill in the art would have thought to combine *particular* available elements of knowledge, as evidenced by the prior art, to reach the claimed invention.” (citing *KSR Int'l Co.* at 398, 418; emphasis in original)).

Without a motivation to combine supported by substantial evidence, the Petition's obviousness analysis is incomplete and fails to establish a *prima facie* case of obviousness. POPR at 38-42, 59-62; *see also Kinetic Technologies*, IPR2014-00529 Paper 8 at 15, citing *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398, 418 (2007): “[A] patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art.” Petitioner has failed to carry its *burden of proof* by failing to articulate a valid reason to combine the references.

#### IV. CONCLUSION

Patent Owner requests reconsideration of the above two arguments, which the Board did not address when deciding to institute *Inter Partes* Review. Either of these arguments alone is sufficient to deny institution of *Inter Partes* Review. In the alternative, the Patent Owner requests a clarification of the Board's reasoning in order to properly prepare a Patent Owner Response.

Respectfully submitted,

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Dated: December 5, 2016

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**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copy of **PATENT OWNER'S REQUEST FOR REHEARING PURSUANT TO 37 C.F.R. § 42.71(d)** is being served on December 5, 2016, via FedEx Priority Overnight pursuant to 37 C.F.R. § 42.6(e) and as a courtesy via electronic mail, for Petitioners as addressed below:

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