

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CAPTIONCALL, LLC,
Petitioner,

v.

ULTRATEC, INC.,
Patent Owner.

Case IPR2013-00549
Patent 6,603,835 B2

Before WILLIAM V. SAINDON, BARBARA A. BENOIT, and
LYNNE E. PETTIGREW, *Administrative Patent Judges*.

SAINDON, *Administrative Patent Judge*.

DECISION
Patent Owner's Request for Rehearing
37 C.F.R. § 42.71

I. INTRODUCTION

CaptionCall, LLC (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1–8 of U.S. Patent No. 6,603,835 B2 (Ex. 1001, “the ’835 patent”). Paper 1 (“Pet.”). In our Decision Instituting *Inter Partes* Review, we granted review of claims 1–5 and 7. Paper 7 (“Inst. Dec.”).¹ In our Final Written Decision, we determined that Petitioner had shown, by a preponderance of the evidence, that claims 1–5 and 7 were unpatentable. Paper 71 (“Final Dec.” or “Final Decision”). Patent Owner requests a rehearing of the Final Decision. Paper 72 (“Req. Reh’g” or “Request”). Having considered Patent Owner’s Request, we modify our Final Decision as outlined below, but decline to modify our conclusion that Petitioner has shown that claims 1–5 and 7 are unpatentable.

A. *Applicable Standard of Review*

In *inter partes* review, the petitioner has the burden of showing unpatentability by a preponderance of the evidence. 35 U.S.C. § 316(e). The standard of review for rehearing requests is set forth in 37 C.F.R. § 42.71(d), which states:

The burden of showing a decision should be modified lies with the party challenging the decision. The 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.

¹ We later instituted review of claims 6 and 8 in IPR2014-00780.

B. Analysis

Petitioner alleges that we: (1) misapprehended the law of obviousness and improperly discounted evidence of secondary considerations (Req. Reh’g 1–5); (2) misapprehended administrative law in disregarding evidence of nexus and secondary considerations (*id.* at 5–8); (3) misapprehended Liebermann’s discussion of a party call (*id.* at 10–14); (4) misapprehended Liebermann’s disclosure of converting voice signals (*id.* at 14–15); (5) misapprehended the content of Liebermann in our background discussion of the reference (*id.* at 15); and (6) improperly issued our Final Decision with a different panel of judges than those that instituted trial (*id.* at 8–10). We address these allegations in turn.

1. Law of Obviousness

Patent Owner alleges that we “first determine[d] obviousness and then analyze[d] secondary considerations.” Req. Reh’g 1–2. This is a mischaracterization of our Final Decision. In our Final Decision, we agreed with Petitioner’s statement that “it would have been obvious ‘to configure the two-line device disclosed in Liebermann to provide both voice and text to a user who, as described in Engelke ’405, had attenuated but functional hearing.’” Final Dec. 25 (quoting Pet. 39). This was not a determination that any claim would have been obvious, but rather our indication that we were persuaded by Petitioner’s reason for combination. Confirming this, our next sentence was “[a]s such, Petitioner has established a reason with rational underpinnings for combining the teachings [of the prior art] in the manner proposed.” Our analysis then discussed, over five pages, Patent Owner’s evidence of secondary considerations. Final Dec. 28–32. Only after that did we discuss the ultimate conclusion of obviousness of the

claimed subject matter. *Id.* at 32. Accordingly, Patent Owner’s argument is premised on a mischaracterization of the Final Decision.

Patent Owner then argues that “there was no finding by the Board that Liebermann by itself taught all limitations of claims 1–5 or 7 relating to the two-line captioned telephone service feature.” Req. Reh’g. 3–5 (emphasis omitted). It is well settled that obviousness need not be established by a single reference; likewise, there is no requirement for Liebermann to teach all aspects of the claims. We were persuaded that Petitioner had shown by a preponderance of the evidence that Liebermann discloses the two-line feature insofar as it teaches separate connections between the hearing user and assisted user and between the assisted user and the relay. *See, e.g.*, Final Dec. 17–19 (discussing how Liebermann shows two lines). Our statement that Liebermann teaches that two-line service was known in the prior art is based on this understanding. *See* Final Decision 32 (“as to two-line service, Liebermann discloses this feature”). Whether Liebermann discloses two-line *captioned telephone service* is a strawman argument and not a component of Petitioner’s asserted ground nor a basis for us finding such ground persuasive.

In view of the above, Patent Owner’s Request does not persuade us that we misapprehended or overlooked any matter previously raised regarding this topic.

2. *Administrative Law*

In our Final Decision, we considered the testimony of Mr. Ludwick regarding secondary considerations, but found it to be unsupported by facts or data and determined that “his testimony has little probative value.” Final Dec. 30–31. Patent Owner complains that we improperly disregarded the

testimony of its declarant here because “[t]here is no rule requiring documentary, rather than testimonial, evidence of how a system operates.” Req. Reh’g 5–6. We cited proper authority in the Final Decision for why we gave Mr. Ludwick’s testimony little probative value.² Final Dec. 31 (citing *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1368 (Fed. Cir. 2004) and Fed. R. Evid. 702); *see also* 37 C.F.R. § 42.65 (“testimony that does not disclose the underlying facts or data on which the opinion is based is entitled to little or no weight”).

Patent Owner next alleges that its Response “contained arguments identifying strong objective indicia of non-obviousness” and “set[] out its arguments concerning secondary considerations and explaining the relevance of Patent Owner’s factual support.” Req. Reh’g 6–7. Patent Owner’s “arguments” and “expla[nation],” however, are three paragraphs that contain virtually no substance. The first paragraph is legal boilerplate. PO Resp. 40–41. The third paragraph is a generic conclusion. *Id.* at 42. The second paragraph is, at best, a list of common things that could be raised during a secondary considerations discussion, but it contains no meaningful argument. *Id.* at 41–42. Patent Owner’s only citations are to three exhibits *in their entirety*, with no meaningful discussion. *Id.* at 41 (citing Exs. 2003, 2004, 2007). Such a course of action by Patent Owner does not comply with our Rules, which prohibit incorporation by reference and require specific arguments to be made in the briefs. *See, e.g.*, 37 C.F.R. § 42.23 (requiring a patent owner’s response to state the relief requested in the response); *id.*

² We did not “dismiss” or “disregard” Mr. Ludwick’s testimony, as Patent Owner complains; we gave it little probative value. Final Dec. 31 (“Mr. Ludwick’s conclusory assertions do not provide a sufficient connection between the objective evidence and the claimed invention”).

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§ 42.120 (designating a patent owner response as an opposition subject to rule 42.23); *id.* § 42.6(a)(3) (prohibiting incorporation by reference). Patent Owner's Response essentially invited us to read other documents and then to step into Patent Owner's shoes. We declined to do so in our Decision. Final Dec. 30 ("Patent Owner's Response contains no substantive arguments. . . . Thus, Patent Owner's broad contentions regarding secondary considerations in its Patent Owner Response do not demonstrate nonobviousness"). We could not have overlooked arguments not made.

Lastly, Patent Owner complains that we "did not apply such a rigorous standard to Petitioner, and relied on arguments presented only in Petitioner's affidavits and not even cited." Req. Reh'g 8. In the examples provided by Patent Owner, however, we cited specific portions of Petitioner's evidence as further support for detailed arguments *already made* by Petitioner with citations to evidence.

In contrast, Patent Owner cited to no paragraphs or portions of the evidence it sought to rely upon, and developed no cogent arguments. PO Resp. 40–42. Instead, it listed the names of common arguments made in nearly all secondary considerations analyses. *See, e.g., id.* at 41 ("Submitted with the present Response are declarations . . . establishing the substantial praise for the inventions . . . , the long-felt but unresolved need . . . , and the failure of others"). We require the parties' papers to contain more than mere pleadings. 37 C.F.R. § 42.22(a)(2) (requiring papers to provide "A full statement of the reasons for the relief requested, including a detailed explanation of the significance of the evidence including material facts, and the governing law, rules, and precedent"); *see also id.* §§ 42.23(a), 42.120(a)

(holding patent owner responses, as oppositions, to the content requirements for motions). Accordingly, we held neither party to a different standard.

In view of the above, Patent Owner's Request does not persuade us that we misapprehended or overlooked any matter previously raised regarding this topic.

3. *Liebermann's Party Call Disclosure*

Patent Owner complains that we did not find its argument regarding Liebermann's disclosure of "party call" compelling. Req. Reh'g 10–14. For example, Patent Owner argues that Petitioner never rebutted Patent Owner's theory that Liebermann's "party call" was centrally-switched, versus switched by the Liebermann device as alleged by Petitioner. *Id.* at 10–12. Patent Owner complains that we placed the burden of proof on it for this reason. *Id.* at 11. This is incorrect. We made clear in our Decision that Petitioner has the burden of proof. *See, e.g.*, Final Dec. 1 ("we determine that Petitioner has shown, by a preponderance of the evidence . . ."); *id.* at 32 (determining that "Petitioner has shown, by a preponderance of the evidence . . . that the subject matter of claim 1 . . . would have been obvious"). We considered Patent Owner's argument regarding a centrally switched party call mechanism (*see, e.g.*, Final Dec. 18) and found it unconvincing; this does not mean we placed any burden on Patent Owner. Further, we provided an explanation for why Patent Owner's argument was unpersuasive—namely, that the disclosure of Liebermann provided factual support for Petitioner's position but not Patent Owner's. *See* Final Dec. 18.

Patent Owner lastly complains that our explanation for why Petitioner's assertions were correct "was not part of the adopted ground on which the Board instituted trial." Req. Reh'g 13–14. Patent Owner, by

these words, appears to have a misunderstanding of *inter partes* review. Notably, at no point does the Board “adopt” or “rely” on a ground in an *inter partes* review. In other words, in an *inter partes* review, the grounds belong to, and are advocated exclusively by, Petitioner. The Board’s part is to first serve a gatekeeper role as to which grounds are sufficient to permit trial and second, if a trial is permitted, to then review the instituted grounds to determine if Petitioner has met its burden by a preponderance of the evidence. 35 U.S.C. § 314(a); *id.* § 318(a). In making these determinations, the Board provides its explanation for why it believes one side or the other has the better argument, but it is not stepping into the shoes of either. *See* 35 U.S.C. § 316(e) (placing the burden on Petitioner to show unpatentability); 37 C.F.R. § 42.104 (requiring Petitioner to set forth grounds with specificity).

In our Final Decision, we explained why we were persuaded that Liebermann discloses two-line, device-switched calling as required by the claims, rather than centrally switched calling as alleged by Patent Owner. Final Dec. 17–21. *See id.* For example, we explained that no such central switch was disclosed in the text of Liebermann. *Id.* at 18. On the other hand, we found the evidence to support Petitioner’s argument that the device provided the switching (Pet. 40–42; Pet. Reply 3–5) where Liebermann disclosed two distinct lines. Final Dec. 17–21 (discussing the disclosures of Liebermann relating to two lines and switching). We discussed the disclosures that supported Petitioner’s assertion that Liebermann showed two separate lines: one between the assisted and hearing users, and one between the assisted user and the call center. Final Dec. 17 (citing Ex. 1008, 7:7–9, 25–26, describing two separate lines); *see also id.* at 19–20 (setting

forth the evidence in the record supporting Petitioner’s assertions); *id.* at 21 (disclosures supporting Petitioner’s assertion that Liebermann discloses switching at the device).

In contrast to this evidence, Patent Owner only offered up a theory based on an interpretation of the phrase “party call” in Liebermann (Ex. 1008, 7:3) to mean a centrally switched calling scheme, based on extrinsic evidence provided by its declarant. *See* PO Resp. 14–16. As we explained in our Decision, however, Petitioner’s position is better supported by the record because Patent Owner’s assertion was not supported by any express disclosure in Liebermann whereas Petitioner’s was, and indeed Patent Owner’s assertion runs contrary to the examples in Liebermann, cited above, that explicitly discuss two separate lines. *See generally* Final Dec. 17–21.

Further, to the extent Patent Owner’s complaint is that we bolstered our understanding of how Liebermann’s device works by citing to portions of Liebermann not cited in the Petition, we fail to see any prejudice in the matter in this instance because the Petition still provided the ground we found convincing. Our citation to, for example, Exhibit 1008, column 7, lines 25–26 (*see, e.g.*, Final Dec. 19) was merely to show the propriety of Petitioner’s position. Specifically, the disclosure of Liebermann relied on by Petitioner (Pet. 40–41, citing Ex. 1008, 6:64–7:3, 7:10–14) had a missing word³ and the disclosure later in that column, where “operation is much the same” (Ex. 1008, 7:18–19), we found the same arrangement described

³ Ex. 1008, 6:64–7:14 includes the following summary sentence that is missing a word, presumably “center”: “Thus, the line between the normally hearing person and the deaf person is analog for voice content only, while the line between the deaf person [and the center] (and now the normally hearing person too) is analog but transfers both voice and data.”

without a missing word, which supported Petitioner’s original interpretation. *Compare* Ex. 1008, 7:7–9 with 7:25–26; *see also* Req. Reh’g 13 (Patent Owner acknowledging that the operation of Liebermann described in column 7, lines 25–26 is much the same as in column 7, lines 7–9). In both portions, talking about the same arrangement, we were persuaded that there were two separate lines, not a centrally switched call.⁴ Thus, our cited portion merely supported our understanding of the portion discussed earlier in Liebermann to which Petitioner originally cited. Lastly, we note that Patent Owner was aware of this teaching in Liebermann and it was discussed without objection during the Oral Hearing, i.e., Patent Owner had an opportunity for its views on the matter to be heard and considered. Tr. 158:13–24.

In view of the above, Patent Owner’s Request does not persuade us that we misapprehended or overlooked any matter previously raised regarding the party call limitation.

4. *Converting Voice Signals Limitation*

Patent Owner argues that claims 1 and 7 require “at the relay, converting the words spoken by the hearing user into text using voice recognition software,” and that “[w]hile *Liebermann* may transmit text created by the Center, that text is not the type of text recited in the claims.” Req. Reh’g 14–15. Patent Owner’s Request is a rehash of previous arguments that we found unpersuasive. *Compare* Req. Reh’g 14–15 with PO Resp. 22–23. We found that Liebermann describes sending text as claimed and we noted that Patent Owner offered no persuasive argument or

⁴ The only difference between the two examples is one uses cell phones and one uses “hard wire telephone”; thus, the arrangement of the connections between each party is otherwise the same. Ex. 1008, 7:18–19, 7:24–25.

claim construction in support of adding the limitations it wishes to read into the claims. *See* Final Dec. 23. In view of the above, Patent Owner’s Request does not persuade us that we misapprehended or overlooked any matter previously raised regarding the voice signals limitation.

5. *Background Discussion in Liebermann*

In our Final Decision, we set forth various background information regarding Liebermann and, in relevant part, we stated that “Liebermann discloses a method for providing *captioned telephone service* to an assisted user communicating with a hearing user.” Final Dec. 14 (emphasis added). Patent Owner argues we mischaracterized Liebermann to the extent it disclosed “providing captioned telephone service.” Req. Reh’g 15. Patent Owner does not argue that any error in fact or law was made in consequence of this statement. *See id.*

We agree that we misspoke in this respect, and Patent Owner’s Request is *granted* insofar as we modify this sentence to read: “Liebermann discloses a method for providing voice-to-text telephone service to an assisted user communicating with a hearing user.” This correction does not affect any portion of our analysis.

6. *Panel Composition*

Patent Owner asserts we exceeded our authority by issuing a Final Written Decision with less than a “full panel.” Req. 9–10. Panel composition for an *inter partes* review is specified in 35 U.S.C. § 6(c), which states “[e]ach . . . inter partes review shall be heard by at least 3 members of the Patent Trial and Appeal Board, who shall be designated by the Director.” The Director’s authority under 35 U.S.C. § 6 to designate

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panels has been delegated to the Chief Judge. *See* Patent Trial and Appeal Board Standard Operating Procedure 1 (Rev. 14) (May 8, 2015) (“PTAB SOP 1”).

As acknowledged by Patent Owner (Req. 9–10), the Final Decision was decided by three administrative patent judges, who are members of the Board. *See* 35 U.S.C. § 6(a) (indicating that administrative patent judges, along with various members of the United States Patent and Trademark Office, constitute the Patent Trial and Appeal Board). The three administrative patent judges were designated by the Chief Judge according to PTAB SOP 1, titled “Assignment of Judges to Merits Panels, Interlocutory Panels, and Expanded Panels.” The Board, therefore, complied with the statutory requirements for panel composition. Accordingly, we did not issue the Final Decision “with less than a full panel,” as Patent Owner contends.

Moreover, the Chief Judge has discretion to designate judges to decide *inter partes* reviews. *See* PTAB SOP 1 at 2 (§ II.D) (“In general, the Chief Judge will designate a judge or judges, as appropriate, for all matters for AIA reviews.”); *see also* *AOL Inc. v. Coho Licensing LLC*, Case IPR2014-00771, slip op. at 2 (PTAB Mar. 24, 2015) (Paper 12) (informative) (setting forth that the designation of panel members is within the sole authority of the Chief Judge, as delegated by the Director). Patent Owner’s Request, therefore, does not show the composition of the panel that issued the Final Decision was arbitrary, capricious, or an abuse of discretion by the Board.

7. Request for Expanded Panel

Patent Owner suggests an expanded panel is warranted to decide the Request in view of the panel composition and various allegations that we misapprehended the law. Req. 1. For the reasons given, Patent Owner does not persuade us that we misapprehended the law or the panel of three judges was deficient. Further, the Board's procedures provide examples of reasons for expanding a panel, none of which apply here. PTAB SOP 1 at 3 (§ III.A). For example, an expanded panel may be appropriate when "serious questions have been raised about the continuing viability of an apparently applicable precedential decision of the Board, or a panel of the Board renders a decision that conflicts with a precedential decision of the Board or an authoritative decision of the Board's reviewing courts." *Id.* Patent Owner's Request does not show a conflict or other reason that weighs in favor of panel expansion. Even so, the panel informed the Chief Judge, who has authority to expand a panel, of Patent Owner's request, and the Chief Judge declined to expand the panel. *See* PTAB SOP 1 at 4 (§ III.C). ("The Chief Judge will determine when an expanded panel is to be designated."); *see also Apple Inc. v. Rensselaer Polytechnic Inst.*, Case IPR2014-00319, slip op. at 2 n.1 (PTAB Dec. 12, 2014) (Paper 20) (indicating only the Chief Judge, acting on behalf of the Director, may act to expand a panel and panels do not authorize panel expansion).

C. Conclusion

Having reviewed Patent Owner's Request, we are not persuaded we misapprehended or overlooked any argument previously presented. Thus, we decline to modify the substance of our Decision. In view of our discussion in Section 6 above, we modify our Decision to replace the word

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“captioned” with “voice-to-text” in the identified passage on page 14 of the Final Decision.

II. ORDER

It is hereby ORDERED that Patent Owner’s Request for Rehearing is *denied* insofar as we do not modify the outcome of our Final Decision; and

FURTHER ORDERED that Patent Owner’s Request for Rehearing is *granted* insofar as we replace the word “captioned” with “voice-to-text” in the first sentence of Section II.D.1, near the bottom of page 14 of the Final Decision.

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