

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FEDEX CORPORATION,
Petitioner,

v.

INTELLECTUAL VENTURES II, LLC,
Patent Owner.

Case IPR2017-00859
Patent 9,047,586 B2

Record of Oral Hearing
Held: April 26, 2018

Before TREVOR M. JEFFERSON, DAVID C. MCKONE, and
JOHN A. HUDALLA, *Administrative Patent Judges*.

Case IPR2017-00859
Patent 9,047,586 B2

APPEARANCES:

ON BEHALF OF THE PETITIONER:

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The above-entitled matter came on for hearing on Thursday, April 26, 2018,
at the U.S. Patent and Trademark Office, Madison Building East, 600 Dulany
Street, Alexandria, Virginia.

PROCEEDINGS

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2 THE USHER: All rise.

3 JUDGE JEFFERSON: You can be seated. I feel like a fresh reserve
4 brought in today. You guys have been going all day. Give me a second to get set
5 up and we'll get started. Thank you for sticking with me. Good afternoon. We're
6 here for oral argument in IPR2017-00859, the challenged patent is U.S. Patent No.
7 9,047,586. Petitioner is FedEx, Patent Owner is Intellectual Ventures II, LLC. I'm
8 Administrative Judge Jefferson and I'll be sitting with you for the rest of the
9 afternoon. Judge McKone is in Detroit, and Judge Hudalla here. At this time,
10 we'll have counsel introduce yourselves for the record.

11 MR. SCHAFFNER: Good afternoon, and may it please the Board. I am Joe
12 Schaffner on behalf of Petitioner FedEx Corporation. With me at counsel table is
13 Aliza Carrano also for the Petitioner, and present for the hearing today is Chris
14 Cherry, Chief IP counsel of Petitioner FedEx Corporation as well.

15 JUDGE JEFFERSON: Thank you. And Patent Owner.

16 MR. KELLMAN: Good afternoon, Your Honors. My name is Alan
17 Kellman for Intellectual Ventures. With me at counsel table is Kevin McNish. We
18 also have representatives from Intellectual Ventures here as well.

19 JUDGE JEFFERSON: Thank you. As you know, the Supreme Court's SAS
20 ruling came down. Obviously I think there will be some discussion of that in the
21 coming weeks. In this instant proceeding the parties have been allocated 30
22 minutes per side and Petitioner bears the burden and may reserve time for rebuttal,
23 and Patent Owner can respond using the full 30 minutes of the time, and you can
24 get started when you're ready.

1 MR. SCHAFFNER: Thank you, Your Honor. I'd like to reserve ten minutes
2 of my time for rebuttal, if you don't mind.

3 JUDGE JEFFERSON: Okay.

4 MR. SCHAFFNER: I'd like to start at slide 40. Looking at the sole
5 independent claim in this case is relatively simple. It recites creating an electronic
6 document having a plurality of tagged bar codes and then sending that document so
7 that the bar codes can be decoded. Here the foundational standards of the
8 American National Standards Institute discloses creating and decoding labeled
9 documents with a plurality of tagged bar codes and a U.S. patent filed nine years
10 before the challenged patent discloses representing bar codes in electronic
11 documents. As we will discuss today, these straightforward teachings would
12 suggest one of ordinary skill in the art to make electronic documents with a
13 plurality of tagged bar codes and therefore the Board should find the instituted
14 claims unpatentable.

15 I'm turning now to slide 2. As the Board knows the Board has instituted a
16 review of claims 7, 8, 12 and 13 of the 586 patent over the combination of the
17 ANSI American National Standards and reference and the U.S. patent Ett. In this
18 case, as with the sole independent claim, claim 7, the Patent Owner challenges
19 only whether ANSI and Ett teach creating and sending an electronic document.
20 The Patent Owner has not chosen to challenge any of the other limitations of claim
21 7 specifically regarding the data tags, data items and identification features and so
22 we can focus our talk today at least on those elements of claim 7. Patent Owner
23 has also not separately argued the patentability of claims 8 and 12.

24 Turning now to slide 10. As we discussed claim 7 recites creating an
25 electronic document having a plurality of bar codes. One of the disputes in this
26 case is whether the combination of ANSI and Ett teach creating an electronic

1 document. I think the written description here provides us guidance as to what an
2 electronic document is as shown here which is a representation of column 4, line
3 63 through column 5, line 6 of the patent. The patent explains that an electronic
4 document is a document made in software that contains electronic representations
5 of bar codes. At the outset I'd like to focus on how the 586 patent describes
6 electronic documents. The patent admits that inserting bar codes into electronic
7 documents is a well known practice. The specification explains that one can create
8 electronic documents using ubiquitous software such as Microsoft Excel and Word
9 and then through the use of bar codes fonts insert bar codes into these documents.

10 JUDGE JEFFERSON: Counsel, is that background where the patent admits
11 that this is known technology? Is that supported in the petition?

12 MR. SCHAFFNER: Yes, absolutely. We cited that, Your Honor, at least at
13 pages 5 and 34 through 35 of the petition. You can also see it at least at Mark
14 Reboulet's declaration at paragraph 140. The patent acknowledges that these bar
15 codes fonts are commonly available from a multitude of companies and therefore
16 this patent is acknowledging that it's commonly known to insert bar codes into
17 electronic documents because that would be the sole reason of having a bar code.

18 Turning now to slide 11. We believe the prior art tells the same story,
19 creating electronic documents with bar codes is not new. On the left hand side of
20 slide 11, we see the American National Standard discloses creating a labeled
21 document with a plurality of bar codes. It's undisputed that this label is made on a
22 computer, it's not hand drawn, it's not made on a typewriter, it does not exist as a
23 picture of a physical label so one of ordinary skill in the art would recognize that
24 that's made via electronic means, and turning to the right hand side of slide 11 we
25 see that the Ett patent teaches a similar process wherein code modules or software
26 generate bit maps containing representations of bars and spaces forming a bar code

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