## UNITED STATES PATENT AND TRADEMARK OFFICE

## BEFORE THE PATENT TRIAL AND APPEAL BOARD

FUJIFILM CORPORATION Petitioner,

V.

SONY CORPORATION, Patent Owner.

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Case IPR2017-01356 Patent 7,016,137

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Record of Oral Hearing Held: October 3, 2018

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Before JEFFREY S. SMITH, BART A. GERSTENBLITH, and PATRICK M. BOUCHER, *Administrative Patent Judges*.



IPR2017-01356 Patent 7,016,137

### **APPEARANCES:**

### ON BEHALF OF THE PETITIONER:

ELIOT D. WILLIAMS, ESQUIRE ROBERT C. SCHEINFELD, ESQUIRE ROBERT L. MAIER, ESQUIRE MICHAEL KNIERIM Baker Botts L.L.P. 30 Rockefeller Plaza New York, New York 10112-449

### ON BEHALF OF THE PATENT OWNER:

MATTHEW A. SMITH, ESQUIRE ANDREW S. BALUCH, ESQUIRE ZHUANJIA GU, ESQUIRE Smith Baluch L.L.P. 1100 Alma Street Suite 109 Menlo Park, California 94025

The above-entitled matter came on for hearing on Monday, October 3, 2018, commencing at 1:00 pm., at the U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia.

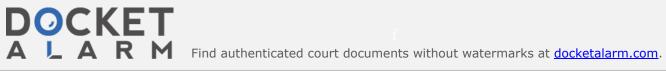


1	PROCEEDINGS
2	
3	JUDGE SMITH: You may be seated. Good afternoon. Welcome to
4	the Patent Trial and Appeal Board. We're here for IPR2017-01356 a case
5	where FujiFilm is the Petitioner and Sony is the Patent Owner. We have one
6	colleague in the Denver office, Judge Boucher; so, I just want to remind the
7	parties when you refer to your demonstratives, please also state what page
8	number you're on so our colleague in Denver can follow and also when we
9	review the transcript, it's easy to follow.
10	So, Counsel for Petitioner, please step up to the podium and make
11	your appearance.
12	MR. KNIERIM: Good afternoon, Your Honors. Michael Knierim
13	from Baker Botts for Petitioner, FujiFilm Corporation.
14	JUDGE SMITH: And who else do you have with you?
15	MR. KNIERIM: With me today is Eliot Williams, also from Baker
16	Botts.
17	JUDGE SMITH: Okay; thank you. Counsel for Patent Owner, please
18	step up to the podium and make your appearance.
19	MR. SMITH: Good afternoon, Your Honor. Matthew Smith, Smith
20	Baluch LLP for Patent Owner, Sony Corporation; and I have with me today,
21	Andrew Baluch of the same firm, (inaudible).
22	JUDGE SMITH: Thank you. Both sides have 60 minutes to present
23	their case. Petitioner will go first, followed by Patent Owner; and Petitioner
24	you may reserve time for rebuttal if you so desire. Do you wish to reserve
25	time for rebuttal?



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1	MR. KNIERIM: Yes, Your Honor, I'd like to reserve 20 minutes for
2	rebuttal.
3	JUDGE SMITH: 20 minutes; okay. You may begin when you're
4	ready.
5	MR. KNIERIM: Good afternoon, and thank Your Honors. I have
6	hard copies of the Petitioner's demonstratives, if you'd like them?
7	JUDGE SMITH: We have them (inaudible).
8	JUDGE BOUCHER: But you may want to give one to the court
9	reporter, if you didn't.
10	MR. KNIERIM: I believe so; we have given one to the reporter.
11	JUDGE BOUCHER: Okay.
12	MR. KNIERIM: Your Honors, there is nothing inventive about these
13	claims. If you ask Mr. Koski who actually worked with commercial
14	(inaudible) firmware at the time of the invention, he'll tell you same thing.
15	As best you can tell, Sony and Dr. Bain contend that the use of a specific
16	field to control reading and writing is the invention; and that's the MIC
17	Logical Format Type field shown in figure 12 of the 137 Patent which
18	indicates, according to him, both format state information and format type
19	information. But that's not new.
20	If we take a look at slide 31, this is the figure figure 12 in the 137
21	Patent that shows the field that Sony alleges it is invented as combining both
22	format and State, either formatted or unformatted; and format type. Now,
23	there are two values here that are of particular interest 20 and 21. You can
24	see that value 20 indicates an AIT-3 virgin cassette, and 21 indicates an
25	AIT-3 formatted cassette.



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1	The problem for Sony is that this is exactly what was already taught
2	by the ECMA-329 prior art. If you look at slide 76, down at the bottom
3	here, you'll see that this is what ECMA-329 actually discloses. In this field
4	you can store information indicating an AIT-3 virgin cassette; and you can
5	store information indicating AIT-3 formatted cassette. That's the AIT RMIC
6	Logical Format Type; and, in fact, these values correspond, exactly, to the
7	values in figure 12 of the 137 Patent. Now you'll note that 14 and 15 here
8	are in parentheses, and that means there in hexadecimal; and when you
9	convert 14 and hex, 15 and hex to decimal, you get 20 and 21, which are the
10	values in figure 12 of the 137 Patent. So, all Sony's has done with the 137 is
11	to copy the exact field, with the exact same values from ECMA-329.
12	Now, here is where it's a little helpful to have a little bit of
13	background if we could turn to slide 10? This is from Sony's Patent
14	Owner response; and as Sony explains, Sony was involved in a development
15	of the AIT products; and they were first introduced in 1996. You can see a
16	picture here in Sony's Patent Owner response of some AIT cassettes; and if
17	we turn to slide 11, here's a chart that shows the 137 Patent, Takayama, as
18	well as Ikeda II and Ishihara, and it's got figures from each of those
19	references, and you can see they're all very similar. Each of these references
20	is owned by Sony and they have overlapping inventors. They're all directed
21	to AIT products.
22	And if we turn to slide 14 this is also from Sony's Patent Owner
23	response. Sony explains that by way of background that certain AIT
24	formats were standardized by ECMA; one of which is ECMA-329 which
25	corresponds to AIT-3. Now, if we flip to slide 15, here are the references



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