UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LUXSHARE PRECISION INDUSTRY CO., LTD., Petitioner,

V.

BING XU PRECISION CO., LTD., Patent Owner.

Case IPR2017-01404 (Patent 8,512,071 B2) Case IPR2017-01492 (Patent 8,758,044 B2) Case IPR2017-01657 (Patent 8,740,631 B2)

> Record of Oral Hearing Held: October 9, 2018

Before DEBRA K. STEPHENS (via videoconference), BRYAN F. MOORE, and STACEY G. WHITE (via videoconference), *Administrative Patent Judges*.

APPEARANCES:

DOCKET

ON BEHALF OF THE PETITIONER:

CHRISTOPHER KAO, ESQUIRE ROBERT C.F. PÉREZ, ESQUIRE BROCK S. WEBER, ESQUIRE Pillsbury, Winthrop, Shaw, Pittman LLP 1650 Tysons Boulevard, 14th Floor McLean, VA 22102

ON BEHALF OF THE PATENT OWNER:

TAMMY J. DUNN CALIFF T. COOPER (admitted *pro hac vice*) Osha Liang LLP 909 Fannin Street, Suite 3500 Houston, TX 77010

The above matter came on for hearing on Tuesday, October 9, 2018, commencing at 1:01 p.m., at the U.S. Patent and Trademark Office, Madison Building East, 600 Dulany Street, Alexandria, Virginia 22314.

| 1 | PROCEEDINGS |
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| 2 | |
| 3 | THE COURT: This is the hearing for IPRs 2017-1404, 1492, and |
| 4 | 1657. We have I'm Judge Moore. We have remotely Judges White and |
| 5 | Stephens. With that, we'll take appearances starting with Petitioner. |
| 6 | MR. KAO: Chris Kao with Pillsbury on behalf of Petitioner |
| 7 | Luxshare. With me is the lead counsel on the case, Mr. Rob Perez. And my |
| 8 | colleague, Brock Weber, all from the same firm. |
| 9 | THE COURT: Thank you. |
| 10 | MR. COOPER: Good afternoon, Judge. My name is Califf Cooper. |
| 11 | I am back-up counsel for Patent Owner, Bing Xu. With me is my colleague, |
| 12 | Tammy Dunn, who is lead counsel. And good to meet you. |
| 13 | THE COURT: Thank you. All right. Because we have judges that |
| 14 | are remote, I always remind the parties that they can't see everything in the |
| 15 | courtroom as we see it. They can't necessarily see the board, so when you're |
| 16 | referring to exhibits for the record and for the judges, you need to identify |
| 17 | what slide you're on. And if you're referring to evidence that's not on |
| 18 | exhibit, you have to get the remote judges the time to bring up that evidence |
| 19 | and get it in front of them. So just be aware of those things. |
| 20 | We also have an issue of timing. |
| 21 | When we wrote the hearing order, we put one hour per case, but looking at |
| 22 | this case, that timing would be, I think, excessive for the amount of material |
| 23 | we have to cover here. So I would suggest that an hour and a half per side |
| 24 | would probably suffice. I think the 1404 and 1492 cases are overlap |
| 25 | pretty much, and then the 1657 may have some other issue. So unless one of |
| | |

the parties feels like that's not going to be enough time, I think we're goingto work with that.

Okay. So with that, Petitioner has the burden, so Petitioner will go
first, and if you could let me know how much time you want to reserve,
given our new time frame, how much time do you want to reserve for
rebuttal?

7 MR. KAO: Sure. So if I have an hour and a half, I'll reserve a half an8 hour for rebuttal.

9 THE COURT: Okay. And any time you're --

MR. KAO: We're in the queue, Your Honor. Hopefully I won't needto use all of that time.

12 THE COURT: Fine.

13 MR. KAO: Certainly.

14 (Speaking out of hearing.)

MR. KAO: Thank you. So I will address first the petitions for the '071 patent and the '044 patent together. As Your Honor noted, I think the issues with respect to those patents are overlapping, as the claims are at least in all material respects identical, so we can address those two together. And then I will turn to the petition on the '631 patent.

20 So first at slide four we just simply have a list of all of the grounds 21 that have now been instituted after the *SAS* decision. And so that's just by 22 way of reference on slide four.

With respect to the '071 and '044 patents, I intend to address five
main arguments or the five arguments that the Patent Owner makes with
respect to the claims of these two patents. But I'll address those in turn. I

don't believe there's a dispute as to any of the other grounds that have been
set forth. Particularly after the *SAS* decision, the Patent Owner did not
address any of the other grounds that had been instituted. So I think these
are the five main disputes between the parties. So I'll limit my discussion
today to those. Happy to answer questions from the judges if you have
questions on any other grounds. But my intention is just to discuss these.

So turning now to slide seven, both the '071 and the '044 patents
concern electrical connectors that are compliant with the SATA standard, and
SATA connectors were known and conventional at the time of the invention
of the two patents here. So these patents don't purport to have invented
SATA connectors. They purported to -- are directed to purported
improvements to SATA connectors.

Turning to slide eight, this just is simply an illustration of figure 3 from the two patents with the key components of the connector identified in different colors. So the housing is component 10, the PCB is number 40 in green. The FFC is number 50 in brown, and then the power terminals and the data terminals, respectively, are noted in red as 20 and 30.

18 Now, I should note that under the SATA standard, they are actually --19 the standard requires that there be seven data terminals, which are reflected 20 in the diagram in figure 3. The standard also requires that there be 15 power 21 terminals. They're not all depicted in the figure. I think for space reasons 22 they're not all shown. But there should be 15 power terminals. And if you --23 actually look at the housing number 10, they -- I think they don't accurately 24 reflect the ten inputs on the housing side where you would insert the 15 25 power terminals.

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