

U.S. PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

RIOT GAMES, INC. And VALVE CORP.,
Petitioner

v.

PALTALK HOLDINGS, INC.,
Patent Owner.

Case IPR 2018-00129 (Patent 5,822,523)
Case IPR 2018-00130 (Patent 5,822,523 C1)
Case IPR 2018-00131 (Patent 6,226,686)
Case IPR 2018-00132 (Patent 6,226,686 C1)

Record of Oral Hearing
Held: February 13th, 2019

Before THU A. DANG, KARL D. EASTHOM, NEIL T. POWELL,
Administrative Patent Judges.

APPEARANCES:

ON BEHALF OF THE PETITIONER RIOT GAMES:

SCOTT M. BORDER, ESQ.
SAMUEL A. DILLON, ESQ.
JOSEPH A. MICALLEF, ESQ.
of: Sidley Austin, LLP
1501 K Street, NW
Washington, D.C. 20005
(202) 736 8818 (Border)
(202) 736 8298 (Dillon)
sborder@sidley.com
samuel.dillon@sidley

ON BEHALF OF THE PETITIONER VALVE CORP.:

SHARON A. ISRAEL, ESQ.
of: Shook, Hardy & Bacon, LLP
600 Travis Street
Suite 3400
Houston, Texas 77002
(713) 546 5689
sisrael@shb.com

ON BEHALF OF THE PATENT OWNER:

GREGORY M. HOWISON, ESQ.
KEITH D. HARDEN, ESQ.
BRIAN D. WALKER, ESQ.
Of: Munck Wilson Mandala, LLP
600 Banner Place Tower
12770 Coit Road
Dallas, Texas 75251
(972) 628 3616
ghowison@munckwilson.com

The above-entitled matter came on for hearing on Wednesday, February 13, 2019, commencing at 10:05 a.m. at the U.S. Patent and Trademark Office, 600 Dulany Street, Alexandria, Virginia.

Case IPR 2018-00129 (Patent 5,822,523)
Case IPR 2018-00130 (Patent 5,822,523 C1)
Case IPR 2018-00131 (Patent 6,226,686)
Case IPR 2018-00132 (Patent 6,226,686 C1)

P-R-O-C-E-E-D-I-N-G-S

10:05 a.m.

JUDGE EASTHOM: Okay, welcome, everybody.

Riot Games, Inc. and Valve Corp. v. Paltalk Holdings, Inc. We have four cases here and four other cases are joined to those: Cases IPR 2018-00129 with IPR 2018-0242 joined to that, and IPR 2018-00130 with IPR 2018-01241 joined to that. Those cases collectively challenge all the claims in Patent 5,822,523. Then we have IPR 2018-00131 with IPR 2018-01238 joined to that, and IPR 2018-00132 with IPR 2018-1243 joined to that. And those cases collectively challenge the claims in Patent 6,226,686. Petitioner -- the parties have asked for an hour for the four cases collectively. And Petitioner has the burden of proof. So, Petitioner will proceed first and then, if you want to reserve rebuttal time, let me know.

Patent Owner will go after Petitioner's first showing and then, if you want to reserve rebuttal time, you can reserve that also.

Give me a second to see if I can figure this clock out again.

Patent Owner -- Petitioner, will you want to reserve time?

MR. HOWISON: Your Honor, we'd like to reserve 20 minutes for rebuttal.

JUDGE EASTHOM: Okay. Okay, why don't we have the parties introduce themselves for the record?

Case IPR 2018-00129 (Patent 5,822,523)
Case IPR 2018-00130 (Patent 5,822,523 C1)
Case IPR 2018-00131 (Patent 6,226,686)
Case IPR 2018-00132 (Patent 6,226,686 C1)

1 MR. MICALLEF: Joe Micallef for Petitioner, Riot Games, and
2 Sidley Austin. And these are my partners, Scott Border, who will be
3 making the argument for Petitioners; my colleague, Sam Dillon; my partner
4 John McBride. And also with us is counsel for Valve Corporation, Sharon
5 Israel.

6 JUDGE EASTHOM: Okay.

7 MR. BORDER: Good morning, Your Honors.

8 Your Honor, as you mentioned, there are four proceedings that we
9 are discussing today, but there are only a handful of contested issues. My
10 presentation intends to focus on those contested issues.

11 Go to slide 2, please?

12 And I'd like to start first with a brief overview of the contested
13 patents. I then want to go into our main combination of prior art which the
14 Aldred and RFC 1692 reference.

15 And, next, I plan on handling the independent claim disputes and
16 there are two, and they are essentially the same across all four proceedings.

17 The first dispute is whether Petitioner displayed an express
18 motivation combined RFC 1692 with Aldred. Patent Owner has challenged
19 our showing, but as I'll discuss, we think it's based on an unsupported
20 hypothetical and is unsupported by the record.

Case IPR 2018-00129 (Patent 5,822,523)
Case IPR 2018-00130 (Patent 5,822,523 C1)
Case IPR 2018-00131 (Patent 6,226,686)
Case IPR 2018-00132 (Patent 6,226,686 C1)

1 The second dispute is over claim construction. Patent Owner has
2 litigated these patents for over a decade and only until this proceeding did
3 they argue this transport layer everywhere.

4 My colleague, Sam Dillon, will address the dependent claim disputes
5 when I'm done discussing the independent claims case.

6 Can we go to slide 4, please?

7 Two patents involved, each with the same priority date, February 1st,
8 1996. All of our prior art is 102B prior art and Patent Owner no longer
9 contests the prior art status of those references.

10 Slide 5, please?

11 This is a depiction of Patent Owner's invention that they submitted in
12 a ex parte re-exam. They described it as essential server that communicates
13 with multiple clients.

14 The central server has group messaging capabilities. You can create
15 and join groups. Clients can send messages to servers and the server then
16 distributes those messages to the clients.

17 There's no dispute that Aldred discloses each of those features. It
18 also has the feature of aggregating message payloads prior to distributing to
19 each of the clients. That is central to this queue here. We show that RFC
20 1692 shows that aggregated by maintenance.

21 Slide 8, please?

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.