

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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APPLE, INC.,  
Petitioner,

v.

UNILOC 2017 LLC,  
Patent Owner.

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IPR2019-00702  
Patent 7,969,925 B2

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Record of Oral Hearing  
Held: May 21, 2020

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Before SALLY C. MEDLEY, JEFFREY S. SMITH, and  
GARTH D. BAER, *Administrative Patent Judges*.

IPR2019-00702  
Patent 7,969,925

APPEARANCES (ONLINE):

ON BEHALF OF THE PETITIONER:

James Heintz, Esquire  
Brian Erickson, Esquire  
Jeff Cole, Esquire  
DLA Piper LLP (US)

Marc Breverman, Esquire  
Apple, Inc.

ON BEHALF OF PATENT OWNER:

Brett Mangrum, Esquire  
Etheridge Law Group

The above-entitled matter came on for hearing on Thursday, May 21, 2020, commencing at 3:00 p.m., by video/by telephone.

1 PROCEEDINGS

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3 JUDGE MEDLEY: Yes. On the record, please. Good afternoon.  
4 This is the hearing for IPR2019-00702 involving U.S. Patent No. 7,969,925.  
5 At this time, we'd like the parties to please introduce counsel for the record  
6 beginning with the Petitioner.

7 MR. HEINTZ: Thank you, Your Honor. This is Jim Heintz from  
8 DLA Piper on behalf of Petitioner Apple. With me is Brian Erickson, and  
9 by telephone Marc Breverman and Jeff Cole. Marc Breverman is from  
10 Apple. Jeff Cole is from DLA Piper.

11 JUDGE MEDLEY: Okay. And Mr. Heintz, will you be presenting  
12 today?

13 MR. HEINTZ: Yes, Your Honor, I will.

14 JUDGE MEDLEY: Okay. Thank you. All right. And for Patent  
15 Owner?

16 MR. MANGRUM: Yes. Good afternoon, Your Honor. This is Brett  
17 Mangrum with the Etheridge Law Group representing the Uniloc Patent  
18 Owner.

19 JUDGE MEDLEY: Okay. Thank you.

20 MR. MANGRUM: And I will be speaking on behalf of Patent Owner.

21 JUDGE MEDLEY: Okay. Thank you. Each party will have 45  
22 minutes total time to present arguments. Petitioner will proceed first and  
23 may reserve some of its argument time to respond to arguments presented by  
24 Patent Owner. Thereafter, Patent Owner will respond to Petitioner's  
25 presentation and may reserve argument time for surrebuttal. Mr. Heintz, you

1 may proceed. Do you wish to reserve some of your time to respond?

2 MR. HEINTZ: Yes, Your Honor. I'd like to reserve 20 minutes.

3 JUDGE MEDLEY: Okay. And please keep abreast of your own time.  
4 I might not stop you.

5 MR. HEINTZ: I will do that, Your Honor. Thank you.

6 JUDGE MEDLEY: Okay.

7 MR. HEINTZ: Your Honor, may it please the Board, I'd like to start  
8 my discussion today by reviewing a few background facts about the '925  
9 Patent at issue in this IPR. And then I'll discuss claim construction which  
10 largely will resolve the issues raised by Patent Owner. And I'll finish up by  
11 discussing a few issues raised by Patent Owner with respect to Ground 1.

12 So if the Board would, please turn to Slide 3 of Petitioner's  
13 demonstrative. On Slide 3, we've reproduced Figure 1 of the '925 Patent.  
14 And the point I want to make to the Board here is that there are two mobile  
15 phones, that's 105 and 110, and those are colored in yellow. And those  
16 phones can communicate with other devices using two paths. The first path  
17 to the voice communication Path F-170, and that's highlighted in green on  
18 the left-hand side of the figure. And that path is used by using the other  
19 device's telephone number. Of course, we're talking about things like voice  
20 communications and SMS communications. The second path is through the  
21 IP network 165 that's shown in blue on the slide. Mobile phones 105 and  
22 110 can communicate with other devices on the internet via the second path,  
23 and they can also communicate with each other if they know each other's IP  
24 address. And the '925 Patent discusses a technique for allowing that to  
25 happen.

26 Now, on Slide 4, Your Honor, we show that the '925 Patent is directed

1 toward peer-to-peer mobile data transfers. Peer-to-peer means the devices  
2 are able to communicate with each other. And there are two aspects about  
3 this technique that's disclosed in the '925 that I want to highlight for the  
4 Board. In the first highlighted passage, the peer-to-peer technique means the  
5 data can be exchanged directly between the phones, that's 105 and 110, via  
6 the internet path without the need for an intermediate server to store any  
7 data. And then the second aspect I want to highlight for the Board's  
8 attention is addressed in the second passage on Slide 4. And in that passage,  
9 the point that's being made is this technique that the '925 discloses does not  
10 require the mobile devices to know each other's IP addresses prior to a  
11 method performed according to those IP's being started. And that's  
12 important because unlike a phone number, the mobile devices often don't  
13 know each other's IP addresses on the IP network.

14 Now, I'd like to move to Slide 5, Your Honor. And I'll briefly review  
15 how the '925 Patent discloses its method being performed. This is Figure 2  
16 of the '925 Patent. And we're going to focus like we did on the earlier -- in  
17 the earlier proceeding on the steps that are being performed by the initiating  
18 mobile device. This is the device that wants to start a data transfer section.  
19 It's what's called a target mobile device.

20 So on Figure 2, the first step, which is 210 and which we've annotated  
21 as Step 1.a, the initiating mobile device opens a TCP port. And that's -- and  
22 in particular, it opens a listening port. And that limitation that we'll see in a  
23 few minutes in the claim that is directed toward this step is really the subject  
24 of almost the entire dispute between the parties. After the TCP port is  
25 opened, listening TCP port, in Steps 1.b, or 210 in the original figure, the  
26 device -- the initiating mobile device transmits an SMS invitation message to

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