

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNIFIED PATENTS, LLC,
Petitioner,

v.

VELOS MEDIA, LLC,
Patent Owner.

IPR2019-00757
Patent 9,930,365 B2

Record of Oral Hearing
Held: June 16, 2020

Before MONICA S. ULLAGADDI, JASON W. MELVIN, and
AARON W. MOORE, *Administrative Patent Judges*.

IPR2019-00757
Patent 9,930,365 B2

APPEARANCES:

ON BEHALF OF THE PETITIONER:

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ON BEHALF OF THE PATENT OWNER:

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The above-entitled matter came on for hearing on Tuesday, June 16, 2020, commencing at 9:00 a.m. EDT, by video/telephone.

PROCEEDINGS

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JUDGE ULLAGADDI: Good morning and welcome to the Patent Trial Appeal Board. We are here today for oral arguments and interparty reviews matter number 2019-00757. A case in which Unified Patents is the Petitioner and Velos Media is the Patent Owner. At issue is U.S. Patent number 9,930,365.

Your panel for the hearing today includes myself, Judge Ullagaddi, Judge Melvin and Judge Moore. I would like to start by getting the appearances of counsel. Who do we have on behalf of Petitioner?

MR. BURESH: Your Honor, this is Eric Buresh of Erise IP on behalf of Unified Patent, LLC, and with me and also who will be appearing is David Cavanaugh of WilmerHale on behalf of Unified Patent.

JUDGE ULLAGADDI: Thank you, Mr. Buresh. Who do we have on behalf of Patent Owner?

MR. BUMGARDNER: Good morning, Your Honor. This is Barry Bumgardner here on behalf of Patent Owner with me here physically and present in my office is Chris Brannigan, another attorney of record who will be discussing some real party interest issues. Also, present with me in the office is Kenny McClure in-house counsel with Velos and then also on the dial-in line is another in-house attorney with Velos: Rory Litten.

JUDGE ULLAGADDI: Thank you, Mr. Bumgardner. And thank you all for joining us today. I've got a few administrative details about the procedure and format of the hearing that I would like to go over before we get started. When you are working through your demonstrative slides, please make sure that you reference the demonstrative slides that you are

1 using because we can't see them.

2 Each party will have 60 minutes total to argue their case. As Patent
3 Owner has requested a bifurcated trial, we are going to start with the
4 nonconfidential portion of trial. We'll first hear from Petitioner. Petitioner,
5 you will present your arguments related to patentability.

6 Patent Owner, you will then be permitted to present your argument.
7 Petitioner would you like to reserve any time for rebuttal today?

8 MR. BURESH: As to the ethical side of the nonconfidential side,
9 Your Honor, I would like to reserve 15 minutes.

10 JUDGE ULLAGADDI: Fifteen minutes reserved on rebuttal; okay.

11 MR. BURESH: And just to clarify, Your Honor, I intend to go 35
12 minutes in my opening and approximately 15 minutes in rebuttal and then
13 we'll reserve approximately 10 minutes for our RPI rebuttal.

14 JUDGE ULLAGADDI: Thank you. When you are ready you may
15 begin.

16 MR. BURESH: Thank you, Your Honor. I am going to be working
17 with Petitioner's demonstrative slides which you should have in front of you,
18 starting at slide number 2 just marked B. I'm going to be discussing first
19 partitioning encoding and then I'm going to provide a little background of
20 the 365 patent, the challenged patent.

21 Then I will discuss how partitioning occurs in the primary prior art
22 reference -- and we'll address the key prime limitations in that portion - there
23 will be a short portion on Novotny's A and B syntax element called for by
24 the challenged claims - and then I will be wrapping up.

25 Moving to slide number 3 in reviewing coding, Your Honors, the
26 purpose of partitioning is really to simplify it down as much as I can, bigger

1 blocks are better. They're more efficient, but when video images or picture
2 images have granule area and particularly are in demand and particular
3 features that will be changing from image to image, it becomes necessary to
4 utilize smaller blocks in order to capture the fine nature of those edge pieces.

5 So, on slide number three, we have an example of what might be an
6 ideal partitioning where you see background information is depicted and
7 captured through larger blocks and then when you get to edge features where
8 there will be more change from image to image, you go or work your way
9 down to smaller blocks, which would be partitioned off the larger blocks.

10 This is depicted in figure 12 of the 365 patent where you see the idea
11 of larger blocks end-to-end and working or segmenting down to smaller
12 blocks within that larger block. Also, depicted on figure 12 is the types of
13 decoding modes that might be used for the respective blocks and smaller
14 blocks within those blocks.

15 That is the underlying purpose for partitioning. At this timeframe,
16 Your Honors, virtually all decoding and coding is image including the main
17 encoder and decoder we utilize - what is called rate distortion analysis - to
18 determine the proper sizing of what is desirable sizing of blocks and what
19 rate distortion analysis is effectively a cost benefit where you learn how
20 much quality of video are you losing in order to go with a larger block that is
21 marked "essential patent."

22 So, you're looking at both the quality size and the efficiency size and
23 using an analysis. There are a number of different analyses that can be used
24 by using two-piece analysis to find the best sizing for your blocks. And if
25 we go to slide number 6 after slide number 5 outline, you will see in the 365
26 patent and before I go any further on slide number 6, many of the Patent

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