UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

UNIFIED PATENTS INC.,
Petitioner

v.

DYNAMIC DATA TECHNOLOGIES, LLC,
Patent Owner

Case IPR2019-01085
Patent 8,135,073

PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Cases

I. Introduction

Petitioner's asserted *Yang* reference is prior art; it was not co-owned by the owner of the '073 patent (i.e., Mr. Shen) at the time of invention. Under 35 U.S.C. § 103(c), prior art is excluded from consideration as a ground for obviousness if it was owned by the same person or was subject to an obligation of assignment to the same person as the challenged patent. It is undisputed that Mr. Shen had not assigned the '073 Patent to the owner of the *Yang* reference (*i.e.,* Koninklijke Philips Electronics N.V. ("Philips")) at the time of invention on December 20, 2002. Rather, Mr. Shen did not assign his rights in the '073 Patent to Philips until 2004. The record does not show that Mr. Shen was under any obligation to assign his invention to Philips on December 20, 2002. While Patent Owner suggests that Mr. Shen's employment agreement obligated him to assign his patent rights, Patent Owner has not produced any agreement. Nor does Mr. Shen's declaration suggest that a written employment agreement exists, or that he ever signed one. Absent legal obligation to assign, Mr. Shen's "sense" that he had some obligation to assign is irrelevant. Even if such self-interested testimony were credible, vague moral obligations cannot, as a matter of law, demonstrate a legal obligation of assignment.

In the absence of normal facts demonstrating an obligation to assign, Patent Owner reverts to a narrow line of implied assignment cases under New York state law. Patent Owner supports this implied-in-law theory by proffering conclusory

statements by Mr. Shen that merely parrot the legal standard without offering any underlying facts that would support it. Mr. Shen's declaration does not provide any meaningful details regarding his employment in 2002. For example, Mr. Shen does not even suggest that he had an employment agreement with Philips in 2002. He does not indicate whether he was working on multiple projects, or what his full employment responsibilities were at the time. Indeed, the record evidence does not permit any accurate assessment of whether Mr. Shen was operating in a position of "general employment" rather than as a person specifically "hired to invent" as Patent Owner contends. The record evidence simply does not support such an analysis. Patent Owner's evidence has not demonstrated that *Yang* is not available as prior art. At a minimum, institution of this proceeding is proper so as to permit appropriate discovery post-institution to further develop the record with respect to Mr. Shen's status and actual legal obligations, if any. The Board should, accordingly, institute.

1. **Patent Owner Cannot Demonstrate an Express Obligation of Assignment**

Dynamic Data has not demonstrated—and seems to concede the lack of—any express obligation for Mr. Shen to assign the '073 patent to Philips. An express obligation of assignment requires, as the term suggests, evidence of an actual, express agreement between Mr. Shen and Philips. The record does not contain any evidence to suggest there even was an employment agreement between Mr. Shen and Philips. Dynamic Data has not produced evidence of any employment

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