

LG, Hulu Tell PTAB Fed Circ. Erred In Reviving Network IP

By **Michael Macagnone**

Law360, Washington (February 9, 2016, 6:55 PM ET) -- LG, Hulu and others urged Patent Trial and Appeals Board judges at a Tuesday hearing to again invalidate a networking patent asserted by Straight Path IP Group, arguing the patent is still precluded by prior art even though the Federal Circuit revived it.

LG Electronics Inc., Hulu Inc., and a mix of electronics companies and carriers like Verizon Inc., argued that a Federal Circuit decision reviving the Straight Path patent in another case should not let the patent survive. That decision included requirements for Straight Path's patent to verify that a device "is connected" to the network when a connection request occurs.

However, the patents don't disclose any mechanisms not also included in the prior art, called "NetBIOS" and "WINS," according to Hulu counsel Ashok Ramani. Ramani argued the pieces of prior art included methods to monitor whether devices are still connected to the network that, while not perfect, should satisfy the "is connected" limitation in the Federal Circuit's decision.

"There is no mention of a guarantee or perfect accuracy in the Federal Circuit's construction and if you go back to the claims and specifications of the patent those concepts are absent as well," Ramani said.

The patent describes a method of facilitating real-time communication between two users over the Internet that involves a database of Internet Protocol addresses. The patent describes the first user querying the database as to whether the second user "is connected to the network."

In its November decision, the Federal Circuit held in *Straight Path IP Group Inc. v. Sipnet EU SRO* that the board misinterpreted the meaning of the word "is" in the claims. In only the second time the Federal Circuit has **reversed a PTAB decision** invalidating claims of a patent in an America Invents Act proceeding, Circuit Judge Richard G. Taranto wrote the limitation was central to distinguishing the patent from the prior art.

"The present tense 'is' in 'is connected to the computer network' plainly says that the query transmitted to the server seeks to determine whether the second unit is connected at that time, i.e., connected at the time that the query is sent," the court said.

Ramani argued that Straight Path's patents don't disclose any mechanisms beyond what the two pieces of prior art disclose for verifying whether a user is on the network at the time of the connection request. He urged the board to again rule the patent as anticipated by the 1992 technical standard, NetBIOS, and 1994 Microsoft Windows user guide, WINS.

“What [patent owner is] focusing on now is what we would call edge or corner cases that do not disrupt the fact that that WINS and NetBIOS anticipate the claims,”

However, William Meunier, counsel for Straight Path, fired back that the Federal Circuit’s Sipnet decision tore out the foundations of the proceeding itself. Meunier said the PTAB initiated the proceeding on the basis of a claims construction and evidence that was undermined by the Federal Circuit’s opinion in Sipnet.

“The Federal Circuit’s Sipnet decision and construction mean petitioner loses all its claims as a matter of law,” he said.

Further, Meunier said that attorney argument about the application of the Federal Circuit opinion should not pass muster without expert testimony. He said the petitioners had not been able to supply any expert evidence that any checks present in NetBIOS or WINS would suffice under the claims construction from the Sipnet decision.

“The question before us is whether the prior art satisfies the claim construction the Federal Circuit laid out,” he said. “What we’ve heard so far is a bunch of hand-waving about polling and how that must work.”

Litigation over Straight Path’s patents have wound their way through various courts over the years, beyond Sipnet’s challenge of the patents’ validity. Straight Path has also engaged in **years of litigation** at the International Trade Commission over allegedly infringing imports, **including with LG, a petitioner in the instant challenge.**

The patents-in-suit are U.S. Patent Number 6,108,704; 6,009,469 and 6,131,121.

The petitioner companies, including LG, Hulu, Vizio and Toshiba are represented by counsel from Finnegan LLP, Keeker & Van Nest, Dorsey & Whitney and Baker & McKenzie LLP.

Straight Path is represented by a team including William A. Meunier and Michael C. Newman of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

The proceedings are LG Electronics Inc. v. Straight Path IP Group Inc., proceeding numbers IPR 2015-00196, 2015-00198 and 2015-00209 at the Patent Trial and Appeals Board.

— Additional reporting by Ryan Davis and Jimmy Hoover. Editing by Ben Guilfooy.
