

Nos. 2019-1212, -1456

**In the United States Court of Appeals
for the Federal Circuit**

MIRA ADVANCED TECHNOLOGY SYSTEMS, INC.,

Appellant,

v.

MICROSOFT CORPORATION,

Appellee.

Appeals from the United States Patent and Trademark Office, Patent Trial and Appeal Board, *Inter Partes* Review Nos. IPR2017-01052 and IPR2017-01411

**APPELLEE MICROSOFT CORPORATION'S MOTION FOR DAMAGES
AND COSTS PURSUANT TO FED. R. APP. P. 38**

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Dated: October 21, 2019

CERTIFICATE OF INTEREST

Counsel for Microsoft Corporation certifies the following:

- 1. The full Name of every party or amicus represented by me is:**

Microsoft Corporation

- 2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is:**

Microsoft Corporation

- 3. Parent corporations and publicly held companies that own 10% or more of stock in the party:**

Microsoft Corporation has no parent corporation and no other publicly held corporation owns 10% or more of its stock.

- 4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court (and who have not or will not enter an appearance in this case) are:**

Klarquist Sparkman, LLP: J. Christopher Carraway, Andrew M. Mason, John D. Vandenberg.

- 5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal. See Fed. Cir. R. 47.4(a)(5) and 47.5(b). (The parties should attach continuation pages as necessary.)**

Mira Advanced Tech. Sys., Inc. v. Microsoft Corp., No. 2:16-cv-88 (N.D. W. Va.).

Date: October 21, 2019

/s/ J. Christopher Carraway
J. Christopher Carraway

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I. MOTION

Microsoft Corporation (“Microsoft”) respectfully moves this Court for an order: (a) holding that these consolidated appeals as filed and argued by Mira Advanced Technology Systems, Inc. (“Mira”) are frivolous under Rule 38 of the Federal Rules of Appellate Procedure and (b) imposing sanctions against Mira and its appellate counsel, jointly and severally, in the amount of Microsoft’s attorneys’ fees and costs on appeal.

II. GROUND FOR THE MOTION

A. Introduction

An appeal is not a mulligan. While a party is certainly free to retain new counsel to pursue an appeal, that new counsel is not free to raise new arguments that could have been made, but were not made, on behalf of the client before the first tribunal. An appeal premised on such new arguments—arguments waived because they were not presented to the first tribunal—is futile and, therefore, frivolous. *Pac-Tec, Inc. v. Amerace Corp.*, 903 F.2d 796, 801-02 (Fed. Cir. 1990) (finding appeal frivolous where argument was based on issue not raised in trial proceeding).

Mira’s appeal jettisons the 150-word claim construction it pressed the PTAB to adopt, instead advancing for the first time on appeal various shorter—*and different*—constructions. In addition, Mira attempts to support its new constructions using arguments it never made to the Board. For example, while Mira argued to the

Board that other language in the claim was “extrinsic” and could *not* be used to construe the disputed claim terms, Mira now concedes the opposite, and attempts for the first time to support its new constructions of claim terms by pointing to other claim language in the claims. While its new positions are flawed for numerous reasons, they are frivolous and sanctionable if only for the reason that they unquestionably were waived when they were not made to the Board.

Mira’s remaining arguments on appeal lack support in law, the record and logic. For example, it seeks reversal of the Board’s findings of obviousness by entirely ignoring the Board’s credibility determinations of the parties’ experts regarding what the references taught and how a POSA would be motivated to combine them. Likewise, Mira attacks one of the Board’s judges for allegedly relying on his own technical experience when nothing in the Final Written Decisions evidences any such reliance, and attacks the panel for supposedly creating an argument for Microsoft when the record shows that Microsoft did in fact introduce that position.

Over and over, Mira fails to identify a non-frivolous reason for overturning the Board’s detailed, well-supported Final Written Decisions and, instead, peppers its briefing with extraneous, unsupported assertions. This Court has a busy docket, particularly with appeals from PTAB decisions. The ability for this Court to hear legitimate appeals is harmed by having to decide those for which there is no

reasonable basis. This is one of those (thankfully rare) cases where appealing the lower tribunal's decision was futile and frivolous. Sanctions are therefore justified.

B. Legal Background

“Access to the appellate courts is an important value in our system of justice.” *Finch v. Hughes Aircraft Co.*, 926 F.2d 1574, 1578 (Fed. Cir. 1991). “[A]ppellate courts must consider the importance of conserving scarce judicial resources [and therefore a] frivolous appeal imposes costs not only upon the party forced to defend it, but also upon the public whose taxes supporting this court and its staff are wasted on frivolous appeals.” *Id.*

Pursuant to Rule 38 of the Federal Rules of Appellate Procedure, “[i]f a court of appeals shall determine that an appeal is frivolous, it may... award just damages and single or double costs to the appellee.” This Court has interpreted this language to include attorneys’ fees. *See State Indus., Inc. v. Mor-Flo Indus., Inc.*, 948 F.2d 1573, 1581 (Fed. Cir. 1991) (citing *Sun-Tek Indus., Inc. v. Kennedy Sky-Lites, Inc.*, 865 F.2d 1254, 1255 (Fed. Cir. 1989)).

“The ‘purpose’ of an award of attorney fees as ‘just damages’ under Rule 38 ‘is not only to compensate a winner before the [trial] court for expense and delay in defending against meritless arguments on appeal but to deter frivolous appeals and thus preserve the appellate calendar for cases worthy of consideration.’” *Sun-Tek Indus.*, 865 F.2d at 1255.

There are two recognized instances in which an appeal may be frivolous. First, if an appeal is taken where “the judgment by the tribunal below was so plainly correct and the legal authority contrary to appellant’s position so clear that there really is no appealable issue,” the appeal is “frivolous as filed.” *State Indus.*, 948 F.2d at 1578 (citing *Finch*, 926 F.2d at 1579–80). “Second, even in cases in which genuinely appealable issues may exist, so that the taking of an appeal is not frivolous, the appellant’s misconduct in arguing the appeal may be such as to justify holding the appeal to be ‘frivolous as argued.’” *Id.* (citing *Romala Corp. v. United States*, 927 F.2d 1219, 1222 (Fed. Cir. 1991)). This Court has construed Rule 38 to authorize sanctions jointly and severally against both the litigant and its counsel. *Id.* at 1582 & n.13.

Finally, the standard for Rule 38 is objective, not subjective, and does not require any showing of bad faith. *Id.* at 1581; *In re Perry*, 918 F.2d 931, 934 (Fed. Cir. 1990).

C. Mira’s Appeals Are Frivolous As Filed

These consolidated appeals turn on two issues: First, for some of the claims, this Court’s affirmance of the Board’s determinations of unpatentability depends on whether the Board’s construction of “contact list” is correct, because Mira concedes that the Board’s finding of obviousness is correct if the Board’s construction of

“contact list” is correct.¹ Second, the remaining conclusions of unpatentability are resolved by the Board’s findings that Sony alone or in combination with Matsumoto taught all the claim elements.² Mira appeals both issues, and the appeals of both issues are frivolous as filed.

1. Mira’s Claim Construction Positions On Appeal Are Frivolous Because They Were Waived

A court may find an appeal frivolous when the appeal is based on an issue not raised in the proceedings in the lower court. *Pac-Tec*, 903 F.2d at 801–02 (finding appeal frivolous when argument was based on issue not raised in trial court); *Finch*, 926 F.2d at 1580 (same). In order to preserve for appeal an argument relevant to an IPR proceeding, that argument must be “raised in a paper” before the Board. *See* 37 CFR 42.70(a). A party waives an argument that it failed to present to the PTAB,

¹ Specifically, Mira relies solely on the claim construction of “contact list” as the basis for its appeal of the Board’s grounds of obviousness of claims 1–4 and 6–9 of the ’892 patent *based on Matsumoto* and of claims 5–8 of the ’657 patent *based on Matsumoto combined with either Scott or Neilsen*. *See* ECF No. 23, at 48. As stated in footnote 2 below, the Board also identified additional, independent grounds for the obviousness of claims 1–4 and 6–9.

² Specifically, for the Board’s obviousness grounds for claims 1–10 of the ’892 patent and claims 1–4 and 9–12 of the ’657 patent *based on Sony alone and separately based on Sony in combination with Matsumoto*, Mira challenges the Board’s conclusions, but not based on the construction of “contact list,” because Mira admits that Sony has “user interface functionality.” *See* ECF No. 23, at 48–49. Because claims 1–4 and 6–9 of the ’892 patent were found to be invalid under two separate and independent grounds—one dependent on the construction of “contact list” and one not, either ground alone is sufficient to affirm unpatentability of those claims.

because the party's silence before the Board deprives this Court of the benefit of the Board's informed judgment on that argument. *See In re Nuvasive, Inc.*, 842 F.3d 1376, 1380 (Fed. Cir. 2016). Under these standards, Mira's appellate challenge to the Board's construction of "contact list (which is its sole basis for challenging the conclusions of obviousness for '892 patent claims 1–4 and 6–9 and '657 patent claims 5–8) is frivolous.

First and foremost, Mira apparently concluded, after hiring new counsel to pursue appeals, that continuing to advocate on appeal the 150-word claim construction of "contact list" Mira proposed to the Board would be untenable. That construction included a hodge-podge of requirements, a few of which were: (a) that the "contact list" must be a "feature commonly and already available on a smart communication device," (b) that it "includ[e] fields of contact information that are known and familiar to ordinary users such as name, phone number, address, or email," (c)(1) that it "include[] user interfaces to access well-known capabilities relating to communication," and (c)(2) that those "capabilities at least includ[e]" "inputting, saving, and viewing contact information, the contact list being "visually-represented, selectable, and activatable." Appx526–527; Appx1681–1682. On appeal, Mira abandons the construction it argued in its papers filed in the IPR proceedings, including by dropping many of the extraneous features Mira asked the Board to read into the claims. ECF No. 23, at 30–32. Although shorter, Mira's new

appellate construction also *differs substantively* in several other ways from the construction it sought before the Board. Below are a few examples showing how on appeal Mira has recycled certain buzz-words—such as “well-known” and “common”—from its previous construction, but now spins those terms in different ways with different meanings than before.

Buzzword	Mira’s Construction at the Board	Mira’s Construction on Appeal
“well-known”	user interfaces “access well-known capabilities related to communication ” (Appx526; Appx1963) (emphasis added)	“ well-known user interface functionality ” (ECF No. 20 at 14) (emphasis added)
“common”	“initiate[s] a well-known common function (such as speed-dialing an underlying phone number of the contact list entry in the case of phone communication)” (Appx527; Appx1963) (emphasis added)	“ common user interface functionality ” (ECF No. 20 at 47) (emphasis added) “requires user interface functionality having familiar and common features ” (<i>id.</i> at 31) (emphasis added)

Mira’s appeal reply suggests that its various new constructions “use slightly different phraseology” and tries to excuse the differences, arguing that “they are consistent in that they advocate for a construction of ‘contact list’ that has a user interface.” ECF No. 30, at 17. But, as illustrated by the examples provided in the chart above, Mira’s new constructions are substantively different; and, even if they were “consistent” with Mira’s original constructions (which they are not), Mira never gave the Board the opportunity to determine whether Mira’s new constructions

are correct or not. Thus, in all events, Mira has deprived this Court of the benefit of the PTAB's analysis of Mira's new construction.

Again, abandoning a losing construction presented to the Board and advocating a *different* construction on appeal is improper, because the new construction, having not been made at the Board level, is waived. *See Conoco, Inc. v. Energy & Envtl. Int'l, L.C.*, 460 F.3d 1349, 1358–59 (Fed. Cir. 2006) (“[A] party may not introduce new claim construction arguments on appeal or alter the scope of the claim construction positions it took below.”) (emphasis added); *Game & Tech. Co., Ltd. v. Activision Blizzard Inc.*, 926 F.3d 1370, 1377 n.6 (Fed. Cir. 2019) (rejecting “new argument on appeal” regarding claim construction as “waived”). By changing its appellate construction from the construction it advocated before the Board, Mira's appeal of the Board's construction of “contact list” is futile.

In addition to the impropriety of advocating on appeal for a new claim construction, Mira also improperly relies on new legal argument about its new construction. Indeed, Mira even relies on a new argument that is the very *opposite* of an argument that Mira made to the Board. Mira now attempts to support its proffered new construction of “contact list” by pointing to various claim language other than the disputed claim language,³ but Mira failed to make these arguments

³ Such other claim language includes the “configured to” terms and “activating” terms. *See* ECF No. 20, at 31–33.

before the Board. ECF No. 23, at 37–40. Mira responds that it is entitled to point to additional intrinsic evidence to support its construction on appeal, ECF No. 30, at 19–20, but that is not what Mira is doing. Mira told the Board that claim language other than the disputed claim language should *not* be used to construe the disputed term “contact list” because, according to Mira, such other claim language is “extrinsic evidence.” Appx15 (citing Appx545); Appx80 (citing Appx1982; Appx1987–1988). Having argued before the Board that such other claim language is *extrinsic* evidence, it waived the right to make its new (and opposite) argument on appeal. *See In re Baxter Int’l, Inc.*, 678 F.3d 1357, 1362 (Fed. Cir. 2012) (“[W]e generally do not consider arguments that the applicant failed to present to the Board.”); *see also* ECF No. 23, at 37 (citing additional cases).

Even in its reply brief, Mira continues to raise new arguments, not only arguments not made before the PTAB, but also arguments not made in its initial appellate brief, including that the Board “imposed a negative limitation” for “contact list” in its claim construction because the Board held that the term “contact list” “does not require a user interface.” ECF No. 30, at 1–2, 16, 20. Aside from revealing Mira’s profound misunderstanding of what a “negative limitation” in claim

construction is,⁴ this argument is yet another argument Mira waived—not only by not raising it before the Board but also by not raising it in its opening brief on appeal. *See Becton Dickinson & Co. v. C.R. Bard, Inc.*, 922 F.2d 792, 800 (Fed. Cir. 1990) (“[A]n issue not raised by an appellant in its opening brief ... is waived.”).

Because Mira did not first present to the Board (a) Mira’s proposed new claim construction of “contact list” and (b) Mira’s new supporting arguments, they have been waived—rendering the appeal of the Board’s claim construction futile and entirely without merit.

2. Mira’s Obviousness Challenge Is Frivolous Because It Lacks Support In Law And In the Record

Mira’s appeal of the Board’s determinations of obviousness of ’892 patent claims 1–10 and ’657 patent claims 1–4 and 9–12, which were based on Sony and on Sony in combination with Matsumoto, is frivolous for a different reason, namely that the decision was “so plainly correct and the legal authority contrary to

⁴ A “negative limitation” in a claim is an element or construction that *excludes* something from the claims. *See, e.g., Inphi Corp. v. Netlist, Inc.*, 805 F.3d 1350, 1352 (Fed. Cir. 2015) (“At issue in this appeal is a negative claim limitation Netlist introduced by amendment, limiting the claimed chip selects to exclude three particular types of signals ...”); *Omega Eng’g, Inc., v. Raytek Corp.*, 334 F.3d 1314, 1322 (Fed. Cir. 2003) (district court’s “negative limitation” precluded the laser beam from striking interior of the energy zone). The Board’s construction of “contact list” does not *exclude* user interfaces, but instead rejected Mira’s attempt to *require* them.

appellant's position so clear that there really is no appealable issue." *State Indus.*, 948 F.2d at 1578.

The Board concluded that Sony, both alone and in combination with Matsumoto, taught to a POSA placing all three fields of the claims (name, number, and memo) in a single storage. Appx47; Appx53–55; Appx97; Appx107–110. Specifically, the Board concluded that while Sony's preferred embodiment showed two separate storages, a POSA would have found it obvious to use a single storage for *three* independent reasons, each alone sufficient to uphold the Board's conclusion of obviousness of these claims: (a) a POSA would have found it obvious to arrange three fields in two linked data storages or a single one; (b) Sony itself includes language suggesting using a single storage; and (c) a POSA would have been motivated to use the single storage of Matsumoto in combination with Sony. Appx50–51; Appx53; Appx54–55; Appx104–105; Appx107. For each of these three independent reasons, the Board relied not only on the text of the references themselves, but also on the testimony of Microsoft's expert, Peter Rysavy, about what the references taught to a POSA and how a POSA would have been motivated to combine them. *Id.*; *see also* ECF No. 26, at 49–56. While Mira offered its own competing expert testimony, the Board weighed both experts' testimony and "credit[ed] Mr. Rysavy's [Microsoft's expert's] testimony." Appx55; Appx109; *see, e.g.*, Appx50–51 (citing Appx774–776; Appx891; Appx919–927; Appx928;

Appx935–940); Appx53 (citing Appx773); Appx104–105 (citing Appx2192–2194); Appx54–55 (citing Appx774–779); Appx107 (citing Appx2191; Appx2201–2202); Appx108–109 (citing Appx2195–2197).

What a reference teaches and the existence of a motivation to combine are questions of fact reviewed for substantial evidence, and when supported by substantial evidence are not to be disturbed. *In re Urbanski*, 809 F.3d 1237, 1241 (Fed. Cir. 2016); *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1366 (Fed. Cir. 2016). To overturn the Board’s detailed factual findings here, Mira was required to show how the evidence the Board relied on ***for each of these three independent reasons*** for obviousness of these claims was not substantial. Moreover, when the Board makes factual determinations crediting one side’s expert witness over another, this Court “may not reweigh this evidence on appeal.” *Skyy, Inc. v. MindGeek, s.a.r.l.*, 859 F.3d 1014, 1022 (Fed. Cir. 2017) (quoting *In re Warsaw Orthopedic, Inc.*, 832 F.3d 1327, 1333 (Fed. Cir. 2016)); *see, e.g., Boundary Solutions, Inc. v. CoreLogic, Inc.*, 711 Fed. App’x 627, 632–33 (Fed. Cir. 2017) (nonprecedential) (refusing to reweigh Board’s choice between competing expert testimony on motivation to combine). Thus, Mira’s heavy burden to show no substantial evidence on all three independent reasons for obviousness of these claims is even greater here given that the Board’s factual findings were based on its weighing the competing expert testimony and crediting Microsoft’s expert over

Mira's expert on the issues of what the references taught and whether there was a motivation to combine.

Mira's appeal on these issues fails even to mention, much less address, the heavy burden it faces to overturn the Board's weighing of competing expert testimony on factual issues, such as Sony's and Matsumoto's teachings to a POSA and the motivation to combine the two. *See* ECF No. 20, at 27–28, 51–55. Moreover, Mira's appeal fails to address why the evidence on which the Board relied does not support the Board's factual findings on these three independent reasons for obviousness. *See id.* at 51–55. Mira's argument on these obviousness findings does not even mention any of the testimony of Microsoft's expert, much less show why it does not support the Board's factual findings. *Id.*⁵ Instead, Mira simply disagrees with the Board's factual findings and cites a full page of Sony and multi-page sections of its own IPR response briefs. *See id.* at 51 (challenging whether Sony teaches the “checking step” and citing Appx554–557 and Appx1710–1712); *id.* at 52 (challenging whether Sony teaches an integrated storage with reminder, name, and number and citing Appx514–520 and Appx884).

⁵ Addressing the testimony on which the Board relied is crucial to show the lack of substantial evidence in this appeal: “Where two different, inconsistent conclusions may reasonably be drawn from the evidence in record, an agency's decision to favor one conclusion over the other is the epitome of a decision that must be sustained upon review for substantial evidence.” *In re Cree, Inc.*, 818 F.3d 694, 701 (Fed. Cir. 2016) (quoting *In re Jolley*, 308 F.3d 1317, 1329 (Fed. Cir. 2002)).

The substantial hurdle of appealing from the Board’s detailed factual findings and credibility determinations and Mira’s failure to address the standard, much less try to meet it, confirm the frivolousness of the appeal. As the Court has explained, there is “greater difficulty in presenting an arguable ‘basis for reversal in law or fact’ required for an appeal to be nonfrivolous, in an appeal in which great deference must be given to the trial court than in one in which ... review is, for example, *de novo*.” *State Indus.*, 948 F.2d at 1578–79 (finding appeal frivolous in part because it asked appeal court “to reweigh testimony” even though court was “not permitted to second-guess the trial court’s weighing of testimonial evidence”). Here, that greater difficulty is *tripled* by the Board’s *three* separate grounds for the obviousness of these claims.

For the reasons above, Mira’s appeals of both issues in this case—of claim construction and obviousness based on Sony alone and in combination with Matsumoto—were frivolous as filed.

D. Mira’s Appeals Are Also Frivolous As Argued

Courts also award sanctions on an appeal that is frivolous as argued. Actions such as urging irrelevant arguments and authority, seeking to re-litigate issues already adjudicated, and misrepresenting facts or law warrant sanctions. *Finch*, 926 F.2d at 1579. Logically, an appeal that is frivolous as filed, as is this appeal as explained above, “must also be frivolous as argued, since any arguments made in

support of it are, by definition, frivolous.” *State Indus.*, 948 F.2d at 1579 (quoting *Constant v. United States*, 929 F.2d 654, 658 (Fed. Cir. 1991)).

Mira’s briefs advance numerous frivolous positions that compound the sanctionable nature of the appeals as a whole. Some examples follow.

First, Mira falsely accuses one of the judges on the Board panel of exhibiting “bias” by supposedly “substituting personal opinions for record evidence related to technical subject matter.” ECF No. 20 at 26, 42–43, 48–49. Mira’s reply doubles down on this fiction, asserting (a) that the Board “imposed a negative limitation on the term ‘contact list’ [and (b) that the Board did so] based largely on the intrinsic evidence and its own personal experience.” ECF No. 30, at 2. Mira’s personal attack on the PTAB panel and judge lacks any support anywhere in the record because the Final Written Decisions contain no reliance whatsoever on any judge’s personal experience. Instead, the Board’s decision on claim construction of “contact list” focuses on the intrinsic evidence in the record, and the Board correctly found—contrary to Mira’s unsupported position—“no disclosure regarding ‘saving’ any ‘user interfaces’” in the patents.” Appx14; Appx79. The judge’s questioning during the oral hearing was certainly understandable given the patents’ lack of disclosure of such a saved user interface, but the decisions contain no evidence whatsoever of the Board relying on the judge’s technical experience instead of the intrinsic record. Attacking a member of a tribunal (or an entire tribunal) for alleged bias without

compelling evidence (and particularly, as here, with *no* evidence) is highly inappropriate.

Second, in a similar way, Mira attacks the Board for allegedly “advocat[ing] (improperly) on Microsoft’s behalf by [supposedly] supplying the missing theory” that Sony performs the claims’ checking step.” ECF No. 20 at 54–55. Once again, Mira’s attack lacks any basis in the record, which instead establishes that Microsoft advanced this theory in writing before the Board mentioned it. ECF No. 23, at 53–54 (citing Appx352–354, Appx362–363; Appx1467–1469; Appx1478).

Third, to support its claim construction positions, Mira represents to the Court, as it did to the Board, that Figure 4 of the ’657 patent illustrates a contact list having a user interface. *See* ECF No. 30, at 11 (“Original Figure 4 provides an example of a contact list having a user interface”). But, nowhere in Figure 4 is there a contact list being displayed, as Mira’s own expert conceded in his deposition. Appx1061–1062, 61:13–24 (admitting that the only contact information shown in Figure 4 is a single email address).

Fourth, in its reply, Mira ignores the legal authority on waiver cited by Microsoft and, instead, advocates that Mira’s waiver is excused for a (specious) reason:

Microsoft, with its many allegations of new arguments and waiver, appears to believe that Mira was required to appeal every aspect of the Board’s decision and to defend every

position Mira took during the trial. But no principle of appellate procedure imposes that requirement.

ECF No. 30, at 2. Mira's excuse is a *non-sequitur*. Mira need not raise every issue on appeal, but what it does raise must have been raised before the PTAB. Arguing that its waiver is excused by pointing to a straw-man argument Microsoft does not make (that Mira is required to appeal "every aspect" of the Board's decision) is but another example of Mira's sanctionable conduct on these appeals as argued by Mira.

Mira should never have pursued these appeals. The Board properly rejected Mira's attempt to shoehorn a 150-word claim construction into the term "contact list," a short and straight-forward claim term. Instead of erring by adopting Mira's proposed construction, the Board properly gave the term its broadest reasonable construction supported by the specification.

Likewise, on obviousness, the Board provided three separate and independent, well-articulated reasons for its findings of obviousness, doing so by citing not only to the text of the references, but also to testimony of the technical expert (Microsoft's expert), who the Board found credible and persuasive.

Mira's effort to succeed on these appeals by abandoning its IPR claim construction and arguments and ignoring the substantial evidence supporting obviousness is futile and frivolous. Those are not legitimate positions to advance or argue on appeal, and Mira's pursuit of them renders these appeals sanctionable.

III. CONCLUSION AND STATEMENT OF RELIEF SOUGHT

Mira's appeals are futile and frivolous both as filed and as argued. Mira seeks to overturn the PTAB's Final Written Decisions based entirely on (a) arguments on claim construction Mira waived and (b) arguments that lack support in fact, law or logic. Mira's appeals are an unwarranted burden on the resources of all involved. Thus, for the reasons stated in this motion, Microsoft respectfully requests that the Court find Mira's appeals frivolous and direct that Mira and its appellate counsel are, jointly and severally, liable to Microsoft for its attorneys' fees and costs on appeal.

IV. STATEMENT OF OPPOSITION TO THE MOTION

After Mira filed its notices of appeal, Microsoft notified Mira that its appeals were frivolous and subject to sanctions under Rule 38. *See* Declaration of Chris Carraway (filed herewith), Exh. 1. Mira responded that Microsoft's challenge was premature, given that Mira had yet to file any briefs. *Id.*, Exh. 2. While Microsoft disagreed that any reasonable challenge could be made to the PTAB's Final Written Decisions finding unpatentable all claims of Mira's patents, Microsoft waited, as Mira requested, until briefing was complete before filing this motion. Mira's briefs not only confirmed that Mira's filing of the appeals was frivolous, but also established that Mira's appeals are frivolous as argued. Microsoft so advised Mira a second time (providing Mira with a draft of this motion) on

October 4, 2019, *id.*, Exh. 3, and, twice thereafter agreed to Mira’s request for additional time to consider the issue on its request, *id.*, Exh. 4. After considering the issue for seventeen days, Mira’s counsel stated that while he did not have a definitive answer, Microsoft “can assume that Mira will oppose any Rule 38 motion.” *Id.*, Exh. 5.

Respectfully submitted,

KLARQUIST SPARKMAN, LLP

/s/ J. Christopher Carraway

J. Christopher Carraway

Andrew M. Mason

121 SW Salmon Street, Suite 1600

Portland, OR 97204

Telephone: 503.595.5300

Fax: 503.595.5301

chris.carraway@klarquist.com

andrew.mason@klarquist.com

Attorneys for Appellee

Microsoft Corporation

CERTIFICATE OF SERVICE

I certify that I served a copy on counsel of record on October 21, 2019 by:

U.S. Mail

Fax

Hand

Electronic Means (by E-mail or CM/ECF)

/s/ J. Christopher Carraway
J. Christopher Carraway

Law Firm: KLARQUIST SPARKMAN, LLP

Address: 121 S.W. Salmon Street, Suite 1600

City, State, Zip: Portland, Oregon 97204

Telephone Number: 503-595-5300

Fax Number: 503-595-5301

E-Mail Address: chirs.carraway@klarquist.com

**CERTIFICATE OF COMPLIANCE
WITH TYPE-VOLUME LIMITATION, TYPEFACE
REQUIREMENTS, AND TYPE STYLE REQUIREMENTS**

1. This document complies with the word limit of Fed. R. App. R. 27(d) because, excluding the accompanying document authorized by Fed. R. App. P. 27(a)(2)(B):

This document contains 4,508 words, excluding the parts exempted by Federal Rule of Appellate Procedure 32(f), or

This document uses a monospaced typeface and contains lines of text, excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(f).

2. This document complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) or Federal Circuit Rule 28.1 and the type style requirements of Federal Rule of Appellate Procedure 32(a)(6).

This brief has been prepared in a proportionally spaced typeface using Microsoft Word for Office 365 in 14-point Times New Roman, or

This brief has been prepared in a monospaced typeface using with [state number of characters per inch and name of type style].

October 21, 2019
Date

/s/ J. Christopher Carraway
J. Christopher Carraway

*Counsel for Appellee
Microsoft Corporation*

Nos. 2019-1212, -1456

**In the United States Court of Appeals
for the Federal Circuit**

MIRA ADVANCED TECHNOLOGY SYSTEMS, INC.,

Appellant,

v.

MICROSOFT CORPORATION,

Appellee.

Appeals from the United States Patent and Trademark Office, Patent Trial and
Appeal Board, *Inter Partes* Review Nos. IPR2017-01052 and IPR2017-01411

**DECLARATION OF J. CHRISTOPHER CARRAWAY IN SUPPORT OF
APPELLEE MICROSOFT CORPORATION'S MOTION FOR DAMAGES
AND COSTS PURSUANT TO FED. R. APP. P. 38**

J. CHRISTOPHER CARRAWAY
ANDREW M. MASON
KLARQUIST SPARKMAN, LLP
121 S.W. Salmon Street, Suite 1600
Portland, Oregon 97204-2988
(503) 595-5300
chris.carraway@klarquist.com
andrew.mason@klarquist.com

Counsel for Appellee, Microsoft Corporation

Dated: October 21, 2019

J. Christopher Carraway declares as follows:

1. I am an attorney at the law firm of Klarquist Sparkman, LLP, counsel for Microsoft Corporation in these consolidated appeals. I provide this declaration in support of Microsoft's Motion for Sanctions Pursuant to Rule 38. I have personal knowledge of the matters set forth below, and if called as a witness, I could and would testify competently to these matters.

2. On December 3, 2018, I sent an email and attached letter to Mr. J.D. Ma, counsel for Appellant Mira Advanced Technology Corp. ("Mira"), advising him why Mira's appeals were frivolous and subject to sanctions under Rule 38. A true and correct copy of the December 3, 2018 email and letter are attached as Exhibit 1.

3. On January 24, 2019, Mr. Jon Wright, also counsel for Mira, responded that Microsoft was making the allegation "prior to the receipt of any briefing in the appeal," that "[w]ithout knowing what arguments Mira is advancing on appeal, your assertion that 'there can be no doubt that appeals from these decisions would be frivolous ... is too uninformed to constitute a reasonable threat under Fed. Cir. R. 38,'" and that Microsoft's notice of its intent to move for sanctions constituted "a knowingly meritless allegation made for the sole purpose of threatening and harassing my client in the hopes of avoiding this appeal." A true and correct copy of Mr. Wright's January 24, 2019 email and letter are attached as Exhibit 2.

4. After all briefing on the appeals was complete, I sent Mr. Wright and Mr. Ma an email on October 4, 2019 notifying them of Microsoft's renewed intent to file a motion for sanctions under Rule 38. To provide Mira with a detailed explanation of the basis for the motion, that email attached a draft of the motion. The email asked for a response by October 10, 2019 regarding whether Mira would dismiss the appeals or oppose the motion. A true and correct copy of my October 4, 2019 email and the draft motion is attached as Exhibit 3.

5. On October 9, Mr. Wright sent me an email indicating he needed more time to respond on whether Mira would oppose the motion and indicated a "hope to do so by early next week." On October 17, 2019, I sent Mr. Wright a follow-up email asking if Mira had a response. That same day, Mr. Wright responded that he was still evaluating the draft motion and would respond "as soon as we reach a decision," without providing an indication when that would be. That same day, I responded to Mr. Wright by email that because argument on the appeals might be scheduled as early as December, Microsoft needed a response by October 21, 2019 so that, if necessary, the motion could be filed that day and briefed sufficiently in advance of oral argument. A true and correct copy of the email thread containing these emails of October 9 and 17 is attached as Exhibit 4.

6. On October 21, 2019, Mr. Wright sent me an email stating that while he did "not yet have final word from Mira," "you can assume that Mira will oppose

any Rule 38 motion.” A true and correct copy of the email of October 21 is attached as Exhibit 5.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on October 21, 2019

By: /s/ J. Christopher Carraway
J. Christopher Carraway

CERTIFICATE OF SERVICE

I certify that I served a copy on counsel of record on October 21, 2019 by:

U.S. Mail

Fax

Hand

Electronic Means (by E-mail or CM/ECF)

/s/ J. Christopher Carraway
J. Christopher Carraway

Law Firm: KLARQUIST SPARKMAN, LLP

Address: 121 S.W. Salmon Street, Suite 1600

City, State, Zip: Portland, Oregon 97204

Telephone Number: 503-595-5300

Fax Number: 503-595-5301

E-Mail Address: chirs.carraway@klarquist.com

EXHIBIT 1

From: [J. Christopher Carraway](#)
To: [J.D. Ma](#)
Cc: [Andrew M. Mason](#); [J. Christopher Carraway](#)
Subject: Microsoft v Mira - IPR Appeals
Date: Monday, December 03, 2018 9:13:30 AM
Attachments: [Letter to Jundong Ma 12-03-2018.pdf](#)
[image001.png](#)

Please see the attached letter.

J. Christopher Carraway
Partner



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December 3, 2018

J. CHRISTOPHER CARRAWAY
Attorney
chris.carraway@klarquist.com

Via Electronic mail to: jma@jdmpatentlaw.com

Confirmation via First Class Mail

Jundong Ma
JDM Patent Law PLLC
6801 Kenilworth Ave., Suite 120
Riverdale Park, MD 20737

RE: Microsoft Corp. v. Mira Advanced Technology Systems, Inc.
IPR2017-10152 & IPR2017-01411

Dear Mr. Ma:

I write on behalf of my client, Microsoft Corporation (“Microsoft”), regarding the decisions by the PTAB in IPR Nos. IPR2017-01052 and IPR2017-01411. The PTAB has now issued final written decisions in both IPRs, finding all claims in both patents unpatentable on numerous separate grounds and rejecting every argument made by your client, Mira Advanced Technology Systems, Inc. (“Mira”). On behalf of Mira, you recently filed a notice of appeal from IPR2017-01052, docketed as Federal Circuit Case No. 19-1212.

This letter constitutes notice that the appeal from IPR2017-01052 is frivolous under Federal Circuit Rule 38, and any appeal from the other IPR, IPR2017-01411, would be equally frivolous. Microsoft intends to file motions for sanctions under Rule 38 and will seek an award of all of its attorney fees and costs incurred in the appeals as well as any other damages permitted by the rule. Microsoft is willing to forgo filing a motion for sanctions if, no later than December 7, 2018, Mira voluntarily dismisses the appeal in Case No. 19-1212 and agrees not to file a notice of appeal from IPR2017-01411.

Appeals From These IPRs Are Frivolous Under Rule 38

Rule 38 provides that “[i]f a court of appeals determines that an appeal is frivolous, it may, after a separately filed motion or notice from the court and reasonable opportunity to respond, award just damages and single or double costs to the appellee.” The Federal Circuit has long disdained the filing of frivolous appeals: “The filing of and proceeding with clearly frivolous appeals constitutes an unnecessary and unjustifiable burden on already overcrowded courts, diminishes the opportunity for careful, unpressured consideration of nonfrivolous appeals, and delays access to the courts of persons with truly deserving causes.” *Asberry v. U.S. Postal Serv.*, 692 F.2d 1378, 1382 (Fed. Cir. 1982).



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Jundong Ma
December 3, 2018
Page 2

An appeal is frivolous when “the judgment by the tribunal below was so plainly correct and the legal authority contrary to appellant’s position so clear that there really is no appealable issue.” *State Indus., Inc. v. Mor-Flo Indus., Inc.*, 948 F.2d 1573, 1578 (Fed. Cir. 1991) (quoting *Finch v. Hughes Aircraft Co.*, 926 F.2d 1574, 1579–80 (Fed. Cir. 1991)). Given the final written decisions in the two IPRs at issue, there can be no doubt that appeals from these decisions would be frivolous.

By way of example, Mira’s primary position in the IPRs was that the term “contact list” must be construed to require three specific features, including that it include a “user interface,” that it be a “commonly and already available feature” of a communication device, and that it include “common features” such as speed dialing and entering and saving of contact information. The PTAB rejected Mira’s proposal because these features do “not comport with the language of the claims” and are in fact “divorced from the language of the claims and at odds with the plain language of the claims.” Final Written Decision, IPR2017-01411 (hereafter “1411 FWD”), at 9, 15, 19, 20, 22, 23, 24, 26.¹ Mira’s sole argument as to why this other claim language should be ignored was that other claim language is “extrinsic evidence.” See, e.g., Patent Owner Response, IPR2017-01411, at 40, 45-46. Mira did not cite any authority for its assertion that other claim language is extrinsic evidence and should not be considered. Instead, as the PTAB explained, it is settled law that other claim language is instead intrinsic evidence. See 1411 FWD, at 16-17 (quoting *Phillips v. AWH Corp.*, 415 F.3d 1303, 1314 (Fed. Cir. 2005) (en banc)). Likewise, as the PTAB further explained, the law is settled that the surrounding words in the claim “must be considered,” *id.* at 16 (quoting *Lexion Med., LLC v. Northgate Techs., Inc.*, 641 F.3d 1352, 1356 (Fed. Cir. 2011)), and construing a claim term without considering the context of surrounding claim language would not be reasonable, *id.* (quoting *Trivascular, Inc. v. Samuels*, 812 F.3d 1056, 1062 (Fed. Cir. 2016)). Mira’s appeal of the PTAB’s construction of contact list, based on surrounding claim language, would have no legal support and, in fact, would disregard clear Federal Circuit precedent. “Where a party blindly disregards long established authority and raises arguments with no factual foundation, ... the judicial process has not been used, but abused, and sanctions under Rule 38 are warranted.” *Octocom Sys., Inc. v. Hous. Comput. Servs., Inc.*, 918 F.2d 937, 943 (Fed. Cir. 1990); see also *S. Bravo Sys. v. Containment Techs. Corp.*, 96 F.3d 1372, 1376-77 (Fed. Cir. 1996) (finding appeal frivolous because appellant provided “no legal support” for its contention).

The PTAB also found that nothing in the intrinsic evidence—not the claim language, not the specification, and not the file history—supported reading any of Mira’s three proposed features into the plain meaning of “contact list.” See 1411 FWD, at 18-26. As the PTAB found, the plain meaning of the term cannot be overcome absent sufficient support in the intrinsic evidence showing a “redefinition or disavowal sufficient to contradict the plain meaning.” *Id.* at

¹ While citations to regarding the PTAB’s decisions are to the 1411 FWD, the same findings and conclusions discussed in this letter were made by the PTAB in the Final Written Decision of IPR2017-01052. Thus, these exemplary reasons why appeals from the decisions would be frivolous apply equally to both IPRs.



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Exhibit 1
Page 3 of 5



Jundong Ma
December 3, 2018
Page 3

28. With no intrinsic evidence to overcome the plain meaning of “contact list,” any appeal would be frivolous.

The PTAB also rejected Mira’s attempt to use an expert declaration—extrinsic evidence—to contradict the plain meaning of “contact list.” The PTAB, again relying on established Federal Circuit precedent, found that Mr. Jawadi’s declaration was extrinsic evidence that could not be used, as Mira proposed, to contradict the intrinsic evidence. 1411 FWD, at 15, 29 (quoting *Prolitec, Inc. v. Scentair Techs., Inc.*, 807 F.3d 1353, 1358–59 (Fed. Cir. 2015) and *Phillips*, 415 F.3d at 1318). Moreover, the PTAB also rejected Mr. Jawadi’s declaration because it was “conclusory” and “unsupported by evidence.” *Id.* at 15. Any effort to rely on such expert testimony to contradict the plain meaning of the term “contact list,” particularly where, as here, the PTAB found the testimony to be conclusory and have no evidentiary support, would be frivolous.

In sum, Mira’s positions were properly rejected by the PTAB because they were entirely unsupported by any intrinsic evidence, based on nothing but conclusory extrinsic evidence, and reliant on unsupported legal positions that in fact contradict established Federal Circuit precedent. Appeals from these IPR decisions would necessarily be frivolous because the judgment of the PTAB “was so plainly correct and the legal authority contrary to appellant’s position so clear that there really is no appealable issue.” *State Indus.*, 948 F.2d at 1578.

Microsoft Will Seek Attorney Fees, Costs, And Other Damages

If Mira pursues these appeals, Microsoft will file a motion under Rule 38 and will seek costs, attorneys fees, and any other damages the appeals have caused it. The Federal Circuit has not hesitated to grant these types of sanctions when an appeal is found to be frivolous. *See, e.g., Walker v. Health Intl. Corp.*, 845 F.3d 1148, 1156-57 (Fed. Cir. 2017) (awarding \$51,801.88 in attorney fees and costs for frivolous appeal); *Sun-Tek Indus., Inc. v. Kennedy Sky-Lites, Inc.*, 865 F.2d 1254 (Fed. Cir. 1989) (awarding \$29,303.12 in attorney fees and costs for frivolous appeal); *State Indus.*, 948 F.2d at 1583 (awarding \$5,000.00 in damages for frivolous appeal) We encourage you to think long and hard about the harm that you and your client will be doing to both Microsoft and the Court by pursuing these appeals that have no basis in fact and law. The Federal Circuit has often held both the party and its attorney jointly and severally responsible for the attorneys fees and costs assessed under Rule 38. *See, e.g., Walker*, 845 F.3d at 1157; *S. Bravo*, 96 F.3d at 1377.

Microsoft Will Forego Its Motion For Sanctions If Mira Promptly Accepts The PTAB’s Decisions

While Microsoft has already suffered some damage due to Mira’s decision to file a frivolous appeal of one IPR, that harm is going to rapidly increase if Mira continues that appeal and files an equally frivolous appeal from the second IPR. In the spirit of compromise, Microsoft



Jundong Ma
December 3, 2018
Page 4

is willing to forego filing these motions for sanctions under Rule 38 if Mira accepts the PTAB's decisions by dismissing the existing appeal and agrees not to appeal the second IPR decision. Mira must do this no later than Friday, December 7, 2018.

Sincerely,

KLARQUIST SPARKMAN, LLP

A handwritten signature in blue ink, appearing to read "J. Carraway".

J. Christopher Carraway

JCC



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Exhibit 1
Page 5 of 5

EXHIBIT 2

From: [Jon Wright](#)
To: [J. Christopher Carraway](#)
Cc: [J.D. Ma](#); [Pauline M. Pelletier](#); [Andrew M. Mason](#)
Subject: RE: Microsoft v Mira - Appeals
Date: Thursday, January 24, 2019 12:51:22 PM
Attachments: [image003.png](#)
[image006.png](#)
[Letter from J Wright to J Carraway 01-24-19.pdf](#)

Mr. Carraway,

Thank you for forwarding the letter you sent to Mr. Ma back in December.

Please see the attached response.

Best regards,


Jon Wright

Director

Sterne, Kessler, Goldstein & Fox P.L.L.C.

Email: jwright@sternekessler.com

Direct: 202.772.8651

Administrative Assistant: Cecilia Burgess

Direct: 202.772.8682 **Main:** 202.371.2600

From: J. Christopher Carraway [<mailto:chris.carraway@klarquist.com>]
Sent: Thursday, January 24, 2019 12:28 PM
To: Jon Wright; Pauline M. Pelletier
Cc: J.D. Ma; Andrew M. Mason; J. Christopher Carraway
Subject: Microsoft v Mira - Appeals

Mr. Wright and Ms. Pelletier,

Please note the attached letter we sent to Mr. Ma on December 3, 2018.

Kind regards,

J. Christopher Carraway
Partner



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JON E. WRIGHT
JWRIGHT@STERNEKESSLER.COM
(202) 772-8651

January 24, 2019

J. Christopher Carraway
Klarquist Sparkman, LLP
121 SW Salmon Street
Suite 1600
Portland, OR 97204

Via Email
chris.carraway@klarquist.com

Re: Microsoft Corp. v. Mira Advanced Technology Systems, Inc.
IPR2017-10152 & IPR2017-01411

Dear Mr. Carraway:

I write on behalf of my client Mira Advanced Technology Systems in response to your letter addressed to Mr. Ma dated December 3, 2018. In your letter you recklessly and baselessly allege that a notice of appeal from the PTAB's final decision in IPR2017-01052, filed by Mira as a matter of right, is "frivolous under Federal Circuit Rule 38, and any appeal from the other IPR, IPR2017-01411, would be equally frivolous." Dec. 3, 2018 Ltr. from J. Carraway to J. Ma.

First, we note that you make this allegation prior to the receipt of any briefing in the appeal. Without knowing what arguments Mira is advancing on appeal, your assertion that "there can be no doubt that appeals from these decisions would be frivolous," *id.* at 2, is too uninformed to constitute a reasonable threat under Fed. Cir. R. 38. *Finch v. Hughes Aircraft Co.*, 926 F.2d 1574, 1578 (Fed. Cir. 1991) (noting that the assessment of whether an appeal is frivolous is made "[o]n the basis of the briefs and record on appeal"). Second, as your letter recognizes, the parties disputed issues of claim construction before the PTAB. *Id.* at 2-3. As you are no doubt aware, claim construction is ultimately a question of law that receives *de novo* review by the Court of Appeals. *In re Man Mach. Interface Techs. LLC*, 822 F.3d 1282, 1285-86 (Fed. Cir. 2016). In other words, the PTAB's constructions are not presumed to be legally correct; nor are your opinions about the merits of Mira's case. Nor can we agree that *any* of the cases relating to sanctions that you cite have any bearing on this appeal, or the appeal of IPR2017-01411. For example, none relate to appeals of claim construction rulings or anything remotely comparable.

Further, it is not correct, let alone reasonable, to say that "there really is no appealable issue." *Finch*, 926 F.2d at 1579. We also direct you to the Court's reasoning in one of the cases you yourself cite:

Access to the appellate courts is an important value in our system of justice. In determining whether or not an appeal is frivolous,

J. Christopher Carraway

January 24, 2019

Page 2

however, an appellate court must be mindful of the possibility that awarding damages and costs could have an undue chilling effect on the behavior of later litigants. An appeal having a small chance for success is not for that reason alone frivolous, *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1554, 220 USPQ 193, 203 (Fed.Cir.1983), and a questionable appeal may simply be due to the overzealousness or inexperience of counsel. *Beghin-Say Int'l, Inc. v. Rasmussen*, 733 F.2d 1568, 1573, 221 USPQ 1121, 1125 (Fed.Cir.1984) (“There are . . . differences between excessive advocacy and inexperience on the one hand and clear frivolity on the other.”). The line between the tenuously arguable and the frivolous can be an uncertain one, and sanctions should not be imposed so freely as to make parties with legitimately appealable issues hesitant to come before an appellate court. *See, e.g., Stelly v. Commissioner*, 761 F.2d 1113, 1116 (5th Cir.), cert. denied, 474 U.S. 851, 106 S.Ct. 149, 88 L.Ed.2d 123 (1985).

Id. at 1578.

To characterize a genuine dispute over the legally correct construction of a claim term as necessarily “frivolous” is, at best, an unreasonable and unsubstantiated claim. At worst, your promise to move for costs, attorney’s fees, and unspecified damages on the sole basis of Mira noticing an appeal is a knowingly meritless allegation made for the sole purpose of threatening and harassing my client in the hopes of avoiding this appeal. Such an attempt to intimidate Mira from exercising its right to seek judicial review of a decision that stands to deprive it of a duly issued patent is in poor taste.

We are disappointed to have to respond to your letter and hope that, going forward, we can proceed without further unnecessary and vexatious communication from Microsoft on this issue.

Sincerely,

STERNE, KESSLER, GOLDSTEIN & FOX P.L.L.C.



Jon E. Wright

pmp

EXHIBIT 3

From: [J. Christopher Carraway](#)
To: [Jon Wright](#)
Cc: [J.D. Ma](#); [Pauline M. Pelletier](#); [Andrew M. Mason](#); [J. Christopher Carraway](#)
Subject: RE: Microsoft v Mira - Appeals
Date: Friday, October 04, 2019 2:16:25 PM
Attachments: [image002.png](#)
[image003.png](#)
[Microsoft v Mira IPR Appeals - Draft Rule 38 Motion.pdf](#)
[image001.png](#)

Jon,

We are following up on your letter of January 24, 2019, in which you complained that Microsoft's warning that it would seek sanctions under Rule 38 for Mira's frivolous appeals was premature because Mira had not filed its opening brief. While we disagree with that assertion, now that the briefing is complete, it is evident that the appeals both as filed and as briefed by Mira are frivolous. Attached is Microsoft's draft motion under Rule 38 explaining the basis for the motion in detail. Please confirm by October 10 that Mira will dismiss its appeals. If Mira will not dismiss, please confirm that you will oppose the motion and file a response so we can include that required statement in the motion when we file.

Regards,

J. Christopher Carraway
Partner



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From: Jon Wright <JWRIGHT@sternekessler.com>
Sent: Thursday, January 24, 2019 1:51 PM
To: J. Christopher Carraway <chris.carraway@klarquist.com>
Cc: J.D. Ma <jma@jdmpatentlaw.com>; Pauline M. Pelletier <PPELLETIER@sternekessler.com>; Andrew M. Mason <andrew.mason@klarquist.com>
Subject: RE: Microsoft v Mira - Appeals

Mr. Carraway,

Thank you for forwarding the letter you sent to Mr. Ma back in December.

Please see the attached response.

Best regards,

[Redacted signature line]

Jon Wright

Director

Sterne, Kessler, Goldstein & Fox P.L.L.C.

Email: jwright@sternekessler.com

Direct: 202.772.8651

Administrative Assistant: Cecilia Burgess

Direct: 202.772.8682 **Main:** 202.371.2600

From: J. Christopher Carraway [<mailto:chris.carraway@klarquist.com>]

Sent: Thursday, January 24, 2019 12:28 PM

To: Jon Wright; Pauline M. Pelletier

Cc: J.D. Ma; Andrew M. Mason; J. Christopher Carraway

Subject: Microsoft v Mira - Appeals

Mr. Wright and Ms. Pelletier,

Please note the attached letter we sent to Mr. Ma on December 3, 2018.

Kind regards,

J. Christopher Carraway

Partner



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MOTION

Microsoft Corporation (“Microsoft”) respectfully moves this Court for an order: (a) holding that these consolidated appeals as filed and argued by Mira Advanced Technology Systems, Inc. (“Mira”) are frivolous under Rule 38 of the Federal Rules of Appellate Procedure and (b) accordingly imposing sanctions.

After Mira filed its notices of appeal, Microsoft notified Mira that its appeals were frivolous and subject to sanctions under Rule 38. *See* Declaration of Chris Carraway (filed herewith), Exh. 1. Mira responded that Microsoft’s challenge was premature, given that Mira had yet to file any briefs. *Id.*, Exh. 2. While Microsoft disagreed that any reasonable challenge could be made to the PTAB’s Final Written Decisions finding unpatentable all claims of Mira’s patents, Microsoft waited, as Mira requested, until briefing was complete before filing this motion. Mira’s briefs not only confirmed that Mira’s filing of the appeals was frivolous, but also established that Mira’s appeals are frivolous as argued. Microsoft so advised Mira a second time (providing Mira with a copy of this motion), *id.*, Exh. 3, and, because Mira would not withdraw its appeals, Microsoft now brings this motion.

I. INTRODUCTION

An appeal is not a mulligan. While a party is certainly free to retain new counsel to pursue an appeal, that new counsel is not free to raise new arguments that could have been made, but were not made, on behalf of the client before the first

tribunal. An appeal premised on such new arguments—arguments waived because they were not presented to the first tribunal—is futile and, therefore, frivolous. *Finch v. Hughes Aircraft Co.*, 926 F.2d 1574, 1580 (Fed. Cir. 1991) (finding appeal frivolous where argument was based on issue not raised in trial proceeding).

Mira’s appeal jettisons the 150-word claim construction it pressed the PTAB to adopt, instead advancing for the first time on appeal various shorter—*and different*—constructions. In addition, Mira attempts to support its new constructions using arguments it never made to the Board. For example, while Mira argued to the Board that other language in the claim was “extrinsic” and could *not* be used to construe the disputed claim terms, Mira now concedes the opposite, and attempts to support its new constructions of claim terms by pointing to other claim language in the claims. While its new positions are flawed for numerous reasons, they are frivolous and sanctionable if only for the reason that they unquestionably were waived when they were not made to the Board.

Mira’s remaining arguments on appeal lack support in law, the record and logic. For example, it seeks reversal of the Board’s findings of obviousness by entirely ignoring the Board’s credibility determinations of the parties’ experts regarding what the references taught and how a POSA would be motivated to combine them. Likewise, Mira attacks one of the Board’s judges for allegedly relying on his own technical experience when nothing in the Final Written Decisions

evidences any such reliance, and attacks the panel for supposedly creating an argument for Microsoft when the record shows that Microsoft did in fact introduce that position.

Over and over, Mira fails to identify a non-frivolous reason for overturning the Board's detailed, well-supported Final Written Decisions and, instead, peppers its briefing with extraneous, unsupported assertions. This Court has a busy docket, particularly with appeals from PTAB decisions. The ability for this Court to hear legitimate appeals is harmed by having to decide those for which there is no reasonable basis. This is one of those (thankfully rare) cases where appealing the lower tribunal's decision was futile and frivolous. Sanctions are therefore justified.

II. ARGUMENT

“Access to the appellate courts is an important value in our system of justice.” *Finch*, 926 F.2d at 1578. “[A]ppellate courts must consider the importance of conserving scarce judicial resources [and therefore a] frivolous appeal imposes costs not only upon the party forced to defend it, but also upon the public whose taxes supporting this court and its staff are wasted on frivolous appeals.” *Id.*

Pursuant to Rule 38 of the Federal Rules of Appellate Procedure, “[i]f a court of appeals shall determine that an appeal is frivolous, it may... award just damages and single or double costs to the appellee.” This Court has interpreted this language to include attorneys' fees. *See State Indus., Inc. v. Mor-Flo Indus., Inc.*, 948 F.2d

1573, 1581 (Fed. Cir. 1991) (citing *Sun-Tek Indus., Inc. v. Kennedy Sky-Lites, Inc.*, 865 F.2d 1254, 1255 (Fed. Cir. 1989)).

“The ‘purpose’ of an award of attorney fees as ‘just damages’ under Rule 38 ‘is not only to compensate a winner before the [trial] court for expense and delay in defending against meritless arguments on appeal but to deter frivolous appeals and thus preserve the appellate calendar for cases worthy of consideration.’” *Sun-Tek Indus.*, 865 F.2d at 1255.

There are two recognized instances in which an appeal may be frivolous. First, if an appeal is taken where “the judgment by the tribunal below was so plainly correct and the legal authority contrary to appellant’s position so clear that there really is no appealable issue,” the appeal is “frivolous as filed.” *State Indus.*, 948 F.2d at 1578 (citing *Finch*, 926 F.2d at 1579-80). “Second, even in cases in which genuinely appealable issues may exist, so that the taking of an appeal is not frivolous, the appellant’s misconduct in arguing the appeal may be such as to justify holding the appeal to be ‘frivolous as argued.’” *Id.* (citing *Romala Corp. v. United States*, 927 F.2d 1219, 1222 (Fed. Cir. 1991)).

Finally, the standard for Rule 38 is objective, not subjective, and does not require any showing of bad faith. *State Indus.*, 948 F.2d at 1581; *In re Perry*, 918 F.2d at 934.

A. Mira's Appeals Are Frivolous As Filed

These consolidated appeals turn on two issues: First, for some of the claims, this Court's affirmance of the Board's determinations of unpatentability depends on whether the Board's construction of "contact list" is correct, because Mira concedes that the Board's finding of obviousness is correct if the Board's construction of "contact list" is correct.¹ Second, the remaining conclusions of unpatentability, are resolved by the Board's findings that Sony alone or in combination with Matsumoto, taught all the claim elements.² Mira appeals both issues, and the appeals of both issues are frivolous as filed.

¹ Specifically, Mira relies solely on the claim construction of "contact list" as the basis for its appeal of the Board's grounds of obviousness of claims 1–4 and 6–9 of the '892 patent *based on Matsumoto* and of claims 5–8 of the '657 patent *based on Matsumoto combined with either Scott or Neilsen*. See ECF No. 23, at 48. As stated in footnote 2 below, the Board also identified additional, independent grounds for the obviousness of claims 1-4 and 6-9.

² Specifically, for the Board's obviousness grounds for claims 1–10 of the '892 patent and claims 1–4 and 9–12 of the '657 patent *based on Sony alone and separately based on Sony in combination with Matsumoto*, Mira challenges the Board's conclusions, but not based on the construction of "contact list," because Mira admits that Sony has "user interface functionality." See ECF No. 23, at 48-49. Because claims 1-4 and 6-9 of the '892 patent were found to be invalid under two separate and independent grounds—one dependent on the construction of "contact list" and one not, either ground alone is sufficient to affirm unpatentability of those claims.

1. Mira's Claim Construction Positions on Appeal Are Frivolous Because They Were Waived

A court may find an appeal frivolous when the appeal is based on an issue not raised in the proceedings in the lower court. *Finch*, 926 F.2d at 1580 (finding appeal frivolous when argument was based on issue not raised in trial court); *Pac-Tec, Inc. v. Amerace Corp.*, 903 F.2d 796, 801-02 (Fed. Cir. 1990) (same). In order to preserve for appeal an argument relevant to an IPR proceeding, that argument must be “raised in a paper” before the Board. *See* 37 CFR 42.70(a). A party waives an argument that it failed to present to the PTAB, because the party’s silence before the Board deprives this Court of the benefit of the Board’s informed judgment on that argument. *See In re Nuvasive, Inc.*, 842 F.3d 1376, 1380 (Fed. Cir. 2016). Under these standards, Mira’s appellate challenge to the Board’s construction of “contact list (which is its sole basis for challenging the conclusions of obviousness for ’892 patent claims 1–4 and 6–9 and ’657 patent claims 5–8) is frivolous.

First and foremost, Mira apparently concluded, after hiring new counsel to pursue appeals, that continuing to advocate on appeal the 150-word claim construction of “contact list” Mira proposed to the Board would be untenable. That construction included a hodge-podge of requirements, a few of which were: (a) that the “contact list” must be a “feature commonly and already available on a smart communication device,” (b) that it “include[e] fields of contact information that are known and familiar to ordinary users such as name, phone number, address, or

email,” (c)(1) that it “include[] user interfaces to access well-known capabilities relating to communication,” and (c)(2) that those “capabilities at least includ[e]” “inputting, saving, and viewing contact information, the contact list being “visually-represented, selectable, and activatable.” Appx526–527; Appx1681–1682. On appeal, Mira abandons the construction it argued in its papers filed in the IPR proceedings, including by dropping many of the extraneous features Mira asked the Board to read into the claims. ECF No. 23, at 30-32. Although shorter, Mira’s new appellate construction also *differs substantively* in several other ways from the construction it sought before the Board. Below are a few examples showing how on appeal Mira has recycled certain buzz-words—such as “well-known” and “common”—from its previous construction, but now spins those terms in different ways with different meanings than before.

Buzzword	Mira’s Construction at the Board	Mira’s Construction on Appeal
“well-known”	user interfaces “access well-known capabilities related to communication ” (Appx526; Appx1963) (emphasis added)	“ well-known user interface functionality ” (ECF No. 20 at 14) (emphasis added)
“common”	“initiate[s] a well-known common function (such as speed-dialing an underlying phone number of the contact list entry in the case of phone communication)” (Appx527; Appx1963) (emphasis added)	“ common user interface functionality ” (ECF No. 20 at 47) (emphasis added) “requires user interface functionality having familiar and common features ” (<i>id.</i> at 31) (emphasis added)

Mira’s appeal reply suggests that its various new constructions “use slightly different phraseology” and tries to excuse the differences, arguing that “they are consistent in that they advocate for a construction of ‘contact list’ that has a user interface.” ECF No. 30, at 17. But, as illustrated by the examples provided in the chart above, Mira’s new constructions are substantively different; and, even if they were “consistent” with Mira’s original constructions (which they are not), Mira never gave the Board the opportunity to determine whether Mira’s new constructions are correct or not. Thus, in all events, Mira has deprived this Court of the benefit of the PTAB’s analysis of Mira’s new construction.

Again, abandoning a losing construction presented to the Board and advocating a *different* construction on appeal is improper, because the new construction, having not been made at the Board level, is waived. See *Conoco, Inc. v. Energy & Envtl. Int’l, L.C.*, 460 F.3d 1349, 1358–59 (Fed. Cir. 2006) (“[A] *party may not introduce new claim construction arguments* on appeal or alter the scope of the claim construction positions it took below.”) (emphasis added); *Game & Tech. Co., Ltd. v. Activision Blizzard Inc.*, --- F.3d ----, 2019 WL 2553517, at *4 n.6 (Fed. Cir. June 21, 2019) (rejecting “new argument on appeal” regarding claim construction as “waived”). By changing its appellate construction from the construction it advocated before the Board, Mira’s appeal of the Board’s construction of “contact list” is futile.

In addition to the impropriety of advocating on appeal for a new claim construction, Mira also improperly relies on new legal argument about its new construction. Indeed, Mira even relies on a new argument that is the very *opposite* of an argument that Mira made to the Board. Mira now attempts to support its proffered new construction of “contact list” by pointing to various claim language other than the disputed claim language,³ but Mira failed to make these arguments before the Board. ECF No. 23, at 37-40. Mira responds that it is entitled to point to additional intrinsic evidence to support its construction on appeal, ECF No. 30, at 19-20, but that is *not* what Mira is doing. Mira told the Board that claim language other than the disputed claim language should *not* be used to construe the disputed term “contact list” because, according to Mira, such other claim language is “extrinsic evidence.” Appx15 (citing Appx545); Appx80 (citing Appx1982; Appx1987–1988). Having argued before the Board that such other claim language is *extrinsic* evidence, it waived the right to make its new (and opposite) argument on appeal. *See In re Baxter Int’l, Inc.*, 678 F.3d 1357, 1362 (Fed. Cir. 2012) (“[W]e generally do not consider arguments that the applicant failed to present to the Board.”); *see also* ECF No. 23, at 37 (citing additional cases).

³ Such other claim language includes the “configured to” terms and “activating” terms. *See* ECF No. 20, at 31–33.

Even in its reply brief, Mira continues to raise new arguments, not only arguments not made before the PTAB, but also arguments not made in its initial appellate brief, including that the Board “imposed a negative limitation” for “contact list” in its claim construction because the Board held that the term “contact list” “does not require a user interface.” ECF No. 30, at 1-2, 16, 20. Aside from revealing Mira’s profound misunderstanding of what a “negative limitation” in claim construction is,⁴ this argument is yet another argument Mira waived—not only by not raising it before the Board but also by not raising it in its opening brief on appeal. *See Becton Dickinson & Co. v. C.R. Bard, Inc.*, 922 F.2d 792, 800 (Fed. Cir. 1990) (“[A]n issue not raised by an appellant in its opening brief ... is waived.”).

Because Mira did not first present to the Board (a) Mira’s proposed new claim construction of “contact list” and (b) Mira’s new supporting arguments, they have been waived—rendering the appeal of the Board’s claim construction futile and entirely without merit.

⁴ A “negative limitation” in a claim is an element or construction that excludes something from the claims. *See, e.g., Inphi Corp. v. Netlist, Inc.*, 805 F.3d 1350, 1352 (Fed. Cir. 2015) (“At issue in this appeal is a negative claim limitation Netlist introduced by amendment, limiting the claimed chip selects to exclude three particular types of signals ...”); *Omega Eng’g, Inc., v. Raytek Corp.*, 334 F.3d 1314, 1322 (Fed. Cir. 2003) (district court’s “negative limitation” precluded the laser beam from striking interior of the energy zone). The Board’s construction of “contact list” does not *exclude* user interfaces, but instead rejected Mira’s attempt to *require* them.

2. Mira's Obviousness Challenge is Frivolous Because It Lacks Support In Law and In the Record

Mira's appeal of the Board's determinations of obviousness of '892 patent claims 1–10 and '657 patent claims 1–4 and 9–12 which were based on Sony and on Sony in combination with Matsumoto is frivolous for a different reason, namely that the decision was “so plainly correct and the legal authority contrary to appellant's position so clear that there really is no appealable issue.” *State Indus.*, 948 F.2d at 1578.

The Board concluded that Sony, both alone and in combination with Matsumoto, taught to a POSA placing all three fields of the claims (name, number, and memo) in a single storage. Appx47; Appx53-55; Appx97; Appx107–110. Specifically, the Board concluded that while Sony's preferred embodiment showed two separate storages, a POSA would have found it obvious to use a single storage for *three* independent reasons, each alone sufficient to uphold the Board's conclusion of obviousness of these claims: (a) a POSA would have found it obvious to arrange three fields in two linked data storages or a single one; (b) Sony itself includes language suggesting using a single storage; and (c) a POSA would have been motivated to use the single storage of Matsumoto in combination with Sony. Appx50–51; Appx53; Appx54–55; Appx104–105; Appx107. For each of these three independent reasons, the Board relied not only on the text of the references themselves, but also on the testimony of Microsoft's expert, Peter Rysavy, about

what the references taught to a POSA and how a POSA would have been motivated to combine them. *Id.*; *see also* ECF No. 26, at 49–56. While Mira offered its own competing expert testimony, the Board weighed both experts’ testimony and “credit[ed] Mr. Rysavy’s [Microsoft’s expert’s] testimony.” Appx55; Appx109; *see, e.g.*, Appx50–51 (citing Appx774–776; Appx891; Appx919–927; Appx928; Appx935–940); Appx53 (citing Appx773); Appx104–105 (citing Appx2192–2194); Appx54–55 (citing Appx774–779); Appx107 (citing Appx2191; Appx2201–2202); Appx108–109 (citing Appx2195–2197).

What a reference teaches and the existence of a motivation to combine are questions of fact reviewed for substantial evidence, and when supported by substantial evidence are not to be disturbed. *In re Urbanski*, 809 F.3d 1237, 1241 (Fed. Cir. 2016); *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1366 (Fed. Cir. 2016). To overturn the Board’s detailed factual findings here, Mira was required to show how the evidence the Board relied on for each of these ***three independent reasons*** for obviousness of these claims was not substantial. Moreover, when the Board makes factual determinations crediting one side’s expert witness over another, this Court “may not reweigh this evidence on appeal.” *Skyy, Inc. v. MindGeek, s.a.r.l.*, 859 F.3d 1014, 1022 (Fed. Cir. 2017) (quoting *In re Warsaw Orthopedic, Inc.*, 832 F.3d 1327, 1333 (Fed. Cir. 2016)); *see, e.g., Boundary Solutions, Inc. v. CoreLogic, Inc.*, 711 Fed. Appx. 627 632–33 (Fed. Cir. 2017)

(nonprecedential) (refusing to reweigh Board’s choice between competing expert testimony on motivation to combine). Thus, Mira’s heavy burden to show no substantial evidence on all three independent reasons for obviousness of these claims is even greater here given that the Board’s factual findings were based on its weighing the competing expert testimony and crediting Microsoft’s expert over Mira’s expert on the issues of what the references taught and whether there was a motivation to combine.

Mira’s appeal on these issues fails even to mention, much less address, the heavy burden it faces to overturn the Board’s weighing of competing expert testimony on factual issues, such as Sony’s and Matsumoto’s teachings to a POSA and the motivation to combine the two. *See* ECF No. 20, at 27–28, 51–55. Moreover, Mira’s appeal fails to address why the evidence on which the Board relied does not support the Board’s factual findings on these three independent reasons for obviousness. *See id.* at 51–55. Mira’s argument on these obviousness findings does not even mention any of the testimony of Microsoft’s expert, much less show why it does not support the Board’s factual findings. *Id.*⁵ Instead, Mira simply disagrees

⁵ Addressing the testimony on which the Board relied is crucial to show the lack of substantial evidence in this appeal: “Where two different, inconsistent conclusions may reasonably be drawn from the evidence in record, an agency’s decision to favor one conclusion over the other is the epitome of a decision that must be sustained upon review for substantial evidence.” *In re Cree, Inc.*, 818 F.3d 694, 701 (Fed. Cir. 2016) (quoting *In re Jolley*, 308 F.3d 1317, 1329 (Fed. Cir. 2002)).

with the Board’s factual findings and cites a full page of Sony and multi-page sections of its own IPR response briefs. *See id.* at 51 (challenging whether Sony teaches the “checking step” and citing Appx554–557 and Appx1710–1712); *id.* at 52 (challenging whether Sony teaches an integrated storage with reminder, name, and number and citing Appx514–520 and Appx884).

The substantial hurdle of appealing from the Board’s detailed factual findings and credibility determinations and Mira’s failure to address the standard, much less try to meet it, confirm the frivolousness of the appeal. As the Court has explained, there is “greater difficulty in presenting an arguable ‘basis for reversal in law or fact’ required for an appeal to be nonfrivolous, in an appeal in which great deference must be given to the trial court than in one in which ... review is, for example, *de novo*.” *State Indus.*, 948 F.2d at 1578-79 (finding appeal frivolous in part because it asked appeal court “to reweigh testimony” even though court was “not permitted to second-guess the trial court’s weighing of testimonial evidence”). Here, that greater difficulty is *tripled* by the Board’s *three* separate grounds for the obviousness of these claims.

For the reasons above, Mira’s appeals of both issues in this case—of claim construction and obviousness based on Sony alone and in combination with Matsumoto—were frivolous as filed.

B. Mira's Appeals Are Also Frivolous As Argued

Courts also award sanctions on an appeal that is frivolous as argued. Actions such as urging irrelevant arguments and authority, seeking to re-litigate issues already adjudicated, and misrepresenting facts or law warrant sanctions. *Finch*, 926 F.2d at 1579. Logically, an appeal that is frivolous as filed, as is this appeal as explained above, “must also be frivolous as argued, since any arguments made in support of it are, by definition, frivolous.” *State Indus.*, 948 F.2d at 1579 (quoting *Constant v. United States*, 929 F.2d 654, 658 (Fed. Cir. 1991)).

Mira's briefs advance numerous frivolous positions that compound the sanctionable nature of the appeals as a whole. Some examples follow.

First, Mira falsely accuses one of the judges on the Board panel of exhibiting “bias” by supposedly “substituting personal opinions for record evidence related to technical subject matter.” ECF No. 20 at 26, 42–43, 48–49. Mira's reply doubles down on this fiction, asserting (a) that the Board “imposed a negative limitation on the term ‘contact list’ [and (b) that the Board did so] based largely on the intrinsic evidence and its own personal experience.” ECF No. 30, at 2. Mira's personal attack on the PTAB panel and judge lacks any support anywhere in the record, and the Final Written Decisions contain no reliance whatsoever on any judge's personal experience. Instead, the Board's decision on claim construction of “contact list” focuses on the intrinsic evidence in the record, and the Board correctly found—

contrary to Mira’s unsupported position—“no disclosure regarding ‘saving’ any ‘user interfaces’” in the patents.” Appx14; Appx79. The judge’s questioning during the oral hearing was certainly understandable given the patents’ lack of disclosure of such a saved user interface, but the decisions contain no evidence whatsoever of the Board relying on the judge’s technical experience instead of the intrinsic record. Attacking a member of a tribunal (or an entire tribunal) for alleged bias without compelling evidence (and particularly, as here, with *no* evidence) is highly inappropriate.

Second, in a similar way, Mira attacks the Board for allegedly “advocat[ing] (improperly) on Microsoft’s behalf by [supposedly] supplying the missing theory” that Sony performs the claims’ checking step.” ECF No. 20 at 54–55. Once again, Mira’s attack lacks any basis in the record, which instead establishes that Microsoft advanced this theory in writing before the Board mentioned it. ECF No. 23, at 53–54 (citing Appx352–354, Appx362–363; Appx1467–1469; Appx1478).

Third, to support its claim construction positions, Mira represents to the Court, as it did to the Board, that Figure 4 of the ’657 patent illustrates a contact list having a user interface. *See* ECF No. 30, at 11 (“Original Figure 4 provides an example of a contact list having a user interface”). But, nowhere in Figure 4 is there a contact list being displayed, as Mira’s own expert conceded in his deposition. Appx1061–

1062, 61:13–24 (admitting that the only contact information shown in Figure 4 is a single email address).

Fourth, in its reply, Mira ignores the legal authority on waiver cited by Microsoft and, instead, advocates that Mira’s waiver is excused for a (specious) reason:

Microsoft, with its many allegations of new arguments and waiver, appears to believe that Mira was required to appeal every aspect of the Board’s decision and to defend every position Mira took during the trial. But no principle of appellate procedure imposes that requirement.

ECF No. 30, at 2. Mira’s excuse is a *non-sequitur*. Mira need not raise every issue on appeal, but what it does raise must have been raised before the PTAB. Arguing that its waiver is excused by pointing to a straw-man argument Microsoft does not make (that Mira is required to appeal “every aspect” of the Board’s decision) is but another example of Mira’s sanctionable conduct on these appeals as argued by Mira.

Mira should never have pursued these appeals. The Board properly rejected Mira’s attempt to shoehorn a 150-word claim construction into the term “contact list,” a short and straight-forward claim term. Instead of erring by adopting Mira’s proposed construction, the Board properly gave the term its broadest reasonable construction supported by the specification.

Likewise, on obviousness, the Board provided three separate and independent, well-articulated reasons for its findings of obviousness, doing so by citing not only

to the text of the references, but also to testimony of the technical expert (Microsoft's expert), that the Board found credible and persuasive.

Mira's effort to succeed on these appeals by abandoning its IPR claim construction and arguments and ignoring the substantial evidence supporting obviousness is futile and frivolous. Those are not legitimate positions to advance or argue on appeal, and Mira's pursuit of them renders these appeals sanctionable.

III. CONCLUSION AND STATEMENT OF RELIEF SOUGHT

Mira's appeals are futile and frivolous both as filed and as argued. Mira seeks to overturn the PTAB's Final Written Decisions based entirely on (a) arguments on claim construction Mira waived and (b) arguments that lack support in fact, law or logic. Mira's appeals are an unwarranted burden on the resources of all involved. Thus, for the reasons stated in this motion, Microsoft respectfully requests that the Court find Mira's appeals frivolous and direct that Mira and its appellate counsel are, jointly and severally, liable to Microsoft for its attorneys' fees and costs on appeal.

EXHIBIT 4

From: [J. Christopher Carraway](#)
To: [Jon Wright](#)
Cc: [J.D. Ma](#); [Pauline M. Pelletier](#); [Andrew M. Mason](#)
Subject: RE: Microsoft v Mira - Appeals
Date: Thursday, October 17, 2019 9:09:00 AM
Attachments: [image001.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image009.png](#)
[image010.png](#)

Jon,

Thank you for the response. There is no specific deadline, but the motion would presumably be heard by the merits panel at the same time as the appeal itself. As you know, the Clerk's request for conflicts included November and December as months the argument could be scheduled. While we are not on the November calendar, it is certainly possible that we will be calendared for December. If that is the case, the parties should not place the Court in the position of not having a fully briefed motion before it until just before argument. The motion takes almost three weeks to be briefed. Thus, delaying the motion beyond Monday runs the risk of it not be fully briefed until very close to any argument that might be set in December.

I appreciate your representation that you need even more time to evaluate the motion with your client, and as of Monday, you will have had 17 days to do that. Moreover, the problems with Mira's appeal and briefing outlined in the motion were also raised in Microsoft's responsive appeal brief filed several months ago.

The rules require that we explain the basis for the motion (which we have done by providing you a draft on October 4) and require that you then tell us whether you will oppose. Your message last week that you would try providing a response early this week has now been replaced by an unbounded "[a]s soon as we reach a decision." An equivocal response is insufficient, particularly after having had so much time to consider the issues. To avoid inconveniencing the Court, we need a response by Monday (October 21) at Noon Eastern so that, if necessary, we can file the motion that day. A non-response after all this time must be construed as opposition under the rule.

While timing requires that we move forward on filing this motion by Monday, Microsoft is still willing to withdraw the motion if Mira dismisses its appeal before oral argument.

Regards,

Chris



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From: Jon Wright <JWRIGHT@sternekessler.com>
Sent: Thursday, October 17, 2019 8:04 AM
To: J. Christopher Carraway <chris.carraway@klarquist.com>
Cc: J.D. Ma <jma@jdm Patentlaw.com>; Pauline M. Pelletier <PPELLETIER@sternekessler.com>; Andrew M.

Mason <andrew.mason@klarquist.com>

Subject: RE: Microsoft v Mira - Appeals

Chris,

We are evaluating with our client Microsoft's allegations in the draft motion. As soon as we reach a decision, we will let you know. I am not aware of any Court-imposed deadline that Microsoft is under with respect to a Rule 38 motion.

Best regards,
- Jon

Jon Wright

Director

Sterne, Kessler, Goldstein & Fox P.L.L.C.

Email: jwright@sternekessler.com

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From: J. Christopher Carraway <chris.carraway@klarquist.com>

Sent: Thursday, October 17, 2019 9:37 AM

To: Jon Wright <JWRIGHT@sternekessler.com>

Cc: J.D. Ma <jma@jdmpatentlaw.com>; Pauline M. Pelletier <PPELLETIER@sternekessler.com>; Andrew M. Mason <andrew.mason@klarquist.com>

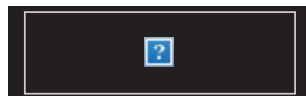
Subject: RE: Microsoft v Mira - Appeals

Jon,

We did not hear from you earlier this week. Please provide a response to my email and draft motion. We need to get this before the Court soon if Mira will not dismiss.

Regards,

Chris



J. Christopher Carraway | Partner

P. [503.595.5300](tel:503.595.5300) F. [503.595.5301](tel:503.595.5301)

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From: Jon Wright <JWRIGHT@sternekessler.com>

Sent: Wednesday, October 9, 2019 2:34 PM

To: J. Christopher Carraway <chris.carraway@klarquist.com>

Cc: J.D. Ma <jma@jdmpatentlaw.com>; Pauline M. Pelletier <PPELLETIER@sternekessler.com>; Andrew M. Mason <andrew.mason@klarquist.com>
Subject: RE: Microsoft v Mira - Appeals

Chris,

I will need some more time before I can get back to you on the motion. I hope to do so by early next week.

Thank you in advance for the flexibility,
- Jon

Jon Wright

Director

Sterne, Kessler, Goldstein & Fox P.L.L.C.

Email: jwright@sternekessler.com

Direct: 202.772.8651

Administrative Assistant: Jeane-Yve Daniel

Direct: 202.772.8642 **Main:** 202.371.2600

From: J. Christopher Carraway <chris.carraway@klarquist.com>

Sent: Friday, October 4, 2019 5:16 PM

To: Jon Wright <JWRIGHT@sternekessler.com>

Cc: J.D. Ma <jma@jdmpatentlaw.com>; Pauline M. Pelletier <PPELLETIER@sternekessler.com>; Andrew M. Mason <andrew.mason@klarquist.com>; J. Christopher Carraway <chris.carraway@klarquist.com>

Subject: RE: Microsoft v Mira - Appeals

Jon,

We are following up on your letter of January 24, 2019, in which you complained that Microsoft's warning that it would seek sanctions under Rule 38 for Mira's frivolous appeals was premature because Mira had not filed its opening brief. While we disagree with that assertion, now that the briefing is complete, it is evident that the appeals both as filed and as briefed by Mira are frivolous. Attached is Microsoft's draft motion under Rule 38 explaining the basis for the motion in detail. Please confirm by October 10 that Mira will dismiss its appeals. If Mira will not dismiss, please confirm that you will oppose the motion and file a response so we can include that required statement in the motion when we file.

Regards,

J. Christopher Carraway
Partner



One World Trade Center
121 SW Salmon Street, Suite 1600
Portland, OR 97204 U.S.A.

P: 503.595.5300

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From: Jon Wright <JWRIGHT@sternekessler.com>
Sent: Thursday, January 24, 2019 1:51 PM
To: J. Christopher Carraway <chris.carraway@klarquist.com>
Cc: J.D. Ma <jma@jdmpatentlaw.com>; Pauline M. Pelletier <PPELLETIER@sternekessler.com>; Andrew M. Mason <andrew.mason@klarquist.com>
Subject: RE: Microsoft v Mira - Appeals

Mr. Carraway,

Thank you for forwarding the letter you sent to Mr. Ma back in December.

Please see the attached response.

Best regards,


Jon Wright

Director

Sterne, Kessler, Goldstein & Fox P.L.L.C.

Email: jwright@sternekessler.com

Direct: 202.772.8651

Administrative Assistant: Cecilia Burgess

Direct: 202.772.8682 **Main:** 202.371.2600

From: J. Christopher Carraway [<mailto:chris.carraway@klarquist.com>]
Sent: Thursday, January 24, 2019 12:28 PM
To: Jon Wright; Pauline M. Pelletier
Cc: J.D. Ma; Andrew M. Mason; J. Christopher Carraway
Subject: Microsoft v Mira - Appeals

Mr. Wright and Ms. Pelletier,

Please note the attached letter we sent to Mr. Ma on December 3, 2018.

Kind regards,

J. Christopher Carraway
Partner



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EXHIBIT 5

From: [Jon Wright](#)
To: [J. Christopher Carraway](#); [Andrew M. Mason](#)
Subject: Mira Appeal
Date: Monday, October 21, 2019 6:02:34 AM

Chris,

I do not yet have final word from Mira. If you feel you must file today, then you can assume that Mira will oppose any Rule 38 motion. Otherwise, we'd appreciate a few more days.

Best regards,
- Jon

Sent from my iPhone

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