

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

e-WATCH, INC.,
Patent Owner.

Case IPR2015-00414¹
Patent 7,643,168 B2

Before JAMESON LEE, GREGG I. ANDERSON, and
MATTHEW R. CLEMENTS, *Administrative Patent Judges*.

ANDERSON, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

¹ Case IPR2015-00611 (“’611 IPR”) was joined with this proceeding. Paper 15. Samsung Electronics Ltd. and Samsung Electronics America, Inc. were Petitioners in the ’611 IPR, but have since been terminated from this joint proceeding (Paper 24).

I. INTRODUCTION

On December 11, 2014, Apple Inc. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting an *inter partes* review of claims 1–31 of U.S. Patent No. 7,643,168 B2 (Ex. 1001, “the ’168 patent”).² On April 9, 2015, E-Watch, Inc. (“Patent Owner”), filed a Preliminary Response (Paper 11). On July 1, 2015, we granted the Petition and instituted trial on claims 1–31 of the ’168 patent. Paper 13 (“Institution Decision” or “Dec. Inst.”).

After institution of trial, Patent Owner filed a Patent Owner Response (Paper 19, “PO Resp.”), and Petitioner filed a Reply (Paper 25, “Reply”).

An oral hearing was held on February 24, 2016. The transcript of the hearing has been entered into the record. Paper 33 (“Tr.”).

We have jurisdiction under 35 U.S.C. § 6(c). This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a). We conclude for the reasons that follow that Petitioner has shown by a preponderance of the evidence that claims 1–31 of the ’168 patent are unpatentable.

A. *Related Proceedings*

Petitioner identifies these related cases involving the ’168 patent: (1) *E-Watch, Inc. and E-Watch Corp. v. Apple Inc.*, No. 2:13-CV-1061 (JRG/RSP) (E.D. Tex.), to which the following case numbers in the same tribunal are consolidated: CV-1062, 1063, 1064, 1069, 1070, 1071, 1072, 1073, 1074, 1075, 1077, and 1078. Pet. 53, Paper 9, 1.

In addition to the present proceeding, petitions for *inter partes* review of the ’168 patent have been filed as follows: IPR2014-00989 (instituted

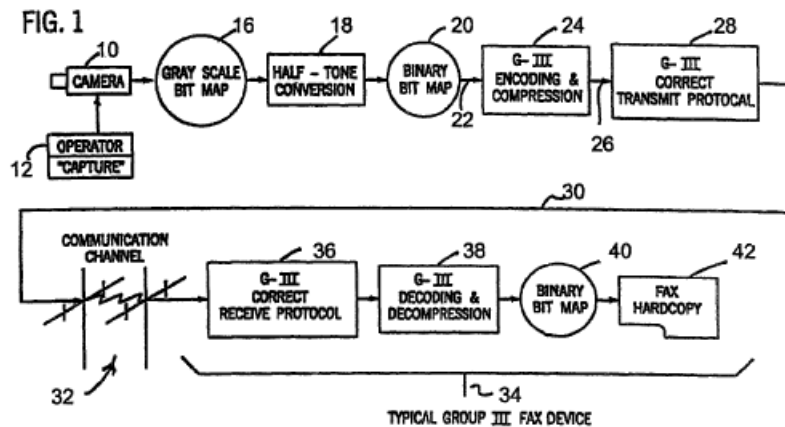
² The ’168 patent issued from U.S. Patent Application 11/617,509 (the “’509 application”).

and joined with IPR2015-00543, “the ’989 IPR”); IPR2015-00401; IPR2015-00407; IPR2015-00408; IPR2015-00607; and IPR2015-00611. Pet. 53, Paper 9, 1. Separate petitions for *inter partes* review of related U.S. Patent No. 7,635,871 (“the ’871 patent”)³ have been filed as follows: IPR2014-00439; IPR2014-00987(instituted and joined with IPR2015-00541); IPR2015-00402; IPR2015-00404; IPR2015-00406; IPR2015-00411; IPR2015-00610; and IPR2015-00612. Pet. 53, Paper 9, 1–2.

B. The ’168 patent (Ex. 1001)

The ’168 patent describes an image capture, conversion, compression, storage, and transmission system. Ex. 1001, Abstract. The system includes a camera and a transmission device; the camera captures an image that is transmitted to another device using, for example, cellular signal, satellite transmission and hard line telephonic. *Id.* at 5:66–6:5. Captured images can be from a digital or analog camera or a video camera (e.g., a camcorder). *Id.* at 2:37–39.

Figure 1 of the ’168 patent is reproduced below.



³ The ’168 patent is a continuation of the ’871 patent. Ex. 1001, at [63].

Figure 1 is a block diagram of a basic facsimile camera configuration for capturing an image via a camera and transmitting it via Group III facsimile transmission to a standard hard copy medium. *Id.* at 5:34–37.

Figure 7A of the '168 patent is reproduced below.

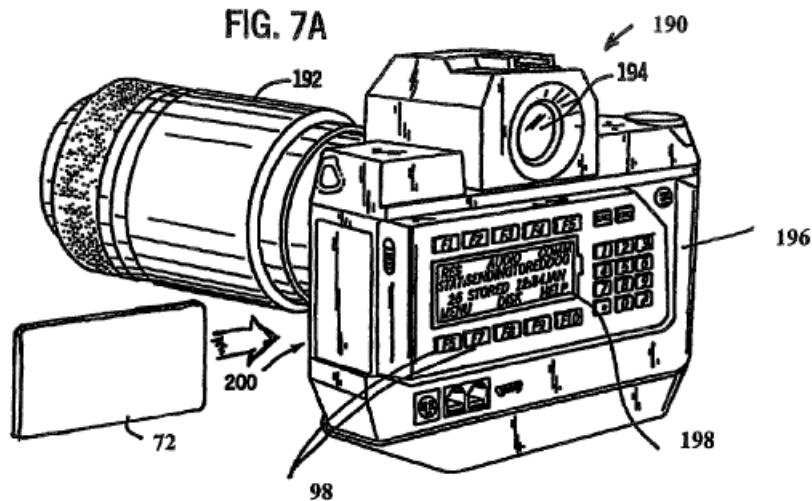


Figure 7A depicts “a hand[-]held device for capturing, storing, and transmitting an image in accordance with the invention.” *Id.* at 5:53–56, 11:57–12:5.

C. Illustrative Claim

Independent claim 1 is reproduced below:

1. Apparatus comprising:
 - a portable housing, the portable housing being wireless;
 - an image collection device supported by the portable housing, the image collection device being operable to provide visual image data of a field of view;
 - a display supported by the portable housing, the display being operable to display for viewing by a user a perceptible visual image, the perceptible visual image being generated from the visual image data;
 - memory supported by the portable housing, the memory being suitable to receive visual image data in digital format, the

memory being suitable to retain the visual image data in digital format,

an input device supported by the portable housing, the input device being operable by the user;

operation of the input device by the user enabling the memory to retain the visual image data in digital format, the memory being suitable to provide retained visual image data in digital format;

media supported by the portable housing, the media being suitable to embody at least one compression algorithm;

at least one processing platform supported by the portable housing, the at least one processing platform being operable to execute the at least one compression algorithm, the at least one processing platform being provided the retained visual image data in digital format, execution of the at least one compression algorithm providing compressed visual image data; and

a mobile phone supported by the portable housing, the mobile phone being operable to send to a remote recipient a wireless transmission, the wireless transmission conveying the compressed digital image data; and

movement by the user of the portable housing commonly moving the image collection device,

movement by the user of the portable housing commonly moving the display.

Ex. 1001, 15:14–50.

D. Ground Upon Which Trial Was Instituted

Trial was instituted on the ground that claims 1–31 of the '168 patent are unpatentable under 35 U.S.C. § 102(b) as anticipated by Monroe.⁴ Dec. Inst. 13–14.

⁴ Int. Pub. Pat. App. WO 99/35818 A2, to Monroe, published July 15, 1999 (Ex. 1006, “Monroe”).

II. ANALYSIS

A. *Whether Monroe Is Prior Art*

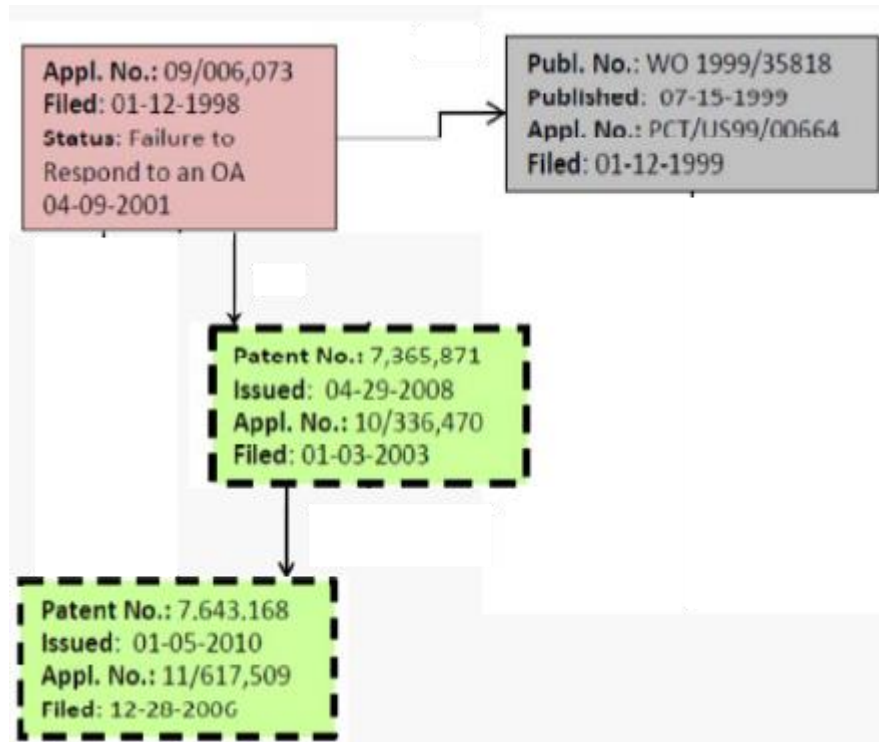
Monroe, published on July 15, 1999 (Ex. 1006, [43]), is prior art to the challenged claims only if those claims are *not* entitled to the January 12, 1998, filing date of US Application No. 09/006,073 (“the ’073 application”). Thus, a threshold issue is whether the ’168 patent is entitled to the benefit of the filing date of the ’073 application. *See* Ex. 1001, 1:6–12; Pet. 9–12; PO Resp. *passim*; Paper 26 (Patent Owner states “[t]he only issue in this proceeding involves whether a priority claim to an earlier filed patent application was properly perfected.”).

1. *The Family Tree of the ’168 Patent*

The ’168 patent issued from the ’509 application, which was filed December 28, 2006. Ex. 1001, [21], [22]. On its face, the ’509 application purports to be a continuation of application 10/336,470, filed on January 3, 2003 (“the ’470 application”).⁵ *Id.* at [63]. The ’470 application is a divisional application of the ’073 application. Ex. 1009, [62]. The following chart, an edited version of a chart at page 3 of the Petition, illustrates the relationships described above.

⁵ The ’470 application issued as the ’871 patent. Ex. 1001, at [63]; Ex. 1009.

Relevant Family Tree '168 Patent



The '168 patent is represented in the lower green box in the chart (i.e., the bottommost box). The '073 application and '470 application are represented respectively by the pink box (i.e., top left box) and the upper green box in the chart (i.e., the middle box). Monroe, cited as the "'818 publication" in the Petition (Pet. 8.), is shown in the grey box in the chart (top right box).

While the preceding accurately describes the relationships among the applications, as detailed immediately below, the chain of priority between the '509 application and the '073 application was not correctly stated in the '509 application. Petitioner contends that the claims of the '168 patent are not entitled to the earlier filing date of the '073 application under 35 U.S.C. § 120 because the '509 patent claims priority properly only to the '470 application and not to the '073 application. Pet. 5–6, 9–10.

2. *The Erroneous Claims of Priority Made in the '509 Application*

The Specification of the '168 patent states that “[t]his application is a divisional application of and claims priority from” the '073 application. Ex. 1001, 1:6–12. Petitioner contends that this “specific text is an exact copy of the priority claim for the ['470 application].” Pet. 10 (citing Ex. 1001, 1:6–12). Our review of the '871 patent confirms that the same priority claim is made. *See* Ex. 1009, 1:6–12. The priority claim in the Specification is incorrect because the '509 application is not a divisional of the '073 application. *See* Tr. 29:17–24 (“[n]o, I think Patent Owner would concede that that language, this application is divisional, that information is incorrect.”).

The correct relationship between the applications is discussed above. Specifically, the '509 application is a continuation of the '470 application, which is a division of the '073 application. The intermediate '470 application is identified on the cover page of the '168 patent. Ex. 1001, [63]. In addition, the Application Data Sheet (“ADS,” Ex. 1002) identifies the '509 application as a continuation of the '470 application. Ex. 1002, 2.⁶

In addition to the above references, Applicant filed a Preliminary Amendment that was not entered. *Compare* Ex. 1001, 1:6–12 *with* Ex. 1004 (amending priority claim in the Specification); *see also* PO Resp. 19 (“if properly entered”). Had the Preliminary Amendment been entered, the first paragraph of the Specification would read as follows:

⁶ The ADS also indicates by a checked circle that priority is claimed to a foreign application. Ex. 1002, 3. However, no application data is provided and this fact is not argued by either party.

This application is a continuation of co-pending Patent Application Serial No. 10/336,470 filed on January 3, 2003 entitled APPARATUS FOR CAPTURING, CONVERTING AND TRANSMITTING A VISUAL IMAGE SIGNAL VIA A DIGITAL TRANSMISSION SYSTEM. This application is a divisional application of and claims priority from a non-provisional United States Application entitled Apparatus For Capturing, Converting And Transmitting A Visual Image Signal Via A Digital Transmission System, Ser. No. 09/006,073, having a filing date of Jan. 12, 1998; the specification and drawings of which are hereby incorporated by reference.

(Ex. 1004)(emphasis added). As can be seen, even if the Preliminary Amendment were entered, the resulting language does not clearly and unambiguously indicate whether the second reference to “[t]his application” references the ’509 application and not the ’470 application or how the ’509 application is related to the ’073 application.

The correct relationship between the three applications is not set forth in Specification, the cover page, the ADS, or the Preliminary Amendment. Thus, we are presented with the question of whether or not the ’509 application properly claimed the benefit of the earlier filing date of the ’073 application.

3. 35 U.S.C. § 120 and 37 C.F.R. § 1.78(a)(2)(i)

Both parties acknowledge that the priority issue is premised on whether the January 12, 1998, filing date of the ’073 application was properly claimed during prosecution of the ’168 patent. *See* Pet. 9–12; PO Resp. 2–3. A claim to benefit of an earlier filing date under 35 U.S.C. § 120 (1999)⁷ must make specific reference to “each application in the chain of

⁷ The ’168 patent was filed prior to the effective date of § 120, as amended by the America Invents Act, Public Law 112-29, 125 Stat. 284 (2011) (“AIA”)—September 16, 2012— and is governed by the pre-AIA version of

priority to refer to the prior applications.” Pet. 9 (citing *Encyclopaedia Britannica, Inc. v. Alpine Elecs. of America, Inc.*, 609 F.3d 1345, 1352 (Fed. Cir. 2010)). The complete text of pre-AIA 35 U.S.C. § 120 is as follows:

An application for patent for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States, or as provided by section 363 of this title, which is filed by an inventor or inventors named in the previously filed application shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it *contains or is amended to contain a specific reference to the earlier filed application*. No application shall be entitled to the benefit of an earlier filed application under this section unless an amendment containing the specific reference to the earlier filed application is submitted at such time during the pendency of the application as required by the Director. The Director may consider the failure to submit such an amendment within that time period as a waiver of any benefit under this section. The Director may establish procedures, including the payment of a surcharge, to accept an unintentionally delayed submission of an amendment under this section. (Amended Nov. 14, 1975, Public Law 94-131, sec. 9, 89 Stat. 691; Nov. 8, 1984, Public Law 98-622, sec. 104(b), 98 Stat. 3385; Nov. 29, 1999, Public Law 106-113, sec. 1000(a)(9), 113 Stat. 1501A-563 (S. 1948 sec. 4503(b)(1)).)

(emphasis added). Patent Owner does not dispute that, at the time the ’509 application was filed, § 120 included the “specific reference” language. *See, e.g.*, PO Resp. 2, 7, 9, 11, 16, and 20.

§ 120. *See* AIA § 3(c).

In addition, 37 C.F.R. § 1.78(a)(2)(i),⁸ the rule in effect as of the filing of the '509 application, provides:

Except for a continued prosecution application filed under § 1.53(d), any nonprovisional application or international application designating the United States of America claiming the benefit of one or more prior-filed copending nonprovisional applications or international applications designating the United States of America *must contain or be amended to contain a reference to each such prior-filed application*, identifying it by application number (consisting of the series code and serial number) or international application number and international filing date and *indicating the relationship of the applications*. Cross references to other related applications may be made when appropriate (*see* § 1.14).

(emphasis added). Further, “the reference required by this paragraph must be included in an application data sheet (§ 1.76), or the specification must contain or be amended to contain such reference in the first sentence(s) following the title.” 37 C.F.R. § 1.78(a)(2)(iii).

Petitioner cites to 37 C.F.R. § 1.78(a)(2)(i) as support for its position that the “mis-identification” of the “text cannot be a valid basis for extending the priority claim back to the [’073 application] filing date of January 12, 1998.” Pet. 11–12. Patent Owner agrees that the above version of 37 C.F.R. § 1.78(a)(2)(i) is the relevant version for purposes of this trial. PO Resp. 2–4.

4. *The Arguments of the Parties*

Petitioner argues that “[t]his application” as used in the Specification’s claim for priority means the ’509 application, “the

⁸ 37 C.F.R. § 1.78(a)(2) was in effect for applications filed prior to the effective date of the America Invents Act, March 16, 2013.

application from which the '168 patent arose.” Pet. 10–11. Petitioner argues the '509 application claims priority from the '470 application, and, as discussed above, “*is not a divisional* of the '073 application.” *Id.* at 11.⁹ According to Petitioner, because the '168 patent “mis-identifies the relationship between the '509 and '470 applications,” it fails to make the “specific reference” required by 35 U.S.C. § 120, as implemented by 37 C.F.R. § 1.78(a)(2)(i), because it fails to indicate the “relationship of the applications.” *Id.* Petitioner concludes that the earliest date to which the claims of the '168 patent are entitled is the filing date of the '470 application, January 3, 2003. *Id.* at 12.

Patent Owner makes several arguments in support of its position that “an express and proper claim to priority to the '073 Application” was made under 35 U.S.C. §120 and 37 CFR §1.78(a)(2)(i). PO Resp. 2. Each argument is addressed below.

a. Whether the '509 Application Complied with the Statute and Rule

The principal argument made by Patent Owner is based on its reading of 37 CFR §1.78(a)(2)(i). Patent Owner’s construction of the rule is based on the language of the rule that “such prior-filed application” refers to “one or more prior-filed *copending* nonprovisional applications.” PO Resp. 4–5. Patent Owner contends that the rule requires only a reference to “a

⁹ Petitioner further contends that “[t]he '509 application is not, nor could not [sic] be, a divisional of the '470 application because the '470 application was not then pending at the time the '509 application was filed.” Pet. 11. The '509 application (filed December 28, 2006) was co-pending with the '470 application (issued April 29, 2008). This appears to be a mistake and we understand Petitioner to refer to the '073 application, not to the '470 application.

copending nonprovisional application” and that “cross-reference to other related applications (i.e. those that are not copending) to which the benefit of priority is sought is permissive but not mandatory.”¹⁰ *Id.* Patent Owner concludes that “specific reference” was made to the ’470 application, which was the only nonprovisional application then “copending,” and therefore the priority claim is perfected. *See* Tr. 26:9–12, 35:16–24 (specific reference to ’470 application is sufficient and referencing other applications is “optional information”).

We are not persuaded by this argument. Patent Owner relies on three separate parts of the rule: “one or more *prior-filed copending nonprovisional applications*,” “*each such prior filed application*,” and “[c]ross references to other related applications may be made when *appropriate*.” PO Resp. 4–5. Patent Owner’s argument based on the first two quoted excerpts from the rule fails because “each such prior filed application” does not mean reference to *one* copending application is sufficient. Rather, specific reference to *all* applications, including intermediate applications, going back to the earliest application for which the applicant claims priority is required. *See* Pet. Reply 4 (citing *Medtronic CoreValve LLC v. Edwards Lifesciences Corp.*, 741 F.3d 1359, 1363 (Fed. Cir. 2014) (quoting *Encyclopaedia Britannica*, 609 F.3d at 1352)).

Patent Owner’s argument based on the last excerpt of the rule assumes the optional “cross reference to other related applications” relates to applications in the chain of priority. *See* PO Resp. 5. The operative

¹⁰ Patent Owner cites to the current version of 37 CFR §1.78(a)(2)(i) for support of its construction. PO Resp. 5, n.3. We are only concerned with the rule as it existed at the time.

sentence of the rule specifically states “(see § 1.14).” Section 1.14 applies to applications outside the priority chain, including “[u]npublished abandoned applications (including provisional applications) that are identified or relied upon,” “[u]npublished pending applications (including provisional applications) whose benefit is claimed,” and “[u]npublished pending applications (including provisional applications) that are incorporated by reference or otherwise identified.” See 37 C.F.R. § 1.14(a)(iv)–(vi). Thus, we are not persuaded that Patent Owner’s position is supported by the rule.

At final hearing, Patent Owner noted that other language from 35 U.S.C. § 120 supports its position that it is sufficient to identify only then copending applications. Specifically, Patent Owner argued that “the ‘similarly entitled’ language of the statute provides that copendency from your intermediate application back to the first application -- in this case it would be the first application, which is the ’073.” Tr. 27:11–25. Petitioner noted that this language refers only to the requirement that there be a copending application for each link in the priority chain and is not a limitation on which applications require a “specific reference.” Reply 7 (citing *Encyclopaedia Britannica*, 609 F.3d at 1350; MPEP 201.11 §§ III.A, III.C). That all applications in the chain must be referenced and the relationships between them stated is also supported by the Manual of Patent Examining Procedure (“MPEP”) applicable during the prosecution of the ’509 application. See Pet. Reply 4–6 (citing MPEP 201.11 § III.C.).¹¹ We agree with Petitioner.

¹¹ The MPEP during prosecution of the ’509 application included three revisions: MPEP, 8th ed., rev. 5 (Aug. 2006); MPEP, 8th ed., rev. 6 (Sept. 2007); and MPEP 8th ed., rev. 7 (July 2010). The relevant text is identical

Were we to adopt Patent Owner’s argument, so long as one copending application is referenced, there would be no need to identify the earliest application to which priority is claimed because priority could be determined by investigating the one application that is identified. This result would be contrary to the purpose of the “specific reference” requirement of 35 U.S.C. 120, which is to provide notice to the public of the filing date upon which a patentee may rely to support the validity of the patent and to “eliminate the burden on the public to engage in a long and expensive search of previous applications in order to determine the filing date.” *See Sticker Indus. Supply Corp. v. Blaw-Knox Co.*, 405 F.2d 90, 93 (7th Cir. 1968). The burden should not be placed on the public to track down filing dates of disparate applications when “[t]he inventor is the person best suited to understand the relation of his applications, and it is no hardship to require him to disclose this information.” *Id.*; *see also Medtronic*, 741 F.3d at 1366 (“a requirement for [applicant] to clearly disclose this information should present no hardship”). Accurately stating the relationship between the applications in the chain of priority gives the public adequate notice of the claim to the earlier filing date.

b. Whether All the Applications in the Priority Chain Were Referenced

Patent Owner argues that the reference to the ’470 application is sufficient because only the ’470 application, not the ’073 application, was copending with the ’509 application. PO Resp. 6–7. This argument adds the details to the primary argument discussed above, that identification of only copending applications in the chain is all that is required. It is

in all the revisions. *See* Pet. Reply 4, n.2.

uncontroverted that both the '470 and '073 applications were referenced in the '168 patent as issued. Ex. 1001 [63] ('470 application), 1:6–12 ('073 application). However, Patent Owner's Response does not address the failure of the '168 patent to correctly state the relationships between the three applications. As noted above, Patent Owner acknowledges the relationship between the '509 application and the '073 application set forth in the Specification of the '168 patent is incorrect. *See* Tr. 29:17–24.

Patent Owner was aware of the error at least from the time of the service of the Petition. It could have sought a certificate of correction or reissue of the '168 patent, but did not do so. *See* 35 U.S.C. §§ 251, 255. For reasons previously discussed, the failure to “specifically reference” the '073 application by correctly identifying its relationship to the '509 application means the '168 patent is not entitled to claim the benefit of the filing date of the '073 application.

c. Whether the '509 Declaration Establishes the Relationship Between the Applications

Patent Owner argues the '509 application declaration (Ex. 2003) is a copy of the '470 application declaration (Ex. 2009). PO Resp. 8. Each declaration claims that the application with which it was filed is a divisional application claiming priority to the '073 application. *Id.* (“This is a divisional application.”) Patent Owner contends this is evidence of its intent to claim priority to the '073 application in the '509 application because otherwise it would have filed a new or supplemental declaration without such a priority claim. *Id.* Patent Owner concludes the '509 application declaration's copying of the '470 application declaration provides the “missing link” to the '073 application. *Id.* at 9–10.

Patent Owner's argument is premised on the declarations, as well as other evidence previously discussed, showing that both the '470 application and its parent '073 application were referenced in the '509 application. PO Resp. 10–11. However, the declarations add little to the record, which already shows that both the '470 and '073 application were referenced, albeit in separate locations of the '168 patent as issued. Furthermore, “the reference required by this paragraph must be included in an application data sheet (§ 1.76), or the specification must contain or be amended to contain such reference in the first sentence(s) following the title.” 37 C.F.R. § 1.78(a)(2)(iii); *see also* MPEP 201.11 § III.D (“The reference required by 37 CFR 1.78(a)(2) or (a)(5) must be included in an ADS or the specification must contain or be amended to contain such reference in the first sentence(s) following the title.”).

The issue, however, is whether the “specific reference” under 35 U.S.C. § 120 to the earlier filed application was made. Such “specific reference” may be satisfied by stating the correct relationship between the applications, as required by 37 C.F.R. § 1.78(a)(2)(i). Patent Owner recognizes this and argues the “'509 Application ADS . . . identifies the relationship of the '509 Application to the '470 application (i.e. a continuation application) while the '509 Declaration . . . identifies the relationship of the '470 Application to the '073 Application (i.e., a divisional application).” PO Resp. 10–11. However, the '509 declaration contains no specific reference to the “'470 application” stating only “[t]his is a divisional application” and “I hereby claim the benefit under Title 35, United States Code, § 120 of . . . U.S. Application Serial No. 09/006,073, filed January 12, 1998.” *See* Ex. 2003. Patent Owner further recognizes this “may not

necessarily be in the most preferred form,” but contends “a person other than an Examiner would understand that the ’509 Application is claiming priority all the way to the ’073 Application and would understand the specific reference with respect to the ’509 Application, the ’470 Application, and the ’073 Application.” *Id.* at 11. According to Patent Owner, “even if the relationship between the ’509 Application and the ’073 Application is misstated in the specification of the ’509 Application, this deficiency is cured in other portions of the ’509 Application (i.e., the ’509 Application ADS and ’509 Declaration).” PO Resp. 12.

We do not agree. Patent Owner’s argument is not supported by the facts or by any legal authority. To the extent it relies on its construction of 37 C.F.R. § 1.78(a)(2)(i), its arguments were addressed above. The correct relationship between all three applications is missing and 37 C.F.R. § 1.78(a)(2)(i) is not satisfied.

d. Whether the Incorrect Statement Regarding the ’073 Application Is Irrelevant

Patent Owner contends that the cover page of the ’168 patent correctly states the fact that the ’509 application is a continuation of the ’470 application. PO Resp. 11–12. Relying on its argument above that a reference to one copending application meets the requirements of 37 C.F.R. § 1.78(a)(2)(i), Patent Owner argues the later mistake made in the Specification is “irrelevant.” *Id.* at 12. As we discussed above, we are not persuaded that the priority claim is perfected based on referencing only then copending applications.

e. Whether the Reasonable Person of Ordinary Skill in the Art Would be Able to Understand There Was a Priority Claim to the '073 Application

The proper inquiry for an issued patent is not a “reasonable examiner” standard, but a “reasonable person of ordinary skill in the art standard.” *Hollmer v. Harari*, 681 F.3d 1351, 1357 (Fed. Cir. 2012). Patent Owner agrees that “in order to claim priority to the earlier filed application, the '509 Application must accurately indicate the relationship of the applications, as required by 37 C.F.R. § 1.78(a)(2)(i), from the perspective of the public as opposed to a ‘reasonable Examiner.’” PO Resp. 10 (citing Dec. Inst. 12).

Patent Owner argues, however, that a reasonable person of ordinary skill in the art “would use the common practice of tracing the chain of priority” to go from the '509 application to the '073 application, and that a petitioner in a *inter partes* review involving Patent Owner did just that. PO Resp. 13 (citing petition in IPR2014-00439, Ex. 2004). Petitioner counters that a “petitioner or any other person hyperfocused on litigating priority issues is not a reasonable person of ordinary skill in the art.” Pet. Reply 15, n.4. We agree with Petitioner. A petitioner in an *inter partes* review is typically represented by experienced counsel who is well versed in patent law. Such a person represents a level of skill beyond that of the “reasonable person of ordinary skill in the art.”

The relationship between the '509 application and the earlier filed '073 application is not identified correctly in any of the documents of record and cited by the parties, including the '168 patent, the ADS, the preliminary amendment, and the '509 declaration. Specifically, the '509 application is not a divisional application of the earlier-filed '073 application. From the perspective of the public, the stated relationship is incorrect and it would not

be reasonable to expect the “reasonable person of ordinary skill” to appreciate a mistake was made or what the result of the mistake would be. At a minimum, any investigation would require a review of each of the ’509, ’470, and ’073 applications. We are not persuaded that the “reasonable person” would even attempt the investigation. The burden is on the applicant so that such efforts are not required by the public. *See Sticker*, 405 F.2d at 93 (“eliminate the burden on the public to engage in a long and expensive search of previous applications in order to determine the filing date”); *id.* (“The inventor is the person best suited to understand the relation of his applications, and it is no hardship to require him to disclose this information.”); *see also Medtronic*, 741 F.3d at 1366 (“[A] requirement for her to clearly disclose this information should present no hardship”). We are not persuaded that the “reasonable person of ordinary skill in the art” would have cobbled together the various documents relied upon by Patent Owner in order to establish the correct chain of priority. On this record, we do not find that the “reasonable person of ordinary skill in the art” possesses the skills of a registered patent agent or a patent examiner.

f. Whether the Reasonable Person of Ordinary Skill in the Art Would Recognize the Priority Claim

Patent Owner also argues the reasonable person of ordinary skill in the art “would recognize that other actions Patentee took and other documents Patentee filed during prosecution of the ’168 Patent indicate that a claim to priority of the ’073 Application was being made.” PO Resp. 15–16. Patent Owner’s argument starts with the premise that the reasonable person of ordinary skill in the art would have reviewed the file history. *Id.* at

16. Assuming that is the case, the preliminary amendment (*see* II.B.2. above) would have been discovered. *Id.*

Patent Owner acknowledges the preliminary amendment was ambiguous but argues the ambiguity would have been “easily” resolved:

[A] person other than the Examiner would be able to look at the cover page of the '168 Patent to ascertain that the first instance of ‘this application’ refers to the '509 Application and the second instance of ‘this application’ refers to the '470 Application (i.e. the application referenced at the end of the immediately preceding sentence).

PO Resp. 17. However, Patent Owner provides no evidence or legal authority for its position.

Petitioner cites to *Medtronic* for the proposition that “this application” in a specification refers to “the present application.” Pet. Reply 12–13 (citing *Medtronic*, 741 F.3d at 1365–66 (rejecting attempt to define “this application” to have meaning other than “the present application”)). *Medtronic* rejected any other meaning as “linguistic gymnastics that makes little sense relative to the straightforward, plain meaning of the phrase.” *Id.* at 12 (citing *Medtronic*, 741 F.3d at 1365 (noting that MPEP § 201.11, consistent with Federal Circuit precedent, uses the phrase “this application” to refer to the present application)).

Medtronic analyzed, and ultimately rejected, the patentee’s argument that the “reasonable person” would understand that the required “specific reference” was made. *Medtronic*, 741 F.3d at 1365–1366. *Medtronic* found no “specific reference” was made to each earlier filed application. *Id.* at 1366. The facts and arguments made in *Medtronic* were similar to those present here, i.e., an erroneous priority claim requiring further investigation

to complete the priority chain back to the earlier filed application. *Id.* Our determination here is consistent with both *Medtronic* and *Harari*.

We are not persuaded by Patent Owner's argument that the preliminary amendment "contained enough context clues" (PO Resp. 18, n.5) to differentiate it from the facts in *Medtronic*. Indeed, requiring that the public make an investigation by following "clues" sprinkled throughout the file history is both unreasonable and contrary to placing the burden on the patentee to establish its priority claim.

g. Totality of Patentee's Actions

Patent Owner disputes Petitioner's argument that "Patentee may not have been seeking to claim priority to the '073 Application for the purpose of extending the term of the '168 Patent." PO Resp. 19 (quoting Pet. 10). We are not persuaded that there was any Patent Owner strategy to extend the term of the '168 patent by not claiming priority and thus this argument is unhelpful to Petitioner.

5. Conclusion

We are not persuaded that the '509 application makes a sufficiently "specific reference" to the '073 application under 35 U.S.C. § 120 or accurately "indicat[es] the relationship of the applications," as required by 37 C.F.R. § 1.78(a)(2)(i) (pre-AIA). Thus, the '509 application fails to claim priority to the earlier filed '073 application. As a result, the earliest priority date to which the '509 application is entitled is the filing date of the '470 application, January 3, 2003. *See* Pet. 9–10.

B. Claims 1–31 – Anticipation by Monroe

Petitioner contends that claims 1–31 of the '168 patent are anticipated under 35 U.S.C. § 102(b) by Monroe. Pet. 12–52. Petitioner supports its positions with the Declaration of Steven J. Sasson (“Sasson Declaration,” Ex. 1010 ¶¶ 15–128).

Petitioner alleges PCT Application PCT/US99/00664 claimed priority to the '073 application, included a substantially identical specification to the '073 application, and was published on July 15, 1999, as WO99/035818 (Monroe). Pet. 3 (citing Ex. 1006). Petitioner contends that the disclosure of Monroe and the Specification of the '168 patent are “substantially identical.” *Id.* at 12. Petitioner argues that that must be the case or the claims of the '168 patent would not be supported. *Id.* (citing Ex. 1010 ¶ 10).

Petitioner goes beyond pointing out that the disclosures of Monroe and the '168 patent are substantially identical. The Petition specifically identifies those portions of Monroe that disclose each claim limitation in claims 1–31. Pet. 12–52. Petitioner also cites to the Sasson Declaration for additional support. *Id.* (citing Ex. 1010 ¶¶ 21–128).

We agree with Petitioner that the Specifications of the '168 patent and Monroe are substantially identical. For example, with two exceptions, both the '168 patent and Monroe include the same seventy-three sheets of drawings including Figures 1 through 9, inclusive of additional drawings for many of the figures, e.g., 6A and 6B. The first exception is that Figure 1 of Monroe includes an “Optional Modem” (drawn in dotted line) before and after communication channel 32. The second is that the title of Figure 8E is hand drawn in Monroe and is printed in the '168 patent.

We have reviewed Petitioner's argument and evidence that Monroe discloses each element of claims 1–31 of the '168 patent, including the Sasson Declaration as specified above. Patent Owner does not argue that Monroe fails to disclose any limitation. PO Resp. *passim*.

Petitioner has shown by a preponderance of the evidence that Monroe was published on July 15, 1999, and is therefore prior art to the claims of the '168 patent, which has an effective filing date of January 3, 2003. Petitioner has shown by a preponderance of the evidence that Monroe discloses each element of the claims of the '168 patent under 35 U.S.C. § 102(b) and therefore anticipates claims 1–31 of the '168 patent. *See* Pet. 12–52. Based on this record, we conclude that Petitioner has demonstrated by a preponderance of the evidence that claims 1–31 are anticipated under 35 U.S.C. § 102(b) by Monroe.

III. ORDER

For the reasons given, it is:

ORDERED that claims 1–31 of U.S. Patent No. 7,643,168 B2 have been shown by a preponderance of the evidence to be unpatentable; and

FURTHER ORDERED that, because this is a Final Written Decision, parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

IPR2015-00414
Patent 7,643,168 B2

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