

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PRIME FOCUS CREATIVE SERVICES CANADA INC.,
Petitioner,

v.

LEGEND3D, INC.,
Patent Owner.

Case IPR2016-01491
Patent 9,286,941 B2

Before MICHAEL R. ZECHER, CARL M. DEFRANCO, and
KAMRAN JIVANI, *Administrative Patent Judges*.

JIVANI, *Administrative Patent Judge*.

DECISION
Granting Petitioner's Request for Rehearing
Institution of *Inter Partes* Review
37 C.F.R. §§ 42.71(d) and 42.108

I. INTRODUCTION

Petitioner, Prime Focus Creative Services Canada, Inc. (“Petitioner”), requests rehearing (Paper 15, “Reh’g Req.” or “Request”) of our Decision on Institution. Paper 13 (“Dec. on Inst.” or “Decision”). Our Decision instituted an *inter partes* review of claims 1–3, 5, and 16–19 of U.S. Patent No. 9,286,941 (Ex. 1001, “the ’941 patent”) on the following grounds of unpatentability (Dec. on Inst. 13–14, 16–18).

References	Grounds	Challenged Claim(s)
Sandrew	§ 102(b)	1, 3, 5, 16, and 19
Sandrew and Katayama	§ 103(a)	2
Sandrew and Porter	§ 103(a)	17
Sandrew and Burt 2	§ 103(a)	18

Our Decision further denied institution of an *inter partes* review on the following grounds of unpatentability (Dec. on Inst. 14–16).

References	Grounds	Challenged Claim(s)
Sandrew and Yuille	§ 103(a)	1, 3–5, 11–13, 16, 19, and 24
Sandrew, Yuille, and Katayama	§ 103(a)	2 and 6
Sandrew, Yuille, Katayama, and Little	§ 103(a)	7–9
Sandrew, Yuille, Katayama, Little, and Parker	§ 103(a)	7–10
Sandrew, Yuille, Katayama, Little, Parker, and Burt 1	§ 103(a)	7-10
Sandrew Yuille, and Porter	§ 103(a)	17
Sandrew, Yuille, and Burt 2	§ 103(a)	18

In its Request, Petitioner seeks rehearing of our “decision not to institute [an *inter partes* review] on the ground that [c]laims 1, 3–5, 11–13, 16, 19, and 24 are obvious over prior art Sandrew in view of Yuille and other references.” Reh’g Req. 2 (citing Dec. on Inst. 14–16).¹

A request for rehearing “must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.” 37 C.F.R. § 42.71(d). “The burden of showing a decision should be modified lies with the party challenging the decision.” *Id.* “When rehearing a decision on petition, a panel will review the decision for an abuse of discretion.” 37 C.F.R. § 42.71(c).

For the reasons that follow, Petitioner’s Request is *granted*. As a result, we modify our Decision to Institute to include the following ground: claims 1, 3, 5, 16, and 19 of the ’941 patent as obvious over Sandrew alone. We do not, however, institute an *inter partes* review of any other claims as obvious over the various combinations of Sandrew, Yuille, and other references, as asserted in the Petition.

¹ Although Petitioner does not list claims 2, 4, 6–10, 17, and 18, we understand this omission to be unintentional given Petitioner’s citation to the portion of our Decision discussing these claims along with claims 1, 3–5, 11–13, 16, 19, and 24. Therefore, we proceed with the understanding that Petitioner intended to seek rehearing of our Decision as to claims 1–13, 16–19, and 24.

II. ANALYSIS

A. *Instituting Obviousness Challenge to Claims 1, 3, 5, 16, and 19 over Sandrew alone.*

The Petition and Request for Rehearing both describe Petitioner's obviousness challenges in terms of Sandrew alone and the combination of Sandrew and Yuille, as well as other references in some instances. As we recognized in our Decision, Petitioner relied upon Sandrew as teaching or suggesting the claimed associating, moving, and reshaping of independent claim 1, and merely cited Yuille as further teaching these claim elements. Dec. on Inst. 15 (citing Pet. 25 ("Just like Sandrew, Yuille teaches associating, moving, and reshaping masks (three of the four steps of Claim 1 of the '941 patent).")). The Petition similarly argues that, like Sandrew, "Yuille also discloses the remaining step of the '941 Patent (*i.e.*, copying)." *Id.* (citing Pet. 26). Thus, we understand Petitioner to allege that Sandrew alone teaches or suggests the limitations of claim 1 through the same disclosures relied upon by Petitioner to argue that Sandrew anticipates claim 1. Indeed, the Request confirms our understanding in this regard by contending, "the Petition's obviousness ground relies on Sandrew to meet all limitations of Claim 1." Reh'g Req. 4.

While Petitioner's obviousness challenge could have been more clearly presented, we nonetheless overlooked Petitioner's alternative reliance on Sandrew alone in as teaching or suggesting the claimed copying, particularly when taken in context of the anticipation ground based on Sandrew for which we instituted review. As stated in our Decision, Petitioner has shown a reasonable likelihood of prevailing on its challenge to claims 1, 3, 5, 16, and 19 as anticipated by Sandrew. Dec. on Inst. 14.

Petitioner's anticipation challenge based on Sandrew, therefore, identified where it contends each element of claims 1, 3, 5, 16, and 19 of the '941 patent is disclosed by Sandrew. Pet. 15–25. Petitioner's obviousness challenge based on Sandrew alone relies upon these same contentions. *Id.* at 25–26. As such and based on the foregoing discussion, we find that Petitioner's obviousness analysis relying on Sandrew alone shows a reasonable likelihood of prevailing only as to claims 1, 3, 5, 16, and 19.

B. Denying Institution of Obviousness Challenges Relying on the Combination of Sandrew, Yuille, and Various Other References.

As to claims 4, 6–13, and 24, the Petition alleges these claims are met by the combination of Sandrew, Yuille, and various other references, with no specific, alternative assertion of how each claim's elements are met by either Sandrew alone or Sandrew with various other references, excluding Yuille.² For instance, Petitioner's entire treatment of claims 4 and 12 discusses only Yuille. Pet. 27–28, 31–32. Thus, for claims 4, 6–13, and 24, Petitioner failed to show merit in an obviousness ground relying on either Sandrew alone or Sandrew without Yuille. A request for rehearing under 37 C.F.R. § 42.71(d) is not an opportunity to address a matter in the first instance. Rather, we consider only whether Petitioner has shown a reasonable likelihood of prevailing on its assertion that each of claims 4, 6–13, and 24 are obvious over the combination of Sandrew, Yuille, and various other references.

² Petitioner's analysis of claim 6 incorporates its analysis of claim 4 as over Sandrew and Yuille, and adds teachings from Katayama. Pet. 42–45. Petitioner's subsequent analyses of claims 7–10 incorporate its analysis of claim 6. *Id.* at 45–56.

Petitioner fails to explain in the record before us how or why one of ordinary skill in the art would combine the teachings of Sandrew, Yuille, and various other references to arrive at the elements recited in claims 4, 11–13, and 24. For instance, the Petition asserts, and the Request repeats, the following: “Yuille discloses express mathematical algorithms that can almost be cut and copied into the method of Sandrew to yield the invention of the ‘941 Patent.” Reh’g Req. 3 (quoting Pet. 36) (emphasis omitted). As Petitioner recognizes in the Request, this argument is directed to the copying of claim 1, and specifically to meeting an allegation that Sandrew and Yuille together teach automated copying, assuming automation is required by claim 1. *Id.* at 3–5. Setting aside whether claim 1 actually requires automated copying, as well as whether the alleged combination teaches or suggests automated copying, Petitioner’s articulated rationale to combine the teachings of Sandrew and Yuille does not address how or why one of ordinary skill in the art would combine their respective teachings not directed to automated copying. For instance, Petitioner fails to address why one would combine the teachings of Yuille with Sandrew to account for the following limitations: (1) the reshaping recited in claims 4, 6–10, and 24; (2) the moving and reshaping of a second mask comprising a polygon, curve, or both recited in claim 11; and (3) the polygon and Bezier curve animation recited in claims 12 and 13. *See* Pet. 27–34, 42–45. Because Petitioner’s articulated rationale is divorced from the specific limitations required by the claims, we determine Petitioner has not shown a reasonable likelihood of prevailing on its assertion that each of claims 4, 6–13, and 24 are obvious over the combination of Sandrew, Yuille, and various other references.

As to claims 2, 17, and 18, the Petition alleges these claims are met by the combination of Sandrew with various other references, or alternatively, the combination of Sandrew, Yuille, and various other references. Our Decision instituted an *inter partes* review of claims 2, 17, and 18 on the grounds of Sandrew in combination with various other references, excluding Yuille. Dec. on Inst. 16–18. With respect to an *inter partes* review of claims 2, 17, and 18 on the grounds of Sandrew, Yuille, and various other references, we continue to decline to institute an *inter partes* review on these grounds because Petitioner’s articulated rationale to combine the teachings of Sandrew and Yuille does not address how or why one of ordinary skill in the art would combine their respective teachings not directed to automated copying. *See supra* discussion of claims 4, 6–13, and 24. Because Petitioner’s articulated rationale is divorced from the specific limitations required by claims 2, 17, and 18, we determine Petitioner has not shown a reasonable likelihood of prevailing on its assertion that each of claims 2, 17, and 18 are obvious over the combination of Sandrew, Yuille, and various other references.

Accordingly, it is

ORDERED that Petitioner's Request for Rehearing is *granted*;

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(a) an *inter partes* review of the '941 patent is hereby instituted on the following grounds:

- A. Anticipation of claims 1, 3, 5, 16, and 19 by Sandrew;
- B. Obviousness of claims 1, 3, 5, 16, and 19 over Sandrew;
- C. Obviousness of claim 2 over Sandrew and Katayama;
- D. Obviousness of claim 17 over Sandrew and Porter; and.
- E. Obviousness of claim 18 over Sandrew and Burt 2.

FURTHER ORDERED that review based on any other proposed grounds of unpatentability is not authorized other than the grounds specifically identified above; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial commencing on the entry date of this Decision.

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