

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

XACTWARE SOLUTIONS, INC.,
Petitioner,

v.

EAGLE VIEW TECHNOLOGIES, INC.,
Patent Owner.

Case IPR2017-00025
Patent 8,818,770 B2

Before BRYAN F. MOORE, STACEY G. WHITE, and GARTH D. BAER,
Administrative Patent Judges.

BAER, *Administrative Patent Judge.*

DECISION

Denying Institution of *Inter Partes* Review
35 U.S.C. § 314(a) and 37 C.F.R. § 42.108

Xactware Solutions, Inc. (“Petitioner”) filed a Petition (Paper 1, “Second Petition” or “Second Pet.”) requesting *inter partes* review of claims 1 and 10–12 of U.S. Patent No. 8,818,770 B2 (Ex. 1001, “the ’770 patent”). Eagle View Technologies, Inc. (“Patent Owner”) filed a Preliminary Response (Paper 8, “Prelim. Resp.”).

For the reasons explained below, we exercise our discretion under 35 U.S.C. § 314(a) and 37 C.F.R. § 42.108(a) not to institute *inter partes* review of claims 1 and 10–12 of the ’770 patent.

I. BACKGROUND

A. RELATED MATTERS

The ’770 patent is also the subject of the instituted proceeding in IPR2016-00590, and Xactware Solutions, Inc., is the Petitioner in that proceeding. *See Xactware Solutions, Inc. v. Eagle View Techs., Inc.*, Case IPR2016-00590 (“IPR2016-00590”), Paper 1, 1 (“First Petition” or “First Pet.”).

Patents related to the ’770 patent are involved in IPR2016-00582, IPR2016-00586, IPR2016-00587, IPR2016-00589, IPR2016-00591, IPR2016-00592, IPR2016-00593, IPR2016-00594, IPR2016-01775, IPR2017-00021, IPR2017-00027, IPR2017-00034, and IPR2017-000363. Second Pet. 2–3, Paper 7, 2–3. The ’770 patent is involved in the following district court matter: *Eagle View Technologies, Inc. v. Xactware Solutions, Inc.*, No. 2:15-cv-07025 (D.N.J.). Second Pet. 2; Paper 7, 2.

B. THE CHALLENGED PATENT

The ’770 patent relates to a roof estimation system that provides a user interface configured to facilitate roof model generation based on one or

more aerial images of a building roof. Ex. 1001, at (57). Figure 1 of the '770 patent is reproduced below.

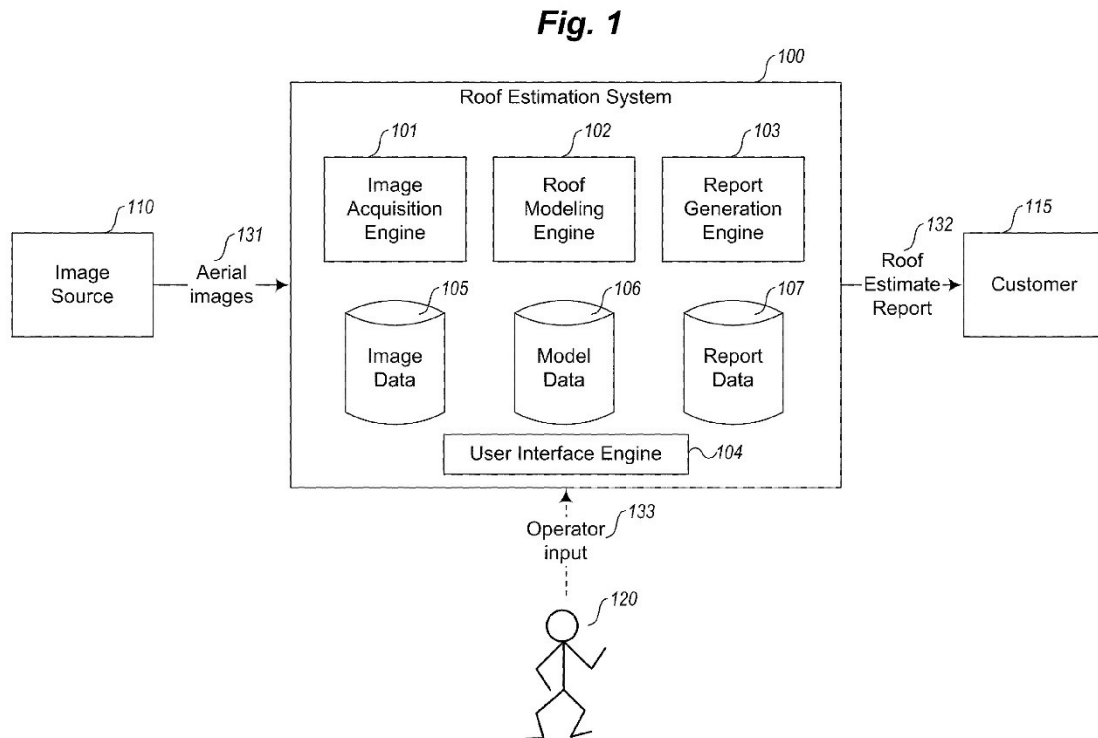


Figure 1 is a block diagram of an example Roof Estimation System (“RES”). Ex. 1001, 3:49–51. RES 100 includes image acquisition engine 101, roof modeling engine 102, report generation engine 103, image data 105, model data 106, and report data 107. *Id.* at 3:52–54. RES 100 is communicatively coupled to image source 110, customer 115, and operator 120. *Id.* at 3:54 56. RES 100 is configured to generate roof estimate report 132 for a specified building, based on aerial images 131 of the building received from the image source 110. *Id.* at 3:60–63.

C. ILLUSTRATIVE CLAIM

Independent claim 1 is reproduced below. Claims 10–12 depend from claim 1.

1. A computer-implemented process in a roof estimation system comprising:

displaying, by the roof estimation system, a graphical user interface including a first aerial image of a roof structure of a building and also at least one first visual marker that is moveable by a user in a same display window as the first aerial image while said first aerial image is displayed within the graphical user interface;

moving the first visual marker with respect to the first aerial image of the roof structure to a first location in response to input from the user;

storing data in a memory of the computer of the first location to which the first visual marker was moved;

displaying a second aerial image of the roof structure of the building, the second aerial image providing a different view of the roof than the first aerial image; and

displaying a location of a second visual marker on the roof structure of the building in the second aerial image of the roof structure based on an indication received from the stored data in the memory of the first location on the displayed first aerial image to which the user had moved the first visual marker; and

generating and outputting a roof estimate report using a report generation engine, wherein the roof estimate report includes one or more top plan views of a model of the roof annotated with numerical values for corresponding slope, area, or lengths of the edges of at least some of the plurality of planar roof sections of the model of the roof.

Ex. 1001, 23:65–24:28.

D. ASSERTED GROUNDS OF UNPATENTABILITY

Petitioner asserts the following grounds of unpatentability:

Reference(s)	Basis	Challenged Claim(s)
Avrahami ¹ and Applicad ²	§ 103(a)	12
McKeown ³ and Applicad	§ 103(a)	1, 11, and 12
McKeown, Applicad, and Picrometry ⁴	§ 103(a)	10

Second Pet. 9–10.

II. ANALYSIS

A. DISCRETIONARY NON-INSTITUTION

1. Petitioner's First Petition in IPR2016-00590

Petitioner previously filed its First Petition requesting an *inter partes* review of claims 1, 10–12, 14, and 19 of the '770 patent. *See* First Pet. 3–4.

The First Petition asserted the following grounds:

Reference(s)	Basis	Challenged Claim(s)
Avrahami and Applicad	§ 102(b)	1, 11, and 14
Avrahami, Applicad, and Pictometry	§ 103(a)	10

¹ Yair Avrahami et al., *Extraction of 3D Spatial Polygons Based on the Overlapping Criterion for Roof Extraction from Aerial Images*, CMRT05, IAPRS, Vol. XXXVI, Part 3/W24, Vienna, Austria, Aug. 29–30, 2005 (Ex. 1003, “Avrahami”).

² APPLICAD PRODUCT BULLETIN, KEY FEATURES OF OUR ROOFING SOFTWARE” (Nov. 2002) (Ex. 1004, “Applicad”).

³ David M. McKeown, et al., *Feature Extraction and Object Recognition: Automatic Cartographic Feature Extraction Using Photogrammetric Principles*, Digital Photogrammetry: an Addendum to the Manual of Photogrammetry, American Society For Photogrammetry and Remote Sensing, 1996 (Ex. 1005, “McKeown”).

⁴ ELECTRONIC FIELD STUDY USER GUIDE, VERSION 2.7, PICOMETRY INT’L CORP., July 2007 (Ex. 1006, “Pictometry”).

Reference(s)	Basis	Challenged Claim(s)
Avrahami, Applicad, and Abhyanker ⁵	§ 102(b)	10
Hsieh ⁶ and Applicad	§ 103(a)	1, 10–12, and 14
Hsieh, Applicad, and Pictometry	§ 103(a)	10
Hsieh, Applicad, and Abhyanker	§ 103(a)	10

See IPR2016-00590, slip op. at 5–6 (PTAB Aug. 15, 2016) (Paper 12) (“IPR2016-00590 Inst. Dec.”). Based on the first Petition, we instituted review of claims 1, 11, and 14 as obvious over Avrahami and Applicad, and claim 10 as obvious over Avrahami, Applicad, and Abhyanker. *Id.* at 17. We exercised our discretion to decline review for claim 10 based on the alternative asserted ground involving Avrahami, Applicad, and Pictometry. *Id.* at 14. We also denied institution on all grounds involving Hsieh for claims 1, 10–12, and 14 because we found Petitioner had not made a sufficient showing that Hsieh disclosed an element common to those claims. *Id.* at 14–17.

2. The Board’s Discretion to Deny Institution

Institution of an *inter partes* review is discretionary. See 35 U.S.C. § 314(a) (authorizing institution of an *inter partes* review under particular circumstances, but not requiring institution under any circumstances); 37 C.F.R. § 42.108(a) (“the Board *may* authorize the review to proceed”)

⁵ US App. No. 2007/0220174 A1 (Sep. 20, 2007) (Ex. 1006 in IPR2016-00590 “Abhyanker”).

⁶ Yuan Hsieh, *Design and Evaluation of a Semi-Automated Site Modeling System*, Carnegie Mellon, 1–76, Nov. 1995 (Ex. 1007 in IPR2016-00590 “Hsieh”).

(emphasis added); *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (explaining that under § 314(a), “the PTO is permitted, but never compelled, to institute an IPR proceeding”).

3. Discussion

Petitioner asserts that we should not deny the Petition under 35 U.S.C. § 325(d) because the asserted prior art in its Second Petition is not the same as in the First Petition. Petitioner focuses on claim 12 (the only challenged claim with no already-instituted grounds) and notes that, in the First Petition, it challenged claim 12 as obvious over the combination of Hsieh and Applicad, whereas in the Second Petition, it challenges claim 12 as obvious over Avrahami and Applicad, and as obvious over McKeown and Applicad. Second Pet. 5–8. Patent Owner argues that we should decline to institute under § 325(d) because (1) Petitioner’s repetitive challenges have already greatly taxed the resources of the Board, (2) Petitioner previously filed a petition directed to the same claims of the same patent, (3) the Second Petition raises substantially the same art and nearly identical arguments that were already submitted by the same petitioner in its First Petition, (4) Petitioner knew of the references it asserts in the Second Petition when it filed the First Petition, (5) Petitioner had received Patent Owner’s preliminary response to the First Petition and the Board’s decision whether to institute review in the First Petition, and (6) Petitioner waited nearly the maximum amount of time possible between filing its two petitions. PO Prelim. Resp. 12–38. As explained below, we agree with Patent Owner that the circumstances here do not favor institution of an *inter partes* review.

Our concern is not primarily that “the same or substantially the same prior art or arguments previously were presented to the Office” as expressed

in § 325(d), but rather the potential inequity of Petitioner filing multiple attacks, adjusting along the way based on Patent Owner's contentions and the Board's decision responding to a prior challenge. *See NVIDIA Corp. v. Samsung Elec. Co.*, Case IPR2016-00134, slip op. at 8 (PTAB. May 4, 2016) (Paper 9). We view the following factors as relevant to that concern, and therefore helpful in deciding whether to exercise our discretion to not institute review under § 314(a):

- (a) whether the same petitioner previously filed a petition directed to the same claims of the same patent,
- (b) whether the petitioner knew or should have known of the prior art asserted in the later petition when it filed its earlier petition, and
- (c) whether at the time of filing of the later petition, the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the earlier petition, and
- (d) the length of time that elapsed between when the petitioner had the patent owner's or Board's analysis on the earlier petition and when petitioner filed the later petition,⁷
- (e) whether the petitioner provides adequate explanation why we should permit another attack on the same claims of the same patent.

⁷ As Patent Owner notes, past Board decisions have considered the length of time that elapsed between the time petitioner learned of the prior art asserted in the second petition and filing of the second petition. *See, e.g., NVIDIA Corp. v. Samsung Elec. Co.*, Case IPR2016-00134 (PTAB. May 4, 2016) (Paper 9); *LG Elecs. Inc. v. Core Wireless Licensing S.A.R.L.*, Case IPR2016- 00986 (PTAB Aug. 22, 2016) (Paper 12). We view the more relevant delay to be that between when Petitioner had the First Petition feedback, and when it filed the Second Petition. That delay affords Petitioner the unfair advantage of adjusting its litigation positions based on the Patent Owner's and the Board's responses to the First Petition.

a. Petitioner Previously Filed a Petition Directed to the Same Claims of the Same Patent

As explained above, Petitioner's First Petition included challenges to the same four claims—claims 1 and 10–12 of the '770 patent—that Petitioner challenges in the Second Petition at issue here. For three of the claims, claims 1, 10, and 11, we instituted *inter partes* review based on the First Petition. For claim 12, we did not. IPR2016-00590 Inst. Dec. 17.

b. Petitioner Knew of the Prior Art Asserted in the Second Petition When It Filed the First Petition

Out of concern for fundamental fairness, in determining whether to deny institution on subsequent petitions challenging the same claims of the same patent, we look to whether a petitioner knew or should have known of the prior art asserted in its later case when it filed the earlier one. *See Conopco, Inc. v. Proctor & Gamble Co.*, Case IPR2014-00506, slip op. at 4–5 (PTAB Dec. 10, 2014) (Paper 25) (Informative). Here, Petitioner knew of the prior art asserted in the Second Petition when it filed the First Petition. The Second Petition relies on four references: Avrahami, Applicad, Picrometry, and McKeown. Petitioner knew of Avrahami, Applicad, and Picrometry when it filed its First Petition because the First Petition asserted grounds involving those three references. First Pet. 3–4. Petitioner also knew of McKeown when it filed the First Petition because Petitioner included McKeown in its district court invalidity contentions, which Petitioner served just one day after it filed the First Petition. *See* Ex. 2003, 8 (identifying McKeown), 165 (showing service on February 9, 2016); *see also* First Pet. 57 (dated February 8, 2016). Because Petitioner knew of the

four references asserted in its Second Petition when it filed its First Petition, this factor weighs against institution.

c. Petitioner Had Patent Owner's Preliminary Response and the Board's Decision on Whether to Institute Review in the First Petition When Petitioner Filed the Second Petition

Patent Owner filed its Preliminary Response to the First Petition on May 23, 2016. *See* IPR2016-00590, Paper 8, 67. We issued our Institution Decision addressing the First Petition on August 15, 2016. IPR2016-00590 Inst. Dec. 1. Thus, when Petitioner filed the Second Petition on October 7, 2016 (*see* Second Pet. 41), Petitioner had both Patent Owner's Preliminary Response and the Board's Decision on whether to institute review addressing the First Petition.

d. The Elapsed Time Between When Petitioner Had Patent Owner's and the Board's Analysis on the First Petition and When Petitioner Filed the Second Petition

The delay between when Petitioner had Patent Owner's Preliminary Response and the Board's Institution Decision addressing the First Petition and when Petitioner filed the Second Petition left Petitioner with sufficient time to take advantage of Patent Owner's and the Board's responses to the First Petition. When Petitioner filed its Second Petition on October 5, 2016, Petitioner had Patent Owner's Preliminary Response to the First Petition for over four months, and our Institution Decision addressing the First Petition for nearly two months. *See* IPR2016-00590, Paper 8, 67 (showing May 23, 2016 filing date for Patent Owner's Preliminary Response); IPR2016-00590 Inst. Dec. 1 (showing August 15, 2016 issue date for our Institution Decision). Thus, Petitioner not only had the relevant materials from Patent Owner and the Board when it filed its Second Petition, but had ample time to take

advantage of those materials in crafting its Second Petition. Moreover, in related proceedings before the district court, Petitioner indicated that taking advantage of our Decision on institution was the reason Petitioner delayed filing its Second Petition as long as it did. *See* Ex. 2006 (November 30, 2016 Hr’g Tr. at 26:6–9) (Petitioner’s counsel explaining to the district court that “to the extent that there is concern about waiting till the end of the process to file these follow-on IPRs, it’s by virtue of the chronology. We didn’t get the rulings from the Patent Office [on the First Petitions] until the end of August.”).

e. Petitioner Has Not Provided an Adequate Reason Why We Should Permit Another Attack on the Same Claims

Weighed against the factors outlined above are any non-strategic reasons Petitioner offers for the delay in filing its Second Petition or any other justification for allowing its Second Petition to go forward. Petitioner addresses our discretion to deny institution only briefly, noting that its second challenge is substantively different than the one we previously denied in the First Petition. *See* Second Pet. 5–8. That difference, however, does not justify permitting Petitioner to gain an unfair advantage by waiting to file its Second Petition so that it can take advantage of our Decision on the First Petition.

We view Petitioner’s strategy—withholding additional challenges until receiving the Board’s feedback to help shape those challenges—as unfair to Patent Owner. With Patent Owner’s Preliminary Response and the Board’s Decision for the First Petition and ample time to take advantage of those materials, Petitioner made several substantive shifts in its Second Petition. After our Institution Decision outlined deficiencies in Hsieh,

Petitioner's Second Petition asserts McKeown to account for the claim elements it previously mapped to Hsieh. In addition, after our Institution Decision's favorable outcome for obviousness grounds involving Avrahami and Applicad, Petitioner shifted to now also challenge claim 12 under that same ground.

We do not take lightly denying a petition on grounds unrelated to its substantive patentability challenges. Here, however, Petitioner's strategy of morphing its challenges over multiple petitions based on the Board's feedback imposes inequities on Patent Owner. Weighing the respective factors here, we view the prejudice to Patent Owner to be greater than that to Petitioner in denying institution. We, therefore, decline to institute *inter partes* review here.

III. CONCLUSION

For all of the reasons discussed above, we exercise our discretion under 35 U.S.C. § 314(a) and 37 C.F.R. § 42.108(a) not to institute review in this proceeding with respect to claims 1 and 10–12.

IV. ORDER

It is:

ORDERED that the Petition is denied as to claims 1 and 10–12 of the '770 patent; and

FURTHER ORDERED that no *inter partes* review is instituted.

PETITIONER:

Mark E. Nikolsky
Timothy Homlish
MCCARTER & ENGLISH, LLP
mnikolsky@mccarter.com
thomlish@mccarter.com

PATENT OWNER:

Gianni Cutri
Jared Barcenas
KIRKLAND & ELLIS LLP
gianni.cutri@kirkland.com
jared.barcenas@kirkland.com