

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SNAP INC.,
Petitioner,

v.

SANDERLING MANAGEMENT LTD.,
Patent Owner.

IPR2021-00781
Patent 10,108,986 B2

Before TIMOTHY J. GOODSON, ERIC C. JESCHKE, and
RICHARD H. MARSCHALL, *Administrative Patent Judges*.

GOODSON, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. Background

Snap Inc. (“Petitioner”) filed a Petition (Paper 2, “Pet.”) requesting *inter partes* review of claims 1, 3, 7, 17, 18, 20, 24, and 34 of U.S. Patent No. 10,108,986 (Ex. 1001, “the ’986 patent”). Sanderling Management Ltd. (“Patent Owner”) filed a Preliminary Response. Paper 16 (“Prelim. Resp.”). The Petition and Preliminary Response addressed whether the Board should exercise discretion under 35 U.S.C. §§ 314(a) or 325(d) to deny institution. *See* Pet. 18–21; Prelim. Resp. 1–16. Because the developments the Preliminary Response described had occurred since the filing of the Petition, we authorized Petitioner to file an additional brief addressing the discretionary denial issue. *See* Paper 18 (“Prelim. Reply”).

Pursuant to 35 U.S.C. § 314 and 37 C.F.R. § 42.4(a), the Board has authority to determine whether to institute *inter partes* review. *Inter partes* review may not be instituted unless “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). After considering the parties’ arguments and the evidence currently of record, we determine that Petitioner has shown a reasonable likelihood that it would prevail in showing the unpatentability of at least one claim. We also determine that discretionary denial is not warranted in the circumstances presented here. Accordingly, we institute an *inter partes* review as to all challenged claims of the ’986 patent.

B. Real Parties-in-Interest

Petitioner lists itself as the sole real party-in-interest. Pet. 81. Likewise, Patent Owner identifies itself as the only real party-in-interest. Paper 6, 2

C. Related Matters

Petitioner and Patent Owner list the following litigation involving the '986 patent as a related matter: *Sanderling Management Ltd. v. Snap Ltd.*, No. 21-cv-02324-GW-JC, in the United States District Court for the Central District of California. Pet. 81; Paper 6, 2.

Petitioner also lists the following Board proceedings as related matters:

- IPR2021-00778, which concerns U.S. Patent No. 9,355,412 (“the '412 patent”);
- IPR2021-00779, which concerns U.S. Patent No. 9,639,866 (the “'866 patent”); and
- IPR2021-00780 (“the -780 IPR”), which concerns the '986 patent.

See Pet. 81.

D. Summary of the '986 Patent

The '986 patent states that it is a continuation of several applications, including those that issued as the '866 and '412 patents. Ex. 1001, 1:7–19, code (63). This chain of continuation applications reaches back to January 13, 2014, and the patent also claims the benefit of a provisional application filed on January 28, 2013. *Id.* at 1:7–19, codes (63), (60).

The '986 patent “relates to promotional content distribution and, more specifically, but not exclusively, to systems, methods and a computer program product for dynamic promotional layout and image processing functions management and/or distribution.” Ex. 1001, 1:24–29. Figure 7 is reproduced below:

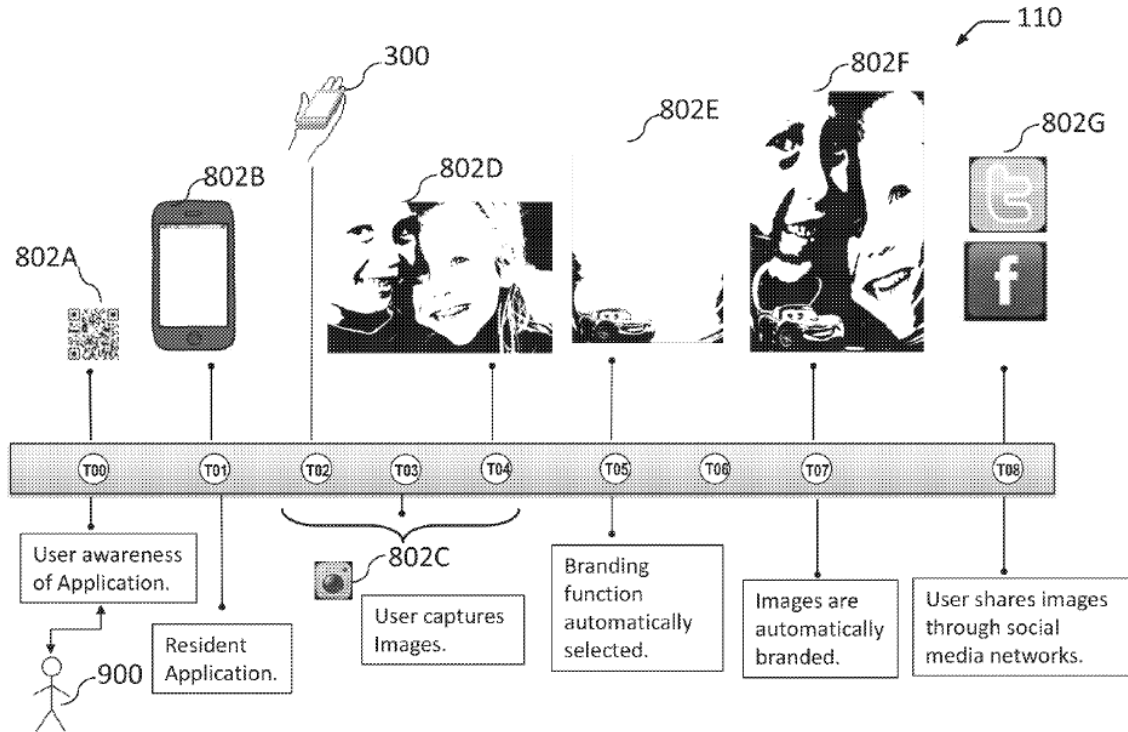


FIG. 7

Figure 7 is a “flowchart illustrating an exemplary sequence of events occurring during a creation of a branded digital image on a client terminal.” Ex. 1001, 5:29–32. At T00, on the left, end user 900 becomes aware of a resident application via quick response (“QR”) code 802A. *See id.* at 15:31–35. Then, at T01, end user 900 downloads the resident application to a client terminal 300. *Id.* at 15:36–37. Next, at T02 through T04, end user 900 uses client terminal 300 and integrated image sensor 802C to capture one or more digital images 802D. *See id.* at 15:38–40.

At T05, branding function 802E is selected, and then, at T07, the digital images are branded to create branded images 802F. *See Ex. 1001, 15:41–46.* Finally, at T08, end user 900 may share the branded images on social networks 802G. *See id.* at 15:47–51. In addition to branding, other image processing functions may be selected to “improve the digital image sharpness, lighting, contrast and/or improve focus of one or more subjects,”

or provide “de blurring, color correction, auto focus, fill flash, cropping, de motion blurring, black and white, sepia, antique, overlay, pinch, zoom, Gaussian smoothing, rotation and/or the like.” *Id.* at 16:47–17:3.

Figure 8 is reproduced below:

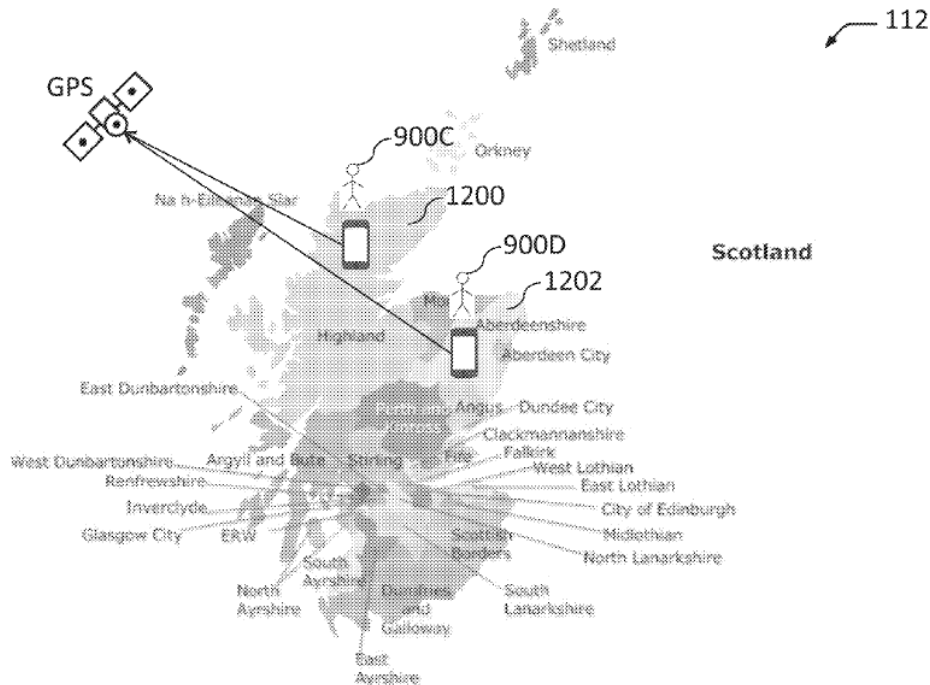


FIG. 8

Figure 8 “illustrates how end user information, such as a location, may be used in order to distribute a personalized branded image function.” Ex. 1001, 5:34–37. The disclosed system “may utilize geo-localized information in order to manage a campaign that targets end users based on their location.” *Id.* at 15:56–58. For instance, with reference to Figure 8, the ’986 patent discloses that system 100 “determines that a first end user 900C is located at Highland 1200 in Scotland and that a second end user 900[D] is located at Aberdeenshire 1202 also in Scotland.” *Id.* at 15:66–16:2.

E. Challenged Claims

Petitioner challenges claims 1, 3, 7, 17, 18, 20, 24, and 34 of the '986 patent. Pet. 11. Of these, only claims 1 and 18 are independent claims. *See* Ex. 1001, 23:44–26:32. Claim 1 is reproduced below, along with bracketed labels added by Petitioner for convenient reference:

1. [1a] A computerized method of distributing a digital media content processing function, the computerized method comprising:

[1b] accessing at at [sic] least one server having at least one hardware processor one or more digital media content processing functions, each of the digital media content processing functions associated with at least one distribution rule defining a sensor data condition;

[1c] receiving, over a network, sensor data from each of a plurality of mobile devices, wherein the sensor data is determined according to outputs of at least one sensor of each of the plurality of mobile devices; and

[1d] distributing, over the network, at least one of the digital media content processing functions to at least one of the plurality of mobile devices, based on a match between the sensor data condition defined by the at least one distribution rule associated with the at least one digital media content processing function and the sensor data of the at least one mobile device;

[1e] wherein the at least one digital media content processing function is configured to be used by an application executed on the at least one mobile device to process a digital media content to create an output digital media content.

Id. at 23:44–67; Pet. 25–52 (adding bracketed labels).

F. Asserted Grounds

Petitioner contends that the challenged claims would have been unpatentable based on the following grounds:

Claims Challenged	35 U.S.C. § ¹	References/Basis
1, 3, 18, 20	103(a)	Hogeg ²
3, 7, 17, 20, 24, 34	103(a)	Hogeg, Arujunan ³

Pet. 11, 25, 65. In support of its proposed grounds, Petitioner relies on the Declaration of Kenneth Parulski. *See* Ex. 1003.

¹ The relevant sections of the Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112–29, took effect on March 16, 2013. The application that issued as the ’986 patent was filed March 15, 2017, but it claims priority, through a series of continuation applications, to a provisional application filed on January 28, 2013. *See* Ex. 1001, codes (22), (63), (60). Petitioner asserts that the pre-AIA version of the relevant statutes apply. *See* Pet. 13 n.1 (citing MPEP § 2159.02). On the current record, we apply the pre-AIA version of § 103. *See* 35 U.S.C. § 100(i).

² US 2014/0173424 A1, published June 19, 2014 (Ex. 1004). Petitioner asserts that Hogeg qualifies as prior art “under at least pre-AIA 35 U.S.C. § 102(e)(1)” because it was filed on July 10, 2012. Pet. 13. Petitioner also argues that Hogeg is entitled to the July 11, 2011 filing date of its provisional application “should [Patent Owner] attempt to show an earlier date of invention for any challenged claim.” *See id.* at 13 n.2, 78–80. At present, Patent Owner does not contest Hogeg’s status as prior art. *See* Prelim. Resp. 1–16. On the current record, Petitioner has made an adequate showing that Hogeg qualifies as prior art to the challenged claims. *See In re Magnum Oil Tools Int’l, Ltd.*, 829 F.3d 1364, 1375–76 (Fed. Cir. 2016) (“[A] patent challenger has the burden of producing evidence to support a conclusion of unpatentability under § 102 or § 103, but a patentee bears the burden of establishing that its claimed invention is entitled to an earlier priority date than an asserted prior art reference.”).

³ US 2012/0327265 A1, published December 27, 2012 (Ex. 1005). Petitioner asserts that Arujunan qualifies as prior art under § 102(e)(1) based on its publication date. Pet. 16. On the current record, Petitioner has made an adequate showing that Arujunan qualifies as prior art to the challenged claims. At present, Patent Owner does not contest Arujunan’s status as prior art. *See* Prelim. Resp. 1–16. On the current record, Petitioner has made an adequate showing that Arujunan qualifies as prior art to the challenged claims. *See Magnum Oil*, 829 F.3d at 1375–76.

II. DISCRETIONARY DENIAL

The parties present a threshold issue of whether we should exercise discretion to deny institution under 35 U.S.C. §§ 314(a) or 325(d). In short, Patent Owner argues that discretionary denial is appropriate “because the ’986 patent has already been adjudicated invalid in a parallel district court proceeding, and the Patent Office has already considered *Hogeg* in allowing the ’986 Patent claims.” Prelim. Resp. 3. We address these potential bases for discretionary denial below.

A. Discretionary Denial Under § 314(a)

1. Factual and Procedural Background

The parties’ dispute over the ’986 patent arrived in the district court on August 6, 2020, when Patent Owner filed suit against Petitioner in the U.S. District Court for the Northern District of Illinois, alleging infringement of the ’412, ’866, and ’986 patents. Prelim. Resp. 2; Ex. 2002, 4. On October 13, 2020, Petitioner filed two motions: a motion to transfer venue to the Central District of California, and a motion to dismiss arguing that the patents-in-suit claimed ineligible subject matter under 35 U.S.C. § 101. Prelim. Resp. 2; Ex. 2002, 5. On March 5, 2021, the Illinois court granted the motion to transfer, and “[e]ft it to the transferee court to consider the merits of Defendant’s motion to dismiss.” Ex. 2002, 11; Prelim. Resp. 2.

On April 30, 2021, Petitioner filed its petitions in this proceeding and the -778, -779, and -780 IPRs. Paper 5, 1; Prelim. Resp. 2. Meanwhile, the California court held a hearing on the motion to dismiss on May 13, 2021. Ex. 2002, 15–16. On May 18, 2021, the district court granted the motion to

dismiss, finding the asserted claims⁴ of the '412, '866, and '986 patents to be patent ineligible under § 101. Prelim. Resp. 2; Ex. 2002, 17; Ex. 3002, 15. Patent Owner requested reconsideration, but the district court denied that motion and entered final judgment on July 21, 2021. Prelim. Resp. 2; Ex. 2006; Ex. 2002, 17–18. On July 26, 2021, Patent Owner appealed the district court's judgment to the Federal Circuit. Prelim. Resp. 2; Ex. 2004, 4.

2. Parties' Arguments Concerning Previous Board Decisions

Patent Owner argues that “the Board has found that an invalidity decision under § 101 in district court litigation significantly favors discretionary denial under § 314(a).” Prelim. Resp. 5 (citing *Snap Inc. v. Blackberry Ltd.*, IPR2020-00391, Paper 8 at 17 (PTAB July 13, 2020) (“*Blackberry*”). According to Patent Owner, *Blackberry* shows that the *Fintiv* factors⁵ counsel in favor of discretionary denial when the challenged claims have already been adjudicated by a district court. *Id.* at 5–13.

Petitioner responds that Patent Owner's reliance on *Blackberry* is inapposite because that decision addressed “a follow-on, second, Petition filed after the bar date . . . , not an initial Petition as here.” Prelim. Reply 1. Petitioner argues that in cases addressing the “exact circumstances” of this proceeding, the Board has granted institution. *Id.* (emphasis omitted) (citing *Wyze Labs, Inc. v. Sensormatic Elecs., LLC*, IPR2020-01486, Paper 14 at 6–20 (PTAB Apr. 6, 2021) (“*Wyze*”); *Stripe, Inc. v. Boom! Payments, Inc.*,

⁴ The district court's order defined the asserted claims as claims 1–12 of the '412 patent, claims 1–11 of the '866 patent, and claims 1–34 of the '986 patent. Ex. 3002, 4. Thus, the district court's order encompassed every claim in the '986 patent. *See* Ex. 1001, 23:44–26:32.

⁵ The *Fintiv* factors are introduced and listed below. *See infra* § II.A.3.

CBM2020-00002, Paper 22 (PTAB May 19, 2020) (“*Stripe*”). Petitioner further argues that Patent Owner’s *Fintiv* analysis is based on faulty premises, and that a “proper application” of the *Fintiv* factors favors institution. *Id.*

Before discussing the parties’ arguments on the individual *Fintiv* factors, we consider the Board decisions the parties cite that address how a district court’s determination of invalidity under § 101 affects the Board’s decision whether to institute. The *Fintiv* framework is generally geared toward evaluating the impact of an ongoing district court case that is progressing in parallel with a Board proceeding.⁶ Accordingly, it is an uneasy fit for the situation where, before the Board’s institution decision, the district court has entered judgment at the pleading stage based on patent-ineligibility.⁷ We find it helpful to look to how the Board has handled that circumstance in previous decisions on institution.

In *Blackberry*, the decision on which Patent Owner primarily relies, Snap had filed a first petition, which the Board denied on the merits. *Blackberry*, Paper 8 at 10. On the same day that the Board denied institution of Snap’s first petition, in a parallel district court proceeding, the court held certain claims in the patent invalid under § 101. *Id.* at 11. Two months

⁶ *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5 (PTAB Mar. 20, 2020) (precedential) (listing “Factors Related to a Parallel, Co-Pending Proceeding in Determining Whether to Exercise Discretionary Institution or Denial”).

⁷ *See, e.g., Blackberry*, Paper 8 at 12 (noting that “the unique background of this proceeding does not fit squarely into a typical situation” because “the *Fintiv* factors examine whether we should deny institution based on the advanced status of an underlying district court case. In this instance, the district court case has concluded.”).

later, the Board granted institution of a petition filed by a different petitioner, Facebook, which asserted different obviousness theories than in Snap's first petition. *Id.* Soon after institution of the Facebook petition, Snap filed a second petition presenting the same challenges as in the Facebook petition, along with a motion for joinder with the Facebook IPR. *Id.* at 11–12.

The Board exercised discretion to deny institution of Snap's second petition. The Board noted that “[a]t the point when [Snap's second] Petition was filed, all of the [c]hallenged [c]laims had either been disclaimed or found to be unpatentable subject matter in a final district court decision.” *Id.* at 13. The Board also found that some of the *Fintiv* factors supported discretionary denial, while other of those factors weighed against. *Id.* at 13–14. And the Board found that the *General Plastic*⁸ factors, which address discretionary denial in the context of a patent subjected to serial challenges at the Board, also favored discretionary denial. *Id.* at 14–17.

As Petitioner points out, this Petition does not implicate the same *General Plastic* concerns as in *Blackberry* because it is not a follow-on petition filed after an earlier attempt was denied on the merits. *See* Prelim. Reply 1, 5. Although Patent Owner is correct that *Blackberry* weighed the district court's determination of invalidity under § 101 as favoring discretionary denial (*see* Prelim. Resp. 5), *Blackberry*'s outcome was not dictated by that circumstance alone. *See Wyze*, Paper 14 at 17 (observing that “[t]he *General Plastic* factors . . . figured heavily into [*Blackberry*]'s reasoning”). Indeed, *Blackberry* suggests the insufficiency of that

⁸ *See General Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential).

circumstance as a basis for discretionary denial, insofar as the Board granted institution of the Facebook petition after the district court's § 101 ruling.

Blackberry, Paper 8 at 11.⁹

We also find that the decisions cited by Petitioner, in which the Board declined to deny institution on the basis of a district court's determination of invalidity under § 101, have facts more closely aligned with the present proceeding. In *Wyze*, after the petition was filed, a district court granted a motion for judgment on the pleadings that the claims were invalid under § 101. *Wyze*, Paper 14 at 7–8. The Board weighed the *Fintiv* factors and determined that they did not weigh in favor of discretionary denial. *Id.* at 9–20. The Board reasoned that the district court's § 101 ruling had no overlap with the challenges in the IPR, which eliminated concerns of duplication of effort or risk of inconsistent outcomes. *Id.* *Wyze* also cited two other Board decisions that employed similar reasoning in granting institution even though the challenged claims had already been found patent-ineligible by a district court. *Id.* (citing *Stripe*, Paper 22 at 6–10; *Chegg, Inc. v. NetSoc, LLC*, IPR2019-01165, Paper 14 at 10–13 (PTAB Dec. 5, 2019)). *Wyze* and *Stripe* are more analogous to the present case than *Blackberry* because they do not have the additional, confounding factor of a follow-on petition.

⁹ The Board's institution decision in the Facebook IPR recognized that the district court had entered final judgment, and invited the patentee to file a request for rehearing if it contended that the district court's judgment impacted the discretionary denial analysis. *See Facebook, Inc. v. Blackberry Ltd.*, IPR2019-00941, Paper 11 at 16 (PTAB Dec. 4, 2019). The patentee did file a request for rehearing of the institution decision, which the Board denied. *See Facebook, Inc. v. Blackberry Ltd.*, IPR2019-00941, Paper 25 (PTAB Mar. 30, 2020). Ultimately, the Board proceeded to a Final Written Decision in the Facebook IPR. *See Facebook, Inc. v. Blackberry Ltd.*, IPR2019-00941, Paper 48 (PTAB Dec. 1, 2020).

Based on the authorities the parties have cited in their briefing, we agree with Petitioner that the Board's previous decisions have not found a district court's determination of invalidity under § 101 to be a sufficient basis for discretionary denial of institution. We turn now to a discussion of the *Fintiv* factors.

3. *The Fintiv Factors*

In *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) ("*Fintiv*"), the Board outlined factors to be considered in analyzing whether to exercise discretion to deny institution under § 314(a) based on a parallel district court proceeding. The *Fintiv* factors are:

1. whether the court granted a stay or evidence exists that one may be granted if [this] proceeding is instituted;
2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits.

Fintiv, Paper 11 at 5–6. These factors are evaluated with “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.* at 6.

4. *Factor 1: whether the court granted a stay or evidence exists that one may be granted if this proceeding is instituted*

Patent Owner argues that this factor favors denial because “having obtained a favorable result [on its motion to dismiss], Petitioner cannot seek a stay—the district court case is closed pending an appeal in the Federal Circuit.” Prelim. Resp. 6. Petitioner counters that “the appeal of the § 101 issues effectively stayed the district court case as to the § 103 issues relevant here.” Prelim. Reply 2.

We agree with Petitioner that this factor weighs against discretionary denial. As *Wyze* explained, the reason a stay favors institution is

because it “allays concerns about inefficiency and duplication of efforts.” *Fintiv*, Paper 11 at 6. Because the [district] court decided an issue that does not overlap with those presented in this proceeding, and the [district] court is not likely to address the obviousness issues before our final written decision (if it addresses the issues at all), the [district] court’s ruling has allayed any concerns about inefficiency and duplication of efforts between us and the [district] court.

Wyze, Paper 14 at 10. The same reasoning applies here. The district court’s judgment of invalidity under § 101 and Patent Owner’s appeal of that judgment virtually assures that the district court will not be considering the same obviousness issues presented in this Petition during the course of this proceeding.

5. *Factor 2: proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision*

The parties take opposite views on how to weigh this factor in the circumstances of this case. Patent Owner argues that “[i]f proximity to trial (*i.e.*, final adjudication of the merits) counsels against instituting review, then *a fortiori* [i], passage of that ‘trial’ should militate against instituting a new, costly proceeding to review a patent already adjudicated invalid.”

Prelim. Resp. 7. Petitioner counters that “no trial date is scheduled in district court, and any theoretical remand trial date is unlikely to occur before a FWD.” Prelim. Reply 2.

We agree with Petitioner that this factor weighs against discretionary denial. As in *Wyze* and *Stripe*, the district court’s judgment at the pleading stage “does not implicate concerns of inefficient duplication or potentially inconsistent results because the . . . court’s ruling decided whether the claims were patent eligible under § 101, not whether the claims would have been obvious under § 103, which Petitioner argues before us.” *Wyze*, Paper 14 at 12; *see also Stripe*, Paper 22 at 9 (noting that the district court had “resolved only the § 101 issues and should the Federal Circuit vacate or reverse the district court’s judgment, . . . it is unlikely that any district court trial on any § 103 issues would occur prior to our issuing a final written decision”).

6. *Factor 3: investment in the parallel proceeding by the court and the parties*

Patent Owner notes that this factor seeks to “minimize the duplication of work by two tribunals to resolve the same issue,” Prelim. Resp. 7 (quoting *Intel Corp. v. VLSI Tech. LLC*, IPR2019-01192, Paper 15 at 11 (Jan. 9, 2020)), but Patent Owner does not identify any specific issues on which the district court’s efforts would be duplicated if we grant institution. Petitioner asserts that before the district court’s § 101 ruling, the parties had exchanged contentions but there had been scant discovery efforts and no claim construction briefs had been filed. Pet. 20; Prelim. Reply 2.

Because the district court entered judgment at an early stage based on an issue unrelated to the patentability challenges presented in the Petition, we find that this factor weighs against discretionary denial. That finding is consistent with *Wyze* and *Stripe*, which addressed similar circumstances.

Wyze, Paper 14 at 12–15; *Stripe*, Paper 22 at 8–9. Patent Owner does not point to any claim construction or obviousness-related issues litigated in the district court that would overlap with or be duplicative of issues to be decided in this proceeding.

Patent Owner also argues, in connection with this factor, that granting institution would be inefficient and would unfairly burden Patent Owner because the challenged claims have already been declared invalid. Prelim. Resp. 8–9. Yet Patent Owner is appealing the district court’s judgment. *Id.* at 2; Ex. 2004. In the event that Patent Owner’s appeal is successful, a discretionary denial here would bar Petitioner from pursuing IPR due to the statutory time bar for filing a petition. *See* 35 U.S.C. § 315(b); Prelim. Reply 3 (arguing that “while denying institution would benefit [Patent Owner], it would greatly prejudice Petitioner, whose bar date has now passed”). Thus, while we recognize the burden on Patent Owner of defending against the obviousness challenges in this IPR when the claims have already been held patent-ineligible, we also take account of the countervailing prejudice that discretionary denial would impose on Petitioner — namely, permanently preventing Petitioner from utilizing the IPR regime to challenge the ’986 patent based on a ruling that Patent Owner is seeking to overturn on appeal.

In evaluating this factor, we also take into consideration how promptly Petitioner filed its Petition. *Fintiv*, Paper 11 at 11–12. Patent Owner argues that Petitioner did not file promptly because it waited almost nine months after it was served with an infringement complaint. *See* Prelim. Resp. 10. Petitioner responds that it filed its Petition three months before the statutory bar date and “only three months after completion of contentions

(January 29, 2021).” Prelim. Reply 4. We are not persuaded that the timing of the Petition constitutes delay that weighs in favor of discretionary denial. *Fintiv* explains that “it is often reasonable for a petitioner to wait to file its petition until it learns which claims are being asserted against it in the parallel proceeding.” *Fintiv*, Paper 11 at 11 (footnote omitted). In addition, this Petition was one of four petitions that Petitioner filed on the same day to challenge all of the patents that were asserted in the district court. The Board’s assessment of whether a petitioner filed expeditiously takes account of whether the petitioner was simultaneously preparing other related petitions. *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 17 (PTAB Dec. 1, 2020) (precedential) (“[W]e find that Petitioner’s explanation for the timing of the Petition is reasonable, notwithstanding the closeness to the statutory deadline, particularly in view of the large number of patents and claims challenged in this and Petitioner’s other related petitions for *inter partes* review.”).

For the foregoing reasons, we find that *Fintiv* factor 3 weighs against discretionary denial.

7. *Factor 4: overlap between issues raised in the petition and in the parallel proceeding*

Petitioner contends that this factor “weighs heavily in favor of institution because the Petition presents § 103 issues wholly different from the § 101 issues” that were the basis for the district court’s judgment.

Prelim. Reply 3. Patent Owner argues that

[a]lthough the Petition here raises a § 103 challenge not resolved in the district court litigation, . . . this one factor of six should not stop the Board from exercising its discretion to deny review here, particularly since the same patent claims of the ’986 Patent are at issue in both proceedings.

Prelim. Resp. 9. The parties agree, and the record supports, that the issues in this Petition do not overlap with the issue that was dispositive in the district court's judgment. This factor, therefore, weighs against discretionary denial.

8. *Factor 5: whether the petitioner and the defendant in the parallel proceeding are the same party*

The parties in this proceeding are the same as in the district court proceeding. Pet. 20; Prelim. Resp. 10. Because the Board will be the first to decide the obviousness issues for the same parties as in the district court case, this factor weighs against discretionary denial.

9. *Factor 6: other circumstances that impact the Board's exercise of discretion, including the merits*

The merits of a petition's challenges are part of the "balanced assessment of all the relevant circumstances" that the Board undertakes in the discretionary denial analysis. *Fintiv*, Paper 11 at 14. Patent Owner does not argue that weak merits favor discretionary denial; indeed, the Preliminary Response does not address the merits of Petitioner's challenges at all. *See* Prelim. Resp. 1–15. Patent Owner does argue that Petitioner's delay in filing its Petition supports discretionary denial, Prelim. Resp. 10–11, but we addressed that argument in discussing *Fintiv* factor 3.

Patent Owner further argues that "Petitioner's duplicative petitions directed to the '986 Patent should also be considered in exercising discretion to deny institution." *Id.* at 11. We discuss this issue in the immediately following section.

Consequently, we find that *Fintiv* factor 6 is neutral.

10. *Multiple Petitions*

Patent Owner further argues that "Petitioner's duplicative petitions directed to the '986 Patent should also be considered in exercising discretion

to deny institution.” Prelim. Resp. 11. Specifically, Patent Owner asserts that “after filing petitions directed to the ’412 and ’866 Patents which share the same specification with the ’986 Patent, Petitioner filed *two* petitions challenging *two* independent claims (1 and 18) of the ’986 Patent on two grounds (*Hogeg* or *Hogeg* in view of *Arujunan*).” *Id.*

Petitioner addresses this issue in a Statement Regarding Multiple Petitions, in which it asserts that both this Petition and the petition in the -780 IPR are necessary to address the numerous and voluminous claims of the ’986 patent. *See* Paper 4 at 1. Petitioner explains that the two petitions “rely on related grounds and challenge different sets of dependent claims while maintaining identical arguments for the independent claims.” *Id.* Petitioner cites previous Board decisions that have permitted more than one petition to challenge a large number of claims. *Id.* at 2. Petitioner also notes that the claims are lengthy: the word count for the 34 claims challenged in the two petitions is approximately 10% of the word count limit for a single petition. *Id.* at 3. Moreover, Petitioner contends that the commonalities in the two petitions mean that instituting on both would not unduly burden the Board. *Id.* at 4–5. In response, Patent Owner argues that the Board decisions Petitioner cites addressed larger numbers of claims or dealt with more complex technology. Prelim. Resp. 12–13.

We are satisfied that Petitioner has provided an adequate justification for filing two petitions to challenge the ’986 patent. The Board’s Practice Guide notes that a need to address a large number of claims is one example of a circumstance where more than one petition may be necessary. *See* Patent Trial and Appeal Board, Consolidated Trial Practice Guide, at 59 (Nov. 2019). Beyond the number of challenged claims, it is reasonable for

Petitioner to question how it could effectively challenge in a single petition a claim set that, by itself, fills out 10% of the permissible word count. Finally, Petitioner shows that the two petitions have been structured in a way to minimize the burden on the Board and Patent Owner, by presenting a small number of grounds with consistent arguments that rely on the same art. *See, e.g., Google LLC v. Jenam Tech, LLC*, IPR2021-00629, Paper 11 at 9 (PTAB Sept. 20, 2021) (finding that Petitioner had provided a satisfactory explanation for filing two petitions against a single patent because “[e]ach petition challenges different claims and presents only one ground against each claim,” as opposed to “a situation where a petitioner is using two petitions to lodge multiple parallel challenges to the same claims”).

11. Conclusion

We have considered the circumstances and facts presented to us in view of the *Fintiv* factors. We evaluate these factors with “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Fintiv*, Paper 11 at 6. Considering the *Fintiv* factors with that holistic view, we determine that the facts of this case do not warrant discretionary denial.

B. Discretionary Denial Under § 325(d)

1. Legal Framework

Section 325(d) provides that, in determining whether to institute an *inter partes* review, “the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” The Board uses a two-part framework in determining whether to exercise its discretion under § 325(d): (1) determining “whether the same or substantially the same art

previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office;” and (2) “if either condition of [the] first part of the framework is satisfied, determining whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.” *See Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential) (*Advanced Bionics*). In applying this framework, we consider several non-exclusive factors, including:

- (a) the similarities and material differences between the asserted art and the prior art involved during examination;
- (b) the cumulative nature of the asserted art and the prior art evaluated during examination;
- (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;
- (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art;
- (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and
- (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson & Co. v. B. Braun Melsungen AG, IPR2017-01586, Paper 8 at 17–18 (PTAB Dec. 15, 2017) (precedential as to Section III.C.5, first paragraph) (footnote omitted). If, after review of factors (a), (b), and (d), we determine that the same or substantially the same art or arguments previously were presented to the Office, then factors (c), (e), and (f) relate to whether the petitioner demonstrates that the Office erred in a manner material to the patentability of the challenged claims. *Advanced Bionics*, Paper 6 at 10.

2. *Factual Background*

During prosecution of the '986 patent, the Examiner issued a first Office Action rejecting the claims on the ground of non-statutory double patenting. *See* Ex. 1002, 491–496. In that Office Action, the Examiner further indicated that the claims “would be allowable after the filing of terminal disclaimers” because “[t]he prior art of record neither anticipates not [sic] renders obvious the combination of distribution rule defining a sensor data condition and sensor data.” *Id.* at 498. Patent Owner responded with a terminal disclaimer. *See id.* at 472. The Examiner then allowed the claims. *Id.* at 12.

Patent Owner identified Hogeg to the Examiner in an Information Disclosure Statement during prosecution of the '986 patent. *Id.* at 509. The Examiner indicated consideration of the references listed on the IDS, but did not apply or discuss Hogeg at any point during prosecution. *See id.* at 502.

3. *Part One of the Advanced Bionics Framework*

Petitioner argues that “[t]his isn’t a case where ‘the same or substantially the same prior art or arguments previously were presented to the Office’ during examination.” Pet. 18. Patent Owner argues that “there are no differences whatsoever between the primary reference asserted in the Petition (Hogeg) and that considered by the Patent Office (again, Hogeg)” because the Examiner considered Hogeg during prosecution of the '986 patent and other related patents. Prelim. Resp. 14–15 (emphasis omitted).

We agree with Patent Owner that the same or substantially the same art or arguments were previously considered by the Examiner during prosecution of the '986 patent. There is no dispute that Hogeg was at least considered by the Examiner, even if the Examiner never discussed Hogeg or

applied it in a rejection. *See* Ex. 1002, 502. *Advanced Bionics Part One* asks whether a reference was previously presented to the Office, not whether the Office formed a rejection based on the reference. *See Advanced Bionics*, Paper 6 at 7–8 (“Previously presented art includes art made of record by the Examiner, and art provided to the Office by an applicant, such as on an Information Disclosure Statement (IDS).”). Although Petitioner correctly points out that Arujunan was not of record during prosecution of the ’986 patent, Petitioner relies on Hogeg alone for its challenge to claims 1, 3, 18, and 20. *See* Pet. 11, 18. Under these circumstances, we find *Advanced Bionics Part One* satisfied because the prior art before the Examiner was substantially the same as the prior art relied on in the Petition.

4. *Part Two of the Advanced Bionics Framework*

Petitioner argues that factors (c), (e), and (f) from *Becton, Dickinson*—dealing with examiner error—all favor institution. *See* Pet. 19. According to Petitioner, “[t]he Petition presents extensive additional evidence and facts, including the Parulski Declaration (EX1003) and supporting references, which warrant reconsideration” in that “[t]he Parulski Declaration explains in detail how *Hogeg*, or *Hogeg/Arujunan*, teaches the challenged claims.” *Id.* Petitioner also argues that “[i]f the Examiner had relied on *Hogeg*’s teachings, the challenged claims wouldn’t have issued.” *Id.* To support its allegation of error, Petitioner states, “[a]s the EPO recognized, *Hogeg* explicitly teaches the features [Patent Owner] argued were missing from the prior art.” *Id.*

Patent Owner argues that prosecution of related applications before different Examiners resulted in allowance of allegedly “similar” claims. Prelim. Resp. 14–15. Patent Owner argues that the Examiners did not even

consider Hogege the closest prior art of record and that Petitioner asks the Board to second-guess the Office's previous decision addressing the same issues. *Id.* at 15.

Based on our review of the current record, we find that Petitioner has shown that the Examiner erred in failing to reject the claims based on Hogege. As noted previously, the prosecution history of the '986 patent includes no analysis or discussion of Hogege. "[I]f the record of the Office's previous consideration of the art is not well developed or silent, then a petitioner may show the Office erred by overlooking something persuasive." *Advanced Bionics*, Paper 6 at 10. The Examiner's explanation of why the claims were allowable over the prior art of record focused on "the combination of distribution rule defining a sensor data condition and sensor data." Ex. 1002, 498. However, Petitioner provides a detailed discussion of why Hogege discloses those features. *See* Pet. 35–44, 46–48. In its Preliminary Response, Patent Owner does not contest Petitioner's contentions regarding these limitations (or any other aspect of the merits of Petitioner's challenges). *See* Prelim. Resp. 1–16. As discussed below, we determine on the current record that Petitioner establishes a reasonable likelihood that Petitioner would prevail in demonstrating that the challenged claims would have been obvious based on Hogege. We also find Petitioner's showing sufficient to establish that the Examiner erred.

The parties' reliance on the prosecution of related patents involving allegedly similar claims does not impact the outcome of our analysis. *See* Pet. 19 (mentioning, without elaboration or citation, the EPO rejection of claims); Prelim. Resp. 14–15 (addressing allowance of claims over Hogege and other material). Because we find that Petitioner made a sufficient

showing of Examiner error without relying on the EPO rejection of allegedly similar claims, we need not assess the probative value of the EPO's rejection, the details of which are not discussed in this Petition. As to Patent Owner's reliance on the prosecution history of related claims before different Examiners that considered Hogeg and related materials, those arguments do not undermine Petitioner's showing of Examiner error. First, Patent Owner acknowledges that although the Examiners considered Hogeg, "neither Examiner specifically discussed *Hogeg* in allowing claims" that were at issue. Prelim. Resp. 15. Second, even if the claims in the related applications are "similar" to the challenged claims, Patent Owner's briefing does not provide any detailed analysis of the related claims sufficient to determine how the claims in later applications differ from the challenged claims here, and whether those differences are material. *See id.* at 14–15. Based on the foregoing, we cannot conclude that the Examiners' allowance of the claims in other applications over Hogeg amounted to a finding that Hogeg fails to disclose one of the limitations in the challenged claims here. Further, even if we agreed that such an implicit finding was made during later prosecution, Petitioner's challenge based on Hogeg in the Petition provides more compelling evidence of Examiner error than the prosecution of related claims that lack any direct discussion of Hogeg.

5. *Conclusion*

Based on our review of the current record, we determine that Petitioner has demonstrated that the Examiner erred in a manner material to the patentability of challenged claims. Accordingly, we decline to exercise our discretion to deny institution pursuant to 35 U.S.C. § 325(d).

III. LEVEL OF ORDINARY SKILL IN THE ART

The level of ordinary skill in the art is “a prism or lens” through which we view the prior art and the claimed invention. *Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001). The person of ordinary skill in the art is a hypothetical person presumed to have known the relevant art at the time of the invention. *In re GPAC Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995). In determining the level of ordinary skill in the art, we may consider certain factors, including the “type of problems encountered in the art; prior art solutions to those problems; rapidity with which innovations are made; sophistication of the technology; and educational level of active workers in the field.” *Id.*

Petitioner contends, with accompanying declaration testimony, that a person having ordinary skill in the art “would have had at least a bachelor’s degree, or the equivalent, in electrical engineering, computer science, or a related field, and 2–3 years of experience in research, design, or development of mobile imaging systems and related hardware, software, and firmware, or equivalent experience.” Pet. 21. According to Petitioner, “[a] person with less education but more relevant practical experience, or more education and less experience, may also meet this standard.” *Id.* (citing Ex. 1003 ¶¶ 173–174).

Patent Owner does not dispute Petitioner’s proposed definition of the level of ordinary skill in the art, which appears consistent with the record at this stage of the proceeding, including the prior art. *See GPAC*, 57 F.3d at 1579. For purposes of this Decision, we adopt the definition of the level of ordinary skill in the art proposed by Petitioner.

IV. CLAIM CONSTRUCTION

“In an *inter partes* review proceeding, a claim of a patent . . . shall be construed using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. 282(b).” 37 C.F.R. § 42.100(b) (2020). That standard “includ[es] construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent.” *Id.*; *see also Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc).

Petitioner discusses the claim term “digital media content processing function” in claim 1 but states that “the Board needn’t construe ‘digital media content processing function’ to determine patentability here” because Hogeg teaches that limitation under either a broad or narrow construction. Pet. 25. Patent Owner does not discuss claim construction of any term in its Preliminary Response.

At this stage of the proceeding and based on the current record, we do not discern a need to construe explicitly “digital media content processing function” or any other claim terms. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (stating that “we need only construe terms ‘that are in controversy, and only to the extent necessary to resolve the controversy’” (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).¹⁰

¹⁰ Claim construction, in general, is an issue that may be addressed further at trial. Claim construction will be determined at the close of all the evidence and after any hearing. The parties are expected to assert all of their claim construction arguments and evidence in the remaining briefing during trial, as permitted by our rules.

V. ANALYSIS OF PROPOSED GROUNDS

A. *Legal Standards for Obviousness*

In *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1 (1966), the Supreme Court set out a framework for assessing obviousness under § 103 that requires consideration of four factors: (1) the “level of ordinary skill in the pertinent art,” (2) the “scope and content of the prior art,” (3) the “differences between the prior art and the claims at issue,” and (4) objective indicia (also referred to as “secondary considerations”) of nonobviousness such as “commercial success, long felt but unsolved needs, failure of others, etc.” *Id.* at 17–18; *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 407 (2007). The first *Graham* factor was discussed above in Section III. At this stage of the proceeding, neither party has presented evidence or argument directed to the fourth *Graham* factor. The other two *Graham* factors are discussed below.

B. *Obviousness Based on Hoge*

Petitioner contends that claims 1, 3, 18, and 20 would have been obvious over Hoge. Pet. 25–65. As noted previously, Patent Owner’s Preliminary Response does not present any arguments regarding the merits of Petitioner’s obviousness challenge. *See* Prelim. Resp. 1–16. After considering the arguments and evidence currently of record, we determine that Petitioner has established a reasonable likelihood of prevailing in this ground.

1. *Summary of Hoge*

Hoge “relates to image processing” and to “systems and methods of selectively adjusting visual content on client terminals.” Ex. 1004 ¶ 1.

Figure 1 of Hoge is reproduced below:

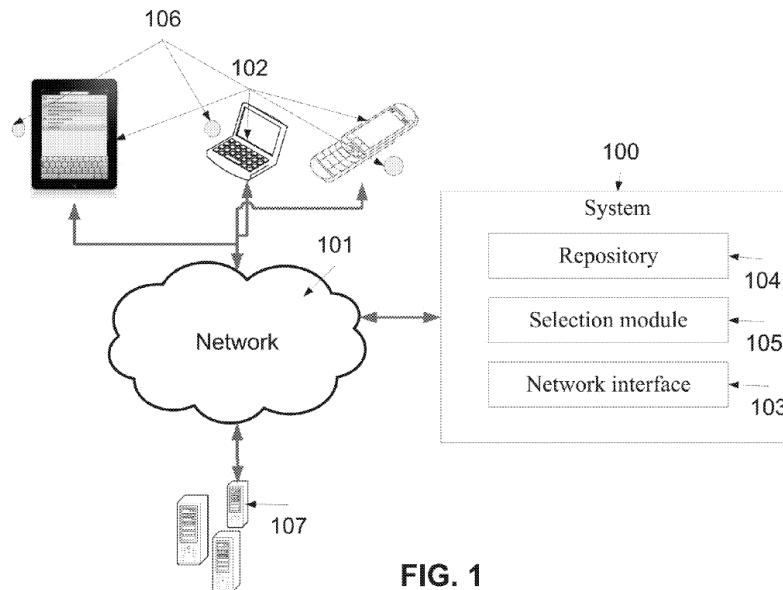


FIG. 1

Figure 1 is “a schematic illustration of a system, which is connected via a communication network, to client terminals and provides thereto a list of functions for editing visual content.” Ex. 1004 ¶ 33. As shown in Figure 1, system 100 is connected, via communication network 101 (such as the Internet) to various client terminals 102, each of which host a local module 106. *Id.* ¶¶ 40, 44. Hoge discloses that system 100 may provide client terminals 102 with “a list of functions for editing visual content, such [as] one or more images or video files.” *Id.* ¶ 40. Using a graphical user interface (GUI), a user can edit images or video on client terminal 102 using the functions provided. *Id.* ¶¶ 40, 41, 44.

Figures 2A and 2B are reproduced below:



FIG. 2A



FIG. 2B

Figures 2A and 2B “are sets of images where each set includes an original image, a color filtered image, and a color filtered image with an overlay addition of the Nike™ logo.” Ex. 1004 ¶ 34. Hoge discloses possible characteristics of the functions using these Figures:

The generated functions may be customized overlays with selected graphic, color filter with selected colors, and/or any other filters which are planned by the user. For example, each one of FIGS. 2A and 2B depicts a set of images the first, marked with (1) is the original, the second, marked with (2) is when a color filter is applied, and the third, marked with (3) is when a color filter is applied with an overlay addition of the Nike™ logo.

Ex. 1004 ¶ 45.

Figure 3 is reproduced below:

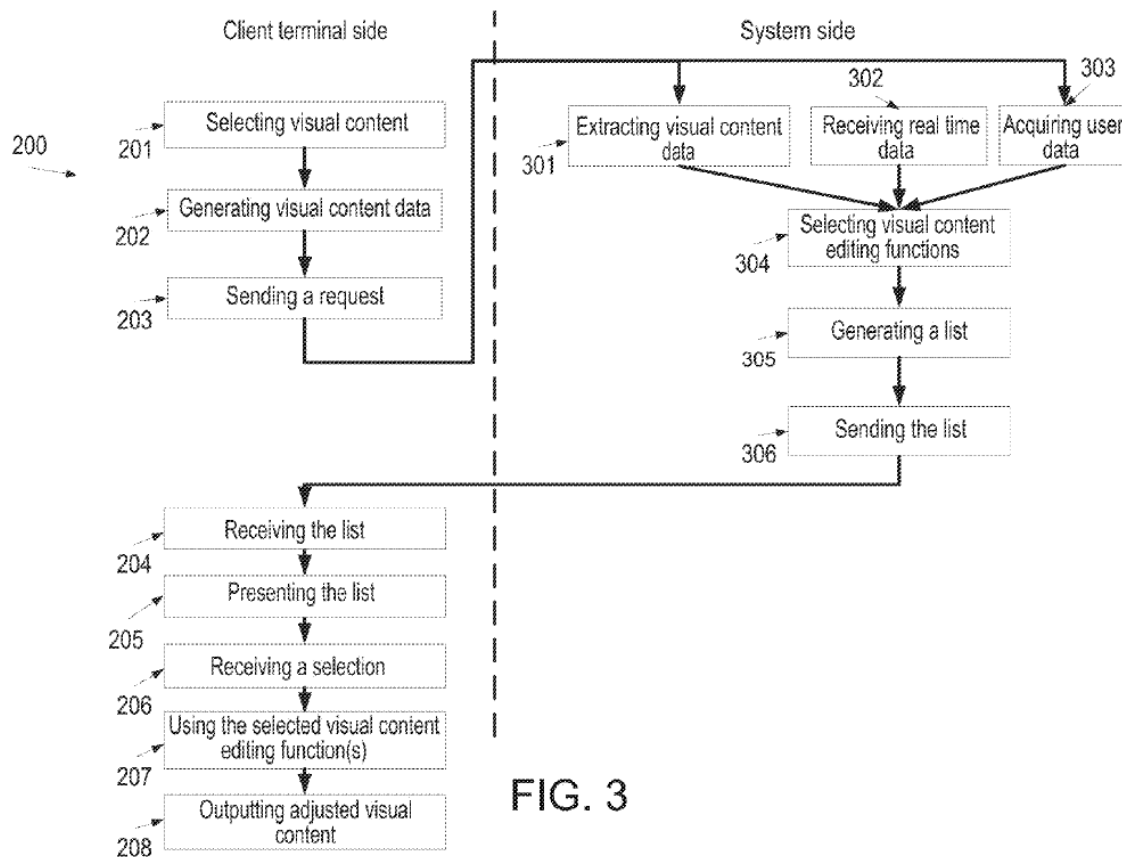


FIG. 3

Figure 3 is “a flowchart of a method for processing visual content using one or more visual content editing functions.” Ex. 1004 ¶ 35. After a user selects visual content on the client terminal side (at step 201), the visual content, which may include GPS data from the terminal, is generated (at step 202). *Id.* ¶¶ 47–49. A request is then sent from the client terminal side (on the left of the dotted vertical line) to the system side (on the right of the dotted vertical line) (at step 203), which culminates in the selection of various “visual content editing functions” (at step 304), and the generation and sending of a list of those functions back to the client terminal (at steps 305 and 306). *Id.* ¶¶ 53–54, 75. If the visual content includes location data, the visual content editing functions selected may be based on the location data. *Id.* ¶¶ 55–63, 73, 74. For example, “if the positional data is indicative

that the visual content was captured in Australia, a visual content editing function which provides an overlay of the Australian flag and/or a sound overlay of the Australian anthem and/or Australian popular music may be selected.” *Id.* ¶ 58. After the client terminal receives and presents the list of visual content editing functions (at steps 204 and 205), a user selects and adjusts the content with the editing function (at steps 206 and 207) before outputting the adjusted content (at step 208). *Id.* ¶¶ 40, 76–79.

2. *Claim 1*

Petitioner argues that Hoge teaches or renders obvious each limitation in claim 1. Regarding [1a], Petitioner argues that if the preamble is limiting, Hoge’s visual content editing function, as implemented over computer network 101, discloses the recited “computerized method of distributing a digital media content processing function.” Pet. 25–30.

Concerning [1b], Petitioner relies on Hoge’s system 100, which includes network servers, as the claimed “at least one hardware processor,” and the visual content editing functions stored in Hoge’s repository 104 as the claimed “one or more digital media content processing functions.” *Id.* at 30–34. Petitioner argues that Hoge teaches that its visual content editing functions are “associated with at least one distribution rule defining a sensor data condition” as claimed because a subset of functions are selected and distributed based on sensed conditions such as client terminal location. *Id.* at 35–44.

Turning to [1c], Petitioner argues that Hoge teaches receiving over network 101 sensor data from client terminals 102 that is determined according to outputs of GPS units of client terminals 102. *Id.* at 44–48. As to [1d], Petitioner argues that Hoge teaches distributing digital media

content processing functions to mobile devices “based on a match between the sensor data condition . . . and the sensor data of the at least one mobile device” as claimed because it describes sending a subset of visual content editing functions to a client terminal based on matching the GPS data from the mobile device with location information related to the visual editing functions stored in system 100. *Id.* at 48–52.

Finally, with respect to [1e], Petitioner asserts that Hoge teaches that “the at least one digital media content processing function is configured to be used by an application executed on the at least one mobile device” as claimed because Hoge describes that its visual content editing function is configured to be used by an app, widget, or add-on in client terminal 102. *Id.* at 52–54. Further, Petitioner asserts that Hoge’s content editing function “process[es] a digital media content to create an output digital media content” as claimed because it processes an image on a client terminal and creates a new image, which is a modified version of the original image. *Id.* at 54–57.

Based on the current record, we determine that Petitioner has established a reasonable likelihood of prevailing in its contention that claim 1 would have been obvious over Hoge.

3. *Claims 3, 18, and 20*

Claim 18 is a system claim that recites many limitations similar to those recited in claim 1. *See* Ex. 1001, 24:55–25:14. Petitioner contends that Hoge teaches or renders obvious each of the limitations of claim 18, referring back to its arguments regarding claim 1 for common subject matter. *See* Pet. 59–65. Claims 3 and 20 recite similar features but depend from different claims: claim 3 depends from claim 1, while claim 20

depends from claim 18. *See* Ex. 1001, 24:3–7, 25:17–21. Petitioner asserts, with detailed citations to the record, that Hogege teaches the limitations of claims 3 and 20. *See* Pet. 57–59, 65. We determine, on the current record, that Petitioner has established a reasonable likelihood of prevailing in its contention that claims 3, 18, and 20 would have been obvious over Hogege.

C. Obviousness Based on Hogege and Arujunan

Petitioner contends that claims 3, 7, 17, 20, 24, and 34 would have been obvious over Hogege in view of Arujunan. Pet. 65–78. As already noted, Patent Owner’s Preliminary Response does not present any arguments regarding the merits of this challenge. *See* Prelim. Resp. 1–16. After considering the arguments and evidence currently of record, we determine that Petitioner has established a reasonable likelihood of prevailing in this ground.

1. Summary of Arujunan

Arujunan “relates to image capture devices which provide guidance for capturing images at different locations.” Ex. 1005 ¶ 3. Arujunan teaches capturing digital images and processing the images “to provide a different image appearance.” *Id.* ¶ 51. Arujunan discloses processing the captured images, for example, (1) “so that the newly captured images appear to be older photographs, such as daguerreotypes” (*id.*), (2) “to provide an image having a different color tint, contrast, or external shape, so that it has a more suitable appearance when positioned in a photo product as part of an advertisement for a product or service” (*id.*), and (3) to convert a face of a person “from a color to a monochrome image, and composite the image of the face into one of a plurality of prestored newspaper templates, so that the newly captured images appears to be a photograph in a historic newspaper

related to a historic site which serves as the theme of the experience” (*id.* ¶ 92). *See also id.* ¶ 50 (“In some embodiments, the processor 292 in the computer system 286 modifies the appearance of one or more of the captured digital images, so that it has a more suitable appearance when incorporated into the photo product.”).

2. *Analysis*

Petitioner asserts that Hoge teaches visual content modification using such techniques as color filters or overlaying text, but that Arujunan teaches additional editing functionality such as cropping or antiquing. Pet. 66. According to Petitioner, an ordinarily skilled artisan would have been motivated to incorporate into Hoge’s system the additional editing functions taught in Arujunan in order to provide “a more ‘dynamic, compelling, photo-based experience responsive to the user, situation, and conditions.’” *Id.* at 66–67 (quoting Ex. 1005 ¶ 10). Petitioner additionally contends that an ordinarily skilled artisan would have had a reasonable expectation of success in modifying Hoge’s image medication techniques with those of Arujunan “because of the close similarities in the systems and techniques” in these two references. *Id.* at 68. Petitioner asserts, with detailed citations to the record, that the proposed combination of Hoge and Arujunan teaches the limitations of claims 3, 7, 17, 20, 24, and 34. *See id.* at 70–78. We determine, on the current record, that Petitioner has established a reasonable likelihood of prevailing in its contention that claims 3, 7, 17, 20, 24, and 34 would have been obvious over Hoge in view of Arujunan.

VI. CONCLUSION

For the foregoing reasons, we determine that Petitioner has shown a reasonable likelihood of prevailing in its ground. We also determine that

discretionary denial is not warranted under the circumstances presented here. Accordingly, we institute an *inter partes* review as to all claims challenged in the Petition. *See SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1359–60 (2018); Consolidated Trial Practice Guide, at 5 (Nov. 2019).

VII. ORDER

For the reasons given, it is:

ORDERED that, pursuant to 35 U.S.C. § 314(a), institution of an *inter partes* review on the grounds presented in the Petition is granted; and

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

IPR2021-00781
Patent 10,108,986 B2

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