UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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OLYMPUS CORPORATION, OLYMPUS CORPORATION OF THE AMERICAS, and OLYMPUS AMERICA INC.,
Petitioner,

v.

MAXELL, LTD.,
Patent Owner.

_____

Case IPR2018-00905
Patent 6,856,760 B2

_____

Before LYNNE E. PETTIGREW, MINN CHUNG, and TERRENCE W. McMILLIN, *Administrative Patent Judges*.

PETTIGREW, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
*35 U.S.C. § 314(a)*

## I. INTRODUCTION

Olympus Corporation, Olympus Corporation of the Americas, and Olympus America Inc. (collectively, "Petitioner") filed a Petition for *inter partes* review of claims 1–15 of U.S. Patent No. 6,856,760 B2 (Ex. 1001, "the '760 patent"). Paper 2 ("Pet."). Maxell, Ltd. ("Patent Owner") filed a Preliminary Response. Paper 6 ("Prelim. Resp."). Petitioner filed an authorized Reply to the Preliminary Response. Paper 8 ("Pet. Reply to Prelim. Resp.").

Institution of an *inter partes* review is authorized when "the information presented in the petition . . . and any response . . . shows that 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 evidence and arguments presented in the Petition and Preliminary Response,[1] we conclude that the information presented does not show there is a reasonable likelihood that Petitioner would prevail in establishing the unpatentability of any challenged claim of the '760 patent. For the reasons explained below, we decline to institute an *inter partes* review of claims 1–15 of the '760 patent.

[1] We have not considered Petitioner's Reply to the Preliminary Response, which addresses only Patent Owner's argument that we should exercise our discretion to deny the Petition under 35 U.S.C. § 325(d) because the same prior art and substantially the same arguments as those presented in the Petition were previously presented during prosecution of the '760 patent. *See* Prelim. Resp. 14–29; Pet. Reply to Prelim. Resp. 1. We do not reach that issue because we deny the Petition on other grounds.

### *A. Related Matters*

The parties indicate that the ’760 patent has been asserted in the following district court action: *Maxell, Ltd. v. Huawei Device USA Inc. et al.*, Case No. 5:16-cv-00178-RWS (E.D. Tex.). Pet. 2; Paper 5, 1 (Patent Owner’s Mandatory Notices).

### *B. The ’760 Patent*

The ’760 patent generally relates to recording and reproducing still and moving pictures to and from a recording medium. Ex. 1001, 1:11–14. In one embodiment, the ’760 patent describes a digital camera that records still images using two different recording methods and records thumbnail images to be used when searching images on a display device. *Id.* at 8:31–9:12, 9:33–50.

Figure 3 of the ’760 patent is reproduced below:

**FIG.3**

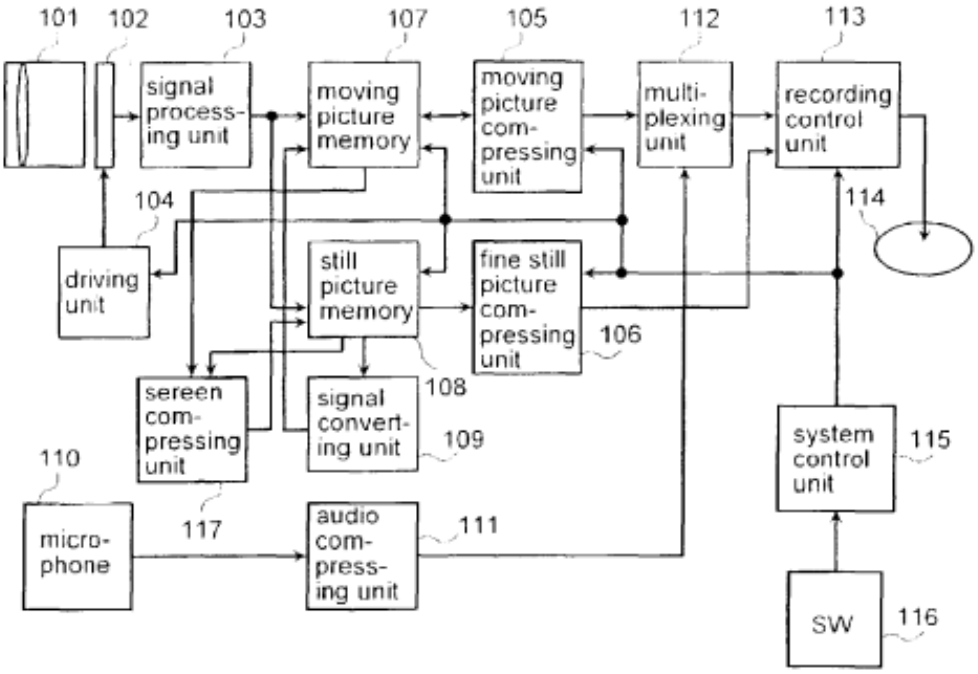

Figure 3 is a system block diagram of a camera disclosed in the '760 patent. *Id.* at 5:41–43. The camera includes moving picture compressing unit 105 for compressing video[2] signals in accordance with a moving picture encoding standard such as MPEG (Moving Picture Experts Group). *Id.* at 8:42–45. The camera also includes fine still picture compressing unit 106 for compressing video signals in accordance with a fine still picture encoding standard such as JPEG (Joint Photographic Experts Group). *Id.* at 8:45–48. Moving picture memory 107 and still picture memory 108 store picture data temporarily during compressing operations. *Id.* at 8:48–57.

When still picture photographing is selected by switch 116, fine still picture compressing unit 106 generates still picture file data that are recorded on recording medium 114. *Id.* at 9:33–36. Signal converting unit 109 converts fine still picture signals to the same signal format as that of single frame moving picture signals and stores them in moving picture memory 107. *Id.* at 8:53–56. Then moving picture compressing unit 105 compresses the signals to MPEG I still pictures using an MPEG encoding process and stores them on recording medium 114. *Id.* at 7:7–10, 9:36–39. This method allows still pictures to be reproduced on a player typically used to reproduce MPEG-encoded moving images, so that only one device is needed to decode both moving and still images. *Id.* at 7:12–17. According to the '760 patent, converting JPEG fine still pictures using an MPEG encoding process as described results in higher resolution MPEG pictures

[2] In the '760 patent, the term "video" encompasses both moving and still pictures. *See* Ex. 1001, 2:50–51 (referring to "a video recording apparatus that can record both moving and still pictures on a recording medium").

than conventional techniques that encode moving pictures as still pictures in an MPEG I format. *See id.* at 1:33–61, 2:19–29.

The camera in Figure 3 also includes screen compressing unit 117, which creates thumbnail pictures by compressing still pictures stored in still picture memory 108 to a smaller screen size and storing them again in still picture memory 108. *Id.* at 9:9–12, 9:39–45. After that, fine still picture processing unit 106 compresses the thumbnail pictures stored in still picture memory 108 and records the thumbnail file data on recording medium 114. *Id.* at 9:45–50. Thus, in this embodiment, a still picture encoded by first and second encoding methods (e.g., JPEG and MPEG) and a corresponding thumbnail picture are stored on the recording medium.

Figure 5 of the ’760 patent is reproduced below:

FIG.5

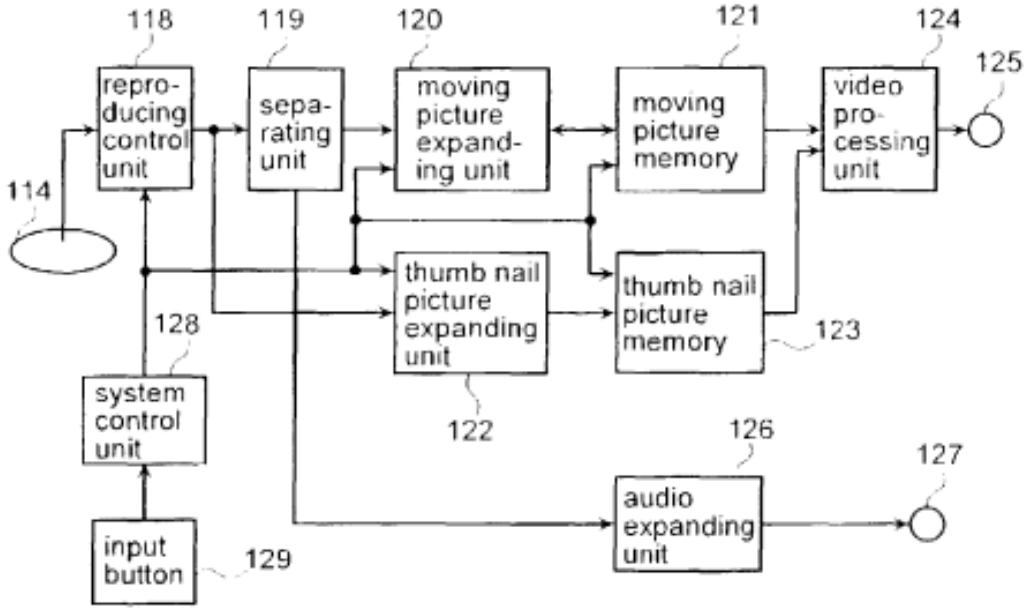

Figure 5 is a system block diagram of a video reproducing apparatus in accordance with an embodiment described in the '760 patent. *Id.* at 5:46–47. The reproducing apparatus includes, among other elements, moving picture expanding unit 120 and thumbnail picture expanding unit 122, which, via reproducing control unit 118, obtain picture data files from recording medium 114. *Id.* at 11:34–46. Video processing unit 124 converts expanded pictures to video signals. *Id.* at 11:34–36. System control unit 128 controls the system to display a list of thumbnail pictures via video processing unit 124, video output terminal 125, and an external display. *Id.* at 12:7–18. The user selects a thumbnail, and a data file corresponding to the selected thumbnail is selected from two types of still picture data files (e.g., MPEG moving picture format or JPEG fine still picture format) and provided to the output terminal. *Id.* at 12:36–67.

### *C. Illustrative Claims*

Petitioner challenges all claims (i.e., claims 1–15) of the '760 patent. Claims 1, 4, 7, 10, and 13 are independent. Claims 1 and 4 are illustrative of the claimed subject matter:

> 1. A machine-readable recording medium comprising:
>
> a first still picture recorded thereon encoded by a first encoding method[], wherein the first still picture having descriptive information associated therewith to allow a machine to recognize and decode the first still picture for display;
>
> a second still picture recorded thereon encoded by a second encoding method, wherein the second still picture having descriptive information associated therewith to allow the machine to recognize and decode the second still picture for display, wherein the second encoding method is different from the first encoding method; and

a picture recorded thereon corresponding to said first and second still pictures, which has a smaller number of pixels than said first and second still pictures, wherein the picture having descriptive information associated therewith to allow the machine to recognize and decode the picture for display;

wherein said first still picture, said second still picture and said picture are related pictures derived from common signal data.

4. A video reproducing method, comprising:

reproducing at least a first still picture, a second still picture and a picture from a recording medium, wherein said first still picture is encoded by a first encoding method, said second still picture is encoded by a second encoding method different from the first encoding method, and said picture corresponds to said first and second still pictures and has a smaller number of pixels than said first and second still pictures, and wherein said first still picture, said second still picture and said picture are related pictures derived from common signal data;

outputting a plurality of pictures from the reproducing operation; and

outputting said first still picture corresponding to a selected picture.

Ex. 1001, 14:43–64, 15:7–23.

### *D. Asserted Grounds of Unpatentability*

Petitioner asserts the following grounds of unpatentability against the challenged claims of the '760 patent (Pet. 6):

| Reference(s) | Basis | Challenged Claim(s) |
|---|---|---|
| Ishikawa[3] | § 102(b)[4] | 1 |
| Ishikawa | § 103(a) | 2 and 3 |
| Takaichi[5] and Ishikawa | § 103(a) | 4–15 |

Petitioner also relies on the Declaration of Dr. Majid Rabbani (Ex. 1006).

## II. DISCUSSION

### *A. Claim Construction*

In an *inter partes* review, we construe claim terms in an unexpired patent according to their broadest reasonable construction in light of the specification of the patent in which they appear. 37 C.F.R. § 42.100(b) (2017); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144–46 (2016) (upholding the use of the broadest reasonable interpretation standard).

[3] Japanese Laid Open Patent Application No. 10-108133, published Apr. 24, 1998 (Ex. 1002, "Ishikawa," which includes both the original Japanese language version and a certified English translation).
[4] The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) ("AIA"), amended 35 U.S.C. §§ 102 and 103. Because the '760 patent has an effective filing date before the effective date of the applicable AIA amendments, we refer to the pre-AIA version of §§ 102 and 103.
[5] Japanese Laid Open Patent Application No. 10-164483, published June 19, 1998 (Ex. 1004, "Takaichi," which includes both the original Japanese language version and a certified English translation).

Consistent with the broadest reasonable construction, claim terms are presumed to have their ordinary and customary meaning as understood by a person of ordinary skill in the art in the context of the entire patent disclosure. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007). Although Petitioner asserts that the '760 patent will expire on September 20, 2019, neither party requested a district court-type claim construction by filing a motion pursuant to 37 C.F.R. § 42.100(b) and certifying that the '760 patent will expire within eighteen months from the Notice of Filing Date Accorded to Petition in this case. *See* Pet. 17. Accordingly, we apply the broadest reasonable construction for purposes of this decision.

Petitioner contends that several claim terms in independent claims 10 and 13 containing the word "means" should be construed under 35 U.S.C. § 112, sixth paragraph,[6] and proposes specific constructions for those terms. Pet. 18–23. Petitioner further contends that, for purposes of this decision, all other terms should be afforded their ordinary and customary meaning. *Id.* at 17. With one exception not relevant to this decision, Patent Owner does not contest Petitioner's proposed constructions, nor does Patent Owner propose any claim constructions of its own. Prelim. Resp. 10–11.

For purposes of this decision, we determine that none of the terms construed by the parties require express construction. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed.

[6] The AIA re-designated 35 U.S.C. § 112, sixth paragraph, as § 112(f). Because the '760 patent has an effective filing date before the effective date of the applicable AIA amendments, we refer to the pre-AIA version of § 112.

Cir. 2017) (citing *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)) (holding that only claim terms in controversy need to be construed, and only to the extent necessary to resolve the controversy). To the extent it is necessary for us to construe any other claim language, we do so below in the context of analyzing whether the information presented shows a reasonable likelihood that Petitioner would prevail in establishing the unpatentability of the challenged claims.

### *B. Relevant Principles of Law*

In order to anticipate a claim, a prior art reference must show all of the limitations of the claim arranged or combined in the same way as recited in the claim. *Net MoneyIN, Inc. v. Verisign, Inc.*, 545 F.3d 1359, 1370 (Fed. Cir. 2008). A claim is unpatentable under § 103(a) if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations, including (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of skill in the art;[7] and (4) when in evidence, objective indicia of

[7] Relying on the testimony of Dr. Rabbani, Petitioner offers an assessment of the level of ordinary skill in the art at the time of the invention of the '760 patent. Pet. 15–16 (citing Ex. 1006 ¶¶ 46–47). Patent Owner does not offer an alternative assessment. To the extent necessary, and for purposes of this decision, we accept the assessment offered by Petitioner as it is consistent with the '760 patent and the asserted prior art.

non-obviousness (i.e., secondary considerations).[8] *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966). "To satisfy its burden of proving obviousness, a petitioner cannot employ mere conclusory statements. The petitioner must instead articulate specific reasoning, based on evidence of record, to support the legal conclusion of obviousness." *In re Magnum Oil Tools Int'l, Ltd.*, 829 F.3d 1364, 1380 (Fed. Cir. 2016).

### *C. Overview of Asserted Prior Art References*

#### *1. Ishikawa*

Ishikawa discloses an imaging device and control method "to allow photographed image data to be easily read and reproduced even by information processing devices that have different types of environments." Ex. 1002 ¶ 8. The imaging device includes "an encoding means for performing a plurality of differing encoding processes for the image data . . . imaged by the imaging means." *Id.* ¶ 9. The "plurality of encoded image data" are then stored "in a predetermined storage medium." *Id.*

Ishikawa discloses a first embodiment directed to processing still images. *Id.* ¶¶ 10–34. In that embodiment, an image is captured, converted to a digital signal, and stored temporarily in an image memory. *Id.* ¶¶ 12–14. The image signal undergoes a first encoding process based on, for example, the JPEG format. *Id.* ¶¶ 15–16. The encoded image data are stored in a later-stage memory along with "an arbitrarily formatted header and footer" generated by the CPU and containing, for example, "information for date and time of photographing or the like." *Id.* ¶ 17.

[8] Neither party presents arguments or evidence of secondary considerations, which therefore do not constitute part of our analysis.

Next, a second encoding process is performed on the image signal data stored in the image memory. *Id.* ¶ 19. The second encoding generates a "small image, wherein the image size is thinned compared to the amount of data used in the first encoding process," and converted to RGB format. *Id.* ¶¶ 19–20. This reduced size image, or thumbnail image, is stored in the later-stage memory with "a header and a footer for RGB signal data" generated by the CPU. *Id.* ¶ 20.

Ishikawa also discloses that "$n^{th}$ encoded data can be further generated using the same image signal by way of an $n^{th}$ encoding format such as one wherein only the compression ratio is changed during encoding, one wherein only the luminance information is encoded, and the like." *Id.* ¶ 21. Ishikawa further explains that in this embodiment, "the first encoding and the second encoding were processed in order, but the order may be reversed, and three or more encodings may be performed in any order." *Id.* ¶ 32.

*2. Takaichi*

Takaichi discloses an image data storage device that records still images or moving images and stores them on a recording medium. Ex. 1004 ¶¶ 8, 14. Takaichi further discloses compressing (i.e., encoding) still images and moving images in accordance with, for example, the JPEG and MPEG standards, respectively. *Id.* ¶ 22. To allow a user to find a desired image from a plurality of stored images, Takaichi also discloses recording low-resolution index image data, i.e., thumbnails, corresponding to the still or moving images. *Id.* ¶ 21. Index images are encoded using, for example, the JPEG standard. *Id.* In the preferred embodiment, the storage device is an image transmitter that transmits index images to an image receiver, allowing the user to select an image to be displayed, and then transmits the selected

still image or moving image. *Id.* ¶ 6, Fig. 1. Takaichi also states that the system can be implemented as a standalone camera containing both the image transmitter and image receiver. *Id.* ¶ 31.

*D. Asserted Unpatentability of Claims 1–3 Based on Ishikawa*

Petitioner contends that independent claim 1 is anticipated under 35 U.S.C. § 102(b) by Ishikawa and that dependent claims 2 and 3 are unpatentable under 35 U.S.C. § 103(a) as obvious over Ishikawa. Pet. 23–38. Citing the declaration of Dr. Rabbani for support, Petitioner alleges that Ishikawa discloses each limitation of claim 1 and that it would have been obvious to a person of ordinary skill in the art to implement the additional limitations recited in claims 2 and 3. *Id.* (citing Ex. 1006 ¶¶ 67–78, 92, 404, 407–409, 411–413, 415–418). In response, Patent Owner argues that the Petition fails to show that Ishikawa discloses or renders obvious certain limitations. Prelim. Resp. 29–40. As discussed below, we agree with Patent Owner that Petitioner has not demonstrated a reasonable likelihood of prevailing on these grounds.

Claim 1 recites a machine-readable recording medium on which are recorded a first still picture encoded by a first encoding process, a second still picture encoded by a second encoding process different from the first encoding process, and a picture with a smaller number of pixels than the first and second pictures. Ex. 1001, 14:43–45, 14:49–50, 14:53–55, 14:56–58. Petitioner points to Ishikawa's image data encoded using a first encoding process based on JPEG as disclosing the claimed first still picture. Pet. 30 (citing Ex. 1002 ¶¶ 15–16). For the second still picture encoded by a second encoding method, Petitioner relies on Ishikawa's disclosure of "$n^{th}$ encoded data . . . generated using the same image signal by way of an $n^{th}$ encoding

format." *Id.* at 32–34 (citing Ex. 1002 ¶ 21). Finally, Petitioner cites Ishikawa's small image, which is encoded using RGB format and stored as thumbnail data, as disclosing the claimed picture with a smaller number of pixels. *Id.* at 34–36 (citing Ex. 1002 ¶¶ 19, 22).

Claim 1 also requires that the first still picture, second still picture, and picture each have "descriptive information associated therewith to allow a machine to recognize and decode" them for display. Ex. 1001, 14:46–48, 14:51–55, 14:59–61. The term "descriptive information" does not appear in the '760 patent outside of the claims. As the file history indicates, the applicant added the phrase "having descriptive information associated therewith to allow a machine to recognize and decode the . . . picture for display" to each "picture" limitation in claim 1 during prosecution of the application that led to the '760 patent. Ex. 1008, 14 (showing amended claim language). In remarks accompanying the amendment, the applicant asserted: "It is respectfully submitted that it was well within the purview of those skilled in the art to be able to implement some type of *descriptive information* (*e.g.*, *header*, *filename extension*, etc.) associated with the respective pictures so as to allow the machine to recognize and decode the pictures." *Id.* at 21 (emphasis added).

In view of the amendment and remarks made by the applicant during prosecution, Petitioner advances two reasons why Ishikawa discloses the "descriptive information" limitations of claim 1. Pet. 31–32, 34–36. First, relying on the testimony of Dr. Rabbani, Petitioner contends that, with respect to the first still picture and the picture with a smaller number of pixels (i.e., the thumbnail image), a person of ordinary skill in the art would have understood Ishikawa's CPU-generated "arbitrarily formatted header

and footer" to include the type of "descriptive information" the '760 patent contemplates. *Id.* at 31 (citing Ex. 1006 ¶¶ 92, 407); *see* Ex. 1002 ¶ 17 ("[T]he CPU generates an arbitrarily formatted header and footer (for example, information for date and time of photographing or the like) for the [first] encoded image and records the same with the image data in the memory 111."); *id.* ¶ 20 ("[I]n the same manner as in the first encoding process, the CPU 106 generates and records a header and a footer for RGB signal data as necessary."). Second, for all three "descriptive information" limitations, including the descriptive information associated with the second still picture, Petitioner points to Ishikawa's disclosure "that external equipment (e.g., a computer) accesses a data file (e.g., the first or second encoded data) through its OS (operating system) and such image data is displayed there." Pet. 31 (citing Ex. 1002 ¶¶ 30–31); *see also id.* at 34 (same); *id.* at 36 (same). In view of this disclosure, Petitioner submits that a person of ordinary skill in the art "would understand that each image file has its file name with extension . . . through which an OS can access the file and display it," thereby satisfying the claimed "descriptive information associated therewith to recognize and decode" each picture for display. *Id.* at 31, 34, 36.

We agree with Patent Owner that the Petition fails to show that Ishikawa discloses each picture "having descriptive information associated therewith to allow a machine to recognize and decode the . . . picture for display." *See* Prelim. Resp. 35–39. With respect to Petitioner's first argument, Petitioner does not explain how Ishikawa's arbitrarily formatted header and footer contain descriptive information that "allow[s] a machine to recognize and decode" a picture for display, as the claim language

requires. *See* Pet. 31. The only example of header or footer information in Ishikawa is the date and time of photographing, and Petitioner does not identify any disclosure in Ishikawa that such information may be used to decode a picture for display. *See id.*

Nor does the cited testimony of Dr. Rabbani support Petitioner's argument regarding Ishikawa's header and footer. In paragraph 92 of his declaration, Dr. Rabbani describes information that a decoder needs to reproduce an original image from a decoded bitstream, such as image dimensions, whether the image is grayscale or color, and the values of all compression parameters and settings used in compressing the image. Ex. 1006 ¶ 92. Dr. Rabbani testifies that most of the required information for decoding a compressed JPEG image is found in the JPEG header but that some information may be contained in the header of a more general file format that wraps around the JPEG bitstream. *Id.* Paragraph 407 of Dr. Rabbani's declaration quotes the statement from the file history of the '760 patent regarding descriptive information, refers back to paragraph 92 of his declaration, and asserts that a person of ordinary skill in the art "would have known that such information is necessary for a device to recognize and play back an image." *Id.* ¶ 407. These cited portions of Dr. Rabbani's declaration, however, do not discuss Ishikawa at all, and therefore provide insufficient evidentiary support for Petitioner's contention that a person skilled in the art would understand Ishikawa's arbitrarily formatted header and footer to include "descriptive information" as recited in claim 1 of the '760 patent.

Petitioner's second argument regarding file name extensions fares no better. Petitioner provides no support for its statement that a person of

ordinary skill in the art would understand that each image file in Ishikawa has a file name with an extension through which an operating system can access the file and display it. *See* Pet. 31–32. For example, the Petition does not rely on Dr. Rabbani's testimony, nor do we see any discussion of this issue in his declaration. *See id.*; *see generally* Ex. 1006. Furthermore, no portion of Ishikawa, including the two paragraphs cited by Petitioner, discusses file name extensions or otherwise discloses descriptive information that would allow a machine to decode a picture for display. *See* Ex. 1002 ¶¶ 30–31. Moreover, even if Ishikawa did disclose file name extensions, the Petition fails to explain how a file name extension provides sufficient descriptive information allowing a machine both to recognize and to decode a picture. *See* Pet. 31–32. Thus, Petitioner's position is merely unsupported attorney argument and is unpersuasive on the record before us.

For these reasons, Petitioner has not made a sufficient showing that Ishikawa discloses each and every limitation of claim 1. Accordingly, the information presented does not demonstrate a reasonable likelihood that Petitioner would prevail in establishing that claim 1 is anticipated by Ishikawa.

Petitioner's arguments regarding alleged obviousness of dependent claims 2 and 3 over Ishikawa do not cure the deficiency discussed above with respect to the "descriptive information" limitation of claim 1. *See* Pet. 37–38. Accordingly, for the same reasons discussed above, the information presented does not demonstrate a reasonable likelihood that Petitioner would prevail in establishing that claims 2 and 3 would have been obvious over Ishikawa.

### *E. Asserted Obviousness of Claims 4–15 over Takaichi and Ishikawa*

In contrast to claim 1, which is directed to a machine-readable recording medium, claims 4–15 of the '760 patent are directed to either a video reproducing method (claims 4–9) or a video reproducing apparatus (claims 10–15). Petitioner contends that claims 4–15 are unpatentable under 35 U.S.C. § 103(a) as obvious over the combined teachings of Takaichi and Ishikawa. Pet. 38–69. Relying on the declaration of Dr. Rabbani for support, Petitioner alleges that Takaichi teaches every limitation of claims 4–15 except "reproducing . . . a second still picture . . . from a recording medium, wherein said . . . second still picture is encoded by a second encoding method different from the first encoding method." *Id.* at 38–39, 54–69; *see* Ex. 1006 ¶¶ 452–494. For that limitation, Petitioner relies on Ishikawa's description of a plurality of different encoding processes. Pet. 39 (citing Ex. 1002 ¶ 9).

Petitioner also alleges that a person of ordinary skill in the art would have had reason to incorporate Ichikawa's "flexible encoding scheme" into Takaichi to create a system that could reproduce the same still image in more than one format. *Id.* at 39–54 (citing Ex. 1006 ¶¶ 419–451). Specifically, Petitioner asserts that Takaichi recognizes the compatibility issues inherent between an encoding method used in an imaging device and a decoding method used in a playback device. Pet. 41–44. Petitioner then contends that Ishikawa provides a solution to the compatibility issues—a method for encoding the same image using a plurality of encoding methods. *Id.* at 44–46. According to Petitioner, incorporating Ishikawa's "$n^{th}$ encoding format" into Takaichi's camera to address the alleged

compatibility issues would have been "straightforward and desirable" and would have provided "known benefits." *Id.* at 46–54.

Patent Owner argues, among other things, that Petitioner fails to carry its burden to show why one of ordinary skill in the art would have combined the references in the manner proposed by Petitioner. Prelim. Resp. 42–44. We agree with Patent Owner. In particular, we are persuaded that Petitioner's asserted rationale for combining Ishikawa with Takaichi rests on a "flawed premise." *See id.* at 42. Petitioner's reasoning for why a person of ordinary skill in the art would have combined the references in the manner asserted is based on Takaichi's alleged recognition of compatibility issues arising from the choice of an encoding method used in an imaging device, i.e., the possibility that the encoding method will not be compatible with the decoding method in a playback device. *See* Pet. 41–44. As Patent Owner asserts, however, Takaichi does not actually recognize such compatibility issues. *See* Prelim. Resp. 42. Rather, the data expansion unit in Takaichi that receives and decodes image files simply "expands the compressed image data by a method that corresponds to the compression method in the image data compression unit." Ex. 1004 ¶ 20. Thus, Takaichi appears to assume that the receiving unit has the ability to decompress the image data.

Petitioner cites Takaichi's disclosure of various receiving devices such as "video cameras, digital cameras, scanners, and the like," but does not point to any discussion in Takaichi of compatibility issues associated with these devices. Pet. 42 (citing Ex. 1004 ¶ 2); *see* Prelim. Resp. 43. Petitioner also refers to Takaichi's disclosure of a plurality of encoding methods, including MPEG and JPEG, but again does not identify any

reference in Takaichi to compatibility issues between image formats and receivers. Pet. 42 (citing Ex. 1004 ¶¶ 9, 11); *see* Prelim. Resp. 43.

Relying on Dr. Rabbani's testimony, Petitioner further asserts that a person of ordinary skill in the art "would realize that such dedicated devices [(i.e., video cameras, digital cameras, etc.)] would likely have limitations on the types of encoding methods they are able to decode" and that "[e]ach encoding method would require receiving devices having a specific decoder, further indicating the compatibility issue." Pet. 42–43 (citing Ex. 1006 ¶ 421). Dr. Rabbani's declaration, however, repeats verbatim the same conclusory assertions as the Petition without additional evidentiary support. *Compare* Ex. 1006 ¶ 421, *with* Pet. 42–43. Therefore, Dr. Rabbani's testimony on this point is entitled to little or no weight. *See* 37 C.F.R. § 42.65(a).

For at least these reasons, we are persuaded that Petitioner has not articulated reasoning with rational underpinnings for why a person of ordinary skill in the art would have modified Takaichi's system, which compresses a still image using one encoding method and decompresses it using a corresponding decoding method, to have the ability to reproduce a first still picture and second still picture derived from common signal data and encoded by two different encoding methods, as required in claims 4–15. Thus, the information presented does not show a reasonable likelihood that Petitioner would prevail in establishing that claims 4–15 would have been obvious over the combination of Takaichi and Ishikawa.

## III. CONCLUSION

After considering the evidence and arguments presented in the Petition and Preliminary Response, we determine the information presented

does not demonstrate a reasonable likelihood that Petitioner would prevail in showing that at least one of the challenged claims of the ’760 patent is unpatentable.

## IV. ORDER

Accordingly, it is:

ORDERED that the Petition is *denied*, and no *inter partes* review is instituted.

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