Trials@uspto.gov
Tel: 571-272-7822

Paper 12
Entered: May 7, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

E-WATCH, INC.,
Patent Owner.

Case IPR2015-00411
Patent 7,365,871 B2

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

LEE, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
37 C.F.R. § 42.108

I. INTRODUCTION

On December 11, 2014, Petitioner ("Apple") filed a Petition requesting an *inter partes* review of claims 1–15 of U.S. Patent No. 7,365,871 B2 (Ex. 1001, "the '871 patent"). On April 9, 2015, Patent Owner, e-Watch, Inc. ("e-Watch"), filed a Preliminary Response (Paper 11, "Prelim. Resp."). We have jurisdiction under 35 U.S.C. § 314.

The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a) which provides:

> THRESHOLD.—The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 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.

Upon consideration of the Petition and the Preliminary Response, we determine that Apple has not demonstrated a reasonable likelihood of prevailing in showing the unpatentability of any of claims 1–15 of the '871 patent. Accordingly, we do not institute an *inter partes* review for any of these challenged claims.

A. Related Proceedings

Apple identifies these related cases involving the '871 patent: (1) *e-Watch, Inc. v. Apple Inc.*, No. 2:13-CV-1061 (JRG/RSP) (E.D. Tex.), to which the following case numbers in the same tribunal are consolidated: CV-1062, 1063, 1064, 1069, 1070, 1071, 1072, 1073, 1074, 1075, 1077, and 1078; (2) IPR2014-00439 (PTAB); (3) IPR2014-00987 (PTAB); (4) IPR2015-00412 (PTAB); (5) IPR2015-00413 (PTAB); (6) IPR2014-00402

(PTAB); (7) IPR2014-00404 (PTAB); (8) IPR2014-00406 (PTAB); (9) IPR2015-00541 (PTAB); (10) IPR2015-00610 (PTAB); and (11) IPR2015-00612 (PTAB). Paper 2, 51; Paper 9, 1. e-Watch identifies an additional civil action involving the '871 patent: *e-Watch, Inc. v. Huawei Technologies Co., Ltd.*, No. 2:13-CV-01076 (E.D. Tex.). Paper 4, 3.

B. The '871 Patent

The '871 patent relates generally to "image capture and transmission systems and is specifically directed to an image capture, compression, and transmission system for use in connection with land line and wireless telephone systems." Ex. 1001, 1:17–20. According to the '871 patent, the system "is particularly well suited for sending and/or receiving images via a standard Group III facsimile transmission system and permits capture of the image at a remote location using an analog or digital camera." *Id.* at 5:3–6.

Figure 1 of the '871 patent is reproduced below.

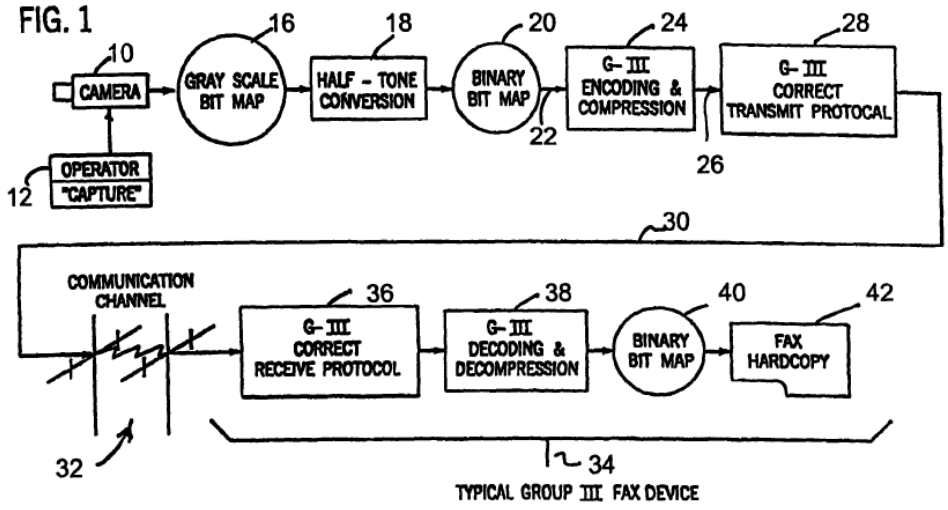

Figure 1 is a block diagram of a basic facsimile camera configuration for capturing an image via a camera and transmitting it via Group III facsimile transmission to a standard hard copy medium. *Id.* at 4:27–30.

Figure 7A of the ’871 patent is reproduced below.

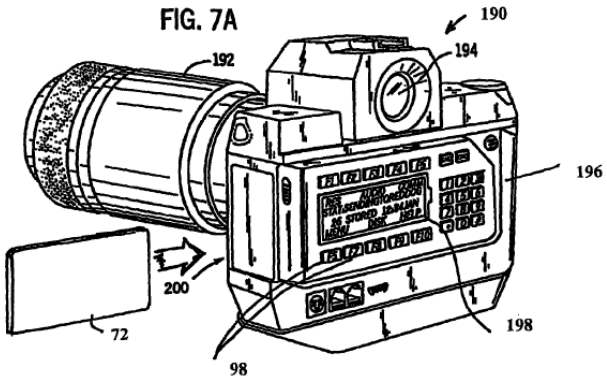

Figure 7A depicts “a hand[-]held device for capturing, storing, and transmitting an image in accordance with the invention.” *Id.* at 4:46–48, 11:3–20.

C. Illustrative Claim

Of the challenged claims, claims 1, 6, 9, and 12 are independent. Claim 1 is reproduced below:

> 1. A handheld self-contained cellular telephone and integrated image processing system for both sending and receiving telephonic audio signals and for capturing a visual image and transmitting it to a compatible remote receiving station of a wireless telephone network, the system comprising:
>
> a manually portable housing;
>
> an integral image capture device comprising an electronic camera contained within the portable housing;
>
> a display for displaying an image framed by the camera, the display being supported by the housing, the display and the electronic camera being commonly movable in the housing when the housing is moved by hand;

> a processor in the housing for generating an image data signal representing the image framed by the camera;
>
> a memory associated with the processor for receiving and storing the digitized framed image, accessible for selectively displaying in the display window and accessible for selectively transmitting over the wireless telephone network the digitized framed image;
>
> a user interface for enabling a user to select the image data signal for viewing and transmission;
>
> a telephonic system in the housing for sending and receiving digitized audio signals and for sending the image data signal;
>
> alphanumeric input keys in the housing for permitting manually input digitized alphanumeric signals to be input to the processor, the telephonic system further used for sending the digitized alphanumeric signals;
>
> a wireless communications device adapted for transmitting any of the digitized signals to the compatible remote receiving station; and
>
> a power supply for powering the system.

Ex. 1001, 14:49–15:13.

D. Prior Art Relied Upon

Apple relies on Int. Pub. Pat. App. WO 99/035818 (Ex. 1002, "Monroe"). Pet. 7.

E. The Asserted Ground of Unpatentability

Apple asserts that claims 1–15 of the '871 patent are unpatentable under 35 U.S.C. § 102(b) as anticipated by Monroe. Pet. 7.

II. ANALYSIS

First, we review the status of Monroe as prior art against the '871 patent. Monroe was published on July 15, 1999. Ex. 1002 [43]. The '871 patent issued from Application 10/336,470, filed on January 3, 2003 ("the child '470 application"), and is a divisional application of Application 09/006,073 ("the parent '073 application"), filed on January 12, 1998. Ex. 1001 [21], [22], [62]. If Monroe is not prior art with respect to the claims of the '871 patent, then we would not institute an *inter partes* review in this proceeding because the only ground of unpatentability asserted by Apple is based on Monroe.

Apple contends that the claims of the '871 patent are not entitled to the earlier filing date of the parent '073 application under 35 U.S.C. § 120, not because any claim is without written description support or enabling disclosure in the parent '073 application, but because of lack of co-pendency between the child '470 application and the parent '073 application. Pet. 4–5, 10–21. According to Apple, because the '871 patent is not entitled to the 1998 filing date of the parent '073 application, Monroe, with its publication date in 1999, constitutes prior art under 35 U.S.C. § 102(b) to the claims of the '871 patent, filed on January 3, 2003. Pet. 5.

Had Apple's argument been that the parent '073 application does not support the subject matter of the challenged claims, and had Apple identified specific claim limitations in that regard, e-Watch would have to show that the challenged claims are entitled to the earlier effective filing date of the parent '073 application. Here, however, Apple asserts only lack of co-pendency between the parent '073 application and the child '470 application.

Moreover, Apple asserts lack of co-pendency in a manner that amounts to a collateral attack on a petition decision, in 2003, of an official of the Patent and Trademark Office regarding the status of the parent '073 application.

Specifically, the parent '073 application was abandoned for failure of the Applicant to file a timely response to an Office Action mailed August 29, 2000, and a Notice of Abandonment, notifying the Applicant of that circumstance, was mailed on April 10, 2001. Ex. 1003, 595–597. The child '470 application was filed on January 3, 2003, together with a petition to revive the parent '073 application ("Petition to Revive Parent '073 Application") on the basis of "unintentional abandonment." Ex. 1003, 598–599, 602. The Petition to Revive Parent '073 Application was granted on March 11, 2003. Ex. 1003, 603–604. Revival of the parent '073 application thus provided the co-pendency between the parent '073 application and the child '470 application to permit the '871 patent to have the benefit of the earlier filing date of the parent '073 application, i.e., January 12, 1998.[1]

According to Apple, the parent '073 application was "purposefully" abandoned on March 1, 2001, and thus the parent '073 application should not have been revived, by way of the Petition to Revive, as "unintentionally" abandoned. Pet. 10, 17. Apple asserts that the granting, on March 11, 2003, of the Petition to Revive Parent '073 Application was incorrect. Pet. 13.

Apple has not identified proper jurisdiction or authority of the Board either (1) to review and overturn the March 11, 2003, decision of the Patent

[1] Under 35 U.S.C. § 120, "An application for patent for an invention disclosed . . . in an application previously filed in the United States . . . shall have the same effect . . . as though filed on the date of the prior application, if filed before the patenting or abandonment of . . . the first application. . . ."

and Trademark Office on the Petition to Revive Parent '073 Application, or (2) to ignore that decision and make our own determination on whether the parent '073 application should have been revived on the basis of "unintentional" abandonment. In that connection, Apple states:

> Petitioner respectfully submits that the Board has the authority to evaluate evidence and render decisions on factual and legal issues involving priority claims and the status of a reference as prior art in instituting the instant Petition. *See, e.g.*, IPR2014-00439, Paper 16, pp. 5–8 (where the Board rendered a decision on the insufficiency of an inventor affidavit as to diligence in reduction to practice during prosecution (which impacted the alleged invention date) and made an associated determination as to the availability of a reference as prior art).

Pet. 5. The contention is misplaced.

Not all issues having an impact on determination of patentability are the same. Where the issue is *the status of an applied reference as prior art*, viewed in light of a patent owner's effort to antedate the date of the reference, as in the case of IPR2014-00439, we can review the evidence submitted to show a date of invention prior to the date of the reference. That issue is substantive and central to the merit of the patentability determination. On the other hand, where the issue is *the status of an application as abandoned or revived*, the matter is procedural and not central to the substantive merit of a patentability determination. We have jurisdiction to review and determine the former, not the latter. Furthermore, we note also that "PTO revival actions are not subject to third party challenge under the APA." *Exela Pharma Sciences, LLC v. Lee*, 781 F.3d 1349, 1353 (Fed. Cir. 2015).

Apple does not dispute that the parent '073 application was revived from abandonment to pending status on March 11, 2003. That fact may not be changed or undone by any decision of the Board in this proceeding. Consequently, Apple has not identified any matter that needs to be addressed or otherwise accounted for by e-Watch, in this proceeding, with regard to according the challenged claims of the '871 patent the earlier filing date of the parent '073 application.

The unchangeable fact is that the child '470 application was filed on January 3, 2003, and that the parent '073 application was, on March 11, 2003, revived from abandonment, and thus, there was the necessary co-pendency between the parent '073 application and the child '470 application to accord the latter the filing date of the former.

Because Monroe was published on July 15, 1999, and because Apple asserts only a lack of co-pendency between the parent '073 application and the child '470 application as the basis for not according the challenged claims a priority date of January 12, 1998, Apple has not shown sufficiently that Monroe constitutes prior art to any challenged claim of the '871 patent.

III. CONCLUSION

For the foregoing reasons, Apple has not shown a reasonable likelihood that it would prevail in establishing the unpatentability of any of claims 1–15 of the '871 patent on any alleged ground of unpatentability.

IV. ORDER

Accordingly, it is

ORDERED that the Petition is *denied* as to all challenged claims of the ’871 patent; and

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

FOR PETITIONER:

Brian Buroker
Blair Silver
bburoker@gibsondunn.com
bsilver@gibsondunn.com

FOR PATENT OWNER:

Robert C. Curfiss
David O. Simmons
bob@curfiss.com
dsimmons@sbcglobal.net