

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MASTERIMAGE 3D, INC. and
MASTERIMAGE 3D ASIA, LLC,
Petitioner,

v.

REALD INC.,
Patent Owner.

Case IPR2015-00035
Patent 7,857,455 B2

Before JAMESON LEE, JAMES B. ARPIN, and
BART A. GERSTENBLITH, *Administrative Patent Judges*.

GERSTENBLITH, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a); 37 C.F.R. § 42.73

I. INTRODUCTION

A. *Background*

MasterImage 3D, Inc. and MasterImage 3d Asia, LLC (collectively, “Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting institution of *inter partes* review of claims 1–23 of U.S. Patent No. 7,857,455 B2 (Ex. 1001,

“the ’455 patent”). RealD Inc. (“Patent Owner”) timely filed a Preliminary Response (Paper 8, “Prelim. Resp.”). Pursuant to 35 U.S.C. § 314, in our Decision to Institute, we instituted this trial as to each of the challenged claims of the ’455 patent. Paper 12 (“Dec.”).

After the Decision to Institute, Patent Owner filed a Patent Owner Response (Paper 34, “Resp.”), Petitioner filed a Reply to the Patent Owner Response (Paper 49, “Reply”), and Patent Owner filed a limited Sur-Reply (Paper 64, “Sur-Reply”). In light of the United States Court of Appeals for the Federal Circuit’s decision in *Dynamic Drinkware LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375 (Fed. Cir. 2015), we authorized the parties to file additional briefing. Paper 56. Petitioner filed a Supplemental Reply, including argument and three claim charts. Paper 60 (“Supp. Reply”). Patent Owner responded with a Supplemental Sur-Reply. Paper 67 (“Supp. Sur-Reply”). A consolidated oral hearing was held on December 10, 2015, in this matter and *MasterImage 3D, Inc. v. RealD Inc.*, IPR2015-00040. Paper 76 (“Tr.”).

Petitioner relies on the testimony of Mr. Matthew S. Brennessoltz (Exs. 1003, 1019) in support of its contentions. Patent Owner relies on the testimony of Dr. Ying-Moh Liu (Ex. 2005), Mr. Matthew D. Cowan (Ex. 2006), Mr. Brian C. McCormack (Ex. 2007), Dr. Robert R. McLeod (Ex. 2008), and Mr. David J. Feskos (Ex. 2089) in support of its contentions.

We have jurisdiction under 35 U.S.C. § 6(c). This Decision is a Final Written Decision under 35 U.S.C. § 318(a) as to the patentability of the challenged claims. Based on the record before us, Petitioner has not demonstrated, by a preponderance of the evidence, that claims 1–23 of the ’455 patent are unpatentable.

B. Related Proceedings

The parties represent that the '455 patent is asserted in *RealD Inc. v. MasterImage 3D, Inc. and MasterImage 3D Asia, LLC*, No. 2:14-CV-02304 (C.D. Cal.). Pet. 1; Paper 5, 1. Further, Patent Owner identifies a proceeding before the International Trade Commission ("ITC"): *In the matter of Certain Three-Dimensional Cinema Systems and Components Thereof*, Inv. No. 337-TA-939 (USITC) ("the '939 Investigation"). Paper 7, 1. Administrative Law Judge Essex issued an Initial Determination in the '939 Investigation, finding a violation of Section 337 by reason of, *inter alia*, infringement of claims 1–3, 9–11, 13, 15, 17–19, and 21 of the '455 patent. Ex. 2197, 45–69.

C. Real Parties-in-Interest

The Petition identifies MasterImage 3D, Inc. and MasterImage 3D Asia, LLC as the real parties-in-interest. Pet. 1. Patent Owner identifies RealD Inc. as the real party-in-interest. Paper 5, 1.

D. The References

The references upon which we instituted review consist of the following:

U.S. Patent No. 7,905,602 B2, issued March 15, 2011 (Ex. 1004, "Schuck"); and

Alleged Admitted Prior Art ("APA").

E. The Asserted Grounds of Unpatentability

We instituted this proceeding based on the following grounds of unpatentability:

Reference(s)	Basis	Claims challenged
Schuck ¹	§ 102(e)	1–8, 10–14, and 16–22
Schuck and APA	§ 103(a)	9, 15, and 23

F. The '455 Patent

The '455 patent is directed to apparatus and methods for increasing “overall brightness in a projected stereoscopic image using polarization for image selection,” by creating “a dual path arrangement that can greatly increase the brightness of the image perceived by the viewer—in essence almost doubling the amount of light energy projected on the screen.” Ex. 1001, 3:19–24. Figure 3 of the '455 patent is reproduced below:

¹ As discussed in more detail *infra*, Petitioner relies upon the filing date of Provisional Application No. 60/872,657 (Ex. 1005, “the '657 provisional”), to which Schuck claims priority. Pet. 17–18. Petitioner explains that, “[t]o the extent that the Schuck patent carries forward the disclosure of the '657 Provisional Application, the Schuck patent is *prima facie* prior art to the '455 patent under 35 U.S.C. § 102(e).” *Id.* at 18. In light of Petitioner’s position, Petitioner provides citations to both Schuck and the '657 provisional in addressing Petitioner’s challenges based on Schuck. See, e.g., *id.* at 18–19 (citing Schuck and the '657 provisional).

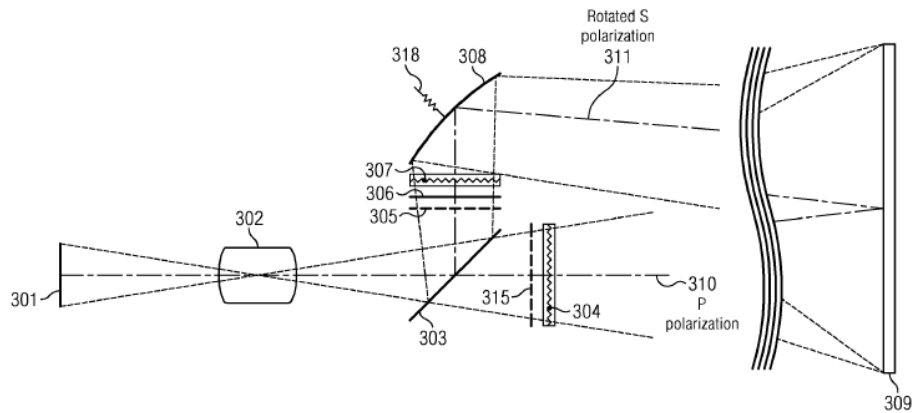


FIG. 3

Figure 3 “illustrates the . . . dual path projection system of the present design[.]” *Id.* at 2:51–52. The left side of Figure 3 depicts imaging surface 301, inside a projector, and projection lens 302. *Id.* at 5:6–8. Light from a source within the projector (not shown) is modulated by the imaging surface and sent to the projection lens. *Id.* at 5:8–10. Polarization beam splitter 303 “separates the light beam or light energy into two paths, a primary path P and a secondary path S, or more specifically into orthogonal polarization states[.]” *Id.* at 5:16–19. Light of P polarization passes to polarization modulator 304 (e.g., a ZScreen) and then to projection screen 309. *Id.* at 5:12–16. Light of S polarization is directed to half wave retarder 306 where the polarization is rotated 90 degrees. *Id.* at 5:27–28. The rotated S polarization light then passes to polarization modulator 307 and to mirror 308, where the rotated S polarization light 311 is reflected to projection surface 309. *Id.* at 6:8–11, 14–45.

Figure 6A of the '455 patent is shown below:

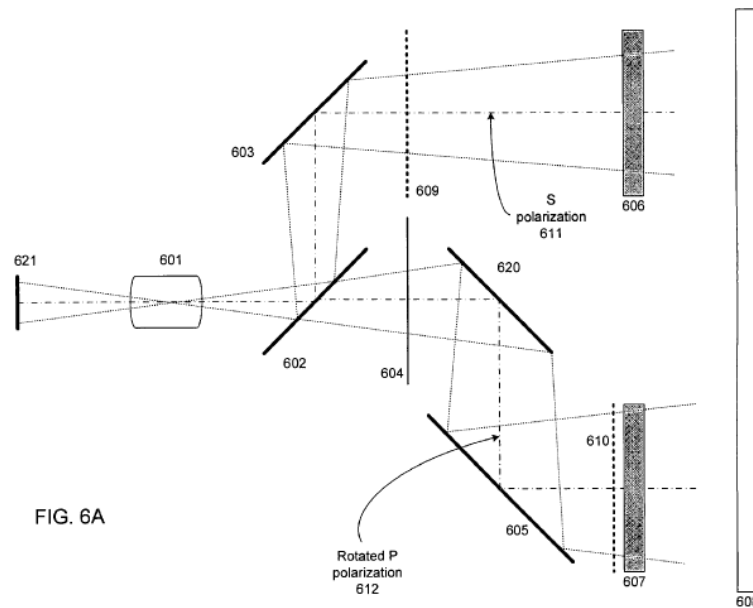


Figure 6A of the '455 patent shows “an alternative embodiment including elements to equalize the primary and secondary path lengths of light energy in an embodiment designed to achieve the same ends as those delineated in [Figure] 3[.]” *Id.* at 3:4–7. In particular, Figure 6A includes pair of prisms 605 and 620 (or front surface mirrors), which are “used to increase the path length of the transmitted beam [(i.e., the P beam)] in order to match the path length of the reflected beam” (i.e., the S beam). *Id.* at 9:65–67. The beams are modulated using polarization modulators 606 and 607, and the light is projected to projection screen 608. *Id.* at 10:5–8.

A. *Illustrative Claims*

Claims 1, 16, 17, and 22 are the independent claims challenged in this proceeding. Claims 2–15 depend directly or indirectly from claim 1; claims 18–21 depend from claim 17; and claim 23 depends from claim 22. Independent claims 1 and 16 are illustrative of the claimed subject matter and are reproduced below:

1. An apparatus for projecting stereoscopic images, comprising:
 - a polarizing splitting element configured to receive image light energy and split the image light energy received into a primary path of light energy transmitted along a primary path and a secondary path of light energy transmitted along a secondary path;
 - a reflector configured to receive path light energy from one of primary path energy and secondary path light energy and to direct said path light energy toward a surface; and
 - a first polarization modulator positioned in the primary path and configured to receive the primary path of light energy, uniformly modulate the primary path of light energy into primary path modulated light energy, and transmit primary path modulated light energy toward the surface.

Ex. 1001, 12:20–35.

16. A method of projecting stereoscopic images, comprising:
 - receiving image light energy;
 - splitting the image light energy received into a primary path of light energy transmitted along a primary path and a secondary path of light energy transmitted along a secondary path;
 - receiving secondary path light energy and directing reflected secondary path light energy toward a surface; and
 - uniformly modulating the polarization of the primary path of light energy into primary path modulated light energy, and transmitting primary path modulated light energy toward the surface.

Id. at 13:15–29.

II. CLAIM CONSTRUCTION

We interpret claims of an unexpired patent using the “broadest reasonable construction in light of the specification of the patent in which [they] appear[.]” 37 C.F.R. § 42.100(b); *accord In re Cuozzo Speed Techs. LLC*, 793 F.3d 1268, 1275–79 (Fed. Cir. 2015) (“Congress implicitly

approved the broadest reasonable interpretation standard in enacting the AIA,” and “the standard was properly adopted by PTO regulation”); Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,764, 48,766 (Aug. 14, 2012) (Claim Construction). Claim terms are given their ordinary and customary meaning as would be understood by a person of ordinary skill in the art at the time of the invention and in the context of the entire patent disclosure. *See In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007).

In the Decision to Institute, we preliminarily construed the claim terms reproduced in the table below:

Claim Term	Claim Construction in the Decision to Institute
“modulate” (claims 1–15 and 17–23)	transform (Dec. 9)
“modulating” (claim 16)	transforming (Dec. 9)

Neither party disputes our preliminary construction. Accordingly, we adopt our preliminary constructions of “modulate” and “modulating” based on the full record for the reasons stated in our Decision to Institute.

III. ANALYSIS

A. Schuck’s Priority Date

The application that issued as the ’455 patent was filed on October 18, 2006. Ex. 1001 [22]. As reflected above, each of the grounds upon which we instituted is based on Schuck. Schuck was filed September 28, 2007, and claims priority to three U.S. provisional patent applications. Ex. 1004 [22], [60]. Of the three, only U.S. Provisional Application No. 60/827,657 (“the ’657 provisional”) was filed before the ’455 patent. Specifically, the ’657 provisional was filed on September 29, 2006. *Id.* at [22].

Petitioner argued “[t]o the extent that the Schuck patent carries forward the disclosure of the ’657 Provisional Application, the Shuck patent is *prima facie* prior art to the ’455 patent under 35 U.S.C. § 102(e).” Pet. 18 (citing *In re Giacomini*, 612 F.3d 1380, 1383 (Fed. Cir. 2010)). Further, Petitioner cites to Schuck and the ’657 provisional throughout the Petition. *See id.* at 18–19 (“To establish that portions of Shuck relevant to the ’455 patent . . . appear in both the Schuck patent and the ’657 Provisional Application, citations to both are provided.”).

In September 2015, the Federal Circuit issued its decision in *Dynamic Drinkware*. The Federal Circuit explained that “[f]or a patent to claim priority from the filing date of its provisional application, it must satisfy 35 U.S.C. § 119(e)(1).” 800 F.3d at 1378. “In other words, the specification of the *provisional* must ‘contain a written description of the invention and the manner and process of making and using it, in such full, clear, concise, and exact terms,’ 35 U.S.C. § 112 ¶ 1, to enable an ordinarily skilled artisan to practice the invention *claimed* in the *non-provisional* application.” *Id.* (quoting *New Railhead Mfg., L.L.C. v. Vermeer Mfg. Co.*, 298 F.3d 1290, 1294 (Fed. Cir. 2002)). Of particular note, the Federal Circuit explained that the burden of persuasion is always on Petitioner to prove unpatentability by a preponderance of the evidence, but the burden of production, which initially falls on Petitioner, may shift to Patent Owner under certain circumstances. *Id.* at 1379; *see Apple, Inc. v. OpenTV, Inc.*, Case IPR2015-00969, slip op. at 12–14 (PTAB Sept. 23, 2015) (Paper 8) (discussing the shift of the burden of production described in *Dynamic Drinkware*). Additionally, the Federal Circuit required the petitioner in *Dynamic Drinkware* to “compare *the claims* of the Raymond patent to the

disclosure in the Raymond provisional application” before finding that the Raymond patent (which the petitioner relied upon for its unpatentability challenge) was “entitled to claim the benefit of the filing date of its provisional application.” *Dynamic Drinkware*, 800 F.3d at 1381.

As applied to the facts presented here, the burden of production is initially on Petitioner to show that Schuck is entitled to claim priority to the filing date of the ’657 provisional—September 29, 2006. If Schuck is not entitled to claim priority to September 29, 2006, then Schuck is not prior art under § 102(e) because it was filed after the application issuing as the ’455 patent. For reasons discussed below, Petitioner has not satisfied its burden of production and, hence, the burden of production does not shift to Patent Owner. And, similarly, Petitioner fails on the ultimate burden of persuasion.

Petitioner first asserts that Patent Owner cannot challenge whether Schuck is entitled to the filing date of the ’657 provisional because (1) Patent Owner waived the argument by not raising it in the Patent Owner Response and (2) Patent Owner made the same priority assertion before the International Trade Commission. Supp. Reply 2–4. With respect to its first argument, Petitioner contends that Patent Owner waived any challenge to Schuck’s priority date because Patent Owner did not raise the argument in its Response. *Id.* at 2–3. Petitioner relies upon the Federal Circuit’s decision in *In re Giacomini*, 612 F.3d 1380, 1382–83 (Fed. Cir. 2010), asserting that the Federal Circuit addressed waiver and found that the appellant waived any challenge to priority because he did not raise the argument at the Board prior to appeal. *Id.* at 2. With respect to its second argument, Petitioner asserts that Patent Owner should be estopped from

arguing that Schuck is not entitled to rely upon the filing date of the '657 provisional because Patent Owner took an inconsistent prior position before the United States International Trade Commission and “reversing course now unfairly prejudices Petitioner.” *Id.* at 3.

Patent Owner first responds by asserting that it did not waive its ability to challenge the Petition based on *Dynamic Drinkware* because the Federal Circuit issued its decision after the Patent Owner Response was filed and because we authorized additional briefing on this specific topic. Supp. Sur-Reply 1. Additionally, Patent Owner distinguishes *Giacomini* because the Federal Circuit based its waiver finding on the fact that Giacomini did not raise the argument to the Board, whereas Patent Owner is raising the argument, at the Board level, in the present case. *Id.* at 3.

Second, Patent Owner contends that it is not estopped from challenging whether Schuck can claim priority to the '657 provisional because Patent Owner did not make an argument resulting in success in a prior proceeding based on a statement related to priority. *Id.* at 5. Also, Patent Owner indicates that its representation of priority dates before the ITC “was not an assertion of a definitive priority date but rather a disclosure of the **earliest** application filing priority date of” Schuck. *Id.* (citing Ex. 1015, 1). Patent Owner explains that the ITC required Patent Owner to disclose “the earliest dates to which the asserted patent can claim priority” and only prevented Patent Owner “from asserting an **earlier** priority date”; it did not lock Patent Owner into a “date certain for priority.” *Id.* at 5–6 (citation omitted).

We find that Patent Owner did not waive its challenge to Schuck’s priority date, and Patent Owner is not estopped from challenging the priority

date before us. First, we agree with Patent Owner that *Giacomini* does not require us to find that Patent Owner waived an argument directed to Schuck's priority date because the timing of the appellant's argument in *Giacomini* is distinguishable from the facts presented here. Most notably, the parties are still before us, not on appeal, and the record is still open, and was open when we permitted additional briefing on in the impact of *Dynamic Drinkware*. Our authorization for additional briefing on *Dynamic Drinkware*'s impact specifically sought to address the important issue of whether Schuck is entitled to claim priority to the '657 provisional. Second, we disagree that Patent Owner is estopped from challenging Schuck's priority date. Petitioner relies upon the United States Supreme Court's decision in *New Hampshire v. Maine*, 532 U.S. 742, 750–51 (2001), but includes the following parenthetical: "holding that a party who successfully argues one position is estopped from later adopting a contrary position." Supp. Reply 4. Even Petitioner's parenthetical reflects that the Supreme Court's decision was based on a *successful* argument. Petitioner has not shown that Patent Owner had any specific success in identifying the '657 provisional's filing date as Schuck's earliest possible priority date before the ITC. Further, we find Patent Owner's understanding of its filing, to preclude arguments of earlier priority, not to preclude arguments regarding later priority, to be the more reasonable. Accordingly, Patent Owner is not precluded from challenging whether Schuck is entitled to claim priority to the '657 provisional.

As noted above, *Dynamic Drinkware* places the burden on Petitioner to show that Schuck is entitled to claim priority to the '657 provisional. Petitioner contends that the '657 provisional "provides written description

support for every limitation of . . . [Schuck’s] claim 1 except the limitation requiring a ‘telephoto lens pair.’” Supp. Reply 4 (citing App. 1). Petitioner asserts, however, that the lack of support “is not fatal to the priority claim here” because

the [’657] provisional application’s disclosures also carried over into “an application for patent for an invention” claimed in . . . [U.S. Patent No. 8,220,934 B2 (“the ’934 patent,” Ex. 1010)²] and . . . [U.S. Publication No. 2008/0225236 A1 (“the ’602 published application,” Ex. 1020)³], making the provisional’s disclosures effective on its filing date pursuant to § 119(e).

Id. at 4 (citing Supp. Reply, Apps. 2–3). Petitioner contends that there was no other way for the provisional application’s disclosures to become prior art under §§ 102(e) and 119(e) in *Dynamic Drinkware*, thus distinguishing the facts of that case from those presented here. *Id.* at 5. In other words, Petitioner argues that the continuation application, which issued as the ’934 patent, is a game-changing distinction. For the same reasons, Petitioner asserts that *In re Wertheim*, 646 F.2d 527 (CCPA 1981), also is distinguishable. *Id.*

Petitioner raises an additional argument based on the Supreme Court’s decision in *Alexander Milburn Co. v. Davis-Bournonville Co.*, 270 U.S. 390 (1926). *Id.* at 6. Petitioner contends that “awarding benefit to the provisional’s filing date based on the ’934 patent and the ’602 published application is consistent with ‘the *Milburn* rationale,’ which was codified in § 102(e) and underpins its analysis.” *Id.* Petitioner explains that the Court

² The ’934 patent issued from an application that was a continuation from the application that issued as Schuck. Ex. 1010 [63].

³ Petitioner refers to Schuck’s published patent application—US 2008/0225236 A1—as “the ’602 published application.” Supp. Reply 4.

held that an earlier-filed, but later-issued, patent was available as a reference to invalidate a patent that was filed and issued while the reference patent application was pending before the Patent and Trademark Office. *Id.*

Patent Owner argues that “Petitioner[] concede[s] that every element of the claims of . . . [Schuck] is not supported in the [’657] provisional.” Supp. Sur-Reply 6. Patent Owner contends that Petitioner’s reliance on the ’934 patent and ’602 published application is an improper attempt to introduce those references as new grounds. *Id.* Patent Owner asserts that nothing in *Dynamic Drinkware* or *Wertheim* indicate that a Petitioner is entitled to rely upon a reference that was not the focus of the instituted trial. *Id.* Additionally, Patent Owner argues that *Dynamic Drinkware* states that “a patent is only entitled to the benefit of its provisional if the provisional application provides support for the **claims** in the reference patent,” but Petitioner’s claim charts only include claim 1. *Id.* at 7 (citing *Dynamic Drinkware*, 800 F.3d at 1382) (emphasis added by Patent Owner).

The fact pattern and issues presented here are substantially the same as those presented in *Dynamic Drinkware*, with a few exceptions. The main difference is that here, Patent Owner did not have the burden to antedate Schuck because the ’455 patent was filed before the actual filing date of Schuck. The result of that difference is that the burden of production started with Petitioner and remains with Petitioner to establish that Schuck is entitled to claim priority to the ’657 provisional. *Dynamic Drinkware* is clear in that Petitioner is required to “compare *the claims* of . . . [Schuck] to the disclosure in the . . . [’657] provisional application.” *Dynamic Drinkware*, 800 F.3d at 1381. The Federal Circuit explained: “A reference patent is only entitled to claim the benefit of the filing date of its provisional

application if the disclosure of the provisional application provides support for the claims in the reference patent in compliance with § 112, ¶ 1.” *Id.* (citing *In re Wertheim*, 646 F.2d 527, 537 (CCPA 1981)).

Petitioner acknowledges that the ’657 provisional fails to provide support under § 112, first paragraph, for Schuck’s claim 1. Supp. Reply 4. Petitioner’s claim chart, submitted as “Appendix 1” to its Supplemental Reply, indicates that the ’657 provisional refers to a “doublet lens” rather than a “telephoto lens pair.” *Id.* at App. 1, A-5. And Petitioner does not argue that the “doublet lens” provides support for the recited “telephoto lens pair.” *See generally id.*

Additionally, Petitioner’s argument that the intervening ’934 patent or the publication of Schuck’s patent application (the ’602 published application) distinguish the facts before us from those in *Dynamic Drinkware* and *In re Wertheim* is unpersuasive. Whether either of those references is entitled to claim priority to the ’657 provisional is irrelevant when the issue before us is whether Schuck is entitled to do so. Specifically, Petitioner did not rely on either the ’934 patent or the ’602 published application in its challenge to the ’455 patent, as set forth in the Petition. And we did not institute review of claims 1–23 of the ’455 patent based on either the ’934 patent or the ’602 published application. Any attempt by Petitioner implicitly to modify its Petition to rely on either the ’934 patent or the ’602 published application instead of Schuck is rejected. Petitioner did not file a parallel petition, seeking joinder, or timely inquire concerning any possibility of amending its Petition to base its challenge on either the ’934 patent or the ’602 published application, and the briefing related to this issue has concluded, and an oral hearing has been conducted. Accordingly,

we disagree that the intervening '934 patent and '602 published application distinguish either *Dynamic Drinkware* or *In re Wertheim*.

Similarly, we are not persuaded by Petitioner's reliance on *Milburn* for multiple reasons. First, Petitioner acknowledges that what it refers to as "the *Milburn* doctrine" was codified in 35 U.S.C. § 102(e), and Petitioner does not show persuasively that we should read *Milburn* as requiring anything beyond application of that statutory section in light of the facts presented here. Supp. Reply 6. Second, *Milburn* did not address directly the question of whether an issued patent is entitled to claim priority to a *provisional* patent application, and, specifically, what must be shown in order to do so. Third, Schuck claims priority to not *one*, but *three* provisional applications, which was not the case in *Milburn*. Fourth, in *Giacomini*, the Federal Circuit expressly considered *Milburn* and stated: "An important limitation [on 35 U.S.C. § 119(e)(1)] is that the provisional application must provide written description support for *the claimed invention*." *Giacomini*, 612 F.2d at 1383 (emphasis added). Although the Federal Circuit did not address the application of the argument—that the reference patent's provisional application fails to provide written description support for the claimed subject matter—in *Giacomini*, because the appellant had waived it, the Federal Circuit's decision acknowledges that there was an argument that could have been raised. *Id.* Finally, *Dynamic Drinkware* is directly on point and clearly establishes that Petitioner is required to show that the *claimed* invention of Schuck finds written description support in the '657 provisional in order to rely on the '657 provisional's filing date. *Dynamic Drinkware*, 800 F.3d at 1381. It is undisputed that Petitioner has not done so.

We find that Petitioner has not shown that claim 1 or any other claim of Schuck is supported by the '657 provisional, and, thus, Petitioner has not shown that Schuck is entitled to claim priority to the '657 provisional's filing date. *See Apple*, Case IPR2015-00969, slip op. at 12–13. The result of our finding is that Schuck does not qualify as prior art, under § 102(e), to the '455 patent, and, therefore, is not a reference which may be relied upon to establish the unpatentability of claims in an *inter partes* review. *See* 35 U.S.C. § 311(b) (“A petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of *prior art* consisting of patents or printed publications.” (emphasis added)).

Accordingly, Petitioner has not demonstrated, by a preponderance of the evidence, that: (1) claims 1–8, 10–14, and 16–22 are unpatentable as anticipated by Schuck and (2) claims 9, 15, and 23 are unpatentable as obvious over Schuck and APA.

B. Appropriate Outcome

Petitioner's Supplemental Reply states that, if we conclude that Schuck is not entitled under § 102(e) to claim priority to the '657 provisional's filing date, we should terminate the trial without a final written decision. Supp. Reply 7. Patent Owner disagrees, contending that *Dynamic Drinkware* supports the view that we should issue a final written decision under the circumstances presented here, where a petitioner has not established priority based on a provisional patent application, because the Board did so in the proceeding before appeal to the Federal Circuit. Supp. Sur-Reply 7.

This is not the first time Petitioner requested that we terminate this proceeding. In June 2015, Petitioner requested authorization to file a motion to terminate without a final written decision. Paper 30, 1. Patent Owner opposed Petitioner's request. *Id.* at 4. We issued an Order, Paper 30, denying Petitioner's request because, under the circumstances presented at that time, we determined that Petitioner's request was not *appropriate* under 37 C.F.R. § 42.72. *Id.*; *see* 37 C.F.R. § 42.72 ("The Board may terminate a trial without rendering a final written decision *where appropriate . . .*" (emphasis added)). In June 2015, Patent Owner had not filed its Response, Petitioner had not filed its Reply, oral argument had not occurred, and the parties had not spent nearly as much time and resources addressing the issues raised by Petitioner in the Petition and our subsequent Decision to Institute, as they now have. At this late stage, in light of the above circumstances, we find that it is *not* appropriate to terminate this trial. Rather, as shown above, this Decision is designated as a Final Written Decision.

C. Patent Owner's Amended Motion to Seal

Patent Owner filed an Amended Motion to Seal. Paper 65. Petitioner filed an Opposition. Paper 69. Patent Owner did not file a reply.

There is a strong public policy in favor of making information filed in an *inter partes* review open to the public, especially because the proceeding determines the patentability of claims in an issued patent and, therefore, affects the rights of the public. *See Garmin Int'l v. Cuozzo Speed Techs., LLC*, Case IPR2012-00001, slip op. at 1–2 (PTAB Mar. 14, 2013) (Paper 34). Under 35 U.S.C. § 316(a)(1) and 37 C.F.R. § 42.14, all papers filed in an *inter partes* review generally are open and available for access by

the public. A party, however, may file a concurrent motion to seal, and the information at issue is sealed pending the outcome of the motion.

It is only “confidential information” that may be protected from disclosure, 35 U.S.C. § 316(a)(7), and, even then, there is a public interest in “maintaining a complete and understandable file history” of the proceeding. Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,760 (Aug. 14, 2012). The standard for granting a motion to seal is “for good cause.” 37 C.F.R. § 42.54(a). The party moving to seal bears the burden of proof in showing entitlement to the requested relief. 37 C.F.R. § 42.20(c).

Patent Owner seeks to place under seal the following information:

1. The following portions of the deposition transcript of Matt Cowan (Ex. 2192): 65:25–66:13; 66:21–25; 67:19–68:11; 68:25–69:3; 69:13–18; 71:25–74:17; 89:6–90:25; 104:18–105:20; and 208:15–209:14.
2. The following portions of the deposition transcript of Matthew S. Brennessoltz (Ex. 2193): 86:21–87:13; 88:15–89:7; 90:20–91:16; 92:6–13; 93:10–23; 94:7–14; 95:9–25; and 97:16–98:9.
3. The following portion of the transcript of the conference call with the Board, held on October 2, 2015 (Ex. 2191): 30:13–17.

Paper 65, 2–3. Patent Owner notes that it only seeks to seal “14 pages from the 216 page Cowan transcript . . . 5 lines of the . . . [October 2 conference call] transcript . . . and . . . 7 pages of the 185 page Brennessoltz transcript.” *Id.* at 5. However, we note simply that the sealing of even just one page that should not be sealed is one page too many.

According to Patent Owner, the material sought to be sealed contains confidential information that “relate[s] to designs and concepts that were considered by Patent Owner, but were ultimately not commercially pursued for various technical and business reasons.” *Id.* at 3. With regard to potential harm due to disclosure, Patent Owner states:

Such disclosure would publicly describe the embodiments and designs that were not commercially pursued by Patent Owner and would provide a road-map to a competitor on which designs not to pursue for a competitive product. This would provide a significant short-cut to a competitor seeking to enter a highly-competitive market for stereoscopic imagers. This competitive harm cannot be cured by any means other than maintaining the confidentiality of these alternative designs under seal.

Id. at 3–4.

According to Petitioner, “[t]he purported confidential portions of Mr. Cowan’s testimony all relate to the Figure 6(a) embodiment [of the ’455 patent].” Paper 69, 2. The contention is that if the Figure 6(a) embodiment of the ’455 patent is not confidential, then neither should this other information. Petitioner also argues that because these alleged pre-existing designs are nearly a decade old, that Patent Owner did not commercially pursue them is readily apparent from the fact that they are not within Patent Owner’s commercial products. *Id.* at 5. Petitioner states: “Given the passage of time and that RealD[’s] products are publically available, there is nothing confidential about what designs RealD chose not to pursue commercially.” *Id.*

Patent Owner has taken the necessary steps under our Rules and provides the necessary evidence, including a certification that the information sought to be sealed has not been published or otherwise made

public. Paper 65, 5. Although we appreciate the similarities between Mr. Cowan's testimony and the Figure 6(a) embodiment, as identified by Petitioner, we are not persuaded sufficiently that his testimony was directed to the Figure 6(a) embodiment. Additionally, the burden to the public from sealing the limited material identified in Patent Owner's Amended Motion is minimal, particularly because we need not identify those portions of Mr. Cowan's testimony to address the issues in this case.

We have balanced Patent Owner's assertion of confidentiality with the public's interest in having a sufficiently understandable record with respect to the substantive decisions made with regard to patentability. We find that the potential harm to Patent Owner outweighs the minimal public interest for access to the information at issue. Accordingly, Patent Owner's Amended Motion to Seal (Paper 65) is *granted*.

IV. CONCLUSION

Petitioner has not demonstrated, by a preponderance of the evidence, that (1) claims 1–8, 10–14, and 16–22 are unpatentable as anticipated by Schuck, or (2) claims 9, 15, and 23 are unpatentable as obvious over Schuck and APA.

V. ORDER

For the reasons given, it is:

ORDERED that Petitioner's request for cancellation of claims 1–23 of U.S. Patent No. 7,857,455 B2 is *denied*;

FURTHER ORDERED that Patent Owner's Amended Motion to Seal (Paper 65) is *granted*; and

FURTHER ORDERED that, because this is a Final Written Decision, parties to this proceeding seeking judicial review of it must comply with the notice and service requirements of 37 C.F.R. § 90.2.

IPR2015-00035
Patent 7,857,455 B2

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