

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

PRIME FOCUS CREATIVE SERVICES CANADA INC.,
Petitioner,

v.

LEGEND3D, INC.,
Patent Owner.

Case IPR2016-01491
Patent 9,286,941 B2

Before MICHAEL R. ZECHER, CARL M. DEFRANCO, and
KAMRAN JIVANI, *Administrative Patent Judges*.

JIVANI, *Administrative Patent Judge*.

DECISION
Denying Patent Owner's Request for Rehearing
37 C.F.R. § 42.71(d)

I. INTRODUCTION

Patent Owner Legend3D, Inc. (“Patent Owner”) requests rehearing (Paper 16, “Reh’g Req.”) of the Decision on Institution mailed February 6, 2017 (Paper 13, “Dec. on Inst.”) instituting an *inter partes* review of claims 1–3, 5, and 16–19 of U.S. Patent No. 9,286,941 B2 (“the ’941 patent”) (Ex. 1001). Our Decision on Institution further declined to institute *inter partes* review of claims 4, 6–13, and 24 of the ’941 patent, and Patent Owner does not seek rehearing of that aspect of our Decision on Institution. Reh’g Req. 1.

“The burden of showing a decision should be modified lies with the party challenging the decision . . .” who “must specifically identify all matters the party believes [we] misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.” 37 C.F.R. § 42.71(d). When rehearing a decision on a petition, we review the decision for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion may be indicated if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors. *Star Fruits S.N.C. v. United States*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); *Arnold P’ship v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004); *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000).

For the reasons discussed below, Patent Owner’s Request for Rehearing is *denied*.

II. BACKGROUND

The '941 patent relates to an image sequence enhancement system and method that allows for the rapid conversion of a sequence of images. Ex.

1001, 1:33–40. Independent claim 1 of the '941 patent is reproduced below.

1. A system configured to modify a set of time ordered digital images comprising a computer having memory and a program stored in said memory that is configured to:

associate a first mask with a motion object in a first image at a first mask location;

copy said first mask to create a second mask associated with a second image;

move said second mask to a second mask location associated with said motion object in said second image; and,

reshape said second mask to fit said motion object in said second image based on underlying image data in said second image.

Patent Owner asserted in its Preliminary Response that the '941 patent “uses the term ‘reshaping’ for automated adjustment of masks and ‘adjust’ for manual manipulation of masks.” Prelim. Resp. 31. Therefore, Patent Owner urged us to construe these terms to be mutually exclusive, such that under Patent Owner’s construction the claim term “reshape” would mean “automatically adjust” and the claim term “adjust” would mean “manually adjust.” *Id.* at 4–8, 29–32.

In our Decision on Institution, we declined to adopt Patent Owner’s constructions of the terms “reshape” and “adjust.” Dec. on Inst. 9. We found, “[c]ontrary to Patent Owner’s argument, the Specification describes ‘the reshaping of the mask, *that can be performed automatically and/or manually.*’” *Id.* citing (Ex. 1001, 16:40–41 (emphasis added)). We further

observed, *inter alia*, “Patent Owner does not address this disclosure.” *Id.* (citing Prelim. Resp. 4–8, 29–32).

III. ANALYSIS

In its Request, Patent Owner contends our Decision on Institution:

(1) declines to construe “reshape” based on an abridged version of a paragraph that is taken out of the context of the entire disclosure, such that reshape must be construed as *automatically* adjust, (2) overlooks that the Petitioner has failed to show each and every limitation required by Claim 1, a system claim, that claims a “computer ... that is configured to” ... “reshape” a mask “to fit”, and instead shows that a human always adjusts a mask, and (3) is based on an unsworn and unsigned expert declaration that is not evidence.

Reh’g Req. 1 (emphasis omitted).

Beginning with Patent Owner’s arguments (1) and (3), we are not persuaded by Patent Owner’s arguments that we overlooked or misapprehended certain language in the Specification directed to “reshaping of the mask” or the impact of the Declaration of David Forsyth, Ph.D. (Ex. 1012) on this proceeding. Regarding Patent Owner’s argument (1), Patent Owner attempts to address for the first time the following description of Figure 65 in the Specification: “the reshaping of the mask, *that can be performed automatically and/or manually.*” Ex. 1001, 16:40–41 (emphasis added). As we stated in our Decision on Institution, Patent Owner failed in its Preliminary Response to address this disclosure. Dec. on Inst. 9. (citing Prelim. Resp. 4–8, 29–32). A request for rehearing under 37 C.F.R. § 42.71(d) is not an opportunity to address a matter in the first instance. Rather, Patent Owner must identify the “place where [this] matter was previously addressed in a motion, an opposition, or a reply.” 37 C.F.R. §

42.71(d). Because the cited portion of the Specification was not addressed in the Preliminary Response, Patent Owner fails to carry its burden under Section 42.71(d). To the extent Patent Owner wishes to address the cited portion of the Specification, it may do so in its Patent Owner Response. 37 C.F.R. § 42.120(a) (“A patent owner may file a response to the petition addressing any ground for unpatentability not already denied.”).

Similarly, Patent Owner’s argument (3) regarding the Dr. Forsyth’s Declaration was not raised in the Preliminary Response. *See generally* Prelim. Resp. Thus, Patent Owner is unable to carry its burden under Section 42.71(d) with respect to this argument. Moreover, we resolved this dispute between the parties in our March 1, 2017 Order authorizing Petitioner to submit a corrected declaration of Dr. Forsyth. Paper 21. Petitioner complied with our Order on March 3, 2017. *See* Paper 22.

Finally, turning to Patent Owner’s argument (2), we are not persuaded that we overlooked or misapprehended Patent Owner’s allegation regarding the reshaping recited in Claim 1. Reh’g Req. 8–11. Claim 1 recites, in relevant part, “a computer having memory and a program stored in said memory that is configured to . . . reshape said second mask to fit said motion object.” Patent Owner contends, “Petitioner has only made a showing that a human adjusts and fits [conforms] the mask.” *Id.* at 9. As stated in our Decision on Institution, Patent Owner’s argument is “predicated upon Patent Owner’s constructions of the terms ‘reshape’ and ‘adjust.’” Dec. on Inst. 14 (citing Prelim. Resp. 32–41). More specifically, Patent Owner fails to explain persuasively why the portions of Sandrew cited by Petitioner—in which a user operates a computer using a graphical interface to reshape the mask—would not meet the limitations of claim 1.

We are not persuaded, therefore, that we overlooked or misunderstood any argument made by Patent Owner in the Preliminary Response. Thus, we are not persuaded that we abused our discretion in instituting review of claims 1–3, 5, and 16–19 of the '941 patent.

Accordingly, it is

ORDERED that Patent Owner's Request for Rehearing is *denied*.

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FOR PETITIONER:

Joshua Glucoft
Jonathan Kagan
IRELL & MANELLA LLP
jglucoft@irell.com
PrimeFocusIPR@irell.com

PATENT OWNER:

Daniel N. Yannuzzi
Trevor J. Quist
SHEPPARD MULLIN RICHTER & HAMPTON LLP
dyannuzzi@sheppardmullin.com
tquist@sheppardmullin.com