

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LEGO SYSTEMS, INC. and
WARNER BROS. HOME ENTERTAINMENT INC.,
Petitioner,

v.

FIGUREFUN LLC,
Patent Owner.

IPR2018-00754
Patent 7,001,276 B2

Before HYUN J. JUNG, GEORGE R. HOSKINS, and
KEVIN W. CHERRY, *Administrative Patent Judges*.

JUNG, *Administrative Patent Judge*.

DECISION

Denying Patent Owner's Request on Rehearing of Final Written Decision
37 C.F.R. § 42.71(d)

I. INTRODUCTION

A. Background

LEGO Systems, Inc. and Warner Bros. Home Entertainment Inc. (collectively, “Petitioner”) filed a Petition (Paper 3, “Pet.”) requesting *inter partes* review of claim 9 of U.S. Patent No. 7,001,276 B2 (Ex. 1001, “the ’276 patent”). Petitioner challenged claim 9 under 35 U.S.C. § 103(a) as unpatentable over various references and combinations of references, including White¹ and Lee.² Pet. 14.

After we issued a Decision to Institute an *inter partes* review of the challenged claim (Paper 8, 24 (“Dec. to Inst.”)), FigureFun LLC (“Patent Owner”) filed a Patent Owner Response (Paper 12, “PO Resp.”), to which Petitioner replied (Paper 17, “Pet. Reply”). Patent Owner also filed a Sur-Reply (Paper 18, “PO Sur-reply”). Oral argument was conducted on June 24, 2019. *See* Paper 26.

We entered our Final Written Decision on September 26, 2019, in which we determined that Petitioner had shown by a preponderance of the evidence that claim 9 of the ’276 patent was unpatentable over White and Lee. Paper 29, 44 (“Final Dec.”). Patent Owner timely filed a Request for Rehearing in which it seeks modification of the Final Written Decision to determine claim 9 is not unpatentable in view of White and Lee and “does not request rehearing with respect to any other grounds.” Paper 30, 1 (“Request” or “Req. Reh’g”).

For the reasons that follow, Patent Owner’s Request is denied with respect to modifying our Final Written Decision.

¹ U.S. Patent No. 6,650,870 B2, issued November 18, 2003. Ex. 1006.

² U.S. Patent No. 6,460,851 B1, issued October 8, 2002. Ex. 1004.

B. Standard for Reconsideration

The party filing a request for rehearing of a final written decision has the burden of showing a decision should be modified, and the request for rehearing must specifically identify all matters the party believes the Board misapprehended or overlooked and the place where each matter was previously addressed in its papers. 37 C.F.R. § 42.71(d); *see also* Req. Reh’g 1 (quoting from the rule). Therefore, Patent Owner bears the burden of establishing that we misapprehended or overlooked the matters that it requests that we review.

II. ANALYSIS

A. Whether the combination of White and Lee discloses “an upward-facing recess such that the token with built-in IC chip is fitted into the recess”

Claim 9 recites three limitations that concern a token:

an information reader, which reads game data from the token with built-in IC chip . . . wherein the information reader comprises an upward-facing recess such that the token with built-in IC chip is fitted into the recess . . . and wherein an action figure is attached to the token with built-in IC chip in a detachable manner.

Ex. 1001, 28:10–24. Patent Owner argues our Final Written Decision “misapprehended the scope of the claims and overlooked the teachings of the prior art when it decided ‘White as modified by Lee teaches or suggests an “information reader compris[ing] an upward-facing recess such that the token with built-in IC chip is fitted into the recess.”’” Req. Reh’g 2 (citing Final Dec. 37); *see also id.* n.1 (arguing that the matter was raised at PO Resp. 49).

More specifically, Patent Owner cites to Figures 3A and 3B of the ’276 patent to show that a token fits into a recess and asserts that “the claims

require (and the embodiment of Figure 3 describes) a token, not a figure, is fitted into a recess.” Req. Reh’g 2–3. Patent Owner argues “*White* merely teaches that the base of a figure (not a tag associated with the figure) is fitted into a recess” and nowhere teaches a tag fitting into a recess. *Id.* at 5–6.

Patent Owner has not shown that we misapprehended the scope of claim 9, or overlooked the teachings of *White*. Petitioner argued that *White* teaches the wherein clause that requires a recess into which a token is fitted. Pet. 69 (“recessed portion 3 trapezoidal in shape to receive a corresponding trapezoidal base 4a of a piece”). In our Final Written Decision, we found that the combination of *White* and *Lee* teaches or suggests “base 4a with detachable tag 5 received in recessed portion 3.” Final Dec. 37. Because *White*’s tag 5 is part of the base 4a, and because base 4a fits into *White*’s recess 3, we determined that tag 5 modified in the manner asserted by Petitioner meets the language of claim 9 regarding a recess into which a token is fitted. *See id.*

To the extent that Patent Owner is arguing this combination of *White* and *Lee* does not meet the claim language because base portion 32 of figure 33 in Figures 3A and 3B of the ’276 patent does not fit into the recess, Patent Owner does not identify where this argument was previously made. *See id.* at 2–6.

Even if the argument were made, we would still determine that Petitioner shows unpatentability by a preponderance of the evidence. The claim language does not exclude a base fitting into the recess along with a token. Ex. 1001, 28:10–24. We would find that *White*’s tag 5 by being shown as part of base 4a does fit into recess 3. Ex. 1006, 3:59–64, Fig. 1. In other words, *White* discloses both a base *and* a tag (which becomes a token when combined with *Lee*) fit into its recess 3, which is within the scope of

the claim language. Patent Owner further argues that Lee fails to remedy this perceived shortcoming in *White* (Req. Reh’g 6–7 (citing PO Resp. 50)), but we do not need to address this argument, because we discern no shortcoming in *White*.

B. Construction of the term “token”

Patent Owner argues that our Final Written Decision “does not adopt any explicit construction for ‘token,’ [and] does not fully resolve the parties’ dispute concerning the scope of the claimed ‘token.’” Req. Reh’g 7. Specifically, Patent Owner argues, “[a]s discussed in Patent Owner’s papers, the ’276 patent describes a token as an ‘item required to begin play of a game.’” *Id.* at 8–9 (citing PO Resp. 21–22; PO Sur-reply 3–4); *see also id.* at 8 n.2 (citing PO Resp. 21–24; PO Sur-reply 3–6), n.3 (citing PO Resp. 12–13). According to Patent Owner, the Specification of the ’276 patent “define[s] the disclosed and claimed ‘token’ as an ‘item required to begin play.’” *Id.* at 11.

The full record did not indicate to us that the asserted definition of “token” would have resolved the parties’ dispute. *See* Final Dec. 11–12. Petitioner argued that the term “token” should be construed as “a game piece.” Pet. 13. Patent Owner responded that the “term ‘token’ refers to ‘a disk-like shaped item required to begin play of a game’” and the Specification “defines a token as ‘a substance that enables the player to play the game with the gaming machine by inserting the substance into the gaming machine according to this invention.’” PO Resp. 21–22 (citing Ex. 1001, 2:18–21, 6:62–65, 7:18–21). Patent Owner also argued that “token” requires a disk-like shape. *Id.* at 22–23 (citing Ex. 1001, 6:66–7:1, 7:47–48, 8:33–36, 13:47–48; Ex. 2001 ¶¶ 22–33).

Petitioner replied that Patent Owner’s “construction is incorrect as to both the shape of the item and the functional limitation,” and that the shape limitation is “*preferable*,” but not required. Pet. Reply 7. Petitioner further argued “the statement of ‘required to begin play of a game’ provides no structure whatsoever,” and argues “that an express interpretation of ‘token’ or any other term is not required.” *Id.* at 11–12. Patent Owner replied that it “is construing the term according to its definition and usage in the patent” and the “correct construction for ‘token’ must account for the specification’s explanation that a token is used to begin game play.” PO Sur-reply 3–4 (citing Ex. 1001, 6:62–66).

In our Final Written Decision, we explained that the Specification does not support Patent Owner’s proposed interpretation of the term “token” as being disk-shaped, and determined that “we need only determine that the term ‘token’ does not include an ‘action figure.’” Final Dec. 11–12.

The full record indicated to us that, even if we adopted Patent Owner’s proposed interpretation of “token” as an “item required to begin play of a game,” Petitioner had still shown by a preponderance of the evidence that claim 9 is unpatentable over White and Lee. As described in our Final Written Decision, we found that “the teachings of White related to tag 5 in base portion 4a of character 4 used in the toy of Figure 1 support Petitioner’s argument that character 4 teaches a ‘game piece with built-in IC chip.’” Final Dec. 32. We understood that “Petitioner is proposing to modify White so that tag 5 is detachable and results in a ‘token with built-in IC chip,’” so that “the modified White character 4 would have base 4a with detachable tag 5 received in recessed portion 3.” *Id.* at 37 (citing Pet. 65–66; Dec. to Inst. 23; Pet. Reply 24); *see also id.* at 41–42 (determining that

Petitioner shows by a preponderance of the evidence that one of ordinary skill in the art would have combined White and Lee).

We found that White teaches, *inter alia*, that “[t]ag 5 . . . ‘when activated, transmits information contained in its memory,’” “[i]n use, character 4 is placed in recess portion 3 so that tag 5 is adjacent reader 6,” and tag 5 contains information about character 4. Final Dec. 18 (citing Ex. 1006, 3:59–64, 4:1, 4:3–9, 4:13–16, 4:27–32, Figs. 1, 2), 31 (citing Ex. 1006, 1:7–9, 3:39–40, 4:1–5), 32 (citing Ex. 1006, 4:6–9, 4:15–19), 36 (citing Ex. 1006, 4:15–19, 4:29–32), 37 (citing Ex. 1006, 3:59–64), 38–39 (citing Ex. 1006, 4:15–19, 6:20–41).

We also found that one of ordinary skill in the art would have understood that White’s teachings extended to games and were not limited to toys as argued by Patent Owner. *See id.* at 31–32, 33 (citing Ex. 1002 ¶ 138; Ex. 1006, 3:35–36, 6:59–61). We further found that White teaches or suggests a game in which tag 5 contains information about character 4 usable in the game. *See id.* at 33–34 (citing Ex. 1006, 4:15–19). White, thus, teaches or suggests that, by placing base 4a of character 4 in recess portion 3, tag 5 is placed adjacent reader 6 and activates tag 5 to transmit information about character 4 to play a game. Ex. 1006, 3:59–64, 4:1, 4:3–5, 4:13–16.

Petitioner’s proposed combination of White and Lee would, therefore, have an “item required to begin play of a game.” Based on the full record, even if we interpreted “token” to be an “item required to begin play of a game,” as proposed by Patent Owner, our findings from White indicate that White’s tag 5 teaches or suggests an “item required to begin play of a game.” *See* PO Resp. 21–23; PO Sur-reply 3–4. Petitioner’s proposed combination of White and Lee would also teach or suggest “a substance that

enables the player to play the game with the gaming machine by inserting the substance into the gaming machine,” Patent Owner’s asserted definition of “token” from the Specification. *See* PO Resp. 21–23; PO Sur-reply 3–4.

*C. Whether the combination of White and Lee discloses
a “token with a built-in IC chip”*

Patent Owner argues that, as previously addressed in its briefs, neither White nor Lee discloses a “token” under any reasonable construction of the term. Req. Reh’g 11–12 (citing PO Resp. 18–20, 46–48; PO Sur-reply 8–9). Patent Owner first argues that “the Decision provides no explanation for why the Board contends how the claimed ‘token with built-in IC chip’ is satisfied by making *White*’s tag detachable from its corresponding figure.” *Id.* at 13 (citing Final Dec. 35, 37, 40).

Petitioner argued that the term “token” should be construed as “a game piece” (Pet. 13) and that “the statement of ‘required to begin play of a game’ provides no structure whatsoever” (Pet. Reply 11). We found that “the teachings of White related to tag 5 in base portion 4a of character 4 used in the toy of Figure 1 support Petitioner’s argument that character 4 teaches a ‘game piece with built-in IC chip’” (Final Dec. 31–32 (citing Ex. 1006, 1:5–9, 3:35–36, 3:39–40, 4:1–5, 6:59–61)) and understood that “Petitioner is proposing to modify White so that tag 5 is detachable and results in a ‘token with built-in IC chip’” so that “the modified White character 4 would have base 4a with detachable tag 5 received in recessed portion 3” (*id.* at 37 (citing Pet. 65–66; Dec. to Inst. 23; Pet. Reply 24; Ex. 1006, 3:59–64)).

We also determined “that Petitioner’s relied-upon portions of Lee would have suggested to one of ordinary skill in the art that tag 5 of White could be attached to character 4 in the same manner that transducer 64 of

Lee is attached to its wrestling figure.” Final Dec. 35; *see also id.* at 34 (citing Ex. 1004, 6:31–36, 6:44–51, Fig. 2). We concluded that “the modified White character 4 would have base 4a with detachable tag 5 received in recessed portion 3,” thus, teaching or suggesting the recited “information reader [that] compris[es] an upward-facing recess such that the token with built-in IC chip is fitted into the recess.” *Id.* at 37.

We also found that “Lee . . . supports Petitioner’s declarant testimony that one of ordinary skill in the art would have modified White so that its tag 5 is detachable in the same manner as Lee so that ‘various action figures can be used with the token.’” Final Dec. 42 (citing Ex. 1002 ¶ 150). Petitioner, thus, showed by a preponderance of the evidence that Lee teaches or suggests a method of attaching a component to a figure that one of ordinary skill in the art would have applied to White’s tag 5 for the reason asserted by Petitioner.

Patent Owner also argues that neither White nor Lee disclose the “token with built-in IC chip,” because neither Lee’s transducer, nor White’s tag are “required to begin game play.” Req. Reh’g 13–14 (citing PO Resp. 30–31, 47; PO Sur-reply 8). As discussed above and in our Final Written Decision, Petitioner shows by a preponderance of the evidence that claim 9 is unpatentable over White and Lee, even under Patent Owner’s proposed interpretation of “token.” Final Dec. 31–43.

III. CONCLUSION

For the above reasons, we deny Patent Owner’s request to modify our Final Written Decision with respect to the challenge of claim 9 based on White and Lee.

Outcome of Decision on Rehearing:

Claims	35 U.S.C. §	Reference(s)/Basis	Denied	Granted
9	103(a)	White, Lee	9	
Overall Outcome			9	

Final Outcome of Final Written Decision after Rehearing:

Claims	35 U.S.C. §	Reference(s)/Basis	Claims Shown Unpatentable	Claims Not Shown Unpatentable
9	103(a)	Levy		9
9	103(a)	Levy, Lee		9
9	103(a)	Mawle		9
9	103(a)	Mawle, Lee		9
9	103(a)	White, Lee	9	
Overall Outcome			9	

IV. ORDER

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

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