

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,
Petitioner,

v.

DDC TECHNOLOGY, LLC,
Patent Owner.

IPR2023-00707
Patent 9,420,075 B2

Before KALYAN K. DESHPANDE, *Acting Deputy Chief Administrative Patent Judge*, PATRICK M. BOUCHER, and JULIET MITCHELL DIRBA, *Administrative Patent Judges*.

DIRBA, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

On March 29, 2023, Google LLC (“Petitioner”) filed a Petition requesting *inter partes* review of claims 1–12, 14, and 18–20 of U.S. Patent No. 9,420,075 B2 (Ex. 1001, “the ’075 patent”). Paper 2 (“Pet.”). DDC Technology, LLC (“Patent Owner”) timely filed a Preliminary Response (Paper 14, “Prelim. Resp.”). With our authorization (Ex. 3003), Petitioner filed a preliminary reply (Paper 15, “Prelim. Reply”), and Patent Owner filed a preliminary sur-reply (Paper 20, “Prelim. Sur-reply”).¹

An *inter partes* review may not be instituted unless “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).

Having reviewed the parties’ papers and the evidence of record, we determine that Petitioner has shown a reasonable likelihood it will prevail in establishing the unpatentability of at least one challenged claim. In addition, we determine that, under the specific facts presented, it is not appropriate to deny institution due to allegedly unnamed real parties-in-interest or privies. Accordingly, we institute an *inter partes* review.

I. BACKGROUND

A. *Related Matters*

The parties indicate that the ’075 patent has been asserted in several district court lawsuits including:

¹ Papers 14, 15, and 20 were filed under seal, and Papers 12, 16, and 21 are the corresponding public versions, respectively.

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

- *DODOcase VR, Inc. v. MerchSource, LLC*, No. 3:17-cv-07088 (N.D. Cal.) (filed Dec. 13, 2017; terminated Jun. 19, 2020) (“the *MerchSource* Litigation”);²
- *DDC Technology, LLC v. Merge Labs, Inc.*, No. 6:21-cv-00850 (W.D. Tex.) (filed Aug. 16, 2021; terminated Oct. 15, 2021);
- *DDC Technology, LLC v. Unofficial Cardboard, Inc.*, No. 1:21-cv-05596 (N.D. Ill.) (filed Oct. 21, 2021; terminated Jan. 24, 2022) (“the *UC* Litigation”);
- *DDC Technology, LLC v. Mattel, Inc.*, No. 1:21-cv-01781 (D. Del.) (filed Dec. 21, 2021; terminated May 31, 2022) (“the *Mattel* Litigation”);
- *DDC Technology, LLC v. Orora Packaging Solutions*, No. 3:22-cv-01263 (N.D. Tex.) (filed Jun. 10, 2022; terminated Jul. 11, 2023) (“the *Texas* litigation”); and
- *DDC Technology LLC v. Google LLC*, 3:23-cv-01160 (N.D. Cal.) (filed Mar. 15, 2023; pending) (“the *California* litigation”).

See Pet. 4–6; Paper 3 (Patent Owner Mandatory Notices), 3–5.

The ’075 patent was the subject of one earlier petition for *inter partes* review—IPR2018-00494—and patents related to it were previously the subject of two other Board proceedings—PGR2018-00019 and PGR2018-00020. See Pet. 3–4, Paper 3, 3. MerchSource, LLC instigated these three proceedings, and each was terminated post-institution at its request. *E.g.*, *MerchSource, LLC v. DODOcase VR, Inc.*, IPR2018-00494, Paper 51 at 2 (PTAB Aug. 16, 2019) (explaining that a district court had ordered petitioner to move to withdraw its petitions due to breach of contract claims).

² In October 2018, the ’075 patent was assigned from DODOcase VR, Inc. to Patent Owner (i.e., DDC Technology, LLC).

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

In addition, Petitioner challenges patents related to the '075 patent in four co-pending proceedings: IPR2023-00708, IPR2023-00709, IPR2023-00710, and IPR2023-00711. Concurrently with this Decision, the Board institutes IPR2023-00708. The Board has yet to issue a decision on institution in the other three proceedings.

B. The Petition's Asserted Ground

Petitioner asserts the following ground of unpatentability (Pet. 7–8):

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1–12, 14, 18–20	103	Kondo ³ , Chu ⁴

C. The '075 Patent

The '075 patent is titled “Virtual Reality Viewer and Input Mechanism.” Ex. 1001, code (54). The application that led to this patent was filed on July 16, 2015, claiming priority to provisional applications filed on July 16, 2014 and May 14, 2015. *Id.* at codes (22), (60).

According to the Specification, many virtual reality (“VR”) viewers at the time were configured to use a smartphone as the display device in lieu of a dedicated display. Ex. 1001, 1:30–36. In such a viewer, however, “the touch sensitive display is concealed within the viewer housing, thereby making it difficult for a user to interact with the touch sensitive display of the device.” *Id.* at 1:56–59. Some existing viewers solved this problem by using magnets as input devices, or by using dedicated input devices (e.g.,

³ JP 3176588, issued June 28, 2012 (Ex. 1003). Petitioner relies on a certified translation of Kondo, which also appears in Exhibit 1003.

⁴ US 2013/0082963 A1, published on April 4, 2013 (Ex. 1004).

IPR2023-00707
Patent 9,420,075 B2

video game controllers). *Id.* at 1:59–65, 2:1–10. But these approaches were problematic: the former was “only effectively used with a limited number of devices,” and the latter required “complex electronic circuitry and wireless connectivity capabilities.” *Id.* at 1:64–65, 2:7–8. The ’075 patent describes a viewer with an input device that is both integrated into the viewer and that can be used with a variety of smartphone devices. *Id.* at 2:11–13; *see also id.* at 3:4–24.

Figure 1 of the ’075 patent (reproduced below) shows an exemplary viewer “having a conventional construction without an input mechanism.” Ex. 1001, 3:26–29.

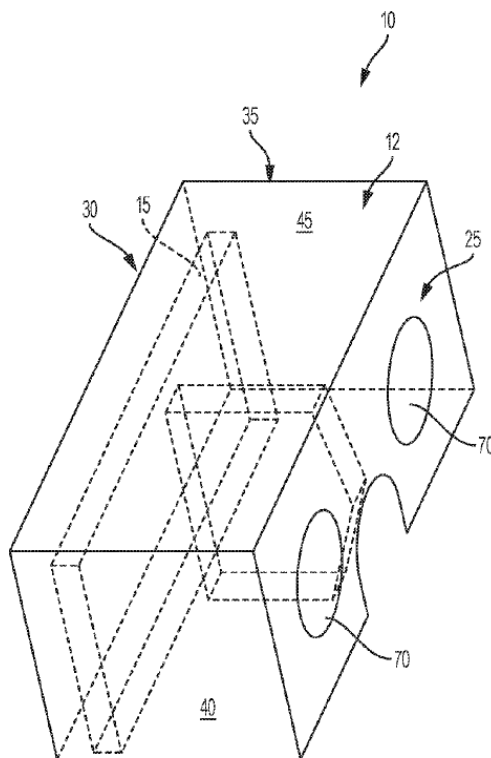


FIG. 1

Figure 1 shows viewer 10, which includes housing 12 into which electronic device 15 (e.g., a smartphone) can be placed such that device 15’s display is

IPR2023-00707

Patent 9,420,075 B2

viewable when the user is looking through lenses 70 into housing 12. *Id.* at 3:29–32, 3:41–55, 3:66–4:4; *see also id.* at Fig. 2 (depicting a back view of viewer 10). Housing 12 also includes a view divider (identified in Figure 1 with dashed lines but no reference number), which “isolate[s] the field of view of the left eye from the right eye.” *Id.* at 4:8–20; *see also id.* at Fig. 3 (depicting a top view of viewer 10 with view divider 20).

Figure 6A (reproduced below) depicts a cross-sectional view of a VR viewer according to an embodiment of the invention. Ex. 1001, 4:62–67.

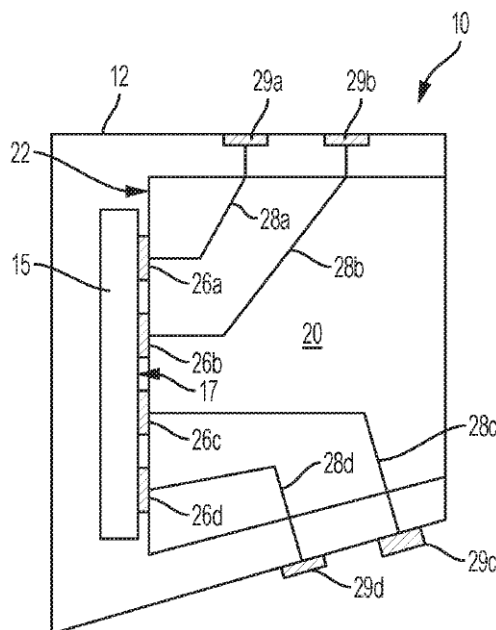


FIG. 6A

Figure 6A shows viewer 10, which includes housing 12 into which electronic device 15 has been placed such that touch sensitive display 17 is proximate to distal surface 22 of view divider 20 in housing 12. *Id.* at 4:62–5:10, Fig. 6A. User inputs 29a–29d are exposed on the outer surfaces of housing 12; touchscreen inputs 26a–26d are disposed on distal surface 22 of view divider 20; and input leads 28a–28d are each located between one user

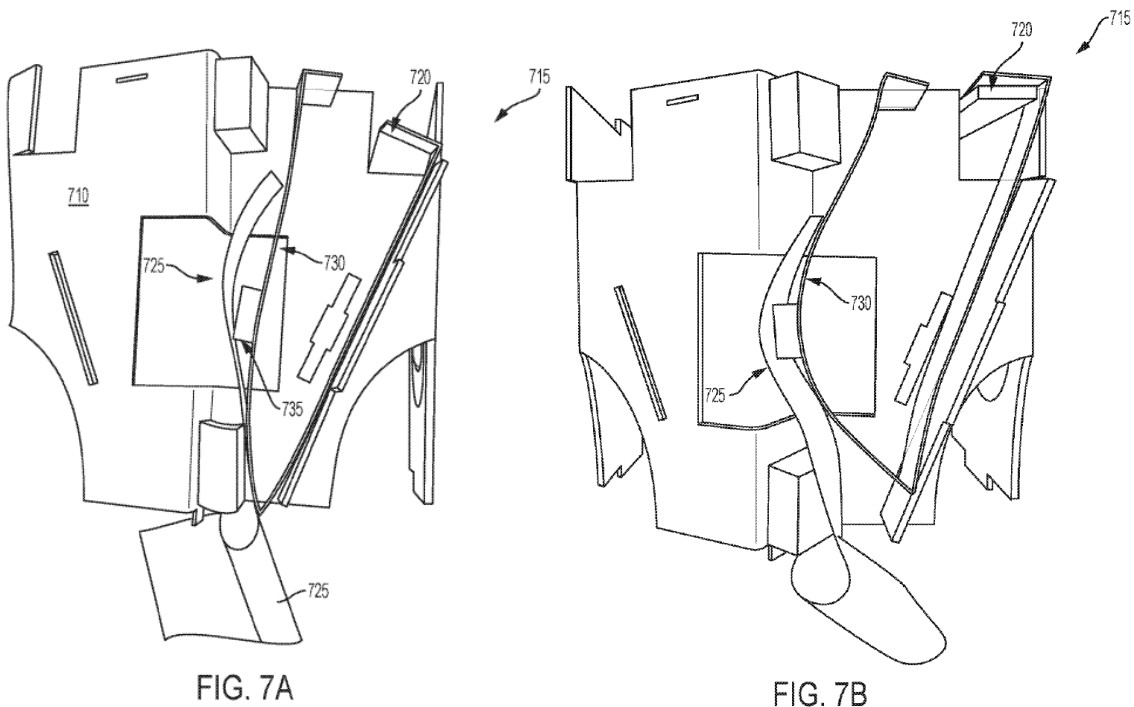
IPR2023-00707

Patent 9,420,075 B2

input 29 and a corresponding touchscreen input 26. *Id.* at 5:2–4, 5:27–32, Figs. 6A–6B. Inputs 29a–d and inputs 26a–d may be constructed from a conductive material (*id.* at 5:11–16, 5:41–46) so that “a user touch of a conductive user input (e.g., 29a), via the conductive lead (e.g., 28a) and touchscreen input (e.g., 26a), will alter the electrical properties of the portion of the display 17 that is in contact with the touchscreen input” (*id.* at 5:46–50). “[T]he device 15 having a capacitive touch sensitive display 17 can detect the particular location of a change in the electrical property that is caused by the user touch of the user input (e.g., 29a).” *Id.* at 5:51–54.

Figures 7A and 7B (reproduced below) depict a cross-sectional view of a VR viewer according to another embodiment of the invention.

Ex. 1001, 2:57–61, 6:47–50.



Figures 7A and 7B each illustrate view divider 710 with one side of the view divider folded back so as to expose a portion of user input mechanism 715, which is located in the interior of the viewer. *Id.* at 7:8–25, 9:22–31. When

IPR2023-00707
Patent 9,420,075 B2

the proximal end of a lever (not shown in these figures) is activated by a user, distal end 720 moves, thereby deforming coupling 730 and causing input mechanism 715 to move from unactuated state (shown in Figure 7A), in which electrical shield 725 does not contact an electrical device's touchscreen, to an actuated state (or “extended position”; shown in Figure 7B), in which electrical shield 725 contacts the touchscreen. *Id.* at 6:60–67, 7:13–25, 7:62–8:10; *see also* Figs. 7C–7E (depicting other views of actuated and unactuated states along with lever's proximal end 722). A capacitive touchscreen can detect electrical shield 725 when input mechanism 715 is in the extended position. *Id.* at 7:52–61.

D. Challenged Claims

Petitioner challenges claims 1–12, 14, and 18–20 of the '075 patent. Pet. 8. Of these, claims 1, 18, and 20 are independent. For purposes of this Decision, claim 1 is illustrative:

1. [a] A virtual reality viewer for use with a mobile electronic device having a touch-screen, the viewer comprising:

[b] a housing configured to receive the mobile electronic device, wherein the housing is configured to hold the mobile electronic device such that the touch-screen is generally centered in a horizontal direction and directly in a user's field of view when looking into a generally hollow interior of the housing through a side opposite the touch-screen;

[c] an input mechanism that is accessible from an exterior of the housing and is moveable within the interior between at least a first position and an extended position, [d] the input mechanism comprising:

an electrical shield having a surface, wherein only a portion of the surface of the electrical shield is configured to contact a central region of the touch-screen

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

of the mobile electronic device when the input mechanism is in the extended position.

Ex. 1001, 12:25–42 (Petitioner’s reference designations added).

II. PATENTABILITY ANALYSIS

A. *Legal Standards*

“In an [*inter partes* review], the petitioner has the burden from the onset to show with particularity why the patent it challenges is unpatentable.” *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (citing 35 U.S.C. § 312(a)(3) (requiring *inter partes* review petitions to identify “with particularity . . . the evidence that supports the grounds for the challenge to each claim”)). This burden of persuasion never shifts to the patent owner. *Dynamic Drinkware, LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015).

The legal 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 ordinary skill in the art; and (4) when in evidence, objective evidence of nonobviousness. *Graham v. John Deere Co. of Kan. City*, 383 U.S. 1, 17–18 (1966). One seeking to establish obviousness based on more than one reference must articulate sufficient reasoning with rational underpinnings to combine teachings. *See KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007).

B. *Level of Ordinary Skill in the Art*

Petitioner asserts that the level of ordinary skill in the art corresponds to “an undergraduate degree (or equivalent) in mechanical engineering or a

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

related field” and “two years of professional experience in mechanical and basic optical design or engineering.” Pet. 21–22 (citing Ex. 1002 ¶¶ 25–26). In addition, Petitioner asserts that an ordinarily skilled artisan would have had “knowledge of mechanical actuation systems, basic optical design with lenses, head-mounted displays, [and] a basic understanding of touchscreen technology.” *Id.*

At this stage, Patent Owner does not directly dispute Petitioner’s articulation of the level of ordinary skill. *See* Prelim. Resp. But Patent Owner argues that Petitioner’s declarant, Mr. Kurtis P. Keller, does not qualify as a person of ordinary skill in the art because he “evinces no particular expertise regarding touchscreens” or “conductive/capacitive technology.” Prelim. Resp. 45–46.

For purposes of this Decision, we adopt Petitioner’s proposed level of skill, as articulated above. We are satisfied that it comports with the level of skill necessary to understand and implement the teachings of the ’075 patent. This definition is also supported by the testimony of Mr. Keller. *See* Ex. 1002 ¶¶ 25–26. To the degree Patent Owner asserts that an ordinarily skilled artisan would have had additional expertise with touchscreens (*see* Prelim. Resp. 45), Patent Owner does not sufficiently identify what expertise is allegedly required.

Also, at this stage, we disagree with Patent Owner’s argument that Mr. Keller “is not a [person of ordinary skill in the art], let alone an expert.” Prelim. Resp. 45–46. Mr. Keller testifies that he has a B.S. in Mechanical Engineering and over two decades of experience designing head-mounted displays, including direct involvement in “the mechanical, electrical, optical and integration aspects” of those designs. Ex. 1002 ¶¶ 8, 10–11. As a result,

IPR2023-00707
Patent 9,420,075 B2

we are preliminarily persuaded that he is qualified to provide expert testimony in this proceeding.

To the extent the level of ordinary skill in the art is in dispute or makes a material difference in the obviousness analysis, the parties should brief their respective positions in this regard during trial.⁵

C. *Claim Construction*

We interpret claim terms using “the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. 282(b).” 37 C.F.R. § 42.100(b). Under the principles set forth by our reviewing court, the “words of a claim ‘are generally given their ordinary and customary meaning,’ ” as would be understood by a person of ordinary skill in the art in question at the time of the invention. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (en banc) (quoting *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996)).

Petitioner proposes constructions for three claim terms. Pet. 22–27. First, Petitioner contends that “virtual reality viewer” (which appears in the preamble of every claim) means “[a] viewer of an artificial environment,’ where ‘viewer’ includes both handheld devices and headsets.” Pet. 23–24. Second, Petitioner contends that “electrical shield” (recited in independent claims 1 and 20) and “electric shield” (recited in independent claims 18) are

⁵ “Factors that may be considered in determining the ordinary level of skill in the art include: 1) the types of problems encountered in the art; 2) the prior art solutions to those problems; 3) the rapidity with which innovations are made; 4) the sophistication of the technology; and 5) the educational level of active workers in the field.” *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 666–67 (Fed. Cir. 2000).

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

synonymous and should be construed as “a material configured to induce a touch event that is electrically detectable by a touchscreen/device when at least a portion of the shield contacts or is in proximity to a touchscreen.” *Id.* at 24–26. Finally, Petitioner contends that “lever” (which appears in independent claim 20 and dependent claims 12 and 15) should be construed as “a projecting piece by which a mechanism is operated or adjusted.” *Id.* at 26–27.

At this stage, Patent Owner takes no position regarding the construction of any claim terms or phrases. *See* Prelim. Resp.

We are preliminarily persuaded to adopt Petitioner’s proposed construction of “electrical shield” and “electric shield.” According to Petitioner, these terms do not have an ordinary meaning to an ordinarily skilled artisan, and the Specification of the ’075 patent uses the terms to refer to a material configured to induce a touch event that is electrically detectable by a touchscreen when at least a portion of it contacts (or is in proximity to) the touchscreen. Pet. 24–26 (citing Ex. 1001, 7:18–35, 7:52–8:5, 8:27–45, 10:31–40; Ex. 1002 ¶ 18). Mr. Keller testifies that these terms “do not have an ordinary meaning to a [person of ordinary skill in the art]” in this context (Ex. 1002 ¶ 18), and we credit this testimony at this stage because we discern no evidence to the contrary. In addition, the Specification states that “[t]he electrical shield is a material configured to, when brought in proximity to and/or touches [sic] the touchscreen, induce a touch event that is electrically detectable by the touchscreen/device.” Ex. 1001, 7:22–25, 10:31–39; *see id.* at 7:25–51 (identifying exemplary materials and stating that “[o]ther materials having the requisite electrical properties can also be used”). Accordingly, for purposes of this Decision,

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

we preliminarily construe “electrical shield” and “electric shield” to be synonymous, with both meaning “a material configured to induce a touch event that is electrically detectable by a touchscreen/device when at least a portion of the shield contacts or is in proximity to a touchscreen.”

Although Petitioner proposes constructions for other claim terms, we determine that it is not necessary to address the construction of those terms at this stage. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (noting that “we need only construe terms ‘that are in controversy, and only to the extent necessary to resolve the controversy’” (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).

During the trial, Patent Owner should directly address any claim construction adopted in this Decision (or proposed by the Petitioner) if it contends we should not adopt that construction in the final written decision.

D. Obviousness Ground Based on Kondo and Chu

Petitioner contends that the subject matter of claims 1–12, 14, and 18–20 would have been obvious over Kondo and Chu. Pet. 37–121. Patent Owner argues that a person of ordinary skill would not have combined Kondo and Chu as proposed by Petitioner (Prelim. Resp. 39–47), and Patent Owner argues that secondary considerations of non-obviousness further show that the claims are not obvious in view of the references (*id.* at 47–55).

We have considered the parties’ arguments and the evidence presented at this stage. For the reasons explained below, we determine that Petitioner has demonstrated a reasonable likelihood that it will prevail in showing that the subject matter of claim 1 would have been obvious over the

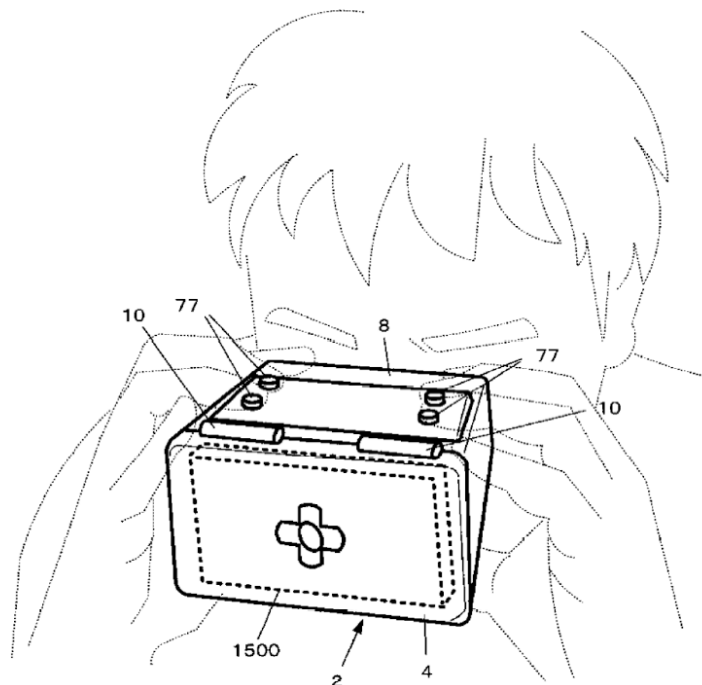
IPR2023-00707
Patent 9,420,075 B2

combination of Kondo and Chu. As a result, we institute *inter partes* review.

1. Summary of Kondo

Kondo describes “an attachment” into which a smartphone is placed so that a user can view “three-dimensional stereoscopic images.” Ex. 1003, Abstr., ¶ 21. Kondo explains that, because “the smartphone 1500 is stowed inside the attachment 2, it is not possible to input an operation to the touch panel as-is.” *Id.* at Abstr. Kondo solves this problem by equipping its attachment with “a remote touch circuit” that allows a user to provide input to the smartphone’s touchscreen from outside the attachment. *Id.* at Abstr., ¶ 1. Kondo’s Figure 1 (reproduced below) illustrates an exemplary embodiment of its attachment with a remote touch circuit. *Id.* ¶ 22.

FIG. 1



IPR2023-00707
Patent 9,420,075 B2

Figure 1 depicts attachment 2, “provided with a holding part 4 that can open and close on the front end thereof, and left and right eyepieces [not shown] . . . on the rear end thereof.” *Id.* ¶ 22, Fig. 1. This figure also depicts smartphone 1500 (inside attachment 2), a user (who is looking into the eyepieces), attachment main body 8, and button parts 77 (which are part of Kondo’s remote touch circuit). *Id.* ¶¶ 22, 38.

Figure 5 (reproduced below) illustrates Kondo’s attachment 2 as seen from the side. Ex. 1003 ¶ 29.

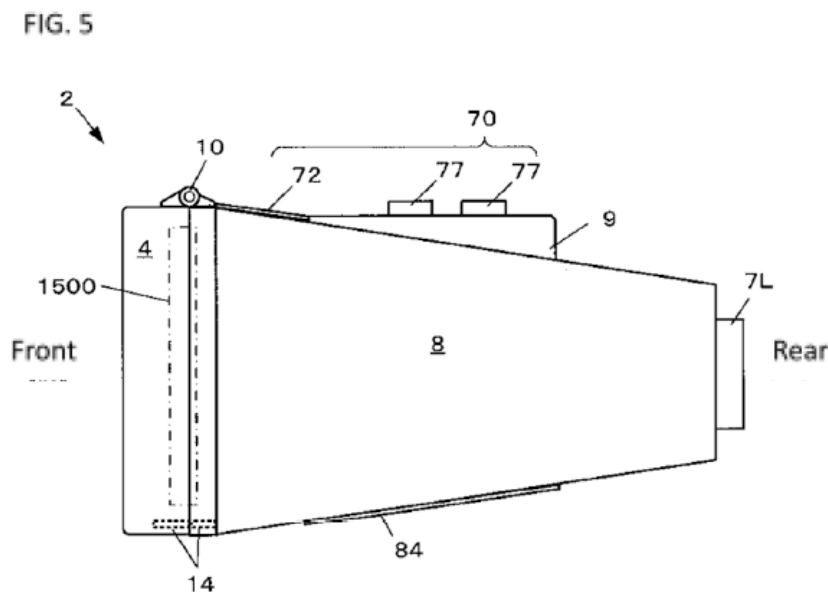


Figure 5 depicts attachment 2, which includes holding part 4 (into which smartphone 1500 has been placed), remote touch circuit 70 (which includes electrical wire part 72 and button parts 77), attachment main body 8, and left eyepiece 7L. *Id.* ¶¶ 37, 44, Fig. 5.

Kondo teaches that smartphone 1500 includes capacitive touch panel 1506, which serves as both a display and an input device. Ex. 1003 ¶¶ 23–24. Figure 3 (reproduced below) shows an exemplary display. *Id.* ¶ 27.

IPR2023-00707
 Patent 9,420,075 B2

FIG. 3

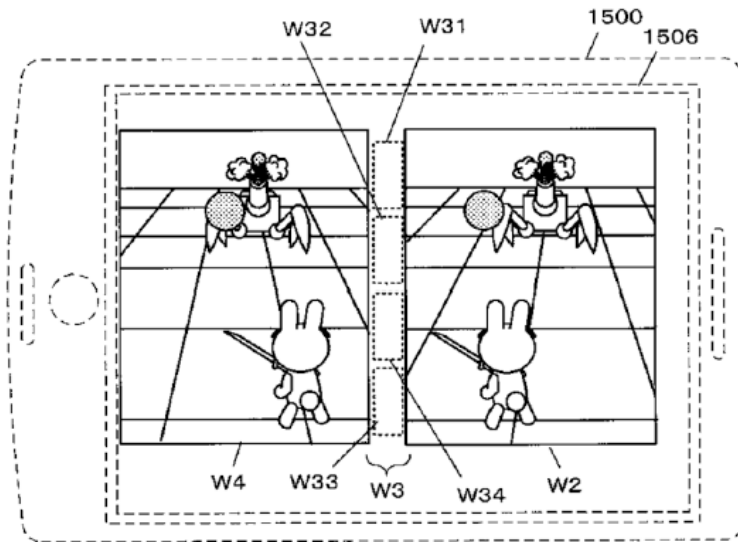


Figure 3 depicts smartphone 1500 with touch panel 1506, which includes upper display area W2, lower display area W4, and operation input area W3 (located between areas W2 and W4) with four virtual button positions W31–W34. *Id.* ¶¶ 27–28, Fig. 3.

Kondo's attachment 2 includes a partition wall placed in the center of attachment main body 8, and this partition wall includes four conductive pads that are arranged so that they contact virtual button positions W31–W34 when holding part 4 is closed. Ex. 1003 ¶ 37, 41, Figs. 4, 9. Each of these conductive pads are associated with a corresponding button part 77, and when button part 77 is depressed, it is electrically connected to the corresponding conductive pad. *Id.* ¶¶ 40, 42–43. Kondo explains the operation as follows:

When the user presses the button part 77 with a finger F1, the touch panel 1506 is electrical conductively connected to the finger of the user through the conductive pad 75, electrical wire part 72 [in attachment main body 8], and button part 77. That is to say, that substantially, the impedance (capacitor or

IPR2023-00707
 Patent 9,420,075 B2

the like capacitance) of the finger (human body) of the user is electrically connected to the touch panel 1506. Therefore, the touch panel 1506 can detect a current value corresponding to this impedance and recognize that a touch operation has been performed at the virtual button positions W31 to W34.

Id. ¶ 48.

2. Summary of Chu

Chu describes a mechanism for actuating a capacitive touch screen of a digital device (e.g., a smartphone) while the device is located in a waterproof housing. Ex. 1004, Abstr., ¶ 2. In Figures 3 and 4 (reproduced below), Chu illustrates an embodiment of its actuator mechanism at rest and at an activation position. Ex. 1004 ¶¶ 25–26.

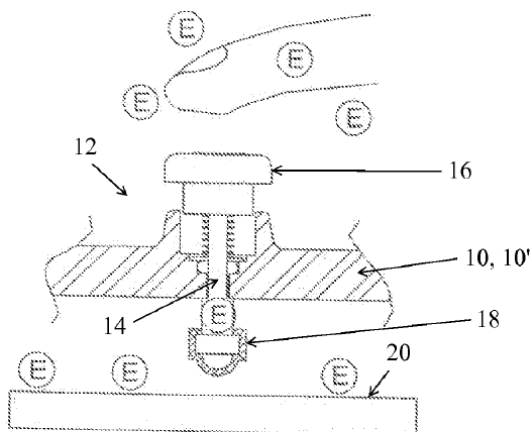


FIG. 3

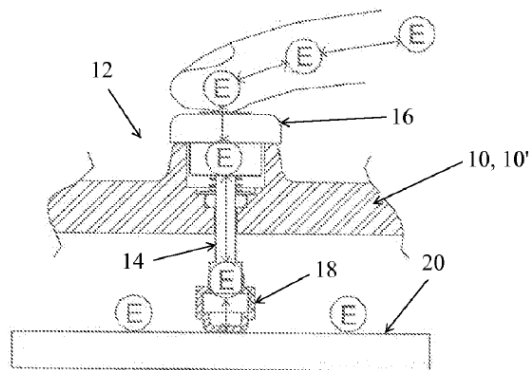


FIG. 4

Both Figures 3 and 4 depict housing 10, actuator mechanism 12 (which includes actuator shaft 14, press button 16, and probe head 18), touch screen 20, a finger, and electric charge E. *Id.* ¶¶ 39–41. Figure 3 depicts actuator mechanism 12 at rest—the finger is not in contact with press button 16, and probe head 18 is not in contact with touch screen 20. *Id.* ¶ 40, Fig. 3. Figure 4 depicts actuator mechanism 12 at an actuation position—the finger

IPR2023-00707
Patent 9,420,075 B2

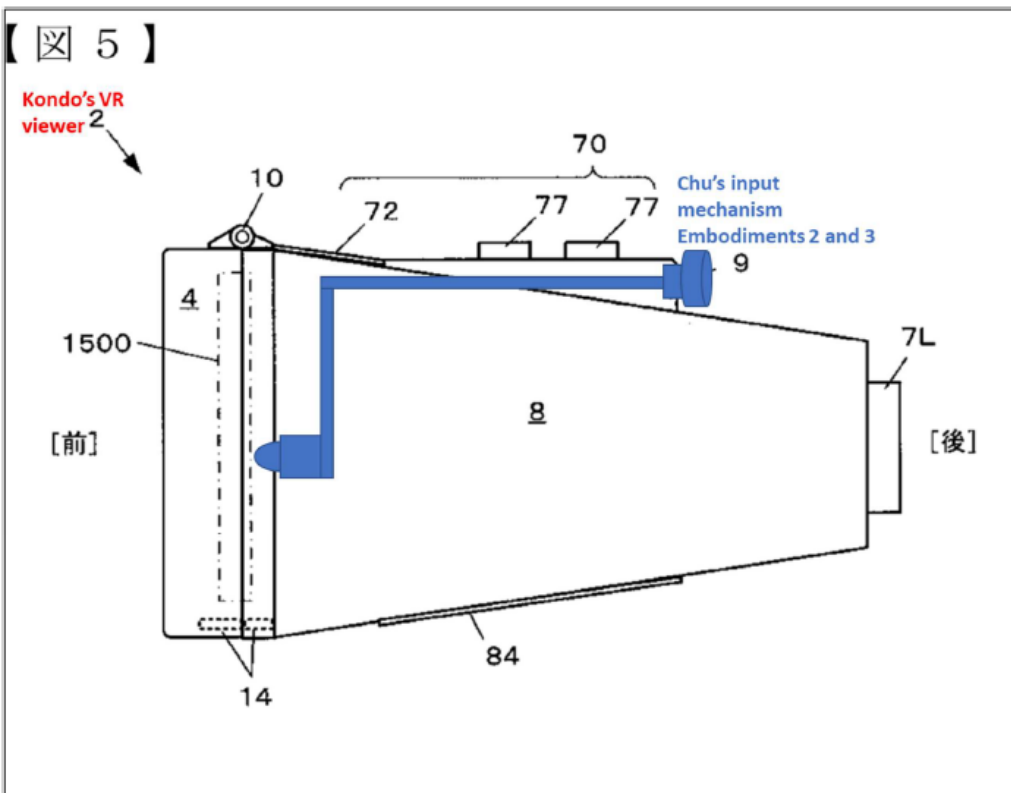
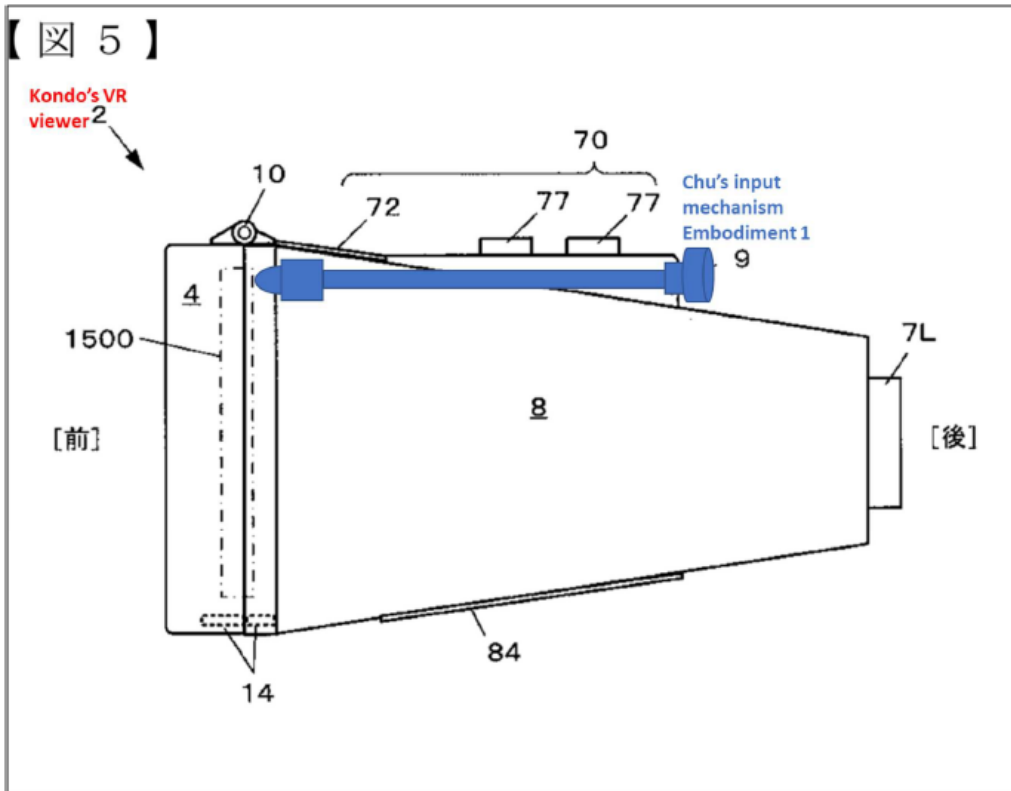
contacts press button 16, probe head 18 contacts touch screen 20, and “electric charge E can be transferred between the finger of the user and the capacitive touch screen 20 through the press button 16, the actuator shaft 14 and the probe head 18, as shown by the arrows.” *Id.* ¶ 41, Fig. 3; *see also id.* ¶¶ 54–55 (describing actuation in greater detail).

In addition, Chu describes another embodiment in which actuator mechanism 12' includes an adapter that connects actuator shaft 14' to probe head 18' such that the latter is “disposed at an off-center position away from the center axis X of the actuator shaft 14'.” *Id.* ¶¶ 50–51, Figs. 7a, 7b; *see also id.* ¶¶ 57–58 (identifying benefit of embodiment). Chu also describes a modification of this embodiment, where actuator mechanism 12" allows a user to move probe head 18" in a swiping or circular motion after it contacts touch screen 20. *Id.* ¶¶ 60–62, Figs. 9a, 9b.

3. *Proposed Combinations of Kondo and Chu*

Petitioner proposes two combinations of Kondo and Chu, each of which replaces Kondo's electrical input mechanism (including button part 77 and associated conductive wire) with Chu's mechanical input mechanism. Pet. 39–42; *see id.* at 37–39. In the first combination, Petitioner uses Chu's first embodiment (with actuator mechanism 12) (*id.* at 39–40), and in the second combination, it uses Chu's second and third embodiments (with actuator mechanism 12', 12") (*id.* at 39–40). Petitioner illustrates each proposed combination by annotating Kondo's Figure 5 (*id.* at 40–41), and these annotations are reproduced below.

IPR2023-00707
Patent 9,420,075 B2



IPR2023-00707

Patent 9,420,075 B2

Petitioner’s annotations of Kondo’s Figure 5 each add a structure (in blue) to the top of Kondo’s attachment 2 and include red text identifying attachment 2 as “Kondo’s VR viewer” and blue text identifying the actuator mechanism as either “Chu’s input mechanism Embodiment 1” (for the first combination) or “Chu’s input mechanism Embodiments 2 and 3” (for the second combination). *Id.*

For each proposed combination, Petitioner submits that an ordinarily skilled artisan would recognize that minor adjustments might need to be made (e.g., by modifying the size of Chu’s input device or Kondo’s device or by providing supportive structure inside Kondo’s device). Pet. 39–40 (citing Ex. 1002 ¶¶ 67–68; Ex. 1004 ¶ 59, Figs. 3–10), 41–42 (citing Ex. 1002 ¶ 70). Petitioner also states that each combination would be arranged such that the input device contacts the central region of the smartphone’s touchscreen, as disclosed by Kondo. *Id.* at 42–43 (citing Ex. 1003 ¶¶ 27–28, Fig. 3; Ex. 1002 ¶ 71).

4. *Motivation to Combine References as Proposed*

Petitioner contends that an ordinarily skilled artisan would have had a reasonable expectation of success in making the proposed combinations, given that these are “simple mechanical devices.” Pet. 39 (citing Ex. 1002 ¶ 66); *see also id.* at 39–42 (citing Ex. 1002 ¶¶ 67–70). In addition, Petitioner contends that an ordinary artisan would have been motivated to make these combinations of Kondo and Chu, and in support, Petitioner presents a few rationales. *Id.* at 37–39.

First, Petitioner asserts that “[t]he most common touchscreens on the market as of the ’075 patent’s alleged invention date were capacitive and

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

resistive.” Pet. 37 (citing *id.* at 10 (citing Ex. 1004 ¶ 3; Ex. 1002 ¶ 31)). Petitioner submits that, although Kondo’s electrical input mechanism can only work with capacitive screens, Chu’s mechanical input mechanism can work with both capacitive and resistive screens. *Id.*; *see also id.* at 10–11 (identifying input required for capacitive and resistive screens), 36 (asserting that an ordinarily skilled artisan would have understood Chu to work with both types). As a result, according to Petitioner, a designer would have been motivated to replace Kondo’s input mechanism with Chu’s input mechanism in order to “increase the usability and consumer appeal for their device by making it work with both capacitive and resistive screens.” *Id.* at 37 (citing Ex. 1002 ¶ 59); *see also id.* at 37–38 (asserting that both references address a similar problem) (citing Ex. 1003, Abstr.; Ex. 1004 ¶ 9).

Second, Petitioner contends that a designer would also have been motivated to make the proposed combinations because Chu’s input mechanism allows for different types of inputs at a single location (as compared to Kondo’s one-type input) because it transmits different levels of pressure and allows for a swipe input. Pet. 38 (citing Ex. 1002 ¶¶ 61–62). Third, Petitioner contends that a designer would also have been motivated to include Chu’s waterproof design because it “would be less susceptible to damage from water and other environmental factors, like dirt and dust” and “would allow the device to be cleaned without fear of cleaning fluid reaching the device’s inner parts,” which is important for sanitary environments (e.g., medical procedures or in manufacturing facilities). *Id.* at 38–39 (citing Ex. 1002 ¶¶ 63–65).

Patent Owner argues that an ordinarily skilled artisan would not have combined Kondo and Chu as proposed. Prelim. Resp. 39–47. According to

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

Patent Owner, resistive touchscreens comprised little market share in 2014 (at the time of invention), and an ordinarily skilled artisan would not have been motivated to accommodate this type of touchscreen in a VR viewer.

Id. at 40–45 (citing Ex. 2033 ¶¶ 18–19; Ex. 2046; Ex. 2048, 74–75; Ex. 2021, 2, 7–10). In addition, Patent Owner argues that “Chu and Kondo . . . are non-analogous art and/or teach away from the challenged claims” because Chu describes a waterproof case rather than a VR viewer. *Id.* at 46 (citing Ex. 1004 ¶ 2).

Having considered the parties’ arguments and evidence, we determine that Petitioner has made a sufficient showing (for purposes of institution) that a person of ordinary skill in the art would have been motivated to combine Kondo and Chu. We have considered Patent Owner’s arguments, but we determine the issues raised are best resolved at the conclusion of trial with the benefit of a full record. For the benefit of the parties, we address each of Patent Owner’s arguments.

Patent Owner primarily seeks to disprove Petitioner’s first rationale (i.e., an ordinarily skilled artisan would have wanted a viewer that could work with both capacitive and resistive touchscreens) (*see* Prelim. Resp. 40–45), but this dispute is best resolved with the benefit of a full record. At this stage, the record includes evidence to support each party’s position.

Petitioner’s contention (*see* Pet. 37) is sufficiently supported by Chu’s statement that “[t]he most common types [of touchscreens] being used by handheld devices, such as smart phones, tablet computers and digital cameras are resistive and capacitive touch screens.” Ex. 1004 ¶ 3. Patent Owner’s contrary position is supported by evidence indicating that, in 2013 and 2014, the market share of mobile phones with resistive touchscreens was

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

significantly smaller than those with capacitive touchscreens (and trending downward). *See* Ex. 2046 (*cited in* Prelim. Resp. 43–44). We note, however, that this evidence focuses on market share (rather than number of units sold) and does not include statistics for 2012 (when Chu was filed). In addition, Patent Owner introduces testimony from the inventor, Mr. Buckley, who states that “[r]esistive touchscreen[s] . . . were used on low-end mobile devices that would not have had the necessary hardware components . . . for a mobile phone to be used in a VR headset.” Ex. 2033 ¶ 18 (*cited in* Prelim. Resp. 40). However, Mr. Buckley does not provide evidence supporting this statement. If proven, this fact could cause us to question whether an ordinarily skilled artisan would have been motivated to modify Kondo with Chu in order to accommodate resistive touchscreens, as proposed by Petitioner (*see* Pet. 37). But, in any event, none of Patent Owner’s evidence undermines Petitioner’s second and third rationales, which argue that an ordinarily skilled artisan would have been motivated to replace Kondo’s electrical input mechanism with Chu’s mechanical input mechanism in order to allow for different types of inputs (*see* Pet. 38) and to achieve the benefits of Chu’s waterproof design (*see id.* at 38–39).

Patent Owner’s other evidence appears to be far less probative. Patent Owner points to a specification published by Petitioner (*see* Prelim. Resp. 40 (citing Ex. 2048, 74–75; Ex. 2033 ¶ 19)), but Patent Owner fails to sufficiently explain the argument relying upon it. The specification was published in 2017, many years after the critical date (*see* Ex. 2048, 1), and it provides requirements “for devices to be compatible with Android 7.0” (*id.* at 6). We discern nothing in this specification indicating that, in 2014, an ordinarily skilled artisan would not have been motivated to make a VR

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

viewer that was compatible with resistive touchscreens. Also, Patent Owner argues that resistive touchscreens “are typically used in industrial electronics” and “[c]apacitive touchscreens are used in consumer electronics” (Prelim. Resp. 41 (citing Ex. 2021, 2, 7–10); *see also id.* at 45); however, the cited evidence is an article from 2018, and it does not indicate that resistive touchscreens were, in fact, not used in consumer electronics in 2014 (*see* Ex. 2021, 1–2, 7, 9–10), despite Patent Owner’s suggestion to the contrary (*see* Prelim. Resp. 45).

Next, Patent Owner argues that Chu is non-analogous art because it is directed to a button for a waterproof case rather than a button for a VR viewer (*see* Prelim. Resp. 46), but we are sufficiently persuaded for purposes of institution that Chu is reasonably pertinent to the particular problem addressed by the ’075 patent.⁶ Petitioner contends that Chu “deal[s] with a smartphone enclosed in a housing or device” and solves the problem of “external activation of the smartphone’s touchscreen enclosed in that device.” Pet. 37 (citing Ex. 1004 ¶ 9). The ’075 patent similarly deals with the “challenge” of accessing a smartphone’s touch sensitive display while the smartphone is contained within the viewer’s housing. Ex. 1001, 1:56–59. In addition, Patent Owner’s argument at this stage is conclusory (*see*

⁶ A reference must be analogous to the claimed invention in order to be applied as prior art for purposes of an obviousness analysis. *Airbus S.A.S. v. Firepass Corp.*, 941 F.3d 1374, 1379 (Fed. Cir. 2019) (citing *In re Klein*, 647 F.3d 1343, 1348 (Fed. Cir. 2011)). “Two separate tests define the scope of analogous prior art: ‘(1) whether the art is from the same field of endeavor, regardless of the problem addressed and, (2) if the reference is not within the field of the inventor’s endeavor, whether the reference still is reasonably pertinent to the particular problem with which the inventor is involved.’” *Id.* (quoting *In re Bigio*, 381 F.3d 1320, 1325 (Fed. Cir. 2004)).

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

Prelim. Resp. 46), and Petitioner has not yet had an opportunity to address it. Patent Owner does not address whether Chu is reasonably pertinent to a problem addressed by the inventor (*see* Prelim. Resp. 46), despite Petitioner’s discussion of the problem solved by Chu (*see* Pet. 37 (citing Ex. 1004 ¶ 9)). Also, Patent Owner appears to assume a narrow field of endeavor, but Patent Owner does not provide analysis in support of this assumption. *See, e.g., Unwired Planet, LLC v. Google Inc.*, 841 F.3d 995, 1001 (Fed. Cir. 2016) (stating that the field of endeavor is “not limited to the specific point of novelty, the narrowest possible conception of the field, or the particular focus within a given field”); *cf. Wyers v. Master Lock Co.*, 616 F.3d 1231, 1238 (Fed. Cir. 2010) (stating that *KSR* “directs us to construe the scope of analogous art broadly”).

The remaining arguments presented by Patent Owner are misplaced. Patent Owner argues that the Specification recognized a possibility of “removing the human body from the electrical circuit,” where Kondo and Chu failed to appreciate this advantage (*see* Prelim. Resp. 41–42, 46; Ex. 1001, 7:52–56), but Patent Owner fails to connect this argument to its claimed invention. The challenged claims include no limitation directed to this concept, so we discern no relevance of this alleged distinction.⁷ Relatedly, Patent Owner argues that Petitioner improperly “seeks to limit capacitive screens to devices that ‘use the body’s electronic properties to create a change of charge’” (Prelim. Resp. 41 (citing Pet. 10–11)); however, Patent Owner misunderstands the Petition, which simply provides a general

⁷ Also, we are not persuaded of any relevant distinction—Kondo expressly describes an embodiment that is configured such that its button “connect[s] to a capacitive element instead of the human body.” Ex. 1003 ¶ 52.

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

technical background (*see* Pet. 10–11), and again, any such dispute has no apparent relevance to this proceeding. Patent Owner does not argue that the claims *exclude* VR viewers that are designed to rely upon contact with a human body to cause a touch event (as in the Kondo-Chu combinations), and it does not matter (for this proceeding) whether the claims are broad enough to include a VR viewer that operates in a different way.

Patent Owner also faults Petitioner for describing its proposed embodiment “in the *present tense*” rather than the *past tense*. Prelim. Resp. 43. Although Patent Owner is correct that the question is whether the claimed invention would have been obvious to a person of ordinary skill in the art before the date of invention (*see id.*), the Petition is not to the contrary. Instead, we determine that Petitioner asserts that an ordinarily skilled artisan *would have been* motivated to combine the references in the manner described and for the reasons proposed. *See* Pet. 37–43. We view any use of present tense verbs in this portion of the Petition as merely inartful.

Finally, to the extent Patent Owner argues that Kondo is non-analogous art or that either reference teaches away from the claimed invention (*see* Prelim. Resp. 46), these arguments are insufficiently explained. Kondo is analogous art because it is from the same field of endeavor as the ’075 patent, even when that field is viewed most narrowly. *See* Ex. 1001, 1:23–26; Ex. 1003, Abstr., ¶¶ 1–2, 4, 21. Moreover, Patent Owner identifies (and we perceive) nothing in either reference that criticizes, discredits, or otherwise discourages the claimed invention. *See In re Gurley*, 27 F.3d 551, 553 (Fed. Cir. 1994) (“A reference may be said to teach away when a person of ordinary skill, upon reading the reference, would be

IPR2023-00707
Patent 9,420,075 B2

discouraged from following the path set out in the reference, or would be led in a direction divergent from the path that was taken by the applicant.”).

Ultimately, Patent Owner’s evidence does not reveal a deficiency in the Petition, but instead reveals that the parties dispute an important factual issue. This issue is best resolved at trial on a full record.⁸

5. *Objective Indicia of Nonobviousness*

Patent Owner argues that secondary considerations (also known as objective indicia of nonobviousness) demonstrate that the challenged claims are not obvious over the Kondo-Chu combination. Prelim. Resp. 47–55. Patent Owner contends that the most compelling evidence of non-obviousness comes from “(a) Google’s own admission of failure to develop the invented technologies – including its failure to combine Kondo and Chu *at the time of [the] invention*; and (b) Google’s recognition *at the time of [the] invention* that the inventions of the ’075 patent were ‘genius,’ ‘ingenious,’ and ‘really neat.’” *Id.* at 47.

Patent Owner argues that Petitioner identified “that there was a need for a VR viewer with an improved input mechanism” because Petitioner developed a VR viewer with a magnetic input. Prelim. Resp. 47–48 (citing Ex. 2033 ¶¶ 20–25). Patent Owner also argues that Petitioner “highlighted DODOcase at [a] conference as the first company to sell a VR viewer based on the GCV1 Viewer design (only four or five hours after [Petitioner] posted

⁸ At this stage, we do not decide whether it is more likely than not that an ordinarily skilled artisan would have been motivated to combine Kondo and Chu as proposed; rather, we simply determine that Petitioner has shown a reasonable likelihood that it will prevail on this dispute at trial.

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

its GCV1 Viewer designs on its website for manufacturers to use).” *Id.* at 48 (citing Ex. 2033 ¶ 27; Ex. 2004 ¶ 25). Patent Owner argues that “[Petitioner] acknowledged that there was a need for [a] better input mechanism” and the ’075 patent solves a “long-felt but unresolved need” in the art, based on the statements of Mr. Andrew Nartker of Petitioner’s Google Cardboard team. *Id.* at 48–49 (citing Ex. 2034, 3–4). Patent Owner further argues that the ’075 patent received industry praise. *Id.* at 50; *see* Exs. 2033, 2034.

“In order to accord substantial weight to secondary considerations in an obviousness analysis, the evidence of secondary considerations must have a nexus to the claims, *i.e.*, there must be a legally and factually sufficient connection between the evidence and the patented invention.” *Fox Factory, Inc. v. SRAM, LLC*, 944 F.3d 1366, 1373 (Fed. Cir. 2019) (citations and internal quotation marks omitted). “The patentee bears the burden of showing that a nexus exists.” *Id.* A patentee is entitled to a rebuttable presumption of nexus “when the patentee shows that the asserted objective evidence is tied to a specific product and that product ‘embodies the claimed features, and is coextensive with them.’” *Id.* (citation omitted).

On this record, we find that Patent Owner has not sufficiently established nexus between any objective indicia of nonobviousness and the challenged claims of the ’075 patent. First, Patent Owner does not provide an analysis demonstrating that its products (or prototypes) are coextensive (or nearly coextensive) with the challenged claims. We, therefore, find that a presumption of nexus is inappropriate. *See Lectrosonics, Inc. v. Zaxcom, Inc.*, IPR2018-01129, Paper 33 (PTAB Jan. 24, 2020) (precedential).

However, “[a] finding that a presumption of nexus is inappropriate

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

does not end the inquiry into secondary considerations.” *Fox Factory*, 944 F.3d at 1375. “To the contrary, the patent owner is still afforded an opportunity to prove nexus by showing that the evidence of secondary considerations is the ‘direct result of the unique characteristics of the claimed invention.’” *Id.* at 1373–1374 (citation omitted).

On the preliminary record, we are not persuaded that Patent Owner meets this alternative test. For example, although Patent Owner asserts that Petitioner highlighted DODOcase and that its Google Cardboard team praised Patent Owner’s conductive touch button, Patent Owner did not set forth sufficient analysis and evidence demonstrating that the praise was directed to a specific claimed feature of the ’075 patent. For instance, the present record does not include any specific information or detail on the conductive button⁹ that was praised or demonstrate nexus between the conductive button and features of the challenged claims. Similarly, although Patent Owner argues that there was a long-felt unresolved need in the art, Patent Owner does not set forth sufficient analysis identifying that the claimed features of the ’075 patent solved this need. Additionally, Patent Owner alleges the commercial success of its viewer, but does not demonstrate the commercial success is a direct result of the unique characteristics of the claimed invention.

Additionally, at this stage, we are not persuaded by some of Patent

⁹ The July 25, 2014 email from Mr. Buckley indicates that video clips that were sent with the email show the operation of the conductive button, but Patent Owner has not submitted those clips. Ex. 2034, 2. Patent Owner also asserts that the video clips depict a working prototype that was based on embodiments disclosed in a first provisional application (Prelim. Resp. 49–50), but the provisional application is not in the record.

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

Owner’s evidence of non-obviousness. For example, although Patent Owner’s capacitive/conductive touch button was described by a few individuals as “genius,” “ingenious,” and “really neat” (Ex. 2034, 1), we question whether these isolated statements by themselves are indicative of industry praise indicative of non-obviousness. Similarly, we are not persuaded that there was a long-felt unresolved need in the art based on Mr. Nartker’s statements that Petitioner “experimented briefly with this but didn’t fully refine” without more explanation. *Id.* at 3.

Patent Owner will have the opportunity during the trial to further develop its arguments that the challenged claims are non-obvious based on objective indicia, including establishing a nexus between the evidence and the challenged claims.

6. *Independent Claim 1*

(a) *“A virtual reality viewer for use with a mobile electronic device having a touch-screen, the viewer comprising:”*

Petitioner relies on Kondo for element 1(a). Pet. 43–45. According to Petitioner, “Kondo refers to its VR viewer as an ‘attachment.’” *Id.* at 43 (citing *id.* at 27–31); *see also id.* at 27 (citing Ex. 1003 ¶ 21). Petitioner asserts that Kondo’s attachment 2 encloses smartphone 1500, which has touchscreen display 1506. *Id.* at 43–45 (citing Ex. 1003 ¶¶ 27, Figs. 1–3). Petitioner also asserts that the touchscreen is a capacitive touchscreen. *Id.* at 44 (citing Ex. 1003 ¶¶ 5, 9, 23–24, claims 1 and 4).

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

At this stage, Petitioner has made a sufficient showing that Kondo discloses the claim's preamble.¹⁰ See Pet. 43–45; *see also, e.g.*, Ex. 1003 ¶¶ 21–22, Figs. 1, 3. Patent Owner's Preliminary Response does not allege any deficiencies in this portion of the Petition.

(b) *“a housing configured to receive the mobile electronic device, wherein the housing is configured to hold the mobile electronic device such that the touch-screen is generally centered in a horizontal direction and directly in a user's field of view when looking into a generally hollow interior of the housing through a side opposite the touchscreen”*

Petitioner primarily relies on Kondo for element 1(b). Pet. 45–54. Petitioner contends that the housing of Kondo's VR viewer holds smartphone 1500 such that its touchscreen 1506 is horizontally centered and directly within the user's view when the user looks through the opposite side. *Id.* at 45–51 (citing Ex. 1003 ¶¶ 22, 27, 30, Figs. 1–5, 7, 8).

At this stage, Petitioner has made a sufficient showing that Kondo discloses element 1(b). See Pet. 45–54; *see also, e.g.*, Ex. 1003 ¶¶ 22–23, 27, Figs. 1, 3, 7. Patent Owner's Preliminary Response does not allege any deficiencies in this portion of the Petition.

(c) *“an input mechanism that is accessible from an exterior of the housing and is moveable within the interior between at least a first position and an extended position”*

Petitioner relies on both Kondo and Chu for element 1(c). Pet. 54–59. First, Petitioner contends Kondo's button part 77 is accessible from the

¹⁰ We need not determine whether the preamble is limiting because Petitioner has sufficiently shown that Kondo discloses this aspect of the claim. See *Vivid Techs.*, 200 F.3d at 803.

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

exterior of the housing and “moves in the interior from a first position to an extended position through a cut out in the main body of the attachment, called the gripping part 9.” *Id.* at 54–56 (citing Ex. 1003, Abstr., ¶¶ 42–43, 47–49, 52, Figs. 7, 10). Next, Petitioner contends that Chu’s actuator mechanism 12 is accessible from the exterior of its housing (via button 16) and is moveable from a first position to an extended position. *Id.* at 56–59 (citing Ex. 1004 ¶¶ 53–56, Figs. 3–4); *see also id.* at 53–54 (asserting that Chu discloses a housing 10) (citing Ex. 1004 ¶ 38, Fig. 1). As noted above, Petitioner proposes combining Kondo and Chu by replacing Kondo’s electrical input mechanism (including button part 77) with either Chu’s mechanical input mechanism (i.e., actuator mechanism 12 or Chu’s actuator mechanism 12', 12"). *See id.* at 39–42; *supra* § II.D.3 (identifying proposed combinations).

At this stage, Petitioner has made a sufficient showing that both of the proposed combinations of Kondo and Chu disclose element 1(c). *See* Pet. 39–42, 54–59; *see also, e.g.,* Ex. 1004 ¶¶ 55–56, Figs. 3–4; Ex. 1003 ¶¶ 42–43, Fig. 7. Patent Owner’s Preliminary Response does not allege any deficiencies in this portion of the Petition.

(d) “the input mechanism comprising: an electrical shield having a surface, wherein only a portion of the surface of the electrical shield is configured to contact a central region of the touch-screen of the mobile electronic device when the input mechanism is in the extended position”

Petitioner relies on both Kondo and Chu for element 1(d). Pet. 59–70. In particular, Petitioner contends that Chu’s actuator mechanism 12, 12', 12" includes probe pad 30, which is made of conductive material and teaches the claimed “electrical shield.” *Id.* at 59–61 (citing Ex. 1004 ¶¶ 11, 14, 19, 41,

IPR2023-00707
Patent 9,420,075 B2

49, 53–62, Figs. 4–5). Petitioner asserts that only a portion of Chu’s probe pad 30 is configured to contact the touchscreen. *Id.* at 59–60 (citing Ex. 1004, Figs. 4–5).¹¹ In addition, Petitioner contends that Kondo’s conductive pads 76 (which are activated by buttons 77) contact the central region of the smartphone’s touchscreen. Pet. 61–65 (citing Ex. 1003 ¶¶ 41, Figs. 3, 4, 9). Moreover, Petitioner contends that, in the proposed combinations of Kondo and Chu, probe pad 30 would contact the central region of the touchscreen when its actuator mechanism is in an extended position. *Id.* at 61, 65 (citing Ex. 1002 ¶ 94); *see also id.* at 42–43 (citing Ex. 1003 ¶¶ 27–28, Fig. 3); *supra* § II.D.3 (identifying proposed combinations).

At this stage, Petitioner has made a sufficient showing that both of the proposed combinations of Kondo and Chu disclose element 1(d). *See* Pet. 59–65; *see also, e.g.*, Ex. 1003 ¶¶ 27–28, 41, Fig. 3; Ex. 1004 ¶¶ 41, 48–49, 55, 58, 62, Figs. 3–4, 7a, 9a; *supra* § II.C (preliminarily construing “electrical shield” as “a material configured to induce a touch event that is electrically detectable by a touchscreen/device when at least a portion of the shield contacts or is in proximity to a touchscreen”). Patent Owner’s Preliminary Response does not allege any deficiencies in this portion of the Petition.

¹¹ Petitioner also argues that Patent Owner’s infringement allegations in district court litigations demonstrate that it has a substantially similar understanding of the claim language. Pet. 65–70. We do not rely upon those arguments in this Decision.

IPR2023-00707
Patent 9,420,075 B2

(e) *Conclusion*

For the reasons provided above, Petitioner has shown sufficiently (for purposes of institution) that Kondo and Chu, in combination, teach or suggest each limitation of independent claim 1, and that an ordinarily skilled artisan would have been motivated to combine these references in the manner proposed by Petitioner. *See also supra* §§ II.D.3 (proposed combination), II.D.4 (addressing rationale to combine). We have considered Patent Owner’s arguments, but those arguments are unavailing at this stage for the reasons explained above. Moreover, we determine that the arguments and evidence presented regarding objective indicia of nonobviousness do not reveal a deficiency in the Petition at this stage. *See supra* § II.D.5.

Accordingly, we are persuaded that Petitioner has demonstrated a reasonable likelihood that it will prevail in establishing that the subject matter of claim 1 would have been obvious over Kondo and Chu. As a result, we institute *inter partes* review.

7. *Independent Claims 18 & 20
and Dependent Claims 2–12, 14, & 19*

Petitioner also contends that the subject matter of independent claims 18 and 20 and dependent claims 2–12, 14, and 19 would have been obvious over Kondo and Chu. Pet. 71–121; *see id.* at 37–43 (articulating rationale to combine references). Petitioner offers analysis and evidence in support of its contentions. *See id.*

Other than its arguments presented regarding claim 1, Patent Owner does not separately address Petitioner’s arguments, analysis, or evidence for

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

these claims. *See* Prelim. Resp. Patent Owner’s arguments presented regarding claim 1, however, are unavailing at this stage of the proceeding for the reasons explained above. *See supra* §§ II.D.4 (addressing arguments regarding motivation to combine), II.D.5 (addressing objective indicia of nonobviousness).

III. REAL PARTY-IN-INTEREST AND PRIVITY

Petitioner identifies itself as the only real party-in-interest (“RPI”). Pet. 2. Patent Owner argues that the Petition should be dismissed because Petitioner intentionally omitted an RPI to gain a tactical advantage in this proceeding. Prelim. Resp. 3–17. Patent Owner also argues that the Petition is time barred because it was filed more than one year after several other RPIs or privies were sued for infringement of the ’075 patent. *Id.* at 18–38. In total, Patent Owner contends that four entities are unnamed RPIs or privies of Petitioner: Orora Packaging Solutions (“OPS”), Mattel, Inc. (“Mattel”), Unofficial Cardboard, Inc. (“UC”), and MerchSource, LLC (“MerchSource”).

We disagree with Patent Owner’s arguments. We are persuaded that Petitioner correctly identifies itself as the only real party in interest in this proceeding (*see* Pet. 2), and we are persuaded that Mattel, UC, and MerchSource are not privies of Petitioner. As a result, we do not deny institution due to these alleged real parties-in-interest or privies. We explain our analysis for each of entities identified by Patent Owner after summarizing the applicable law.

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

A. *Summary of Applicable Law*

A petitioner must “identif[y] all real parties in interest” in an *inter partes* review petition (37 C.F.R. § 312(a)(2)), and the petition must be filed no more than one year after “the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent” (35 U.S.C. § 315(b)).

A petitioner’s identification of RPIs “should be accepted unless and until” a patent owner “produce[s] *some* evidence that tends to show that a particular third party should be named a real party in interest.” *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1243–44 (Fed. Cir. 2018). “A mere assertion that a third party is an unnamed real party in interest, without any support for that assertion, is insufficient to put the issue into dispute.” *Id.* Once the patent owner has sufficiently raised the issue, the “petitioner bears the burden of persuasion to demonstrate that its petitions are not time-barred under § 315(b) based on a complaint served on a real party in interest more than a year earlier.” *Id.* at 1242.

Determining whether a non-party is a “real party in interest” or “privy” is a highly fact-dependent inquiry that takes into consideration how courts have viewed these terms. Trial Practice Guide¹² 13 (citing *Taylor v. Sturgell*, 553 U.S. 880, 895 (2008); Charles Alan Wright, Arthur R. Miller & Edward H. Cooper, Federal Practice & Procedure §§ 4449, 4451). This inquiry demands a flexible approach that takes into account both equitable and practical considerations, with an eye toward determining whether the

¹² Consolidated PTAB Trial Practice Guide (Nov. 2019), *available at* <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

non-party is a clear beneficiary that has a preexisting, established relationship with the petitioner. *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1351 (Fed. Cir. 2018) (“*AIT*”). Privity “is an equitable rule that takes into account the practical situation, and should extend to parties to transactions and other activities relating to the property in question.” *Id.* at 1349 (quotation and emphasis omitted). But the mere existence of some relationship between a petitioner and another entity is not sufficient—that relationship must be related to the lawsuit and be sufficiently close that it can be fairly said the petitioner had a full and fair opportunity to litigate the validity of the patent in that lawsuit. *See WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1319 (Fed. Cir. 2018). As the Federal Circuit explains,

the inquiry has a dual-focus on preventing the petitioner from now lodging a successive attack for which it already had a first bite, thus, protecting the defending party from an unwarranted second attack, while also ensuring that the petitioner is not unfairly limited in its ability to lodge its challenges if it has not had a full and fair opportunity to do so already.

Uniloc 2017 LLC v. Facebook Inc., 989 F.3d 1018, 1028 (Fed. Cir. 2021); *see also AIT*, 897 F.3d at 1349–50. Depending upon the circumstances, a number of factors may be relevant to the RPI or privity analysis, and relevant considerations include:

(1) an agreement to be bound; (2) pre-existing substantive legal relationships between the person to be bound and a party to the judgment (e.g., “preceding and succeeding owners of property”); (3) adequate representation by someone with the same interests who was a party (e.g., “class actions” and “suits brought by trustees, guardians, and other fiduciaries”); (4) assumption of control over the litigation in which the judgment was rendered; (5) where the nonparty to an earlier litigation acts

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

as a proxy for the named party to relitigate the same issues; and
(6) a special statutory scheme expressly foreclosing successive
litigation by nonlitigants.

WesternGeco, 889 F.3d at 1319 (citing *Taylor*, 553 U.S. at 894–95).

B. *Orora Packaging Solutions (“OPS”)*

According to Patent Owner, OPS is an RPI (Prelim. Resp. 3–15), and Petitioner intentionally failed to identify it in order to gain a tactical advantage in this proceeding (*id.* at 15–17). Specifically, Patent Owner contends that Petitioner omitted OPS “to prevent the Board from conducting a proper analysis of the *Fintiv* factors based on OPS’s much more advanced proceeding with a trial date in May of 2024.” *Id.* at 15 (referencing *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”)).

We determine that we need not address whether OPS is an unnamed RPI in this proceeding. As the Board explained in *SharkNinja*, it “better serves the interest of cost and efficiency” when the Board does not engage in the “extensive analysis” required to determine whether a party is an unnamed RPI if the result of that analysis has no material impact on the proceeding. *SharkNinja v. iRobot Corp.*, IPR2020-00734, Paper 11 at 19–20 (PTAB Oct. 6, 2020) (precedential). Here, it is undisputed that Petitioner could have named OPS as an RPI in its Petition without triggering a statutory bar or estoppel under 35 U.S.C. § 315.

Patent Owner argues that the RPI determination would materially impact the proceeding by impacting the *Fintiv* analysis (Prelim. Resp. 2, 15),

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

but we disagree. *Fintiv* is not an issue in this proceeding.¹³ Patent Owner does not argue that we should exercise discretion to deny the Petition based on the *Fintiv* factors (*see* Prelim. Resp.), and any such argument would have been unavailing. On June 10, 2022, Patent Owner filed a complaint against Petitioner and Landsberg Orora (Ex. 2003), and in December 2022, the district court scheduled a *Markman* hearing for July 24, 2023 and jury selection for May 27, 2024 (Ex. 2022, 2, 4). However, on February 2, 2023, Patent Owner filed an amended complaint adding OPS (Ex. 2004), and on March 14, 2023, the district court ordered that the claims against Petitioner be severed and transferred to the Northern District of California (Ex. 1012). Petitioner then filed the Petition on March 29, 2023. Paper 5 (Notice of Filing Date Accorded). At that time, Petitioner was a defendant in the *California* Litigation, and OPS (who had been sued less than two months prior) was the only remaining defendant in the *Texas* Litigation.¹⁴ Since then, the *California* Litigation was stayed on May 10, 2023 (Ex. 1016), and the *Texas* Litigation was stayed on July 11, 2023 in view of a settlement between the parties before being terminated (*see* Paper 11 n.7). In short, as of this Decision, the *Texas* Litigation is terminated, and the *California* Litigation is stayed. Even if RPIs were involved in both of these litigations,

¹³ In a *Fintiv* analysis, the Board typically considers six factors to determine whether to discretionarily deny institution in view of the status of one or more parallel, co-pending litigations.

¹⁴ As noted above (*supra* § I.A), “the *Texas* Litigation” refers to *DDC Technology, LLC v. Orora Packaging Solutions*, No. 3:22-cv-01263 (N.D. Tex.), and “the *California* Litigation” refers to *DDC Technology LLC v. Google LLC*, 3:23-cv-01160 (N.D. Cal.).

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

we would not exercise discretion to deny institution of the Petition based on *Fintiv*.

Patent Owner asserts that “the *Fintiv* analysis would have been highly relevant in this proceeding” (Prelim. Resp. 16), but it provides (and we discern) no support for such a contention. Patent Owner argues that we should not consider the *current* status of the litigations because they are “irrelevant to [Petitioner’s] conduct *at the time it filed its Petition*” (Prelim. Resp. 17; *see* Prelim. Sur-reply 3), but this argument is also unavailing. While a petitioner’s deceptive conduct when filing a petition could be relevant even if the issue is later mooted, that is not the case here. Quite simply, we disagree with Patent Owner’s assertion that Petitioner intentionally sought to deceive the Board regarding OPS.¹⁵

C. *Mattel, Inc. (“Mattel”)*

Patent Owner submits that the Petition is time barred under 35 U.S.C. § 315(b) because Patent Owner asserted the ’075 patent in the *Mattel* Litigation¹⁶ and Mattel is an RPI or privy of Petitioner. Prelim. Resp. 19–24. We disagree.

On this record, there is essentially no evidence that Mattel is an RPI or privy of Petitioner. There is no evidence that Mattel exercised any control over Petitioner’s decision to file the Petition (or over the arguments included

¹⁵ Petitioner requests that the Board strike certain exhibits as inadmissible under Federal Rule of Evidence 408 and in violation of a mediation agreement. *See* Prelim. Reply 5–6. We have not considered this evidence, so we deny, without prejudice, this request as moot.

¹⁶ *DDC Technology, LLC v. Mattel, Inc.*, No. 1:21-cv-01781 (D. Del.) (filed Dec. 21, 2021; terminated May 31, 2022).

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

therein), and there is no indication that Mattel had any authority to do so. The record does not suggest that Mattel provided any funding for this *inter partes* review. Nothing in the record suggests that Petitioner is an agent of Mattel or acting as its proxy to challenge the '075 patent. There is also no evidence that Mattel desires review of the patent, or that the Petition was filed at Mattel's behest. In fact, the record is to the contrary—it appears that Mattel *has no interest* in obtaining a judgement of unpatentability. *See* Ex. 2024 §§ 3.1, 3.6 ([REDACTED]

[REDACTED]. The evidence indicates that Petitioner, through its own counsel, filed the Petition seeking to assert its own interests wholly independently of Mattel. Moreover, we discern no basis for inferring that Petitioner had an opportunity to litigate the validity of the '075 patent in the *Mattel* Lawsuit. There is no evidence that Petitioner exercised any control over the defense of the *Mattel* Litigation (or had any authority to do so), and there is no evidence that Petitioner had any involvement in—or even knowledge of—the *Mattel* Litigation. On these points, Patent Owner does not argue otherwise.

Instead, Patent Owner argues that Mattel is an RPI or privy because there was a business relationship between Petitioner and Mattel that related to a product accused in the *Mattel* Litigation. *See* Prelim. Resp. 18–24; Prelim. Sur-reply 4–5. Although Patent Owner never provides a legal analysis supporting its position (*see id.*), Patent Owner presumably relies on an alleged pre-existing, substantive legal relationship between Petitioner and Mattel. However, evidence simply shows that: (1) Mattel was a member of the Works With Google Cardboard (WWGC) program (*see* Ex. 2039, 8),

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

and (2) Mattel collaborated with Petitioner when designing and marketing Mattel's VR viewers, which were accused in the *Mattel* Lawsuit (*see* Ex. 2024 § 7.1; Ex. 2025; Ex. 2026; Ex. 2027).

This relationship between Petitioner and Mattel did not put them in privity. The WWGC program was created by Petitioner to identify VR viewers that were compatible with Petitioner's VR ecosystem. *See* Ex. 2043, 2–4 (identifying requirements for viewers); Prelim. Reply 7; *see also* Ex. 2027, 4–5 (explaining that Petitioner's goal was “to widely expand Cardboard's use in the early days of virtual reality”). Petitioner's WWGC “Manufacturer's Guide” states that a VR viewer “typical[ly]” has an enclosure, lenses, and “exactly one input” (without specifying the type of input), and the document neither provides nor requires a particular design. Ex. 2043, 1–4. A manufacturer could apply to be a WWGC member by completing a form and sending two samples of each of its viewers to Petitioner for evaluation (*see* Ex. 2043, 7, 19), and no payment or licensing agreement was required to participate (*e.g.*, Ex. 2027, 5 (stating that the Petitioner-Mattel collaboration “doesn't include any licensing agreement or revenue sharing” and “[Petitioner] makes the technology free for developers to use and doesn't directly sell Cardboard”)). There is no evidence that WWGC members were obligated to indemnify Petitioner for patent infringement allegations,¹⁷ and Petitioner affirmatively disclaimed any obligation to indemnify WWGC members for the members' viewers (*see* Ex. 2043, 7). This evidence shows that the relationship between Petitioner

¹⁷ We note that Patent Owner's predecessor-in-interest, DODOcase, was also a WWGC member (*see* Ex. 2039, 8), so Patent Owner would presumably have evidence of any such obligations.

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

and Mattel falls far short of what is required to put them in privity vis-à-vis the '075 patent. *See, e.g., Taylor*, 553 U.S. at 894 (identifying “preceding and succeeding owners of property . . . and assignee and assignor” as exemplary qualifying relationships); *Ventex Co. Ltd. v. Columbia Sportswear N. Am., Inc.*, IPR2017-00651, Paper 152 at 7–8, 12–13 (PTAB Jan. 24, 2019) (precedential) (finding non-party to be an RPI and in privity where the petitioner had an opportunity to control the non-party’s litigation, an obligation to indemnify the non-party, and an exclusive agreement with the non-party to manufacture the allegedly infringing products).

Patent Owner speculates that there might have been an indemnification obligation between Petitioner and Mattel, but the evidence does not support any such inference.¹⁸ *See* Prelim. Resp. 23 (citing Exs. 2009, 2044, 2045). Patent Owner relies on Exhibit 2009 (i.e., Petitioner’s April 2023 default inbound services agreement (ISA)), but Patent Owner provides no evidence to indicate that Mattel was ever subject to an ISA. *See* Ex. 2009, 1 (stating that ISA applies to a statement of work executed by Petitioner and a contractor). Patent Owner also relies on Exhibits 2044 and 2045, but neither includes any obligation to indemnify for patent infringement allegations. *Cf.* Ex. 2045, 11 (stating that Petitioner will

¹⁸ Moreover, even if there were an indemnification obligation, this would not automatically mean that Mattel was an RPI or privy of Petitioner. *See Wi-Fi One, LLC v. Broadcom Corp.*, 887 F.3d 1329, 1340–41 (Fed. Cir. 2018) (affirming Board’s finding that non-party was not an RPI or privy despite indemnity obligations); *WesternGeco*, 889 F.3d at 1321–22 (agreeing with the Board that the “circumscribed indemnity provision does not amount to a sufficiently-close relationship to warrant finding [the parties] in privity”).

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

be indemnified for “unlawful use of the services or violation of these terms or service-specific additional terms”). Moreover, as noted above, the WWGC Manufacturer’s Guide explicitly states that Petitioner “will not indemnify any manufacturers for these designs or for third-party viewers generally.” Ex. 2043, 7.

In addition, Patent Owner argues that Petitioner [REDACTED] [REDACTED] and Patent Owner cites an email from Petitioner’s counsel in support. Prelim. Resp. 23 (citing Ex. 2047, 2). We disagree with Patent Owner’s characterization of this email.¹⁹ It includes no express reference to Mattel (*see* Ex. 2047), and we cannot infer a reference to Mattel, as it was sent five years before the *Mattel* Litigation was filed (*see id.* at 1–2; Ex. 2023 (complaint against Mattel does not allege prior knowledge of the ’075 patent)). Moreover, in the email, [REDACTED] [REDACTED] [REDACTED]. Ex. 2047, 1–2. This does not indicate that all WWGC members are RPIs or privies of Petitioner; rather, it simply indicates that [REDACTED] [REDACTED]. Patent Owner fails to sufficiently explain its apparent assertion that, as a result of this [REDACTED], all WWGC members are RPIs or privies of Petitioner. *See* Prelim. Resp. 23.

¹⁹ Petitioner argues that the [REDACTED] in this email are inadmissible under Federal Rule of Evidence 408. *See* Prelim. Reply 8. At this time, we decline to address this objection because Petitioner prevails even considering the cited evidence.

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

Accordingly, on this record, we determine that Mattel is not an RPI or privy of Petitioner.

D. Unofficial Cardboard, Inc. (“UC”)

Patent Owner submits that the Petition is time barred under 35 U.S.C. § 315(b) because Patent Owner asserted the ’075 patent in the *UC* Litigation²⁰ and UC is an RPI or privy of Petitioner. Prelim. Resp. 35–38.

However, on this record, there is essentially no evidence that UC is an RPI or privy of Petitioner. Again, Patent Owner’s arguments are premised on the erroneous assumption that UC is an RPI or privy because there was a business relationship between Petitioner and UC that related, in some way, to VR viewers. *See* Prelim. Resp. 35–38; Prelim. Sur-reply 4–5. Patent Owner’s evidence shows that: (1) UC was a WWGC member (*see* Ex. 2039, 8), and (2) UC sold WWGC-compliant VR viewers that were accused in the *UC* Lawsuit (*see* Ex. 2041 § 7.1; Ex. 2042, 2).²¹ This relationship is not

²⁰ *DDC Technology, LLC v. Unofficial Cardboard, Inc.*, No. 1:21-cv-05596 (N.D. Ill.) (filed Oct. 21, 2021; terminated Jan. 24, 2022).

²¹ Patent Owner also argues that Petitioner provided “manufacturing instructions and CAD design files” to UC, but there is no evidence in this record to support these assertions. Prelim. Resp. 36. Although Patent Owner cites to its *Texas* litigation complaints (*see* Ex. 2003 ¶¶ 41–65; Ex. 2004 ¶¶ 41–65), the fact that it made similar allegations in a different forum does not show that its allegations are true. *Cf. Icon Health & Fitness, Inc. v. Strava, Inc.*, 849 F.3d 1034, 1043 (Fed. Cir. 2017) (“Attorney argument is not evidence.”). But even if Petitioner provided a reference design to UC and other WWGC members (*cf.* Ex. 2031, 5 (referencing a “[REDACTED]”)), the mere disclosure of this information (with no obligation to use it or compensate Petitioner for it) does not create a privity relationship.

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

sufficient to render UC an RPI or privy of Petitioner for the reasons explained above. *See supra* § III.C (addressing substantially similar arguments and evidence for Mattel).

As with Mattel, there is no evidence that UC exercised any control over Petitioner’s decision to file the Petition (or over the arguments included therein), and there is no indication that UC had any authority to do so. The record does not suggest that UC provided any funding for this *inter partes* review. Nothing in the record suggests that Petitioner is acting as an agent or proxy of UC to challenge the ’075 patent, or that the Petition was filed at UC’s behest. Rather, the evidence indicates that Petitioner, through its own counsel, filed the Petition seeking to assert its own interests wholly independently of UC. Moreover, we discern no basis for inferring that Petitioner had an opportunity to litigate the validity of the ’075 patent in the *UC* Lawsuit. There is no evidence that Petitioner exercised any control over the defense of the *UC* Litigation (or had any authority to do so), and there is no evidence that Petitioner had any involvement in—or even knowledge of—the *UC* Litigation. On these points, Patent Owner does not argue otherwise.

Accordingly, on this record, we determine that UC is not an RPI or privy of Petitioner.

E. MerchSource, LLC (“MerchSource”)

Patent Owner submits that the Petition is time barred under 35 U.S.C. § 315(b) because Patent Owner asserted the ’075 patent in the *MerchSource*

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

Litigation²² and MerchSource is an RPI or privy of Petitioner. Prelim. Resp. 24–35.

However, on this record, there is essentially no evidence that MerchSource is an RPI or privy of Petitioner. Some of Patent Owner’s arguments regarding MerchSource are again premised on the erroneous assumption that a non-party is an RPI or privy if there was a business relationship between it and Petitioner that that related to VR viewers (*see* Prelim. Resp. 24–26; Prelim. Sur-reply 4–5), but this argument is unavailing for the reasons explained above. *See supra* § III.C (addressing similar arguments presented for Mattel). In fact, unlike Mattel and UC, MerchSource was not even a WWGC member; rather, [REDACTED]

[REDACTED] *See* Ex. 2031, 4–5; Ex. 2039, 8; *see also* Ex. 2032. So, on this record, there is no evidence of any pre-existing legal relationship between MerchSource and Petitioner.

Patent Owner’s other arguments seek to infer an RPI or privy relationship between Petitioner and MerchSource based on communications between them (*see* Prelim. Resp. 26–33), but these arguments are also unavailing. Patent Owner does not sufficiently explain its theory, and the evidence provides no basis for suspecting that MerchSource is an RPI or privy of Petitioner.

²² *DODOCase VR, Inc. v. MerchSource, LLC*, No. 3:17-cv-07088 (N.D. Cal.) (filed Dec. 13, 2017; terminated Jun. 19, 2020).

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

[REDACTED]

[REDACTED]

[REDACTED] Ex. 2031, 2–3; *see also* Ex. 2032, 5 [REDACTED]

[REDACTED] Petitioner responded:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Ex. 2031, 2 (emphasis added); *see also* Ex. 2032, 1 [REDACTED]

[REDACTED], 4 [REDACTED]²³ This

evidence indicates that there was no coordination between Petitioner and MerchSource relating to the '075 patent.

Also, in mid-2016, MerchSource contacted DODOcase to seek a license to the '075 patent, and the parties executed a license agreement on October 3, 2016. Ex. 2033 ¶¶ 10–11. Petitioner discussed a potential patent license with DODOcase in late-2016 and, during those discussions, threatened to challenge the '075 patent. Ex. 2037, 3; Ex. 2047; Ex. 2033 ¶¶ 12–13. But Mr. Buckley's testimony reveals that Petitioner issued its threat *after* MerchSource executed its license (*compare* Ex. 2033 ¶ 11, with

²³ Patent Owner argues that the individual sending the email was “well aware” of the '075 patent at the time (Prelim. Resp. 29–30 (citing Ex. 2033 ¶¶ 2–9; Ex. 2034; Ex. 2035)), but there is no evidence that the individual (or anyone else employed by Petitioner) had any other discussions with MerchSource regarding the '075 patent. As a result, the alleged knowledge regarding it is not germane to whether MerchSource is an RPI or privy of Petitioner.

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

id. ¶ 13), which further indicates that there was no coordination between Petitioner and MerchSource.

Mr. Buckley also testifies that, in mid-2017, MerchSource sought to renegotiate its agreement and that, in late-2017, he spoke with Adam Gromfin (President of MerchSource), who “threatened to try to invalidate DODOcase’s patents and claimed to have spoken with [Petitioner].”²⁴ Ex. 2033 ¶¶ 15–16. DODOcase filed a lawsuit against MerchSource in December 2017 (Ex. 2028, 19), and MerchSource filed an *inter partes* review challenging the ’075 patent in January 2018 (Ex. 2029, 73). In April 2018, MerchSource issued a subpoena to Petitioner requesting, among other things, “documents relating to prior art . . . to the patents-in-suit.” Ex. 2038.

As before, this evidence simply does not indicate that MerchSource is an RPI or privy of Petitioner. Patent Owner appears to speculate that these facts show that Petitioner helped MerchSource with its *inter partes* review (*see* Prelim. Resp. 33; Prelim. Sur-reply 5), but the evidence fails to support such a theory. Mr. Buckley provides no information regarding the contents of the alleged conversation between Petitioner and MerchSource in late-2017 (*see* Ex. 2033 ¶ 16), but even if Petitioner and MerchSource discussed the ’075 patent specifically, “a common desire among multiple parties to see a patent invalidated, without more, does not establish privity.”

WesternGeco, 889 F.3d at 1321. Moreover, the evidence indicates that there was no coordination between Petitioner and MerchSource regarding the

²⁴ This testimony is inadmissible hearsay because Mr. Gromfin did not make the alleged statement during this proceeding, and it is offered for the truth of the matter asserted. *See* Fed. R. Evid. 801, 802. However, for purposes of this Decision, we treat this evidence as if it were admissible.

PUBLIC VERSION

IPR2023-00707

Patent 9,420,075 B2

patent. *See also* Ex. 1018, 6–8 (denying any communication between Petitioner and MerchSource regarding the latter’s *inter partes* review). Indeed, the prior art identified by Petitioner in late-2016 does not appear in MerchSource’s *inter partes* review petition (*compare* Ex. 2047, 3, with Ex. 2029, iv–vi); MerchSource filed its *inter partes* review after it was sued for infringement (*see* Ex. 2028, 19; Ex. 2029, 73); and the record reveals no motivation for Petitioner to have had any involvement in any of MerchSource’s legal proceedings.

Ultimately, as with Mattel and UC, there is no evidence that MerchSource exercised any control over Petitioner’s decision to file the Petition (or over the arguments included therein), and there is no indication that MerchSource had any authority to do so. The record does not suggest that MerchSource provided any funding for this *inter partes* review. Nothing in the record suggests that Petitioner is acting as an agent or proxy of MerchSource to challenge the ’075 patent, or that the Petition was filed at MerchSource’s behest. Rather, the evidence indicates that Petitioner, through its own counsel, filed the Petition seeking to assert its own interests wholly independently of MerchSource. Moreover, we discern no basis for inferring that Petitioner had an opportunity to litigate the validity of the ’075 patent in the *MerchSource* Lawsuit. There is no evidence that Petitioner exercised any control over the defense of the *MerchSource* Litigation (or had any authority to do so), and there is no evidence that Petitioner had any substantive involvement in the *MerchSource* Litigation. The only evidence that Petitioner was even aware of that litigation is a third-party subpoena served on Petitioner. *See* Ex. 2038.

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

Accordingly, on this record, we determine that MerchSource is not an RPI or privy of Petitioner.

IV. CONCLUSION

As explained above, we determine that Petitioner has established a reasonable likelihood of prevailing in its challenge to at least one claim of the '075 patent. In addition, we determine that it is not appropriate to deny institution due to allegedly unnamed real parties-in-interest or privies. Thus, we institute an *inter partes* review of all challenged claims on all asserted grounds.

The factual findings and conclusions of law in this Decision are preliminary and based on the current record. They are made for the sole purpose of determining whether Petitioner meets the threshold for initiating review. Our final decision as to the patentability of challenged claims will be based on the full record developed during trial, including any response timely filed by Patent Owner. Any arguments not raised by Patent Owner in such a response may be deemed forfeited.

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

V. ORDER

It is:

ORDERED that an *inter partes* review is instituted on the only ground of unpatentability specified in the Petition, i.e., that claims 1–12, 14, and 18–20 would have been obvious under 35 U.S.C. § 103 over Kondo and Chu;

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4(b), *inter partes* review of the '075 patent shall commence on the entry date of this Decision, and notice is hereby given of the institution of a trial; and

FURTHER ORDERED that the parties shall jointly email a proposed redacted version of this paper no later than 14 days from the entry of this Decision to Trials@uspto.gov.

PUBLIC VERSION

IPR2023-00707
Patent 9,420,075 B2

FOR PETITIONER:

Michael L. Kiklis
Kimani P. Clark
KIKLIS AND CLARK, PLLC
michael@kiklisclark.com
kimani@kiklisclark.com

FOR PATENT OWNER:

Matthew C. Holohan
Robert R. Brunelli
SHERIDAN ROSS P.C.
mholohan@sheridanross.com
rbrunelli@sheridanross.com