

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,
Petitioner,

v.

DDC TECHNOLOGY, LLC,
Patent Owner.

IPR2023-00708
Patent 9,811,184 B2

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

DESHPANDE, *Acting Deputy Chief Administrative Patent Judge*.

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

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I. INTRODUCTION

Google LLC (“Petitioner”) filed a Petition (Paper 2 (“Pet.”)), seeking *inter partes* review of claims 1–5, 7–10, 12, and 16–18 of U.S. Patent No. 9,811,184 B2 (Ex. 1001 (“the ’184 patent”)). See Pet. 1. DDC Technology, LLC (“Patent Owner”) filed a Preliminary Response. Papers 12 (public), 14 (confidential) (“Prelim. Resp.”). With our authorization (Ex. 3003), Petitioner filed a Reply (Papers 16 (confidential), 17 (public) (“Reply”)), and Patent Owner filed a Sur-reply (Papers 21 (confidential), 22 (public) (“Sur-reply”)).

Institution of an *inter partes* review is authorized by statute when “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); see 37 C.F.R. § 42.108. Upon consideration of the Petition, Preliminary Response, Reply, and Sur-reply, we conclude that the information presented shows that there is a reasonable likelihood that Petitioner would prevail in establishing the unpatentability of at least one challenged claim of the ’184 patent.

A. Related Matters

The parties identify that the ’184 patent is involved in *DDC Tech. LLC v. Landsberg Orora, et al.*, 3-23-cv-01160 (N.D. Cal. 2022) (“the California litigation”) and *DDC Tech., LLC v. Emerge Techs., Inc. d/b/a Utopia 360, et al.*, 3-22-cv-01263 (N.D. Tex. 2022). Pet. 4; Paper 3, 3–4.

The parties identify that the ’184 patent was involved in *MerchSource, LLC, et al. v. DODOcaseVR, Inc., et al.*, PGR2018-0020

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(PTAB 2018); *DDC Tech., LLC v. Mattel, Inc.*, 1-21-cv-01781 (D. Del. 2021); *DDC Tech., LLC v. Unofficial Cardboard, Inc.*, 1-21-cv-05596 (N.D. Ill. 2021); *DDC Tech., LLC v. Merge Labs, Inc.*, 6-21-cv-00850 (W.D. Tex. 2021); *DDC Tech., LLC v. DPI, Inc.*, 4-21-cv-00402 (E.D. Mo. 2021); *DDC Tech., LLC v. Sanho Corp.*, 1-21-cv-00152 (D. Del. 2021); *DODOCASE VR, Inc. f/k/a DODOcase, Inc. v. MerchSource, LLC*, 3-17-cv-07088 (N.D. Cal. 2017); and *DODOcase, Inc. v. DGL Grp., LLC, et al.*, 1-17-cv-01188 (D. Del. 2017). Pet. 3–6; Paper 3, 3–5.

The parties identify U.S. Patent Nos. 9,420,075, 9,723,117, 10,528,199, 11,093,000, 11,093,001, and 11,449,099 as patents related to the '184 patent. Pet. 2–3; Paper 3, 2. In addition to identifying the judicial proceedings above as also variously involving, or having involved, these related patents, the parties identify that U.S. Patent Nos. 9,420,075 and 9,723,117 were variously involved in *MerchSource, LLC, et al. v. DODOcase VR, Inc., et al.*, IPR2018-00494 (PTAB 2018); *MerchSource, LLC, et al. v. DODOcase VR, Inc., et al.*, PGR2018-00019 (PTAB 2018); and *DODOcase, Inc. v. DGL Grp., LLC, et al.*, 1-17-cv-01188 (D. Del. 2017). Pet. 3, 6; Paper 3, 3, 5.

Additionally, the following proceedings before the Board involve the same parties as the instant proceeding: IPR2023-00707 (U.S. Patent No. 9,420,075 B2), IPR2023-00709 (U.S. Patent No. 10,528,199 B2), IPR2023-00710 (U.S. Patent No. 11,093,000 B2), and IPR2023-00711 (U.S. Patent No. 11,093,001 B1).

B. The '184 Patent (Ex. 1001)

The '184 patent discloses an improved virtual reality viewer for use

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with a touchscreen-enabled mobile device. Ex. 1001, Abstract. The viewer includes two lenses, an enclosure, and a touchscreen input. *Id.* at 12:66–13:11. The touchscreen input is made of a conductive material and physically contacts the touchscreen upon receipt of the mobile device by the enclosure. *Id.* at 5:37–42. The disclosed virtual reality viewer is shown in Figures 1 and 6A as follows:

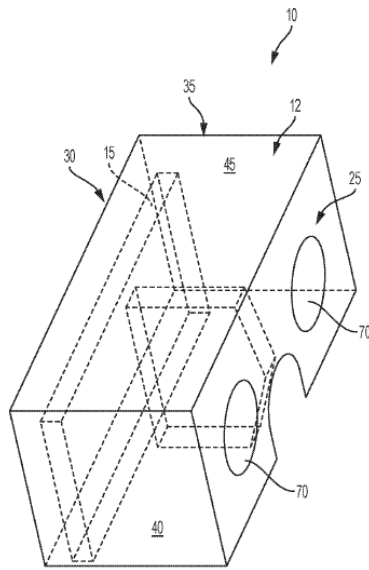


FIG. 1

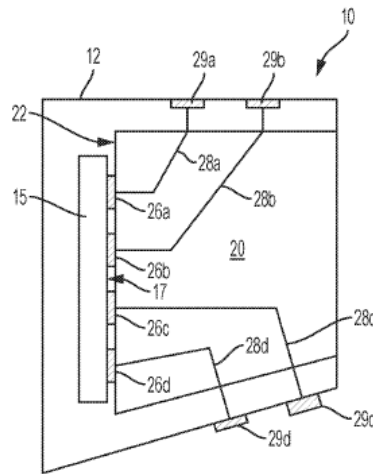


FIG. 6A

Figure 1 (left) illustrates virtual reality viewer 10 with enclosure 12 having first and second sides, 25 and 30. *Id.* at 3:49–4:35. The first side holds first and second lenses 70, and the second side is configured to receive mobile device 15. *Id.* Figure 6A (right) is a side-view cross-section of the viewer, illustrating touchscreen inputs 26a–d in physical contact with touchscreen 17 of the mobile device. *Id.* at 5:23–6:14. The touchscreen inputs are electrically coupled, via leads 28a–d, to user inputs 29a–d, thereby relaying user interaction to the touchscreen. *Id.* The '184 patent discloses a

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second embodiment in Figure 7, seen as follows:

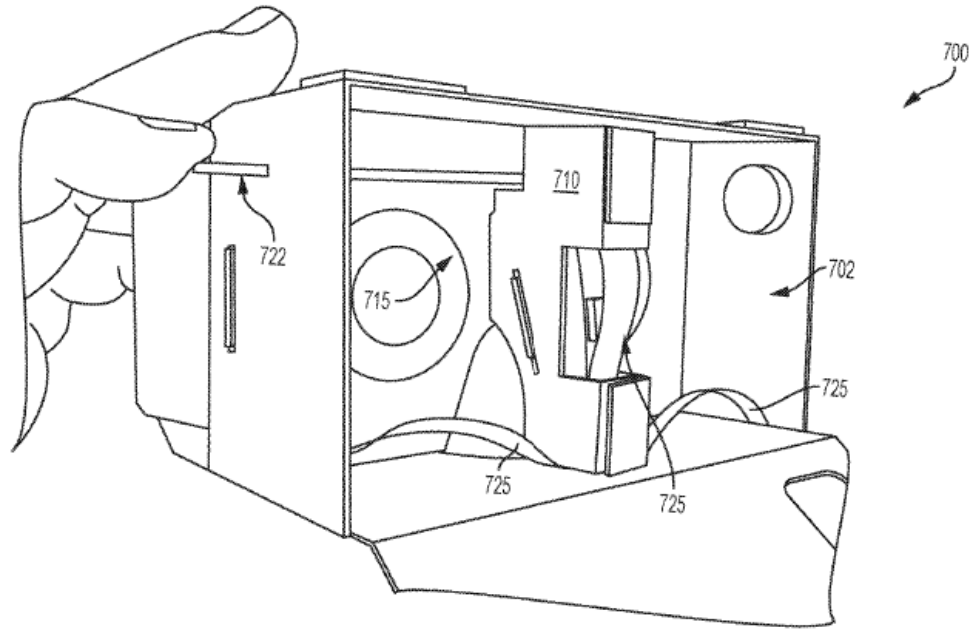


FIG. 7C

Figure 7 illustrates viewer 700 comprising a moveable user input in the form of lever 722. *Id.* at 10:1–11:42. When actuated from a first to a second position, the lever causes touchscreen input, metallic shield 725, to come into physical contact with the touchscreen of the mobile device. *Id.* The touchscreen input is located at a separator between the eyes, view divider 710. *Id.*

C. Challenged Claims

Petitioner challenges claims 1–5, 7–10, 12, and 16–18 of the '184 patent. Pet. 38–103.

Subsequent to the filing of the Petition, Patent Owner filed a statutory disclaimer, a first corrected statutory disclaimer, and a second corrected statutory disclaimer under 35 U.S.C. § 253(a) to disclaim claims 1–5 and 7–

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10 of the '184 patent. Ex. 2049 (“Disclaimer in a Patent Under 37 C.F.R. 1.321(a)”; “Corrected Notice Regarding Disclaimed Claims”; “2nd Corrected Notice Regarding Disclaimed Claims”); *see* 35 U.S.C. § 253(a); 37 C.F.R. § 1.321(a). Because Patent Owner’s second corrected statutory disclaimer satisfies all regulatory requirements to disclaim claims 1–5 and 7–10, we do not consider Petitioner’s challenges to those claims. *See* Ex. 2049; 37 C.F.R. § 1.321(a); *General Electric Co. v. United Techs. Corp.*, IPR2017-00491, Paper 9 (PTAB July 6, 2017) (precedential).

Claim 12, the only remaining independent claim, is illustrative of the challenged claims and is reproduced as follows:

12. A virtual reality viewer for use with a mobile electronic device having a touchscreen, the viewer comprising:

a first lens and a second lens, wherein the first lens is facing the same direction as the second lens, and wherein the first lens and the second lens are spaced apart in a horizontal direction;

an enclosure having a first side and a second side opposite the first side, the first side configured to hold the first lens and the second lens, the second side configured to receive the mobile electronic device;

a user input that is accessible from an exterior of the enclosure and has a first position and a second position;

a touchscreen input conductively coupled to the user input and generally centered between the first lens and the second lens in the horizontal direction, wherein, upon receipt of the mobile electronic device, the touchscreen input is in physical contact with the touchscreen when the user input is in the [] second position.

Ex. 1001, 13:46–14:16.

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D. The Alleged Ground of Unpatentability

The information presented in the Petition sets forth proposed ground of unpatentability of claims 12 and 16–18 of the '184 patent under 35 U.S.C. § 103 as follows (*see* Pet. 38–45, 74–103):¹

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
12, 16–18	103	Kondo, ² Chu ³

II. ANALYSIS

A. Level of Ordinary Skill in the Art

Relying on the Declaration of Mr. Keller for support, Petitioner contends a person of ordinary skill in the art (“POSITA”) would have had a minimum of an undergraduate degree (or equivalent) in mechanical engineering or a related field, with knowledge of mechanical actuation systems, basic optical design with lenses, head-mounted displays, a basic understanding of touchscreen technology, and at least two years of professional experience in mechanical and basic optical design or engineering.

Pet. 26–27 (citing Ex. 1002 § V).

Patent Owner does not argue the level of ordinary skill in the art. Patent Owner, however, criticizes Petitioner’s reliance on Mr. Keller’s testimony to show “how a POSITA would have approached touchscreen technology in 2014.” Prelim. Resp. 45–46. Specifically, Patent Owner argues that because Mr. Keller’s expertise is in optics, rather than

¹ Petitioner supports its challenge with the Declaration of Kurtis P. Keller. Ex. 1002.

² Japanese Published Application No. Utility Model 3176588, issued June 28, 2012, and certified English translation thereof (Ex. 1003, “Kondo”).

³ U.S. Patent Application Publication No. 2013/0082963 A1, published April 4, 2013 (Ex. 1004, “Chu”).

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touchscreens, and “he has no discernible experience in conductive/capacitive technology – he is not a POSITA, let alone an expert.” *Id.* at 46. As such, Patent Owner argues that Mr. Keller’s analysis “should be disregarded.” *Id.*

For purposes of this Decision, we adopt the level of ordinary skill as articulated by Petitioner because, based on the current record, this proposal appears to be consistent with the ’184 patent and prior art of record, and is supported by the testimony of Mr. Keller. We are persuaded, on this limited record, that Mr. Keller’s expertise is not limited to optics, and his experience in displays is pertinent to this proceeding. *See* Pet. 8–9. The parties will have an opportunity during the trial to develop arguments regarding the knowledge of an ordinarily skilled artisan at the time of the invention.

B. Claim Construction

We apply the claim construction standard used to construe the claims in a civil action under 35 U.S.C. § 282(b), as articulated in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc). 37 C.F.R. § 42.100(b) (2019). Under the *Phillips* standard, claim terms must be given “the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention.” 415 F.3d at 1313.

We note that Petitioner presents a claim construction for the term “virtual reality viewer.” Pet. 27–29. However, after reviewing the evidence and argument presented by the parties, we determine that it is not necessary to construe any claim terms at this stage of the proceeding. *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’”)

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(quoting *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

C. Alleged Obviousness over Kondo and Chu: Claims 12 and 16–18

Petitioner contends that claims 12 and 16–18 of the '184 patent are unpatentable under 35 U.S.C. § 103 as obvious over Kondo and Chu. Pet. 38–45, 74–103. For the reasons discussed below, the evidence on this record indicates there is a reasonable likelihood that Petitioner would prevail in demonstrating that claims 12 and 16–18 of the '184 patent are unpatentable under 35 U.S.C. § 103 as obvious over Kondo and Chu.

1. Kondo (Ex. 1003)

Kondo is titled “Remote Touch Circuit and Attachment” and seeks “[t]o provide an attachment that achieves remote control input to a touch panel mounted on an electronic device.” Ex. 1003, codes (54), (57). Kondo discloses “a stereoscope product attachment . . . for enjoying three-dimensional stereoscopic images provided with a remote touch circuit for enabling remote operation input to a touch panel with fingers supporting the attachment by equipping a smartphone having a touch panel.” *Id.* ¶ 21.

Kondo discloses one embodiment including left and right eyepieces 7 on a rear end of the attachment and smartphone 1500 mounted inside a holding part 4 of the attachment and facing the eyepieces. Ex. 1003 ¶¶ 22, 27. A user interacts with the smartphone’s touchscreen by pressing button 77, which is conductively connected to electric wire 72 and conductive pads 76. *Id.* ¶¶ 41, 47–49. The conductive pads are in physical contact with virtual button positions W31–W34 on the touchscreen. *Id.*

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2. *Chu (Ex. 1004)*

Chu is titled “Waterproof Housing for Digital Devices Having Capacitive Touch Screen and its Actuator Mechanism.” Ex. 1004, code (54). Chu discloses waterproof housing 10 for holding therein a smartphone and having thereon actuator mechanism 12 including actuator shaft 14, press button 16, and probe head 18. *Id.* ¶¶ 38, 40, 41. The actuator mechanism is movable by a user’s finger from a rest position, in which the probe head does not touch the smartphone’s capacitive touch screen 20, to an actuation position, wherein the probe head physically contacts the touch screen. *Id.* ¶¶ 40, 41, 53–56, Figs. 3, 4.

3. *Petitioner’s Arguments*

The arguments and evidence set forth by Petitioner indicates there is a reasonable likelihood that Petitioner would prevail in showing that claims 12 and 16–18 would have been obvious over the combined teachings of Kondo and Chu. Pet. 38–45, 74–103.

For example, claim 12 recites “[a] virtual reality viewer for use with a mobile electronic device having a touchscreen, the viewer comprising.” Ex. 1001, 13:46–47. Petitioner argues Kondo discloses attachment 2, a virtual reality viewer, that encloses smartphone 1500 having touch-screen display 1506. Pet. 74–76 (citing Ex. 1003 ¶¶ 5, 9, 21, 23, 24, 27, Figs. 1–3; Ex. 1002 § X(A)(1)).

Claim 12 further recites “a first lens and a second lens, wherein the first lens is facing the same direction as the second lens, and wherein the first lens and the second lens are spaced apart in a horizontal direction.” Ex. 1001, 14:1–4. Petitioner contends Kondo discloses right eyepiece 7R

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and left eyepiece 7L that a POSITA would have understood to be lenses. Pet. 77–79 (citing Ex. 1003 ¶ 22, Fig. 4(2)). Petitioner further asserts that Kondo illustrates the eyepieces as lenses and, moreover, they perform the same function as those of the '184 patent. *Id.* (citing Ex. 1003, Fig. 4(2), pg. 2; Ex. 1001, 2:1–4). Petitioner also argues Kondo's eyepieces are spaced apart horizontally by partition wall 12, and that Kondo additionally shows and describes the eyepieces as facing the same direction. *Id.* at 76–83 (citing Ex. 1003 ¶¶ 22, 27, 37, Figs. 1, 3, 4(2), 6; Ex. 1002 § X(A)(2)). Additionally, Petitioner alternatively contends this limitation would have been obvious and points to the '184 patent as admitting that viewers typically have lenses whose “configuration, construction, and placement . . . is well-known.” *Id.* at 79–80 (citing Ex. 1001, 2:1–4, 4:31–34).

Claim 12 further recites “an enclosure having a first side and a second side opposite the first side, the first side configured to hold the first lens and the second lens, the second side configured to receive the mobile electronic device.” Ex. 1001, 14:5–8. Petitioner argues that the housing of Kondo's viewer, i.e., the claimed “enclosure,” has a first side holding the eyepieces and a second side having holding part 4 that receives the smartphone such that the smartphone is directly in a user's field of view when viewed through the first side. Pet. 83–92 (citing Ex. 1003 ¶¶ 22, 27, 28, 30–34, Figs. 2–8). Kondo's first side is opposite the second side. Ex. 1003, Figs. 6, 7. Petitioner further contends that Kondo's viewer has hinge 10 on attachment main body 8 that supports the holding part in a manner that allows the holding part to be opened to mount and dismount the smartphone to the

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viewer, and closed to be used as a stereoscope. Pet. 91–92 (citing Ex. 1003 ¶¶ 22, 30, Figs. 4–7). Petitioner additionally argues that Chu has an enclosure holding a mobile phone. Pet. 92–93 (citing Ex. 1004 ¶ 38, Fig. 1; Ex. 1002 § X(A)(3)).

Claim 12 additionally recites “a user input that is accessible from an exterior of the enclosure and has a first position and a second position.” Ex. 1001, 14:9–10. Petitioner contends that Kondo discloses a user input in the form of button 77 that is on an exterior of the housing and movable between first and second positions via a cut out in the attachment. Pet. 93–95 (citing Ex. 1003 ¶¶ 42, 43, 47–49, 52, Figs. 7, 10, Abstr.). Petitioner also argues that Chu discloses three embodiments in which a user presses metal or metalized button 16, an exterior input mechanism, to move it from a first position to a second position. *Id.* at 95–97 (citing Ex. 1004 ¶¶ 11, 38, 53–56, 58–62, Figs. 3, 4; Ex. 1002 § X(A)(4)). Petitioner reproduces paragraphs 53–56 of Chu and emphasizes Chu’s description that initially, Chu’s probe head 18, connected to the button, does not contact touch screen 20; when a user presses the button downwards such that the probe head physically contacts the touch screen, electric charge conductivity between the user and the button changes an electric charge on the touch screen. *Id.* at 96–97 (citing Ex. 1004 ¶¶ 53–56).

Claim 12 also recites “a touchscreen input conductively coupled to the user input and generally centered between the first lens and the second lens in the horizontal direction, wherein, upon receipt of the mobile electronic device, the touchscreen input is in physical contact with the touchscreen when the user input is in the [] second position.” Ex. 1001, 14:11–16.

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Petitioner asserts that Kondo discloses conductive pads 76 embodying a touchscreen input having the claimed features. Pet. 38–45, 58–65, 76–98. Petitioner argues that, although Kondo discloses that the pads are in contact with the smartphone touchscreen upon the smartphone being received in the viewer, rather than when the user input is in the second position, Chu discloses that when Chu’s probe head is in the second, activated position, it is in physical contact with the touchscreen. *Id.* (citing Ex. 1004 ¶¶ 53–62, Figs. 3, 4; Ex. 1002 § X(A)(5)).

Mr. Keller testifies that “[a] mechanical input mechanism, like Chu’s, can work with both [capacitive and resistive touch] screens, whereas an electrical input mechanism, like Kondo’s can only work with capacitive screens.” Ex. 1002 ¶¶ 58–59. In light of this testimony, Petitioner argues that a person with ordinary skill in the art would have been motivated to combine Kondo and Chu to increase usability and consumer appeal, and, as such, a designer considering Kondo would, therefore, look to Chu for the improved versatility of Chu’s input mechanism. Pet. 38–39. Petitioner further argues that a person with ordinary skill in the art would have been motivated to combine Kondo and Chu because (1) “Chu provides a wider range of input at a single location on the touchscreen rather than just binary input (i.e., on or off);” (2) “Chu’s ‘swipe’ embodiment provides additional input to Kondo’s device” that allows more functionality and increased desirability; (3) Chu’s input mechanism is waterproof, thereby shielding the device from damage and debris; and (4) the Kondo-Chu device could be cleaned without damage to its interior. *Id.* at 39–40.

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4. Patent Owner's Arguments

Patent Owner argues that (a) the ordinarily skilled artisan would not have found it obvious to combine the teachings of Kondo and Chu in the manner proffered by Petitioner and its declarant; and (b) secondary considerations favor a conclusion of non-obviousness. Prelim. Resp. 39–55. We address each of these arguments in turn.

a. Combination of Kondo and Chu

Patent Owner contends that a POSITA would not have combined the teachings of Chu with those of Kondo for several reasons. *See* Prelim. Resp. 39–47. Patent Owner argues that there are several differences between resistive touchscreens and capacitive touchscreens, including market share at the time of the invention, inability of resistive touchscreens to be used for virtual reality devices, and uses with different types of electronic devices, that Patent Owner argues would have discouraged a POSITA from seeking to improve Kondo using a resistive touchscreen. *Id.* Patent Owner further argues that Petitioner employs impermissible hindsight in articulating a reason to combine the teachings of Kondo and Chu and provides no evidence of a POSITA actually implementing Petitioner's proposed modification or explanation as to how a POSITA could have done so. *Id.*

Patent Owner further argues that neither Kondo nor Chu recognized “the advantage of potentially removing the human body from the electrical circuit,” which, according to Patent Owner, the '184 patent discloses and requires in the challenged claims. Prelim. Resp. 41–42, 46–47 (citing Ex. 1001, 8:20–24; Pet. 13, 33; Ex. 1004 ¶ 5, Figs. 3, 4; Ex. 1002, Fig. 10;

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Ex. 1003 ¶ 52, Fig. 11). Patent Owner contends that “Kondo also always required that the phone be in contact with the capacitive input mechanism, a fundamentally different design than the claims that [Petitioner] challenges.” *Id.* at 47.

We have considered Patent Owner’s arguments, but we determine the issues raised are best resolved at the conclusion of the trial with the benefit of a full record.

As an initial matter, Patent Owner’s arguments, at this juncture, address only one of the rationales to combine Kondo and Chu proffered by Petitioner. *Compare* Pet. 38–40, *with* Prelim. Resp. 40–47. Additionally, Patent Owner’s arguments distinguishing the challenged claims from the human-provided input allegedly described in Kondo and Chu, are not commensurate with the scope of those claims because the claims do not preclude the touchscreen input from also being a user input. *See* Ex. 1001, 13:46–14:16, 14:33–39.

Regarding the alleged differences between resistive touchscreens and capacitive touchscreens, the only evidence Patent Owner provides to support its contention that resistive touchscreens would not be usable in a virtual reality viewer are the testimony of its declarant and inventor of the ’184 patent (Ex. 2033, “Declaration of Patrick Buckley”), the Google Android specification from 2016–2017 (Ex. 2048), and sales data regarding the worldwide market share of mobile phone touchscreens. *See* Prelim. Resp. 40–41, 44–45. Mr. Buckley’s declaration lists the largest and highest resolution resistive touchscreen devices ever released, concludes they “would not have had the necessary hardware components . . . necessary for a

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mobile phone to be used in a [virtual reality] headset,” and relies on the Google Android specification as “set[ting] forth specific hardware requirements for a smartphone to be [virtual reality] ready.”

Ex. 2033 ¶¶ 19–20. However, the Google Android specification reflects the state of the art in 2017, rather than in 2014, the date of the invention. *See* Ex. 2048, 1. Moreover, the Google Android specification sets forth requirements for “compatib[ility] with Android 7.0” and best practices for “high performance virtual reality.” Ex. 2048, 6, 75–76. In contrast to Patent Owner’s arguments, this evidence does not support a finding that resistive touchscreens could not have been used in a virtual reality viewer, but only that they may not have met the same requirements as the Android 7.0 or resulted in high performance.

As to whether an ordinarily skilled artisan would have modified Kondo’s virtual reality viewer to be usable with both capacitive and resistive touchscreens, Patent Owner will be given the opportunity to develop this argument further during the trial. On this preliminary record, we are persuaded for purposes of institution that Petitioner articulates a reason with rational underpinning as to why an ordinarily skilled artisan would have combined the teachings of Kondo and Chu. *See* Pet. 38–45. Patent Owner’s contention that Petitioner engages in impermissible hindsight is insufficient reason to deny institution. Moreover, Patent Owner’s arguments, at this juncture, do not persuade us that it would have been “uniquely challenging or difficult for one of ordinary skill in the art” to have combined their teachings. *See Leapfrog Enters., Inc. v. Fisher–Price, Inc.*, 485 F.3d 1157, 1162 (Fed. Cir. 2007) (citing *KSR Int’l Co. v. Teleflex, Inc.*, 550 U.S. 398,

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419 (2007)).

Patent Owner additionally contends that Kondo and Chu “are non-analogous art and/or teach away from the challenged claims of the ’184 Patent.” Prelim. Resp. 46. We are not persuaded by Patent Owner.

“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.” *In re Klein*, 647 F.3d 1343, 1348 (Fed. Cir. 2011). Here, the ’184 patent is concerned, in part, with solving the problem of allowing a user to interact with a concealed touchscreen. Ex. 1001, 2:9–38. Petitioner contends that Kondo is directed to the same problem as the ’184 patent— “[t]o provide an attachment that achieves remote control input to a touch panel mounted on an electrical device.” Pet. 29 (citing Ex. 1003, 2). Petitioner further asserts that Chu seeks to solve a similar problem— “the external activation of the touchscreen of the smartphone enclosed in that device.” Pet. 38–39 (citing Ex. 1003, 2; Ex. 1004 ¶ 9). We preliminarily agree with Petitioner’s statements regarding the problems to be solved by Kondo and Chu. Accordingly, on the record before us, we determine that Kondo and Chu are reasonably pertinent to the particular problem with which the inventor was involved, and, therefore, are analogous art. 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

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of ordinary skill, upon reading the reference, would be 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.”).

b. Secondary Considerations

Patent Owner argues that the challenged claims are non-obvious based on the objective indicia of non-obviousness. 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 ’184 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. *Id.* at 48 (citing Ex. 2033 ¶¶ 24–25). 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 its GCV1 Viewer designs on its website for manufacturers to use).” *Id.* at 48–49 (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 ’184 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 49 (citing Ex. 2034, 3–4). Patent Owner further argues that the ’184 patent received industry praise. *Id.* at 50; *see*

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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 ’184 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 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

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meets this alternative test. For example, although Patent Owner asserts that Petitioner highlighted DODOcase and Petitioner's Google Cardboard team praised Patent Owner's conductive touch button, Patent Owner did not set forth sufficient analysis and evidence demonstrating that praise was directed to a specific claimed feature of the '184 patent. For instance, the present record does not include any specific information or detail on the conductive button⁴ 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 '184 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 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

⁴ 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.

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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. *See 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.

5. Conclusion

We are persuaded that Petitioner has demonstrated a reasonable likelihood it would prevail in showing that independent claim 12 is obvious over the combined teachings of Kondo and Chu. Petitioner has provided arguments and evidence for dependent claims 16–18, and we are, likewise, persuaded that Petitioner has demonstrated a reasonable likelihood it would prevail in showing that these claims are also obvious over the combined teachings of Kondo and Chu. *See Pet.* 99–103.

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. 3–18. 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 '184 patent. *Id.* at 18–39. In total, Patent Owner contends that four entities are unnamed RPIs or privies of Petitioner: Orora Packaging Solutions ("OPS"), Mattel, Inc.

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(“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.

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.

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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 Guide⁵ 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 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*”). Privy “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.

⁵ Consolidated PTAB Trial Practice Guide (Nov. 2019), *available at* <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

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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 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 15–18). 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 16 (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

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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. 3, 16–17), but we disagree. *Fintiv* is not an issue in this proceeding.⁶ 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

⁶ 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.

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the *Texas* Litigation.⁷ 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, 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. 18; *see* 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.⁸

⁷ 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.).

⁸ Petitioner requests that the Board strike certain exhibits as inadmissible under Federal Rule of Evidence 408 and in violation of a mediation agreement. *See* Reply 5–6. We have not considered this evidence, so we deny, without prejudice, this request as moot.

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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* Litigation⁹ 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 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 ’184 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 (settlement agreement with Patent Owner [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 ’184 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

⁹ *DDC Technology, LLC v. Mattel, Inc.*, No. 1:21-cv-01781 (D. Del.) (filed Dec. 21, 2021; terminated May 31, 2022).

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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. 19–24; 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), 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); 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

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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,¹⁰ 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 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.¹¹ *See* Prelim. Resp. 23–24 (citing

¹⁰ 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.

¹¹ Moreover, even if there were an indemnification obligation, this would

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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 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. 24 (citing Ex. 2047, 2). We disagree with Patent Owner’s characterization of this email.¹² It includes no express reference to Mattel (*see* Ex. 2047), and we

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”).

¹² Petitioner argues that the [REDACTED] in this email are inadmissible under Federal Rule of Evidence 408. *See* Reply 8. At this time, we decline to address this objection because Petitioner prevails even considering the cited evidence.

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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. 24.

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 '708 patent in the *UC* Litigation¹³ and UC is an RPI or privy of Petitioner. Prelim. Resp. 36–39.

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. 36–39; Sur-reply 4–5. Patent Owner’s

¹³ *DDC Technology, LLC v. Unofficial Cardboard, Inc.*, No. 1:21-cv-05596 (N.D. Ill.) (filed Oct. 21, 2021; terminated Jan. 24, 2022).

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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).¹⁴ This relationship is not 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 ’184 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

¹⁴ 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. 37. 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 “Manufacturing Help Center”)), the mere disclosure of this information (with no obligation to use it or compensate Petitioner for it) does not create a privity relationship.

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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* Litigation¹⁵ and MerchSource is an RPI or privy of Petitioner. Prelim. Resp. 25–36.

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. 25–27; 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

¹⁵ *DODOCase VR, Inc. v. MerchSource, LLC*, No. 3:17-cv-07088 (N.D. Cal.) (filed Dec. 13, 2017; terminated Jun. 19, 2020).

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is no evidence of any pre-existing legal relationship between MerchSource and Petitioner.

Patent Owner's other arguments seek to infer an RPI or privity relationship between Petitioner and MerchSource based on communications between them (*see* Prelim. Resp. 26–34), 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 privity of Petitioner.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Ex. 2031, 2–3; *see also* Ex. 2032, 5 ([REDACTED])
[REDACTED]. Petitioner responded:

[REDACTED]
[REDACTED]
[REDACTED]
Ex. 2031, 2 (emphasis added); *see also* Ex. 2032, 1 [REDACTED]
[REDACTED]), 4 [REDACTED]¹⁶ This

¹⁶ Patent Owner argues that the individual sending the email was “well aware” of the ’184 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 privity of Petitioner.

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evidence indicates that there was no coordination between Petitioner and MerchSource relating to the '184 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 '184 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 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].”¹⁷ 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 '184 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.

¹⁷ 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.

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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. 33–34; 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 ’184 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 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

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of MerchSource to challenge the '184 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 '184 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.

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

IV. CONCLUSION

Based on the current record, we determine Petitioner has shown a reasonable likelihood that it will prevail in establishing that at least one claim of the '184 patent is unpatentable. Accordingly, we institute review of all claims challenged on all of the grounds in the Petition. *See* Consolidated Trial Practice Guide (Nov. 2019), 64.¹⁸

At this stage of the proceeding, the Board has not made a final determination as to the patentability of any challenged claim. Our view with regard to any conclusion reached in the foregoing analysis could change

¹⁸ Available at www.uspto.gov/sites/default/files/documents/tpgnov.pdf.

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upon completion of the record.

V. ORDER

Accordingly, it is:

ORDERED that pursuant to 35 U.S.C. § 314, an *inter partes* review is hereby instituted as to claims 12 and 16–18 of the '184 patent based on the unpatentability challenges presented in the Petition; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial commencing on the entry date of this decision.

PUBLIC VERSION

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Patent 9,811,184 B2

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