

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

IMMERSION CORPORATION,
Patent Owner.

Case IPR2017-01310
Patent 8,749,507 B2

Before MICHAEL R. ZECHER, BRYAN F. MOORE, and MINN CHUNG,
Administrative Patent Judges.

CHUNG, *Administrative Patent Judge.*

DECISION

Denying Institution of *Inter Partes* Review
35 U.S.C. § 314(a) and 37 C.F.R. § 42.108

I. BACKGROUND

A. Introduction

Apple Inc. (“Petitioner”) filed a Petition (Paper 1, “Second Petition” or “Second Pet.”) requesting an *inter partes* review of claims 1–18 (the “challenged claims”) of U.S. Patent No. 8,749,507 B2 (Ex. 1101, “the ’507 patent”). As discussed further below, the Second Petition challenges most of the same claims of the ’507 patent that Petitioner challenged in its prior petition filed in Case IPR2016-01777 (“First Petition” or “First Pet.”). Immersion Corporation (“Patent Owner”) filed a Preliminary Response (Paper 7, “Prelim. Resp.”).

Institution of *inter partes* review is discretionary. *See* 35 U.S.C. § 314(a); 37 C.F.R. § 42.108(a). Under the circumstances of this case, for the reasons explained below, we exercise our discretion to not institute an *inter partes* review on any of claims 1–18 of the ’507 patent.

B. Related Proceedings

According to the parties, the ’507 patent is the subject of the following proceedings: (1) *Immersion Corp. v. Apple Inc.*, Nos. 1:16-cv-00077 and 1:16-cv-00325 (D. Del.); and (2) *In re Certain Mobile and Portable Electronic Devices Incorporating Haptics (Including Smartphones and Laptops) and Components Thereof*, ITC Investigation Nos. 337-TA-990 and 337-TA-1004 (consolidated) (USITC). Second Pet. 1; Paper 6, 2.

The ’507 patent was also the subject of the First Petition filed by Petitioner in Case IPR2016-01777, in which we denied institution as to claims 1–5, 9–12, and 14–17 of the ’507 patent. *Apple Inc. v. Immersion*

Corp., Case IPR2016-01777 (PTAB Mar. 23, 2017) (Paper 7) (“1777 Dec. on Inst.”).

C. The '507 Patent

The '507 patent describes a system and method for adaptively interpreting a user's intent based on parameters supplied by a touch-sensitive input device. Ex. 1101, Abstract. Figure 1 of the '507 patent is reproduced below.

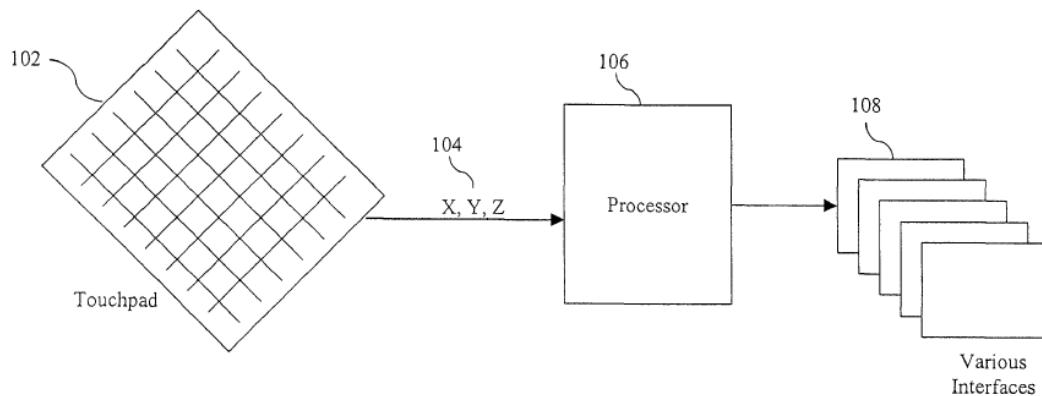


FIG. 1

Figure 1 depicts an exemplary system for implementing embodiments of the '507 patent. *Id.* at col. 2, ll. 23–25, 37–39. As shown in Figure 1, touchpad 102 senses the positions of a touch on the surface of the touchpad, and provides an output signal comprising position data (X and Y parameters) and pressure data (Z parameter) to processor 106. *Id.* at col. 2, ll. 41–45, col. 3, ll. 51–52. According to the '507 patent, in order to address the difficulties faced in attempting to determine the intent of a user based on the X, Y, and Z parameters, the disclosed invention provides systems and methods for adaptive interpretation of the intent of a user of a touch-sensitive input device. *Id.* at col. 4, ll. 56–58, 64–66.

Figure 3 of the '507 patent is reproduced below.

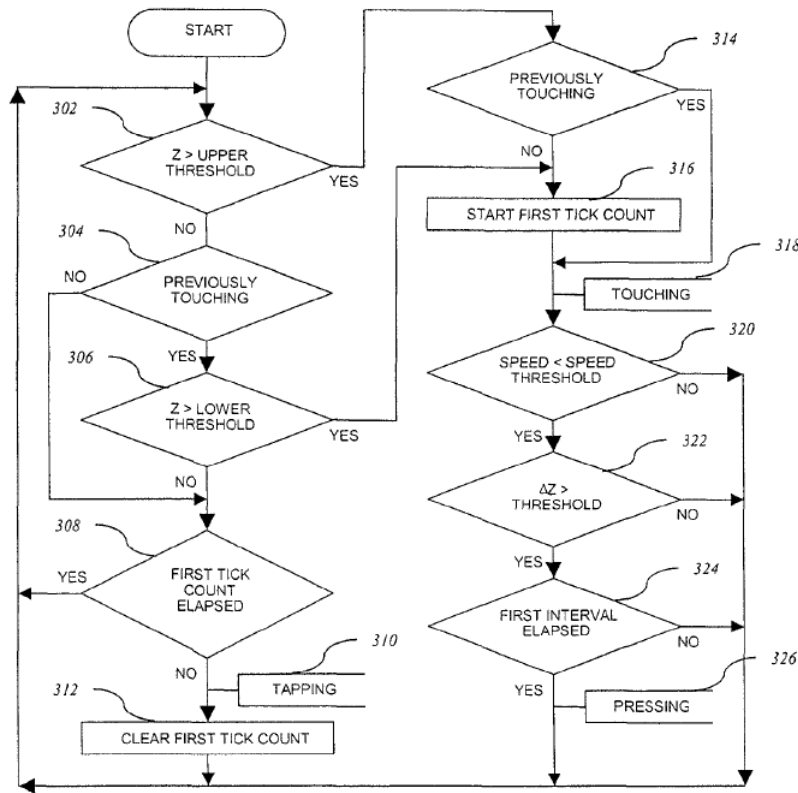


FIG. 3

Figure 3 depicts a flowchart illustrating a process for detecting a finger press by a user on a touchpad. *Id.* at col. 2, ll. 28–30, col. 7, ll. 7–9. At step 302 shown in Figure 3, the processor determines if the output signal received from the touchpad indicates that the pressure of a user touch exceeds an upper threshold. *Id.* at col. 8, ll. 21–22. If so, the processor checks at step 314 if the user was touching the touchpad previously. *Id.* at col. 8, ll. 22–24. If the user was not previously touching the touchpad, the processor starts the first tick counter and decides the user is now touching the touchpad. *Id.* at col. 8, ll. 25–27. Once the processor concludes that the user is touching the touchpad, the processor compares the speed of the finger movement on the

touchpad to a speed threshold value. *Id.* at col. 8, ll. 31–33; *see also id.* at col. 7, l. 65–col. 8, l. 4 (describing a method of determining the speed of the finger movement and stating that until the speed falls below a speed threshold the processor will not recognize a press). If the speed is less than the speed threshold, the change in pressure (from the previously received value) is compared to a change threshold. *Id.* at col. 8, ll. 41–42. If the change in pressure is determined to be greater than the change threshold at step 322, the processor determines whether a first interval (in the first tick counter) has elapsed at step 324. *Id.* at col. 8, ll. 44–47. If so, the processor concludes that the user is pressing. *Id.* at col. 8, ll. 47–48.

In other words, in order to determine that a user is pressing, the following three conditions must be met: (1) the pressure exceeds the pressure threshold; (2) the change in pressure is greater than the change threshold; and (3) the first interval has elapsed. In the process described in Figure 3, the first two conditions must be maintained for the duration of the first interval, i.e., the user must continue to touch for the duration of the first interval, before a press is recognized.

D. Illustrative Claim

Of the challenged claims, claims 1, 9, and 14 are independent. Claim 1 is illustrative of the challenged claims and is reproduced below.

1. A method comprising:
 - receiving contact data from an input device;
 - determining an interaction with a displayed object on a screen based on the contact data;
 - responsive to determining the interaction, determining a gesture based on the contact data comprising:

determining a pressure and a change in pressure based on the contact data, and

determining a press if:

the pressure is greater than a pressure threshold,

the change in pressure is greater than a change in pressure threshold, and

a first interval has elapsed; and

responsive to determining the gesture, outputting the haptic effect.

Ex. 1101, col. 10, ll. 30–44.

E. First Petition in IPR2016-01777

On September 12, 2016, Petitioner filed the First Petition in Case IPR2016-01777 requesting an *inter partes* review of claims 1–5, 9–12, and 14–17 of the '507 patent. *Apple Inc. v. Immersion Corp.*, Case IPR2016-01777, Paper 1. In the First Petition, Petitioner asserted the following grounds of unpatentability (First Pet. 3).

Claims Challenged	Statutory Basis	References
1–5, 9–12, and 14–17	§ 103(a)	Toda ¹ and Shahoian ²
1, 9, and 14	§ 103(a)	Morimura ³ and Shahoian

¹ U.S. Patent No. 5,673,066 (issued Sept. 30, 1997) (“Toda”).

² U.S. Patent Application Pub. No. 2002/0033795 A1 (published Mar. 21, 2002) (Ex. 1104, “Shahoian”).

³ U.S. Patent No. 6,072,474 (issued June 6, 2000) (“Morimura”).

On March 23, 2017, based on the arguments and evidence presented in the First Petition, we denied institution as to claims 1–5, 9–12, and 14–17 of the ’507 patent, i.e., all claims challenged in the First Petition. 1777 Dec. on Inst. at 19.

F. Asserted Grounds of Unpatentability in the Second Petition

On April 21, 2017, which was one month after our Decision on Institution in Case IPR2016-01777, Petitioner filed a Second Petition in this case requesting an *inter partes* review of claims 1–18 of the ’507 patent. In its Second Petition, Petitioner asserts the following ground of unpatentability (Second Pet. 3).

Claims Challenged	Statutory Basis	References
1–18	§ 103(a)	Astala ⁴ and Shahoian

II. ANALYSIS

A. Discretionary Non-Institution Under 35 U.S.C. § 314(a)

Patent Owner asserts that the Second Petition should be denied because (1) it would be inequitable to Patent Owner to allow Petitioner’s second challenge to the same claims when Petitioner benefited from Patent Owner’s Preliminary Response and the Board’s Decision on Institution in Case IPR2016-01777, and (2) Petitioner was aware of the prior art references asserted in its Second Petition before the filing of its First Petition in Case IPR2016-01777. Prelim. Resp. 6–13 (citing *Akamai Technologies*,

⁴ U.S. Patent No. 6,590,568 B1 (issued July 8, 2003) (Ex. 1103, “Astala”).

Inc. v. Limelight Networks, Inc., Case IPR2017-00358 (PTAB May 2, 2017) (Paper 9)).

Institution of *inter partes* review is discretionary. *See* 35 U.S.C. § 314(a) (authorizing institution of an *inter partes* review under particular circumstances, but not requiring institution under any circumstances); 37 C.F.R. § 42.108(a) (stating “the Board *may* authorize the review to proceed”) (emphasis added); *Harmonic Inc. v. Avid Tech, Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (explaining that under § 314(a), “the PTO is permitted, but never compelled, to institute an IPR proceeding”). When determining whether to exercise our discretion under § 314(a), we consider the following non-exhaustive factors:

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;
2. whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;
3. whether at the time of filing of the second petition the petitioner already received the patent owner’s preliminary response to the first petition or received the Board’s decision on whether to institute review in the first petition;
4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;
5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
6. the finite resources of the Board; and
7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha, Case IPR2016-01357, slip op. 15–16 (PTAB Sept. 6, 2017) (Paper 19) (precedential)⁵ (hereinafter, “*General Plastic*”) (citing *NVIDIA Corp. v. Samsung Elec. Co.*, IPR2016-00134, slip op. 6–7 (PTAB May 4, 2016) (Paper 9)).

A central issue addressed by the *General Plastic* factors is balancing the equities between a petitioner and a patent owner when information is available from prior Board proceedings for a subsequent proceeding. *General Plastic*, slip op. at 15–19. Accordingly, we use the non-exhaustive *General Plastic* factors as a framework for assessing, under the specific circumstances of this case, the equities of allowing the Second Petition filed by the same Petitioner that challenges essentially the same claims of the ’507 patent to proceed to trial. We address each of these factors in turn, but note that not all the factors need to weigh against institution for us to exercise our discretion under § 314(a).

Factor 1: Whether Petitioner Previously Filed a Petition Directed to the Same Claims of the Same Patent

As discussed above, Petitioner’s First Petition challenged claims 1–5, 9–12, and 14–17 of the ’507 patent, which Petitioner again challenges in the Second Petition. As Petitioner and Patent Owner note, the Second Petition additionally challenges certain dependent claims—namely, dependent claims 6–8, 13, and 18. Second Pet. 16–17; Prelim. Resp. 8. Challenges to these dependent claims must necessarily invoke challenges to the independent claims from which they depend, i.e., independent claims 1, 9, and 14. As

⁵ *General Plastic* was designated precedential on October 18, 2017.

noted above, these independent claims were challenged in the First Petition. Thus, on the whole, the Second Petition overwhelmingly challenges essentially the same claims as the First Petition filed in Case IPR2016-01777. Apart from asserting that it was attempting to conserve the resources of the Board and the parties (Second Pet. 17)—the effect of which is now diminished by the actual filing of the Second Petition—Petitioner does not provide a sufficient reason as to why it could not have addressed dependent claims 6–8, 13, and 18 in the First Petition. Accordingly, this factor weighs against institution.

Factor 2: Whether Petitioner Knew of the Prior Art Asserted in the Second Petition When It Filed the First Petition

The Second Petition relies on two references—namely, Astala and Shahoian. Petitioner knew of Shahoian when it filed the First Petition because, as discussed above, the First Petition asserted grounds involving Shahoian.

As Patent Owner notes, the Reference Cited section on the face of the '507 patent lists Astala. Ex. 1101 at [56]; Prelim. Resp. 8. According to Patent Owner, it produced Astala to Petitioner in the related ITC investigation on May 5, 2016 when Patent Owner filed its ITC complaint regarding the '507 patent. Prelim. Resp. 8 (citing Ex. 2003). On September 14, 2016, Petitioner served a detailed invalidity claim chart based on Astala in the related ITC investigation. Exs. 2005, 2010. Thus, the record indicates that Petitioner knew of or should have known of Astala when it filed the First Petition on September 12, 2016.

Because Petitioner knew of or should have known of both of the references asserted in its Second Petition when it filed its First Petition, this factor weighs against institution.

Factor 3: Whether Petitioner Had Patent Owner's Preliminary Response and the Board's Institution Decision on the First Petition When Petitioner Filed the Second Petition

Patent Owner filed its Preliminary Response to the First Petition on December 27, 2016. *See* Case IPR2016-01777, Paper 6. We issued our Decision Denying the First Petition on March 23, 2017. 1777 Dec. on Inst. Hence, when Petitioner filed the Second Petition on April 21, 2017 (*see* Second Pet. 64), Petitioner had both Patent Owner's Preliminary Response to the First Petition and the Board's Decision Denying the First Petition. Consequently, this factor weighs against institution.

Factor 4: The Elapsed Time Between When Petitioner Had Patent Owner's Preliminary Response and the Board's Institution Decision on the First Petition and When Petitioner Filed the Second Petition

The delay between when Petitioner had Patent Owner's Preliminary Response to the First Petition as well as the Board's Decision Denying the First Petition and when Petitioner filed the Second Petition left Petitioner with sufficient time to take advantage of Patent Owner's and the Board's responses to the First Petition. When Petitioner filed its Second Petition on April 21, 2017, Petitioner had Patent Owner's Preliminary Response to the First Petition for nearly four months, and our Decision Denying the First Petition for one month. Thus, Petitioner not only had the relevant materials from Patent Owner and the Board when it filed its Second Petition, but had

ample time to take advantage of those materials in crafting its arguments in the Second Petition. As a result, this factor weighs against institution.

Factor 5: Whether Petitioner Has Provided Adequate Explanation

The fifth *General Plastic* factor is “whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent.” *General Plastic*, slip op. at 9, 16. A closely related factor often considered when determining whether to exercise our discretion under § 314(a) is “whether the petitioner provides adequate explanation why we should permit another attack on the same claims of the same patent.” *Akamai*, slip op. at 9; *Xactware Sols., Inc. v. Eagle View Techs., Inc.*, Case IPR2017-00034, slip op. at 7–8 (PTAB Apr. 13, 2017) (Paper 9).

Petitioner addresses our discretion to deny institution only briefly. Petitioner asserts that the Second Petition addresses additional claims based on different prior art. Second Pet. 16. Petitioner also cites a previous Board decision in Case IPR2016-00448 and states that Petitioner has not “‘overwhelmed Patent Owner with an unreasonable number of challenges of patentability’ because this is only the second petition that Petitioner has filed regarding the ’507 patent.” *Id.* at 17. Petitioner also asserts that the Second Petition challenges additional claims because the additional claims are asserted in the related district court proceedings, but were not asserted in the related ITC investigation. *Id.* Petitioner states that it omitted challenges of the additional claims from the prior Petition in order to conserve the resources of the Board and the parties. *Id.*

These explanations, without more, do not justify permitting Petitioner to wait to file its Second Petition until after it has had the advantage of seeing our Decision Denying the First Petition. Petitioner's stated reason for filing two separate petitions, i.e., to conserve resources of the Board and the parties, does not explain why Petitioner could not have filed the petitions at the same time and simultaneously challenged all of the claims asserted in the related ITC and district court proceedings. As the First and Second Petitions indicate, Petitioner knew of both the ITC and the district court actions when the First Petition was filed. *See* First Pet. 1, Second Pet. 1. Consequently, this factor also weighs against institution.

Factors 6 and 7: Board Considerations

The sixth and seventh General Plastic factors consider “the finite resources of the Board” and “the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.” *General Plastic*, slip op. at 9–10, 16.

We conclude that these factors are not implicated under the circumstances of this case, and, therefore, do not weigh for or against exercising our discretion.

Weighing the Factors for Discretionary Non-Institution Under § 314(a)

We view Petitioner's strategy in this particular case as burdensome to Patent Owner and the Board. Additionally, Petitioner has not provided a persuasive explanation of why its challenges raised in the Second Petition should be allowed. Petitioner does not even attempt to explain why it could not have raised the challenges in the Second Petition simultaneously with the

challenges raised in the First Petition. And we find Petitioner's explanation of why it chose to delay filing the Second Petition unpersuasive. We do not take lightly denying a petition on grounds unrelated to its substantive patentability challenges. Nor do we hold that multiple petitions against the same claims of the same patent are never permitted. Here, however, weighing the relevant factors under the circumstances of this case, which, as we explain above, all favor exercising our discretion not to institute, we view the prejudice to Patent Owner to be greater than that to Petitioner. We, therefore, decline to institute *inter partes* review under 35 U.S.C. § 314(a).

III. CONCLUSION

For all of the reasons discussed above, we exercise our discretion under 35 U.S.C. § 314(a) and 37 C.F.R. § 42.108(a) not to institute review in this proceeding with respect to claims 1–18 of the '507 patent.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is *denied* as to all challenged claims of the '507 patent, and no trial is instituted.

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