

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

OLYMPUS CORPORATION, OM DIGITAL SOLUTIONS
CORPORATION, FUJIFILM CORPORATION, FUJIFILM NORTH
AMERICA CORPORATION, NIKON CORPORATION, PANASONIC
ENTERTAINMENT & COMMUNICATIONS CO., LTD.,
Petitioner,

v.

OPTIMUM IMAGING TECHNOLOGIES, LLC,
Patent Owner.

IPR2024-01220
Patent 10,873,685 B2

Before MIRIAM L. QUINN, GARTH D. BAER, and RUSSELL E. CASS,
Administrative Patent Judges.

QUINN, *Administrative Patent Judge.*

DECISION

Denying Patent Owner's Request on Rehearing of
Decision Granting Institution of *Inter Partes* Review
37 C.F.R. § 42.71 (d)

I. INTRODUCTION

A. Background

The Board granted the Petition and instituted *inter partes* review in this proceeding on February 24, 2025. Paper 13 (“Decision on Institution” or “Dec.”). The Decision on Institution considered the parties’ discretionary denial arguments and applied the then-current written guidance. *Id.* at 7–8. The Board did not exercise discretion to deny institution based on parallel district court litigation. *Id.*

On February 28, 2025, the USPTO rescinded the memorandum entitled “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (“Interim Procedure”). See “Guidance on USPTO’s rescission of ‘Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation,’” dated March 24, 2025 (“Guidance”).¹ The rescission restores policy in place before the Interim Procedure, including the Board’s precedential decisions in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (“*Fintiv*”) and *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (“*Sotera*”). Guidance at 1.

After the rescission, Patent Owner filed the instant Request for Rehearing, which requests reconsideration of the Board’s Decision on Institution, in particular with respect to the analysis under *Fintiv* and in light of the Interim Procedure’s rescission. Paper 17 (“Request” or “Req. Reh’g”). We note that the Interim Procedure’s rescission applies to requests

¹ Available from the USPTO website:
https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_rescission_20250324.pdf

for rehearing that were filed post-recission and that remain pending.

Guidance at 2.

Patent Owner’s Request also argues that the Board misapprehended or overlooked the arguments Patent Owner presented regarding the merits of the Petition with regard to claim 1 and the only ground discussed in the Decision on Institution. Req. Reh’g 1.

B. Standard for Reconsideration

When rehearing a decision on petition, the Board will review the decision for an abuse of discretion. *See* 37 C.F.R. § 42.71(c). An abuse of discretion occurs when a “decision was based on an erroneous conclusion of law or clearly erroneous factual findings, or . . . a clear error of judgment.” *PPG Indus. Inc. v. Celanese Polymer Specialties Co.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988) (citations omitted). An abuse of discretion may be determined if a decision: (1) is clearly unreasonable, arbitrary, or fanciful; (2) is based on an erroneous conclusion of law; (3) rests on clearly erroneous fact findings; or (4) involves a record that contains no evidence on which the Board could rationally base its decision. *Redline Detection, LLC v. Star Envirotech, Inc.*, 811 F.3d 435, 442 (Fed. Cir. 2015) (internal citations omitted). The party challenging the decision has the burden of showing a decision should be modified, and the request for rehearing must specifically identify all matters the party believes the Board misapprehended or overlooked and the place where each matter was previously addressed in its papers. 37 C.F.R. § 42.71(d).

II. ANALYSIS

A. Petitioner’s Challenge of Claim 1

The Decision on Institution addressed challenges to patentability, all

of which rely on Iwasawa as a reference. In particular, Petitioner challenges the patentability of claims 1–30 of the '685 patent based on the following reference or combination of references:

Ground	Claim(s)	35 U.S.C. §	References
1	1, 3, 6, 11–14, 17, 19	103	Iwasawa
2	1–3, 5–7, 10–15, 17–19, 23, 24, 27, 28, 30	103	Iwasawa, Enomoto
3	4, 8, 9, 16	103	Iwasawa, Ito
4	4, 8, 9, 16	103	Iwasawa, Enomoto, Ito
5	20	103	Iwasawa, Prilutsky
6	20	103	Iwasawa, Enomoto, Prilutsky
7	21	103	Iwasawa, Miyazawa
8	21	103	Iwasawa, Enomoto, Miyazawa
9	22, 25, 26, 29	103	Iwasawa, Matsutani
10	22, 25, 26, 29	103	Iwasawa, Enomoto, Matsutani

Pet. 1–2.

The Board determined that Petitioner demonstrated a reasonable likelihood of showing that claim 1 is unpatentable over Iwasawa. Dec. 13–25. Patent Owner takes issue with the Board’s determination and “submits that the Board’s findings regarding alleged obviousness over Iwasawa represent an abuse of discretion. Req. Reh’g 13. We are not persuaded that the Board misapprehended or overlooked the issues Patent Owner raises in the Request.

1. Whether a Person of Skill in the Art Would Have Made the Combination

Patent Owner directs us to an argument it made to rebut Petitioner’s assertion that a person of ordinary skill in the art would have added certain ROMs to the second embodiment of Iwasawa. Dec. 17–19. In the Preliminary Response, Patent Owner argued that a person of ordinary skill in the art would

not have added more circuits to the second embodiment because it would have been an inefficient use of the limited real-estate of the camera and an unnecessary expense. Prelim. Resp. 14. Patent Owner also explained that adding more circuits uses more power and would have been an inefficient use of limited power/battery life in the camera. *Id.* at 15. Further, according to Patent Owner, adding the ROMs would result in larger circuit size, more circuits, and higher costs, simply because more ROMs means storing a large amount of correction data. *Id.* The Decision on Institution addressed these arguments stating that even if the allegations were true, whether two embodiments would have been combined by businessmen for economic reasons is not the same as saying that it could not be done because skilled persons in the art felt there was some technological incompatibility that prevented the combination. Dec. 18 (citing *Orthopedic Equip. Co. v. United States*, 702 F.2d 1005, 1013 (Fed. Cir. 1983)). Patent Owner urges reconsideration because its arguments were directed to whether a person of ordinary skill in the art *would have* made the proposed combination, not about the economic reasons against the combination. Req. Reh’g 13 (citing *Personal Web Techs., LLC v. Apple, Inc.*, 848 F.3d 987, 994 (Fed. Cir. 2017)).

Patent Owner has not shown that we misapprehended or overlooked its argument. To show abuse of discretion, Patent Owner must show that the Board’s analysis was clearly unreasonable, arbitrary, or fanciful; was based on an erroneous conclusion of law; rests on clearly erroneous fact findings; or involves a record that contains no evidence on which the Board could rationally base its decision. *Redline Detection*, 811 F.3d at 442. Patent Owner’s argument does not address any of these criteria. At best, Patent Owner makes a point that there are considerations of size, battery power, and power-requirements that a person of ordinary skill in the art would take into

account. And we have given weight to those considerations and determined them not to be sufficient at the institution stage to overcome the Petitioner-stated reasons to combine. That there may be tradeoffs as well as benefits involved in the combination is not alone a reason to determine that a motivation to combine is lacking. *Winner Int’l Royalty Corp. v. Wang*, 202 F.3d 1340, 1349 (Fed. Cir. 2000); *see also Henny Penny Corp. v. Frymaster LLC*, 938 F.3d 1324, 1331–32 (Fed. Cir. 2019). And the Decision on Institution summarized, by citing to *Orthopedic*, that the presented tradeoffs would be characterized as economic reasons, but no technological obstacles to the presented combination were sufficiently developed. In sum, we are not persuaded that the argument was overlooked or misapprehended. Rather, we see Patent Owner as raising a disagreement with the Board’s evaluation of its argument, which is not a sufficient basis for rehearing.

B. Lacking Explanation of How the Combination Would Work

Next Patent Owner focuses on its argument that the Petition fails to explain how the combination would work. Req. Reh’g 13–14 (citing Prelim. Resp. 16, 18–19). There are two arguments embedded here. Patent Owner first took issue with the “updatable” database contentions that Petitioner presented, arguing that the ROMs are not updateable and Iwasawa does not disclose how to choose between using a RAM versus a ROM. Prelim. Resp. 16. Second Patent Owner argued that the proposed combination would require a modification of the CPU to calculate correction data and that Petitioner did not address how that program would be modified or how to determine whether the CPU uses prestored correction data from the ROMs or perform its own calculation. *Id.* at 18–19.

The Decision on Institution addresses the “updateable” database issue by finding that the term “database” does not require an “updateable” database.

Dec. 12, 19. The Decision further noted that Petitioner’s articulated reasoning was sufficient for institution because Iwasawa discloses that correction data can be either precalculated and stored in ROM, or calculated and stored in RAM. Dec. 18. The Decision noted Petitioner’s arguments and supporting evidence, including the unrebutted Declaration of Robert Stevenson at paragraphs 76–79, which explain how the ROMs and RAM of Iwasawa operate and how the embodiment of Figure 2 could be modified according to the express teachings of Iwasawa. *Id.* at 17. Accordingly, we are not persuaded that Patent Owner’s arguments were overlooked or that the Petition’s depth of explanation was misapprehended.

C. Lacking Explanation of Alleged Benefit

Finally, Patent Owner takes issue with the Board’s statement that,

“[s]toring pre-calculated correction data for known lenses in ROM would be faster than calculating such data at execution time and storing it in RAM, but calculating the correction data at execution time and storing it in RAM would be useful for performing new corrections for new lenses or updating the corrections for known lenses.”

Req. Reh’g 14 (quoting Paper 13 at 18). According to Patent Owner, there is no explanation in the Petition on how the combination would achieve the alleged benefit. We disagree. The Decision notes Petitioner’s argument that a person of ordinary skill in the art would have found advantageous the storing of correction programs in the ROMs or RAM because “prestored correction data allowed for fast access to corrections for known lenses” and CPU-calculated correction data allowed for “flexible handling . . . when a different type of optical lens is adopted.” Dec. 17 (citing Pet. 8–9 (quoting Ex. 1005 ¶ 21; citing Ex. 1003 ¶¶ 78–79)). In other words, the Decision relies on the express disclosure of Iwasawa: “quick and accurate” corrections using

the RAM and updating programs when a different type of optical lens is adopted. Ex. 1005 ¶ 21. The Decision further relies on the Declaration of Robert Stevenson who opines that the prestored correction data provides fast access to correction data for known lenses and more efficient calculation of correction data when a new lens is adopted. Ex. 1003 ¶ 79. This follows directly from the teaching in Iwasawa. Accordingly, we see the Petition and the evidence cited as explaining how the combination would achieve the alleged benefit.

In sum, we disagree with Patent Owner's contention that we overlooked its arguments and or misapprehended the Petition's explanation for the alleged benefits of the combination of Iwamoto's embodiments.

D. Request for Discretionary Denial under 35 U.S.C. § 314(a)

Patent Owner asserts that we should discretionarily deny the Petition under 35 U.S.C. § 314(a) due to the parallel district court litigation. Req. Reh'g 4–12. Petitioner had relied on the *Sotera* stipulation to moot the application of *Fintiv* under the now rescinded Interim Guidance, and did not respond to Patent Owner's Request urging a reconsideration in light of the recission. Pet. 79. We have considered Patent Owner's request to reconsider whether to discretionarily deny the Petition. However, our ultimate conclusion to grant the Petition and institute *inter partes* review remains unchanged.

We considered the status of the parallel District Court litigation in the *Fintiv* analysis of related *inter partes* proceedings involving the same parties involved here. See IPR2024-01372 (“1372 IPR”), IPR2024-01373 (“1373 IPR”). The '685 patent is also involved in the same District Court litigation that is at issue in those other proceedings. Compare Pet. 79, with IPR2024-01372, Paper 1 at 88 and IPR2024-01373, Paper 2 at 81–82. Here Patent

Owner presents the same arguments we have already considered in determining whether to exercise discretion to deny institution under the *Fintiv* factors and current Board guidance. ’1372 IPR, Paper 17; ’1373 IPR, Paper 17. Because the underlying facts and evidence considered are equally applicable here, we adopt our analysis and findings of our *Fintiv* analysis made explicit in the Decisions on Institution for the ’1372 IPR and ’1373 IPR. In those Decisions, a Majority concluded that on balance the factors weighed against exercising discretion:

[W]e take “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Fintiv* at 6. Here, factors 2, 3, 4, and 5 weigh against exercising discretion to deny institution, and factors 1 and 6 are neutral. Weighing all of the factors, we are not persuaded that the interests of efficiency and integrity of the system would be best served by invoking 35 U.S.C. § 314(a) to deny institution of a potentially meritorious petition. Thus, based on the record before us, we determine that the facts of this case do not warrant discretionary denial.

’1372 IPR, Paper 17 at 26. The particular merits of the instant case do not affect the balance of the *Fintiv* factors because factor 6 (which includes strength of the merits) alone would not outweigh the findings that factors 2, 3, 4, and 5 weighed against exercising discretion to deny institution.

Accordingly, we are not persuaded that we should grant rehearing on the basis of discretionary denial.

III. CONCLUSION

Patent Owner has not persuaded us that we misapprehended or overlooked Petitioner’s arguments and evidence concerning the reasons to combine the embodiments of Iwasawa or that further evidence was needed to meet the institution threshold. Patent Owner also has not persuaded us

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that we should grant rehearing on whether the Director's statutory discretion under § 314, due to parallel district court litigation, would result in a denial of the Petition. We have adopted our *Fintiv* analysis in the '1372 IPR and '1373 IPR which as a result do not change the outcome of the Decision on Institution in the instant proceeding.

IV. ORDER

For the reasons given, it is:

ORDERED that Patent Owner's request for rehearing is *denied*.

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