

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO. LTD, SAMSUNG ELECTRONICS
AMERICA, INC., and APPLE INC.,
Petitioner,

v.

NEONODE SMARTPHONE LLC,
Patent Owner.

IPR2021-00144
Patent 8,095,879 B2

Before MICHELLE N. ANKENBRAND, KARAL. SZPONDOWSKI, and
CHRISTOPHER L. OGDEN, *Administrative Patent Judges*.

ANKENBRAND, *Administrative Patent Judge*.

DECISION

Granting Petitioner's Request on Rehearing
37 C.F.R. § 42.71(d)

Granting Institution of *Inter Partes* Review
37 C.F.R. § 314

I. INTRODUCTION

On November 6, 2020, Samsung Electronics Co. Ltd., Samsung Electronics America, Inc. and Apple Inc. (collectively, “Petitioner”) filed a petition requesting an *inter partes* review (“Petition”) of claims 1–6 and 12–17 (“challenged claims”) of U.S. Patent No. 8,095,879 B2 (“the ’879 patent,” Ex. 1001).

We issued a Decision Denying Institution of *Inter Partes* Review on June 15, 2021 (Paper 24, “Decision” or “DI”). Specifically, we determined that Petitioner failed to establish a reasonable likelihood of prevailing with respect to at least one of the challenged claims under the following asserted grounds:

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1, 14–17	103(a)	Ren, ¹ Tanaka ²
2–5	103(a)	Ren, Tanaka, Hirayama307 ³
3	103(a)	Ren, Tanaka, Hirayama307, Hirayama878 ⁴
6, 13	103(a)	Ren, Tanaka, Allard ⁵
12	103(a)	Ren, Tanaka, Henckel ⁶
1, 2, 4, 5, 14–17	103(a)	Hirayama307, Ren
3	103(a)	Hirayama307, Ren, Hirayama878
6, 13	103(a)	Hirayama307, Ren, Allard
12	103(a)	Hirayama307, Henckel

¹ Xiangshi Ren & Shinji Moriya, *Improving Selection Performance on Pen-Based Systems: A Study of Pen-Based Interaction for Selection Tasks*, 7 ACM Transactions on Computer-Human Interaction 384–416 (2000) (Ex. 1004).

² U.S. Patent No. 5,249,296, issued Sept. 28, 1993 (Ex. 1005).

³ U.S. Patent No. 5,406,307, issued Apr. 11, 1995 (Ex. 1006).

⁴ U.S. Patent No. 6,100,878, issued Aug. 8, 2000 (Ex. 1009).

⁵ U.S. Patent No. 5,615,384, issued Mar. 25, 1997 (Ex. 1010).

⁶ U.S. Patent No. 5,463,725, issued Oct. 31, 1995 (Ex. 1013).

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1, 14, 15	103(a)	Jermyn ⁷

DI 2, 7, 27.

On July 15, 2021, Petitioner filed a Request for Rehearing (Paper 25, “Rehearing Request” or “Reh’g Req.”) of our Decision regarding the grounds relying on Hirayama307 as the primary reference. Reh’g Req. 1 & n.1. Petitioner contends that we misapprehended Hirayama307’s teachings with respect to claim 1’s limitation “wherein the representation of the function is not relocated or duplicated during the gliding.” *See generally id.*; Ex. 1001, 6:57–59; *see also* DI 6 (reproducing claim 1).

Specifically, Petitioner contends that we misapprehended the claim language by (1) equating Hirayama307’s icon 41 with window 43, Reh’g Req. 1, and (2) relying on portions of Hirayama307 that illustrate actions that occur after and not “during the gliding,” as recited in claim 1.⁸ *Id.*

We have considered Petitioner’s arguments and conclude that we misapprehended the teachings of Hirayama307 and that the Petition sets forth sufficient arguments and evidence to establish a reasonable likelihood that Petitioner will prevail on its Hirayama307 related grounds. We, therefore, grant Petitioner’s Rehearing Request and institute an *inter partes* review of claims 1–6 and 12–17 of the ’879 patent.

⁷ Ian Jermyn et al., *The Design & Analysis of Graphical Passwords*, in Proceedings of the 8th USENIX Security Symposium (1999) (Ex. 1014).

⁸ Petitioner does not present arguments relating to either the grounds relying primarily on Ren or the ground relying on Jermyn. Thus, this decision does not address those grounds.

II. ANALYSIS

A. *Standard of Review*

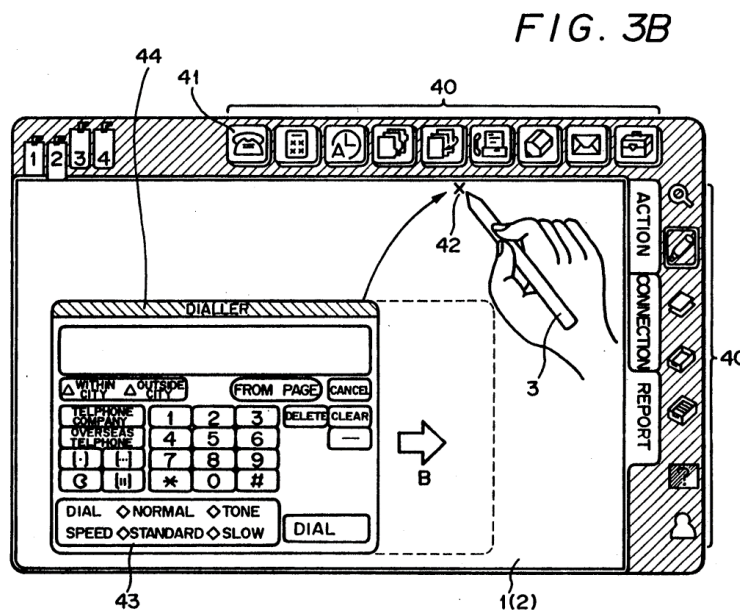
A request for rehearing must identify specifically all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply. 37 C.F.R. § 42.71(d). Petitioner, as the party challenging the Decision, has the burden of showing that we should modify the Decision. *Id.* When rehearing a decision on a petition, we review the decision for an abuse of discretion. *Id.* § 42.71(c). “An abuse of discretion occurs if the 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).

B. *Obviousness over Hirayama307*

In the Decision, we determined that Petitioner failed to show sufficiently that Hirayama307 discloses claim 1’s limitation “wherein the representation of the function is not relocated or duplicated during the gliding.” DI 18–19. We further determined that Petitioner failed to show a reasonable likelihood of prevailing in its assertions as to claims 2–6 and 12–17 based on our determination as to claim 1. *Id.* at 20–21 (finding that Petitioner failed to meet its burden as to claims 2, 4, and 14–17 because these claims ultimately depend from claim 1, and that Petitioner’s additional asserted art for its challenges to claims 3, 6, 12, and 13 does not remedy the deficiencies with respect to claim 1). Below, we first address claim 1 and then turn to claims 2–6 and 12–17.

1. Claim 1

Petitioner’s arguments on rehearing are solely directed to our analysis of the limitation “wherein the representation of the function is not relocated or duplicated during the gliding” (the “limitation at issue”) as it relates to Hirayama307.⁹ In the Decision, we found that Petitioner failed to make a sufficient showing that Hirayama307 discloses the limitation at issue “because Hirayama307 appears to disclose either relocating or duplicating the icon on the screen’s display.” DI 18. In reaching our determination, we primarily relied upon Hirayama307’s Figures 3B, 4A, and 4B, as well as Hirayama307’s disclosure regarding icon 41 and large icon or window 43. *Id.* at 18–19 (citing Ex. 1006, 5:3–12, 6:22–31). We reproduce Figure 3B below, as it is relevant to our discussion of Petitioner’s arguments on rehearing.



⁹ Although Petitioner argued in the Petition that the limitation at issue was alternatively obvious over the combination of Hirayama307 and Ren, Petitioner does not challenge our findings regarding that combination in the Rehearing Request, and we do not address that alternative argument in this decision.

Figure 3B illustrates a display screen of Hirayama307's device. Ex. 1006, 2:48–51. Hirayama307 explains that, after the user moves the pen point from icon 41 to display portion 3, “an icon (hereinafter . . . referred to as a window) enlarged in the form of the processing display mode of the desired icon 41 is automatically displayed on the display portion 1 as shown in FIG. 3B.” *Id.* at 5:3–12.

Petitioner argues on rehearing that icon 41 corresponds to the “representation of a function.” Reh'g Req. 4 (citing Pet. 59). This icon, Petitioner argues, is not the same as window 43. *Id.* at 8–9. Thus, Petitioner contends that we “misapprehended Hirayama307's teachings by . . . equating **icon 41** with ‘enlarged icon’ or ‘large icon’ (as depicted in FIG. 3B), which Hirayama through the specification refers to as **window 43**.” *Id.* at 7–8. Petitioner continues “that the ‘*representation of the function*’—*i.e., the icon 41* ‘is not relocated or duplicated during the gliding’” as the limitation at issue requires. *Id.* at 9. Petitioner further submits that even if we believe that certain aspects of Hirayama307's disclosure suggest duplicating icon 41 in the form of window 43, such teaching is not explicit and constitutes a fact issue that should be resolved during trial. *Id.* at 10.

In response to Petitioner's argument that Hirayama307 discloses the limitation at issue, Patent Owner argues that a person of ordinary skill in the art would have understood that icon 41 was “dragged and dropped,” as was “typical in computer user interfaces as of 2002.” Paper 23 at 37 (citing Ex. 2001 ¶ 100). Patent Owner further argues that an ordinarily skilled artisan would have understood that icon 41 was relocated or duplicated because Hirayama307's system “Enlarge(s) [the] icon as a window.” *Id.* at 39–40 (citing Ex. 2001 ¶ 103).

Having reconsidered the parties' arguments, we agree with Petitioner that we misapprehended HIRAYAMA307's distinction between icon 41 and window 43 and, as a result, misapprehended the Petitioner's arguments related to icon 41. Specifically, HIRAYAMA307 discloses that window 43 appears "after having touched the desired icon 41 with the point of the pen 3," and that window 43 is "the processing display form" of icon 41. Ex. 1006, 5:64–66. Thus, contrary to our determination in the Decision that "HIRAYAMA307 appears to duplicate or relocate the representation of the function, i.e., icon, during gliding," a closer reading of HIRAYAMA307 indicates that icon 41 and window 43 are different, though HIRAYAMA307 at times uses the term "large icon" or "enlarged icon" to describe window 43. *See, e.g.*, Ex. 1006, 6:7–14, 6:22–23, 6:30. We acknowledge that Patent Owner disagrees with Petitioner, but we find that the parties' disagreement raises an issue of fact that is best resolved on a full trial record. Accordingly, we determine that Petitioner shows sufficiently at this stage of the proceeding that HIRAYAMA307 discloses the limitation "wherein the representation of the function is not relocated or duplicated during the gliding." In light of this determination, we need not address Petitioner's additional arguments related to whether HIRAYAMA307 discloses the limitation at issue.¹⁰

We further determine on the record before us that Petitioner sets forth sufficient arguments and evidence that HIRAYAMA307 discloses the remaining

¹⁰ Patent Owner's remaining arguments in the Preliminary Response regarding the HIRAYAMA307 grounds relate to Petitioner's alternative contention that HIRAYAMA307 and Ren disclose the limitation at issue. We need not address those arguments because we find that Petitioner shows sufficiently at this stage of the proceeding that HIRAYAMA307 alone discloses the limitation at issue.

limitations of claim 1. *See* Pet. 49–60. At this stage of the proceeding, Patent Owner’s arguments regarding claim 1 are confined to the limitation at issue, and so Patent Owner does not specifically challenge Hirayama307’s disclosure as it relates to the remaining limitations of claim 1. Paper 23 at 36–49.

2. *Claims 2–6 and 12–17*

Petitioner challenges claims 2–6 and 12–17 by adding the teachings of Ren, Hirayama878, Allard, or Henckel to the teachings of Hirayama307. Pet. 1–2, 49–74. Patent Owner does not separately address the dependent claims in its Preliminary Response. Paper 23 at 50. We have reviewed Petitioner’s evidence, including the relevant portions of Dr. Bederson’s testimony and Petitioner’s arguments that a person of ordinary skill in the art would have had reason to combine the prior art disclosures. *See* Pet. 49–74 (and evidence cited therein). Based on the current record, we find that Petitioner also demonstrates a reasonable likelihood of prevailing in its obviousness challenge with respect to claims 2–6 and 12–17.

C. *Considerations under Section 314(a)*

We have discretion to deny a petition for *inter partes* review under § 314(a). *See* 35 U.S.C. § 314(a) (“The Director may not authorize an *inter partes* review to be instituted unless”); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“First of all, the PTO is permitted, but never compelled, to institute an IPR proceeding.” (citing 35 U.S.C. § 314(a))). When deciding whether to exercise our discretion, we may consider the number of claims and grounds that meet the reasonable likelihood standard and whether, in the interests of efficient

administration of the Office and integrity of the patent system, the entire petition should be denied. *Deeper, UAB v. Vexilar, Inc.*, IPR2018-01310, Paper 7 at 42 (PTAB Jan. 24, 2019) (informative); SAS Q&A's, Part D, Effect of *SAS* on Future Challenges that Could Be Denied for Statutory Reasons, D2 (June 5, 2018), available at https://www.uspto.gov/sites/default/files/documents/sas_qas_20180605.pdf.

Here, Petitioner demonstrates a reasonable likelihood of prevailing on its challenges involving Hirayama307, which address all challenged claims. On this record, and based on the particular facts of this proceeding, we find that instituting a trial is an efficient use of the Board's time and resources.

D. Conclusion

For the foregoing reasons, we grant Petitioner's Rehearing Request and determine that Petitioner demonstrates a reasonable likelihood that at least one challenged claim of the '879 patent is unpatentable over the prior art of record. Accordingly, we institute an *inter partes* review of all claims on all grounds asserted in the Petition.¹¹

III. ORDER

It is:

ORDERED that Petitioner's Request for Rehearing is *granted*;

FURTHER ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 1–6 and 12–17 of the '879 patent is instituted with

¹¹ In the Rehearing Request, Petitioner “withdraws Grounds 1A–1E and 3 [i.e., the grounds relying primarily on Ren or Jermyn] and stipulate[s] not to pursue these grounds in any proceeding that is instituted from this rehearing request. In this regard, Petitioner[] promote[s] narrowed focus on the merits of Ground 2 [the Hirayama307 grounds] only.” Reh'g Req. 1 n.1.

IPR2021-00144
Patent 8,095,879 B2

respect to all grounds of unpatentability asserted in the Petition commencing on the entry date of this decision; 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.

IPR2021-00144
Patent 8,095,879 B2

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