UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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APPLE INC.,
Petitioner,

v.

E-WATCH, INC.,
Patent Owner.

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Case IPR2015-00413
Patent 7,365,871 B2

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Before JAMESON LEE, GREGG I. ANDERSON, and
MATTHEW R. CLEMENTS, *Administrative Patent Judges*.

LEE, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
37 C.F.R. § 42.108

I.   INTRODUCTION

Petitioner ("Apple") filed a Petition requesting an *inter partes* review of claims 1–3, 5–7, 12, and 14 of U.S. Patent No. 7,365,871 B2 (Ex. 1001, "the '871 patent"). Paper 2 ("Pet."). Patent Owner, e-Watch, Inc. ("e-Watch"), filed a Preliminary Response (Paper 12, "Prelim. Resp."). We have jurisdiction under 35 U.S.C. § 314. The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a) which provides:

> THRESHOLD.—The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 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.

Upon consideration of the Petition and the Preliminary Response, we determine that Apple has not demonstrated a reasonable likelihood of prevailing in showing the unpatentability of any of claims 1–3, 5–7, 12, and 14 of the '871 patent. We do not institute an *inter partes* review for any claim.

A. Related Proceedings

Apple identifies these related cases involving the '871 patent: (1) *E-Watch, Inc. v. Apple Inc.*, No. 2:13-CV-1061 (JRG/RSP) (E.D. Tex.), to which the following case numbers in the same tribunal are consolidated: CV-1062, 1063, 1064, 1069, 1070, 1071, 1072, 1073, 1074, 1075, 1077, and 1078; (2) IPR2014-00439; (3) IPR2014-00987; (4) IPR2015-00411; (5) IPR2015-00412; (6) IPR2014-00402; (7) IPR2014-00404; (8) IPR2014-00406; (9) IPR2015-00541; (10) IPR2015-00610; and (11) IPR2015-00612.

Paper 2, 56–57; Paper 10, 1. Further, e-Watch identifies an additional civil action involving the '871 patent: *e-Watch, Inc. v. Huawei Technologies Co., Ltd.*, No. 2:13-CV-01076 (E.D. Tex.). Paper 4, 3.

B. The '871 Patent

The '871 patent relates generally to "image capture and transmission systems and is specifically directed to an image capture, compression, and transmission system for use in connection with land line and wireless telephone systems." Ex. 1001, 1:17–20. According to the '871 patent, the system "is particularly well suited for sending and/or receiving images via a standard Group III facsimile transmission system and permits capture of the image at a remote location using an analog or digital camera." *Id.* at 5:3–6.

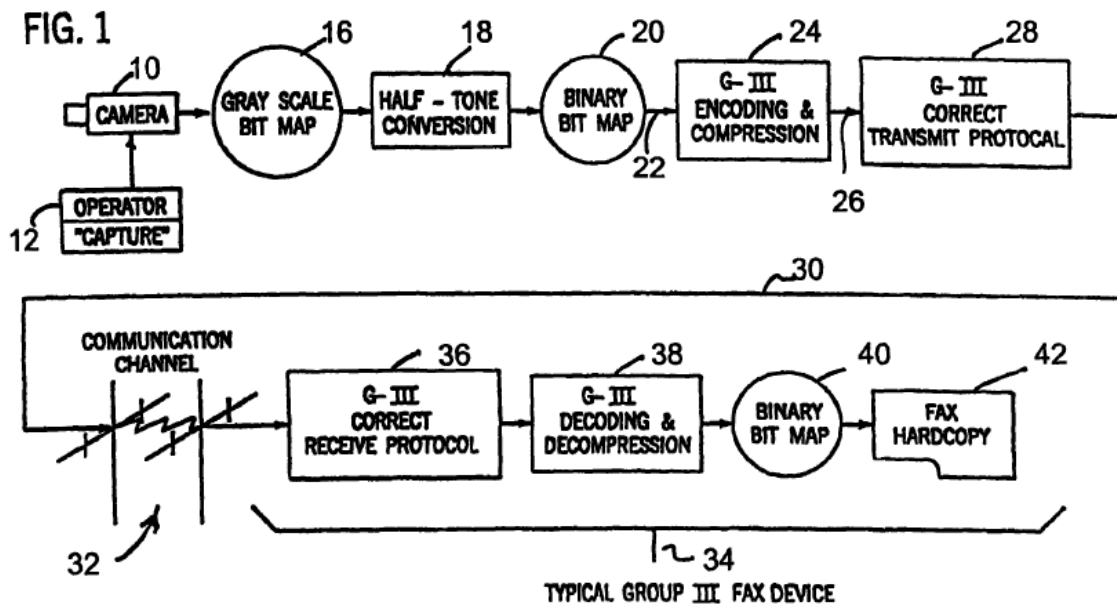Figure 1 of the '871 patent is reproduced below.

Figure 1 is a block diagram of a basic facsimile camera configuration for capturing an image via a camera and transmitting it via Group III facsimile transmission to a standard hard copy medium. *Id.* at 4:27–30.

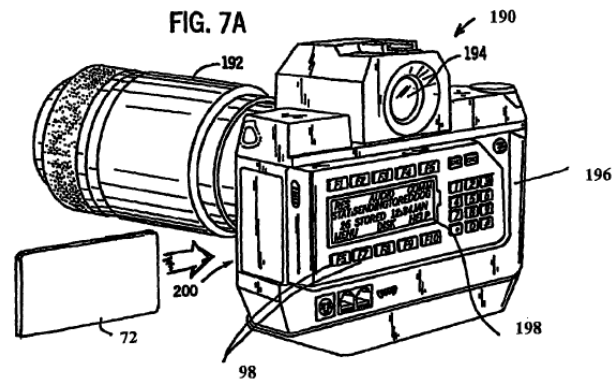Figure 7A of the '871 patent is reproduced below.

Figure 7A depicts "a hand[-]held device for capturing, storing, and transmitting an image in accordance with the invention." *Id.* at 4:46–48, 11:3–20.

C. Illustrative Claim

Of the challenged claims, claims 1, 6, and 12 are independent. Claim 1 is reproduced below:

> 1. A handheld self-contained cellular telephone and integrated image processing system for both sending and receiving telephonic audio signals and for capturing a visual image and transmitting it to a compatible remote receiving station of a wireless telephone network, the system comprising:
>
> a manually portable housing;
>
> an integral image capture device comprising an electronic camera contained within the portable housing;
>
> a display for displaying an image framed by the camera, the display being supported by the housing, the display and the electronic camera being commonly movable in the housing when the housing is moved by hand;

a processor in the housing for generating an image data signal representing the image framed by the camera;

a memory associated with the processor for receiving and storing the digitized framed image, accessible for selectively displaying in the display window and accessible for selectively transmitting over the wireless telephone network the digitized framed image;

a user interface for enabling a user to select the image data signal for viewing and transmission;

a telephonic system in the housing for sending and receiving digitized audio signals and for sending the image data signal;

alphanumeric input keys in the housing for permitting manually input digitized alphanumeric signals to be input to the processor, the telephonic system further used for sending the digitized alphanumeric signals;

a wireless communications device adapted for transmitting any of the digitized signals to the compatible remote receiving station; and

a power supply for powering the system.

Ex. 1001, 14:49–15:13.

D. Prior Art Relied Upon

Apple relies on these prior art references:

Parulski[1]	US Pat. 5,666,159	Ex. 1006
Umezawa[2]	US Pat. 5,491,507	Ex. 1007

Pet. 9. Apple also relies on the declaration testimony of Mr. Steven Sasson. Ex. 1008.

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[1] Parulski issued on September 9, 1997, based on an application filed on April 24, 1995.
[2] Umezawa issued on February 13, 1996.

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