

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HTC CORPORATION and HTC AMERICA, INC.,
Petitioner,

v.

E-WATCH, INC. and E-WATCH CORPORATION,
Patent Owner.

Case IPR2014-00987
Patent 7,365,871 B2

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

CLEMENTS, *Administrative Patent Judge*.

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

I. INTRODUCTION

HTC Corporation and HTC America, Inc. (“Petitioner”) filed a Petition requesting *inter partes* review of claims 1–8 and 12–15 (“the challenged claims”) of U.S. Patent No. 7,365,871 (Ex. 1001, “the ’871 patent”). Paper 1 (“Pet.”). e-Watch, Inc. and e-Watch Corporation (“Patent Owner”) did not file a Preliminary Response. We have jurisdiction under 35 U.S.C. § 314, which provides that an *inter partes* review may only be authorized if “the information presented in the petition . . . and any [preliminary] 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). Upon consideration of the Petition, we determine that the information presented by Petitioner establishes that there is a reasonable likelihood that Petitioner would prevail in showing the unpatentability of claims 1–8 and 12–15 of the ’871 patent. Accordingly, pursuant to 35 U.S.C. § 314, we institute an *inter partes* review of claims 1–8 and 12–15 of the ’871 patent.

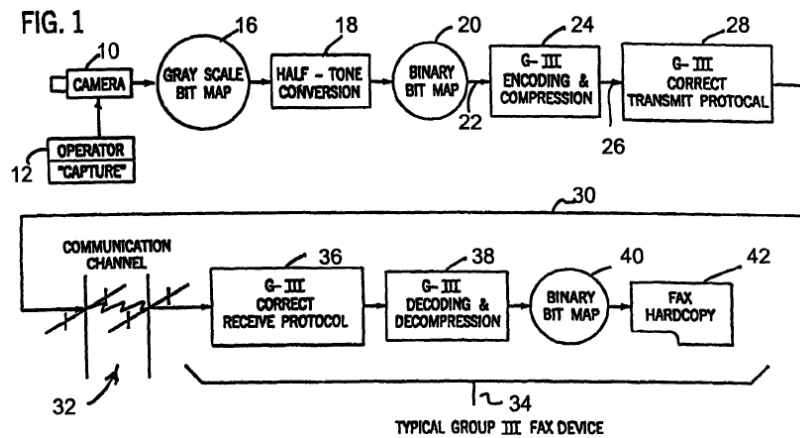
A. Related Proceedings

Petitioner and Patent Owner indicate that the ’871 patent is involved in eleven co-pending district court cases in the U.S. District Court for the Eastern District of Texas. Pet. 1–2; Paper 5, 3. The ’871 patent also is involved in IPR2014-00439. Paper 5, 4. Petitioner also filed a petition in IPR2014-00989 involving related U.S. Patent No. 7,643,168 B2. Pet. 2; Paper 5, 4.

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 landline 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 5:3–7.”

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.

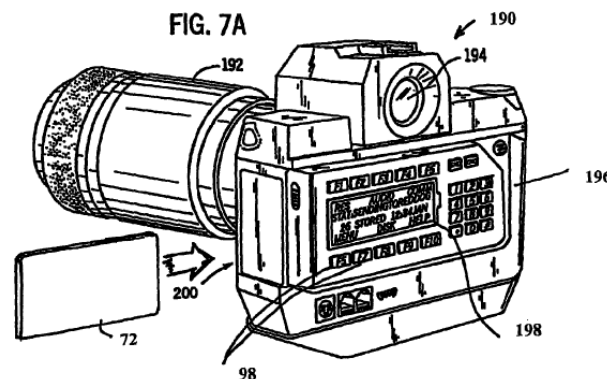


Figure 7A depicts “a hand[-]held device for capturing, storing, and transmitting an image in accordance with the invention.” *Id.* at 4:46–48, 11:3–20.

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. References Relied Upon

Petitioner relies upon the following references:

Wilska	GB 2 289 555 A	Nov. 22, 1995	Ex. 1002
Yamagishi ¹ ("Yamagishi-114")	JP H06-176114	June 24, 1994	Ex. 1003
McNelley	US 5,550,754	Aug. 27, 1996	Ex. 1004
Yamagishi ("Yamagishi-992")	EP 0 594 992 A1	May 4, 1994	Ex. 1005

E. The Asserted Grounds of Unpatentability

Petitioner argues that the challenged claims are unpatentable as obvious over the following grounds:

References	Basis	Claims challenged
Wilska and Yamagishi-114	§ 103	1–8 and 12–15
McNelley and Yamagishi-992	§ 103	1–8 and 12–15

II. ANALYSIS

A. Claim Construction

In an *inter partes* review, claim terms in an unexpired patent are interpreted according to their “broadest reasonable construction in light of

¹ Unless otherwise noted, citations are to the certified English translation of Yamagichi-114 at pages 1–34 of Exhibit 1003.

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