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Paper 13
Date: November 30, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BUNGIE, INC.,
Petitioner,

v.

WORLDS INC.,
Patent Owner.

Case IPR2015-01325
Patent 8,145,998 B2

Before KARL D. EASTHOM, KERRY BEGLEY, and JASON J. CHUNG, *Administrative Patent Judges*.

CHUNG, *Administrative Patent Judge*.

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

I. INTRODUCTION

Petitioner, Bungie, Inc., filed a Petition to institute an *inter partes* review of claims 1–3, 7, 8, and 11–20 ("the challenged claims") of U.S. Patent No. 8,145,998 B2 ("the '998 patent"). Paper 3 ("Pet."). Patent

Owner, Worlds Inc., filed a Preliminary Response pursuant to 35 U.S.C. § 313. Paper 12 ("Prelim. Resp.").

We have authority to determine whether to institute an *inter partes* review. 35 U.S.C. § 314; 37 C.F.R. § 42.4(a). Upon consideration of the Petition and the Preliminary Response, and for the reasons explained below, we determine that the information presented shows a reasonable likelihood that Petitioner would prevail with respect to claims 1–3, 7, 8, 11–18, and 20. *See* 35 U.S.C. § 314(a). Accordingly, we institute an *inter partes* review of these claims.

A. Related Matters

The '998 patent is involved in a district court proceeding, *Worlds Inc. v. Activision Blizzard, Inc.*, Case No. 1:12-cv-10576 (D. Mass.). Paper 6. In addition, the '998 patent is the subject of IPR2015-01321 and is related to the patents at issue in IPR2015-01264, IPR2015-01268, IPR2015-01269, and IPR2015-01319. *Id.*

B. The Asserted Grounds

Petitioner identifies the following as asserted grounds of unpatentability:

Reference(s)	Basis	Challenged Claim(s)
Durward (Ex. 1008),[1] Tracey (Ex. 1025),[2] and Marathon (Ex. 1021)[3]	§ 103(a)[4]	1–3, 7, 8, 11, 12, 16, 18, and 20
Durward, Tracey, Marathon, and Schneider (Ex. 1019)[5]	§ 103(a)	13–15
Durward, Tracey, Marathon, and Wexelblat (Ex. 1020)[6]	§ 103(a)	17
Durward and Pratt (Ex. 1027)[7]	§ 103(a)	19

C. The '998 Patent

The '998 patent is directed to a three-dimensional graphical, multi-user, interactive virtual world system that includes highly scalable architecture. Ex. 1001, Abs. The system disclosed in the '998 patent displays avatars representing other users neighboring the user viewing the

[1] U.S. Patent No. 5,659,691, filed Sept. 23, 1993.
[2] David Tracey, *Touring Virtual Reality Arcades*, Int'l Herald Trib. (Paris), May 7, 1993, at 8.
[3] Marathon, Bungie Products Software Corporation, 1994.
[4] The relevant sections of the Leahy-Smith America Invents Act ("AIA"), Pub. L. No. 112–29, took effect on March 16, 2013. Because the application from which the '998 patent issued was filed before that date, our citations to Title 35 are to its pre-AIA version.
[5] U.S. Patent No. 5,777,621, filed June 7, 1995.
[6] U.S. Patent No. 5,021,976, issued June 4, 1991.
[7] David R. Pratt, A Software Architecture for the Construction and Management of Real-Time Virtual Worlds (1993) (unpublished doctoral dissertation, Naval Postgraduate School).

virtual world. *Id.* Motion information from the remote users' avatars is transmitted to a central server process that provides positions updates to client processes for neighbors of the user at that client process. *Id.* The client process also determines which background objects to render. *Id.*

D. The Challenged Claims

Petitioner challenges claims 1–3, 7, 8, and 11–20. Pet. 4. Claims 1, 2, 18, and 19 are independent. Claim 1 is illustrative and reproduced below:

> 1. A method for displaying interactions of a local user avatar of a local user and a plurality of remote user avatars of remote users interacting in a virtual environment, the method comprising: receiving, at a client processor associated with the local user, positions associated with less than all of the remote user avatars in one or more interaction rooms of the virtual environment, wherein the client processor does not receive position information associated with at least some of the remote user avatars in the one or more rooms of the virtual environment, each avatar of the at least some of the remote user avatars failing to satisfy a condition imposed on displaying remote avatars to the local user; generating, on a graphic display associated with the client processor, a rendering showing position of at least one remote user avatar; and switching between a rendering on the graphic display that shows at least a portion of the virtual environment to the local user from a perspective of one of the remote user avatars and a rendering that allows the local user to view the local user avatar in the virtual environment.

II. ANALYSIS

A. Claim Construction

In an *inter partes* review, the Board construes claim terms in an unexpired patent using their broadest reasonable construction in light of the

specification of the patent in which they appear.[8] 37 C.F.R. § 42.100(b); *In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1275–79 (Fed. Cir. 2015). The claim language should be read in light of the specification as it would be interpreted by one of ordinary skill in the art. *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004). We must apply the broadest reasonable meaning to the claim language, taking into account any definitions presented in the specification. *Id*. (citing *In re Bass*, 314 F.3d 575, 577 (Fed. Cir. 2002)). The "ordinary and customary meaning" is that which the term would have to a person of ordinary skill in the art in question. *In re Translogic Tech., Inc*., 504 F.3d 1249, 1257 (Fed. Cir. 2007).

Petitioner proffers proposed constructions of several claim terms. Pet. 11–13. At this stage of the proceeding, Patent Owner does not challenge Petitioner's construction. Prelim. Resp. 10–11. For the purposes of this Decision, and on this record, we determine that no claim term needs express construction. *See Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc*., 200 F.3d 795, 803 (Fed. Cir. 1999) (only those claim terms that are in

[8] The parties agree that the broadest reasonable interpretation standard applies to the '998 patent. *See* Pet. 13; Prelim. Resp. 10. Based on our review of the patent, however, the patent may have expired recently or may be expiring shortly. *See* Ex. 1001, [60], [63]. For expired patents, we apply the claim construction standard outlined in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005). Our analysis in this Decision is not impacted by whether we apply the broadest reasonable interpretation or the *Phillips* standard. We, however, expect the parties to address, with particularity, in their future briefing the expiration date of claims 1–3, 7, 8, 11–18, and 20 of the '998 patent, and if necessary to address this issue, to file a copy of Provisional Application No. 60/020,296, as an exhibit in this case.

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