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UNITED STATES PATENT AND TRADEMARK OFFICE
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BEFORE THE PATENT TRIAL AND APPEAL BOARD
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BUNGIE, INC.,
Petitioner,

v.

WORLDS INC.,
Patent Owner.

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Patent No. 8,082,501

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**PETITION FOR *INTER PARTES* REVIEW OF
U.S. PATENT NO. 8,082,501**

Table of Contents

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I.   Introduction

Pursuant to the provisions of 35 U.S.C. § 311 and § 6 of the Leahy-Smith America Invents Act ("AIA"), and to 37 C.F.R. Part 42, Bungie, Inc., ("Petitioner") hereby requests review of U.S. Patent No. 8,082,501 to Leahy et al. (hereinafter "the '501 patent," Ex. 1001) that issued on December 20, 2011, and is currently assigned to Worlds Inc. ("Patent Owner"). This Petition demonstrates that there is a reasonable likelihood that claims 1-8, 10, 12, and 14-16 of the '501 patent are unpatentable over the cited prior art. Thus, claims 1-8, 10, 12, and 14-16 of the '501 patent should be found unpatentable and canceled.

A.   Brief Overview of the '501 Patent

The '501 patent is entitled "System and Method for Enabling Users to Interact in a Virtual Space." *See also* Ex. 1002, ¶¶ 14-27. In a general sense, the '501 patent is directed to a client-server network system for enabling multiple users to interact with each other in a virtual world. *See, e.g.*, Ex. 1001, Abstract, claim 1. Each user is represented by an avatar and interacts with a client system that "is networked to a virtual world server." *Id.* at 3:15.

A user's movement and viewing of the virtual world includes server-based processing of users' virtual world positional information, in addition to client processing techniques similar to previous peer-to-peer systems. *Id.* at Abstract, 2:3-9. The '501 patent indicates "each user executes a client process to view a virtual world from the perspective [or point of view] of that user." *Id.* at Abstract, 2:41-42; *see also id.* at 5:27-35, 3:33-35, 45, fig. 1. The '501 patent states that "[i]n order that the view can be updated to reflect the motion of the remote user's

avatars, motion information is transmitted to a central server process which provides position[al] updates to client processes for neighbors of the user at that client." *Id.* at Abstract , 2:44-58; *see also id.* at 5:52-59. As the user avatar moves throughout the virtual space, the user's client system sends the server updates. *Id.* at 3:39-44.

Claim 1 of the '501 patent is representative of the claims at issue. *See* Ex. 1002, ¶¶ 18-26. The "receiving" step of claim 1 relates to a central concept of the '501 patent: server filtering, by which the server filters information to send to a client so that the client will receive positional information on a subset of users in a virtual world. Ex. 1002, ¶ 19. This is reflected in claim 1 as a client "receiving . . . position information associated with fewer than all of the other user avatars." The client processes information received from the server to "determin[e] . . . a displayable set of the other user avatars." *Id.* As discussed in more detail below, both the server-side filtering and client-side processing claimed by the '501 patent were described in the prior art. *Id.* at ¶ 27.

B.   Brief Overview of the Prosecution History

Application No. 12/406,968 was filed on March 19, 2009 and issued on December 20, 2011 as the '501 patent. The '501 patent is a continuation claiming priority benefit back to U.S. Provisional Patent Application No. 60/020,296, filed on November 13, 1995.

During prosecution, and consistent with the reason for allowance in the parent applications, the claims were "amended to clarify that *the client device does not receive position information of at least some avatars of the other user avatars*

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