

Paper No. ____
Filed: June 24, 2016

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BUNGIE, INC.,
Bungie,

v.

WORLDS INC.,
Patent Owner.

IPR2015-01319
Patent No. 8,082,501

PETITIONER BUNGIE'S REPLY TO PATENT OWNER RESPONSE

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I. Introduction

Bungie requests final written decision finding claims 1-8, 10, 12, and 14-16 of U.S. Patent No. 8,082,501 (“the ’501 patent,” Ex. 1001) unpatentable as set forth in the Petition (“Pet.,” Paper 3). Bungie’s rebuttal remarks to the Patent Owner (“PO”) Response (“Resp.,” Paper 20) are provided herein.

PO’s arguments in response to the merits of the instituted anticipation and obviousness grounds are largely based on untenable claim construction positions that are legally and factually erroneous, unsubstantiated, and/or that seek to read in examples from the specification. PO’s arguments addressing obviousness in view of the prior art resorts to attacking references individually rather than addressing the proposed combination, and further advance untenable and unsubstantiated arguments. Because these and other arguments in the Response can be dismissed, PO has failed to rebut Bungie’s showing of unpatentability and the ’501 patent claims found unpatentable and canceled.

II. PO’s Expert Testimony Should be Given No Weight

PO relies on testimony of its expert Mark Pesce. Mr. Pesce’s declaration testimony often is inconsistent, lacks objective support and/or was incapable of being substantiated during on cross-examination.

Mr. Pesce’s opinions regarding how the claims of the Worlds patents should be construed are inconsistent and unreliable. First, Mr. Pesce expressed a mistaken belief that they all differ in their written descriptions (they do not) and stated that “I haven’t read through this [patent] very carefully.” Ex 1046 97:3-98:21 (“There are some differences, I think, from specification to specification. . . . They’re all

written slightly differently. . . . I’ve studied all of these, and I remember them being not exactly similar when I was reading them.”). Despite his contention that he “studied” the Worlds patents, when asked later about whether the term “graphics pipeline” is used in the Worlds patents (it is not) he responded “I haven’t read through this [patent] very carefully.” *Id.* at 113:10-19. Second, Mr. Pesce’s positions deviate from established claim construction principles, as he at times imported limitations from specification embodiments (or from nowhere). For example, he testified on cross-examination that claim 1 of the ’690 patent requires the N’ “crowd control” filtering scheme described in the specification. Ex. 1046 135:10-136:6; *see also id.* at 246:2-7 (Q: Is it your understanding that . . . claim 1 of the ’501 patent requires the particular custom avatar images database discussed in the specification? . . . A. Yes.”). Conversely, he was willing to veer to overly narrow interpretations unsupported by the written description when necessary. *See, e.g., id.* at 158:25-160:25 (interpreting “determining . . . based on the monitored orientation of the first user avatar” to refer to whether other avatars are upside down, because “the specification is silent” on meaning of limitation). He was also willing to ignore (i.e., render meaningless) express claim language when it contradicted his positions. *Id.* at 100:2-101:1, 104:21-105:4 (agreeing that his construction of “avatar” renders the claim term “three-dimensional” in claim 1 of ’501 patent redundant).

Mr. Pesce’s opinions about the relevant field in the early to mid-1990s are unsubstantiated and inconsistent. For example, at one point he testified that three-dimensional avatars were just “starting to become known in the art by 1995” (as

opposed to well-known), yet at another point he testified that the plain and ordinary meaning of the term “avatar” by late 1995 had so drastically changed to require 3-D even when 3-D was unstated. *Id.* at 85:15-21, 89:18-90:1, 220:1-4; *see also id.* at 259:13-262:1 (waffling regarding acceptable system lag after realizing his initial response undermined his declaration testimony).

It is not clear how Mr. Pesce qualifies as an expert in this field. *Compare* Ex. 1046 40:10-20 (“Q. So again, it’s not true that as of 1995 you have possessed more than five years of experience in the computer graphics industry with an emphasis on virtual reality, is it? A. Correct.”) *with* Ex. 2017 ¶ 35 (“[A]s of 1995 I possessed more than 5 years of experience in the computer graphics industry with an emphasis on virtual reality.”); *see also* Ex. 1046 18:12-19:2, 21:8-15. Mr. Pesce was unwilling to address his documented heavy use of psychedelic drugs during the 1990s (Ex. 1041) and whether that drug use affected his recollection of events during the period relevant to the Worlds patents. *See also*, Ex. 1046 at 46:11-47:21, 50:25-53.

III. Claim Construction

A. Applicable Standard

PO did not file a motion requesting application of the *Phillips* claim construction standard (see amended 37 C.F.R. § 42.100(b)). *Black & Decker Inc. v. Positec USA, Inc.*, --- Fed.Appx. ----, 2016 WL 2898102 *4 (Fed. Cir. May 18, 2016) (“Claims of an expired patent are given their ordinary and customary meaning in accordance with our decision in *Phillips*.”); *see also* Paper 25. In any case, PO does not argue that application of either claim construction standard

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