

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VALVE CORPORATION,
Petitioner,

v.

ELECTRONIC SCRIPTING PRODUCTS, INC.,
Patent Owner.

Case IPR2019-00064 (Patent 8,553,935 B2)
Case IPR2019-00065 (Patent 8,553,935 B2)
Case IPR2019-00085 (Patent 8,553,935 B2)¹

Before ANDREI IANCU, *Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office*, WILLIAM M. FINK, *Vice Chief Administrative Patent Judge*, and ROBERT J. WEINSCHENK, *Administrative Patent Judge*.

FINK, *Vice Chief Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

¹ These cases have not been joined or consolidated. Rather, this Decision governs each case based on common issues. The parties shall not employ this heading style.

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I. INTRODUCTION

Valve Corporation (“Valve”) filed three petitions (IPR2019-00064, Paper 2, “Pet.”; IPR2019-00065, Paper 1; IPR2019-00085, Paper 3) requesting *inter partes* review of claims 1–21 of U.S. Patent No. 8,553,935 B2 (Ex. 1001, “the ’935 patent”). This Decision addresses common issues presented by all three petitions. For purposes of this Decision, we treat the Petition in IPR2019-00064 (“the Petition”) as representative and cite to the record in IPR2019-00064, unless otherwise indicated.

Electronic Scripting Products, Inc. (“Patent Owner”) filed a Preliminary Response (IPR2019-00064, Paper 5, “Prelim. Resp.”) to the Petition. Patent Owner argues that we should exercise our discretion under 35 U.S.C. § 314(a) to deny the Petition as an “unfair” follow-on petition. Prelim. Resp. 9–11. Pursuant to our authorization (Paper 7), Valve filed a Reply (Paper 6, “Reply”) to Patent Owner’s follow-on petition argument, and Patent Owner filed a Sur-reply (Paper 8, “Sur-reply”) to the Reply.

Valve is not the first party to request an *inter partes* review of the ’935 patent. HTC Corporation and HTC America, Inc. (collectively, “HTC”) previously filed a petition requesting an *inter partes* review of the ’935 patent in IPR2018-01032 (“the 1032 IPR”). 1032 IPR, Paper 2. The Board instituted *inter partes* review. 1032 IPR, Paper 6 (“1032 DI”). In IPR2019-00074, Valve filed a Petition and Motion to join the 1032 IPR, which we granted. 1032 IPR, slip op. at 10 (PTAB Jan. 18, 2019) (Paper 12). The statutory deadline for a final determination as to the patentability of claims 1–21 of the ’935 patent in the 1032 IPR is September 13, 2019.

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In *General Plastic Industries Co. v. Canon Kabushiki Kaisha*, Case IPR2016-01357, slip op. at 15–16 (PTAB Sept. 6, 2017) (Paper 19) (precedential), the Board articulated a non-exhaustive list of factors to be considered in determining whether to exercise discretion under § 314(a) to deny a petition that challenges the same patent as a previous petition. Under the first *General Plastic* factor, we consider “whether the same petitioner previously filed a petition directed to the same claims of the same patent.” *General Plastic*, slip op. at 16. Here, Valve has joined the ongoing 1032 IPR proceeding, and therefore has filed a petition directed to the same claims of the same patent. Moreover, our application of the *General Plastic* factors is not limited solely to instances in which multiple petitions are filed by the same petitioner. When different petitioners challenge the same patent, we consider any relationship between those petitioners while weighing the *General Plastic* factors. Based on our consideration of the *General Plastic* factors, we determine that it is appropriate to exercise our discretion under § 314(a) to deny the Petition.

A. *Related Proceedings*

The '935 patent and a related patent, U.S. Patent No. 9,235,934 B2 (Ex. 1002, “the '934 patent”), are the subject of a patent infringement lawsuit, *Electronic Scripting Products, Inc. v. HTC America, Inc.*, No. 3:17-cv-05806-RS, filed on October 9, 2017, in the United States District Court for the Northern District of California (“the District Court litigation”). Pet. 1. Valve and HTC were named as co-defendants in that lawsuit and were accused of infringing the '935 patent based on HTC’s VIVE devices that incorporate Valve’s technology. Prelim. Resp. 8–9; Reply 1. In

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response to Valve's motion challenging venue, however, Patent Owner voluntarily dismissed Valve without prejudice on January 25, 2018.

Reply 1; Sur-reply 2.

As discussed above, HTC requested an *inter partes* review of the '935 patent in the 1032 IPR, and the Board instituted review. Pet. 1; Prelim Resp. 9; Ex. 1061, 32. HTC also requested an *inter partes* review of the related '934 patent in IPR2018-01031, which the Board denied. Ex. 1060, 16 (denying institution). Valve also requested *inter partes* review of the '934 patent in IPR2019-00062, IPR2019-00063, and IPR2019-00084, which the Board denied under 35 U.S.C. § 314(a). *E.g., Valve Corp. v. Elec. Scripting Prods., Inc.*, Case IPR2019-00062 (PTAB April 2, 2019) (Paper 11) (“*Valve I*”).

B. *The '935 Patent*

The '935 patent relates to determining an absolute pose of a manipulated object in a real three-dimensional environment, particularly of a manipulated object used by human users to interface with the digital world. Ex. 1001, 1:24–28. An object's pose combines the three linear displacement coordinates (x, y, z) of any reference point on the object and the three orientation angles, also called the Euler angles (ϕ , θ , ψ), that describe the object's pitch, yaw, and roll. *Id.* at 1:46–50.

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Figure 21 of the '935 patent is reproduced below:

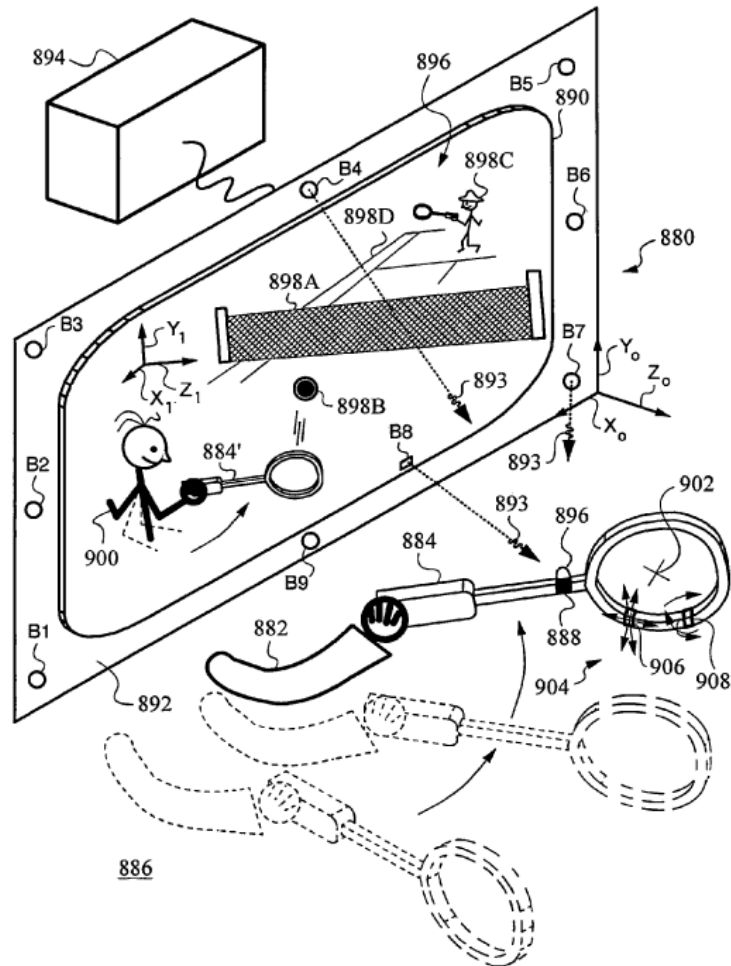


FIG. 21

Figure 21 illustrates a “cyber game” in which user or player 882 interacts with game application 880 by moving manipulated object 884, in this case a tennis racket, in real three-dimensional environment 886. Ex. 1001, 37:9–13. Visual tennis match elements 898A–D and image 884’ of tennis racket 884 held by user 882 are displayed on screen 890. *Id.* at 37:29–44. The display of image 884’ changes in response to the detected absolute pose of racket 884. *Id.* at 38:12–20.

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