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Paper 14
Date: December 1, 2021

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BANK OF AMERICA, N.A.,
Petitioner,

v.

NANT HOLDINGS IP, LLC,
Patent Owner.

IPR2021-01080
Patent 8,463,030 B2

Before JAMESON LEE, THOMAS L. GIANNETTI, and STEPHEN E. BELISLE, *Administrative Patent Judges.*

GIANNETTI, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314, 37 C.F.R. § 42.4

I. INTRODUCTION

A. Background

Bank of America, N.A. ("Petitioner") filed a Corrected Petition requesting *inter partes* review of claims 1–4, 6, 7, 19, 21, 25, 26, 29–32, 36, and 37 (the "challenged claims") of U.S. Patent No. 8,463,030 B2 (Ex. 1001, "the '030 patent"). Paper 9 ("Pet."). Nant Holdings IP, LLC ("Patent Owner") filed a Preliminary Response. Paper 10 ("Prelim. Resp."). With our authorization, Petitioner filed a Preliminary Reply to Patent Owner's Preliminary Response (Paper 12, "Prelim. Reply"), and Patent Owner filed a Preliminary Sur-reply to Patent Owner's Preliminary Reply (Paper 13, "Prelim. Sur-reply").

The Board has authority to determine whether to institute an *inter partes* review. *See* 35 U.S.C. § 314; 37 C.F.R. § 42.4(a). Under 35 U.S.C. § 314(a), we may not authorize an *inter partes* review unless the information in the petition and the 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."

For the reasons stated below, we determine that Petitioner has established a reasonable likelihood that it would prevail with respect to at least one challenged claim. We therefore institute *inter partes* review as to all of the challenged claims of the '030 patent and all of the asserted grounds of unpatentability stated in the Petition.

B. Related Proceedings

The parties identify the following proceeding in the Central District of California involving the '030 patent: *NantWorks LLC and Nant Holdings IP, LLC v. Bank of America Corporation and Bank of America, N.A.*, No. 2:20-cv-07872 (C.D. Cal.). Pet. 66; Paper 6, 2.

C. Real Parties-in-Interest

The Petitioner identifies Bank of America, N.A., and Bank of America Corporation as the real parties-in-interest. Pet. 65–66. Patent Owner in its Preliminary Response does not contest this identification. Patent Owner identifies Nant Holdings IP, LLC as the real party-in-interest. Paper 6, 2.

D. The '030 Patent

The '030 patent relates to a method and process for identifying objects from digitally captured images thereof that uses image characteristics to identify an object from a plurality of objects in a database. Ex. 1001, 1:18–21.

The '030 patent describes traditional methods for linking objects to digital information that involve applying a barcode, a radio or optical transceiver or transmitter, or some other means of identification, to the object, as well as modifying the image or object so as to encode detectable information. *Id.* at 3:27–33. However, according to the '030 patent, there is a need for detecting, identifying, determining the position and orientation of, and obtaining other information about an object, without modifying or disfiguring the object, without the need for marks, symbols, codes, barcodes, or characters on the object, and without the need to touch or disturb the object. *Id.* at 1:35–40. The '030 patent states that it responds to this need by describing a system and process for identifying digitally captured images without requiring modification to the object. *Id.* at 4:19–21.

Figures 1 and 2 of the '030 patent, reproduced below, collectively illustrate an embodiment of the patent. The following description will refer to both figures:

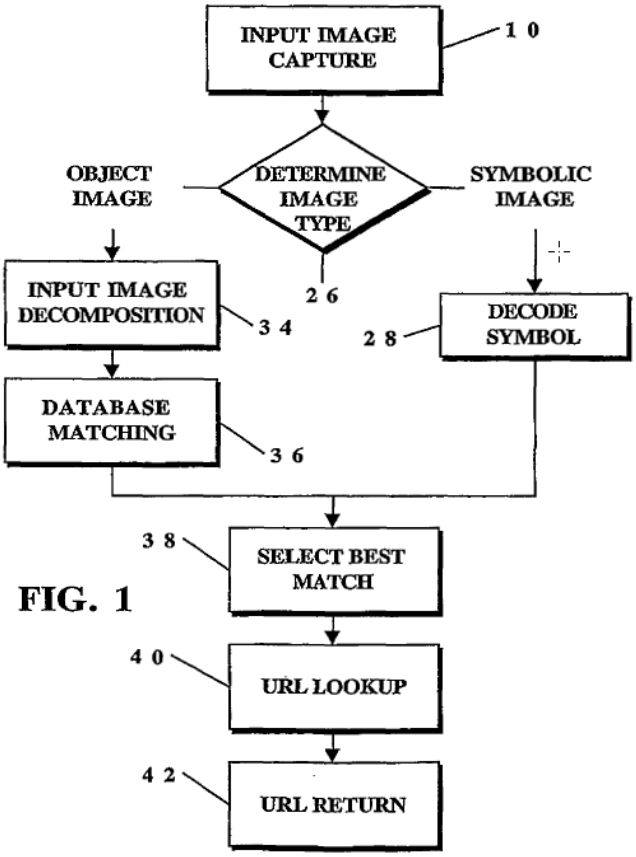

FIG. 1

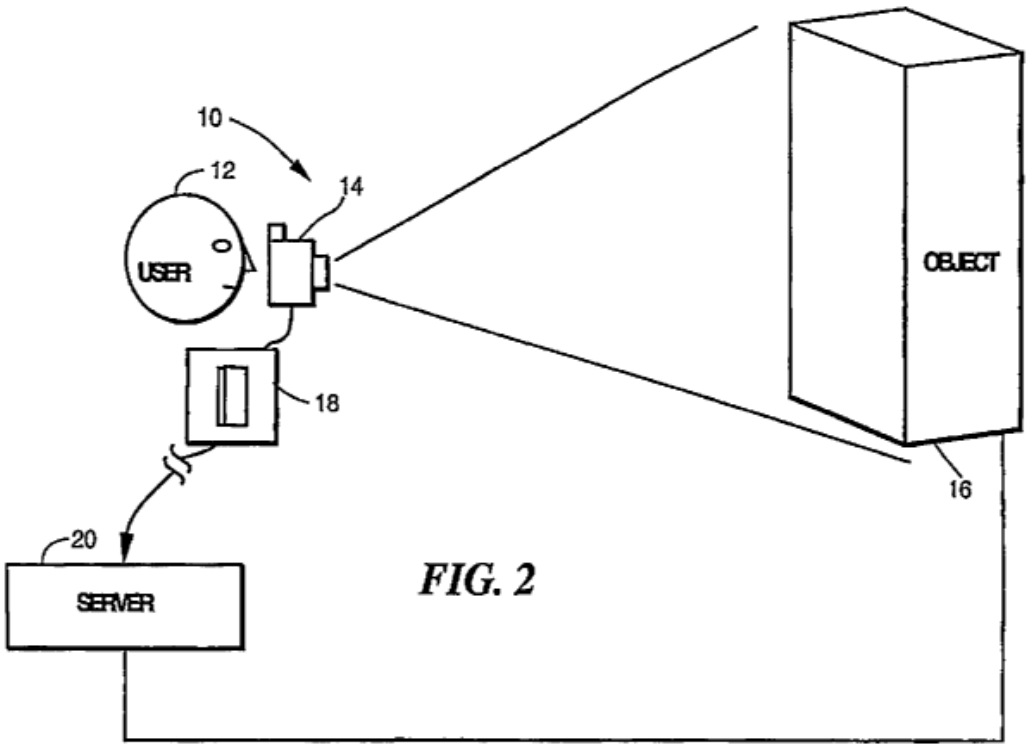

FIG. 2

Figure 1 of the '030 patent is a schematic block diagram presenting a top-level algorithm flowchart. Ex. 1001, 4:36–37. Figure 1 shows the overall processing flow and steps in the algorithm. *Id.* at 5:19–21.

Figure 2 of the '030 patent is an idealized view of image capture. *Id.* at 4:36–4:38. As described in the '030 patent, user 12 uses a computer, mobile telephone, personal digital assistant, or other similar device 14 equipped with an image sensor (such as a CCD or CMOS digital camera). *Id.* at 5:22–25. User 12 aligns the sensor of image capture device 14 with object 16 of interest. *Id.* at 5:25–26. The linking process is then initiated, and device 14 captures digital image 18 of the scene at which it is pointed. *Id.* at 5:27–32. Image 18 is represented as three separate 2-D matrices of pixels, corresponding to the raw RGB (Red, Green, Blue) representation of the input image. *Id.* at 5:32–35. Image 18 is subsequently transferred to image processor/server 20. *Id.* at 5:40–43.

Image type determination 26 is accomplished with a discriminator algorithm which operates on input image 18 and determines whether the input image contains recognizable symbols, such as barcodes, matrix codes, or alphanumeric characters. *Id.* at 5:49–53. If such symbols are found, image 18 is sent to decode symbol process 28. *Id.* at 5:53–54. In decode symbol process 28, image 18 is analyzed to determine the location, size, and nature of the symbols. *Id.* at 5:65–66. The symbols are analyzed according to their type, and their content information is extracted. *Id.* at 5:66–6:1.

Image 18 may also or alternatively contain an object of interest, and may therefore also or alternatively be sent to the object image branch of the process flow. *Id.* at 5:56–58. In input image decomposition process 34, a "decomposition" of a high-resolution input image into several different types of quantifiable salient parameters is performed. *Id.* at 6:3–6. According to

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