

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS AMERICA, INC.,
Petitioner,

v.

PRISUA ENGINEERING CORP.,
Patent Owner.

IPR2017-01188
Patent 8,650,591 B2

Before BARBARA A. PARVIS, STACEY G. WHITE, and
TERRENCE W. McMILLIN, *Administrative Patent Judges*.

PARVIS, *Administrative Patent Judge*.

JUDGMENT

Final Written Decision on Remand
Determining that All Challenged Claims are Unpatentable
35 U.S.C. §§ 144, 318(a)

I. INTRODUCTION

This Decision addresses the opinion of the United States Court of Appeals for the Federal Circuit in *Samsung Elecs. Am., Inc. v. Prisia Eng’r Corp.*, 948 F.3d 1342 (Fed. Cir. 2020) (hereinafter *Samsung*), vacating our Final Written Decision and remanding for further proceedings. Having analyzed the entirety of the record anew in light of the court’s directives in *Samsung*, we conclude that Samsung Electronics America, Inc. (“Petitioner”) has shown by a preponderance of the evidence that claims 1–4 and 8 of U.S. Patent No. 8,650,591 B2 (Ex. 1001, “the ’591 patent”) owned by Prisia Engineering Corp. (“Patent Owner”) are unpatentable.

A. Procedural History

Petitioner filed a Petition requesting an *inter partes* review of claims 1–4, 8, and 11 of the ’591 patent. Paper 3 (“Pet.”). Patent Owner filed a Corrected Preliminary Response. Paper 21. On October 11, 2017, we instituted *inter partes* review of only claim 11 of the ’591 patent. Paper 22 (“Inst. Dec.”), 38. Thereafter, Patent Owner filed a Corrected Patent Owner Response (Paper 26, “PO Resp.”), to which Petitioner filed a Reply (Paper 35, “Pet. Reply”).

On May 3, 2018, following the Supreme Court’s decision in *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (2018) (“*SAS*”), we issued an Order (Paper 36) modifying our Institution Decision to include review of all challenged claims and all grounds presented in the Petition, including those grounds on which we had previously not instituted. Patent Owner filed, with authorization, a Supplemental Patent Owner Response (Paper 50, “Supp. POR”), to which Petitioner filed a Supplemental Reply (Paper 51, “Supp.

Reply”). Patent Owner also filed, with authorization, a List Identifying Petitioner’s Improper Supplemental Reply Arguments (Paper 60), to which Petitioner filed a Response (Paper 62). Patent Owner further filed a Motion to Exclude (Paper 57), Petitioner filed an Opposition (Paper 61), and Patent Owner filed a Reply (Paper 63).

On August 22, 2018, we held a hearing and a transcript of the hearing is included in the record. Paper 69 (“Tr.”).

On September 27, 2018, Patent Owner filed a Sur-Reply (Paper 71, “Sur-reply”).

On October 18, 2018, we issued a Final Written Decision and held that Petitioner had failed to demonstrate by a preponderance of the evidence that claims 1–4 and 8 of the ’591 patent are unpatentable. Paper 73 (“Dec.”), 48. We stated “at least the ‘digital processing unit’ limitation [recited in claim 1] would invoke § 112, sixth paragraph” and “the Petition lacks the analysis required by 37 C.F.R. § 42.104(b)(3).” Dec. 20. We determined that Petitioner had demonstrated by a preponderance of the evidence that claim 11 of the ’591 patent is unpatentable, under 35 U.S.C. § 103, as obvious over Sitrick.

The Federal Circuit issued an opinion in *Samsung*, affirming our determination with respect to claim 11, vacating our determination with respect to claims 1–4 and 8, and remanding for further proceedings. *Samsung*, 948 F.3d at 1355, 1359; *see also* Papers 78, 79. The Federal Circuit stated the following: “We [] reject the Board’s conclusion that the term ‘digital processing unit,’ as used in claim 1, invoked means-plus-function claiming, and that for that reason claims [1–4 and 8] cannot be analyzed for anticipation or obviousness.” *Id.* at 1354. Moreover, the court

directed us, on remand, to “address Samsung’s argument that the Board may analyze the patentability of a claim even if that claim is indefinite under the reasoning of *IPXL*,” *i.e.*, whether the claim is unpatentable regardless of whether “it is treated as being directed to an apparatus or a method.” *Id.* at 1355 (citing *IPXL Holdings, LLC v. Amazon.com, Inc.*, 430 F.3d 1377, 1384 (Fed. Cir. 2005) (“*IPXL*”). The court further directed us as follows: “In the remand proceedings, the Board should determine whether claim 1 and its dependent claims are unpatentable as anticipated or obvious based on the instituted grounds.” *Id.*

The Board has jurisdiction under 35 U.S.C. §§ 6 and 144. This Decision on Remand is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons discussed below, we determine that Petitioner has shown by a preponderance of the evidence that claims 1–4 and 8 of the ’591 patent are unpatentable.

B. Related Matters

As required by 37 C.F.R. § 42.8(b)(2), each party identifies judicial and administrative matters that would affect, or be affected by, a decision in this proceeding. In particular, the parties inform us that the ’591 patent is involved in *Prisua Engineering Corp. v. Samsung Electronics Co.*, No. 1:16-cv-21761 (S.D. Fla.). Pet. 1; Paper 27, 2.

C. The ’591 Patent (Ex. 1001)

The ’591 patent, titled “Video Enabled Digital Devices for Embedding User Data in Interactive Applications,” issued February 11, 2014, from U.S. Patent Application No. 13/042,955. Ex. 1001, codes [54], [45], [21]. The ’591 patent generally relates to “a method for generating an

edited video data stream from an original video stream wherein generation of said edited video stream comprises a step of: substituting at least one object in a plurality of objects in said original video stream by at least a different object.” *Id.* at 1:40–47. Figure 3 is reproduced below.

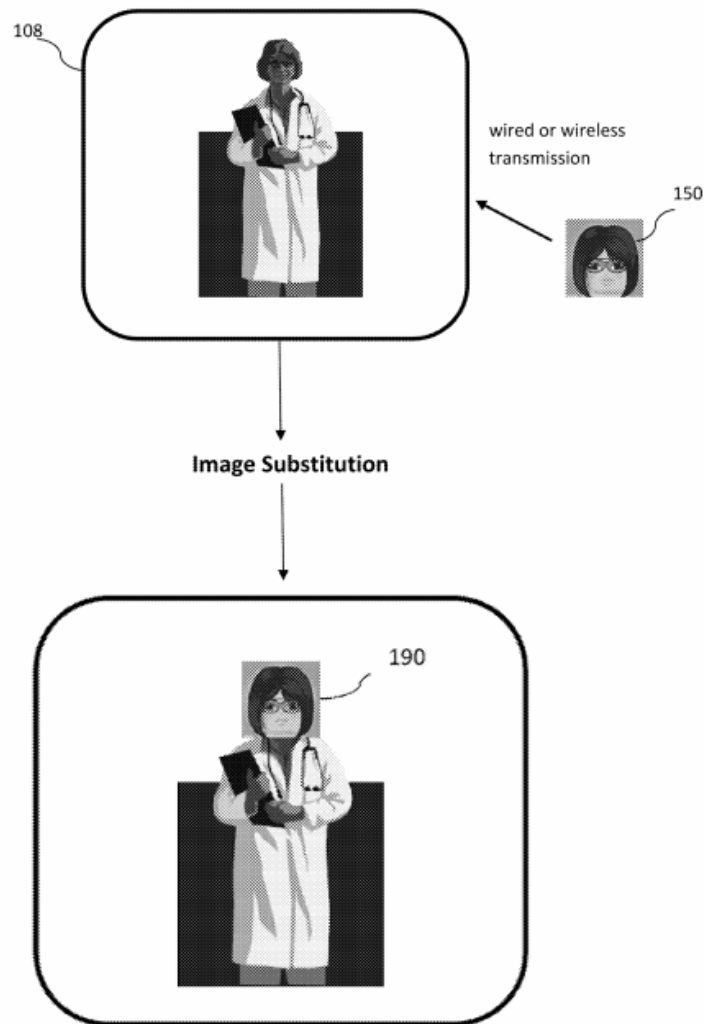


FIG. 3

Figure 3 shows a simplified illustration of a video image substitution according to one embodiment. *Id.* at 1:63–65. Figure 3 shows “a user input 150 of a photo image of the user used to replace the face of the image shown on the device 108.” *Id.* at 2:66–3:1. “The user transmits the photo image 150

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