

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

XACTWARE SOLUTIONS, INC.,
Petitioner,

v.

EAGLE VIEW TECHNOLOGIES, INC.,
Patent Owner.

Case IPR2017-00021
Patent 8,078,436 B2

Before BRYAN F. MOORE, STACEY G. WHITE, and GARTH D. BAER,
Administrative Patent Judges.

MOORE, *Administrative Patent Judge.*

DECISION

Denying Institution of *Inter Partes* Review
35 U.S.C. § 314(a) and 37 C.F.R. § 42.108

Xactware Solutions, Inc. (“Petitioner”) filed a Petition (Paper 1, “Third Petition” or “Third Pet.”) requesting *inter partes* review of claims 1–3, 5, 8, 15, 17–21, 31, 36–38, 40, 42, and 55 of U.S. Patent No. 8,078,436 B2 (Ex. 1001, “the ’436 patent”). Eagle View Technologies, Inc. (“Patent Owner”) filed a Preliminary Response (Paper 8, “Prelim. Resp.”). For the reasons explained below, we exercise our discretion under 35 U.S.C. § 314(a) and 37 C.F.R. § 42.108(a) not to institute *inter partes* review of claims 1–3, 5, 8, 15, 17–21, 31, 36–38, 40, 42, and 55 of the ’436 patent.

I. BACKGROUND

A. RELATED MATTERS

The ’436 patent is also the subject of the petition in IPR2016-00582, on which we denied institution, and Xactware Solutions, Inc., is the Petitioner in that proceeding. *See Xactware Solutions, Inc. v. Eagle View Techs., Inc.*, Case IPR2016-00582 (“IPR2016-00582”), Paper 10, 1 (“First Petition” or “First Pet.”). The ’436 patent is also the subject of a petition filed in IPR2016-01775, and Xactware Solutions, Inc., is the Petitioner in that proceeding. *See Xactware Solutions, Inc. v. Eagle View Techs., Inc.*, Case IPR2016-01775 (“IPR2017-01775”), Paper 1, 1 (“Second Petition” or “Second Pet.”).

Patents related to the ’436 patent are involved in IPR2016-00582, IPR2016-00586, IPR2016-00587, IPR2016-00589, IPR2016-00590, IPR2016-00592, IPR2016-00593, IPR2016-00594, IPR2016-01775, IPR2017-00025, IPR2017-00034, IPR2017-00027, and IPR2017-00363. Third Pet. 2–3; Paper 7, 2–3. The ’436 patent is involved in the following

district court matter: *Eagle View Technologies, Inc., v. Xactware Solutions, Inc.*, No. 2:15-cv-07025 (D.N.J.). Third Pet. 2–3; Paper 4, 2.

B. THE CHALLENGED PATENT

The '436 patent generally describes systems and methods for determining roof measurement information based on aerial images of a roof of a building. Ex. 1001, 1:16–20, 3:51–56. FIG. 8 of the '436 patent discloses steps for performing a roof estimation for a building. According to FIG. 8 of the '436 patent, the steps include receiving a first and a second aerial image of a building (each of the aerial images providing a different view of the roof of the building), correlating the first aerial image with the second aerial image, generating (based at least in part on the correlation between the first and the second aerial images) a three-dimensional model of the roof, and preparing and transmitting a roof estimate report that includes one or more annotated, top-down views of the three dimensional model. *Id.* at FIG. 8.

C. ILLUSTRATIVE CLAIM

Of the challenged claims, claims 1, 18, and 36 are the only independent claims.

Claim 1, reproduced below, is illustrative.

1. A computing system for generating a roof estimate report, the computing system comprising:

a memory;

a roof estimation module that is stored on the memory and that is configured, when executed, to:

receive a first and a second aerial image of a building having a roof, each of the aerial images providing a different view of the roof of the building;

correlate the first aerial image with the second aerial image; and

generate, based at least in part on the correlation between the first and second aerial images, a three-dimensional model of the roof that includes a plurality of planar roof sections that each have a corresponding slope, area, and edges; and

generate and transmit a roof estimate report that includes one or more top plan views of the three-dimensional model annotated with numerical values that indicate the corresponding slope, area, and length of edges of at least some of the plurality of planar roof sections using at least two different indicia for different types of roof properties.

Ex. 1001, 15:58–16:13.

D. ASSERTED GROUNDS OF UNPATENTABILITY

Petitioner asserts the following grounds of unpatentability in its Third Petition:

Reference(s)	Basis	Challenged Claim(s)
Avrahami ¹ and Applicad ²	§ 103(a)	1–3, 5, 8, 15, 17–21, 31, 36–38, 40, 42, and 55
McKeown ³ and Applicad	§ 103(a)	1–3, 5, 8, 15, 17–21, 31, 36–38, 40, 42, and 55

Third Pet. 8.

II. ANALYSIS

A. DISCRETIONARY NON-INSTITUTION

1. Petitioner's First Petition in IPR2016-00582

In its First Petition, Petitioner requested *inter partes* review of claims 1–5, 7–13, 15–23, 25–31, 33–40, 42, 46–52, and 54–56 of the '436 patent. *See* First Pet. 1. The First Petition asserted the following ground, which includes claims 1–3, 5, 8, 15, 17–21, 31, 36–38, 40, 42, and 55, which are also challenged in the Third Petition:

Reference(s)	Basis	Challenged Claim(s)
Hsieh and Applicad	§ 103(a)	1–5, 7–13, 15–23, 25–31, 33–40, 42, 46–52, and 54–56

¹ Yair Avrahami et al., *Extraction of 3D Spatial Polygons Based on the Overlapping Criterion for Roof Extraction from Aerial Images*, CMRT05, IAPRS, Vol. XXXVI, Part 3/W24, Vienna, Austria, Aug. 29–30, 2005 (Ex. 1004, “Avrahami”).

² APPLICAD PRODUCT BULLETIN, KEY FEATURES OF OUR ROOFING SOFTWARE” (Nov. 2002) (Ex. 1004, “Applicad”).

³ David M. McKeown, et al., *Feature Extraction and Object Recognition: Automatic Cartographic Feature Extraction Using Photogrammetric Principles*, Digital Photogrammetry: an Addendum to the Manual of Photogrammetry, American Society For Photogrammetry and Remote Sensing, 1996 (Ex. 1005, “McKeown”).

See IPR2016-00582, slip op. at 4 (PTAB Aug. 16, 2016) (Paper 15) (“IPR2016-00582 Inst. Dec.”). Based on the First Petition, we denied institution, however, on grounds involving Hsieh for all challenged claims because we found Petitioner had not made a sufficient showing that Hsieh is a printed publication. *Id.* at 4–7.

2. The Board’s Discretion to Deny Institution

Institution of an *inter partes* review is discretionary. See 35 U.S.C. § 314(a) (authorizing institution of an *inter partes* review under particular circumstances, but not requiring institution under any circumstances); 37 C.F.R. § 42.108(a) (“the Board *may* authorize the review to proceed”) (emphasis added); *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (explaining that under § 314(a), “the PTO is permitted, but never compelled, to institute an IPR proceeding”).

3. Discussion

Petitioner asserts that we should not deny the Petition under 35 U.S.C. § 325(d) because the asserted prior art in its Third Petition is not the same as that in the First Petition. Petitioner notes that, in the First Petition, it challenged claims only as obvious over Hsieh, whereas in the Third Petition, it challenges claims as obvious over Avrahami and Applicad and/or McKeown and Applicad. Third Pet. 4–6. Patent Owner argues that we should decline to institute under § 325(d) because (1) Petitioner’s repetitive challenges already have greatly taxed the resources of the Board, (2) Petitioner previously filed a petition directed to the same claims of the same patent, (3) the Third Petition raises substantially the same art and the same arguments that already were submitted by the same petitioner in its First Petition, (4) Petitioner knew of the references it asserts in the Third Petition

when it filed the First Petition, and (5) Petitioner waited nearly the maximum amount of time possible between filing its First and Third petitions. PO Prelim. Resp. 6–30. As explained below, we agree with Patent Owner that the circumstances here do not favor institution of an *inter partes* review.

Our concern is not primarily that “the same or substantially the same prior art or arguments previously were presented to the Office” as expressed in § 325(d), but rather the potential inequity of Petitioner filing multiple attacks, adjusting along the way based on Patent Owner’s contentions and the Board’s decision responding to a prior challenge. *See NVIDIA Corp. v. Samsung Elec. Co.*, Case IPR2016-00134, slip op. at 8 (PTAB. May 4, 2016) (Paper 9). We view the following factors as relevant to that concern, and therefore helpful in deciding whether to exercise our discretion to not institute review under § 314(a):

- (a) whether the same petitioner previously filed a petition directed to the same claims of the same patent,
- (b) whether the petitioner knew or should have known of the prior art asserted in the later petition when it filed its earlier petition, and
- (c) whether at the time of filing of the later petition, the petitioner already received the patent owner’s preliminary response to the first petition or received the Board’s decision on whether to institute review in the earlier petition,
- (d) the length of time that elapsed between when the petitioner had the patent owner’s or Board’s analysis on the earlier petition and when petitioner filed the later petition,⁴ and

⁴ As Patent Owner notes, past Board decisions have considered the length of time that elapsed between the time petitioner learned of the prior art asserted in the second petition and filing of the second petition. *See, e.g., NVIDIA Corp. v. Samsung Elec. Co.*, Case IPR2016-00134 (PTAB. May 4, 2016) (Paper 9); *LG Elecs. Inc. v. Core Wireless Licensing S.A.R.L.*, Case

(e) whether the petitioner provides adequate explanation why we should permit another attack on the same claims of the same patent.

a. Petitioner Previously Filed a Petition Directed to the Same Claims of the Same Patent

As explained above, Petitioner's First Petition included challenges to the same claims—claims 1–3, 5, 8, 15, 17–21, 31, 36–38, 40, 42, and 55 of the '436 patent—that Petitioner challenges in the Third Petition at issue here. We did not institute *inter partes* review based on the First Petition. IPR2016-00582 Inst. Dec. 7.

b. Petitioner Knew of the Prior Art Asserted in the Third Petition When It Filed the First Petition

Out of concern for fundamental fairness, in determining whether to deny institution on subsequent petitions challenging the same claims of the same patent, we look to whether a petitioner knew or should have known of the prior art asserted in its later case when it filed the earlier one. *See Conopco, Inc. v. Proctor & Gamble Co.*, Case IPR2014-00506, slip op. at 4–5 (PTAB Dec. 10, 2014) (Paper 25) (Informative). Here, Petitioner knew of the prior art asserted in the Third Petition when it filed the First Petition. Applicad was asserted in the First Petition. First Pet. 4. The Third Petition relies on three references—Avrahami, Applicad, and McKeown. Petitioner knew of these references when it filed the First Petition because Petitioner included them in its district court invalidity contentions, which Petitioner

IPR2016- 00986 (PTAB Aug. 22, 2016) (Paper 12). We view the more relevant delay to be that between when Petitioner had the First Petition feedback, and the filing of the Third Petition. That delay affords Petitioner the unfair advantage of adjusting its litigation positions based on the Patent Owner's and the Board's responses to the First Petition.

served just one day after it filed the First Petition. *See* Ex. 2001, 7, 8, 165 (asserting Avrahami, Applicad, and McKeown), 165 (showing service on Feb. 9, 2016); *see also* First Pet. 1 (dated Feb. 8, 2016). Because Petitioner knew of the three references asserted in its Third Petition when it filed its First Petition, this factor weighs against institution.

c. Petitioner Had Patent Owner's Preliminary Response and the Board's Decision on Whether to Institute Review in the First Petition When Petitioner Filed the Third Petition

Patent Owner filed its Preliminary Response to the First Petition on May 17, 2016. *See* IPR2016-00582, Paper 11, 58. We issued our Institution Decision addressing the First Petition on August 16, 2016. IPR2016-00582 Inst. Dec. 1. Thus, when Petitioner filed the Third Petition on October 5, 2016 (*see* Third Pet. 58), Petitioner had both Patent Owner's Preliminary Response and the Board's Decision on whether to institute review addressing the First Petition.

d. The Elapsed Time Between When Petitioner Had Patent Owner's and the Board's Analysis on the First Petition and When Petitioner Filed the Third Petition

The delay between when Petitioner had Patent Owner's Preliminary Response and the Board's Institution Decision addressing the First Petition and when Petitioner filed the Third Petition left Petitioner with sufficient time to take advantage of Patent Owner's and the Board's responses to the First Petition. When Petitioner filed its Third Petition on October 5, 2016, Petitioner had Patent Owner's Preliminary Response to the First Petition for over four months, and our Institution Decision addressing the First Petition for nearly two months. *See* IPR2016-00582, Paper 11, 58 (showing May 17, 2016 filing date for Patent Owner's Preliminary Response); IPR2016-00582 Inst. Dec. 1 (showing August 16, 2016 issue date for our Institution Decision).

Thus, Petitioner not only had the relevant materials from Patent Owner and the Board when it filed its Third Petition, but had ample time to take advantage of those materials in crafting its Third Petition. Moreover, in related proceedings before the district court, Petitioner indicated that taking advantage of our Decision on institution was the reason Petitioner delayed filing its Third Petition as long as it did. *See* Ex. 2004 (Nov. 30, 2016 Hr’g Tr. at 26:6–9) (Petitioner’s counsel explaining to the district court that “to the extent that there is concern about waiting till the end of the process to file these follow-on IPRs, it’s by virtue of the chronology. We didn’t get the rulings from the Patent Office [on the First Petitions] until the end of August.”).

e. Petitioner Has Not Provided an Adequate Reason Why We Should Permit Another Attack on the Same Claims

Weighed against the factors outlined above are any non-strategic reasons Petitioner offers for the delay in filing its Third Petition or any other justification for allowing its Third Petition to go forward. Petitioner addresses our discretion to deny institution, noting that its third challenge is substantively different than the one we previously denied. *See* Third Pet. 4–6. That difference, however, does not justify permitting Petitioner to gain an unfair advantage by waiting to file its Third Petition so that it can take advantage of our Decision on the First Petition.

We view Petitioner’s strategy—withholding additional challenges until receiving the Board’s feedback indicating those challenges are better than the original challenges—as unfair to Patent Owner. With Patent Owner’s Preliminary Response and the Board’s Decision for the First Petition, and ample time to take advantage of those materials, Petitioner made a shift in its Third Petition. After our Institution Decision outlined

deficiencies in Hsieh related to public accessibility, Petitioner's Third Petition asserts McKeown to account for the claim elements it previously mapped to Hsieh.

We do not take lightly denying a petition on grounds unrelated to its substantive patentability challenges. Here, however, Petitioner's strategy of morphing its challenges over multiple petitions based on the Board's feedback imposes inequities on Patent Owner. Weighing the respective factors here, we view the prejudice to Patent Owner to be greater than that to Petitioner in denying institution. We, therefore, decline to institute *inter partes* review here.

III. CONCLUSION

For all of the reasons discussed above, we exercise our discretion under 35 U.S.C. § 314(a) and 37 C.F.R. § 42.108(a) not to institute review in this proceeding with respect to claims 1–3, 5, 8, 15, 17–21, 31, 36–38, 40, 42, and 55.

IV. ORDER

It is:

ORDERED that the Third Petition is denied as to claims 1–3, 5, 8, 15, 17–21, 31, 36–38, 40, 42, and 55 of the '436 patent; and

FURTHER ORDERED that no *inter partes* review is instituted.

IPR2017-00021
Patent 8,078,436 B2

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