UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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BANK OF AMERICA, N.A.,
Petitioner,

v.

NANT HOLDINGS IP, LLC,
Patent Owner.

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IPR2021-01388
Patent 8,520,897 B2

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Before JAMESON LEE, ROBERT J. WEINSCHENK, and
ELIZABETH M. ROESEL, *Administrative Patent Judges.*

Opinion for the Board filed by *Administrative Patent Judge* ROESEL.

Opinion Dissenting filed by *Administrative Patent Judge* WEINSCHENK.

ROESEL, *Administrative Patent Judge*.

DECISION
Denying Petitioner's Request for Rehearing
37 C.F.R. § 42.71(d)

I.   INTRODUCTION

Bank of America, N.A. ("Petitioner") timely filed a request for rehearing (Paper 12, "Request" or "Reh'g Req.") of our Decision denying institution of *inter partes* review (Paper 11, "Decision" or "Dec.") of claims 25, 30, 33, 34, 38, 39, 41, and 42 of U.S. Patent No. 8,520,897 B2. The Request challenges our determination that Petitioner has not shown a reasonable likelihood of prevailing on its obviousness challenge based on Ogasawara[1] and Bolle[2] because Petitioner does not provide adequate support for its contention that Ogasawara discloses or suggests displaying an image (e.g., of an apple) on a display screen, capturing the displayed image with a digital camera, and using pattern recognition software to recognize the displayed image. Dec. 20 (citing Pet. 30, 32–33, 39–40). After considering Petitioner's Request, we find no error in our determination and no abuse of discretion in denying the Petition.

II.   STANDARD OF REVIEW

A party challenging a decision in a request for rehearing bears the burden of showing the decision should be modified. 37 C.F.R. § 42.71(d) (2021). A request for rehearing "must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed." *Id.* Upon a request for rehearing, the decision on a petition will be reviewed for an abuse of discretion. 37 C.F.R. § 42.71(c). An abuse of discretion occurs when a "decision was based on an erroneous conclusion of law or clearly erroneous factual

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[1] Ex. 1005, US 6,512,919 B2, filed March 30, 1999, issued January 28, 2003.

[2] Ex. 1006, US 5,546,475, issued August 13, 1996.

findings, or . . . a clear error of judgment." *PPG Indus. Inc. v. Celanese Polymer Specialties Co. Inc.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988).

III. ANALYSIS

The Decision provides a complete and accurate summary of Ogasawara and Bolle, as they pertain to the challenged claims. Dec. 13–16. Petitioner does not challenge any of these findings. The Decision also summarizes Petitioner's contentions regarding Ogasawara and Bolle with respect to particular claim limitations. Dec. 16–18. The Request does not identify any argument or evidence that we overlooked or misapprehended in our analysis of Petitioner's contentions. Dec. 19–23. Instead, Petitioner disagrees with our findings about whether Petitioner's contentions are sufficiently supported by the evidence. Disagreement with the panel's findings or conclusions is not grounds for rehearing. In any event, after considering Petitioner's rehearing arguments, we are not persuaded that we misinterpreted the teachings of the prior art or reached an erroneous legal conclusion.

Petitioner's rehearing arguments suffer from several flaws. First, Petitioner applies the wrong legal standard for obviousness. The challenged claim is directed to a method of conducting a transaction with an interactive system. Dec. 6 (quoting claim 25, Ex. 1001, 19:12–22). Petitioner's burden is to show that the claimed method, including each of the recited steps, would have been obvious to a POSITA. It is not enough to show that Ogasawara's system *could have* been used to practice the claimed method. Petitioner must show that a POSITA *would have* used Ogasawara's system to practice the claimed method. Petitioner makes repeated arguments about what a POSITA would have understood Ogasawara's system "can" do or

"could be used" to do (Reh'g Req. 1–3, 6–7, 9–11), without addressing whether a POSITA would have had a reason or motivation to use Ogasawara's system in the manner claimed. *See Polaris Indus., Inc. v. Arctic Cat, Inc.*, 882 F.3d 1056, 1068 (Fed. Cir. 2018) (criticizing the Board's analysis as focusing on "what a skilled artisan would have been able to do, rather than what a skilled artisan would have been motivated to do at the time of the invention"); *Belden Inc. v. Berk-Tek LLC,* 805 F.3d 1064, 1073 (Fed. Cir. 2015) ("obviousness concerns whether a skilled artisan not only **could have made** but **would have been motivated to make** the combinations or modifications of prior art to arrive at the claimed invention").

Petitioner argues that it does not need to show a rationale for modifying Ogasawara's teachings because Petitioner relies on Ogasawara's explicit disclosures. Reh'g Req. 5, 8. As discussed in our Decision and below, however, Petitioner fails to show that the claimed method steps (as construed by Petitioner) are disclosed or suggested by Ogasawara. Dec. 19–20. Petitioner was therefore required to show a reason or motivation for modifying Ogasawara's teachings.

A second, related flaw in Petitioner's analysis is hindsight bias. *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 421 (2007) ("A factfinder should be aware, of course, of the distortion caused by hindsight bias and must be cautious of arguments reliant upon ex post reasoning."). When arguing about the capabilities of Ogasawara's system, Petitioner views Ogasawara's disclosure from the perspective of a person who is already familiar with the claimed method. For example, Petitioner argues that Ogasawara's system is capable of displaying an image of an object, e.g., an apple, on a display screen, using a digital camera to capture an image of the object from the

display screen, and using pattern recognition software to recognize the object as, e.g., an apple. Reh'g Req. 1–3, 5–8. The problem with Petitioner's argument is that Ogasawara never discloses or suggests capturing an image of an apple or other unlabeled merchandise from a display screen, ***rather than from the apple itself***. Petitioner impermissibly uses the challenged claim (and its own claim construction) as a guide for interpreting the prior art. Ogasawara discloses using a wireless videophone to capture an image of a bar code, alpha-numeric code, or numeric code from an LCD display screen and to perform pattern and/or character recognition by using software downloaded to the phone or by transmitting the image to a server for recognition processing. Ex. 1005, 22:1–23:10. According to Ogasawara, the bar code or other code corresponds to the weight of merchandise placed on a scale and may also include its product code. *Id.* at 22:19–39. Ogasawara also discloses that the wireless videophone may include "advanced pattern recognition software," which allows a consumer to capture an image of an apple or other merchandise item not identified by a bar code or alpha-numeric label and recognize the item based on its distinct shape or other visual characteristics. *Id.* at 23:11–21. Ogasawara does not, however, disclose or suggest capturing an image of an apple or other merchandise item ***from a display screen, instead of from the item itself***.

Petitioner's interpretation makes no sense in the context of Ogasawara's electronic shopping system. Petitioner provides no persuasive explanation for why a POSITA would have understood Ogasawara as disclosing capturing an image of an apple or other merchandise item from a display screen, rather than from the apple itself, as Ogasawara expressly teaches. Ex. 1005, 23:11–21. Petitioner never answers the question posed

in the Decision: "If the goal is to use 'advanced pattern recognition software' to identify an unlabeled item by its visual features, then why would a POSITA modify Ogasawara's system to capture an image of the item from a display screen, rather than directly from the item?" Dec. 21. Petitioner also does not explain how or why an image of an apple or other merchandise would be displayed on a display screen in Ogasawara's system. For example, Petitioner does not assert that Ogasawara discloses a digital camera, other than the customer's wireless videophone, for capturing and displaying an image of an apple or other merchandise. Nor does Petitioner assert that Ogasawara discloses storing images of apples or other merchandise in a computer memory. Petitioner does not explain how or why an image of an apple or other merchandise would be displayed on a display screen, or why a customer would take a picture of the display screen rather than taking a picture of the apple or other merchandise, or why Ogasawara's "advanced pattern recognition software" would have been understood as relying an image captured from a display screen, rather than an image captured directly from the apple or other item. Petitioner's interpretation of Ogasawara is tainted with hindsight bias and unreasonable.

Third, Petitioner misstates the explicit disclosures of Ogasawara. Petitioner argues that "Ogasawara explicitly discloses capturing an image of an apple from a display screen." Reh'g Req. 5. We disagree. There is no such disclosure in Ogasawara, nor was any such disclosure identified in the Petition. As explained in the Decision, "although Ogasawara discloses displaying a bar code on an LCD screen and using a digital camera to capture the bar code . . ., Ogasawara does not disclose capturing an image of an apple or other merchandise item from a display screen." Dec. 20 (citing Ex. 1005, 22:1–4, 22:19–40).

Petitioner additionally argues:

> Ogasawara explicitly teaches that its system can capture an image of an object displayed on a display screen and recognize the object because Ogasawara's advanced pattern recognition can capture and recognize "indicia"—"distinct or identifiable shape or other visually identifiable characteristic" of an object (e.g., apple)—which is subsumed under the umbrella "barcode" term in the display screen embodiment.

Reh'g Req. 7–8. Petitioner misinterprets Ogasawara. There is no suggestion that the "distinct or identifiable shape or other visually identifiable characteristic" of an object (e.g., apple) is "subsumed under the umbrella 'barcode,'" as argued by Petitioner. Ogasawara uses the term "barcode" as an umbrella term for "various other codes, indicia, text, icons, and the like [that] may be scanned and recognized by modern character and pattern recognition application routines." Ex. 1005, 20:55–58. According to Ogasawara, "the system operates in identical manner for each indicia" and "the types of videographic images captured by the video camera will all be subsumed under the generic term 'bar code' image data." *Id.* at 21:1–8. Ogasawara does not, however, include an object's distinct shape or other visually identifiable characteristic under the "bar code" umbrella. To the contrary, Ogasawara teaches that shape and other visual characteristics are used to recognize "items that are ***not*** identified by either a bar code or an alpha-numeric label." *Id.* at 23:11–21 (emphasis added).

Furthermore, Ogasawara does not teach that shape or other visual characteristics are used to recognize an image of an object displayed on a display screen, as argued by Petitioner. Reh'g Req. 2–3, 7–8, 10–11. Ogasawara discloses that "[a]dvanced pattern recognition software" offers "the capability to capture merchandise information from items that are not identified by either a bar code or an alpha-numeric label" and that "[t]his

capability is useful for any merchandise item having a distinct or identifiable shape or other visually identifiable characteristic." Ex. 1005, 23:11–15, 23:19–21. Although Ogasawara teaches that "[a]dvanced pattern recognition software allows a consumer to capture a videographic image of an apple, for example, and to have the apple be recognized as such" (*id.* at 23:15–19), there is no suggestion about capturing a videographic image of an apple from a display screen, as opposed to from the apple itself, nor recognizing the apple from an image captured from a display screen. In view of Ogasawara's teaching that "advanced pattern recognition software" is used for "items that are ***not*** identified by either a bar code or an alpha-numeric label" (*id.* at 23:11–15, emphasis added), it is unreasonable to interpret Ogasawara's discussion about capturing bar codes and alpha-numeric information displayed an LCD screen (*id.* at 22:1–23:10) as suggesting the capture an image of an apple or other unlabeled merchandise from a display screen, rather than from the apple itself, as Ogasawara expressly discloses (*id.* at 23:15–19).

Fourth, Petitioner overlooks the significance of its own claim construction, which requires feature-matching using a database. To meet this construction, Petitioner relies on Ogasawara's disclosure of "advanced pattern recognition software," which Petitioner contends uses "a look-up table or file (i.e., a database) to associate the visually identifiable features to a corresponding target." Pet. 39. Alternatively, Petitioner relies on Ogasawara's teaching in combination with the image processing and object recognition techniques of Bolle. Pet. 39–40. There is no contention, either in the Petition or in the Request, that Ogasawara uses a database for recognizing bar codes, numeric codes, alpha-numeric codes, indicia, text, icons, and the like. To show a database, Petitioner relies on Ogasawara's

disclosure of "advanced pattern recognition software," alone or in combination with Bolle. *Id.*; Ex. 1005, 23:11–21. As discussed above and in the Decision, Petitioner fails to show that it would have been obvious to use Ogasawara's "advanced pattern recognition software" to recognize an image of an object, e.g., an apple, captured from a display screen, as opposed to an image captured from the object itself. Dec. 20–23.

Petitioner concedes that we "need not address Bolle" (Reh'g Req. 11), and presents no persuasive argument that we overlooked or misapprehended Petitioner's contentions regarding the combination of Ogasawara and Bolle. Petitioner does not rely upon Bolle to remedy Ogasawara's deficiency as it pertains to capturing and recognizing an object displayed on a display screen. Referring to the Decision's discussion of Bolle (Dec. 22), Petitioner argues that Bolle's use of "first and second digitized images taken at different illumination levels" is "not germane to the Petition's grounds . . . because the Petition discusses a different embodiment in Bolle." Reh'g Req. 12–13. Petitioner asserts that Bolle "provides for segmentation of a target in an image by comparing images of a scene with and with-out the target present." *Id.* at 13 (citing Ex. 1006, 8:45–9:4, Fig. 3A; Pet. 25). Our analysis of the Petition applies equally to this "different embodiment" of Bolle. Dec. 22. Petitioner does not explain how Bolle's teaching of first and second digitized images taken with and without the target present would work when capturing an image from a display screen.

IV. CONCLUSION

For these reasons, we are not persuaded that Petitioner shows that the Decision denying institution should be modified.

V.   ORDER

It is

ORDERED that Petitioner's request for rehearing is *denied*.

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WEINSCHENK, *Administrative Patent Judge*, dissenting.

I respectfully dissent from the majority's decision denying Petitioner's request for rehearing. I previously dissented from the majority's decision denying institution of an *inter partes* review because, in my opinion, Petitioner demonstrates a reasonable likelihood of prevailing in showing that at least one of the challenged claims is unpatentable. *See Bank of Am., N.A. v. Nant Holdings IP, LLC*, IPR2021-01388, Paper 11 (PTAB Mar. 3, 2022). For the same reason, I would grant Petitioner's request for rehearing and institute an *inter partes* review.

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