

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SONY CORPORATION,
Petitioner,

v.

ONE-E-WAY, INC.,
Patent Owner.

Case IPR2016-01638 (Patent 9,282,396 B2)
Case IPR2016-01639 (Patent 9,282,396 B2)

Record of Oral Hearing
Held: November 6, 2017

Before DAVID C. MCKONE, ROBERT J. WEINSCHENK, and JOHN F. HORVATH, *Administrative Patent Judges*.

Case IPR2016-01638 (Patent 9,282,396 B2)
Case IPR2016-01639 (Patent 9,282,396 B2)

APPEARANCES:

ON BEHALF OF THE PETITIONER:

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ON BEHALF OF THE PATENT OWNER:

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The above-entitled matter came on for hearing on Monday, November 6, 2017, at 1 p.m., at the U.S. Patent and Trademark Office, Madison Building East, 600 Dulany Street, Alexandria, Virginia, before Chris Hofer, Notary Public.

P R O C E E D I N G S

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2 JUDGE WEINSCHENK: All right. Good afternoon everyone.
3 This is a hearing for IPR2016-01638 and 01639, Sony Corporation v.
4 One-E-Way, Inc. Let's start with appearances. When you make your
5 appearance, please step up to the center podium. Who do we have for
6 Petitioner?

7 MR. QUALEY: Good afternoon, Your Honor. Paul Qualey from
8 Andrews Kurth Kenyon for Sony Corporation.

9 JUDGE WEINSCHENK: Thank you, Mr. Qualey. And who do
10 we have for Patent Owner?

11 MR. MUEHLHAUSER: Doug Muehlhauser, and my partner and
12 colleague Payson LeMeilleur. We'll both be arguing on behalf of One-
13 E-Way today.

14 JUDGE WEINSCHENK: Okay. Mr. Muehlhauser and what was
15 the other name?

16 MR. LEMEILLEUR: Payson LeMeilleur.

17 JUDGE WEINSCHENK: LeMeilleur, okay. All right, thank you
18 Mr. Muehlhauser. As to few preliminary matters, as you can see Judges
19 McKone and Horvath are appearing remotely so whenever you speak
20 please make sure you step up to the center podium so that they can hear
21 you, and also when you're referring to slides in your demonstratives
22 please use slide numbers so that they can follow along.

23 As we indicated in our order, each side will have 60 minutes to
24 present its case. You can use that time however you want between the

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1 two cases. Just for Petitioner, before you begin please let us know how
2 much time you'd like to reserve for rebuttal, if any. So Petitioner, you
3 may begin when you're ready.

4 MR. QUALEY: All right. Good afternoon, Your Honors. I think
5 I'd like to start with reserving 20 minutes for rebuttal and we'll just see
6 how it goes. Okay. As you already stated, this is hearing for two IPRs,
7 1638 and 1639 IPRs.

8 Slide 2 please. Both of these IPRs involve U.S. patent No.
9 9,282,396 entitled Wireless Digital Audio Music System, and assigned
10 on their face to Patent Owner, One-E-Way.

11 As shown on slide 3, so the wireless digital audio music system of
12 the claimed invention is largely shown in figure 1 here with some
13 primary components, an audio source 80, audio transmitter 20, and a
14 receiver 50 that is included in the wireless headphone 55.

15 Moving on to slide 4, in figure 2 we see a block diagram with the
16 audio transmitter portion and figure 3 we see a block diagram of the
17 audio receiver portion.

18 Moving on to slide 5, it shows claim 1 of the 396 patent. This is
19 largely representative of the claims as a whole with a couple of
20 exceptions I'll note in just a moment. So this claim shows the entire
21 system as the portable transmitter which is largely shown in the left hand
22 column and in the right hand column is recited the headphone on the
23 receiver side.

24 Now there are five other independent claims in the patent. Two of
25 them are set up similarly to this, that's claims 6 and 9 which are set up
26 reciting both the transmitter and receiver side. The other three

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1 independent claims 2, 14 and 16 only claim the headphone on receiver
2 side, and then the dependent claims are largely addressing adding a
3 differential phase shift keying limitation into the various independent
4 claims.

5 So we move on to slide 6. So in the 1638 IPR, slide 7 please,
6 there's one instituted ground and that ground is that claims 1 through 17
7 of the 396 patent are unpatentable over One-E-Way's own prior
8 published application, No. 2003-0118196 which we generally refer to as
9 the 196 publication.

10 So moving on to slide 8, we see here is the 196 publication itself,
11 published in June, 2003 and it's a publication of an application filed in
12 December of 2001.

13 So moving over to slide 9, this is the priority chain in 396 patent.
14 So 396 patent appears at the bottom of the slide and going back through
15 five prior applications we then reach the 2001 application which is the
16 119 application and published as the 196 publication.

17 Now all of these connections are continuations except for the first
18 one, and that's the one that matters for our purposes in this IPR. So the
19 2003 application, serial No. 10/648,012 is a CIP, continuation in part, of
20 the 2001 application.

21 JUDGE WEINSCHENK: Mr. Qualey, does it matter at all that
22 when the 012 application was filed that it had an incorrect priority claim
23 that they later corrected?

24 MR. QUALEY: Are you talking about the typographical error?

25 JUDGE WEINSCHENK: Yes.

26 MR. QUALEY: No. That's not the source of our case, no sir.

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