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Paper 73
Entered: April 5, 2021

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FITBIT, INC.,[1]
Petitioner,

v.

VALENCELL, INC.,
Patent Owner.

Case IPR2017-00319
Patent 8,923,941 B2[2]

Before BRIAN J. McNAMARA, JAMES B. ARPIN, and SHEILA F. McSHANE, *Administrative Patent Judges*.

ARPIN, *Administrative Patent Judge*.

JUDGMENT
Final Written Decision on Remand
Determining All Challenged Claims Unpatentable
35 U.S.C. §§ 144, 318

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[1] Petitioner Apple, Inc. is no longer a party in this proceeding. *See Fitbit, Inc. v. Valencell, Inc.*, 964 F.3d 1112, 1114 (Fed. Cir. 2020) ("Following the [Final Written Decision], Apple withdrew from the proceeding.").

[2] Case IPR2017-01555 has been joined with this proceeding.

I. INTRODUCTION

Apple Inc. ("Petitioner") filed a Petition requesting *inter partes* review of claims 1–13 ("the challenged claims") of U.S. Patent No. 8,923,941 B2 (Ex. 1001, "the '941 patent") under 35 U.S.C. §§ 311–319. Paper 2 ("Pet."). Valencell, Inc. ("Patent Owner") filed a Preliminary Response. Paper 6. We instituted an *inter partes* review as to claims 1, 2, and 6–13. Paper 10. Petitioner filed a Request for Rehearing (Paper 13) of our Decision on Institution with respect to our denial of institution of Petitioner's challenges to claim 3, and we entered a decision (Paper 15) denying Petitioner's Request for Rehearing. Fitbit, Inc. (also "Petitioner")[3] filed a corresponding Petition (IPR2017-01555, Paper 2), accompanied by a Motion for Joinder (IPR2017-01555, Paper 3), challenging only claims 1, 2, and 6–13 of the '941 patent, and we granted the Motion for Joinder and instituted review of the challenged claims (IPR2017-01555, Paper 9) based on the corresponding Petition.

Subsequent to institution, Patent Owner filed a Patent Owner Response (Paper 22), and Petitioner filed a Reply (Paper 27). A transcript of the hearing held on February 27, 2018, has been entered into the record as Paper 34 ("Tr. I").[4]

On April 24, 2018, the U.S. Supreme Court held that a decision to institute under 35 U.S.C. § 314 may not institute on fewer than all of the

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[3] Where appropriate for clarity, we distinguish between original Petitioner, Apple Inc., and joined Petitioner, Fitbit, Inc. Nevertheless, for the most part, we refer only to "Petitioner." *See supra* note 1.

[4] This was a consolidated hearing with the following related case: Case IPR2017-00321. *See* Tr. I, 3:2–5.

claims challenged in the Petition. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018). In view of the Court's decision, we issued an Order (Paper 39) modifying our Decision on Institution to institute on all of the challenged claims and on all of the grounds asserted in the Petition. In particular, the additional grounds upon which we instituted review were: (1) claim 3 as obvious over the combined teachings of Luo and Craw (Ground 1) or over Mault, Al-Ali, and Lee (Ground 7); and (2) claims 4 and 5 as obvious over the combined teachings of Luo, Craw, and Wolf (Ground 2) or over Mault, Al-Ali, and Behar (Ground 8). Paper 39, 4; *see infra* Sections I.D. and I.E. The Chief Administrative Patent Judge granted a good cause extension of the one-year period for issuing a final written decision in this case (Paper 37), and the panel extended the deadline to issue a final written decision until August 6, 2018 (Paper 38). Pursuant to our authorization (Paper 39, 5–6), Petitioner filed additional briefing regarding the newly-instituted grounds and associated claims (Paper 40), and Patent Owner filed a response to Petitioner's additional briefing (Paper 41).

On August 6, 2018, we entered a Final Written Decision pursuant to 35 U.S.C. § 318(a). Paper 43 ("FWD"). In that decision, we determined that Petitioner demonstrated by a preponderance of the evidence that claims 1, 2, and 6–13 of the '941 patent are unpatentable, but that Petitioner failed to demonstrate by a preponderance of the evidence that claims 3–5 of the '941 patent are unpatentable. In particular, we determined that because Petitioner Apple Inc.'s challenge to claim 3 relied on an improper construction of the term "application-specific interface (API)," the application of the combined teachings of prior art references under that construction was unpersuasive. FWD 11–18. Similarly, we determined that claims 4 and 5, *dependent from*

claim 1, had an antecedent basis defect; namely, both claims recite "*the* application," for which claim 1 provides no antecedent basis. Thus, either those claims properly depend from claim 3, which recites "an application," or claim 4 should recite "*an* application." *See id.* at 18. Although the parties later agreed on the apparent dependency error, we declined to speculate on which error was present, and, consequently, we were not persuaded by Petitioner's challenge to claims 4 and 5. *Id.* at 18–22.

On October 5, 2018, Petitioner, Fitbit, Inc., filed a Notice of Appeal (Paper 45) challenging our decision that claims 3–5[5] are not unpatentable on the grounds asserted in the Petition. *See* FWD 11–22 (discussing claims 3–5). On July 8, 2020, the U.S. Court of Appeals for the Federal Circuit ("Federal Circuit") determined that "Fitbit's rights as a joined party applies *[sic.]* to the entirety of the proceedings and includes the right of appeal, conforming to the statutory purpose of avoiding redundant actions by facilitating consolidation, while preserving statutory rights, including judicial review." *Fitbit*, 964 F.3d at 1115. Further, the Federal Circuit affirmed our claim construction, but vacated our decision that claim 3 is not unpatentable. *Id.* at 1119. The Federal Circuit remanded for determination of the patentability of claim 3 in light of the Petition's challenges under our construction of the term "application-specific interface (API)."[6] *Id.* at 1118–

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[5] Patent Owner did not appeal the panel's determination that claims 1, 2, and 6–13 are unpatentable. *Fitbit*, 964 F.3d at 1114 ("Valencell does not cross-appeal as to the claims held unpatentable[.]").

[6] Because Petitioner argued in the Petition that "API" in claim 3 means "application-programming interface," we understand Petitioner's references to "API" in the briefing generally are to "application-*programming* interfaces," rather than "application-*specific* interfaces." *See* Pet. 14.

1119. In particular, the Federal Circuit noted that "[t]he Board's narrowing construction [of the term "application-specific interface (API)"] may have no significance, where, as here, the claimed 'application-specific interface' performs the same function as an application programming interface, i.e., 'enabl[ing] a particular application to utilize data obtained from hardware.'" *Id.* at 1117. The Federal Circuit also vacated our decision that claims 4 and 5 were not unpatentable due to the "absence of antecedent" basis. *Id.* at 1120. The Federal Circuit instructed that "[o]n remand the Board *shall* determine patentability of corrected claims 4 and 5[7] on the asserted grounds of obviousness," based on their dependence from claim 3, as agreed to by the parties. *Id.* at 1120 (emphasis added); *see id.* at 1119.

Pursuant to the Board's Standard Operating Procedure (SOP) 9, which describes our procedures for decisions remanded from the Federal Circuit for further proceedings, the parties conferred to discuss procedures for this review upon remand. Subsequently, a conference call was held on September 4, 2020, between the panel and counsel for the parties to discuss the procedure for this review upon remand. On that call, the parties agreed that limited and consecutive briefing was appropriate to address the patentability of claims 3–5 of the '941 patent, on the grounds presented in Petitioner Apple Inc.'s Petition. Consequently, we authorized the filing of Petitioner's opening brief (Paper 60), Patent Owner's response brief (Paper 62), and Petitioner's reply brief (Paper 64). *See* Paper 57.

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[7] The Federal Circuit held that the Board has authority to correct certain claim errors by means in addition to formal mechanisms (such as a Certificate of Correction requested by a patent owner), and that the Board should exercise that authority here. *Fitbit*, 964 F.3d at 1119–20.

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