

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SONY CORPORATION,
Petitioner,

v.

FUJIFILM CORPORATION,
Patent Owner.

Case IPR2017-00809
Patent 6,703,106 B2

Before JO-ANNE M. KOKOSKI, JEFFREY W. ABRAHAM, and
MICHELLE N. ANKENBRAND, *Administrative Patent Judges*.

ABRAHAM, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

ORDER ON MOTION TO AMEND
35 U.S.C. § 316(d) and 37 C.F.R § 42.121

I. INTRODUCTION

In this *inter partes* review, Sony Corporation (“Petitioner”) filed a Petition challenging claims 1–6 of U.S. Patent No. 6,703,106 B2 (Ex. 1001, “the ’106 patent”). After we instituted an *inter partes* review of claims 1–6, Fujifilm Corporation (“Patent Owner”) filed a non-contingent Motion to Amend seeking cancellation of the challenged claims and proposing substitute claims 7–12.

We have jurisdiction to conduct this *inter partes* review under 35 U.S.C. § 6. This Final Written Decision is entered pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons discussed below, Patent Owner’s Motion to Amend is *granted* with respect to cancellation of claims 1–6, and *denied* with respect to proposed substitute claims 7–12.

A. Procedural History

Petitioner filed a Petition seeking *inter partes* review of claims 1–6 of the ’106 patent. Paper 2 (“Pet.”). Patent Owner filed a Patent Owner Preliminary Response to the Petition. Paper 12 (“Prelim. Resp.”). Applying the standard set forth in 35 U.S.C. § 314(a), which requires demonstration of a reasonable likelihood that Petitioner would prevail with respect to at least one challenged claim, we instituted an *inter partes* review of claims 1–6 with regard to the questions of whether claims 1–6 of the ’106 patent are unpatentable under 35 U.S.C. § 103 as obvious in view of the combined

teachings of Yamazaki¹ and Endo² or Yamazaki and Araki.³ Paper 13 (“Inst. Dec.”), 26.⁴

Following institution, Patent Owner did not file a Response to the Petition pursuant to 37 C.F.R. § 42.120. Instead, pursuant to 35 U.S.C. § 316(d) and 37 C.F.R. § 42.121, Patent Owner filed a Motion to Amend that was not contingent on a determination that the original claims are unpatentable. Paper 26 (“Mot.”). In its Motion to Amend, Patent Owner requested that we cancel claims 1–6 and replace them with proposed substitute claims 7–12. Mot. 1. Petitioner filed an Opposition to the Motion to Amend (Paper 28, “Opp.”), and Patent Owner filed a Reply to Petitioner’s Opposition (Paper 29, “Reply”).

An oral hearing was held on May 17, 2018, and an official transcript has been entered into the record. Paper 38 (“Tr.”).

B. Related Proceedings

The parties indicate that the ’106 patent is involved in *Certain Magnetic Data Storage Tapes and Cartridges Containing the Same* (ITC Investigation No. 337-TA-1012). Pet. vii; Paper 3, 2. Petitioner further identifies the following litigation as related: *Sony Corporation v. Fujifilm Holdings Corporation*, Civil Action No. 1:16-cv-05988-PGG (S.D.N.Y). Pet. vii.

¹ U.S. Patent No. 6,017,605, issued Jan. 25, 2000 (Ex. 1004).

² JP 2000-40218A, published Feb. 8, 2000 (Ex. 1005).

³ U.S. Patent No. 6,149,989, issued Nov. 21, 2000 (Ex. 1006).

⁴ On April 26, 2018, we modified our Institution Decision to institute on all of the challenged claims and all of the grounds presented in the Petition. Paper 33.

C. The '106 Patent

The '106 patent, titled “Magnetic Recording and Reproducing Method and Magnetic Recording Medium for Use in the Method,” issued on March 9, 2004. Ex. 1001, [54], [45]. The '106 patent is directed to a high-density magnetic recording and reproducing method that does not generate noise. *Id.* at 2:16–18. In discussing prior art magnetic recording media, the '106 patent states that when “higher density recording is done by further lessening a track width or thinning the magnetic layer thickness, a sufficient S/N [signal-to-noise] ratio cannot be obtained at reproduction. In particular, the influence of the abrasive becomes large when an MR [magneto-resistive] head is used, which causes the degradation of S/N ratio.” *Id.* at 2:11–15.

The '106 patent teaches recording and producing a signal in a track width (A) of less than 5 μ m on a magnetic recording medium. *Id.* at 2:32–35. The magnetic recording medium used in the recording and reproducing method of the '106 patent includes a support, a substantially nonmagnetic lower layer provided on the support, and a magnetic layer containing a ferromagnetic metal powder, an abrasive, and a binder provided on the nonmagnetic lower layer, “wherein the average longer size (B) of the abrasive particle(s) on the magnetic layer surface is $\frac{1}{3}$ or less of the track width (A).” *Id.* at 2:33–39. According to the '106 patent, maintaining this relationship between the average longer size of the abrasive particle(s) present on the magnetic layer surface and track width provides a magnetic recording and reproducing system and method that is “optimal for digital recording” and reproduction with an MR head, and has “excellent” electromagnetic characteristics. *Id.* at 2:25–29, 3:11–17.

With regard to abrasives, the '106 patent states that “[w]ell-known materials essentially having a Mohs’ hardness of 6 or more” can be used, and indicates a preference for abrasives having a particle size from 0.01 to 2 μm. *Id.* at 12:5–23. The '106 patent also discloses a process for preparing the magnetic coating solution for use in the magnetic recording medium, which includes at least a kneading step and a dispersing step, and optionally a blending step. *Id.* at 18:39–54. According to the '106 patent, “even when the same abrasive is used, the average longer size of the abrasive becomes large depending upon the dispersion condition of the abrasive.” *Id.* at 25:10–13.

The '106 patent also provides a method for determining the average longer size of the abrasive particles that includes subjecting a magnetic layer surface to plasma treatment, drying the surface, observing the particles using an electron microscope, “measuring the largest value of the width (i.e., the longer size), and taking the average value of 50 abrasive particles and/or cluster mainly comprising abrasives as the average longer size.” *Id.* at 3:20–40.

The '106 patent describes several embodiments of the invention disclosed therein, as well as comparative examples, and provides a table comparing measured properties of each. *Id.* at 21:25–24:22, Table 1. These properties include the average longer size of the abrasive, track width, and S/N ratio. *Id.* at Table 1.

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