

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

OTICON MEDICAL AB; OTICON MEDICAL LLC;
WILLIAM DEMANT HOLDING A/S,
Petitioner,

v.

COCHLEAR BONE ANCHORED SOLUTIONS AB,
Patent Owner.

Case IPR2017-01018¹
Patent 7,043,040 B2

Before JAMES B. ARPIN, BARBARA A. PARVIS, and
AMANDA F. WIEKER, *Administrative Patent Judges*.

WIEKER, *Administrative Patent Judge*.

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

¹ Case IPR2017-01019 has been consolidated with the instant proceeding.

I. INTRODUCTION

A. *Background*

In IPR2017-01018, Oticon Medical AB, Oticon Medical LLC, and William Demant Holding A/S (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 1–10 and 13 of U.S. Patent No. 7,043,040 B2 (Ex. 1001, “the ’040 patent”). Paper 1 (“Pet.”). Cochlear Bone Anchored Solutions AB (“Patent Owner”) filed a Preliminary Response to the Petition. Paper 6 (“Prelim. Resp.”). We instituted an *inter partes* review of claims 1–6 and 13 on two grounds of unpatentability, pursuant to 35 U.S.C. § 314. Paper 7 (“Dec. on Inst.”), 27.

In IPR2017-01019, Petitioner requested a further *inter partes* review of claims 1, 11, and 12 of the ’040 patent. IPR2017-01019, Paper 1 (“–1019 Pet.”). Patent Owner filed a Preliminary Response to the Petition. Paper 6 (“–1019 Prelim. Resp.”). We instituted an *inter partes* review of claims 1, 11, and 12 on two grounds of unpatentability, pursuant to 35 U.S.C. § 314. Paper 7 (“–1019 Dec. on Inst.”), 20.

Subsequent to our decisions instituting *inter partes* reviews of claims 1–6 and 11–13, we issued an Order consolidating the trial in IPR2017-01019 with that in IPR2017-01018, such that IPR2017-01019 was terminated as a separate proceeding. Paper 9. Accordingly, all subsequent filings and exhibits were made in the record of IPR2017-01018.²

² Unless noted by the prefix “–1019,” all citations to papers or exhibits herein refer to filings in IPR2017-01018.

After institution, Patent Owner filed a Response (Paper 23, “PO Resp.”) to the Petitions, as well as a statutory disclaimer of claims 1–3 and 13 (Paper 24). Petitioner filed a Reply (Paper 28, “Reply”).

Additionally, after Petitioner filed its Reply, the U.S. Supreme Court issued its decision in *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348 (2018). See Papers 32–33. Pursuant to *SAS Institute*, a decision to institute an *inter partes* review under 35 U.S.C. § 314 may not institute trial on fewer than all claims challenged in the petition. *Id.* at 1355–56, 1358. In this proceeding, however, the Board had denied institution of an *inter partes* review of challenged claims 7–10. See Dec. on Inst. 9–11, 24, 26. Accordingly, we modified our Decision on Institution in IPR2017-01018 to include review of challenged claims 7–10, on the grounds presented in the Petition. Paper 33, 3. We authorized the parties to conduct supplemental briefing directed to these claims and grounds. *Id.* at 3–5.

Specifically, Patent Owner filed a Supplemental Response (Paper 35, “Supp. Resp.”), addressing the newly-added challenges to claims 7–10, and Petitioner filed a Supplemental Reply (Paper 40, “Supp. Reply”). Patent Owner also filed a Motion to Exclude Exhibit 1131, which was filed with Petitioner’s Supplemental Reply. Paper 43 (“Mot. Exclude”). Petitioner filed an Opposition, with our authorization. Paper 50 (“Opp. Mot. Exclude”); see also Paper 46, 2 (denying Patent Owner’s Alternative Motion to Sur-Reply, which was filed without authorization).

An oral hearing was held on July 11, 2018, and a transcript of the hearing is included in the record. Paper 51 (“Tr.”). Prior to the oral hearing,

the parties filed a joint List of Objections to Demonstrative Exhibits. Paper 47.³

To summarize, over the course of this consolidated proceeding, we instituted an *inter partes* review with respect to all claims challenged on all grounds asserted by Petitioner across both proceedings i.e., we instituted review of all challenged claims 1–13, and on all grounds presented in both Petitions. *See* Dec. on Inst. 27 (instituting claims 1–6 and 13); –1019 Dec. on Inst. 20 (instituting claims 1, 11, and 12); Paper 33, 3 (instituting claims 7–10). Due to Patent Owner’s statutory disclaimer, claims 1–3 and 13 are no longer at issue. Paper 24. Accordingly, only claims 4–12 are addressed in this Final Written Decision.

We issue this Final Written Decision pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons set forth below, Petitioner has met its burden of demonstrating that challenged claims 4–6, 11, and 12 are unpatentable by a preponderance of the evidence. *See infra* Section II.D–G. Also for the reasons set forth below, Petitioner has not met its burden of demonstrating that challenged claims 7–10 are unpatentable by a preponderance of the evidence. *See infra* Section II.A.1.

B. Related Proceedings

The parties represent that the ’040 patent is at issue in district court litigation, *Cochlear Ltd. et al. v. Oticon Medical AB et al.*, No. 1:16-cv-01700 (D. Colo.), and in an arbitration proceeding under the Arbitration

³ Because neither party discussed the objected-to demonstratives during the oral hearing, we deem those objections moot. *See generally* Tr.; Paper 39, 3 (“[W]e consider demonstrative exhibits only to the extent . . . they elucidate the parties’ arguments presented during the hearing.”).

Rules of the Arbitration Institute of the Stockholm Chamber of Commerce (SCC Arbitration No V2016/181). Pet. 1–2; –1019 Pet. 5–6; Paper 4, 2; –1019 Paper 4, 2.

C. The '040 Patent

The '040 patent, entitled “Hearing Aid Apparatus,” issued on May 9, 2006. Ex. 1001, (45), (54). The '040 patent explains that prior art bone anchored hearing aids were useful in treating certain types of hearing loss. *Id.* at 1:45–50, 1:62–67. The '040 patent describes operation of these devices as follows:

In such a bone anchored hearing aid the sound information is mechanically transmitted by means of a vibrator via the skull bone to the inner ear of a patient. The hearing aid device is connected to an implanted titanium screw installed in the bone behind the poor, external ear[, i.e., the external portion of a deaf ear,] and the sound is transmitted via the skull bone to the cochlea (inner ear) of this poor ear.

Id. at 1:52–58. According to the '040 patent, however, these devices were not used for patients with “unilateral hearing loss, i.e.[,] individuals with [] normal or [] slightly impaired hearing on one ear and a profound hearing loss in the inner ear on the other side of the head.” *Id.* at 1:8–11, 2:1–5. Consequently, the '040 patent seeks to provide a hearing aid for rehabilitation of unilateral hearing loss based on this bone conducting principle. *Id.* at 2:5–12.

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