

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SONOS, INC.,  
Petitioner,

v.

D&M HOLDINGS INC.,  
Patent Owner.

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Case IPR2017-01044  
Patent 7,987,294 B2

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Before JONI Y. CHANG, JENNIFER S. BISK, and  
JON M. JURGOVAN, *Administrative Patent Judges*.

JURGOVAN, *Administrative Patent Judge*.

DECISION  
Denying Institution of *Inter Partes* Review  
*37 C.F.R. § 42.108*

## I. INTRODUCTION

Petitioner, SONOS, Inc., filed a Petition requesting an *inter partes* review of claims 1–4, 10, 11, 13–20, and 25–27 of U.S. Patent No. 7,987,294 B2 (Ex. 1001, “the ’294 patent”). Paper 1 (“Pet.”). Patent Owner, D&M Holdings, Inc., filed a Preliminary Response. Paper 7 (“Prelim. Resp.”).

Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted unless the information presented in the petition “shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Upon consideration of the Petition and Preliminary Response, we determine that Petitioner has not established a reasonable likelihood that it would prevail with respect to the challenged claims. Therefore, we do not institute an *inter partes* review as to the challenged claims of the ’294 patent.

### A. Related Matters

Patent Owner asserted U.S. Patent Nos. 8,788,080, 7,571,014, 8,588,949, and D559,197 against Petitioner in *Sonos, Inc. v. D&M Holdings, Inc.*, No. 1:14-cv-01330 (D. Ct. Del. filed October 21, 2014). Pet. 2, Ex. 1002. In addition to the stated patents, Patent Owner asserted U.S. Patent Nos. 7,792,311, 7,805,682, 8,024,055, 8,843,224, 8,923,997, 8,370,678, 8,689,036, and 8,938,637 against Petitioner in a Second Amended Complaint filed in the above-referenced. Petitioner sought leave to amend its Answer to add counterclaims, alleging infringement of the ’294 patent in addition to U.S. Patent Nos. 7,343,435, 6,539,210, 7,305,694, 6,469,633, 8,755,667, 6,473,441, 7,734,850, and 7,995,899.<sup>1</sup>

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<sup>1</sup> Based on this amendment, Patent Owner argues that this Petition is time-barred under 35 U.S.C. § 315(b). Prelim. Resp. 2–6. Because we conclude that Petitioner has not established a reasonable likelihood that it would prevail with respect to the challenged claims, we do not address this argument.

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On March 7, 2016, Patent Owner's motion to amend was granted and the counterclaims severed into a new case, No. 1:16-cv-00141. Mandatory Notice, Paper No. 4.

The '294 patent is also involved in IPR2017-01045. U.S. Patent No. 6,473,441 was involved in IPR2017-01043, which has been terminated at the request of the parties.

### *B. The '294 Patent*

The '294 patent is directed to wireless audio systems with wireless speaker subsystem units that autonomously form a single wireless audio system having its own control interface. Ex. 1001, Abstract. The control interface can be used to apply operational changes, such as volume adjustment, across the wireless audio system. *Id.*

Figure 2 of the '294 patent (below) shows a wireless audio system 210.

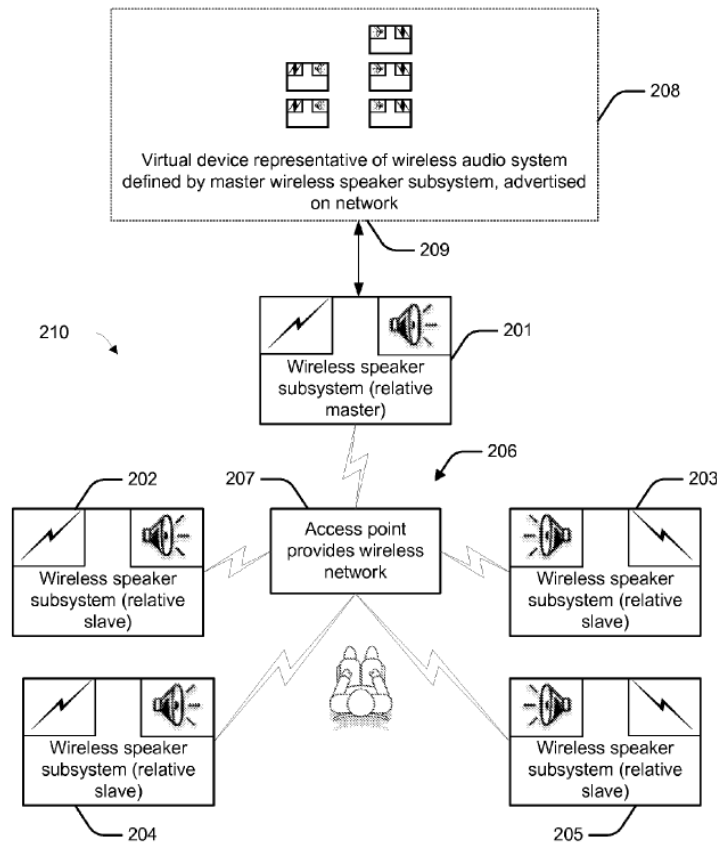


FIG. 2

Figure 2 of the '294 patent shows a wireless audio system 210 with wireless speaker subsystems 201–205, connected in a network 206 by access point 207, which together form a group 208.

Wireless speaker subsystems 201–205 automatically connect to wireless network 206, which is provided by access point 207. Ex. 1001, 6:32–35. Together, these devices define a discoverable group 208 for wireless audio system 210. Group 208 exists within and shares the hardware of the relative group leader, or master, wireless speaker subsystem 201. *Id.* at 6:54–57. Master subsystem 201 provides a system control interface 209 to receive system control signals for implementing operations changes across wireless audio system 210. *Id.* at 6:41–48. Groups of

devices, such as group 208, can be unified into a single, autonomous zone with its own control interface, and operational changes may be applied across the zone. *Id.* at 3:66–4:6.

### *C. Illustrative Claim*

Of the challenged claims, claims 1, 13, 18, 19, and 25 are independent.

Claim 1 is illustrative:

1. A method for providing a multimedia system including a plurality of networked multimedia devices, the method including the steps of:

discovering the plurality of devices on a computer network;

defining at least two groups, each group being representative of a networked multimedia system including two or more devices;

providing, for each group, a system control interface for receiving, from a control device, a system control signal indicative of an operational change to the group, wherein each group has a relative group leader configured to:

- (i) receive the system control signal; and
- (ii) in response to the system control signal, define respective corresponding device control signals, and provide those device control signals to the devices thereby to implement the operational change across the group;

defining at least one zone, the zone being representative of a networked multimedia system including two or more groups;

providing, for the zone, a system control interface for receiving, from a control device, a zone control signal indicative of an operational change to the zone, wherein the zone has a relative zone leader

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