

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

1964 EARS, LLC,
Petitioner,

v.

JERRY HARVEY AUDIO HOLDING, LLC,
Patent Owner.

Case IPR2017-01091
Patent 8,925,674 B2

Before BRIAN J. McNAMARA, RAMA G. ELLURU, and
JOHN F. HORVATH, *Administrative Patent Judges*.

ELLURU, *Administrative Patent Judge*.

ORDER

Granting Motion for Partial Adverse Judgment
37 C.F.R. § 42.73(b)

I. INTRODUCTION

On March 15, 2017, 1964 EARS, LLC, an Oregon limited liability company (“Petitioner”)¹, filed a Petition (Paper 1, 5–6 “Pet.”) to institute *inter partes* review of claims 1–21 of U.S. Patent No. 8,925,674 B2 (Ex. 1001, “the ’674 patent”) on a multiplicity of grounds. On July 6, 2017, Jerry Harvey Audio Holdings, LLC (“Patent Owner”) filed a Preliminary Response (Paper 7, “Prelim. Resp.”). On October 3, 2017, upon consideration of the Petition and Preliminary Response, we instituted *inter partes* review of claims 1–11, 13–18, and 20 of the ’674 patent, but not claims 12, 19, and 21 of the ’674 patent. Paper 8 (“Decision to Institute”), 1–2, 62–63; *see also* 37 C.F.R § 42.1(b); *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1368 (Fed. Cir. 2016).

On April 24, 2018, the Supreme Court issued its decision in *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348 (2018) (“the SAS decision”). In view of that decision, and the Board’s guidance on the impact of that decision on pending proceedings, we modified our Decision to Institute to institute *inter partes* review of all challenged claims on all grounds. Paper 43, 3. To accommodate the additional briefing necessitated by this modification, we extended the 1-year statutory due date for entering a Final Written Decision in this proceeding and entered an Extended Scheduling Order. Papers 45, 46.

¹ Petitioner identifies 1964 Ears LLC, Reshell LLC, Magrepha Sound LLC, and Masters Touch 2, LLC, all Washington limited liability companies, 64 Audio Inc., VIB Marketing Corp., Shell & Casting Corp., Sklar, Inc., and Digital Ear Corp., all Washington corporations, as real parties-in-interest.

On June 13, 2018, upon authorization, Petitioner filed a Request for Partial Adverse Judgment on the following claims and ground:

| Ground | Reference(s) | Basis | Claim(s) Challenged |
|--------|---------------------|-------|------------------------|
| 1 | Saggio ² | § 102 | 1, 2, 4, 9, 10, and 13 |

Paper 49 (“Mot.”), 3. Petitioner’s request for adverse judgment does not extend to any originally instituted grounds nor to any of the claims originally instituted under those grounds. *Id.* at 3–4. Petitioner’s request for adverse judgment also does not extend to newly instituted claims 12, 19, and 21, nor to any of the grounds presented in the Petition for the newly instituted claims. *Id.* at 4. Our authorization permitted Patent Owner to file an Opposition to Petitioner’s motion no later than June 19, 2018. Paper 51, 5. Patent Owner did not file an opposition. Accordingly, for the reasons discussed below, we grant Petitioner’s motion, and enter judgment adverse to Petitioner on ground 1 of the Petition, which is identified above.

II. ANALYSIS

Rule 42.73(b) permits a party to “request judgment against itself at any time during a proceeding.” 37 C.F.R. § 42.73(b). The Board’s guidance³ on the impact of the SAS decision on *inter partes* reviews allows Petitioner to request partial adverse judgment on previously non-instituted grounds in order to limit the scope of a proceeding to previously instituted

² U.S. Pub. App. 2011/0058702 A1 (Ex. 1004).

³ “Frequently Asked Questions about SAS Implications (June 5, 2018), https://www.uspto.gov/sites/default/files/documents/sas_qas_20180605.pdf (“FAQ guidance”) (last accessed June 20, 2018). *See also* Ex. 1048.

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grounds. Specifically, in answer to question B12 of the FAQ guidance, which asks, “[i]f the parties cannot agree to waive additional claims, is there anything a party can do on its own to limit the scope of the proceeding,” the FAQ guidance indicates “[t]he Petitioner can request adverse judgment on claims and/or grounds at anytime.” *See* Ex. 1048, B12.

As discussed above, Petitioner requests adverse judgment on ground 1 raised in the Petition. Mot. 3. Under the circumstances presented here, we find it is appropriate to grant Petitioner’s request for adverse judgment on this ground because doing so will significantly simplify the issues to be addressed at trial.

Accordingly, for the reasons discussed above, it is:

III.ORDER

ORDERED that Petitioner's request for partial adverse judgment is *granted*; and

FURTHER ORDERED that Petitioner has not shown, by a preponderance of evidence, that claims 1, 2, 4, 9, 10, and 13 of the '674 patent are unpatentable as anticipated by Saggio.

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