

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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FREEBIT AS,  
Petitioner,

v.

BOSE CORPORATION,  
Patent Owner.

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Case IPR2017-01309  
Patent 9,036,853 B2

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Before KRISTEN L. DROESCH, BRYAN F. MOORE, and  
JAMES B. ARPIN, *Administrative Patent Judges*.

MOORE, *Administrative Patent Judge*.

DECISION  
Denying Petitioner's Request for Rehearing  
*37 C.F.R. § 42.71*

## I. BACKGROUND

On April 21, 2017, Freebit, AS (“Petitioner”) filed a Petition to institute *inter partes* review of claims 1–3, 5, 6, 8–11, and 13 of U.S. Patent No. 9,036,853 B2 (Ex. 1001, “the ’853 patent”). Paper 2 (“Pet.”). In particular, Petitioner argues 1–3, 5, 6, 8–11, and 13 of the ’853 patent are rendered obvious over the combined teachings of Sapiejewski (Ex. 1004) and those of Tan (Ex. 1005) or Howes (Ex. 1006). Pet. 5, 20–95. Bose Corporation (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). In its Preliminary Response, Patent Owner, contends that the named inventors conceived of and acted diligently actually to reduce the recited devices to practice before the effective date of Tan. Prelim Resp. 17–22; Ex. 2001. Further, Patent Owner contends that Petitioner’s proposed combination of the teachings of Sapiejewski and Howes is flawed. Prelim. Resp. 22–35.

On August 25, 2017, Petitioner submitted an e-mail request to file a Reply to Patent Owner’s Preliminary Response, “limited to [Patent Owner’s] attempt to antedate prior art reference Tan in light of a declaration, Ex. 2001, purporting to establish that the subject matter of the challenged claims was reduced to practice in May 2009.” IPR2017-01308, Ex. 3001. Petitioner conferred with Patent Owner, and Patent Owner indicated that it “will not oppose [Petitioner’s] request for a pre-institution reply to [Patent Owner’s] preliminary response, with the understand[ing] that the reply will be limited to 5-10 pages of attorney arguments regarding [Patent Owner’s] swear-behind of Tan, as you set forth in your e-mail and discussed on our call yesterday (8/23).” *Id.* We authorized Petitioner

to file a Reply to Patent Owner’s Preliminary Response, strictly limited to responding to Patent Owner’s arguments to antedate

Tan in light of a declaration, Ex. 2001, purporting to establish that the subject matter of the challenged claims was reduced to practice in May 2009. *See* 37 C.F.R. §§ 42.23(b) (“A reply may only respond to arguments raised in the corresponding . . . patent owner preliminary response”), 42.108(c).

*Id.* On September 1, 2017, Petitioner filed its Reply. Paper 7 (“Reply”). On November 14, 2017, after consideration of the entirety of the record, we denied institution of *inter partes* review of claims 1–3, 5, 6, 8–11, and 13 of the ’853 patent. Paper 8, 18 (“Inst. Dec.”).

On December 8, 2017, Petitioner filed a Request for Rehearing (Paper 9, (“Reh’g Req.”)) of our Institution Decision, requesting reconsideration of our decision denying institution of *inter partes* review of claims 1–3, 5, 6, 8–11, and 13 of the ’853 patent. Petitioner argues that (1) “the Board overlooked or misapprehended several points that were addressed in multiple places in the petition or in the supporting declaration of Petitioner’s expert witness” and (2) “the Board overlooked or misapprehended that Patent Owner suppressed or concealed its invention and therefore did not successfully antedate Tan.” Reh’g Req. 1–2. In particular, with regard to its first argument, Petitioner asserts that

the Board misapprehended or overlooked at least three significant points. First, the Board overlooked explicit support provided in Dr. Staab’s declaration, erroneously determining that his opinions were “conclusory.” The Board also misapprehended or overlooked independent teachings in the Howes reference detailing the problem known in the art and the appropriate solution. Finally, the Board overlooked relevant teachings in Sapiejewski and Howes regarding in-ear retention and the corresponding motivation that a POSITA would have had to combine these references.

*Id.* at 2. Petitioner further argues that, “[e]ven assuming that Patent Owner had an actual reduction to practice (‘ARP’) in March 2009<sup>1</sup> (which Patent Owner does not concede), the Board overlooked or misapprehended the fact that Patent Owner forfeited its rights to rely on that ARP by waiting too long to file its patent application.” *Id.* at 8.<sup>2</sup>

We have considered Petitioner’s Request for Rehearing, and, for the reasons set forth below, Petitioner’s Request is *denied*.

## II. STANDARD OF REVIEW

37 C.F.R. § 42.71(d) provides that:

A party dissatisfied with a decision may file a request for rehearing, without prior authorization from the Board. The burden of showing a decision should be modified lies with the party challenging the decision. *The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, opposition, or a reply.*

(Emphasis added.) *See* Office Trial Practice Guide, 77 Fed. Reg. 48756, 48768 (Aug. 14, 2012). Under 37 C.F.R. § 42.71(c), “[w]hen rehearing a decision on petition, a panel will review the decision for an abuse of

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<sup>1</sup> IPR2017-01307 Inst. Dec. 34 (“As we noted above, although Patent Owner mentions both March 26, 200[9] (Prelim. Resp. 8), and May 26, 2009 (*id.* at 1, 10), as the date of actual reduction to practice, it is clear from Mr. Annunziato’s testimony and supporting evidence, that actual reduction to practice occurred by May 26, 2009. Ex. 2001 ¶¶ 9, 11; *see id.*, Ex. A, 2.”).

<sup>2</sup> We note that Petitioner presented substantially identical arguments regarding Patent Owner’s antedating of Tan in its Request for Rehearing filed in IPR2017-01307 and IPR2017-01308. *See, e.g.*, IPR2017-01308, Paper 11. Our reasons for denying rehearing here regarding the antedating of Tan are substantially the same as the reasons presented in IPR2017-01307 and IPR2017-01308.

discretion.” An abuse of discretion occurs when a “decision was based on an erroneous conclusion of law or clearly erroneous factual findings, or . . . a clear error of judgment.” *PPG Indus. Inc. v. Celanese Polymer Specialties Co. Inc.*, 840 F.2d 1565, 1567 (Fed. Cir. 1988) (citations omitted).

### III. DISCUSSION

#### A. *Combination of the Teachings of Sapiejewski and Howes*

As noted above, Petitioner argues three points that we allegedly overlooked or misapprehended. First, we allegedly overlooked support provided in Dr. Staab’s declaration, and, consequently, Petitioner argues that we erroneously determined that Dr. Staab’s testimony was “conclusory.” Reh’g Req. 2. Second, we allegedly misapprehended or overlooked independent teachings in Howes detailing the known, retention problem with in-ear earpieces and the appropriate solution. *Id.* Third, we allegedly overlooked relevant teachings in Sapiejewski and in Howes regarding in-ear retention and the corresponding motivation that a person of ordinary skill in the art would have had to combine the teachings of these references. *Id.* For the following reasons, we disagree.

Petitioner argues that Dr. Staab’s testimony is not conclusory, but, instead, is supported by evidence. *Id.* at 3. Petitioner, however, misunderstands our determination of the conclusory nature of Dr. Staab’s testimony.

Petitioner argues that:

As acknowledged in the [Institution Decision (“ID”)], Sapiejewski is directed to an **in-ear** earphone. (ID at 4.) In his declaration (Ex. 1003, ¶ 22), Dr. Staab cites to the Background of Howes (as well as Tan) to support his position that a [person of ordinary skill in the art] would have known that **in-ear**

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