

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FUJIFILM CORPORATION,
Petitioner,

v.

SONY CORPORATION,
Patent Owner.

Case IPR2017-01356
Patent 7,016,137 B2

Before JEFFREY S. SMITH, BART A. GERSTENBLITH, and
PATRICK M. BOUCHER, *Administrative Patent Judges*.

SMITH, *Administrative Patent Judge*.

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

I. INTRODUCTION

We have jurisdiction under 35 U.S.C. § 6. This Final Written Decision issues pursuant to 35 U.S.C. § 318(a). For the reasons that follow, we determine Petitioner has shown by a preponderance of the evidence that claims 1–4 of U.S. Patent No. 7,016,137 B2 (Ex. 1001, “the ’137 patent”) are unpatentable.

Petitioner, Fujifilm Corporation, filed a Petition for *inter partes* review of claims 1–4 of the ’137 patent. Paper 1 (“Pet.”). Patent Owner, Sony Corporation, filed a Preliminary Response. Paper 7 (“Prelim. Resp.”). In our Decision to Institute, we instituted *inter partes* review on all claims challenged in the Petition, but not on all grounds. Paper 10. After our Decision to Institute, the Supreme Court issued its decision in *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348 (2018). Both parties informed the Board that they would not seek institution on all grounds in the Petition. Paper 24. Given that neither party seeks SAS-based relief, we did not, and do not, *sua sponte* revive the non-instituted grounds. “Finality and expedition interests strongly counsel against such action. And so does the Court’s emphasis on the petitioner’s control of the contours of the proceeding.” *PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1363 (Fed. Cir. 2018).

Patent Owner filed a Response to the Petition. Paper 19 (“PO Resp.”). Petitioner filed a Reply. Paper 26 (“Reply”).

Patent Owner also filed a contingent Motion to Amend. Paper 20 (“Mot.”). Petitioner filed an Opposition. Paper 27 (“Opp.”). Patent Owner filed a Reply in support of its Motion. Paper 29 (“PO Reply”). Patent Owner’s Motion is contingent on any of the challenged claims being found unpatentable.

Petitioner filed a Motion to Exclude Evidence, namely, Exhibits 2049 and 2050, Patent Owner filed an Opposition, and Petitioner filed a Reply in support of its Motion to Exclude. Papers 34, 38, 42.

Patent Owner filed a Motion to Seal Exhibits 2018, 2026, 2028, 2030, 2035, and 2046. Paper 21. Patent Owner's Motion to Seal includes a proposed Protective Order (App. A to the Motion), and indicates that the parties agree to entry of the Order. *Id.* at 2.

We determine by a preponderance of the evidence that claims 1–4 are unpatentable. We deny Petitioner's Motion to Exclude, deny Patent Owner's Motion to Amend, grant Patent Owner's Motion to Seal, and enter the parties' proposed Protective Order.

A. Related Matters

The '137 patent is the subject of the following related litigations:

Sony Corporation, et al. v. Fujifilm Holdings Corporation, et al., Case No. 337-TA-1036 (ITC); and

Sony Corporation, et al. v. Fujifilm Holdings Corporation et al., Case No. 1:16-cv-25210 (S.D. Fla.). Pet. 1; Paper 4.

Claim 5 of the '137 patent is the subject of IPR2016-01181. Paper 4.

B. The '137 Patent

The '137 patent relates generally to a tape cassette containing a magnetic tape for use in a tape drive apparatus capable of recording and/or reproducing information to and/or from the tape cassette. Ex. 1001, 1:7–12. In the “Background of the Invention,” the '137 patent states that “management information or the like is needed for the drive [apparatus] to manage appropriately its recording and/or reproduction of data to and/or

from the magnetic tape. The management information includes information about diverse locations on the magnetic tape as well as a use history of the tape.” *Id.* at 1:5, 25–30.

In some prior art tape cassettes, management information was stored on the magnetic tape itself, for example at the beginning of the tape or at the beginning of each of multiple partitions of the tape. *Id.* at 1:31–33. But, when management information must be accessed from such a cassette tape, the magnetic tape must be physically advanced to the portion thereof on which the relevant management information is stored, which creates time delays. *Id.* at 1:59–67.

In at least one prior art tape cassette “a nonvolatile memory is installed within a tape cassette enclosure so that the memory may accommodate management information.” *Id.* at 2:8–11. Although this arrangement avoided having to advance the magnetic tape to access management information, it was susceptible to tampering such that “the initially installed nonvolatile memory might be removed from within the enclosure and replaced by an illicit nonvolatile memory.” *Id.* at 2:32–35.

The ’137 patent also stores management information not on the magnetic tape but on a separate memory medium within the tape cassette, making it accessible regardless of the tape’s position. Figure 1 of the ’137 patent is reproduced below.

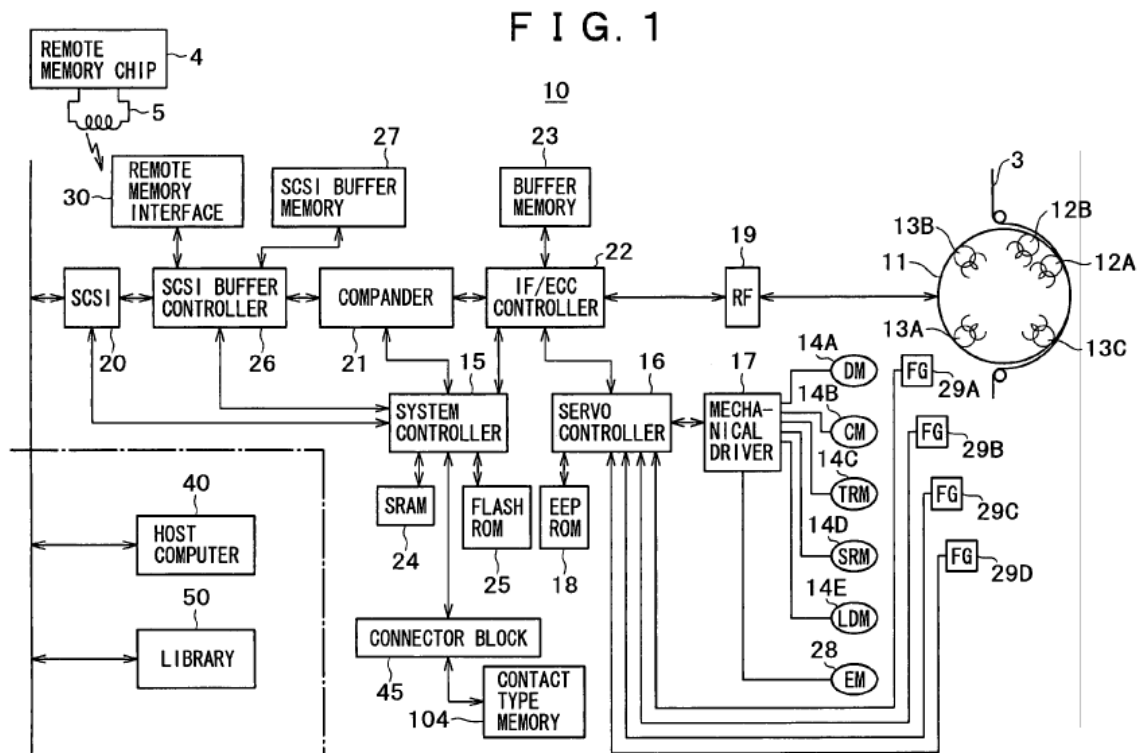


Figure 1 illustrates tape streamer drive 10 compatible with tape cassette 1 equipped with remote memory chip 4. Ex. 1001, 7:39–41. The tape streamer drive operates on the helical scan principle, discussed further below, in recording and reproducing data to and from magnetic tape 3 in the tape cassette. *Id.* at 7:42–44. Rotary drum 11 has two write heads 12A and 12B and three read heads 13A, 13B, and 13C. Ex. 1001, 7:45–50.

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