

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC,
Petitioner,

v.

ONE-E-WAY, INC.,
Patent Owner.

IPR2021-00287
Patent 10,129,627 B2

Before GEORGIANNA W. BRADEN, ROBERT J. WEINSCHENK, and
RUSSELL E. CASS, *Administrative Patent Judges*.

CASS, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. Background

Apple Inc. (“Petitioner”) filed a Petition requesting an *inter partes* review of claims 5–6 and 12 (the “challenged claims”) of U.S. Patent No. 10,192,627 B2 (Ex. 1001, “the ’627 patent”). Paper 3 (“Pet.”). One-E-Way, Inc. (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”).

We have authority to determine whether to institute an *inter partes* review under 35 U.S.C. § 314 and 37 C.F.R. § 42.4. An *inter partes* review may not be instituted unless it is determined that “the information presented in the petition filed under section 311 and any response filed under section 313 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.” 35 U.S.C. § 314 (2018); *see also* 37 C.F.R. § 42.4(a) (2020) (“The Board institutes the trial on behalf of the Director.”). The reasonable likelihood standard is “a higher standard than mere notice pleading,” but “lower than the ‘preponderance’ standard to prevail in a final written decision.” *Hulu, LLC v. Sound View Innovations, LLC*, IPR2018-01039, Paper 29 at 13 (PTAB Dec. 20, 2019) (precedential).

For the reasons provided below and based on the record before us, we determine Petitioner has not demonstrated a reasonable likelihood that it would prevail in showing the unpatentability of at least one of the challenged claims. Accordingly, we do not institute an *inter partes* review.

B. Real Parties in Interest

Petitioner states that “Apple Inc. . . . and its wholly-owned subsidiary Beats Electronics, LLC [(“Beats”)] . . . are the real parties-in-interest to this

inter partes review.” Pet. 1. Patent Owner states “[t]he real party in interest is One-E-Way, Inc.” Paper 5 (Patent Owner’s Mandatory Notices), 1.

C. Related Proceedings

The parties identify the following district court case involving the ’627 patent: *One-E-Way, Inc. v. Apple Inc.*, Case No. 2:20-cv-06339 (C.D. Cal. Filed July 16, 2020). Pet. 1 (citing Ex. 1022; Ex. 1023); Paper 5, 1.

Petitioner also identifies a prior ITC investigation in which One-E-Way alleged infringement of related patents against a number of respondents: *In re Certain Wireless Headsets*, Investigation No. 337-TA-943 (the “ITC investigation”). Pet. 1–2. According to Petitioner, One-E-Way’s original complaint named Beats as one of the respondents, but One-E-Way subsequently moved to withdraw its allegations against Beats, and the ITC investigation was terminated as to Beats. *Id.* Petitioner further states that, during the course of the investigation, the ITC issued a claim construction ruling (the “ITC Claim Construction Order”). *Id.* at 2.

Patent Owner additionally identifies four IPRs against patents related to the ’627 patent: IPR2021-00283, IPR2021-00284, IPR2021-00285, and IPR2021-00286. Paper 5, 1.

D. The ’627 Patent (Ex. 1001)

The ’627 patent relates to a wireless digital audio system including a portable audio source operatively coupled to a digital audio transmitter, and an audio receiver coupled to a headphone set. Ex. 1001, code (57). An embodiment of the system is shown in Figure 1, reproduced below:

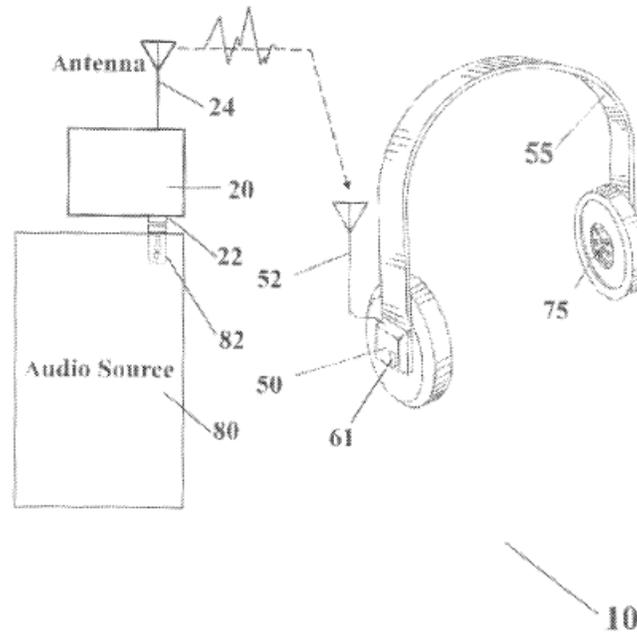


FIG. 1

As shown in Figure 1, wireless digital audio music system 10 includes battery powered transmitter 20 connected to portable music player or music audio source 80. Ex. 1001, 2:40–43. Transmitter 20 is connected to music audio source 80 via analog headphone jack 82 using headphone plug 22. *Id.* at 2:43–46. Transmitter 20 has transmitting antenna 24 for transmitting a spread spectrum modulated signal to receiving antenna 52 of battery powered headphone receiver 50, which is coupled to headphones 55 including headphone speakers 75. *Id.* at 2:46–53.

The audio transmitter portion of the wireless digital audio system is shown in more detail in Figure 2, reproduced below:

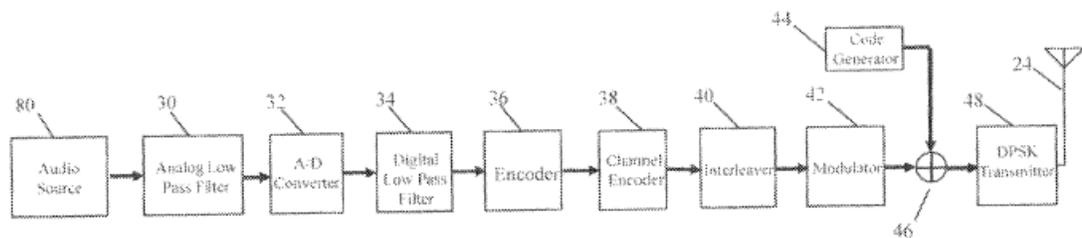
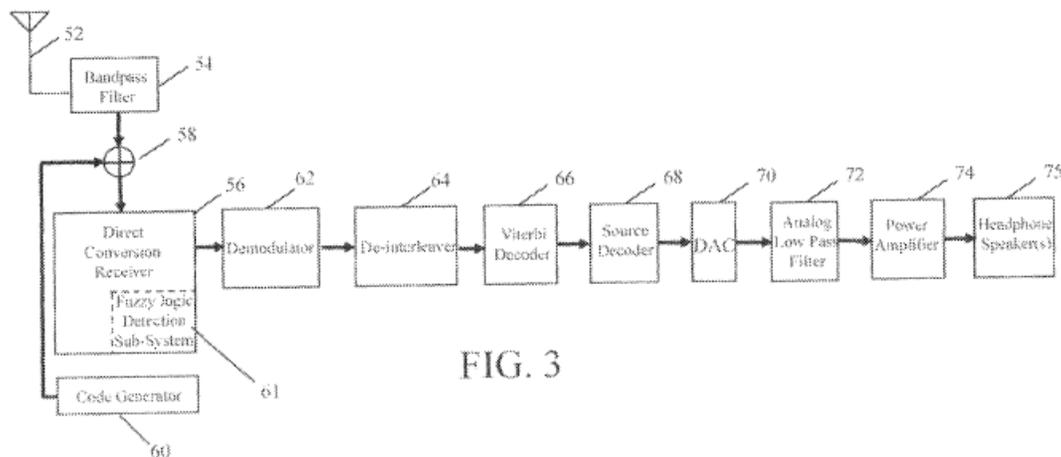


FIG. 2

As shown in Figure 2, the audio transmitter digitizes the signal from audio source 80 using analog to digital converter (ADC) 32, and then processes the digitized signal using digital low pass filter 34 and encoder 36. Ex. 1001, 2:55–59. The signal is passed through channel encoder 38 to reduce the effects of channel noise, and then modulated for transmission by modulator 42. *Id.* at 2:59–62. Code generator 44 creates a “unique user code” that is “specifically associated with one wireless digital audio system user,” and “is the only code recognized by the battery powered headphone receiver 50 operated by a particular user.” *Id.* at 2:64–3:3. The signal is then passed to spread spectrum DPSK (differential phase shift key) transmitter 48, which provides further noise immunity, and to antenna 24 for transmission. *Id.* at 2:62–64.

The audio receiver portion coupled to the wireless headphones is shown in more detail in Figure 3, reproduced below:



As shown in Figure 3, antenna 52 receives the spread spectrum modulated signal from transmit antenna 24 (Figure 2) and communicates it to wideband bandpass filter 54. Ex. 1001, 3:9–11, 3:15–17. The output of bandpass filter 54 is summed with the output of receiver code generator 60, and communicated to direct conversion receiver 56. *Id.* at 3:11–14, 3:20–26.

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