

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

HTC CORPORATION and HTC AMERICA, INC.,  
Petitioner,

v.

ADVANCED AUDIO DEVICES, LLC,  
Patent Owner.

---

Case IPR2014-01157  
Patent 7,933,171 B2

---

Before SCOTT A. DANIELS, CHRISTOPHER L. CRUMBLEY, and  
GEORGIANNA W. BRADEN, *Administrative Patent Judges*.

CRUMBLEY, *Administrative Patent Judge*.

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

## I. INTRODUCTION

HTC Corporation and HTC America, Inc. (collectively, “HTC”) filed a Petition seeking *inter partes* review of claims 1, 2, 5, 6, 7, 14, 17, 20, 23, 26, 28, 37, 40, 42, 43 and 45–48 of U.S. Patent No. 7,933,171 B2 (Ex. 1001, “the ’171 patent”). Paper 1, “Pet.” The owner of the ’171 patent, Advanced Audio Devices, LLC (“AAD”), filed a Patent Owner’s Preliminary Response. Paper 5, “Prelim. Resp.” Pursuant to 35 U.S.C. § 314(a), we may not institute an *inter partes* review “unless the Director<sup>1</sup> determines that the information presented in the petition . . . and any response . . . 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 the information presented establishes that there is a reasonable likelihood that HTC would prevail with respect to all challenged claims of the ’171 patent. Accordingly, we institute an *inter partes* review of these claims.

### A. The ’171 Patent

#### 1. Background

The ’171 patent discloses an audio recording device that the specification terms a “music jukebox.” Ex. 1001, 1:16–17. According to the specification, existing recording devices permitted music to be recorded

---

<sup>1</sup> “The Board institutes the trial on behalf of the Director.” 37 C.F.R. § 42.4(a).

onto a compact disc in real time, but did not provide editing functions, the ability to store music on the recorder for making multiple copies of the disc, or the ability to customize easily the order in which tracks are recorded onto the disc. *Id.* at 2:28–62. The described music jukebox is said to address these issues, as well as permit a user to “audition” a stored audio track by listening to it before recording onto a compact disc. *Id.* at 3:23–39.

Various hardware components of the jukebox are described in the specification, including: audio inputs for receiving music in the form of analog signals (*id.* at 7:47–58); one or more data storage structures for storing and retrieving audio stored in digital form (*id.* at 9:7–16); and a drive for recording stored audio onto compact discs (*id.* at 13:55–57). The audio data stored in the memory permits audio tracks to be played back selectively, or “auditioned,” prior to recording. *Id.* at 4:32–41. The components of the music jukebox are contained in a housing having a display for providing information to a user, for example, through a graphical user interface. *Id.* at 4:48–5:8. The housing also comprises a plurality of push buttons for controlling operation of the device. *Id.* at 5:9–34.

The specification of the ’171 patent describes the operation of the device as permitting a user to create a “session,” which is a group of sound tracks selected from a master song list. *Id.* at 15:43–45, 16:51–59. A user also may reorder the songs within a session by selecting songs and moving them up or down within the session list. *Id.* at 16:18–28. The session then can be written to a compact disc. *Id.* at 15:39–43.

*2. Illustrative Claim*

Of the challenged claims, only claim 1 is independent; all other challenged claims depend directly or indirectly from claim 1. The challenged independent claim reads as follows:

1. A personal digital stereo audio player configured to store sound tracks and play the stored sound tracks for personal enjoyment, said personal digital stereo audio player comprising:
  - a unitary, integral housing containing at least non-volatile memory and a processor connected to the non-volatile memory and configured for maintaining and selectively accessing and playing sound tracks stored in the nonvolatile memory, the housing further comprising a display controlled by the processor, the processor being configured to cause the display to display a plurality of menus relating to a library of sound tracks, wherein all of the sound tracks in the library and their names are stored in the non-volatile memory of the personal digital stereo audio player, wherein the menus include at least one of a list of names of sound tracks and a list of groups of sound tracks;
  - a headphone jack in the housing;
  - an input in the housing for receiving audio data;
  - an amplifier operatively connected to the processor and the headphone jack and configured to amplify audio output signals produced during playing, which are transmitted to the headphone jack; and
  - at least one touch-operable control in the housing and in communication with the processor, wherein the processor is configured such that:

- at least one of the at least one touch-operable control is touchable to allow selection from the menus which the processor causes to be displayed on the display,
- at least one of the at least one touch-operable control is touchable to control the volume at which audio is played,
- at least one of the at least one touch-operable control is touchable to pause a sound track which is being played,
- at least one of the at least one touch-operable control is touchable to stop a sound track as it is being played and play the next sound track in a group of sound tracks,
- at least one of the at least one touch-operable control is touchable to selectively power the personal digital stereo audio player on and off, and,
- at least one of the at least one touch-operable control is touchable to select and play at least one of an individual sound track and a group of sound tracks through the headphone jack,
- wherein the personal digital stereo audio player is configured to display on the display at least one of time elapsed (ascending) and time remaining (descending) for the sound track being played,
- wherein the personal digital stereo audio player is configured such that the non-volatile memory stores a library of sound tracks that is received by the input and which has been pre-selected by a user,
- wherein the non-volatile memory comprises at least one of a Hard Disk Drive, solid state memory, and random address memory,

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.