UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SONY CORPORATION,
Petitioner,

v.

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

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Case IPR2016-01639
Patent 9,282,396 B2

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Before DAVID C. McKONE, ROBERT J. WEINSCHENK, and
JOHN F. HORVATH, *Administrative Patent Judges*.

WEINSCHENK, *Administrative Patent Judge*.

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

I. INTRODUCTION

Sony Corporation ("Petitioner") filed a Petition (Paper 1, "Pet.") requesting an *inter partes* review of claims 1–17 of U.S. Patent No. 9,282,396 B2 (Ex. 1001, "the '396 patent"). One-E-Way, Inc. ("Patent Owner") filed a Preliminary Response (Paper 6, "Prelim. Resp.") to the Petition.[1] An *inter partes* review may not be instituted "unless . . . 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(a).

For the reasons set forth below, Petitioner demonstrates a reasonable likelihood of prevailing in showing the unpatentability of claims 1–17 of the '396 patent. Accordingly, we institute an *inter partes* review as to claims 1–17 of the '396 patent on the grounds specified below.

A. *Related Proceedings*

The parties indicate that a decision in this case may affect or be affected by the following investigation before the U.S. International Trade Commission ("ITC"): *In re Certain Wireless Headsets*, No. 337-TA-943 (ITC). Pet. 1; Paper 4, 2. The parties also indicate that the '396 patent is the subject of another petition for *inter partes* review in IPR2016-01638. Pet. 1; Paper 4, 2.

B. *The '396 Patent*

The '396 patent relates to wirelessly transmitting signals from an audio player to a set of headphones. Ex. 1001, col. 1, ll. 26–33.

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[1] Patent Owner filed two copies of the Preliminary Response. Papers 6, 7. Patent Owner, therefore, shall submit a request to Trials@uspto.gov within one week of this decision requesting that one of the copies of the Preliminary Response be expunged from the record in this case.

Specifically, the '396 patent describes a battery powered transmitter with a headphone plug that can connect to a headphone jack on any suitable audio player. *Id.* at col. 1, l. 62–col. 2, ll. 2. The transmitter encodes and modulates an audio signal and then transmits the signal. *Id.* at col. 2, ll. 52–60. The transmitter also transmits a unique user code, which "is the only code recognized by the battery powered headphone receiver." *Id.* at col. 2, ll. 6–9, col. 2, ll. 61–66. The headphone receiver demodulates and decodes the signal received from the transmitter and then reproduces the audio signal for the user. *Id.* at col. 2, ll. 47–50.

C.   *Illustrative Claim*

Claims 1, 2, 6, 9, 14, and 16 are independent. Claim 1 is reproduced below.

> 1. A portable wireless digital audio system for digital transmission of an original audio signal representation from a portable audio source to a digital audio headphone, said audio signal representation representative of audio from said portable audio source, said portable wireless digital audio system comprising:
>
> a portable digital audio spread spectrum transmitter configured to couple to said portable audio source and transmitting a unique user code bit sequence with said original audio signal representation in packet format, said digital audio spread spectrum transmitter comprising:
>
> an encoder operative to encode said original audio signal representation to reduce intersymbol interference and lowering signal detection error of said audio signal representation respective to said digital audio headphone and said digital audio spread spectrum transmitter; and
>
> a digital modulator configured for independent code division multiple access (CDMA) communication operation wherein said portable digital audio spread spectrum transmitter

is in direct communication with said digital audio headphone, said digital audio headphone comprising:

a direct conversion module configured to capture packets and the correct bit sequence embedded in the received spread spectrum signal and lowering signal detection error through reduced intersymbol interference coding respective of said digital audio headphone and said portable digital audio spread spectrum transmitter, the captured packets corresponding to the unique user code bit sequence;

a digital demodulator configured for independent CDMA communication operation;

a decoder operative to decode the applied reduced intersymbol interference coding of said original audio signal representation;

a digital-to-analog converter (DAC) generating an audio output of said original audio signal representation; and

a module adapted to reproduce said audio output, wherein each user has their headphone configured to communicate with their own separate digital audio spread spectrum transmitter, said audio having been wirelessly transmitted from said portable audio source through the digital audio spread spectrum transmitter configured to communicate with the headphone such that signals not originating from said portable digital audio spread spectrum transmitter are inaudible while operating in the portable wireless digital audio spread spectrum transmitter spectrum.

Ex. 1001, col. 4, l. 57–col. 5, l. 37.

D.   *Evidence of Record*

Petitioner relies on the following references and declaration (Pet. 2):

Reference or Declaration	Exhibit No.
Haartsen et al., U.S. Patent No. 6,563,892 B1 (issued May 13, 2003) ("Haartsen")[2]	Ex. 1006
Jaap Haartsen, *Bluetooth—The Universal Radio Interface for Ad Hoc, Wireless Connectivity*, VOL. 75, NO. 3, ERICSSON REVIEW, THE TELECOMMUNICATIONS TECHNOLOGY JOURNAL 110–17 (1998) ("1998 Paper")	Ex. 1007
Georgios B. Giannakis et al., *Load-Adaptive MUI/ISI-Resilient Generalized Multi-Carrier CDMA with Linear and DF Receivers*, Vol. 11, No. 6, EUROPEAN TRANSACTIONS ON TELECOMMUNICATIONS 527–37 (2000) ("Giannakis")	Ex. 1009
Declaration of John Moring ("Moring Declaration")	Ex. 1013

Patent Owner relies on the Declaration of Joseph C. McAlexander III (Ex. 2001, "McAlexander Declaration") to support some of the arguments in the Preliminary Response.

E.   *Asserted Grounds of Unpatentability*

Petitioner asserts that the challenged claims are unpatentable on the following grounds (Pet. 2, 20, 34):

Claims Challenged	Basis	Reference(s)
1–17	35 U.S.C. § 102(b), (e)	Haartsen
1–17	35 U.S.C. § 103(a)	Haartsen and Giannakis

II.   ANALYSIS

A.   *Claim Construction*

The claims of an unexpired patent are interpreted using the broadest reasonable interpretation in light of the specification of the patent in which they appear. *See* 37 C.F.R. § 42.100(b); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144–45 (2016). Petitioner proposes construing several

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[2] The parties refer to Haartsen as the '892 patent. Pet. 9; Prelim. Resp. 12.

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