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Paper 11
Entered: December 18, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SONY CORPORATION,
Petitioner,

v.

FUJIFILM CORPORATION,
Patent Owner.

Case IPR2017-00618
Patent 7,355,805 B2

Before JO-ANNE M. KOKOSKI, JEFFREY W. ABRAHAM, and MICHELLE N. ANKENBRAND, *Administrative Patent Judges.*

KOKOSKI, *Administrative Patent Judge.*

DECISION
Granting Petitioner's Request for Rehearing
Institution of *Inter Partes* Review
37 C.F.R. §§ 42.71(d) and 42.108

INTRODUCTION

On August 22, 2017, Sony Corporation ("Petitioner") filed a Request for Rehearing (Paper 10, "Rehearing Request" or "Req. Reh'g") of our Decision (Paper 9, "Decision" or "Dec.") denying institution of an *inter partes* review of claims 1–3 and 10 of U.S. Patent No. 7,355,805 B2 (Ex. 1001, "the '805 patent") on the following grounds:

Reference(s)	**Basis**	**Challenged Claims**
Hennecken[1]	§ 102(e)	1–3, 10
Hennecken and Albrecht II[2]	§ 103(a)	1–3, 10
Hennecken, Albrecht II, and Dugas[3]	§ 103(a)	1–3, 10
Albrecht II and Hennecken	§ 103(a)	1–3, 10

According to Petitioner, the Decision misapprehended or overlooked evidence and arguments that claims 1–3 and 10 are unpatentable over the cited prior art. Req. Reh'g 1. We have reviewed Petitioner's Rehearing Request and carefully considered Petitioner's arguments. For the reasons discussed below, we grant Petitioner's Rehearing Request and institute an *inter partes* review of claims 1–3 and 10, as described herein.

[1] U.S. Patent No. 6,710,967 B2, issued March 23, 2004 (Ex. 1005).
[2] U.S. Patent No. 5,930,065, issued July 27, 1999 (Ex. 1003).
[3] U.S. Patent No. 6,496,328 B1, issued December 17, 2002 (Ex. 1006).

ANALYSIS

A request for rehearing must identify specifically all matters the party believes we misapprehended or overlooked, and the place where each matter was addressed previously in a motion, opposition, or reply. 37 C.F.R. § 42.71(d). Additionally, Petitioner, as the party challenging the Decision, has the burden of showing the Decision should be modified. *Id.*

When rehearing a decision on a petition, the Board will review the decision for an abuse of discretion. *See* 37 C.F.R. § 42.71(c). An abuse of discretion may be determined "if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors." *Arnold Partnership v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2002) (citing *In re Gartside*, 203 F.3d 1305, 1315–16 (Fed. Cir. 2000)).

A. Anticipation by Hennecken

Petitioner argues that we misapprehended Petitioner's contention that Hennecken anticipates claims 1–3 and 10 as being based on inherency, and misapprehended or overlooked Petitioner's arguments and evidence that establishes that a person having ordinary skill in the art would have understood Hennecken "to disclose servo bands with servo band numbers that uniquely identify them." Req. Reh'g 1–13. Specifically, Petitioner argues that "[t]he Petition demonstrates that a [person having ordinary skill in the art] would have understood Hennecken to anticipate claims 1–3 and 10 because Hennecken ***discloses*** the disputed limitation to a [person having ordinary skill in the art], ***not*** because the disputed limitation is undisclosed but inherent in Hennecken." *Id.* at 2 (citing Pet. 23–30). According to Petitioner, because Hennecken teaches "that 'a servo stripe number may be

encoded in the servo track for coarse transverse location,' and establishes that 'servo track' and 'servo stripe'. . . are synonymous with 'servo band' in the '805 patent," a person having ordinary skill in the art ("POSA") "would understand that the 'servo stripe number' describes a number that identifies the respective servo track,' and that embedding a servo stripe number in each servo track means that each servo track will have 'a different servo pattern recorded thereon that specifies the respective servo track.'" *Id.* (quoting Pet. 16, 23–24).

Petitioner does not dispute that Hennecken does not expressly disclose in words "a plurality of servo bands on each of which is written a different servo signal for tracking control of a magnetic head" as recited in independent claim 1. *See* Req. Reh'g 8 (stating that the Petition alleges that this limitation "is met by the disclosure of Hennecken as understood by a POSA" (citing Pet. 24)). As Petitioner notes, Hennecken can be anticipating if a POSA would have understood Hennecken as disclosing the claimed plurality of servo bands, and could have combined Hennecken's disclosure with his own knowledge to make the claimed invention. *Id.* at 8–9; *see, e.g.*, *Helifix Ltd. v. Blok-Lok, Ltd.*, 208 F.3d 1339, 1347 (Fed. Cir. 2000).

We are persuaded that we misapprehended Petitioner's anticipation rationale set forth in the Petition as being based on inherent anticipation. We find that the Petition at pages 24–25 (and the cited testimony in the Declaration of Dr. Thomas Albrecht (Ex. 1016, "Albrecht Declaration")) sets forth Petitioner's argument that a POSA would have understood Hennecken to be disclosing different servo stripe numbers on each servo track. Because we denied institution of *inter partes* review with respect to claims 1–3 and 10 based on this misapprehension, we grant Petitioner's

Rehearing Request with respect to this contention. Consequently, we now analyze Petitioner's challenge that Hennecken anticipates claims 1–3 and 10 of the '805 patent.[4]

Petitioner relies on the Albrecht Declaration to support its argument that a POSA would have understood Hennecken to disclose "a plurality of servo bands on each of which is written a different servo signal for tracking control of a magnetic head." *See* Pet. 23–25 (citing Ex. 1016 ¶¶ 106–108, 157, 163, 175–177, 182, 186, 187). For example, Dr. Albrecht testifies that a POSA would have understood that Hennecken's servo stripe number "describes a number that identifies the respective servo track," and would further understand "that by encoding the servo track number into each servo track, a read element can identify the servo track being read without needing to reference any other servo track." Ex. 1016 ¶ 107. Dr. Albrecht further testifies that:

> In particular, Hennecken points out that the servo stripe number varies between servo tracks. *Id.* at C2:L16–19 ("Fourth, the low frequency pattern is typically written by a single current driver, and thus cannot contain any information that varies between the servo tracks, such as a servo stripe number."). Thus, Hennecken describes providing each servo track with a different respective servo stripe number, which necessarily enables a servo read element to identify the servo track being read without referencing other servo tracks. That is, a servo read element need do nothing more that read the unique servo stripe number embedded in a servo track to identify it.

Id. ¶ 108.

[4] We provided an overview of the '805 patent and Hennecken in our Decision. Dec. 2–6, 8–9.

Relying on the Declaration of Dr. William C. Messner (Ex. 2003, "Messner Declaration"), Patent Owner argues that, as of the filing date of the '805 patent, "it was well-known to a POSA that coarse (or gross) transverse positioning did not require unique servo signals" and "a POSA would have understood that Hennecken does not require *each* servo signal for tracking control, or the data embedded therein, to be unique." Prelim. Resp. 30–31 (citing Ex. 2003 ¶ 91). Patent Owner further argues that, "to the extent that Hennecken can be said to describe servo stripe numbers that vary among the servo tracks at all, the reference is, at best, ambiguous on whether the servo stripe numbers necessarily differ among all the servo tracks." *Id.* at 32.

At this stage of the proceeding, Petitioner sets forth evidence in the Albrecht Declaration that a POSA would have understood Hennecken to be disclosing "a plurality of servo bands on each of which is written a different servo signal for tracking control of the magnetic head" as required by independent claim 1, and Patent Owner provides evidence in the Messner Declaration that a POSA would have understood that Hennecken does not teach that a different servo signal is written on each servo band for tracking control. *See, e.g.*, Pet. 22–25; Ex. 1016 ¶¶ 105–113, 174–177; Prelim. Resp. 29–33; Ex. 2003 ¶¶ 88–98. This conflicting expert testimony creates a genuine issue of material fact regarding how a POSA would have understood Hennecken. For purposes of deciding whether to institute an *inter partes* review, we must view any issues of material fact created by testimonial evidence in the light most favorable to Petitioner. *See* 37 C.F.R. § 42.108(c). Thus, for purposes of this Decision, we must resolve the

dispute between Dr. Albrecht and Dr. Messner regarding how a POSA would have understood Hennecken in Petitioner's favor.

Patent Owner raises other arguments indicating potential flaws in Petitioner's arguments or disputing Petitioner's interpretation of the disclosures in Hennecken. For example, Patent Owner argues that Hennecken does not suggest "embedding unique data in each servo signal to specify the servo band, which would have been a significant departure from the known methods of band identification." Prelim. Resp. 34 (citing Ex. 2003 ¶ 101). We have considered these and the other arguments that Patent Owner raises, and although they cast doubt on certain elements of Petitioner's contentions and create a genuine issue of material fact, we are persuaded, based on the current record, that Petitioner's discussion of the teachings of Hennecken, and the explanations in the Petition and the Albrecht Declaration, are sufficient to establish a reasonable likelihood that Petitioner would prevail in demonstrating that claim 1 is unpatentable as anticipated by Hennecken. We have considered Petitioner's arguments and evidence with respect to dependent claims 2, 3, and 10 (*see* Pet. 25–30, 35–37; Ex. 1016 ¶¶ 191–209), and are likewise persuaded, on this record, that Petitioner has established a reasonable likelihood that it would prevail as to those claims as well. The parties will have the opportunity to further develop these facts and arguments during trial, and the Board will evaluate the fully-developed record at the close of the evidence.

B. Obviousness Grounds

Petitioner also requests rehearing of our Decision denying institution on the grounds that claims 1–3 and 10 would have been obvious over the combined teachings of Hennecken and Albrecht II (Ground 2), Hennecken,

Albrecht II, and Dugas (Ground 3), and Albrecht II and Hennecken (Ground 4). Req. Reh'g 15. Petitioner argues that, for Grounds 2–4, the Petition alleges that the "plurality of servo bands on each of which is written a different servo signal for tracking control of a magnetic head" limitation "is asserted to be met by Hennecken" "for the same reasons as in Ground 1" (i.e., anticipation by Hennecken). *Id.* Petitioner, therefore, requests rehearing of Grounds 2–4 for the same reasons as it did with respect to Ground 1 because "[t]he Decision denied institution of these grounds for the same reasons as Ground 1." *Id.* (citing Dec. 16–21).

With respect to Ground 2, Petitioner specifically points to page 42 of the Petition, where Petitioner argues that Hennecken "discloses each limitation recited in claims 1 and 2 (see Ground 1 above), and the combination of Hennecken and Albrecht II disclose each limitation recited in claims 1 and 2 for at least the same reasons under a first basis (Basis 1)." Pet. 42. Thus, we understand Petitioner's Request for Rehearing to be directed to Basis 1.[5] We stated in the Decision that,

> [i]n the claim chart provided in the Petition, for "Basis 1" Petitioner relies solely on the disclosures in Hennecken (and the arguments made with respect to Petitioner's contention that Hennecken anticipates claims 1 and 2) to support its contention that the combination of Hennecken and Albrecht II discloses all of the elements of claims 1 and 2. We already determined that Petitioner did not demonstrate a reasonable likelihood of showing that claims 1 and 2 are anticipated by Hennecken. For the same reasons, Petitioner has not established a reasonable

[5] In the Petition, Petitioner also alleges a second basis ("Basis 2") of obviousness based on Hennecken and Albrecht II. *See* Pet. 42–52. We denied institution on Basis 2 for reasons other than whether Hennecken discloses the claimed plurality of servo bands. Dec. 17–20.

> likelihood of prevailing in showing that claim 1 (and claim 10 that depends therefrom) and claim 2 (and claim 3 that depends therefrom) would have been obvious over the combined teachings of Hennecken and Albrecht II under Basis I.

Dec. 16–17 (citing Pet. 48–50). Having now determined that Petitioner has established a reasonable likelihood of prevailing in showing that claims 1–3 and 10 are anticipated by Hennecken, for the same reasons, we determine that Petitioner also has established a reasonable likelihood of showing that claims 1–3 and 10 would have been obvious over the combined teachings of Hennecken and Albrecht II under Basis 1.

Relying on Dr. Albrecht's testimony, Petitioner provides several reasons as to why a POSA would have been motivated to combine the teachings of Hennecken and Albrecht II. Pet. 39–41; Ex. 1016 ¶¶ 231–237. In the Preliminary Response, Patent Owner argues that "a POSA would not have been motivated to use the techniques of embedding information in the low frequency transitions, as disclosed in Albrecht II, in order to embed a servo stripe number, as disclosed in Hennecken for the simple reason that Hennecken plainly teaches away from such a combination." Prelim. Resp. 38. Patent Owner relies on Dr. Messner's testimony to support its contentions. *Id.* at 38–41; Ex. 2003 ¶¶ 109–116.

The conflicting expert testimony creates a genuine issue of material fact regarding whether a POSA would have been motivated to combine the teachings of Hennecken and Albrecht II as Petitioner proposes. For purposes of this Decision, we must resolve this dispute between Dr. Albrecht and Dr. Messner in Petitioner's favor. *See* 37 C.F.R. § 42.108(c). The parties will have the opportunity to further develop these facts and

arguments during trial, and the Board will evaluate the fully-developed record at the close of the evidence.

With respect to Ground 3, Petitioner draws our attention to pages 54–56 of the Petition, where Petitioner argues that the combination of Hennecken, Albrecht II, and Dugas meets the limitations of claims 1–3 and 10 for the same reasons as set forth for Ground 2, Bases 1 and 2. Req. Reh'g 15. Based on the arguments in the Petition and the Preliminary Response, and the evidence of record, and for the reasons set forth above with respect to Grounds 1 and 2, we determine that Petitioner has demonstrated a reasonable likelihood of prevailing in showing that claims 1–3 and 10 would have been obvious over the combined teachings of Hennecken, Albrecht II, and Dugas (as relying on the reasoning in Ground 2, Basis 1 only).

In Ground 4, Petitioner alleges that claims 1–3 and 10 would have been obvious over the combined teachings of Albrecht II and Hennecken. Pet. 57–59. As set forth in the claim chart, Petitioner relies on the disclosures set forth with respect to Ground 2, Basis 2 to support its contentions with respect to the combination of Albrecht II and Hennecken. *Id.* at 59. Petitioner does not explain how its challenge to claims 1–3 and 10 based on the combined teachings of Albrecht II and Hennecken differs from its challenge to claims 1–3 and 10 based on the combined teachings of Hennecken and Albrecht II (Ground 2). Moreover, we do not understand Petitioner's Request for Rehearing to be directed to Ground 2, Basis 2, which we denied for reasons other than whether Hennecken discloses the claimed plurality of servo bands. *See* Dec. 17–20. Accordingly, we do not revisit our Decision with respect to Ground 4.

CONCLUSION

For the foregoing reasons, we grant Petitioner's Request for Rehearing and determine, based on the record before us, that Petitioner has demonstrated a reasonable likelihood that it would prevail on its challenge to claims 1–3 and 10 of the '805 patent.

ORDER

In consideration of the foregoing, it is hereby

ORDERED that the Petitioner's Request for Rehearing (Paper 10) is *granted*;

FURTHER ORDERED that an *inter partes* review is *granted* as to claims 1–3 and 10 of the '805 patent on the following grounds:

Whether claims 1–3 and 10 are unpatentable under 35 U.S.C. § 102(e) as anticipated by Hennecken;

Whether claims 1–3 and 10 are unpatentable under 35 U.S.C. § 103(a) as obvious over the combined teachings of Hennecken and Albrecht II (Basis 1); and

Whether claims 1–3 and 10 are unpatentable under 35 U.S.C. § 103(a) as obvious over the combined teachings Hennecken, Albrecht II, and Dugas (Basis 1);

FURTHER ORDERED that, pursuant to 35 U.S.C. § 315(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial commencing on the entry date of this Decision; and

FURTHER ORDERED that no ground other than that specifically granted above is authorized for an *inter partes* review as to the claims of the '805 patent.

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