

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LECTROSONICS, INC.,
Petitioner,

v.

ZAXCOM, INC.,
Patent Owner.

IPR2018-01129
Patent 7,929,902 B2

Before SCOTT R. BOALICK, *Chief Administrative Patent Judge*,
KALYAN K. DESHPANDE, and LYNNE E. PETTIGREW, *Administrative
Patent Judges*.

DESHPANDE, *Administrative Patent Judge*.

DECISION
Denying Patent Owner's Request for Rehearing
37 C.F.R. § 42.71

I. INTRODUCTION

Zaxcom, Inc. (“Patent Owner”) filed a Request for Rehearing (Paper 35, “Req. Reh’g”) of our Final Written Decision in IPR2018-01129 (Paper 33, “Dec.”), dated January 24, 2020, which held that claims 7, 8, 11, 12, 14, and 15 of U.S. Patent No. 7,929,902 B2 (Ex. 1001, “the ’902 patent”) are unpatentable. Specifically, we found that (1) claims 7, 8, and 11 of the ’902 patent are unpatentable as obvious over Strub,¹ Nagai² or Gleissner,³ and Woo,⁴ (2) claims 12, 14, and 15 of the ’902 patent are unpatentable as anticipated by Strub, and (3) claims 12, 14, and 15 of the ’902 patent are unpatentable as obvious over Strub and Wood.⁵ Dec. 73–74.

Patent Owner sets forth two independent grounds for rehearing: (1) “mistaken acceptance of a new unpatentability theory raised for the first time in Petitioner’s Reply (*e.g.*, a deprivation of due process rights under the Administrative Procedure[] Act)” and (2) “legal and factual errors in the treatment of industry praise objective indicia.” Req. Reh’g 1.

For the reasons stated below, Patent Owner’s Request for Rehearing is denied.

¹ U.S. Patent No. 6,825,875 B1, issued Nov. 30, 2004 (Ex. 1003, “Strub”).

² U.S. Patent Application Publication No. 2002/0159179 A1, published Oct. 31, 2002 (Ex. 1004, “Nagai”).

³ U.S. Patent Application Publication No. 2004/0028241 A1, published Feb. 12, 2004 (Ex. 1005, “Gleissner”).

⁴ U.S. Patent No. 5,479,351, published Dec. 26, 1995 (Ex. 1020, “Woo”).

⁵ World Intellectual Property Organization Publication No. WO 2004/091219 A1, published Oct. 21, 2004 (Ex. 1008, “Wood”).

II. STANDARD OF REVIEW

A request for rehearing “must specifically identify all matters the party believes the Board misapprehended or overlooked.” 37 C.F.R. § 42.71(d).

III. DISCUSSION

1. Alleged New Unpatentability Theory in Petitioner’s Reply

We determined in our Final Written Decision, in pertinent part, that Petitioner demonstrated, by a preponderance of the evidence, that “it would have been obvious to modify Strub’s recording unit to include ‘a conventional master timecode input port to receive SMPTE timecodes . . . from the master clock . . . in Woo.’” Dec. 18 (citing Paper 2 (“Pet.”), 23–24). We construed “master timecode generator” to mean “a producer of a plurality of master timecodes controlling other time code generators.” *Id.* at 13 (citing Paper 17 (“PO Resp.”), 13). We agreed with Petitioner that “Woo discloses ‘a master clock to synchronize audio recorders (like Strub’s recording units) at a performance event by timestamping the audio data with conventional timecodes, including SMPTE timecodes (like in Strub and the ’902 patent).’” *Id.* at 18 (quoting Pet. 23 (citing Ex. 1020, Abstract, 1:21–28, 1:60–2:9, 2:39–48, 3:3–24, 4:3–32 (“audio recorders”), Figs. 1–5)). We further agreed with Petitioner that “Woo’s master clock receives a GPS time signal and converts it to a conventional time code output, preferably in SMPTE timecode format.” *Id.* (citing Pet. 24–25 (citing Ex. 1020, Abstract, 2:2–9, 4:45–55, 8:60–9:4)).

In our Final Written Decision, we explained that we were not persuaded by Patent Owner’s argument that Woo fails to teach a “master timecode generator.” Dec. 28. Rather, we agreed with Petitioner that “the purpose of Woo’s device is to provide master timecodes in SMPTE format to synchronize recording data in

independent sound, film, and video records” (Dec. 28), and we found that Woo discloses a master clock “for synchronizing film and video equipment” (Dec. 28 (quoting Ex. 1020, 8:65–9:1)). We *additionally* agreed with Petitioner that Woo “discloses using ‘jam synchronization’ to synchronize local clocks with a master time clock just as disclosed by the ’902 patent.” Dec. 28 (citing Paper 21 (“Pet. Reply”), 8; Ex. 1001, 6:11–14).

In its Request for Rehearing, Patent Owner contends that we incorrectly gave weight to an argument raised for the first time in Petitioner’s Reply. Req. Reh’g 1. Patent Owner argues that the Board failed to disregard a “new theory of unpatentability” in a reply, resulting in “a deprivation of due process rights under the Administrative Procedure[] Act.” *Id.* at 1–8. Patent Owner asserts that Petitioner identified for the first time in Petitioner’s Reply Woo’s disclosure of “jam synchronization,” which Patent Owner contends is a separate embodiment from “Woo’s actual ‘recorder’ embodiment.” *Id.* at 4–5.

We are not persuaded by Patent Owner that we misapprehended or overlooked the arguments raised in the Petition, Patent Owner Response, and Petitioner’s Reply, or the disclosure of Woo. In particular, we are not persuaded that Woo’s “jam synchronization” is a separate embodiment such that citing this disclosure raises a “new theory of unpatentability.” *See id.* at 4–5, 7. As argued by Petitioner, Woo is concerned with synchronizing audio recorders at a performance event using a master clock to timestamp audio data with SMPTE (“The Society of Motion Picture and Television Engineers”) timecodes. Pet. 23–24 (citing Ex. 1020, Abstract, 1:21–28, 1:60–2:9, 2:39–48, 3:3–24, 4:3–32 (“audio recorders”), Figs. 1–5)). Woo discloses that the “time code is synchronized to the video signal by the time code generator.” Ex. 1020, 3:26–27. Woo further discloses that a “common feature of time code generators is the slave or jam-sync

process.” *Id.* at 3:38–39. As argued by Petitioner, Woo discloses that a commercially-available time code generator may be used to generate time codes. Pet. 24 (citing Ex. 1020, 7:26–50, Fig. 3). That is, the portion of Woo cited by Petitioner expressly discloses use of a commercially-available timecode generator to generate SMPTE time codes, and further to perform “jam synchronization.” *Id.*; Ex. 1020, 7:26–50, Fig. 3. Therefore, we are not persuaded by Patent Owner’s argument that Woo’s disclosure of “jam synchronization” functionality is a separate embodiment from the commercially-available time code generator relied on by Petitioner. As such, Patent Owner’s arguments that Woo discloses “that it was ‘common’ for *other* devices in the background art to perform a function known as ‘jam synchronization’” and that “Woo made a ‘drive-by’ reference to jam synchronization in other devices” are mischaracterizations of Woo. *See* Req. Reh’g 4 (bolding omitted). In addition, to the extent Patent Owner reiterates its arguments presented during trial that Woo does not disclose a “master timecode generator,” we considered those arguments in our Decision and found them unpersuasive. *See* Dec. 27–29.

Furthermore, our analysis relied on the arguments and evidence set forth in the Petition. *See* Dec. 18 (citing Pet. 23 (citing Ex. 1020, Abstract, 1:21–28, 1:60–2:9, 2:39–48, 3:3–24, 4:3–32 (“audio recorders”), Figs. 1–5)). We *additionally* cited to Petitioner’s Reply, which includes a citation to column 3, lines 38–46 of Woo, to further illustrate Woo’s disclosure of a “master timecode generator,” and the associated “jam synchronization” of a commercially-available timecode generator described in Woo. That is, our citation to Petitioner’s Reply was supplemental to our analysis that Woo disclosed a “master timecode generator.” Therefore, we are not persuaded by Patent Owner’s argument that we relied on a “new theory of unpatentability” raised for the first time in Petitioner’s Reply

because our analysis that Woo disclosed a “master timecode generator” was based on the arguments and evidence in the Petition.

We are also not persuaded that our consideration of Woo’s “jam synchronization” disclosure deprived Patent Owner of “due process rights under the Administrative Procedure[] Act.” Req. Reh’g 1, 6–8. As discussed above, we are not persuaded that Woo’s “jam synchronization” is a separate and distinct embodiment that results in a “new theory of unpatentability.” Furthermore, Patent Owner had opportunities to respond to this disclosure of Woo, including its Sur-reply and at oral hearing. Accordingly, we are not persuaded that Patent Owner’s due process rights were deprived because Patent Owner had notice of Woo’s disclosure of “jam synchronization” and had opportunities to respond.

Even further, Patent Owner waived the argument that Petitioner relied on a “new theory of unpatentability” by citing Woo’s disclosure of “jam synchronization” in its Reply. Although Patent Owner indicates that it timely raised this argument in its Sur-reply, we find no such argument raised. *See* Req. Reh’g 6 (citing Paper 24 (“PO Sur-reply”), 24–25 (citing Pet. Reply 6–7)). Thus, we could not have misapprehended or overlooked this argument because Patent Owner had not previously raised it when it had the opportunity, and, therefore, it is considered waived.

2. Alleged Legal and Factual Errors in the Treatment of Industry Praise Objective Indicia

We determined in our Final Written Decision, in pertinent part, that “Patent Owner does not provide an analysis demonstrating that its products are coextensive (or nearly coextensive) with the challenged claims.” Dec. 33. Accordingly, we determined that a finding of “a presumption of nexus” was inappropriate. *Id.*

Patent Owner argues that “[n]o statement of law in the FWD reflects the Board’s awareness that industry praise of ‘a product that embodies the patent claims’ deserves weight in the analysis.” Req. Reh’g 10. Patent Owner argues that it “presented substantial and undisputed evidence that particular versions of its products (the TRX900AA manual, TRX900LA and TRX900LAS) each embody the patent claims,” and “[t]hese were the very products that earned it the Academy Award and Emmy Award.” *Id.* at 11 (citing Ex. 2111 ¶ 93).

A patentee is entitled to a presumption of nexus “when the patentee shows that the asserted objective evidence is tied to a specific product and that product ‘embodies the claimed features, and is coextensive with them.’” *Fox Factory, Inc. v. SRAM, LLC*, 944 F.3d 1366, 1373 (Fed. Cir. 2019) (quoting *Polaris Indus., Inc. v. Arctic Cat, Inc.*, 882 F.3d 1056, 1072 (Fed. Cir. 2018) (quoting *Brown & Williamson Tobacco Corp. v. Philip Morris Inc.*, 229 F.3d 1120, 1130 (Fed. Cir. 2000))). “[T]he purpose of the coextensiveness requirement is to ensure that nexus is only presumed when the product tied to the evidence of secondary considerations ‘is the invention disclosed and claimed.’” *Id.* at 1374 (quoting *Demaco Corp. v. F. Von Langsdorff Licensing Ltd.*, 851 F.2d 1387, 1392 (Fed. Cir. 1988)). “[T]he degree of correspondence between a product and the patent claim falls along a spectrum. At one end of the spectrum lies perfect or near perfect correspondence. At the other end lies no or very little correspondence.” *Id.* “A patent claim is not coextensive with a product that includes a ‘critical’ unclaimed feature that is claimed by a different patent and that materially impacts the product’s functionality.” *Id.* at 1375.

We are not persuaded by Patent Owner that we misapprehended or overlooked these arguments because they were not before us. Although Patent Owner directs us to Mr. DeFilippis’s analysis mapping the claim limitations to

Patent Owner's products, we find no arguments or evidence cited in Patent Owner's Response or Sur-reply directed to a presumption of nexus or demonstrating that its products are coextensive (or nearly coextensive) with the challenged claims. Accordingly, our determination that "Patent Owner does not provide an analysis demonstrating that its products are coextensive (or nearly coextensive) with the challenged claims" is consistent with the legal requirements for a presumption of nexus. *See* Dec. 33. In view of Patent Owner's failure to establish a presumption of nexus, we are further unpersuaded that we misapprehended or overlooked the legal requirements for rebutting the presumption of nexus, as argued by Patent Owner. Req. Reh'g 10–11.

Patent Owner further argues that we misapprehended or overlooked Patent Owner's evidence of objective indicia of nonobviousness by characterizing the evidence as being directed towards the feature of "dropouts." *Id.* at 11–12 (citing Dec. 34–35). First, Patent Owner argues that the Academy Award and Emmy Award refer to several claimed features without limiting the praise to the problem of "dropouts," and we did not cite the actual exhibits. *Id.* at 12 (citing Exs. 2100, 2101). We are not persuaded that we misapprehended or overlooked this evidence. Notably absent from Patent Owner's arguments are citations to where in its Response or Sur-reply these arguments were raised. *See id.* at 11–12. Exhibits 2100 and 2101 were not relied on in Patent Owner's Response or Sur-reply beyond supporting statements that the Academy Award and Emmy Award were received. *See* PO. Resp. 58. We decline to independently review the evidence submitted by Patent Owner and *sua sponte* raise arguments when Patent Owner has not presented them. As such, we are not persuaded that we misapprehended or overlooked Exhibits 2100 and 2101 in rendering our Final Written Decision.

Patent Owner also argues that Mr. DeFilippis “testified that there was a ‘strong nexus’ between the ‘issued claims’ and such objective indicia”; Mr. Sarokin “did not use the exact wording from the claim limitations” but “expressly pointed to features relating to the ‘master timecode generator’ limitation”; and Mr. Wexler testified that “using the digital recording wireless transmitter I had the assurance and confidence that I could always deliver a track to post production even in those situations where there were failures of the RF transmission.” Req. Reh’g 13–15 (citing Ex. 2111 ¶¶ 90, 92; Ex. 2103 ¶ 6; Ex. 2104 ¶ 7). Patent Owner argues that we misapprehended or overlooked the industry praise evidence set forth by Mr. DeFilippis, Mr. Sarokin, and Mr. Wexler, and that the praise was related to the “master timecode generator” limitation. *Id.*

We disagree with Patent Owner that we misapprehended or overlooked the testimonial evidence of industry praise by Mr. DeFilippis, Mr. Sarokin, and Mr. Wexler. Patent Owner’s Response begins with the testimony of Mr. Wexler, who explains “I have been in many situations where for a variety of reasons there have been RF dropouts . . . prior to Zaxcom’s invention, the audio would be lost forever in these situations.” PO Resp. 54 (quoting Ex. 2104 ¶ 6). Patent Owner next provides evidence from Petitioner’s expert, Mr. Tinsman, who “agreed that the wireless devices available prior to May, 2005 ‘had a potential for dropouts.’” *Id.* at 55 (quoting Ex. 2109, 113). Patent Owner then asserts that the “claimed invention of the ‘902 patent satisfied this long felt need with a wireless, wearable, transmitter/recorder.” *Id.* As such, the testimonial evidence identifies the problem being solved as “dropouts.” Although we acknowledge that Patent Owner does provide minimal evidence related to “time code sync signals” and “remote control capability,” we determined that the persuasive testimonial evidence of industry praise was directed towards fixing “dropouts,” the problem Patent Owner asserts

the claimed invention solved. *See* Dec. 34; PO Resp. 55. Furthermore, although Mr. DeFilippis testifies that the industry praise was towards features of Patent Owner’s products, Mr. DeFilippis does not provide evidence of a nexus between the industry praise and the issued claims beyond a conclusory allegation that the “recognition include[d] the features that are recited in the issued [] claims.” Req. Reh’g 13 (quoting Ex. 2111 ¶ 92). Therefore, we are not persuaded that we misapprehended or overlooked the testimonial evidence of industry praise and a nexus to the issued claims of the ’902 patent.

Patent Owner further argues that the Academy Award materials “specifically call out, at a minimum, remote control features, separate and apart from dropout features, that are claimed in at least original dependent claim 8.” Req. Reh’g 13. We are not persuaded that we misapprehended or overlooked this argument because it was not presented prior to Patent Owner’s Request for Rehearing. Patent Owner fails to provide a citation to the record where this argument was timely raised. *See id.* at 13–14. Accordingly, we are not persuaded that we misapprehended or overlooked this argument because it was not before us.

IV. CONCLUSION

The Board denies the relief requested in the Request for Rehearing.

V. ORDER

Accordingly, it is hereby

ORDERED that Patent Owner’s Request for Rehearing is *denied*.

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