

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

EARIN AB, Plaintiff, vs. SKULLCANDY INC., Defendant.	DEFENDANT’S INITIAL INVALIDITY CONTENTIONS Case No. 24-275-RGA-SRF JURY TRIAL DEMANDED
--	--

Pursuant to the Scheduling Order (D.I. 23), Defendant Skullcandy Inc. (“Skullcandy”) hereby presents these Initial Invalidity Contentions. Skullcandy reserves the right to update or amend these contentions as further information is learned in discovery. In its Initial Claim Chart, Plaintiff Earin AB (“Earin”) asserts only two claims of U.S. Patent No. 9,402,120 (the “’120 Patent”): claims 20 and 21. Accordingly, these Initial Invalidity Contentions identify grounds for invalidity of claims 20 and 21 of the ’120 Patent. Skullcandy reserves the right to supplement these contentions in the event that Earin asserts, or is granted leave to assert, additional claims of the ’120 Patent, or for any other basis in law or in fact.

Moreover, Skullcandy notes that the Court has not yet construed any disputed language of the asserted claims (or any other claims) of the asserted patent. Claim construction may necessitate further amendments to these contentions. Nothing contained in these Initial Invalidity Contentions or any accompanying documents should be understood or deemed to be an express or implied admission or contention with respect to the proper construction or scope of any terms in the asserted claims, or represent Skullcandy’s agreement as to the meaning, subject-matter

eligibility, novelty, nonobviousness, definiteness, written description support for, or enablement of any claim contained therein, nor should they be understood to acquiesce in any claim construction or proposed scope of the asserted claims that Earin may proffer.

Finally, the Scheduling Order contemplates service only of “invalidity contentions for each asserted claim, as well as the related invalidating references.” Skullcandy expressly reserves the right to argue noninfringement and unenforceability of the ’120 Patent.

I. PRIOR-ART-BASED INVALIDITY CONTENTIONS

Skullcandy has stipulated that it will not pursue in this litigation the specific grounds asserted in its Petition for *Inter Partes* Review (IPR) submitted March 7, 2025, nor any other ground that reasonably could have been raised by Skullcandy in a petition for IPR, in the event that the Petition is granted. Should the Petition be denied for any reason, Skullcandy reserves its right to present the same grounds set forth in the Petition, as well as any other ground that reasonably could have been raised by Skullcandy in a petition for IPR, in this proceeding. Skullcandy attaches a copy of the Petition and its supporting documents to these Initial Invalidity Contentions.

For the sake of clarity, and should Skullcandy’s Petition be denied, claims 20 and 21 of the ’120 Patent would have been obvious to a person of ordinary skill in the art at the time of invention under 35 U.S.C. § 103 in view of at least the following references, in various combinations and sub-combinations with one another (such as those set forth in the attached Petition):

1. U.S. Patent Application Publication No. 2011/0286615 to Olodort et al., published November 24, 2011;

2. U.S. Patent Application Publication No. 2009/0073950 to Guccione et al., published March 19, 2009;
3. Japanese Patent Application Publication No. 2004/236163 to Yamashita et al., published August 19, 2004; and
4. Specification of the Bluetooth® System, Covered Core Package Version 4.1, published December 3, 2013.

In the event that Skullcandy's Petition is denied, claims 20 and 21 of the '120 Patent would have been obvious to a person of ordinary skill in the art at the time of invention under 35 U.S.C. § 103 in further view of the following, in various combinations and sub-combinations with one another and with the references mentioned above:

5. U.S. Patent No. 7,010,332 to Irvin et al., issued March 7, 2006;
6. European Patent Application Publication No. 1,887,770 to Han, published February 13, 2008;
7. U.S. Patent Application Publication No. 2014/0219484 to Zellner, published August 7, 2014;
8. U.S. Patent Application Publication No. 2010/0320961 to Castillo et al., published December 23, 2010;
9. U.S. Patent Application Publication No. 2012/0230510 to Dinescu et al., published September 13, 2012;
10. Striva Tap wireless earbud products, on sale and otherwise publicly available from Koss Corporation at least as early as 2012;
11. Product Manual for the Striva Tap wireless earbuds, published 2012;

12. audioholics.com/editorials/michael-j.-koss-striva (Last Visited April 9, 2025), published June 7, 2012;
13. audioholics.com/headphone-reviews/koss-striva-pro-wi-fi-headphone-review (Last Visited April 9, 2025), published July 3, 2012;
14. techpowerup.com/164841/koss-introduces-striva-first-wi-fi-headphone-system-to-get-music-directly-from-web (Last Visited April 9, 2025) published April 25, 2012;
15. kickstarter.com/projects/hellobragi/the-dash-wireless-smart-in-ear-headphones/description (Last Visited April 9, 2025), funding period opened February 9, 2014; and
16. whathifi.com/news/bragi-announces-worlds-first-smart-wireless-headphones (Last Visited April 9, 2025), published February 13, 2014.

For at least the reasons set forth in the attached Petition for IPR, each and every limitation of claims 20 and 21 clearly and convincingly is expressly or inherently described in one or more of the foregoing prior art references, or would have been obvious in view of some combination of those references and a person of ordinary skill in the art would have been motivated to combine the references' teachings in a manner resulting in the claimed subject matter.

Therefore, claims 20 and 21 are invalid under 35 U.S.C. §§ 102 and/or 103.

The motivations and rationales included in the Petition for IPR are intended as illustrative motivations and rationales but not intended to represent the only motivations or rationales that one of ordinary skill in the art would have had for combining or modifying the prior art. Skullcandy reserves the right to use the identified references in any combination. Skullcandy has endeavored to identify the relevant portions of certain of the references in the Petition for IPR. Those references, as well as the other references identified herein that are not mentioned in the

Petition, may contain additional disclosure, however, relevant a particular claim limitation.

Skullcandy also reserves the right to rely on the public use, offer for sale, or sale of the devices described in the publications identified in these disclosures, or any other devices, once

Skullcandy has had an opportunity to take discovery of these subjects.

II. OTHER GROUNDS FOR INVALIDITY

Claims 20 and 21 of the asserted patent are invalid under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. Each asserted claim merely recites the abstract idea of data gathering, processing, and transmission. The asserted claims merely add generic earbud hardware, and do not contain an inventive concept.

Not all subject matter is eligible for patent protection. *See* 35 U.S.C. § 101. It is well settled that “[l]aws of nature, natural phenomena, and abstract ideas” cannot be patented. *Alice Corp. v. CLS Bank Int’l*, 573 U.S. 208, 216 (2014) (citing *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 569 U.S. 576, 576–77 (2013)). When a claim is directed to an abstract idea, for example, and the claim limitations individually and as an ordered combination do not contain an inventive concept that transforms the claim into “significantly more” than the abstract idea itself, the claim is invalid as being directed to patent-ineligible subject matter. *Id.* at 217–18.

When analyzing a claim for compliance with § 101, the “focus of the claimed advance over the prior art” is of primary importance. *Genetic Techs.Ltd. v. Merial LLC*, 818 F.3d 1369, 1375–76 (Fed. Cir. 2016) (cited by *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335–36 (Fed. Cir. 2016)). The underlying concern is ensuring “the basic tools of scientific and technological work” remain free to all, as “monopolization of those tools through the grant of a patent might tend to impede innovation more than it would tend to promote it.” *Alice Corp.*, 573

U.S. at 216, (quoting *Myriad*, 569 U.S. at 589 and *Mayo Collaborative Servs. v. Prometheus Labs. Inc.*, 566 U.S. 66, 71 (2012)). Even partial preemption of an abstract idea is enough to raise concern, and limiting an abstract idea to a particular field or technological environment will not be enough to render a claim patentable. *Diamond v. Diehr*, 450 U.S. 175, 191-92 n.14 (1981) (“We rejected in *Flook* the argument that because all possible uses of the mathematical formula were not pre-empted, the claim should be eligible for patent protection”).

Processes that “can be performed in the human mind, or by a human using a pen and paper,” are abstract ideas that cannot be patented. *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1372 (Fed. Cir. 2011). Implementing such processes on generic computer hardware, including in a generic computer itself or on a network environment, does not transform an abstract idea into a patentable invention; rather, claims reciting the use of computer hardware to perform a mental process are directed to an abstract idea. *See, e.g., Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1324 (Fed. Cir. 2016) (holding that computer-implemented method for “anonymous loan shopping” was an abstract idea because it could be “performed by humans without a computer”); *Intell. Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1318 (Fed. Cir. 2016) (“[W]ith the exception of generic computer-implemented steps, there is nothing in the claims themselves that foreclose them from being performed by a human, mentally or with pen and paper.”); *Voter Verified, Inc. v. Election Sys. & Software, LLC*, 887 F.3d 1376, 1385 (Fed. Cir. 2018).

Accordingly, claims to computer software that merely require processing data to produce more data, and do not improve the capabilities of the computer itself, or provide an improvement in a computer-related technology, are directed to abstract ideas. *Compare* *Intell. Ventures I v.*

Capital One Fin. Corp., 850 F.3d 1332, 1340 (Fed. Cir. 2017) (holding that claims involving nothing more than “collecting, displaying, and manipulating data” were directed to abstract ideas) *with Enfish*, 822 F.3d at 1339, and *McRO, Inc. v. Bandai Namco Games Am. Inc.*, 837 F.3d 1299, 1315 (Fed. Cir. 2016).

Adding insignificant extra-solution activity to an abstract idea will not supply an inventive concept to render a claim patent-eligible, especially when the additional subject matter is routine, well-understood, or conventional. *Parker v. Flook*, 437 U.S. 584, 588-89 (1978). When the subject matter recited in a claim in addition to an abstract idea is result-oriented and functional in nature, for example, the claim is not transformed into a patent-eligible application. *E.g.*, *Capital One Fin. Corp.*, 850 F.3d at 1341-42 (holding that the “law demands more” than a “result-oriented solution, with insufficient detail for how a computer” “overcome[s] ... incompatibility problems”); *Am. Axle & Mfg., Inc. v. Neapco Holdings LLC*, 967 F.3d 1285, 1294–95 (Fed. Cir. 2020) (cert. denied 142 S. Ct. 2902 (2022)) (“While AAM may have discovered patentable refinements of the prior art process, such as particular uses of ‘sophisticated FEA [finite element analysis] models during its design process,’ ... neither the specifics of any novel computer modelling, nor the specifics of any experimental modal analysis are included as limitations [in the claims.]”).

Likewise, the addition of a computer or other conventional machinery, “used in its ordinary capacity,” does not integrate an abstract idea into a practical application or provide significantly more. *See Affinity Labs v. DirecTV*, 838 F.3d 1253, 1262 (Fed. Cir. 2016) (holding that the recitation of generic cellular telephone hardware did not supply an inventive concept to otherwise ineligible subject matter); *TLI Communications LLC v. AV Auto, LLC*, 823 F.3d 607,

613, 118 U.S.P.Q.2d 1744, 1748 (Fed. Cir. 2016). Reciting performance of nominal actions that are the equivalent of instructing the relevant audience to straightforwardly apply the abstract idea similarly will not be enough to render a claim patent-eligible. *E.g.*, *Mayo Collaborative Servs.*, 566 U.S. at 72 (“to transform an unpatentable law of nature into a patent-eligible application of such a law, one must do more than simply state the law of nature while adding the words ‘apply it.’”); *In re Brown*, 645 F. App’x 1014, 1016-1017 (Fed. Cir. 2016); *Apple, Inc. v. Ameranth, Inc.*, 842 F.3d 1229, 1241 (Fed. Cir. 2016).

In a particularly salient decision, the Federal Circuit held that claims reciting software for monitoring an electric power grid in real time and “detecting events” was not eligible for patent protection. *Elec. Power Group v. Alstom, S.A.*, 830 F.3d 1350, 1353-56 (Fed. Cir. 2016). There, the Court found “a process of gathering and analyzing information of a specified content, then displaying the results” was an abstract idea because it only involved manipulating intangible information, which could be accomplished mentally. *Id.* at 1353–54. “[L]imiting the claims to the particular technological environment of power-grid monitoring is, without more, insufficient to transform them into patent-eligible applications of the abstract idea at their core. *Id.* at 1354. The addition of “off-the-shelf, conventional computer, network, and display technology for gathering, sending, and presenting the desired information” also did not render the claims patent-eligible. *Id.* at 1355. Accordingly, the Court affirmed the grant of summary judgment on grounds that the asserted patent claims failed the test for patent eligibility because the claims did “do not include any requirement for performing the claimed functions of gathering, analyzing, and displaying in real time by use of anything but entirely conventional, generic technology.” *Id.* at 1356.

Reasonably construed, claims 20 and 21 of the asserted patent are invalid under 35 U.S.C. § 101 as being directed to a patent-ineligible abstract idea because each claim merely recites data gathering and processing without significantly more.

Claim 20 of the '120 Patent recites:

20. A wireless earbud having an idle mode and an operational mode, the wireless earbud comprising:
an earbud housing;
a loudspeaker element;
a rechargeable battery; and
at least one main printed circuit board having disposed thereon circuitry for
wireless radio communication, audio codec and earbud operation control;
wherein the circuitry is configured for automatic power preservation by:
detecting connection of said battery to a charger and in response entering
the idle mode, wherein existing connections to a second wireless
earbud and to a wireless audio streaming host device will be
disconnected; and
detecting disconnection of said battery from said charger and in response
entering the operational mode by:
attempting a true wireless stereo, TWS, reconnection with the
second wireless earbud;

if the attempt is successful, operating the wireless earbud as a TWS
audio receiver and otherwise operating the wireless earbud
as a mono wireless audio receiver;
if operated as a TWS audio receiver, determining whether the
wireless earbud is a master device or a slave device with
respect to the second wireless earbud;
if the wireless earbud is determined to be a master device,
attempting to reconnect with the wireless audio streaming
host device and other known wireless audio streaming host
devices if applicable; and
if reconnection with the wireless audio streaming host device fails,
initiate a pairing procedure with the wireless audio
streaming host device and other known wireless audio
streaming host devices if applicable.

Claim 20 of the '120 Patent is invalid under 35 U.S.C. § 101 because it is directed to an abstract idea without significantly more. Claim 20 nominally recites a “wireless earbud.” However, the substance of claim 1 focuses on software operations implemented in the wireless earbud. Thus, claim 20 is directed to detecting information, attempting reconnections, entering operational modes responsive to certain results of the attempts, and initiating pairing procedures responsive to other results of the attempts. In other words, the focus of claim 20 is on gathering and processing information of a specified content, which is an abstract idea. *See Electric Power Group*, 830 F.3d at 1355.

The '120 Patent does not disclose or claim any particular algorithm or protocol for accomplishing the recited detection, reconnection attempts, changes of operational mode, or initiation of pairing procedures. Rather, these functions are disclosed in high-level, result-oriented terms, further confirming their abstract nature. *See '120 Patent*, col. 9, line 48, to col. 10, line 48; FIG. 12. The lack of detail on *how* detection, reconnection attempts, changes of operational mode, and initiation of pairing procedures take place belies that the focus of the claimed subject matter is on an ineligible mental process. *See Capital One Fin. Corp.*, 850 F.3d at 1341-42; *Am. Axle & Mfg., Inc.*, 967 F.3d at 1294-95.

Therefore, claim 20 of the '120 Patent is directed to an abstract idea because the detection, reconnection attempts, changes of operational mode, and initiation of pairing procedure steps to which the claim is directed, when considered individually or as a combination, are performable mentally or with the assistance of pen and paper and merely involve the detection and processing of intangible information.

The other limitations in claim 20 do not supply an inventive concept or otherwise amount to significantly more than an abstract idea. Claim 20 further requires an earbud housing, a loudspeaker element, a rechargeable battery, and at least one main printed circuit board with circuitry thereon. This hardware is recited generically and was conventional on and before the earliest possible priority date for the '120 Patent.

Using generic hardware, in a conventional configuration, for its conventional purposes of receiving and processing data does not transform an abstract idea into patent-eligible subject matter. *Mortgage Grader*, 811 F.3d at 1324.

Dependent claim 21 fails to add significantly more to the abstract idea recited in claim 20 because it similarly focuses on compliance with an abstract set of standards for data gathering, processing, and transmission.

For at least the foregoing reasons, each of asserted claims 20 and 21 is invalid. Skullcandy expressly reserves all rights and remedies.

DATED this 1st day of May, 2025.

BARNES & THORNBURG LLP
/s/ James C. Watson
Chad S.C. Stover (No. 4919)
222 Delaware Ave., Suite 1200
Wilmington, DE 19801
Tel: (302) 300-3434
Fax: (302) 300-3456
Email: chad.stover@btlaw.com

Glenn R. Bronson (*pro hac vice*)
J. Jeffrey Gunn (*pro hac vice*)
James C. Watson (*pro hac vice*)
TRASK BRITT P.C.
230 South 500 East, Suite 300
Salt Lake City, Utah 84102
GRBronson@traskbritt.com
JGunn@traskbritt.com
JCWatson@traskbritt.com

Counsel for Defendant Skullcandy Inc.