

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SKULLCANDY, INC.,

Petitioner

v.

EARIN AB,

Patent Owner

***Inter Partes* Review No. IPR2025-00690
U.S. Patent No. 9,402,120**

**OPPOSITION TO
PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL**

Petitioner’s Opposition to Patent Owner’s Request for Discretionary Denial
IPR2025-00690 (U.S. Patent No. 9,402,120)

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Petitioner's Exhibit List

Exhibit	Description
1001	U.S. Patent No. 9,402,120, applied for on September 5, 2014, to Lindén et al. (the “120 Patent”)
1002	U.S. Patent Application Publication No. 2011/0286615 published November 24, 2011, to Olodort et al. (“Olodort”)
1003	U.S. Patent Application Publication No. 2009/0073950 published March 19, 2009, to Guccione et al. (“Guccione”)
1004	Japanese Patent Application Publication No. 2004/236163 published August 19, 2004, to Yamashita et al. (“Original Yamashita”)
1005	Machine Translation of Original Yamashita into English, generated by Espacenet (“Yamashita”)
1006	Selected Excerpts of Specification of the Bluetooth® System, Covered Core Package Version 4.1, published December 3, 2013 (“Bluetooth® Spec. 4.1”)
1007	Declaration of Jeremy Cooperstock, Ph.D
1008	Office Action dated November 30, 2015
1009	Notice of Allowance dated May 10, 2016
1010	First Amended Complaint dated May 13, 2024
1011	Skullcandy's First Amended Initial Invalidity Contentions
1012	Earin's Infringement Contentions relating to Skullcandy's Dime 3 True Wireless Earbuds
1013	Earin's Opposition to Motion to Stay from Parallel Litigation

I. INTRODUCTION

Petitioner Skullcandy, Inc. (Skullcandy) hereby opposes Earin AB's (Earin) Request for Discretionary Denial (Paper No. 6) in this IPR2025-00690. The balance of relevant factors favors institution of *inter partes* review, including:

- the likelihood that the court in parallel litigation will stay the litigation upon institution and the way such a stay would impact any currently scheduled trial date,
- the lack of substantial investment in the parallel litigation,
- the lack of overlap between issues raised in the two proceedings, and
- Skullcandy's strong showing that the challenged claims of U.S. Patent No. 9,402,120 (Ex. 1001, the "'120 Patent") are unpatentable and were issued in error, including its limited, reasonable reliance on expert testimony,

among other factors.

In addition, Earin's complaints regarding alleged "delay" by Skullcandy, "settled expectations" held by Earin, and "compelling economic ... interests" lack foundation. Accordingly, Earin's request should be denied and *inter partes* review of the '120 Patent should be instituted.

II. THE MAJORITY OF *FINTIV* FACTORS FAVOR INSTITUTION.

Under *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential), the Patent Trial and Appeal Board of the U.S. Patent and Trademark Office balances the following factors when evaluating whether to exercise its discretion to deny institution of *inter partes* review:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits.

There is no question that Skullcandy is the Petitioner in this proceeding and the defendant in the parallel litigation under Factor 5. The remaining factors favor instituting *inter partes* review.

A. *Fintiv* Factor 1: Skullcandy will renew its motion to stay upon institution, and the court is likely to grant the motion.

The U.S. District Court for the District of Delaware, where the parallel litigation is taking place, routinely stays cases after *inter partes* review has been instituted. *E.g., Wilson Wolf Mfg. Corp. v. Bio*, C.A. No. 19-2315-RGA, 2020 U.S. Dist. LEXIS 262421, at *5 n.7 (D. Del. Dec. 8, 2020); *WSOU Invs., LLC v. Netgear, Inc.*, C.A. No. 21-1117-MN-CJB, 2022 U.S. Dist. LEXIS 215391, at *2 (D. Del. Nov. 30, 2022). When denying Skullcandy's pre-institution motion for a stay in the parallel litigation, the court signaled that it would likely grant the stay if the *inter partes* proceeding were instituted. Specifically, the court stated that "institution [of the *inter partes* review proceeding] ... is too speculative," Ex. 2003 at 1, which will no longer be the case should institution be granted in this proceeding. In addition, the court explicitly left open the door to "renewal [of the motion] after an institution decision" and stated that "[r]enewal may be made by a one-page letter." Ex. 2003 at 1.

Skullcandy will renew its motion for a stay in the parallel litigation when *inter partes* review is instituted in this matter, and the evidence shows the court will likely grant the stay. Accordingly, the first factor weighs in favor of institution.

B. *Fintiv* Factor 2: The trial date in the parallel litigation would likely change if *inter partes* review were instituted, and even Earin's statistics show trial is likely to shift until after the deadline for a final written decision.

The high likelihood that the court will grant a stay, should these *inter partes* review proceedings be instituted, should quell any concerns regarding duplication of effort and risk of inconsistent judgments. The likelihood of the stay ensures that *inter partes* review would "provide an effective and efficient alternative" to litigation. *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 20 (PTAB Sept. 12, 2018) (precedential) (quoting *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16-17 (PTAB Sept. 6, 2017) (precedential)).

In the unlikely event that the court does not grant a stay, Earin's own statistics show that the currently scheduled trial date would likely change and represents a rush to trial when compared to the median time to trial. *See* Ex. 2014. If the court takes the median 33 months to get to trial, *id.*, the trial date will fall about one-and-a-half months after the projected deadline for a final written decision in the *inter partes* review. Thus, Earin's own statistics confirm the unlikelihood that the trial date will fall before the deadline for a final written decision. In addition to being uncertain in nature, initially scheduled trial dates are not dispositive when it comes to determining whether to institute *inter partes*

review. *Samsung Elecs. Co. v. Acorn Semi, LLC*, IPR2020-01183, Paper 17 at 38–47 (PTAB Feb. 10, 2021) (granting institution when the trial date was ten months before the deadline for final written decision); *Precision Planting v. Deere*, IPR2019-01048, Paper 17 at 15–19 (PTAB Dec. 4, 2019) (granting institution when trial was scheduled two months before likely final written decision, noting that courts modify deadlines “for myriad reasons”).

Therefore, the proximity of the trial date to the deadline for a final written decision favors institution, given the likelihood of a stay in the parallel litigation, the uncertainty of litigation schedules, and median time to trial in the relevant jurisdiction. Alternatively, this factor should be accorded little or no weight in the analysis in light of these considerations.

C. *Fintiv* Factor 3: The litigation remains in its early stages.

Investment in the parallel litigation remains minimal, though naturally some progress has been made since Skullcandy's petition was filed. It remains true that no depositions have been scheduled or conducted, expert reports have not been exchanged, expert discovery has not yet begun, no unresolved dispositive motions have been filed, and no substantive orders relating to the '120 Patent have issued. Though the claim construction hearing in the parallel litigation is scheduled to fall before the deadline to grant or deny institution in this proceeding, Earin's prediction the resulting order will “likely” issue before the decision on institution

is speculation. Other than the production of initial infringement contentions, no progress specific to the issue of invalidity has been made in the parallel litigation.

Therefore, the lack of investment in the parallel litigation favors granting institution. Alternatively, progress in litigation is not dispositive when determining whether to institute *inter partes* review, *Samsung*, IPR2020-01183, Paper 17 at 38-47 (instituting *inter partes* review when invalidity expert reports and expert discovery were both complete), showing that this factor should be given little or no weight.

D. *Fintiv* Factor 4: Skullcandy's broadened stipulation "ensures that ... *inter partes* review is a 'true alternative' to the district court proceeding."¹

Under the precedential *Sotera* decision, which involved the identical stipulation that Skullcandy presented in its Petition (Paper 1 at 47), this factor must be found to "weigh[] strongly in favor of not exercising discretion to deny institution" *Id.*

The overwhelming majority of cases cited by Earin regarding overlap of issues are inapplicable, as they did not involve any stipulation. *See, e.g., Pharaoh Energy Servs., LLC v. Flex-Chem Holding Co.*, IPR2024-00815, Paper 7 at 13–14 (PTAB Sept. 20, 2024) ("[T]he record does not indicate that Petitioner has entered

¹ *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18–19 (PTAB Dec. 1, 2020) (precedential)

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into a stipulation regarding prior art asserted in the Parallel Litigation”); *Code200, UAB v. Luminati Networks, Ltd.*, IPR2020-01506, Paper 10 at 11-12 (PTAB Feb. 16, 2021) (“[W]e have not been advised of any stipulations filed or actions taken by Petitioner to reduce the overlap between the proceedings.”); *U.S. Venture, Inc. v. Sunoco Partners Mktg. & Terminals LP*, IPR2020-00728, Paper 10 at 11-12 (PTAB Oct. 1, 2020) (making no mention of any stipulation by the petitioner), *reh’g denied*, Paper 13 (PTAB Dec. 17, 2020).

Motorola Solutions, Inc. v. Stellar, LLC, IPR2024-01205, Paper 19 at 3–4 (PTAB Mar. 28, 2025), *reh’g denied*, Paper 23 (PTAB May 23, 2025) is distinguishable on its facts. In *Motorola* “the parties had served extensive infringement and invalidity contentions, served opening and rebuttal expert reports, filed claim construction briefs, and conducted several depositions” and “[t]he court also had held a claim construction hearing and construed the disputed claim terms,” *id.*, none of which is true in this case. In addition, the trial date in *Morotorla* was scheduled “eleven months before the Board’s projected final written decision date,” *id.*, which is not comparable to the timing at issue here.

Nonetheless, and in the interest of further ensuring that these proceedings represent a true alternative to litigation, Skullcandy hereby broadens its stipulation. Specifically, Skullcandy will not pursue in the parallel litigation the specific grounds asserted in its Petition, nor any other ground that reasonably could have

been raised by Skullcandy in a petition for *inter partes* review, nor any ground relying on the same references presented its Petition, should Skullcandy's Petition be granted and *inter partes* review be instituted. In connection with the parallel litigation, Skullcandy has served on Earin an amended set of Initial Invalidity Contentions confirming its stipulation, a copy of which is attached hereto as Ex. 1011. Accordingly, this factor weighs strongly in favor of institution.

E. *Fintiv* Factor 6: Skullcandy's strong showing on the merits, including its uncontested explanation that the claims were issued in error, heavily favors institution.

The undisputed evidence shows that the Examiner found the relevant claims to be allowable for a reason that was not and is not accurate, which means they only could have issued by mistake. In its Petition, Skullcandy explained, "The Office erred materially in its evaluation of at least claim 20 of the '120 Patent." Pet., Paper 1 at 47. Claim 20 corresponds to what was Claim 18 in the application that ultimately issued as the '120 Patent. In the Notice of Allowance for that application, the Examiner identified a specific set of "features ... of Claim [] 18" that the Examiner considered were "not anticipated by, nor made obvious over, the prior art of record." Ex. 1009, p. 2. Those features were an extensive set of hardware limitations regarding the shapes and relative positioning of the various components of the earbud. *See id.*

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However, those limitations were not actually present in then-pending claim 18 and are not found in claim 20 of the '120 Patent. *Compare* Ex. 1009, p. 2 with Ex. 1001, col. 14, line 50, to col. 15, line 15. Therefore, the subject matter the Examiner said made the relevant claims allowable was actually missing from those claims. The claims should not have issued without that subject matter, and the fact that they did reveals material error by the U.S. Patent and Trademark Office. Accordingly, the petition should be granted to correct such error.

Skullcandy argues in its Petition that the foregoing represents a material error made during the original prosecution of the '120 Patent. Pet., Paper 1 at 47–48. In its Request for Discretionary Denial, Earin does not contest the facts presented by Skullcandy, nor Skullcandy's characterization of those facts as material error. Earin not acted to clarify or correct the Examiner's mistake nor given an explanation for its failure to do so. Accordingly, there appears to be no dispute that the presentation of this new evidence “weigh[s] heavily against denying institution.” *Adobe Inc. v. RAH Color Techs. LLC*, IPR2019-00627, Paper 41 at 20 (PTAB Sept. 10, 2019).

As to the substantive merits of the petition, Earin provides no explanation or reasoning why it believes that the prior art identified by Skullcandy does not disclose or render obvious the claim limitations. Though Earin identifies two limitations, relating to the claimed “idle mode” and initiation of pairing with

“known” devices when reconnection fails, Earin is silent on the prior art

Skullcandy has identified. *See* Paper 6 at 15.

Regarding “idle mode,” Skullcandy has shown that the prior art discloses causing earbuds to enter a low power, standby state when connected to a charger and that the standby state is one in which no connection is established. Pet., Paper 1 at 23–24, 38–41. Skullcandy has also shown that the prior art discloses causing an earbud to enter a discoverable state when it fails to reconnect with the last phone used. Pet., Paper 1 at 26–29, 38–41. Taken as a whole, Skullcandy's arguments and the supporting evidence show the subject matter of claim 20, including the limitations mentioned by Earin, would have been obvious to a person of ordinary skill in view of the prior art.

Earin seeks to have it both ways by taking inconsistent positions in this proceeding and in the parallel litigation. Here, Earin has said that the prior art does not teach the full scope of its relevant patent claims. *See* Paper 6 at 15. However, Earin has taken the position in the parallel litigation that the functionality exhibited by Skullcandy's earbuds, which is the same functionality as is disclosed in the prior art, is within the scope of Earin's patent claims. Therefore, Earin's allegations that the prior art does not adequately teach the claim limitations lack merit because “[t]hat which infringes, if later, would anticipate, if earlier,” *Peters v. Active Mfg. Co.*, 129 U.S. 530, 537 (1889).

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In a representative set of Infringement Contentions, a copy of which is attached hereto as Exhibit 1012, Earin accuses Skullcandy's Dime 3 True Wireless Earbuds of practicing the final limitation of claim 20 because they broadcast availability for pairing after attempting to reconnect to a previously paired device. Ex. 1012 at 12–21. Earin cannot at the same time claim that the statements, “the headset is powered on and will first attempt to reconnect to the last phone used (if any)” and “[i]f the phone is out of range or not available, the headset 10 will automatically enter a discoverable state.,” in U.S. Patent App. Pub. No. 2009/0073950 to Guccione et al. is not a prior-art disclosure of the same claimed subject matter.²

Therefore, the balance of *Fintiv* factors counsels against exercising discretion to deny Skullcandy's petition. Rather, the petition should be granted and *inter partes* review instituted to remedy the material errors made during prosecution of the '120 Patent and to verify the unpatentability of the challenged claims on the meritorious grounds presented.

² Earin also accuses Skullcandy products of practicing the “idle mode” limitations when they power off responsive to charging. *E.g.*, Ex. 1012 at 4. Skullcandy maintains that “idle mode” cannot encompass a state where the earbuds are off, and also that the prior art's disclosures clearly teach this limitation.

III. ADDITIONAL FACTORS LIKEWISE FAVOR INSTITUTION.

A. This would be the first time Earin's patent claims are subjected to scrutiny post issuance.

First, the relevant claims of Earin's '120 Patent have not previously been examined for their validity or patentability, other than during original examination. After a diligent search, Skullcandy has not identified any other post-grant proceedings before the Patent Trial and Appeal Board of the U.S. Patent and Trademark Office in which review of the '120 Patent has been sought. Nor has Skullcandy identified any other proceedings, including before the courts, in which the validity and patentability of the claims in the '120 Patent have been adjudicated. The fact that this would be the first time Earin's claims are subjected to scrutiny post issuance weighs in favor of institution. The foregoing becomes especially clear when considered in combination with the errors made during prosecution and new references and issues raised by Skullcandy in its petition.

B. The merits of Skullcandy's petition strongly favor institution.

Skullcandy discussed the strength of its challenge to patentability above in connection with factor 6 of the *Fintiv* analysis and incorporates the same arguments here. Earin's lack of substantive rebuttal regarding the merits, and silence regarding Skullcandy's explanation of material errors made during the original prosecution, speaks volumes.

Earin's arguments relating to restrictions on available evidence resulting from the protective order are speculative, at best. Earin identifies no documents or categories of documents subject to the protection of that order that it believes would be relevant to this proceeding.

Therefore, the strength of Skullcandy's petition weighs heavily in favor of institution.

C. Skullcandy's reliance on expert testimony is limited and reasonable.

When it comes to limitations in the claims, Skullcandy relies almost exclusively on the content of the prior art identified in its petition. Skullcandy relies on expert testimony to bolster its position with respect to one, and only one, claim limitation: that placing the circuitry known from the prior art on "at least one main circuit board" would have been obvious. *See* Pet., Paper 1 at 22. Notably, Earin does not identify the foregoing as one of the alleged deficiencies with Skullcandy's petition. *See* Paper 6 at 15.

The remainder of the expert testimony is cabined to the identity, capabilities, understanding, and combinations that would be made by a person of ordinary skill in the art, which is entirely appropriate. At least some of the "parroting" that Earin accuses the expert testimony of doing is found in quotations of prior art disclosure. Such parroting is entirely appropriate and ensures that both the expert testimony

and attorney argument are tethered to the evidence. To the extent there is other parroting of the expert testimony in the petition, it is the attorney argument that repeats and relies on the expert testimony on topics where such testimony is most relevant, not the other way around.

Therefore, Skullcandy's reasonable reliance on expert testimony, cabined to topics where such testimony is of importance, weighs in favor of institution.

D. Earin's evidence fails to show it has settled expectations, and Skullcandy has settled expectations of its own.

Earin accuses Skullcandy of delay allegedly giving Earin "settled expectations." Yet Earin delayed in making accusations of infringement, which gave Skullcandy settled expectations. Skullcandy's first true wireless earbud products, marketed under the PUSH trademark, launched in 2018. Earin did not file its complaint until 2023 and has accused the PUSH line of products of infringing.

In other words, Earin sat on its hands for five years after Skullcandy's true wireless PUSH product launched before filing its complaint. Five years is the same kind of timeline that a trademark owner can expect its rights to become incontestable under § 15 of the Lanham Act, 15 U.S.C. § 1065. In the trademark context, incontestability is premised on continuity of use in the marketplace. Earin has conceded that it does not "directly compete[]" with Skullcandy in the

marketplace.” Earin Opposition to Motion to Stay from Parallel Litigation, attached hereto as Exhibit 1013, at 8. Therefore, the ’120 Patent has “not ... been commercialized, asserted, marked, licensed, or otherwise applied in a petitioner’s particular technology space” until limited licensing efforts began in 2023, which “weigh against [Earin’s] claim of settled expectations.” *See Intel Corp. v. Proxsense*, IPR2025-00329, Paper 12 at 2–3 (PTAB June 26, 2025). Earin cannot have settled expectations of exclusive rights where Earin was not exploiting the patented technology itself and delayed in objecting to Skullcandy’s products.

Earin imputes knowledge of the ’120 Patent to Skullcandy because the published application, not the patent, was cited in one of Skullcandy’s patent applications. Paper 6 at 21–22. Earin proffers no evidence that Skullcandy actually knew of Earin’s application, much less that Skullcandy became aware of the patent. Earin does not provide any legal support for the proposition that a petitioner can be presumed to have knowledge of a patent when the corresponding published application is cited, but not relied on in any rejection, in one of the petitioner’s own applications, nor is Skullcandy aware of any after a reasonable search.

To the contrary, authorities who have considered similar questions generally decline to impute knowledge of a patent when comparable circumstances are at play. *Finjan, Inc. v. Juniper Networks, Inc.*, No. C 17-05659 WHA, 2018 U.S. Dist. LEXIS 25323, at *8-9 (N.D. Cal. Feb. 14, 2018) (refusing to impute

knowledge of a specific patent when discussions regarding licensing an entity's entire portfolio had taken place); *Monec Holding AG v. Motorola Mobility, Inc.*, 897 F. Supp. 2d 225, 232-34 (D. Del. 2012) (refusing to impute knowledge of a patent based on allegations both parties were competitors in the same market and there had been litigation involving the patent and other entities). Thus, the evidence proffered by Earin shows, at best, knowledge of the application, not the patent. Without evidence that Skullcandy knew of the patent, Earin's claim that Skullcandy delayed for nearly a decade is unsupported and cannot form the basis of settled expectations on Earin's part.

Earin's claims of "delay" by Skullcandy in the preparation and filing of the petition similarly lack support. Skullcandy filed its petition less than three months after the Scheduling Order was entered in the parallel litigation, which is not indicative of delay. *See* Ex. 1011 (showing the scheduling order was entered on December 18, 2024, whereas the petition was filed March 7, 2025). In the period before the Scheduling Order was put in place, Skullcandy dedicated its resources toward multiple motions to dismiss, which had the potential to resolve the dispute altogether and resulted in Earin being forced to amend its Complaint. Thus, the period between when the Complaint was first served and when Skullcandy petitioned for *inter partes* review was reasonably dedicated toward reaching an efficient resolution, of which *inter partes* review would merely be a continuing

effort. There was no delay on Skullcandy's part, much less one that would give rise to "settled expectations" for Earin.

Finally, Earin has been aware of the error made by the Examiner during prosecution of the '120 Patent since at least May 10, 2016, when the Notice of Allowance was issued. Earin did not correct the error at the time, such as by submitting a statement commenting on the reasons for allowance under 37 C.F.R. § 1.104(e) or by reopening prosecution and amending the claims to incorporate the subject matter identified by the Examiner as allowable. Nor has Earin taken any subsequent action to correct the error. By failing to correct the record for nearly a decade, and leaving in place a record of error by the Office that patent challengers are entitled to rely upon when asserting invalidity and unpatentability of Earin's patent claims, Earin has created settled expectations for Skullcandy: *i.e.*, that Skullcandy can rely on such error when challenging the '120 Patent.

Therefore, to the extent there are settled expectations, they are held by Skullcandy and not Earin. As a result, this factor cautions against exercising discretion to deny the petition.

E. Earin's purported economic interests lack foundation and are not compelling.

Earin argues that it has compelling economic interests in preserving its ability to license the '120 Patent. Paper 6 at 22–23. Earin provides no evidence to

substantiate its interests, relying solely on the statement of counsel that “multiple entities have ... taken a license.” A handful of licenses, absent contextualizing explanations of their value in the context of the relevant marketplace, do not render economic interests “compelling.” Moreover, Earin has admitted that it does not practice the patented technology. Ex. 1013 at 8. When considered in combination with the strength of the petition, Earin's economic interests are limited to the interests of a non-practicing entity in extracting license fees relying on an invalid patent, which further confirms that such interests are not “compelling.”

To the contrary, Skullcandy has compelling economic interests in its continued ability to offer its true wireless earphone products free of encumbrance by dubious claims of patent infringement premised on invalid patent claims. Therefore, the compelling economic interests of Skullcandy weigh against exercising discretion to deny the petition.

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Dated: July 16, 2025

Respectfully submitted,

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CERTIFICATION OF WORD COUNT

Pursuant to 37 C.F.R. § 42.24(d), the undersigned certifies that the foregoing Opposition to Patent Owner's Request for Discretionary Denial contains 4,973 words, even including sections which can be excluded, such as table of contents, table of authorities, certificate of service, certification of word count, and appendix of exhibits (but including the signature block). Petitioner has relied on the word count feature of the word processing system used to create this Petition in making this Certification.

Date: July 16, 2025

/James C. Watson/

James C. Watson (Reg. No. 64,746)

CERTIFICATE OF SERVICE

As authorized by Patent Owner's Mandatory Notice, I hereby certify that on Jul 16, 2025, a copy of this document has been served in its entirety by electronic mail on Patent Owner's lead and backup counsel.

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