Trials@uspto.gov
Tel: 571-272-7822

Paper 9
Entered: September 23, 2016

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

CHESTNUT HILL SOUND INC.,
Patent Owner.

Case IPR2016-00794
Patent 8,090,309 B2

Before RAMA G. ELLURU, DAVID C. MCKONE,
and JOHN F. HORVATH, *Administrative Patent Judges.*

ELLURU, *Administrative Patent Judge*.

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

I. INTRODUCTION

Apple, Inc. ("Petitioner") filed a Petition (Paper 2, "Pet.") to institute an *inter partes* review of claims 1–14 of U.S. Patent No. 8,090,309 B2 (Ex. 1001, "the '309 patent"). Chestnut Hill Sound Inc. ("Patent Owner") filed a Preliminary Response (Paper 8, "Prelim. Resp.").

Under 35 U.S.C. § 314(a), an *inter partes* review may be instituted only if "the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." 37 C.F.R. § 42.108(c).

For the reasons given below, on this record we find that Petitioner has established a reasonable likelihood of prevailing with respect to at least one challenged claim of the '309 patent. Accordingly, we grant the Petition and institute an *inter partes* review of claims 1–14 of the '309 patent.

A. Related Matter

The '309 patent is the subject of *Chestnut Hill Sound, Inc. v. Apple Inc.*, Civil Action No. 1:15-cv-00261 (D. Del). Pet. 1; Paper 5, 1. In Case IPR2015-01463, *Apple, Inc. v. Chestnut Hill Sound Inc.*, (Paper 2) ("the -1463 IPR"), Petitioner challenged claims 1–14 of the '309 patent, and we denied institution (Paper 10, 21–22).

B. The '309 Patent

The '309 patent describes an audio entertainment system. Figure 2B, reproduced below, illustrates an example:

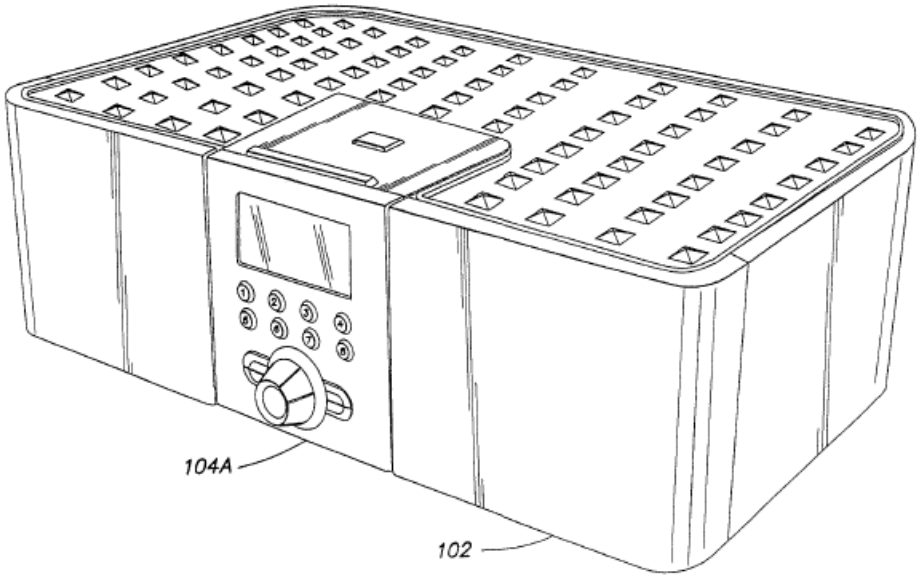

FIG. 2B

Figure 2B is a pictorial view of the entertainment system. *Id.* at 5:37–39.

Entertainment system 100 includes base unit (table unit) 102 and control sub-assembly 104 (partially shown). *Id.* at 3:21–32, 7:34–37. Detachable device 118 (not shown) is preferably a digitally controlled device (e.g., "an iPod") that supplies an audio signal, via the interface sub-assembly 116 (not shown), to audio amplifier 106 (not shown). *Id.* at 7:47–57. Control sub-assembly 104 may include a detachable control unit 104A and an interface 104B (not shown), in the base unit. *Id.* at 7:44–46. In a first mode ("docked mode"), control unit 104A is electrically connected to the audio amplifier and signal source electronics sub-assembly via a set of connectors or terminals 142A, 142B (not shown), and its wireless transceiver is disabled. *Id.* at 8:58–62. In a second mode ("undocked mode"), the control is separated from the base unit and the electrical connectors 142A, 142B are broken. *Id.* at 9:2–5.

The ’309 patent Specification explains that “the system may control a remote device (personal computer, etc.) which can then act as a server of music and other files to the base unit . . . or as a streaming audio source.” *Id*. at 8:11–15. In addition, the remote device “may serve up content” from an attached portable music player (e.g., such as an iPod device). *Id*. at 8:25–26. The specification further explains that “the remote device and/or its music source may be controlled via a local control unit such as a detachable control unit 104A.” *Id*. at 8:27–29. “Thus, for example, a user may be in one room of a house with control unit 104A and control the delivery of music from a source in that room, in another room (directly via wireless operation or via a network), or even from a source external to the house.” *Id*. at 8:29–33. To facilitate operation of the control unit and the selection of music to be played, the control unit may operate upon metadata which serves to identify music selections by their source. *Id*. at 8:33–37.

C. Illustrative Claims

Petitioner challenges claims 1–14 of the ’309 patent. Claims 1 and 9 are independent, and claims 2–8 and 10–14 depend, respectively, therefrom. Claim 1 is illustrative of the claimed subject matter and recites the following:

> 1. A method of using a media device operable in first and second modes, the first mode comprising operation as a system for accessing a media source co-housed with or directly connected to said media device, the source configured to stream media files or media streams for output by said media device, and the second mode comprising operation of the media device as a remote controller system for controlling over a network a media source remote from the media device, comprising:

operating the media device in the first mode, wherein when operated in the first mode, the media device performs operations of

displaying user-selectable media metadata on a display of the media device, at least one media file or stream being associated with each displayed media metadata and being available from the media source for playing by said media device,

receiving from a user a selection of media metadata from among the displayed media metadata, and indicating that said media device should play a media file or media stream associated with the selected media metadata, and

outputting the selected media file or media stream; and

operating the media device in a second mode, wherein when operated in the second mode, the media device performs operations of

connecting the media device with the media source, via a network interface,

transmitting a request, using the network interface, for media metadata from the media device to the media source,

receiving at the media device, using the network interface, media metadata from the remote media source, the media metadata indicating at least one media file or media stream available from the media source,

displaying at least one received media metadata on a media device display,

generating a signal in response to a user selection of at least one said displayed media metadata, and the media device sending a corresponding signal from the network interface to the media source, wherein the corresponding signal includes at least one media file or media stream metadata identifying at least one media file or media stream available from the media source that, in turn, responds to the corresponding signal by accessing the identified media file or media stream and once accessed, and

sending the identified media file or media stream to a media output device separate from the media device.

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