UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

Sony Corporation,
Petitioner,

v.

One-E-Way, Inc.
Patent Owner.

IPR2016-01638

Patent No. 9,282,396

Issue Date: March 8, 2016

Title: Wireless Digital Audio Music System

PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE TO PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 9,282,396

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Petitioner Sony Corporation hereby submits a reply to Patent Owner's Preliminary Response to Sony's Petition for *inter partes* review of U.S. Patent No. 9,282,396, as authorized by the Board's Order of February 1, 2017 (Paper 10).

As discussed in Sony's Petition, the '396 patent claims are not entitled to a 2001 priority date because one of the applications in the chain, the 2003 application, broke the continuity of disclosure. The 2003 application, the second in a chain of seven applications that eventually led to the '396 patent, was filed as a continuation-in-part (CIP) and was directed to an invention different from the one disclosed in the 2001 application. (Pet. at 11–15). The 2003 application did not include certain subject matter disclosed in the 2001 application; the 2003 application also did not include an incorporation-by-reference of the 2001 application. *See, e.g.*, Petitioner's Ex. 1008. The 2001 application was abandoned immediately following the filing of the 2003 application. Only three years later, long after the 2001 application was abandoned (and had been published), did the applicant amend the specification of the 2003 application in an attempt to reclaim the subject matter that had been abandoned with the 2001 application. (Pet. at 16–18).

Patent Owner does not contest that the as-filed 2003 application did not include certain material from the 2001 application. (Paper 9 at 2–3). Patent Owner also does not dispute that claiming priority as a CIP (or continuation or divisional) of a parent application is not an incorporation by reference of the prior application.

Instead, Patent Owner argues that its failure to include certain subject matter from the 2001 application in the 2003 application at the time of filing, either expressly or through an incorporation-by-reference statement, is excusable, because it added back such material while the 2003 application was still pending. Patent Owner acknowledges that a general prohibition exists under 35 U.S.C. § 132 against adding new matter to a pending application, but claims that a narrow exception allows it to add, through an amendment, matter from the parent application without violating this prohibition. Patent Owner's interpretation of section 132 is incorrect, and the cases it cites (Paper 9 at 6–11) do not support it.

A. The Holding of *In re Reiffin* Does Not Support Patent Owner

Patent Owner relies primarily on *In re Reiffin*, 340 Fed. Appx. 651 (Fed. Cir. July 27, 2009) (unpublished) to support its incorrect interpretation of section 132. In *Reiffin*, a patentee attempted to add material from a prior application during reexamination. The patent at issue, U.S. Patent No. 5,694,604 ("the '604 patent"), had been filed in 1994 as a continuation of a prior application filed in 1990. *Id.* at 653. However, the specification of the '604 patent did not include certain subject matter from the disclosure of the 1990 application that was necessary to support some of the '604 claims. *Id.* at 658. The Court rejected patentee's attempt to add that material to the '604 patent during reexamination, thus canceling the claims for failure to comply with the written description requirement. *Id.* at 660.

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