

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC. and FITBIT, INC.,
Petitioner,

v.

VALENCELL, INC.,
Patent Owner.

Case IPR2017-00319
Patent 8,923,941 B2¹

Before BRIAN J. McNAMARA, JAMES B. ARPIN, and
SHEILA F. McSHANE, *Administrative Patent Judges*.

ARPIN, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

¹ Case IPR2017-01555 has been joined with this proceeding.

I. INTRODUCTION

Apple Inc. (“Petitioner”) filed a Petition requesting *inter partes* review of claims 1–13 (“the challenged claims”) of U.S. Patent No. 8,923,941 B2 (Ex. 1001, “the ’941 patent”) under 35 U.S.C. §§ 311–319. Paper 2 (“Pet.”). Valencell, Inc. (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). We instituted the instant *inter partes* review as to claims 1, 2, and 6–13. Paper 10 (“Inst. Dec.”). Petitioner filed a Request for Rehearing (Paper 13) of our Decision on Institution with respect to our denial of institution of Petitioner’s challenges to claim 3, and we entered a decision (Paper 15) denying Petitioner’s Request for Rehearing. Fitbit, Inc. (also “Petitioner”) filed a corresponding Petition (IPR2017-01555, Paper 2), accompanied by a Motion for Joinder (IPR2017-01555, Paper 3), challenging claims 1, 2, and 6–13 of the ’941 patent, and we granted the Motion for Joinder and instituted review of the challenged claims (IPR2017-01555, Paper 9) based on the corresponding Petition.

Subsequent to institution, Patent Owner filed a Patent Owner Response (Paper 22 (“PO Resp.”)), and Petitioner filed a Reply (Paper 27 (“Reply”)). A transcript of the oral hearing held on February 27, 2018, has been entered into the record as Paper 34 (“Tr.”).²

On April 24, 2018, the U.S. Supreme Court held that a decision to institute under 35 U.S.C. § 314 may not institute on fewer than all of the claims challenged in the Petition. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018). In view of the Court’s decision, we issued an Order (Paper 39)

² This was a consolidated hearing with the following related case: Case IPR2017-00321. *See* Tr. 3:2–5.

modifying our Decision on Institution to institute on all of the challenged claims and on all of the grounds asserted in the Petition. In particular, the additional grounds upon which we instituted review are: (1) claim 3 as obvious over the combined teachings of Luo and Craw (Ground 1) or over Mault, Al-Ali, and Lee (Ground 7); and (2) claims 4 and 5 as obvious over the combined teachings of Luo, Craw, and Wolf (Ground 2) or over Mault, Al-Ali, and Behar (Ground 8).³ Paper 39, 4; *see infra* Sections I.D. and I.E. Chief Administrative Patent Judge Ruschke granted a good cause extension of the one-year period for issuing a final written decision in this case (Paper 37), and the panel extended the deadline to issue a final written decision until August 6, 2018 (Paper 38). Pursuant to our authorization (Paper 39, 5–6), Petitioner filed additional briefing regarding the newly-instituted grounds and associated claims, (Paper 40 (“Add’l Br.”)), and Patent Owner filed a response to Petitioner’s additional briefing (Paper 41 (“Add’l Resp.”)).

Although Patent Owner filed objections to evidence submitted with the Petition (Paper 14) and Petitioner filed objections to evidence submitted with Patent Owner’s Preliminary Response (Paper 12) and to evidence submitted with the Patent Owner Response (Paper 23), neither party filed a Motion to Exclude. Consequently, these objections are deemed waived. 37 C.F.R. § 42.64(c) (“A motion to exclude evidence must be filed to preserve any objection.”). Petitioner also filed a list of alleged

³ Petitioner Fitbit did not request joinder with respect to claims 3–5, and our institution of review based on Petitioner Fitbit’s Petition concerned claims 1, 2, and 6–13 of the ’941 patent, but we granted Petitioner Fitbit’s request to join as a party. *See* IPR2017-01555, Paper 9, 1. This Decision addressing the status of each challenged claim in this proceeding applies to all parties.

misrepresentations of fact and inconsistent statements made by Patent Owner in its Preliminary Response. Paper 9. We considered these listed items in preparation of our Decision on Institution (*see* Inst. Dec. 24 n.7), and Petitioner does not raise the listed, alleged misrepresentations of fact and inconsistent statements in its post-institution filings. Consequently, Petitioner also does not preserve these objections, and we do not consider them further here.

This Final Written Decision is entered pursuant to 35 U.S.C. § 318(a). For the reasons that follow, we determine that Petitioner has demonstrated by a preponderance of the evidence that claims 1, 2, and 6–13 of the '941 patent are unpatentable, but that Petitioner fails to demonstrate by a preponderance of the evidence that claims 3–5 of the '941 patent are unpatentable.

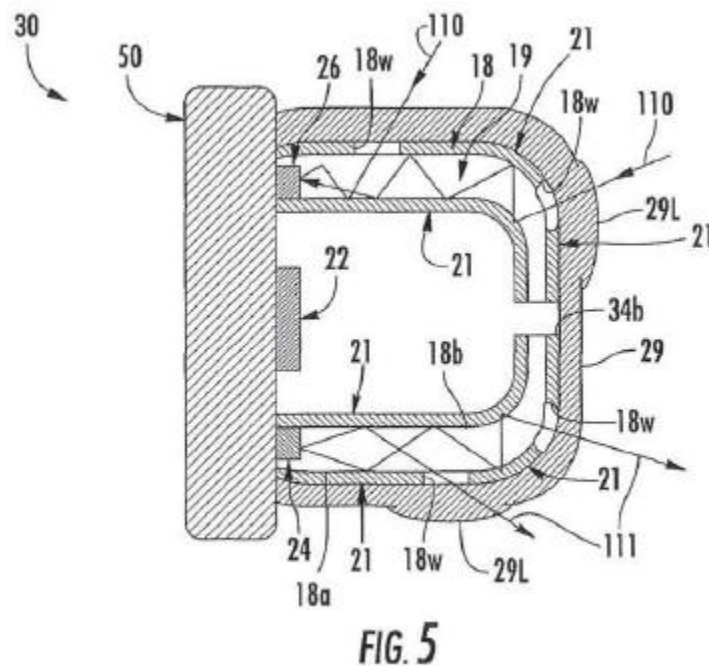
A. *Related Proceedings*

According to the parties, the '941 patent is involved in the following civil actions: *Valencell, Inc. v. Apple Inc.*, Case No. 5-16-cv-00010 (E.D.N.C. 2016); *Valencell, Inc. v. Bragi Store, LLC et al.*, Case No. 5-16-cv-00895 (E.D.N.C. 2016); and *Valencell, Inc. v. Fitbit, Inc.*, Case No. 5-16-cv-00002 (E.D.N.C. 2016). Pet. 52; Paper 5, 1. Further, the '941 patent is involved in a related petition for *inter partes* review, Case IPR2017-00321, filed by Petitioner on the same day as the instant Petition. We also instituted review of a related Petition by Fitbit, Inc. with the same grounds, and granted a Motion for Joinder of that case with Case IPR2017-00321. IPR2017-01556, Paper 9. The Board issued a Final Written Decision, finding all challenged claims unpatentable and denying a Motion to Amend in Case IPR2017-00321. IPR2017-00321, Paper 44, 76.

B. The '941 Patent

The '941 patent is entitled “Methods and Apparatus for Generating Data Output Containing Physiological and Motion-Related Information,” and was filed February 19, 2014, and issued December 30, 2014. Ex. 1001, (22), (45), (54). The '941 patent is a continuation of U.S. Patent Application No. 12/691,388, filed January 21, 2010, now issued as U.S. Patent No. 8,700,111 B2 (*id.* at (63)), and claims priority to four provisional patent applications: U.S. Provisional Patent Application Nos. 61/208,567, filed February 25, 2009; 61/208,574, filed February 25, 2009; 61/212,444, filed April 13, 2009; and 61/274,191, filed August 14, 2009 (*id.* at (60)). For purposes of this Decision, we accept February 25, 2009, as the earliest effective filing date of the '941 patent. *See* Pet. 9.

The '941 patent relates generally to physiological monitoring apparatus. Ex. 1001, 1:21–23. Figure 5 of the '941 patent depicts an exemplary embodiment and is reproduced below.



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