

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 IPR2017-00321
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 IPR2017-01556 has been joined with this proceeding.

I. INTRODUCTION

Apple Inc. (“Petitioner”) filed a Petition requesting *inter partes* review of claims 14–21 (“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 the challenged claims.² Paper 11 (“Inst. Dec.”). Fitbit, Inc. (also “Petitioner”) filed a corresponding Petition (IPR2017-01556, Paper 2), accompanied by a Motion for Joinder (IPR2017-01556, Paper 3), challenging claims 14–21 of the ’941 patent, and we granted the Motion for Joinder and instituted review of the challenged claims based on the corresponding Petition (IPR2017-01556, Paper 9).

Subsequent to institution, Patent Owner filed a Patent Owner Response (Paper 23 (“PO Resp.”)), and Petitioner filed a Reply (Paper 30 (“Reply”)). In addition, Patent Owner filed a contingent Motion to Amend (Paper 24 (“MTA”)), Petitioner filed an Opposition to Patent Owner’s contingent Motion to Amend (Paper 31 (“MTA Opp.”)), Patent Owner filed a Reply to Petitioner’s Opposition to the contingent Motion to Amend (Paper 32 (“MTA Reply”)), and Petitioner filed Sur-reply to Patent Owner’s Reply to Petitioner’s Opposition to the contingent Motion to Amend (Paper 33

² We instituted *inter partes* review with respect to each of the claims challenged and on all of the grounds asserted in the Petition, and our Final Decision addresses the patentability of each of the challenged claims on all grounds. *See SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018).

(“MTA Sur-Reply”). A transcript of the oral hearing held on February 27, 2018, has been entered into the record as Paper 41 (“Tr.”).³

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 13) and to evidence submitted with the Patent Owner Response (Paper 25), 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 misrepresentations of fact and inconsistent statements made by Patent Owner in its Preliminary Response. Paper 10. We considered these listed items in preparation of our Institution Decision (*see* Inst. Dec. 10–11), and Petitioner does not raise the listed, alleged misrepresentations of fact and inconsistent statements in its post-institution filings. Consequently, 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 14–21 of the ’941 patent are unpatentable. We also deny Patent Owner’s contingent Motion to Amend.

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-

³ This was a consolidated hearing with the following related case: IPR2017-00319. *See* Tr. 3:2–5.

IPR2017-00321
Patent 8,923,941 B2

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 IPR2017-00319, filed by Petitioner on the same day as the instant Petition.

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 at [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]).

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.

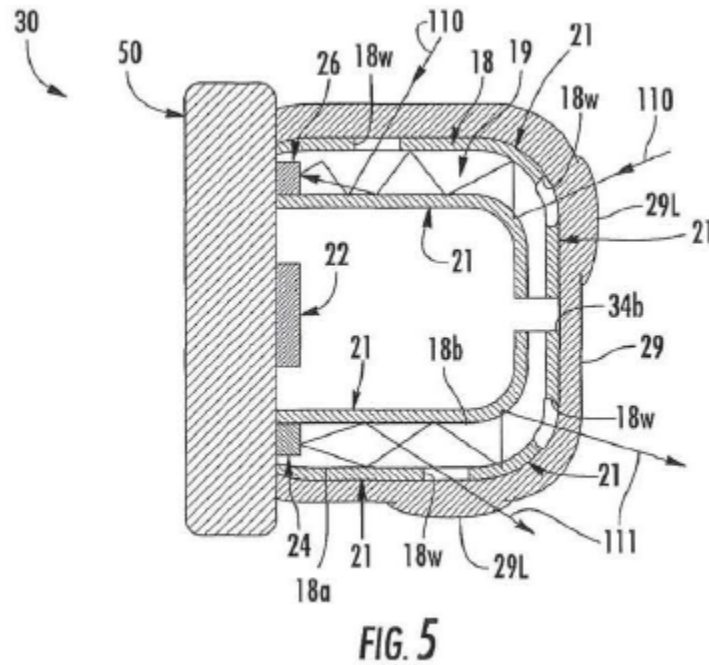


Figure 5 depicts a side section view of light-guiding earbud 30 for a headset. In particular, earbud 30 includes light guide or cover 18 that serves the function of a housing. *Id.* at 16:16–19. Light guide 18 includes a plurality of windows 18w formed in cladding material 21 on outer surface 18a of cover 18. *Id.* at 16:19–21. Light 111 emitted from light emitter 24 passes through windows 18w and into the wearer's body, and scattered light 110 returning from the wearer's body passes into light guide 18 through windows 18w and is directed to light detector 26. *Id.* at 16:21–24. In other embodiments, earbud housing and light guide 18 may be separate components, for example, as shown in Figure 3, which depicts cover 18 surrounding housing 16. *Id.* at 14:6–10. In addition, light guide 18 of Figure 5 is surrounded by layer 29 of light transmissive material. *Id.* at 16:30–31. One or more lenses 29L are formed in layer 29 and are in optical communication with respective windows 18w in the light guide 18, and lenses 29L are configured to collect returning, scattered light 110 and to

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