

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CLEARONE, INC.,
Petitioner,

v.

SHURE ACQUISITION HOLDING, INC.,
Patent Owner.

IPR2019-00683
Patent 9,565,493 B2

Before MICHAEL R. ZECHER and JON M. JURGOVAN, *Administrative Patent Judges*.

ZECHER, *Administrative Patent Judge*.

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5(a)

I. INTRODUCTION

A conference call in this proceeding was held on September 29, 2020, among counsel for the parties and Judges Zecher and Jurgovan. The call was requested by counsel for Petitioner, ClearOne, Inc. (“ClearOne”), to seek authorization to file a motion for sanctions against Patent Owner, Shure Acquisition Holdings, Inc., (“Shure”) pursuant to 37 C.F.R. § 42.11(d)(2). Although ClearOne was given an opportunity during the conference call to persuade us that we should authorize the filing of a motion for sanctions against Shure, ClearOne represented that its position for seeking authorization to file such a motion is explained more fully in its Request for Rehearing (Paper 92 (“Req. Reh’g”)). *See* Ex. 1236, 5:7–9, 5:18–23. ClearOne arranged for a court reporter and agreed to file a transcript of the conference call as a separate exhibit in this proceeding. 37 C.F.R. § 42.63(a) (“All evidence must be filed in the form of an exhibit.”). We reiterate some of the discussion here, but we need not repeat all of the details because the complete discussion is reflected in the transcript. *See generally* Ex. 1236.

II. DISCUSSION

During the conference call, ClearOne explained that its request for authorization to file a motion for sanctions against Shure is based on its belief that Shure violated its duty of candor to the Office when filing its Revised Motion to Amend in this proceeding by failing to disclose the following two prior art references: (1) U.S. Patent Application Pub. No. 2009/0173570, published July 9, 2009 (“Levit”); and (2) U.S. Patent Application Pub. No. 2009/0173030, published July 9, 2009 (“Gulbrandsen”). *See* Ex. 1236, 5:24–6:5. According to ClearOne, both

Levit and Gulbrandsen were cited by Shure in a post-grant review (“PGR”) petition challenging claims 1–24 of U.S. Patent No. 10,728,653 B2 (“the ’653 patent”) filed roughly three weeks before we entered the Final Written Decision in this proceeding (Paper 91 (“Final Dec.”)). *Compare Shure, Inc. v. ClearOne, Inc.*, PGR2020-00079, Paper 1 (PTAB July 28, 2020) (Petition), *with* Final Dec. (entered on August 14, 2020); *see also* Ex. 1236, 13:16–23 (verifying that Levit and Gulbrandsen were asserted in PGR2020-00079). ClearOne represented that Levit and Gulbrandsen are material to the patentability of proposed substitute claims 57–67 at issue in this proceeding because Levit and Gulbrandsen purportedly teach pivotal limitations required by these proposed substitute claims—specifically, a “sound-permeable screen [that] covers from view a plurality of microphones” and “side rails that secure the front face of the housing to a second face of the housing.” *See* Ex. 1236, 6:23–25, 8:19–9:11. ClearOne asserted that Shure violated its duty of disclosure when filing its Revised Motion to Amend because it failed to disclose either Levit or Gulbrandsen. *See id.* at 6:1–5.

In response, Shure represented that its duty of candor to the Office in this proceeding, which includes a duty to disclose to the Board information of which Shure is aware that is material to the patentability of proposed substitute claims 57–67, only applies in the context of a motion to amend. *See* Ex. 1236, 27:22–28:1 (stating that Shure’s “duty of disclosure in an [*inter partes* review] is . . . limited to the motion to amend”). Shure represented that it did not violate its duty of disclosure when filing its Revised Motion to Amend because, at best, the teachings of Levit and Gulbrandsen are cumulative to the teachings of prior art references that

ClearOne already made of record in this proceeding. *See* Ex. 1236, 20:3–22:12, 23:11–24:19.

We have authority to “impose sanctions against a party for misconduct.” 37 C.F.R. § 42.12. Misconduct includes, among other things, when a party “[fails] to comply with an applicable rule or order of the proceeding.” 37 C.F.R. § 42.12(a)(1). In the circumstances presented here, the applicable rule at issue is Shure’s “duty of candor and good faith to the Office during the course of [this] proceeding.” 37 C.F.R. § 42.11(a). Shure’s duty of candor when filing a motion to amend includes its “duty to disclose to the Board information of which [Shure] is aware that is material to the patentability of [proposed] substitute claims, if such information is not already of record in the case.” *Lectrosonics, Inc. v. Zaxcom, Inc.*, IPR2018-01129, Paper 15 at 9–10 (PTAB Feb. 25, 2019) (precedential) (“*Lectrosonics*”). The imposition of sanctions, however, is not a routine event. *See, e.g., Abrutyn v. Giovannello*, 15 F.3d 1048, 1053 (Fed. Cir. 1994) (“[A] sanction which may sound the death knell for important [patent] rights and interests . . . should be used as a weapon of last, rather than first, resort.” (internal quotation marks and citations omitted)). The bar for authorizing the filing of a motion of sanctions generally is high. *See Anderson Corp. v. GED Integrated Solutions, Inc.*, DER2017-00007, Paper 58 at 3 (PTAB Apr. 23, 2019) (Order denying respondent’s request for authorization to file a motion for sanctions).

As an initial matter, ClearOne’s reasons for seeking authorization to file a motion for sanctions are essentially the same as the arguments presented and developed in its Request for Rehearing and, in our view, amount to nothing more than a thinly veiled attempt at a second bite at the

apple to meet its burden of demonstrating that proposed substitute claims 57–67 are unpatentable. Beginning with *Levit*, ClearOne represented during the conference call and in its Request for Rehearing that *Levit* teaches the “sound-permeable screen” limitation. *See* Req. Reh’g at 8–9 (arguing that *Levit*’s teachings account for the “sound-permeable screen” required by proposed substitute claim 57); Ex. 1236, 6:23–25 (arguing the same). In our Final Written Decision, however, our analysis of proposed substitute claims 57–67 only focused on how the prior art asserted by ClearOne did not account for the “side rails” limitation. *See* Final Dec. at 111–115. Stated differently, in the context of addressing the parties’ arguments with respect to proposed substitute claims 57–67, we did not address the “sound-permeable screen” limitation at all. Although the “sound-permeable screen” limitation served as the focal point of the parties’ arguments with respect to original challenged independent claim 17, Shure’s duty of disclosure does not apply to this particular claim because it is ClearOne—not Shure—who has the burden of persuasion to demonstrate that originally challenged claims are unpatentable. *See* Final Dec. at 73–80 (explaining that ClearOne has demonstrated that *Graham* (Ex. 1011) teaches all the limitations of independent claim 17, including a “sound-permeable screen”).

Turning to *Gulbrandsen*, ClearOne readily admitted during the conference call and in its Request for Rehearing that no challenged claims in the ’653 patent require “side rails” so no asserted ground of unpatentability in the petition filed in PGR2020-00079 relies on *Gulbrandsen*. *See* Req. Reh’g at 6 (“No claims of the ’653 [p]atent recite anything like “side rails,” so no challenged ground in the PGR petition relies on *Gulbrandsen*.”); *see also* Ex. 1236, 15:23–16:1 (stating that “the PGR petition also cites

Gulbrandsen, but [it is] not relied upon as a reference for any challenge . . . , it is cited more for background teaching”). Yet, despite these admissions, ClearOne now alleges that Gulbrandsen is material to the patentability of proposed substitute claims 57–67 because it purportedly teaches the “side rails” limitation that we explained was missing from the prior art asserted by ClearOne in its Opposition to Shure’s Revised Motion to Amend. *Compare* Req. Reh’g at 10–14 (arguing that Gulbrandsen teaches “side rails”), *with* Final Dec. at 111–113 (explaining that Graham alone or combined with other asserted prior art references fails to account for the “side rails” limitation of proposed substitute claims 57–67). We fail to see how Shure violated its duty of disclosure when filing its Revised Motion to Amend because, as ClearOne admitted, Shure does not rely on Gulbrandsen in the PGR petition to account for a “side rail” limitation, which is the same limitation we determined was missing from the prior art asserted by ClearOne in its Opposition to Shure’s Revised Motion to Amend. Simply put, Shure appears to be using our analysis of proposed substitute claims 57–67 in the Final Written Decision as a roadmap and it is attempting to remedy the deficiencies we identified by introducing Gulbrandsen through its request for authorization to file a motion for sanctions. This is something we decline to permit for efficiency of this *inter partes* review. *See* 37 C.F.R. § 42.1(b) (mandating that the Board “secure the *just*, speedy, and inexpensive resolution of every proceeding” (emphasis added)).

Lastly, we agree with Shure that the teachings of Levit and Gulbrandsen appear to be cumulative to the teachings of prior art references that ClearOne already made of record in this proceeding. *See Lectrosonics*, at 9–10 (Shure’s duty of disclosure when filing its Revised Motion to

Amend applies “if such information is not already of record in [this] case”). As we explain above, ClearOne represented that Levit teaches a “sound-permeable screen.” *See* Req. Reh’g at 8–9; Ex. 1236, 6:23–25. Levit’s purported teaching of a “sound-permeable screen,” however, does not appear to differ materially from ClearOne’s reliance, during trial, on the teaching of Graham to account for the “sound-permeable screen” limitation required by independent claim 17, and also required by proposed substitute claims 57–67. *See* Final Dec. at 73–80, 111–114.

As we also explain above, ClearOne represented that Gulbrandsen teaches “side rails.” *See* Req. Reh’g at 10–14; Ex. 1236, 8:19–9:11. Once again, Gulbrandsen’s purported teachings of “side rails,” however, does not appear to differ materially from ClearOne’s reliance, during trial, on Kulicke (Ex. 1122), Zelbacher (Ex. 1123), Oberbroeckling (Ex. 1124), Stewart (Ex. 1126), aluminum Pomona boxes, hobby boxes for printed circuit boards (“PCBs”), return air filter grills for drop ceilings, and Sawa’s main casing (Ex. 1008) to teach various frames and housings. Final Dec. at 113 (citing Paper 68 at 12; Ex. 1144 ¶¶ 43–53). Going one step further, based on ClearOne’s representations of Gulbrandsen in both the Rehearing Request and during the conference call, Gulbrandsen’s square or rectangular frames did not differ materially from the various frames and housings relied on by ClearOne in its Opposition to Shure’s Revised Motion to Amend and, therefore, it is not clear to us how Gulbrandsen accounts for the “side rails” limitation of proposed substitute claims 57–67. Accordingly, we fail to see how Shure violated its duty of disclosure when filing its Revised Motion to Amend merely because it did not disclose information (i.e., the teachings of Levit and Gulbrandsen) that appears to be cumulative of other information

(i.e., the teachings of Graham, Kulicke, Zelbacher, Oberbroeckling, Stewart, aluminum Pomona boxes, hobby boxes for PCBs, return air filter grills for drop ceilings, and Sawa's main casing) ClearOne already made of record in this proceeding.

This is especially true when Shure relied on Gulbrandsen in PGR2020-00079 for teachings not related to "side rails," which tends to show Shure had no intent to violate its duty of disclosure when filing its Revised Motion to Amend. We find it no coincidence that ClearOne alleges a failure to comply with the duty of disclosure with respect to the "side rails" limitation of proposed substitute claims 57–67, the very feature that we determined was not taught or suggested by the prior art of record presented and developed by ClearOne in its Opposition to the Revised Motion to Amend. *See* Final Dec. at 111–113. Finally, because Levit and Gulbrandsen are U.S. patent application publications, ClearOne could have unearthed Levit and Gulbrandsen for itself by exercising reasonable diligence and relied on them in its Opposition to the Revised Motion to Amend, but it did not. *See* Ex. 1236, 12:4–13:14 (explaining that ClearOne "commissioned two different searches from two different highly reputable search firms," but did not unearth either Levit or Gulbrandsen). Granting ClearOne's request for authorization to file a motion for sanctions against Shure would, in essence, provide ClearOne with another opportunity to potentially amend or bolster its Opposition to the Revised Motion to Amend by introducing new prior art references after issuance of the Final Written Decision. This would be unfair to Shure at this late stage, especially given the extensive nature of this proceeding already.

In summary, when considering the representations of the parties during the conference call, and considering the fully developed trial record in light of those representations, we are not persuaded that ClearOne has demonstrated that the circumstances presented here meet the high bar for authorizing the filing of a motion for sanctions against Shure.

III. ORDER

It is ORDERED that ClearOne's request for authorization to file a motion for sanctions is *denied*.

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