Portfolio Media. Inc. | 111 West 19th Street, 5th Floor | New York, NY 10011 | www.law360.com
Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Apple, Fitbit Get Heart Sensor Patent Slashed At PTAB

By **Tiffany Hu**

Law360 (August 7, 2018, 7:11 PM EDT) -- The U.S. Patent Trial and Appeal Board on Monday largely handed Apple Inc. and Fitbit Inc. a win in their effort to invalidate a heart rate sensor patent owned by Valencell Inc., finding all but three of 13 claims unpatentable as obvious in light of prior art.

In a 79-page decision on U.S. Patent Number 8,923,941 B2, the PTAB held that while Apple and Fitbit were able to show that most claims relating to a method for generating health and physical information were invalid, the tech companies had too broadly constructed one claim, leading the board to reject their arguments resulting from their interpretation of the claim, as well as two claims in which the construction of the term was unclear.

"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," the PTAB wrote.

The patent covers a personal health monitor that can gauge a user's heart rate with motion sensors attached to the user, according to the filing.

The PTAB found that the combination of prior art references known as Luo, which taught a system for "noninvasive" health monitoring, and Craw, which taught a method of using network devices to communicate medical information, taught several claims in the patent.

By using Craw's method to generate the health information from Luo, this would have "amounted to the obvious use of known signal processing technique to improve a similar physiological monitoring device," the board said.

The PTAB rejected Valencell's contentions that Luo and Craw were unrelated and did not solve the same problems, ruling that both references were directed to "sufficiently similar" technology and issues, and that a person of ordinary skill in the art would find their teachings relevant.

The board also sided with the tech companies in their arguments that a number of other claims in the patent were taught by a combination of Luo and Craw, and other prior art references.

However, Apple and Fitbit lost out on arguments that a claim for "application-specific interface (API)" was a typographical error, and that the claim should be read as "application programming interface" to

be consistent with a commonly used industry term at the time of the patented invention.

Instead, PTAB concluded that the term did not appear to be an error, and that the term's use of the well-known "API" could be nothing more than mere coincidence. Because the tech companies' arguments for that claim were based on the board's rejection of their construction of the term, the board chose not to find the claim obvious over prior art.

The board also found it unclear whether the term "the application," which was found in a claim of the patent, was a typographical error, and similarly chose not to find the claim, as well as a dependent claim, obvious over prior art.

"If the scope and meaning of the claims cannot be determined without speculation, the differences between the challenged claims and the prior art cannot be ascertained," the PTAB said.

In January 2016 Valencell sued Apple, accusing it of learning about Valencell's heart rate sensing technology through deceptive practices rather than legal partnerships and then using that knowledge to infringe Valencell patents with devices including the Apple Watch. That same month, Valencell sued fitness-tracking company Fitbit over alleged patent infringements.

According to the complaint, Apple agents "repeatedly accessed" the Valencell website starting in March 2013 and provided false information so as to bypass security restrictions and obtain "white papers" related to the company's biometric sensor solutions, which measure heart rates. Apple then knowingly incorporated infringing technology into its Apple Watch product without obtaining a license, the complaint said.

In May, the PTAB invalidated one of the patents Valencell had accused the tech companies of infringing, finding all of the challenged claims unpatentable as obvious or anticipated.

The patent-in-suit is U.S. Patent Number 8,923,941 B2.

Counsel for both parties did not immediately respond to requests for comment Tuesday.

Apple and Fitbit are represented by Michelle K. Holoubek, Michael D. Specht and Richard M. Bemben of Sterne Kessler Goldstein & Fox PLLC and Harper Batts and Christopher Ponder of Baker Botts LLP.

Valencell is represented by Justin B. Kimble and Nicolas C. Kliewer of Bragalone Conroy PC.

The case is Apple Inc. et al. v. Valencell Inc., case number IPR2017-00319, before the Patent Trial and Appeal Board.

--Editing by Marygrace Murphy.