

Nos. 2020-1350, -1405

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In the  
**United States Court of Appeals**  
for the **Federal Circuit**

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ZAXCOM, INC.,

*Appellant,*

v.

LECTROSONICS, INC.,

*Cross-Appellant,*

ANDREW HIRSHFELD, Performing the Functions and Duties of the Under  
Secretary of Commerce for Intellectual Property and Director of the United States  
Patent and Trademark Office,

*Intervenor.*

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Appeal from the United Patent and Trademark Office,  
Case No. IPR2018-00972.

The Honorable **Scott Russell Boalick**, **Kalyan K. Despande** and **Lynne Pettigrew**,  
Administrative Patent Judges Presiding.

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**PETITION FOR REHEARNG *EN BANC* OF APPELLANT ZAXCOM, INC.**

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**UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT**

**CERTIFICATE OF INTEREST**

**Case Number** 20-1350, 20-1405  
**Short Case Caption** Zaxcom, Inc. v. Lectrosonics, Inc.  
**Filing Party/Entity** Zaxcom, Inc.

**Instructions:** Complete each section of the form. In answering items 2 and 3, be specific as to which represented entities the answers apply; lack of specificity may result in non-compliance. **Please enter only one item per box; attach additional pages as needed and check the relevant box.** Counsel must immediately file an amended Certificate of Interest if information changes. Fed. Cir. R. 47.4(b).

I certify the following information and any attached sheets are accurate and complete to the best of my knowledge.

Date: 03/18/2022

Signature: /s/Robert P. Greenspoon

Name: Robert P. Greenspoon

<p><b>1. Represented Entities.</b> Fed. Cir. R. 47.4(a)(1).</p>	<p><b>2. Real Party in Interest.</b> Fed. Cir. R. 47.4(a)(2).</p>	<p><b>3. Parent Corporations and Stockholders.</b> Fed. Cir. R. 47.4(a)(3).</p>
<p>Provide the full names of all entities represented by undersigned counsel in this case.</p>	<p>Provide the full names of all real parties in interest for the entities. Do not list the real parties if they are the same as the entities.</p>	<p>Provide the full names of all parent corporations for the entities and all publicly held companies that own 10% or more stock in the entities.</p>
<p><input type="checkbox"/> None/Not Applicable</p>	<p><input checked="" type="checkbox"/> None/Not Applicable</p>	<p><input checked="" type="checkbox"/> None/Not Applicable</p>
<p>Zaxcom, Inc.</p>		

Additional pages attached

**4. Legal Representatives.** List all law firms, partners, and associates that (a) appeared for the entities in the originating court or agency or (b) are expected to appear in this court for the entities. Do not include those who have already entered an appearance in this court. Fed. Cir. R. 47.4(a)(4).

None/Not Applicable  Additional pages attached


**5. Related Cases.** Provide the case titles and numbers of any case known to be pending in this court or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal. Do not include the originating case number(s) for this case. Fed. Cir. R. 47.4(a)(5). See also Fed. Cir. R. 47.5(b).

None/Not Applicable  Additional pages attached

Zaxcom, Inc. v. Lectrosonics, Inc., 1:19-cv-00109-RB-JKR (D.N.M.)		

**6. Organizational Victims and Bankruptcy Cases.** Provide any information required under Fed. R. App. P. 26.1(b) (organizational victims in criminal cases) and 26.1(c) (bankruptcy case debtors and trustees). Fed. Cir. R. 47.4(a)(6).

None/Not Applicable  Additional pages attached


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**RULE 35(b) STATEMENT**

Under Rule 35 of the Federal Rules of Appellate Procedure, Plaintiff-Appellant Zaxcom, Inc. respectfully files this Petition for Rehearing En Banc of the panel opinion in *Zaxcom, Inc. v. Lectrosonics, Inc.*, Nos. 2020-1350, -1405, 2022 U.S. App. LEXIS 4425, 2022 WL 499843 (Fed. Cir. Feb. 18, 2022).

Based on my professional judgment, I believe the panel decision is contrary to the following decision(s) of the Supreme Court of the United States or the precedent(s) of this court: *Henny Penny Corp. v. Frymaster LLC*, 938 F.3d 1324 (Fed. Cir. 2019); *Apple, Inc. v. Samsung Elecs. Co.*, 839 F.3d 1034 (Fed. Cir. 2016) (en banc); *WBIP, LLC v. Kohler Co.*, 829 F.3d 1317 (Fed. Cir. 2016); *PPC Broadband, Inc. v. Corning Optical Commc'ns RF, LLC*, 815 F.3d 734 (Fed. Cir. 2016); *Rambus Inc. v. Rea*, 731 F.3d 1248 (Fed. Cir. 2013); and *Ecolochem, Inc. v. S. Cal. Edison Co.*, 227 F.3d 1361 (Fed. Cir. 2000).

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Based on my professional judgment, I believe this appeal requires an answer to one or more precedent-setting questions of exceptional importance: Does the



presumption of nexus apply to industry praise where the praised product is an embodiment of the claim and the claim is for the whole system (not a small component), regardless of the presence of any unclaimed or prior art features in the product, leaving it for a challenger's rebuttal to address unclaimed or prior art features?

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## INTRODUCTION AND STATEMENT OF THE CASE

A panel of this Court refused to weigh the two highest awards in the industry (an Emmy and an Oscar) against a finding of obviousness because both claimed and unclaimed features existed in the product that won those technology awards.<sup>1</sup> In doing so, the panel followed a previous panel precedent—*Fox Factory, Inc. v. SRAM LLC*, 944 F.3d 1366 (Fed. Cir. 2019)—but that earlier precedent conflicted sharply with this Court’s en banc and panel precedents on this very point. Before *Fox Factory*, the nexus presumption in an industry praise case hinged simply on a “yes” answer to one question: (1) is the product an embodiment of the claim; and a “no” answer to another question: (2) is the claim scope merely a “small component” of such a product. *Fox Factory* confused the law by adding a third question. Now, to get a rebuttable presumption of nexus, a patentee must also prove that (3) the product has no “critical” unclaimed features that materially impact its functionality.

A legal presumption that is supposed to *help* patentees avert hindsight bias in the obviousness analysis has morphed into a rabbit warren of proof standards far removed from the underlying purpose of a having a nexus presumption in the first place. Over time, all of the work otherwise tasked to challengers to try to decouple

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<sup>1</sup> This Petition addresses only claims held obvious, not anticipated, in the underlying matter. It is nearly identical to a co-filed Petition in the companion appeal, App. No. 2020-1921. The patent claims in No. 2020-1921 involve a more difficult nexus-rebuttal than in No. 2020-1350, but the legal question of entitlement to a presumption raised in these Petitions is identical across both matters.

marketplace achievements from the merits of patentability via rebuttal has landed on the shoulders of innovators to address at the outset. Lost is the key point—if the real world bestows recognition of excellence on a technology, a tribunal must take heed of such real-world evidence before accepting a challenger’s conclusion that the technology would have been “obvious.” A patentee like Appellant deserves at least some weight, not zero weight as the panel thought, when an embodiment of its patented invention receives strong industry praise.

In this case, co-inventors Glenn Sanders and Howy Stark received an Emmy Award from the Academy of Television Arts and Sciences for Zaxcom’s digital recording wireless products that embody the claimed invention of the ’307 Patent. (Appx4304.) This Emmy was awarded “[n]ot for a single component but for the system as a whole,” including its “innovation[]” of “[d]igital recording of microphone signal in the wireless transmitter to provide backup recording of the original microphone signal”—the very invention claimed in the Patent. (*Id.*) One member of the awards committee even agreed to serve as an expert witness for Zaxcom, and testified that the Emmy was “for the Zaxcom, Inc. digital recording wireless products that embody the claimed invention of the” Patent. (Appx2086 ¶ 76.)

The Academy of Motion Picture Arts and Sciences also awarded Sanders and Stark the Technical Achievement Award, the Oscar, for these products. (Appx4272.)

This award stated that it was awarded for “advanc[ing] the state of wireless microphone technology by creating a fully digital modulation system with a rich feature set, which includes local recording capability within the belt pack and a wireless control scheme providing real-time transmitter control and time code distribution.” (*Id.*)

Many motion picture and television sound technicians of ordinary skill in the art at the time of the invention of the Patent, who have decades of experience crafting well-known movies and television shows, also lavished industry praise upon the claimed invention. (*E.g.*, Appx4277, ¶ 6 (“I can’t emphasize enough the revolution these recording radios brought on.”), Appx4283, ¶ 5 (referring to the fact that the transmitter could record as a “game changer”).)

But the panel (affirming the Board<sup>2</sup>) disregarded all of this evidence for original claims found unpatentable by the Board, affirming a finding that Appellant had failed to show a nexus between the praise and the claimed inventions. *Zaxcom, Inc. v. Lectrosonics, Inc.*, Nos. 2020-1350, -1405, 2022 U.S. App. LEXIS 4425 at \*5-6, 2022 WL 499843 (Fed. Cir. Feb. 18, 2022). In so holding, the panel applied new standards created by *Fox Factory*, which erroneously place the burden on the patentee to show that the praised product contains no “critical” “material” features before obtaining a presumption of nexus. *See id.* (affirming based on the finding that

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<sup>2</sup> The panel also rejected a cross-appeal from Lectrosonics.

“the praise was primarily directed to the systems’ [unclaimed] critical feature”); *Fox Factory*, 944 F.3d at 1375 (“A patent claim is not coextensive with a product that includes a ‘critical’ unclaimed feature that is claimed by a different patent and that materially impacts the product’s functionality.”). This is in contrast to this Court’s longstanding case law, which holds that “objective evidence of non-obviousness lacks a nexus if it *exclusively* relates to a [previously-known] feature.” *Rambus Inc. v. Rea*, 731 F.3d 1248, 1257 (Fed. Cir. 2013) (emphasis added). Notably, prior to *Fox Factory*, this Court had never denied a nexus presumption on non-coextensiveness grounds in an industry praise case.

The pre-*Fox Factory* case law is clear that a product that practices a patent is entitled to a presumption of nexus unless “the patented invention is only a small component of the product,” *Henny Penny Corp. v. Frymaster LLC*, 938 F.3d 1324, 1333 (Fed. Cir. 2019), and that outside this “limited exception,” unclaimed features merely serve as potential rebuttal evidence, *WBIP, LLC v. Kohler Co.*, 829 F.3d 1317, 1329 & n.3 (Fed. Cir. 2016).<sup>3</sup>

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<sup>3</sup> See, e.g., *Henny Penny*, 938 F.3d at 1334 (holding that “industry praise is probative of nonobviousness even if it was not precisely limited to the point of novelty”); *WBIP*, 829 F.3d at 1329 (indicating that unclaimed features do not prevent a presumption of nexus from arising but instead serve as rebuttal evidence); *PPC Broadband, Inc. v. Corning Optical Commc’ns RF, LLC*, 815 F.3d 734, 747 (Fed. Cir. 2016) (collecting cases holding that a nexus is presumed “even when the product has additional, unclaimed features”); *Rambus*, 731 F.3d at 1257 (holding that “objective evidence of non-obviousness lacks a nexus if it exclusively relates to a[n] [unclaimed] feature”); *Ecolochem, Inc. v. S. Cal. Edison Co.*, 227 F.3d 1361, 1378

However, the panel denied this presumption based on the higher standard set forth in *Fox Factory*. By deviating from established law, the *Fox Factory* panel precedent has triggered a need for en banc review. *E.g.*, *Preminger v. Sec’y of Veterans Affairs*, 517 F.3d 1299, 1309 (Fed. Cir. 2008) (“A prior precedential decision on a point of law by a panel of this court is binding precedent and cannot be overruled or avoided unless or until the court sits en banc.”).

This Court has warned against unduly “strict requirements” in evaluating nexus. *Rambus*, 731 F.3d at 1257. Nowhere is the wisdom of this warning more apparent than in the present case. Here, it is undisputed that products embodying the claimed invention (Zaxcom’s wireless audio recording system) received industry praise, including a technical Oscar and an Emmy. (Appx4294-4316.) Lectrosonics did not contend that the claimed invention is just a “small component” of this system. Under this pre-*Fox Factory* standard, this entitles Zaxcom to a presumption of nexus. Yet the panel not only rejected this presumption but quixotically failed to find that the claimed invention received any industry praise, because it found that another feature contributed to the praise but was not required by the claims. *Zaxcom*, Nos. 2020-1350, -1405, 2022 U.S. App. LEXIS 4425, at \*5-6, 2022 WL 499843. Put

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(Fed. Cir. 2000) (holding that the challenger “had the burden of disproving that the [claimed feature] contributed to the success”); *Cont’l Can Co. v. Monsanto Co.*, 948 F.2d 1264, 1273 (Fed. Cir. 1991) (“It is not necessary, however, that the patented invention be solely responsible for the commercial success, in order for this factor to be given weight appropriate to the evidence, along with other pertinent factors.”).

another way, the decision below disregarded the fact that products embodying the claimed invention undisputedly received the equivalent of not just one Nobel Prize in its field, but two.

The panel applied the higher standards created by *Fox Factory* instead of applying the correct standards under pre-*Fox Factory* law. *Compare id.* (assuming that industry praise is irrelevant unless it “was directed primarily to” the claimed feature) *with, e.g., Henny Penny*, 938 F.3d at 1333-34 (indicating that the question is not whether the patented invention is the “primary” feature praised but whether “the patented invention is only a small component of the product”) *and Rambus*, 731 F.3d at 1257 (holding that “objective evidence of non-obviousness lacks a nexus if it exclusively relates to a[n] [unclaimed] feature”).

To correct *Fox Factory*’s inconsistency with established law, and to prevent the destabilizing impact of holding that inventors can win *both* of the top awards in their field and still lose their patents as “obvious” without any consideration or weighing of such awards, rehearing en banc is necessary.

### **REASONS FOR GRANTING REHEARING EN BANC**

This Court may grant rehearing en banc when “the panel decision conflicts with a decision of” this Court or “the proceeding involves one or more questions of exceptional importance.” Fed. R. App. 35(b)(1). Here, the panel decision conflicts with numerous prior cases, instead following the rubric used in *Fox Factory*.

However, a panel decision such as *Fox Factory* cannot deviate from prior precedent. *E.g., Preminger*, 517 F.3d at 1309. When the panel here relied on standards first announced in *Fox Factory* to deviate from earlier precedent, it did so improperly.

This case also presents a question of exceptional importance. Many later cases have followed the broader language of *Fox Factory* rather than the “limited exception” that was established by decades of earlier precedent. This new rule is not only procedurally improper (such changes may only be made by the en banc Court), but also greatly restricts the value of industry praise by requiring the praising party to clairvoyantly itemize the claimed features (and only the claimed features) of the invention. This strict restriction all but abolishes patent owners’ ability to use industry praise—or any objective evidence—in cases where the final product combines both claimed and unclaimed features, leaving obviousness determinations as open to hindsight bias as they were before this Court’s multi-decade effort to eradicate it.

**1. Pre-*Fox Factory* law establishes that where, as here, a product combines both claimed and unclaimed features, a presumption of nexus is proper.**

Where, as here, a patent challenger claims obviousness, “evidence of secondary considerations may often be the most probative and cogent evidence in the record. It may often establish that an invention appearing to have been obvious in light of the prior art was not.” *Transocean Offshore Deepwater Drilling, Inc. v. Maersk Drilling USA, Inc.*, 699 F.3d 1340, 1349 (Fed. Cir. 2012). Such evidence



should be considered when it has a “nexus” with the claimed invention. A nexus exists when the industry praise is for either (1) “a claimed invention or [(2)] a product that embodies the patent claims.” *Apple, Inc. v. Samsung Elecs. Co.*, 839 F.3d 1034, 1053 (Fed. Cir. 2016) (en banc). Such a showing “is *sufficient* to establish the presumption of nexus.” *WBIP*, 829 F.3d at 1330 (emphasis added). This is so “even when the product has additional, unclaimed features.” *E.g., PPC Broadband*, 815 F.3d at 747 (collecting cases). Such features can, at most, serve as rebuttal evidence.<sup>4</sup> *WBIP*, 829 F.3d at 1329 (including “additional unclaimed features” among the “extraneous factors” to which the challenger may attempt to attribute the product’s success, alongside “external factors, such as improvements in marketing”).

As for the question of when some factor might prevent a presumption of nexus, this Court has set forth the following standard: When “the patented invention is only a small component of the product tied to the objective evidence, there is no presumption of nexus.” *Henny Penny*, 938 F.3d at 1333. This Court has described this as a “limited exception” and indicated that where, as here, this exception does not apply, unclaimed features will not prevent the presumption of nexus from arising. *WBIP*, 829 F.3d at 1329 n.3.

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<sup>4</sup> This distinction is critical. If the unclaimed features had been made part of Lectrosonics’ rebuttal argument, as *WBIP* requires, Zaxcom could have relied on the presumption while the burden would have been on Lectrosonics to prove of a lack of a nexus. *See WBIP*, 829 F.3d at 1329.

The Court's ruling in *Ecolochem* is instructive here. In that case, the Court found that "the commercial success of Ecolochem's product was, in fact, based on two factors: the [patented] improved filtration process, and the [unclaimed] mobility of the commercial embodiment." *Ecolochem*, 227 F.3d at 1378. The patent challenger attempted to attribute the success to the unclaimed mobility, and the district court agreed. *Id.* This Court reversed, holding that the challenger "had the burden of disproving that the improved filtration process contributed to the success of the invention," and had failed to do so. *Id.*

Similarly, in *WBIP*, the challenger argued that the patentee "had to show that the objective evidence was tied to the two . . . features . . . that [the prior art] d[id] not disclose." 829 F.3d at 1330. This Court disagreed, holding that "proof of nexus is not limited to only when objective evidence is tied to the supposedly 'new' feature(s)." *Id.* Instead, the patentee "was entitled to the presumption of nexus . . . because it established that the specific products . . . [we]re embodiments of the invention in the asserted claims." *Id.* at 1331.

In short, a presumption of nexus is proper where, as here, the industry praise is for "a product that embodies the patent claims," *Apple*, 839 F.3d at 1053 (en banc), and the claimed invention is not "only a small component of th[at] product," *Henny Penny*, 938 F.3d at 1333, regardless of any unclaimed features.

This Court consistently applied this rule until the panel holding in *Fox Factory*. E.g., *PPC Broadband*, 815 F.3d at 747 (holding that the presumption was proper because there was no argument “why the [product] fail[ed] to embody the claimed features, or what claimed features in particular are missing from the [product]”); *Align Tech., Inc. v. ClearCorrect Operating, LLC*, 745 F. App’x 361, 367 (Fed. Cir. 2018) (“To the extent that Align argues that an obviousness determination should take account of commercial success (or industry praise) that is partly but not fully attributable to the merits of the invention, we agree.”).

**2. *Fox Factory* did not provide a basis for departing from this precedent.**

Only three months after *Henny Penny* applied this standard, the panel decision in *Fox Factory* replaced it with a new one. The panel first noted that the presumption of nexus is proper “if the patentee shows that the asserted evidence is tied to a specific product and that the product ‘*is* the invention disclosed and claimed.’” *Id.* at 1373 (quoting *Demaco Corp. v. F. Von Langsdorff Licensing Ltd.*, 851 F.2d 1387, 1392 (Fed. Cir. 1988)). The panel then turned this sufficient condition into a necessary one, stating “that nexus is only presumed when the product tied to the evidence of secondary considerations ‘*is* the invention disclosed and claimed.’” *Id.* at 1374. However, this Court’s en banc ruling in *Apple* made clear that a nexus exists where the industry praise is for “a claimed invention *or* a product that embodies the patent claims.” 839 F.3d at 1053 (en banc) (emphasis added); *see also* *WBIP*, 829

F.3d at 1330 (holding that a showing that the praised products “are embodiments of the claimed invention . . . is sufficient to establish the presumption of nexus”). But the *Fox Factory* decision did not follow, or even acknowledge, the en banc ruling in *Apple*. See *Fox Factory*, 944 F.3d at 1372-78.

But *Fox Factory* did not stop there. Applying this faulty premise, the panel went on to state that “[a] patent claim is not coextensive with a product that includes a ‘critical’ unclaimed feature that is claimed by a different patent and that materially impacts the product’s functionality.” *Id.* at 1375. In so holding, *Fox Factory* turned the longstanding standard for products combining claimed and unclaimed features on its head. Pre-*Fox Factory* case law held that where “the patented invention is only a small component of the product tied to the objective evidence, there is no presumption of nexus.” *Henny Penny*, 938 F.3d at 1333; accord *WBIP*, 829 F.3d at 1329 n.3 (describing this as a “limited exception,” and holding that because it did not apply, the unclaimed features did not prevent the presumption of nexus). *Fox Factory* inverted this standard, stating that “if the unclaimed features amount to nothing more than additional insignificant features, presuming nexus may nevertheless be appropriate.” 944 F.3d at 1374. In other words, where previous cases held that a presumption is proper unless the *claim itself* only covers a “small component” of the product, *Fox Factory* held that a presumption is improper unless the *unclaimed features* are “additional insignificant features” of the product.

Thus, in one reversal of wording, *Fox Factory* overruled cases where both claimed and unclaimed features make meaningful contributions to the product and removed the presumption of nexus from such cases. This sudden about-face surprised even the Board, which had argued that “unclaimed features are only relevant on rebuttal, and the coextensiveness requirement is met if the patent claim broadly covers the product that is the subject of the evidence of secondary considerations.” *Id.* at 1376 (footnote omitted). Such a sea change cannot be made by a panel decision such as *Fox Factory. Preminger*, 517 F.3d at 1309.

The decision in *Fox Factory* was no mere clarification of existing law. Suddenly, presumption-entitlement became “feature” focused (regardless of how much of a product a claim covers), whereas previously it had been “component” focused (withheld only when claim scope was for a small piece). The present case illustrates this difference: The original claims here were full system claims, not vulnerable to a “small component” characterization. But the panel under the standard from *Fox Factory* found unclaimed critical “features” in commercial embodiments.

Since the decision in *Fox Factory* issued, dozens of cases have erroneously followed new standard set forth by the panel decision in *Fox Factory* rather than the opposing standard set forth by all of the precedential panel and en banc decisions for decades prior. Counsel represents that, in the 117 weeks since *Fox Factory* issued, the USPTO Board has cited this panel decision at least 157 times. (Mar. 16, 2022

Shepard’s Report). That averages to over 4 citations every 3 weeks—a chilling statistic for patent owners.

*Fox Factory*’s new standard is so unworkable and confounding that a panel of this Court recently cited it as requiring analysis of the significance of “unclaimed features” both when assessing the presumption and when assessing the rebuttal of nexus. *Quanergy Sys., Inc. v. Velodyne Lidar USA, Inc.*, 24 F.4th 1406 (Fed. Cir. 2022). Worse than putting the “shoe on the wrong foot,” *Demaco*, 851 F.3d at 1394 (the *Demaco* quote warning against misplacement of burdens for the nexus presumption), *Fox Factory* has put the same shoe on both feet. It has also made the rebuttal showing superfluous—if a patentee disproves that unclaimed features were critical and material, a challenger has already lost the chance to prove this factor.

En banc consideration is necessary to resolve jurisprudential confusion and protect this Court’s longstanding standards from de facto abrogation by a panel decision.

**3. The higher standard improperly imposed by *Fox Factory* both defies common sense and suppresses innovation by demoralizing inventors.**

The need for rehearing en banc is not just a matter of abstract legal theory, however. The new standard set forth by *Fox Factory* is intractably high and will, if not brought back in line with this Court’s longstanding authority, signal to inventors that no amount of praise will protect them from an obviousness attack. Nowhere is this clearer than in the case-at-bar.

It is difficult to imagine inventors achieving greater validation for their invention than occurred here. More so than simple commercial success, which can be attributable to superior marketing or widespread advertising, the Emmy and Oscar were awarded by committees of peers (and competitors) in a high-stakes industry based on assessments of the improvement represented by the products or services. After a century of efforts to perfect the capture and synchronicity of sound with film, including attempts by Thomas Edison himself, to be recognized in this fashion is the very antithesis of obviousness.

This reversal of the longstanding rule for handling products that combine claimed and unclaimed aspects will inevitably preclude countless less-heralded patentholders from presenting what will “often be the most probative and cogent evidence” they can muster in defense of their claims in an obviousness challenge. *Transocean*, 699 F.3d at 1349. Such a holding will chill innovation nationwide—after all, if an invention can win both an Emmy *and* an Oscar in its field and yet be found obvious because these awards were not commensurate with the claimed invention, how can any inventor hope to meet such a standard?

Because the panel’s decision follows a rule that is both legally improper under *Preminger* and damaging to America’s patent system, en banc rehearing is necessary to restore the well-reasoned standards that have governed this issue for decades.

**CONCLUSION AND RELIEF SOUGHT**

For the foregoing reasons, Appellant Zaxcom, Inc. respectfully requests that this Court grant this Petition for Rehearing En Banc, reaffirm the longstanding rule that unclaimed features do not preclude a presumption of nexus unless “the patented invention is only a small component of the product tied to the objective evidence,” *Henny Penny*, 938 F.3d at 1333, reverse the Board’s decision finding that the original challenged claims were obvious, or at least remand with instructions to apply the presumption of nexus between those inventions and the industry praise.

Respectfully submitted,

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# ADDENDUM

NOTE: This disposition is nonprecedential.

**United States Court of Appeals  
for the Federal Circuit**

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**ZAXCOM, INC.,**  
*Appellant*

v.

**LECTROSONICS, INC.,**  
*Cross-Appellant*

v.

**ANDREW HIRSHFELD, PERFORMING THE  
FUNCTIONS AND DUTIES OF THE UNDER  
SECRETARY OF COMMERCE FOR  
INTELLECTUAL PROPERTY AND DIRECTOR OF  
THE UNITED STATES PATENT AND TRADEMARK  
OFFICE,**  
*Intervenor*

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2020-1350, 2020-1405

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Appeals from the United States Patent and Trademark  
Office, Patent Trial and Appeal Board in No. IPR2018-  
00972.

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Decided: February 18, 2022

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ROBERT GREENSPOON, Dunlap Bennett & Ludwig PLLC, Chicago, IL, argued for appellant. Also represented by GREGORY J. GONSALVES, Vienna, VA; RITA CHIPPERSON, Chipperson Law Group, P.C., New York, NY.

CORY C. BELL, Finnegan, Henderson, Farabow, Garrett & Dunner, LLP, Boston, MA, argued for cross-appellant. Also represented by J. DEREK MCCORQUINDALE, Reston, VA.

MOLLY R. SILFEN, Office of the Solicitor, United States Patent and Trademark Office, Alexandria, VA, argued for intervenor. Also represented by THOMAS W. KRAUSE, ROBERT J. MCMANUS, FARHEENA YASMEEN RASHEED.

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Before LOURIE, SCHALL, and TARANTO, *Circuit Judges*.

TARANTO, *Circuit Judge*.

Lectrosonics, Inc. petitioned the Patent and Trademark Office to institute an inter partes review, under 35 U.S.C. §§ 311–19, of all claims of U.S. Patent No. 9,336,307, which is owned by Zaxcom, Inc. After institution of the requested review, Zaxcom filed a motion to replace the original claims 1–14 with fourteen corresponding claims—substitute claims 15–28—if the Patent Trial and Appeal Board held the original claims unpatentable. The Board issued a final written decision holding all original claims unpatentable, and it therefore addressed Zaxcom’s proposed substitute claims, which it allowed to be added to the patent because Lectrosonics had not proved them unpatentable. *Lectrosonics, Inc. v. Zaxcom, Inc.*, No. IPR2018-00972, 2019 WL 5849856, at \*29 (P.T.A.B. Nov. 7, 2019). Zaxcom appeals the Board’s rejection of the original claims, and Lectrosonics appeals the Board’s approval of the substitute claims. We affirm both determinations.

## I

The '307 patent describes and claims a system and method for recording and processing audio received from wireless devices. The specification describes at least the following arrangement: Each of a plurality of wireless devices, upon picking up audio, both self-records the audio and sends it wirelessly to a remote recorder. '307 patent, col. 2, line 54, through col. 3, line 14. The recordings are time-synchronized so that “multiple individually recorded audio tracks” can be “combined into one or more multitrack audio files.” *Id.*, col. 4, lines 3–14. One reason for the local recording is that wireless transmission to the remote recorder may be imperfect due to dropout or noise, *id.*, col. 4, lines 15–25, and the locally maintained data can be used for repair—specifically, to replace corrupted data received wirelessly at the remote recorder, *id.*, col. 12, lines 59–63.

The patent had two independent original claims: an apparatus claim (claim 1) and a method claim (claim 12). Both claims require wearable local audio devices that wirelessly transmit local audio to a remote recorder and also locally record audio in the memory of the device. And both claims required that local audio data be “combined” with remotely recorded audio data. *See id.*, col. 23, lines 22–42 (claim 1); *id.*, col. 24, lines 15–32 (claim 12).

We agree with the Board’s construction of the claims to encompass both embodiments described in the specification, *i.e.*, both the repair of dropouts and the creation of a multitrack file. *Lectrosonics*, 2019 WL 5849856, at \*4. Under the claims’ broadest reasonable interpretation (BRI), local and remote audio data may be “combined” either to repair corrupted audio data received by the remote recorder or to create a multitrack audio file. In adopting that construction under the BRI standard, the Board correctly rejected Zaxcom’s argument for a requirement that the claimed “local audio data” and “remote audio data” derive from the same source (*i.e.*, the same local audio event). *Id.*

Given the claim construction, the Board had substantial evidence to support its findings underlying the conclusion that claims 1–11 were unpatentable for obviousness over Strub (U.S. Patent No. 6,825,875) when combined with either Nagai (U.S. Publication No. 2002/0159179 A1) or Gleissner (U.S. Publication No. 2004/0028241 A1), as well as its finding that claims 12–14 were anticipated by Strub. The Strub patent discloses a “small, lightweight, wearable recording unit,” Strub, col. 4, lines 29–31, that records and transmits audio data that can be used by other units, *id.*, col. 12, lines 4–39, and “blend[s]” audio recordings from different devices, *id.*, col. 86, lines 1–9. The Board had substantial evidence for its determination that Strub alone anticipated claims 12–14. *Lectrosonics*, 2019 WL 5849856, at \*11. And it also had substantial evidence that a relevant artisan would have been motivated to combine Strub with either Nagai or Gleissner, both of which undisputedly disclose the “audio input port” of claims 1–11. *Id.* at \*7–10.

Zaxcom argues, as to claims 1–11, that no obviousness conclusion should be drawn because its evidence of industry praise and long-felt need should have outweighed the above-recited determinations based on the prior art. But given the adopted claim construction, the Board determined that Zaxcom’s evidence of such objective indicia lacked the nexus to the claimed invention required to alter a conclusion of obviousness that would be justified based on the prior-art analysis. *Id.* at \*10–11. Zaxcom specifically focused on a Technical Achievement Academy Award, J.A. 4272, an Engineering Emmy Award, J.A. 4304, and declarations from sound mixers, J.A. 4273–78; J.A. 4281–84, praising Zaxcom’s wireless recording systems. The Board reasonably found that the praise was primarily directed to the systems’ critical feature of dropout repair, while the claims of the ’307 patent, under the BRI construction properly adopted, are broadly directed to wirelessly transmitting audio data and combining local and remote

audio data from a plurality of devices—a technique already known in the prior art. The evidence, in short, says nothing to suggest non-obviousness of one of the two types of systems and methods within the claims’ coverage. We therefore agree with the Board that, based on that finding, the objective indicia evidence is insufficient to overcome the prior-art evidence of obviousness. See *Intercontinental Great Brands LLC v. Kellogg North America Co.*, 869 F.3d 1336, 1343–44, 1347 (Fed. Cir. 2017) (overall obviousness determination is a legal one based on weighing of prior-art and objective-indicia facts). Thus, the Board properly held claims 1–11 unpatentable for obviousness.

## II

On Lectrosonics’s cross appeal, we affirm the Board’s determination that the substitute claims are not unpatentable. The substitute claims narrow the “combined” claim limitation to a limitation that requires “replacing” the remotely recorded data with local audio data from a device’s memory. *Lectrosonics*, 2019 WL 5849856, at \*16–17. Although the claim language does not expressly limit the “replacing” to situations where there is a transmission error, Lectrosonics accepts that the substitute claims are directed to dropout repair.

We see no reversible error in the Board’s determinations that substitute claims 15–28 are not unpatentable for obviousness over Strub and Wood (Int’l Publication No. WO 2004/091219 A1), alone or in combination with Nagai or Gleissner. As to the prior-art analysis, we mention only one point—concerning the combination with Wood needed for all claims. Although Wood discloses a method of repairing dropouts in a TV broadcast signal, Wood, p. 1, lines 28–30, the Board had substantial evidence to support its finding that there was only a weak motivation to combine Wood’s (non-wearable) TV system with the wearable audio device in Strub, particularly because Strub did not contemplate repairing defects caused by transmission errors.

*Lectrosonics*, 2019 WL 5849856, at \*23 (citing Strub, col. 48, lines 18–30, col. 85, lines 28–41).

Having found the asserted prior-art basis for an obviousness conclusion relatively weak in light of the narrowed scope of the claims, the Board determined that the objective indicia evidence was strong in light of that narrowed scope—strong enough to support an overall conclusion of nonobviousness. *Id.* at \*23–29. We affirm the Board’s findings and ultimate conclusion. In particular, the Board determined that Zaxcom’s evidence of industry praise and long-felt need was entitled to a presumption of nexus, noting that these indicia were commensurate in scope with the claims as now narrowed, *id.* at \*25, a determination that comports with the legal standards for a presumption, *see, e.g., Fox Factory, Inc. v. SRAM, LLC*, 944 F.3d 1366, 1373 (Fed. Cir. 2019); *Polaris Indus., Inc. v. Arctic Cat, Inc.*, 882 F.3d 1056, 1072 (Fed. Cir. 2018). The Board also reasonably found that the evidence positively showed a nexus, *Lectrosonics*, 2019 WL 5849856, at \*25, as the substitute claims are undisputedly directed to dropout repair in systems with wearable recording devices, and this feature was discussed in at least the Emmy Award, J.A. 4304, and substantial portions of the declarations, *see, e.g., J.A. 4276–77 ¶ 6, J.A. 4283–84 ¶ 6*. We see no basis for reversing the Board’s findings or the conclusion that these findings outweigh the weak prior-art case and therefore warrant rejection of the obviousness challenge to the substitute claims.

### III

For the foregoing reasons, we affirm the final written decision of the Patent Trial and Appeal Board.

The parties shall bear their own costs.

**AFFIRMED**

**UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT**

**CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITATIONS**

**Case Number:** 20-1350

**Short Case Caption:** Zaxcom, Inc. v. Lectrosonics, Inc.

**Instructions:** When computing a word, line, or page count, you may exclude any items listed as exempted under Fed. R. App. P. 5(c), Fed. R. App. P. 21(d), Fed. R. App. P. 27(d)(2), Fed. R. App. P. 32(f), or Fed. Cir. R. 32(b)(2).

The foregoing filing complies with the relevant type-volume limitation of the Federal Rules of Appellate Procedure and Federal Circuit Rules because it meets one of the following:

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Date: 03/18/2022

Signature: /s/ Robert P. Greenspoon

Name: Robert P. Greenspoon