

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

KAPSCH TRAFFICCOM IVHS INC. and
KAPSCH TRAFFICCOM HOLDING CORP.,
Petitioner,

v.

NEOLOGY, INC.,
Patent Owner.

Case IPR2015-00818
Patent 8,237,568 B2

Before JUSTIN T. ARBES, GLENN J. PERRY, and
TREVOR M. JEFFERSON, *Administrative Patent Judges*.

ARBES, *Administrative Patent Judge*.

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

I. BACKGROUND

Petitioners Kapsch TrafficCom IVHS Inc. and Kapsch TrafficCom Holding Corp. (collectively, “Petitioner”)¹ filed a Petition (Paper 1, “Pet.”) seeking *inter partes* review of claims 1–11 of U.S. Patent No. 8,237,568 B2 (Ex. 1004, “the ’568 patent”) pursuant to 35 U.S.C. §§ 311–319. On September 14, 2015, we instituted an *inter partes* review of claims 1–3 and 6–8 on one ground of unpatentability (Paper 11, “Dec. on Inst.”). Patent Owner Neology, Inc. filed a Patent Owner Response (Paper 21, “PO Resp.”), and Petitioner filed a Reply (Paper 31, “Reply”).² A combined oral hearing with Case IPR2015-00819³ was held on May 10, 2016, and a transcript of the hearing is included in the record (Paper 39, “Tr.”).

We have jurisdiction under 35 U.S.C. § 6. This final written decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons that follow, we determine that Petitioner has shown by a preponderance of the evidence that claims 1–3 and 6–8 are unpatentable.

¹ The original Petitioners were Kapsch TrafficCom IVHS Inc., Kapsch TrafficCom IVHS Holding Corp., Kapsch TrafficCom IVHS Technologies Holding Corp., Kapsch TrafficCom U.S. Corp., and Kapsch TrafficCom Holding Corp. During trial, Kapsch TrafficCom IVHS Holding Corp., Kapsch TrafficCom IVHS Technologies Holding Corp., and Kapsch TrafficCom U.S. Corp. merged with Kapsch TrafficCom Holding Corp. *See* Papers 1, 32, 33.

² Petitioner filed redacted (Paper 31) and unredacted (Paper 29) versions of its Reply and other materials, along with two motions to seal, which were conditionally granted. *See* Papers 27, 32. We do not rely on any sealed material in this Decision.

³ U.S. Patent No. 8,587,436 B2, which was challenged in Case IPR2015-00815, and U.S. Patent No. 8,325,044 B2 (“the ’044 patent”), which is being challenged in Case IPR2015-00819, are continuations of the ’568 patent.

A. The '568 Patent

The '568 patent describes a system for “verifying and tracking identification information” using “a radio frequency (RF) identification device, an identification mechanism (e.g., a card, sticker), and an RF reader/writer.” Ex. 1004, col. 1, ll. 27–40. The system facilitates electronic identification by reading data stored on the RF device (without having to contact the device) and verifying the data against known identification information. *Id.* at col. 2, ll. 25–53. The system also provides security by checking and validating security keys stored on the RF device before reading the data. *Id.* The '568 patent explains that the system can be used in a number of different applications, such as for “vehicle identification,” “border crossing solutions,” or “toll booths.” *Id.* at col. 10, ll. 11–53, Fig. 4.

Figure 2 of the '568 patent is reproduced below.

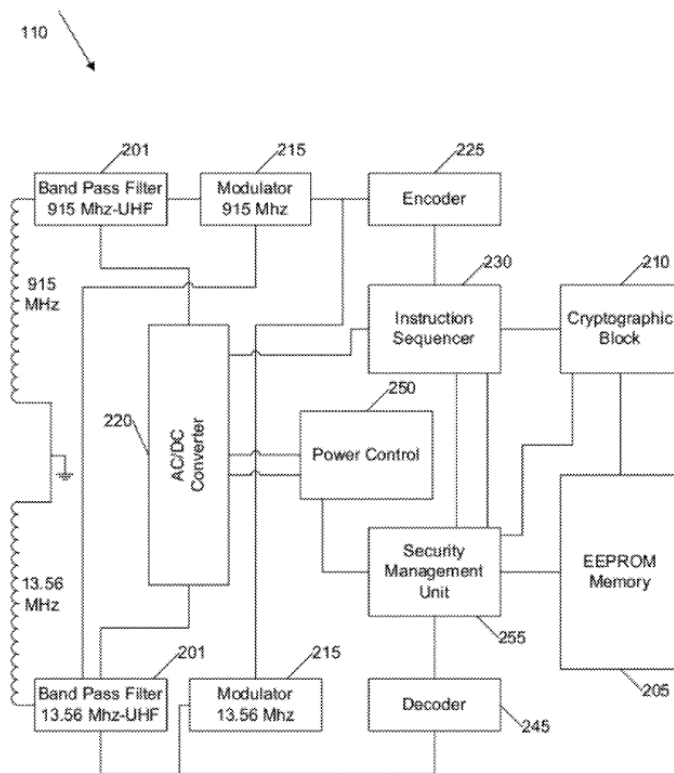


FIG. 2

As shown in Figure 2, dual frequency RF device 110 comprises modulator 215 that receives baseband signals from an antenna, security management unit 255, cryptographic block 210, and electrically erasable programmable read-only memory (EEPROM) memory 205 that stores data. *Id.* at col. 2, ll. 26–53, col. 20, ll. 32–41. RF device 110 receives security keys from an RF reader, and security management unit 255 “checks and validates” the keys to “grant or deny access to the memory chip.” *Id.* at col. 2, ll. 47–51.

B. Illustrative Claim

Claim 1 of the '568 patent recites:

1. A system of verifying registration information of a vehicle, the system including:

a database configured to store vehicle identification information;

a radio frequency device, the radio frequency device including a radio frequency antenna and a chip, the chip comprising:

a memory, the memory configured to store a security key and vehicle identification information, and

a processor coupled with the memory the processor configured to provide access to the memory based on a security key, the processor further configured to:

receive a signal via the radio frequency antenna, the signal comprising a request to access the memory and a security key,

compare the security key included in the received message with the security key stored in the memory,

provide the vehicle information in response to the access request when the security keys match; and

a reader coupled with the database, the reader configured to:

generate the access request, insert the security key into the generated request, and transmit the access request to the radio frequency device,

receive the vehicle information from the radio frequency device,

cause the vehicle information to be compared to the vehicle information stored in the database, and

verify the information related to the vehicle based on the comparison.

C. Prior Art

The pending ground of unpatentability in the instant *inter partes* review is based on the following prior art:

U.S. Patent No. 5,627,544, issued May 6, 1997 (Ex. 1009, “Snodgrass”); and

U.S. Patent No. 5,819,234, issued Oct. 6, 1998 (Ex. 1008, “Slavin”).

D. Pending Ground of Unpatentability

The instant *inter partes* review involves the following ground of unpatentability:

References	Basis	Claims
Slavin and Snodgrass	35 U.S.C. § 103(a)	1–3 and 6–8

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