

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MOBILE TECH, INC.,
Petitioner,

v.

INVUE SECURITY PRODUCTS INC.,
Patent Owner.

Cases IPR2016-00898 and IPR2016-00899
Patent 9,269,247 B2

Before JUSTIN T. ARBES, STACEY G. WHITE, and
DANIEL J. GALLIGAN, *Administrative Patent Judges*.

ARBES, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a)

I. BACKGROUND

Petitioner Mobile Tech, Inc. filed two Petitions requesting *inter partes* review of claims 1–37 of U.S. Patent No. 9,269,247 B2 (Ex. 1001,¹ “the ‘247 patent”), pursuant to 35 U.S.C. §§ 311–319, in Cases IPR2016-00898 and IPR2016-00899. On September 29, 2016, an *inter partes* review was instituted in each proceeding on certain grounds of unpatentability. Patent Owner InVue Security Products Inc. filed a Patent Owner Response and Petitioner filed a Reply in each proceeding, as listed in the following chart.

Case Number	Challenged Claims	Decision on Institution	Petition	Response	Reply
IPR2016-00898	1–24	Paper 10 (“-898 Dec. on Inst.”)	Paper 5 (“-898 Pet.”)	Paper 19 (“-898 PO Resp.”)	Paper 23 (“-898 Reply”)
IPR2016-00899	25–37	Paper 9 (“-899 Dec. on Inst.”)	Paper 4 (“-899 Pet.”)	Paper 16 (“-899 PO Resp.”)	Paper 20 (“-899 Reply”)

Patent Owner also filed a Motion to Exclude certain evidence submitted by Petitioner, Petitioner filed an Opposition, and Patent Owner filed a Reply in each proceeding, as listed in the following chart.

Case Number	Motion	Opposition	Reply
IPR2016-00898	Paper 27 (“-898 Mot.”)	Paper 30 (“-898 Opp.”)	Paper 31
IPR2016-00899	Paper 24	Paper 26	Paper 27

¹ Unless otherwise specified, we refer to papers and exhibits filed in Case IPR2016-00898.

A combined oral hearing with Cases IPR2016-00892, IPR2016-00895, and IPR2016-00896 was held on June 14, 2017, and a transcript of the hearing is included in the record (Paper 33, “Tr.”).

Cases IPR2016-00898 and IPR2016-00899 involve the same challenged patent and parties, and there is overlap in the asserted prior art and other evidence submitted by the parties. To administer the proceedings more efficiently, we exercise our authority under 35 U.S.C. § 315(d) to consolidate the two proceedings for purposes of issuing one final written decision.

We have jurisdiction under 35 U.S.C. § 6. This Decision is issued pursuant to 35 U.S.C. § 318(a). For the reasons that follow, we determine that Petitioner has shown, by a preponderance of the evidence, that claims 1–37 of the ’247 patent are unpatentable.

A. The ’247 Patent

The ’247 patent describes a “programmable security system and method for protecting an item of merchandise.” Ex. 1001, Abstract. Figure 1 of the ’247 patent is reproduced below.

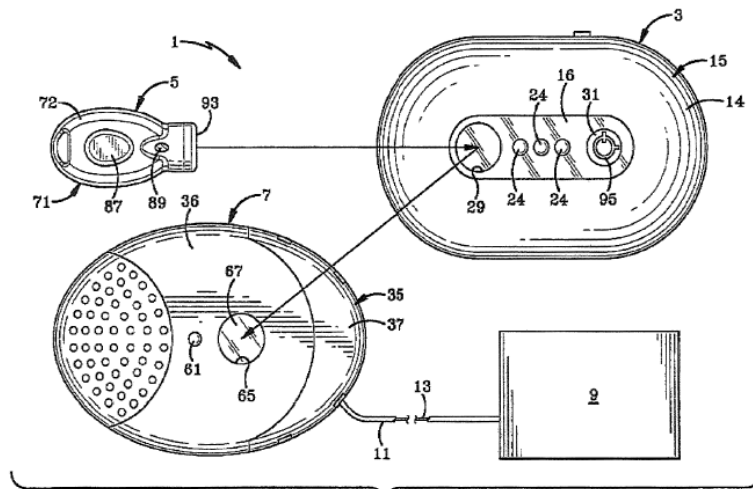


FIG-1

Figure 1 depicts security system 1 that includes programming station 3, programmable key 5, and alarm module 7 adapted to be attached to item of merchandise 9 by cable 11 with sense loop 13. *Id.* at col. 6, ll. 4–10.

Programming station 3 randomly generates a unique security code (Security Disarm Code, or “SDC”) that is transmitted via a wireless (e.g., infrared) link to programmable key 5, which in turn stores the SDC in key memory. *Id.* at col. 6, ll. 29–31, col. 7, ll. 25–30, col. 9, ll. 7–13. Once programmed with an SDC, programmable key 5 is taken to one or more alarm modules 7 and the SDC is communicated via circuitry to the respective alarm module, which stores the SDC in its memory. *Id.* at col. 9, ll. 26–35.

Cable 11 extends between alarm module 7 and item of merchandise 9. *Id.* at col. 7, ll. 54–56. If sense loop 13 (which contains electrical or fiber optic conductors) is compromised, such as by cutting cable 11 or by pulling the cable loose from alarm module 7 or item of merchandise 9, the alarm module emits an audible alarm. *Id.* at col. 7, ll. 52–64. To disarm alarm module 7, programmable key 5 is programmed with a valid SDC and circuits in the alarm module and the key communicate with one another to deactivate the alarm, thereby enabling cable 11 to be removed from the merchandise item. *Id.* at col. 10, ll. 47–59. Programmable key 5 then may be used to re-arm the alarm module. *Id.* at col. 10, ll. 59–63. “[T]o disarm and re-arm alarm module 7, the SDC memory 53 of the alarm module must read the same SDC that was randomly generated by the programming station 3 and programmed into the programmable key 5 and subsequently provided by the key to the alarm module.” *Id.* at col. 10, l. 66–col. 11, l. 8.

B. Illustrative Claim

Claims 1, 25, and 31 of the '247 patent are independent. Claim 1 recites:

1. A programmable security system for protecting items of merchandise from theft, the programmable security system comprising:

a programming station comprising a logic control circuit configured to generate a unique security code, and a memory for storing the unique security code;

a plurality of programmable keys each configured to communicate with the programming station to receive and store the unique security code in a memory, each of the plurality of programmable keys having the unique security code stored in its memory; and

a plurality of security devices each comprising an alarm and a memory for storing the unique security code, each of the plurality of security devices having the unique security code stored in its memory, each of the plurality of security devices configured to be attached to an item of merchandise, each of the plurality of security devices further configured to activate the alarm in response to the integrity of the security device being compromised;

wherein each of the plurality of programmable keys is configured to arm or disarm each of the plurality of security devices upon a matching of the unique security code stored by the plurality of security devices with the unique security code stored by the plurality of programmable keys.

C. Prior Art

The pending grounds of unpatentability in the instant *inter partes* reviews are based on the following prior art:

U.S. Patent No. 5,543,782, issued Aug. 6, 1996 (Ex. 1005, "Rothbaum");

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