Paper 41 Entered: May 24, 2018

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 IPR2017-00344 and IPR2017-00345 Patent 9,396,631 B2

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

GALLIGAN, 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 1–29 of U.S. Patent No. 9,396,631 B2 (Ex. 1001,¹ "the '631 patent") in Cases IPR2017-00344 and IPR2017-00345. On May 26, 2017, we instituted trial in IPR2017-00344 on claims 1–13, 15–19, and 21–29, and we instituted trial in IPR2017-00345 on claims 1–29. In each proceeding, Patent Owner InVue Security Products Inc. filed a Patent Owner Response and Petitioner filed a Reply, as listed in the following chart.

| Case Number | Claims Instituted | Decision on Institution | Petition | Response | Reply |
|---------------|-------------------------------|---|-----------------------------|----------------------------------|----------------------------------|
| IPR2017-00344 | 1–13, 15– 19, and 21–29 | Paper 7 ("-344 Dec. on Inst.") | Paper 1 ("-344 Pet.") | Paper 13 ("-344 PO Resp.") | Paper 15 ("-344 Reply") |
| IPR2017-00345 | 1–29 | Paper 7 ("-345 Dec. on Inst.") | Paper 1 ("-345 Pet.") | Paper 11 ("-345 PO Resp.") | Paper 12 ("-345 Reply") |

In each proceeding, we also granted in part Patent Owner's requests for limited discovery related to Petitioner's identification of real parties-in-interest and authorized Patent Owner to file a motion to terminate. -344 Paper 20; -345 Paper 17. Patent Owner filed a motion to terminate in each proceeding, Petitioner filed an opposition to each motion, and we denied the motion in each proceeding, as listed in the following chart.

¹ The '631 patent is Exhibit 1001 in each proceeding. Citations may be preceded by "-344" to designate IPR2017-00344 or "-345" to designate IPR2017-00345.



IPR2017-00344 and IPR2017-00345 Patent 9,396,631 B2

| Case Number | Motion | Opposition | Denial of Motion |
|---------------|----------------|-------------------|-------------------|
| IPR2017-00344 | Paper 27 (non- | Paper 28 (non- | Paper 34 (non- |
| | public), Paper | public), Paper 30 | public), Paper 37 |
| | 33 (public) | (public) | (public) |
| IPR2017-00345 | Paper 24 (non- | Paper 25 (non- | Paper 30 (non- |
| | public), Paper | public), Paper 27 | public), Paper 34 |
| | 32 (public) | (public) | (public) |

In addition, in IPR2017-00344 the parties filed a Joint Motion to Limit the Petition by removing the ground of unpatentability based on U.S. Patent Application Publication 2007/0159328 A1 (-344 Ex. 1002, published July 12, 2007, "Belden"). -344 Paper 39. We consolidated the two proceedings pursuant to 35 U.S.C. § 315(d) and granted the parties' Motion. -344 Paper 40. As a result, Petitioner's asserted ground challenging claims 1–29 as unpatentable under 35 U.S.C. § 102(b) over Belden is no longer at issue in this proceeding.

An oral hearing was held for both proceedings on January 31, 2018, and a transcript of the hearing is included in the record of each proceeding (-344 Paper 25, "Tr."; -345 Paper 22).

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 1–29 of the '631 patent are unpatentable. *See* 35 U.S.C. § 316(e) ("In an inter partes review instituted under this chapter, the petitioner shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence.").



A. The '631 Patent

The '631 patent describes a "programmable security system and method for protecting an item of merchandise." Ex. 1001, Abstract. Figure 1 of the '631 patent is reproduced below.

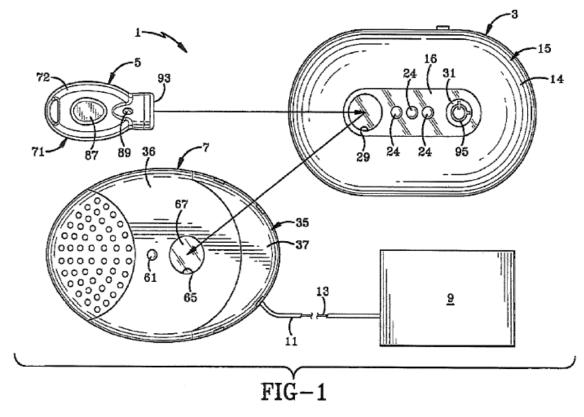


Figure 1 depicts security system 1 that includes programming station 3, programmable key 5, and alarm module 7 adapted to be attached to item of merchandise 9 by cable 11 with sense loop 13. Ex. 1001, 6:7–13. Programming station 3 randomly generates a unique security code (Security Disarm Code, or "SDC") 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 6:32–34, 7:29–34, 9:11–17. 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 9:30–39.

Cable 11 extends between alarm module 7 and item of merchandise 9. Ex. 1001, 7:58–60. 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 7:56–8:1. 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 10:51–63. Programmable key 5 then may be used to re-arm the alarm module. *Id.* at 10:63–67. "[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. 11:4–8.



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