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.

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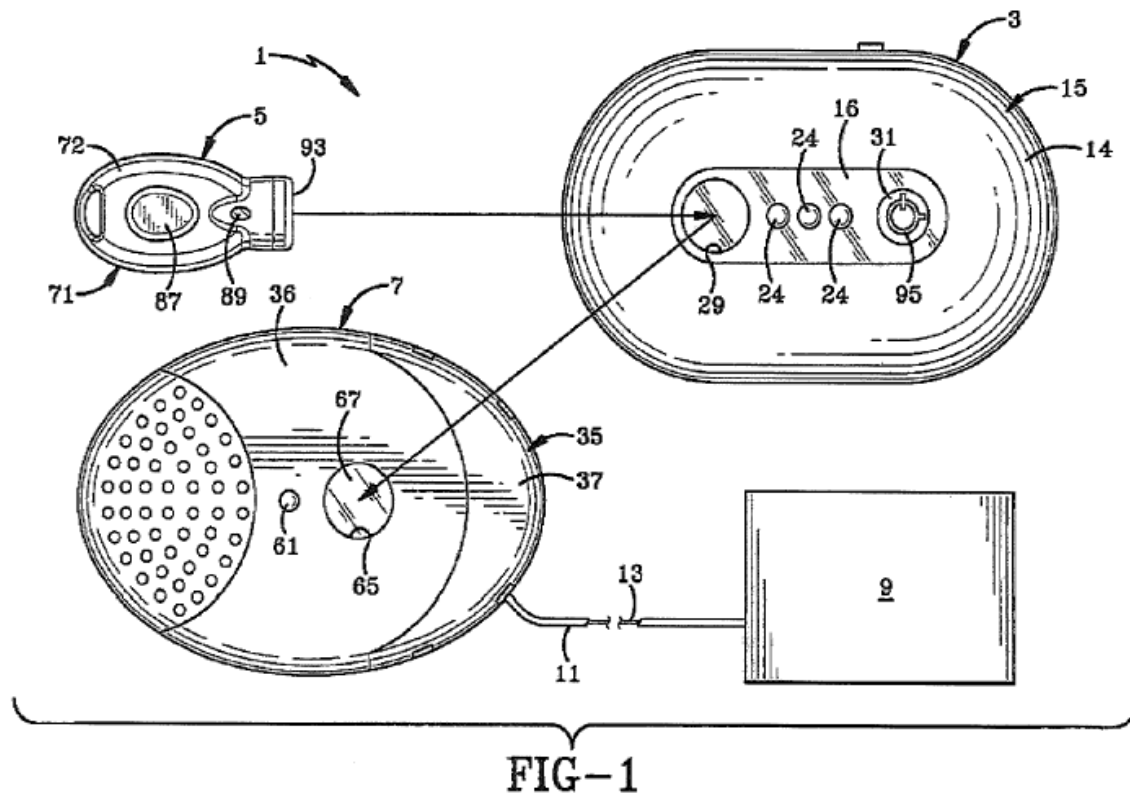

FIG−1

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. 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

4

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.

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.

fastcase®
Smarter legal research.