

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MASABI LTD.,
Petitioner,

v.

BYTEMARK, INC.,
Patent Owner.

Case IPR2017-01449
Patent 8,494,967 B2

Before JOSIAH C. COCKS, NEIL T. POWELL, and
BARRY L. GROSSMAN, *Administrative Patent Judges*.

GROSSMAN, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
Incorporating Decision on
Patent Owner's Motion to Exclude Evidence, and
Joint Motion to Withdraw Patent Owner's
Motion to Amend and Substitute Motion to Amend
37 C.F.R. § 42.108

I. INTRODUCTION

A. Background

Masabi Ltd. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting an *inter partes* review of claims 1–6, 17–23, and 34 of U.S. Patent No. 8,494,967 B2 (Ex. 1001, “the ’967 patent”). Bytemark, Inc. (“Patent Owner”) filed a Preliminary Response to the Petition. Paper 6 (“Prelim. Resp.”).

The Petition challenged the patentability of each of claims 1–6, 17–23, and 34 as anticipated by each of Terrell, Cruz, or Dutta based on 35 U.S.C. § 102. *See* Pet. 14. We instituted an *inter partes* review based solely on whether claims 1, 3–6, 17, 18, 20–23, and 34 are anticipated by Terrell. *See* Paper 10 (“Dec. Inst.”), 31. We did not institute a review on whether claims 2 and 19 are anticipated by Terrell. *Id.* We also did not institute a review on whether claims 1–6, 17–23, and 34 are anticipated by each of Cruz or Dutta. *Id.* at 33.

Patent Owner filed a Response to the Petition based on the claims and ground for which trial was instituted. Paper 19 (PO Resp.”). Following the Supreme Court decision in *SAS Inst., Inc. v. Iancu*, 2018 WL 1914661, at *10 (U.S. Apr. 24, 2018), we modified our institution decision to institute trial on all of the challenged claims and all of the grounds presented in the Petition. Paper 20. Thus, we added to the trial the issues of whether claims 2 and 19 are anticipated by Terrell, and whether claims 1–6, 17–23, and 34 are anticipated by Cruz or Dutta. Based on the modified institution decision, we authorized supplemental briefing. Paper 21. Patent Owner filed a Supplemental Response (Paper 22, “Suppl. PO Resp.”) directed to the newly-added claims and grounds in this proceeding.

Petitioner filed a single Reply, addressing both Patent Owner's Response and Patent Owner's Supplemental Response. Paper 25 ("Reply"). Petitioner's Reply also addressed the preliminary findings made by the Board in the Decision to Institute concerning the added claims and grounds. *See* Paper 21, 3–4.

Petitioner submitted 24 exhibits (Exs. 1001–1024). Petitioner relies, in part, on the Declaration testimony of Dr. Sigurd Meldal. Ex. 1004, 1018, 1019.

Patent Owner submitted 11 exhibits (Exs. 2001–2011). Patent Owner relies, in part, on the Declaration testimony of Dr. Oded Gottesman. Ex. 2001, 2002, 2005, 2009, 2010.

Patent Owner filed a Motion to Amend (Paper 18) and a Substitute Motion to Amend (Paper 23). Petitioner filed an Opposition to the Motion to Amend. Paper 26. Subsequently, the parties filed a "Stipulated Joint Motion to Withdraw Patent Owner's Motion to Amend and Substitute Motion to Amend." Paper 27.¹

Patent Owner filed a Motion to Exclude Evidence. Paper 32 ("Mot. Excl."). Petitioner filed a Response to the Motion to Exclude. Paper 34 (Resp. Mot. Excl.).

A hearing was held August 22, 2018. Paper 37 ("Tr.").

We have jurisdiction under 35 U.S.C. § 6. We enter this Final Written Decision pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73.

Petitioner has the burden of proving unpatentability of a claim by a preponderance of the evidence. 35 U.S.C. § 316(e).

¹ The parties jointly request that Papers 18, 23, and 26, and associated exhibits 1019–1024, 2008, and 2010 be withdrawn from consideration.

Based on the findings and conclusions below, we determine that Petitioner has proven by a preponderance of the evidence that claims 1, 3–6, 17, 18, 20–23, and 34 are anticipated by Terrell and, thus, are unpatentable. We determine, however, that Petitioner has not established by a preponderance of the evidence that claims 2 and 19 are anticipated by Terrell.

We also determine that Petitioner has not proven by a preponderance of the evidence that the challenged claims are anticipated by either Cruz or Dutta.

We deny Patent Owner’s Motion to Exclude Evidence.

We grant the parties’ Stipulated Joint Motion to Withdraw Patent Owner’s Motion to Amend and Substitute Motion to Amend.

B. Related Matters

The parties identify the following federal district court cases involving the ’967 patent: *Bytemark, Inc., V. Masabi Ltd.*, Case No. 2:16-cv-00543 (E.D. Tex. filed May 20, 2016); *Bytemark, Inc. v. Xerox Corp. et al*, Civ. No.1:17-cv-01803-PGG (SDNY); and *Bytemark Inc. v. Unwire APS and Unwire US, Inc.*, Case No. 1:17-cv-10124 (SDNY). Pet. 1; Paper 17. The ’967 patent also is the subject of Covered Business Method review CBM2018-00011. Paper 17.

U.S Patent No. 9,239,993 (the “’993 patent”) is based on an application that is a continuation-in-part of the application that matured into the ’967 patent. The ’993 patent also is asserted in each of the district court cases identified above. The ’993 patent is the subject of CBM2018-00018. *Id.*

C. The Asserted Grounds

Petitioner challenges the patentability of each of claims 1–6, 17–23, and 34 as anticipated by each of Terrell², Cruz³, or Dutta⁴ based on 35 U.S.C. § 102. *See* Pet. 15. Petitioner also states that Grounds 1, 2, and 3 “include arguments based on obviousness.” *Id.* at 65. Petitioner, however, did not argue obviousness in the Petition. Accordingly, there are no obvious grounds.

II. ANALYSIS

A. The '967 Patent

We make the following findings concerning the disclosure of the '967 patent.

The '967 patent discloses a system and method for verifying electronic tickets. The system and method use a “visual object” that is readable by a person to verify the authenticity of the ticket. Ex. 1001, Abstract. According to the disclosure, using such a visual object removes the need to use a bar-code scanner on an LCD display of a cell phone or other device and speeds up the rate at which ticket takers can verify ticket holders. *Id.*

As disclosed in the '967 patent,

Conventional electronic tickets display a barcode or QR code on a user's telephone, typically a cellphone or other portable

² PCT Appl. Publication No. 2009/141614 A1, Nov. 26, 2009, Ex. 1010 (“Terrell”).

³ U.S. Appl. Publication No. 2004/0030658 A1, Feb. 12, 2004, Ex. 1011 (“Cruz”).

⁴ U.S. Pat. 7,315,944 B2, Jan. 1, 2008, Ex. 1012 (“Dutta”).

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