UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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MOBILE TECH, INC.,
Petitioner,

v.

INVUE SECURITY PRODUCTS INC.,
Patent Owner.

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Case IPR2016-01915
Patent 7,737,844 B2

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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 a Petition (Paper 1, "Pet.") requesting *inter partes* review of claims 1–19 of U.S. Patent No. 7,737,844 B2 (Ex. 1001, "the '844 patent") pursuant to 35 U.S.C. § 311(a). On March 30, 2017, we instituted an *inter partes* review of claims 1–7, 12–14, and 17–19 on two grounds of unpatentability. Paper 7 ("Dec. on Inst."). Patent Owner InVue Security Products Inc. subsequently filed a Patent Owner Response (Paper 15, "PO Resp.") and Petitioner filed a Reply (Paper 16, "Reply"). An oral hearing was held on November 15, 2017, and a transcript of the hearing is included in the record (Paper 20, "Tr."). Patent Owner's Motion to Terminate (Paper 27) also was denied. Paper 34.

We have jurisdiction under 35 U.S.C. § 6. This Final Written 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 1–7, 14, and 17–19 are unpatentable, but Petitioner has not shown by a preponderance of the evidence that claims 12 and 13 are unpatentable.
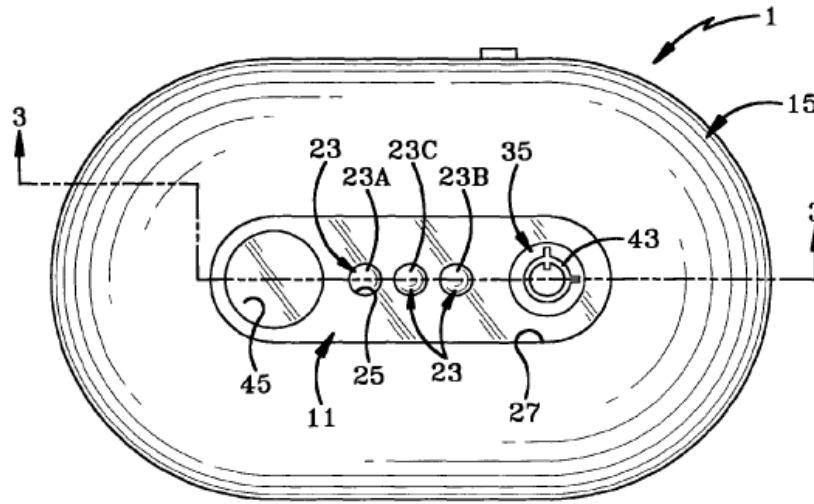
A. The '844 Patent[1]

The '844 patent pertains to "systems and methods for protection of merchandise," in particular a "programming station for use in a security system wherein a smart key is programmed with a security disarm code (SDC) at the programming station by wireless communication, which is

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[1] Cases IPR2016-00892, IPR2016-00895, IPR2016-00896, IPR2016-00898, IPR2016-00899, IPR2016-01241, IPR2017-00344, IPR2017-00345, IPR2017-01900, IPR2017-01901, IPR2018-00481, and PGR2018-00004 involve the same parties and different patents. *See* Paper 21, 3–4.

subsequently used to program the SDC code into various security devices adapted to be attached to items of merchandise." Ex. 1001, col. 1, ll. 15–22. According to the '844 patent, retail establishments used various types of security systems to prevent shoplifting, such as attaching a security device to a piece of merchandise and using a "key" "to unlock the device from the protected item of merchandise to enable the merchandise to be taken to a checkout counter, as well as to disarm an alarm contained in the security device." *Id.* at col. 1, ll. 24–46. A problem with such systems was that the key could be "stolen from the retail establishment and used at the same establishment or at another store using the same type of security device, to enable a thief to disarm the security device as well as unlock it from the protected merchandise." *Id.* at col. 1, ll. 46–51. The system disclosed in the '844 patent purports to solve that problem by programming an SDC that is "unique to a particular store" into the key using a programming station, "thereby preventing the key from being used at a different store than that from which the key is stolen," and deactivating the SDC after a preset time period. *Id.* at col. 1, l. 62–col. 2, l. 15, col. 5, ll. 58–64.

Figure 1 of the '844 patent is reproduced below.

FIG−1

Figure 1 depicts a top view of programming station 1 comprising, *inter alia*, base plate 3 on which is mounted a printed circuit board containing a logic control circuit, housing cover 15 (made of, for example, a rigid plastic material), shell 11 (made of, for example, an infrared clear plastic material), smart key receiving programming port 45, power on/off switch 35, key receiving opening 43, and light-emitting diodes (LEDs) 23A–C indicating the status of programming station 1. *Id.* at col. 3, l. 34–col. 4, l. 26. Programming station 1 may be secured (e.g., via bolts or screws) "in a secure location such as in the store manager's office to prevent possible theft of the programming station." *Id.* at col. 3, ll. 51–54.

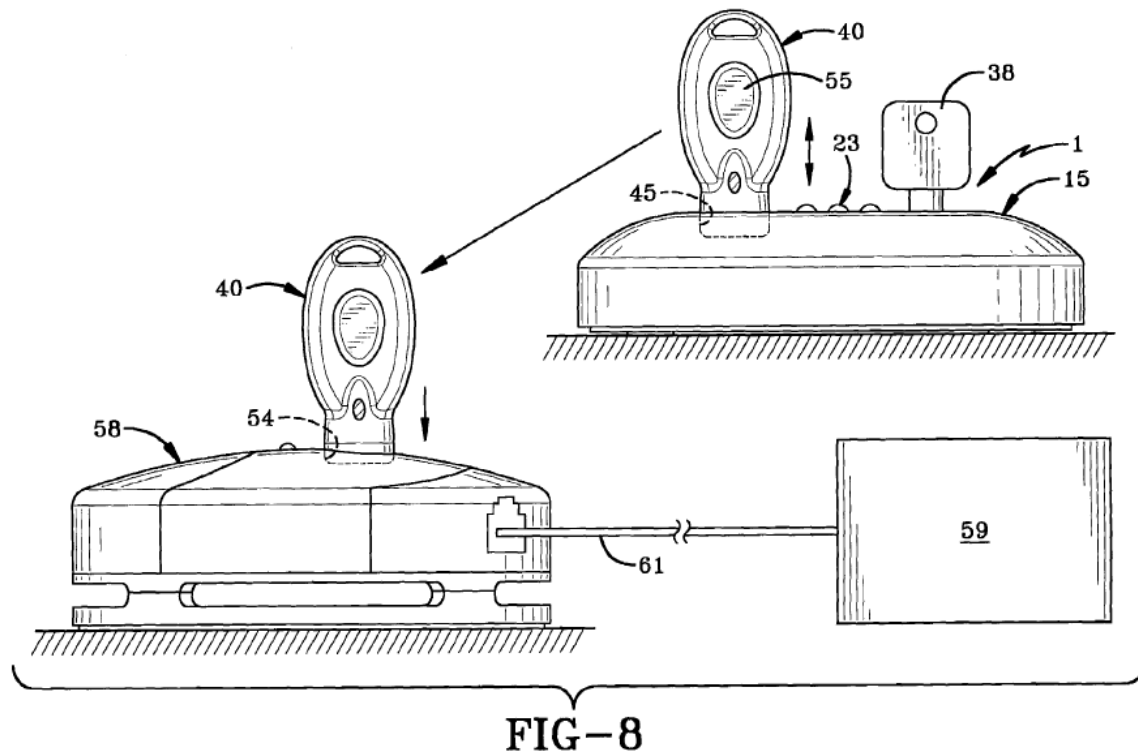Figure 8 of the '844 patent is reproduced below.

FIG-8

Figure 8 depicts a side view of programming station 1, with key 38 and key 40 having control switch or push button 55 inserted. *Id.* at col. 4, ll. 46–62. Figure 8 also depicts key 40 inserted in security device 58 attached to merchandise 59 by cable 61. *Id.* at col. 4, l. 62–col. 5, l. 9. The user first actuates power on/off switch 35 using key 38, then presses control switch or push button 55 on key 40, which initiates infrared (IR) wireless communication between key 40 and logic control circuit 7 within programming station 1. *Id.* at col. 4, ll. 56–60. Logic control circuit 7 generates an SDC, stores it permanently in memory, and communicates it to key 40. *Id.* at col. 4, ll. 60–66. Key 40 then can be used to program the SDC into security device 58 by placing it in key receiving port 54 and wirelessly communicating the SDC from key 40 to security device 58. *Id.* at col. 4, ll. 62–66. The SDC may be "randomly generated the first time that

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