

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

COXCOM, LLC,
Petitioner,

v.

JOAO CONTROL & MONITORING SYSTEMS, LLC,
Patent Owner.

Case IPR2015-01760
Patent 6,549,130 B1

Before STACEY G. WHITE, JASON J. CHUNG, and
BETH Z. SHAW, *Administrative Patent Judges*.

CHUNG, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
Inter Partes Review
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

I. INTRODUCTION

Petitioner, Coxcom, LLC, filed a Petition to institute an *inter partes* review of claims 1, 8, 10, 12, 15, 17, 98, 119, 124, 145, and 149 of U.S. Patent No. 6,549,130 B1 (“the ’130 patent”). Paper 1 (“Pet.”). Patent

Owner, Joao Control & Monitoring Systems, LLC, filed a Preliminary Response pursuant to 35 U.S.C. § 313. Paper 7 (“Prelim. Resp.”).

Upon consideration of the Petition and the Preliminary Response, on February 17, 2016, we instituted *inter partes* review of claims 1, 8, 10, 12, 17, 98, 119, 124, 145, and 149 (“instituted claims”), pursuant to 35 U.S.C. § 314. Paper 8 (“Dec.”).

Subsequent to institution, Patent Owner filed a Patent Owner Response. Paper 14 (“PO Resp.”). Petitioner filed a Reply to Patent Owner’s Response. Paper 16 (“Reply”). An oral hearing was held on November 17, 2016 and a transcript of the oral hearing is available in the record. Paper 24 (“Tr.”).

We issue this Final Written Decision pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons discussed herein, Petitioner has shown by a preponderance of the evidence that claims 1, 8, 10, 12, 17, 98, 119, 124, 145, and 149 of the ’130 patent are unpatentable. *See* 35 U.S.C. § 316(e).

A. Related Matters

Petitioner and Patent Owner indicate that the ’130 patent or related patents may be implicated in approximately seventy lawsuits pending in courts around the country. Pet. 2–3; Paper 5, 2–7.

B. The Instituted Grounds

We instituted the following grounds of unpatentability:

References	Basis	Instituted Claims
Koether (Ex. 1008) ¹	§ 103(a) ²	1, 8, 12, 17, 98, 145, and 149
Koether and Crater (Ex. 1009) ³	§ 103(a)	10, 119, and 124

C. *The '130 Patent*

The '130 patent is directed to controlling a premises. Ex. 1001, Abs. The '130 patent describes three control devices: a first control device is located at a premises, a second control device is located remote from the premises, and a third control device is located remote from the premises and remote from the second control device. *Id.* The first control device generates a first signal in response to a second signal from the second control device. *Id.* The first control device can activate, de-activate, disable or re-enable, one or more of “a respective system, component, device, equipment, equipment system, and/or appliance, of . . . premises with the first signal.” *Id.* The second control device generates the second signal in response to a third signal from the third control device. *Id.* In some instances, the first control device performs the functions of the third control device, and vice-versa. *Id.* at 100:1–27.

¹ U.S. Patent No. 5,875,430, filed May 2, 1996.

² The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112–29, revised 35 U.S.C. § 103 and the relevant sections took effect on March 16, 2013. Because the application from which the '130 patent issued was filed before that date, our citations to Title 35 are to its pre-AIA version.

³ U.S. Patent No. 5,805,442, filed May 30, 1996.

D. The Instituted Claims

We instituted *inter partes* review of claims 1, 8, 10, 12, 17, 98, 119, 124, 145, and 149. Of the instituted claims, claims 1, 98, and 145 are independent. Claim 1 is illustrative and reproduced below:

1. A control apparatus, comprising:

a first control device, wherein the first control device at least one of generates and transmits a first signal for at least one of activating, de-activating, disabling, and re-enabling, at least one of a premises system, a premises device, a premises equipment, a premises equipment system, and a premises appliance, of a premises, wherein the first control device is located at the premises,

wherein the first control device is responsive to a second signal, wherein the second signal is at least one of generated by and transmitted from a second control device, wherein the second control device is located at a location which is remote from the premises, wherein the second signal is transmitted from the second control device to the first control device, and further wherein the second signal is automatically received by the first control device,

wherein the second control device is responsive to a third signal, wherein the third signal is at least one of generated by and transmitted from a third control device, wherein the third control device is located at a location which is remote from the premises and remote from the second control device, wherein the third signal is transmitted from the third control device to the second control device, and further wherein the third signal is automatically received by the second control device.

II. ANALYSIS

A. Real Party in Interest

“To challenge that identification of real party in interest a patent owner must provide sufficient rebuttal evidence to bring reasonably into

question the accuracy of Petitioner’s identification of RPIs.” *See* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,680, 48,695 (Aug. 14, 2012). Whether a non-party is an RPI is a “highly fact-dependent question” that is addressed on a “case-by-case” basis. *See* 77 Fed. Reg. 48,759. “A common focus of the inquiry is . . . whether the non-party exercised or could have exercised control over a party’s participation in a proceeding.” *Id.*

The concept of control means that “the non-party ‘had the opportunity to present proofs and argument’ . . . or ‘to direct or control the content’ of the filing.” *JP Morgan Chase & Co., et. al. v. Maxim Integrated Prods., Inc.*, Case CBM2014-00179, slip op. at 10 (PTAB Feb. 20, 2015) (Paper 11) (“JP Morgan”). “‘The evidence as a whole must show that the non-party possessed effective control over a party’s conduct of the [proceeding] as measured from a practical, as opposed to a purely theoretical standpoint.’” *Id.* (quoting *Gonzalez v. Banco Cent Corp.*, 27 F.3d 751, 759 (1st Cir. 1994)).

The Petition names CoxCom, LLC (“CoxCom”) as the real party in interest. Pet. 1. Patent Owner has not articulated sufficient rebuttal evidence to bring reasonably into question the accuracy of Petitioner’s identification of CoxCom as the real party in interest. Patent Owner argues CoxCom was one of the named co-petitioners in related IPR2015-01486 involving the ’130 patent. PO Resp. 34. Furthermore, Patent Owner argues two of Petitioner CoxCom’s co-petitioners in IPR2015-01486, Terremark North America LLC (“Terremark”) and Time Warner Cable Inc. (“Time Warner”) are time barred and should be named as real parties in interest. *Id.* at 35–38. Moreover, Patent Owner argues Terremark, Time Warner, and CoxCom cooperated in planning, preparation, and review of the present

Petition because: the present Petition is based on the same '130 patent as IPR2015-01486; Petitioner's expert in the present proceeding, Mr. Richard Bennett, is the same expert as in IPR2015-01486; and Mr. Bennett acknowledged that he incorporated some comments from attorneys representing Terremark and Time Warner into the final version of the declaration submitted in connection with the present Petition. *Id.* at 38–43.

In reply, Petitioner argues neither Terremark nor Time Warner were involved in any aspect of preparing the present Petition. Reply 18. Petitioner also argues Terremark and Time Warner did not have the opportunity to direct, contribute, or control the content of the present Petition. *Id.* Moreover, Petitioner argues Mr. Bennett testified under oath that he was confused by Patent Owner's questioning and that he misspoke when he acknowledged that he incorporated comments from Terremark's and Time Warner's counsel into the final version of the declaration in connection with the present Petition. *Id.* at 20–21.

We agree with Petitioner. The Koether and Crater references relied upon by Petitioner in the present Petition were not relied upon in IPR2015-01486 so the strategy in preparing the present Petition was necessarily different than the strategy in preparing IPR2015-01486. In addition, simply because Petitioner filed a petition on the same patent, the '130 patent, as the earlier filed IPR2015-01486, does not create an implication that CoxCom cooperated with or worked with non-parties Terremark or Time Warner. *JP Morgan*, slip op. at 13 (“[A] Petitioner and a non-party's status as co-defendants and co-members of a joint defense group is not alone sufficient to render the non-party a real party in interest.”).

We are not persuaded that Petitioner's use of the same expert in both

the present Petition and IPR2015-01486 creates an implication that Terremark and Time Warner influenced Mr. Bennett's opinions of the present Petition. Nothing prevents Petitioner from using the same expert in both the present Petition and IPR2015-01486 to opine on different prior art references (i.e., Koether and Crater) that were not at issue in IPR2015-01486.

We also are not persuaded that Mr. Bennett's acknowledgement that he incorporated some comments from attorneys representing Terremark and Time Warner into the final version of the declaration submitted in connection with the present Petition demonstrates that he worked with attorneys representing Terremark or Time Warner to prepare his declaration for the present Petition. Mr. Bennett testified that he was confused by Patent Owner's questioning and "may have misspoken" when he acknowledged that he incorporated some comments from attorneys representing Terremark and Time Warner into the final version of the declaration submitted in connection with the present Petition. Ex. 1013, 47:19–48:3. Furthermore, Mr. Bennett's participation on the present IPR is independent of his involvement in IPR2015-01486. *Id.* at 46:13–21, 47:9–13, 76:20–25. Mr. Bennett testified that he did not work, interact, or discuss the present Petition with attorneys representing Terremark or Time Warner. *Id.* at 46:6–47:8, 47:14–49:2.

There is insufficient evidence of record that Terremark or Time Warner controls or even had an opportunity to control CoxCom's decision to file or maintain this *inter partes* review. Accordingly, we are not persuaded that Petitioner has failed to name Terremark or Time Warner as real parties in interest.

B. Level of Ordinary Skill in the Art

In determining the level of ordinary skill in the art, various factors may be considered, including the “type of problems encountered in the art; prior art solutions to those problems; rapidity with which innovations are made; sophistication of the technology; and educational level of active workers in the field.” *In re GPAC, Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995) (citation omitted). Petitioner asserts that a person of ordinary skill in the art in the field of the ’130 patent would have had a bachelor’s degree in engineering or equivalent coursework and at least two years of experience in networked systems. Pet. 12 (citing Ex. 1002 ¶ 17).

Patent Owner does not address Petitioner’s statements regarding the level of ordinary skill in the art, but asserts that we should accord little or no weight to the testimony of Mr. Bennett because Mr. Bennett fails to qualify as a person of ordinary skill in the art under his own definition. PO Resp. 25–34.

The ’130 patent is directed to controlling a vehicle or premises. Ex. 1001, Abst. It describes the relevant problems encountered in the art as those involved in the control, monitoring, or security of vehicles or premises, in a network environment. *Id.* at 1:20–53; 3:8–15. The ’130 patent is not directed to specific issues associated with electrical circuits or electrical connections between devices. The Specification identifies no specific problem that stems from the apparatus being a particular type of electrical device. From this evidence, we conclude that a person of ordinary skill in the art with respect to the ’130 patent would be skilled in the field of networked systems.

For the foregoing reasons, we are not persuaded that the level of ordinary skill in the art requires specific coursework or education in the form of a degree in electrical engineering. Instead, we are persuaded by Petitioner's statement of the level of ordinary skill in the art, and our finding of the level of ordinary skill is similar to that proposed by Petitioner, but with a slight modification, i.e., that a basic level of experience is required, at the level of at least two years of experience in networked systems.

We find that the level of ordinary skill in the art is that of one having at least two years of working experience with networked systems. A more advanced degree would be paired with a shorter period of working experience.

C. Expert Testimony

Patent Owner did not file specifically a motion to exclude Mr. Bennett's testimony as inadmissible, but requests, in its Response, that we accord little or no weight to the testimony of Mr. Bennett because Mr. Bennett fails to qualify as a person of ordinary skill in the art under his own definition. PO Resp. 25–34.

Patent Owner has not articulated a persuasive reason for giving Mr. Bennett's testimony little or no weight. Moreover, as discussed above, we are not persuaded that a person of ordinary skill in the art of the '130 patent would be required to have a specific degree or coursework in electrical engineering. We are, thus, not persuaded that Mr. Bennett's answers, during deposition, to questions about his background are wrong or that the entirety of his testimony should be given little or no weight based on this testimony.

We find Mr. Bennett to be highly qualified in the area of networked

systems. In his declaration, Mr. Bennett stated

I worked as a computer programmer, network engineer, and system architect from 1977 until 2009 with a number of computer networking firms, including those that produced tele-video systems such as Hewlett-Packard, Sharp Labs, Compression Labs, Sony Electronics Laboratory, Starlight Networks, Fourth Network, 3Com, Intel, and Cisco. In the course of my professional career, I developed network protocols and applications, video servers, television remote control systems, ad insertion equipment for TV broadcasters, and Quality of Service mechanisms for networks that enabled high-quality video streaming and remote control of video streaming.

Ex. 1002 ¶ 7. Moreover, Mr. Bennett states “[a]t the time of the invention in question, I was a software developer working on a video-on-demand server at Hewlett-Packard.” *Id.* ¶ 12.

We are persuaded that Mr. Bennett’s education and experience is relevant to the issues discussed in the ’130 patent. Moreover, given the subject matter of the ’130 patent and Mr. Bennett’s experience in software development and networked systems, we do not find his admitted lack of a degree in electrical engineering (see Ex. 2006, 34) as basis to accord his testimony little or no weight. On this record, we still credit the testimony of Mr. Bennett. Mr. Bennett’s lack of an electrical engineering degree does not establish that his specialized knowledge in the area of networked systems will not assist the Board in understanding the evidence. See Fed. R. Evid. 702.

Under 37 C.F.R. § 42.1(d), we apply the preponderance of the evidence standard in determining whether Petitioner has established unpatentability. In doing so, it is within our discretion to determine the appropriate weight to be accorded the evidence presented, including expert

opinion, based on the disclosure of the underlying facts or data upon which that opinion is based. Thus, we decline to make a determination about Mr. Bennett's opinion, as a whole. Rather, in our analysis we will consider relevant portions of Mr. Bennett's testimony and determine the appropriate weight to accord that particular testimony.

D. Claim Construction

In the Decision to Institute, we noted that the '130 patent was expired. Dec. 4. The parties have acknowledged the expiration of the '130 patent. PO Resp. 11; Reply 2. For claims of an expired patent, the Board's claim interpretation is similar to that of a district court. *See In re Rambus, Inc.*, 694 F.3d 42, 46 (Fed. Cir. 2012). "In determining the meaning of the disputed claim limitation, we look principally to the intrinsic evidence of record, examining the claim language itself, the written description, and the prosecution history, if in evidence." *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 469 F.3d 1005, 1014 (Fed. Cir. 2006) (citing *Phillips v. AWH Corp.*, 415 F. 3d 1303, 1312–17 (Fed. Cir. 2005)).

We are mindful that "limitations are not to be read into the claims from the specification." *In re Van Geuns*, 988 F.2d 1181, 1184 (Fed. Cir. 1993). Nevertheless, claims are not interpreted in a vacuum but are part of and read in light of the specification. *United States v. Adams*, 383 U.S. 39, 49 (1966) ("[I]t is fundamental that claims are to be construed in the light of the specifications and both are to be read with a view to ascertaining the invention."). In that regard, the terms are given their ordinary and customary meaning, as would be understood by one of ordinary skill in the art in the context of the Specification. *In re Translogic Tech., Inc.*, 504 F.3d

1249, 1257 (Fed. Cir. 2007). The construction that stays true to the claim language and most naturally aligns with the inventor’s description is likely the correct interpretation. *Renishaw PLC v. Marposs Societa’ per Azioni*, 158 F.3d 1243, 1250 (Fed. Cir. 1998).

For purposes of the Decision to Institute, we construed the terms “remote,” “premises,” and “located at.” Dec. 7. We reviewed and adopted Patent Owner’s explicit definitions for these terms, which Patent Owner provided in the prosecution of the application that issued as the ’130 patent. Dec. 7 (citing Ex. 2002). Based on our review of the full record, we discern no reason to modify or further discuss in this Final Written Decision our constructions for these claim terms. For convenience, these claim constructions are reproduced in the table below.

Term	Citations	Construction
Premises	Ex. 2002, 4; Ex. 2003, 8–9	A building or a structure and the grounds or parcel of land associated with the building or the structure, or a building or structure or a portion, room, or office, of or in the building or structure, or a home, mobile home, mobile building, mobile structure, residence, residential building, office, commercial building, commercial office, structure, equipment, facility, machine, rig, assembly line, or edifice.
Remote	Ex. 2003, 3–4; Ex. 2002, 10–11	Separate and apart from, or external from, or at a distance from or distant from, or not located in.
Located at	Ex. 2003, 8; Ex. 2002, 5	Situated at, situated in, or situated on.

In its Response, Patent Owner proposes an additional construction for “control device.” PO Resp. 12–13. We determine that it is not necessary to construe expressly this term to resolve the controversy here. To the extent it is necessary for us to construe any additional claim terms in this decision, we do so below in the context of analyzing whether the prior art renders the claims unpatentable.

E. The Koether and Crater References Are Prior Art

Petitioner argues that claims 1, 8, 12, 17, 98, 145, and 149 would have been obvious over Koether. Pet. 14–39. Petitioner argues that claims 10, 119, and 124 would have been obvious over the combination of Koether and Crater. *Id.* at 39–47. Koether was filed on May 2, 1996. Pet. 14; Ex. 1008 at [22]. Crater was filed on May 30, 1996. Pet. 39; Ex. 1009 at [22]. Petitioner argues that the challenged claims are entitled to a priority date of no earlier than July 18, 1996 because the only support for a processing device located at a premises was added to the specification as part of a continuation-in-part (“CIP”) application (U.S. Patent Application No. 08/683,828) filed on July 18, 1996 (“July 1996 application”). Pet. 12–13. In the Institution Decision, we determined that Koether and Crater are 102(e) prior art to the challenged claims of the ’130 patent. Dec. 8, 14. In response, Patent Owner argues the instituted claims of the ’130 patent are entitled to a priority date of March 27, 1996 (“March 1996 application”). PO Resp. 15–25; Ex. 1001 at [63].

Entitlement to the March 27, 1996 filing date would allow Patent Owner to antedate Koether and Crater, thereby removing them as references

against the claims. To determine whether Patent Owner is entitled to the March 27, 1996 priority date, we must determine if the March 1996 application disclosure meets the written description requirement for the instituted claims. “To satisfy the written description requirement the disclosure of the prior application must ‘convey with reasonable clarity to those skilled in the art that, as of the filing date sought, [the inventor] was in possession of the invention.’” *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1563–1564 (Fed. Cir. 1991).

We agree with Petitioner that in this case, there is no reason to presume that claims in the CIP July 1996 application are entitled⁴ to the effective filing date of the earlier filed March 1996 application. *See PowerOasis, Inc. v. T-Mobile USA, Inc.*, 522 F.3d 1299, 1305 (Fed. Cir. 2008). Thus, we review Patent Owner’s arguments as to why the limitations of the instituted claims were conveyed with reasonable clarity to those skilled in the art to show that the inventor was in possession of the invention as of March 27, 1996.

Upon review of the full record, we conclude that the March 1996 application does not provide a written description of “premises” as set forth in the instituted claims for the following reasons.

As Petitioner points out, the March 1996 application never mentions the word “premises.” Pet. 13; Ex. 1004. Petitioner asserts that the only support for a processing device located at a “premises” was added to the specification as part of a continuation-in-part application filed on July 18,

⁴ Patent Owner does not dispute that it must come forward with evidence to prove entitlement to claim priority to the earlier filing date of the March 1996 application. *See* PO Resp. 13–24.

1996. *Id.* Petitioner argues that in contrast to the March 1996 application, the word premises is recited hundreds of times in the July 1996 application, which also added figures 15 and 16 corresponding to the added disclosure. Reply 10.

In its Response, Patent Owner does not dispute that the March 1996 application fails to use the word “premises,” but argues that the March 1996 application includes various elements that show that Patent Owner claimed a premises. PO Resp. 17–18. In particular, Patent Owner points to Figure 11B, which Patent Owner argues shows a server computer 952 located at a premises identified as a processing site, and a computer 970 at a premises identified as a central security office. *Id.*

Patent Owner argues that a disclosure in Figure 11B in the March 1996 application of a server computer at a processing site and a computer at a central security office shows possession of the subject matter of claim 1. *Id.* Yet, we must look to the claim scope and not merely whether the concept of a site or office was disclosed in isolation in the March 1996 application. It is important review the language of claim 1 of the ’130 patent, which does not merely recite a disclosure “premises” in isolation. In other words, to determine if Patent Owner had possession of the claimed subject matter, we must determine more than just whether the mere concept of a premises is disclosed. We look to the scope of claim 1, which is reproduced below with certain key limitations emphasized:

1. A control apparatus, comprising:

a first control device, wherein the first control device at least one of generates and transmits a first signal for at least one of activating, de-activating, disabling, and re-enabling, *at least one of a premises system, a premises device, a premises equipment,*

a premises equipment system, and a premises appliance, of a premises, wherein the first control device is located at the premises,

wherein the first control device is responsive to a second signal, wherein the second signal is at least one of generated by and transmitted from a second control device, wherein the second control device is located at a location *which is remote from the premises*, wherein the second signal is transmitted from the second control device to the first control device, and further wherein the second signal is automatically received by the first control device,

wherein the second control device is responsive to a third signal, wherein the third signal is at least one of generated by and transmitted from a third control device, *wherein the third control device is located at a location which is remote from the premises and remote from the second control device*, wherein the third signal is transmitted from the third control device to the second control device, and further wherein the third signal is automatically received by the second control device.

Ex. 1001, 74:59–75:19 (emphases added).

Moreover, Patent Owner has urged a definition of the word “premises,” which we have adopted, to mean: “a building or a structure and the grounds or parcel of land associated with the building or the structure, or a building or structure or a portion, room, or office, of or in the building or structure, or a home, mobile home, mobile building, mobile structure, residence, residential building, office, commercial building, commercial office, structure, equipment, facility, machine, rig, assembly line, or edifice.” PO Resp. 11.

This broad construction of premises is supported only by material added in the July 1996 application. In fact, Patent Owner cited only to language first introduced in the July 1996 application to support this broad

construction. See Paper 7 at 18; Ex. 2002 at 4, Ex. 2003 at 8–9, Ex. 1018 at 7–8, Ex. 1019 at 3. Moreover, during oral hearing, Patent Owner acknowledged the “assembly line” disclosure was added to the July 1996 application. Tr. 27:1–28:17.

Patent Owner has not explained adequately how the server and computer in Figure 11B show possession of the premises recited in claim 1. As Patent Owner appears to acknowledge, Figure 11B relates to a *vehicle* control system and not a premises control system. PO Resp. 19. Thus, we are not persuaded that Figure 11B shows possession of, for example, “*at least one of a premises system, a premises device, a premises equipment, a premises equipment system, and a premises appliance, of a premises, wherein the first control device is located at the premises,*” as recited in claim 1 (emphasis added).

Additionally, the mere disclosure of a security office in the specification does not disclose the entire genus of “premises,” which by Patent Owner’s own definition encompasses many types of buildings, structures, and equipment, including an “assembly line.”⁵ Thus, even if we agreed with Patent Owner that there was some disclosure of a particular species of the genus of “premises” in the March 1996 application, this alone would not be sufficient to entitle the later claimed genus of “premises” to the filing date of the March 1996 application.

While Patent Owner appears to argue that it does not need to show possession of its complete definition of “premises” to be entitled to the

⁵ Patent Owner’s counsel, who is also listed as the inventor of the ’130 patent, agreed at oral argument that the assembly line was only added in the July 1996 application. Tr. 28:10–11.

March 1996 filing date,⁶ we disagree. This conclusion would be untenable because it would allow Patent Owner to pick and choose one claim scope for purposes of showing written description, and choose another claim scope for purposes of invalidity. *Cf., e.g., PowerOasis Inc.*, 522 F.3d at 1310 (“PowerOasis’s argument boils down to a claim that PowerOasis is entitled to a broad claim construction for purposes of infringement and a different narrower claim construction for purposes of validity.”)

Patent Owner argues that Petitioner’s expert agreed that one of ordinary skill in the art would have understood how to take a vehicle control system and modify it to provide premises control. PO Resp. 21–24. This is still not enough to entitle the instituted claims to a March 1996 priority date. “[T]he written description is ‘not a question of whether one skilled in the art might be able to construct the patentee’s device from the teachings of the disclosure. . . . Rather, it is a question whether the application necessarily discloses that particular device.’” *PowerOasis, Inc.*, 522 F.3d at 1306 (quoting *Martin v. Mayer*, 823 F.2d 200, 505 (Fed. Cir. 1987)); *see also id.* at 1310 (“Obviousness simply is not enough; the subject matter must be disclosed to establish possession.”)

For the foregoing reasons, upon review of the entire record, we determine that the instituted claims are not entitled to the priority date of the March 1996 application because the written description of the March 1996

⁶ Tr. 31:23–32:4 (“MR. JOAO: Well, I don't believe we need to have the disclosure of the complete definition, because the definition is in the disjunctive based on the different embodiments that are described in the various patent applications, but the term premises, as used in the disjunctive here, as defined in the disjunctive, a premises is defined as an office.”).

application does not support the instituted claims. Thus, we conclude that Koether and Crater are 102(e) prior art to the instituted claims of the '130 patent.

F. Alleged Obviousness of Claims 1, 8, 12, 17, 98, 145, and 149 by Koether and a Person Having Ordinary Skill in the Art

1. Koether (Ex. 1008)

Koether describes a smart commercial kitchen network that, in real-time, monitors and controls the maintenance and repair of kitchen or restaurant appliances. Ex. 1008, 3:50–53. Figure 1 is reproduced below.

FIG.1

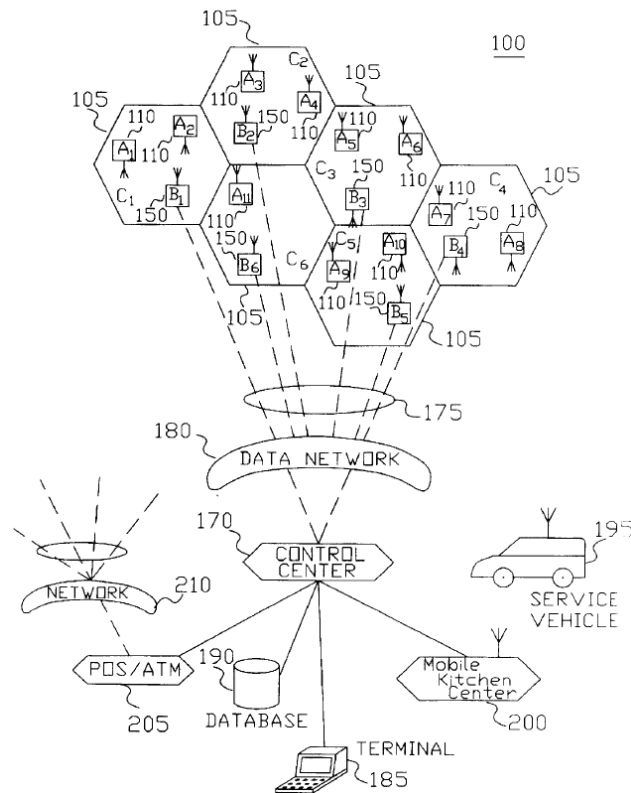


Figure 1 illustrates kitchen base stations 150 within respective cells 105. *Id.* at 5:3–5. Each kitchen base station 150 is capable of

communicating through wireless means with corresponding kitchen appliances 110. *Id.* at 5:5–8. Figure 2 is reproduced below.

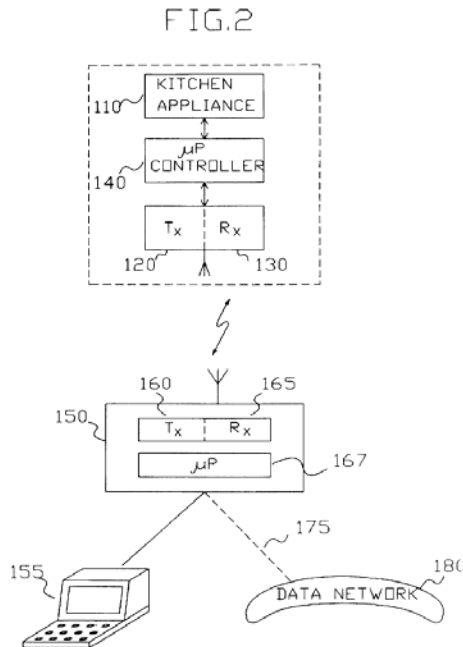


Figure 2 illustrates kitchen base station 150 communicating with microprocessor based controller 140; the microprocessor based controller communicates with kitchen appliance 110 to obtain diagnostic information pertaining to the operating condition of kitchen appliances 110 and the diagnostic information is communicated to control center 170. *Id.* at 5:60–6:9.

2. *Koether Teaches a “Second Control Device” that is “Located at a Location Remote from the Premises” as recited in Claims 1, 98, and 145*

The parties argue whether Koether and the knowledge of the ordinary skilled artisan teaches a “second control device” that is “located at a location remote from the premises” as recited in claims 1, 98, and 145. PO Resp. 44–51; Reply 3–6. Because Petitioner has the burden of proof (*see* 35 U.S.C. § 315(e), 37 C.F.R. § 42.20(c)), we begin with Petitioner’s arguments.

Petitioner argues Koether's microprocessor based controller 140 teaches the claimed "first control device." Pet. 19–20; *see also id.* at 34, 36 (discussing claims 98 and 145). Petitioner also argues Koether's kitchen base station teaches the claimed "second control device" that is "located at a location remote from the premises." Pet. 21–22 (citing Ex. 1008, 7:54–59, 4:15–19; Ex. 1002 ¶¶ 33–34); *see also* Pet. 34 (discussing how Koether teaches the claimed "second control device" that is "located at a location remote from the premises" of claim 98); *see also id.* at 35–36 (discussing how Koether teaches the claimed "second control device" that is "located at a location remote from the premises" of claim 145). Petitioner argues Koether's control center teaches the claimed "third control device." *Id.* at 23–24; *see also id.* at 34–36 (discussing claims 98 and 145).

Petitioner argues Koether's arbitrary geographic area may be divided into numerous radio coverage cells 105 (C₁–C₆). *Id.* at 22 (citing Ex. 1008, Fig. 1). In addition, Petitioner's declarant, Mr. Bennett, opines that:

[b]ecause Koether teaches the use of 'cells' and 'cellular' links between the various devices, a person of ordinary skill in the art would understand that the kitchen base station can be geographically remote from the kitchen appliance. This could be scaled anywhere from room size remoteness to multiple miles given the use of cellular link. Koether itself confirms this '[i]t should be clearly understood that these cells may be located within the same or different buildings. (Col. 4, ll. 15–19). Koether expressly teaches that the kitchen base station is connected via cellular connection. (Col. 5, ll. 20–35). Koether also claims that each 'base station is associated with a radio coverage area or cell such that the restaurant appliances located within the same cell communicate with the same base station.' (Col. 15, ll. 20–23). *A person of ordinary skill in the art reading the disclosure of Koether would understand that in situations where a cell is located in different buildings, and a single base*

station is associated with that cell, the base station is remote from the kitchen appliances located within the various buildings of the cell. Furthermore, Koether describes satellite communication as an option for transmitting information between the kitchen base station and the kitchen appliance. A person of ordinary skill in the art would understand that satellite communication is provided so that the kitchen base station and kitchen appliances can communicate over significant distances, such as when they are remotely located from one another . . . This would take advantage of the cellular and satellite communication links described in Koether and would be more cost effective than providing a dedicated kitchen base station for each kitchen premises.

Ex. 1002 ¶ 34 (emphases added).

Moreover, Petitioner argues “by describing a kitchen base station’s use of a cellular radio, Koether describes having the kitchen base station being some distance from at least one appliance within its cell.” Pet. 22. Petitioner further argues “[g]iven the geographical coverage expressly described in Koether, a person of ordinary skill in the art would have found it obvious for the kitchen appliance and the kitchen base station to be remote from one another while connected via cellular communication.” *Id.*

In response, Patent Owner argues that the Board’s conclusion that the claimed “premises” includes “a *portion* of a building, structure or office” (see Dec. 12) (emphasis added) and that “Koether teaches a kitchen base station that may be in a different portion of a building or room from an appliance with which it communicates – i.e., remote from the premises” (see *id.* at 12–13) is inconsistent with Patent Owner’s use of the term “premises” in the ’130 patent and is inconsistent with the prosecution history. PO Resp. 44–47. In addition, Patent Owner argues such an interpretation of the claimed “premises” could lead to the nonsensical result that each of

numerous kitchen appliances positioned on a kitchen counter could be considered its own separate “premises.” *Id.* at 47–48 (citing Ex. 1001, 2:62–3:6). Patent Owner further argues because Mr. Bennett acknowledged that “premises” in the context of the ’130 patent refers to “the radio coverage area that is defined by the wireless transmitter, the base station,” this acknowledgement leads to the conclusion that Koether’s restaurant appliances located within a cell, as well as the base station in the cell that communicates with the restaurant appliances, are all located in the same cell. *Id.* at 49–51 (citing Ex. 2005, 83–84).

At the outset, we note that we adopted Patent Owner’s proposed claim construction of “premises,” as discussed *supra* in Part II.D. *See also* Reply 3–4. We disagree with Patent Owner’s argument that the Board’s interpretation of “premises” including “a *portion* of a building, structure or office” is inconsistent with Patent Owner’s use of the term “premises” in the ’130 patent, because Patent Owner acknowledged that its construction is “‘supported by and is consistent with the Specification of the ’130 patent, including the written description, the drawings and the claims.’” *Id.* at 3. We are also not persuaded by Patent Owner’s argument that the Board’s interpretation of “premises” including “a *portion* of a building, structure or office” is inconsistent with the prosecution history of the ’130 patent, because Patent Owner has chosen to be its own lexicographer when it defined each of these terms in the prosecution history. Ex. 2002, 3. Patent Owner now is seeking to eliminate improperly “a portion . . . of or in the building or structure” from its own proposed construction. Reply at 3.

Even if we were to accept Patent Owner’s argument of eliminating “a portion . . . of or in the building or structure” from the definition of

“premises,” which we do not, Koether still teaches a “second control device” that is “located at a location remote from the premises” as recited in claims 1, 98, and 145 because the adopted construction of “premises” includes “equipment” or a “machine.” *Supra* II.D. That is, each of Koether’s kitchen appliances, such as ovens, cooling systems, refrigerators, HVAC systems is separately a piece of equipment or a machine. Reply 4–5 (citing Ex. 1008, 1:19–23, 4:30–35). Accordingly, adopting Patent Owner’s proposed definition of “premises,” each of Koether’s kitchen appliances would be a separate premises and would be remote from the kitchen base station (i.e., Koether’s kitchen base station is what Petitioner asserts to be the claimed “second control device”). Reply 5.

As for Patent Owner’s argument that Mr. Bennett acknowledged that “premises” in the context of the ’130 patent refers to “the radio coverage area that is defined by the wireless transmitter, the base station,” Patent Owner takes Mr. Bennett’s statement out of context. Patent Owner fails to mention that Mr. Bennett also testified that “the premises would be the portion of the kitchen in which the appliance is located.” *Id.* (quoting Ex. 1016, 81:20–22); *see also id.* at 84:16–20. We also agree with Petitioner’s argument that it would have been obvious for the kitchen appliance and kitchen base station to be remote from one another given the geographical coverage and wireless communication methods expressly disclosed in Koether. Reply 5 (citing Pet. 22; Ex. 1002 ¶ 34). This is even more apparent from Koether’s teaching that the kitchen base station may control up to forty kitchen appliances, which include HVAC systems and other systems typically located outdoors and not within a kitchen where the kitchen base station is located. Reply 5–6 (citing Ex. 1008, 4:30–36).

Accordingly, we have reviewed the proposed ground challenging claims 1, 8, 12, 17, 98, 145, and 149 as obvious over Koether and level of ordinary skill in the art and we are persuaded that Petitioner has established the unpatentability of claims 1, 8, 12, 17, 98, 145, and 149 on this ground by a preponderance of the evidence.

3. *Koether Teaches a “First Signal” from a “First Control Device” to the Premises System/Device via a “Wireless Device” as Recited in Claim 8*

The parties’ arguments focus on whether Koether teaches a “first signal” from a “first control device” to the premises system/device via a “wireless device” as recited in claim 8. PO Resp. 52–54; Reply 6–7.

Petitioner argues Koether’s microprocessor based controller 140 teaches the claimed “first control device.” Pet. 19–20. Petitioner also argues Koether’s kitchen appliance 110 (A₁–A₁₁) being provided with RF transmitter 120, RF receiver 130, and microprocessor based controller 140, teaches “the first signal” from a “first control device” to the premises system/device via a “wireless device,” as recited in claim 8. *Id.* at 26 (citing Ex. 1008, Fig. 1, 4:25–26; Ex. 1002 ¶ 38).

In response, Patent Owner argues Koether’s microprocessor based controller 140 (i.e., Petitioner asserts this to teach the claimed “first control device”) communicates wirelessly with its respective kitchen base station, rather than communicating wirelessly with its respective appliance as recited in claim 8. PO Resp. 52 (citing Ex. 1008, 4:25–27, Fig. 2). Patent Owner further argues “[t]here would be no motivation to utilize wireless transmission of a signal from the microprocessor based controller 140 to the

kitchen appliance, since they are both part of an integrated system or unit.”
PO Resp. 52–54 (citing Ex. 2005, 111–112).

Petitioner argues Koether merely teaches a “‘one-to-one relationship’” between microprocessor based controller 140 and the kitchen appliance where “‘the microprocessor controller could be integrated into the kitchen appliance *or* it could be connected to the kitchen appliance.’” Reply 6 (citing Ex. 1016, 111:9–19; Ex. 1008, Figs. 1–2, 4:25–29, 8:26–34) (emphasis added by Petitioner). Petitioner also argues Koether promotes wireless systems because of the shortcomings of wired systems such as wires being cut inadvertently. Reply 7 (citing Ex. 1008, 5:13–20). Petitioner further argues one having ordinary skill in the art at the time of the invention would have understood that Koether’s kitchen appliance and microprocessor based controller 140 “would communicate wirelessly because of Koether’s discussion of prior art microprocessor controllers that could communicate with multiple appliances and the advantages and pervasive use of wireless communication.” Reply 7 (citing Ex. 1002 ¶ 38).

We agree with Petitioner. Koether differentiates between microprocessor based controller 140 being integrated into the kitchen appliance *and* being apart from the kitchen appliance. See Reply 6 (citing Ex. 1016, 111:9–19; Ex. 1008, Figs. 1–2, 4:25–29, 8:26–34).

Moreover, Patent Owner’s argument that both Mr. Bennett and Koether discuss microprocessor based controller 140 (i.e., Petitioner asserts this to teach the claimed “first control device”) communicates wirelessly with its respective kitchen base station, rather than communicating wirelessly with its respective appliance as recited in claim 8 is flawed

because the argument overlooks Mr. Bennett's opinion in paragraph 38 of the Declaration. Ex. 1002 ¶ 38. Paragraph 38 was cited originally in the Petition and reiterated in Petitioner's Reply. Pet. 26 (citing Ex. 1002 ¶ 38); Reply 7 (citing Ex. 1002 ¶ 38). Paragraph 38 states:

In claim 8 of the '130 patent, there is an element that states the first signal between the first control device and the premises appliance is via a wireless device. As Koether makes clear, the kitchen appliance can communicate through a wireless device and thus one of ordinary skill in the art at the time would have understood that the controller would communicate with the appliance through signals such as RF or wireless link. (Col 4, ll. 28-29.) Moreover, the Koether patent describes prior art controllers that could work with multiple appliances. See Paragraph 27 above. *Combined with Koether's discussion of using the cellular channel for all communications with the Koether system, a person of ordinary skill in the art would have understood that the signal between the first control device and the appliance could advantageously be wireless.* (Col. 7, ll. 46-49.)

Ex. 1002 ¶ 38 (emphasis added).

We consider this testimony together with both: (1) Koether's differentiating between microprocessor controller 140 being integrated into the kitchen appliance *and* being apart from the kitchen appliance (*see* Ex. 1016, 111:9–19; Ex. 1008, Figs. 1–2, 4:25–29, 8:26–34); and (2) Koether promoting wireless systems because of the shortcomings of wired systems such as wires being cut inadvertently (Ex. 1008, 5:13–20). We, therefore, agree with Petitioner and Mr. Bennett that the evidence indicates that the limitations of claim 8 would have been obvious. Pet. 26 (citing Ex. 1002 ¶ 38).

4. *Remaining Claim Limitations*

We have reviewed the arguments and evidence presented in the Petition regarding how Koether teaches the remaining limitations of claims 1, 8, 12, 17, 98, 145, and 149. Pet. 13–39. Patent Owner does not contest that Koether teaches these limitations; rather, Patent Owner merely contests that the dependency from the independent claims makes the dependent claims patentable for at least the reasons argued above, as well as for the additional features the dependent claims recite. See PO Resp. 51–52. Based on our review of the Petition and the supporting evidence, we find persuasive Petitioner’s arguments and evidence, including citations to Koether and Mr. Bennett’s testimony, and we adopt them as the basis for our determination that Koether discloses the limitations of claims 1, 8, 12, 17, 98, 145, and 149. Pet. 13–39.

5. *Conclusion*

In conclusion, for the reasons given above and based on our review of the arguments and evidence of record, Petitioner has shown by a preponderance of the evidence that Koether renders obvious the subject matter of claims 1, 8, 12, 17, 98, 145, and 149 of the ’130 patent.

G. *Alleged Obviousness of Claims 10, 15, 119, and 124 in View of: Koether, Crater, and Knowledge of the Ordinary Skilled Artisan*

1. *Crater (Ex. 1008)*

Crater teaches a monitoring computer playing audio and video segments stored on a computer memory, and the audio and video segments being captured on from a remote location. Ex. 1008, 3:5–34, 4:58–67, Abs.

2. Discussion

We have reviewed the arguments and evidence presented in the Petition regarding how the combination of Koether and Crater teaches the remaining limitations of claims 10, 119, and 124.⁷ Pet. 39–43, 46–47. Patent Owner does not contest that the combination of Koether and Crater teaches these limitations; rather, Patent Owner merely contests that the dependency from the independent claims makes the dependent claims patentable for at least the reasons argued above, as well as for the additional features the dependent claims recite. See PO Resp. 54. Based on our review of the Petition and the supporting evidence, we find persuasive Petitioner’s arguments and evidence, including citations to Koether, Crater, and Mr. Bennett’s testimony, and we adopt them as the basis for our determination that the combination of Koether and Crater teach the limitations of claims 10, 119, and 124. Pet. 39–43, 46–47.

3. Conclusion

In conclusion, for the reasons given above and based on our review of the arguments and evidence of record, Petitioner has shown by a preponderance of the evidence that Koether and Crater render obvious the subject matter of claims 10, 119, and 124 of the ’130 patent.

⁷ Patent Owner also refers to claim 15. PO Resp. 54. We, however, did not institute *inter partes* review of claim 15. Dec. 15–17. We interpret Patent Owner’s inclusion of claim 15 into its argument as an inadvertent typographical mistake. Accordingly, we do not address claim 15 *infra*.

III. CONCLUSION

In conclusion, Petitioner has shown by a preponderance of the evidence that claims 1, 8, 12, 17, 98, 145, and 149 are unpatentable under 35 U.S.C. § 103(a) in view of Koether; claims 10, 119, and 124 are unpatentable under 35 U.S.C. § 103(a) in view of Koether and Crater.

IV. ORDER

Accordingly, it is

ORDERED that Petitioner has shown by a preponderance of the evidence that claims 1, 8, 10, 12, 17, 98, 119, 124, 145, and 149 of the '130 patent are unpatentable; and

FURTHER ORDERED that, because this is a Final Written Decision, the parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

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