

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MOBILE TECH, INC.,
Petitioner,

v.

INVUE SECURITY PRODUCTS INC.,
Patent Owner.

Case IPR2016-00895
Patent 9,135,800 B2

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

WHITE, *Administrative Patent Judge*.

DECISION

Denying Request for Rehearing after Final Written Decision
37 C.F.R. § 42.71

I. INTRODUCTION

Mobile Tech, Inc. (“Petitioner”) requests rehearing (Paper 36, “Reh’g Req.”) of our Final Written Decision¹ (Paper 35, “Final Dec.”), in which we held that Petitioner had shown by a preponderance of the evidence the unpatentability of claims 1–30 and 32–49 of U.S. Patent No. 9,135,800 B2 (Ex. 1001, “the ’800 patent”) and failed to show by a preponderance of the evidence the unpatentability of claim 31 of the ’800 patent. *See* Final Dec. 81. As to claim 31, Petitioner “believes the Board (1) overlooked the requirements of the Administrative Procedure Act and (2) misapprehended the claim construction of Claim 31.” Reh’g Req. 3.

II. STANDARD OF REVIEW

A party dissatisfied with a decision of the Board may file a request for rehearing. 37 C.F.R. § 42.71(d). The party requesting rehearing has the burden of showing the decision should be modified, and “[t]he request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.” *Id.*

III. ANALYSIS

Petitioner asserts that we erred as to our analysis of claim 31. Claim 31 depends from claim 1 and further recites: “wherein the single security code stored by the programming station is unique such that a

¹ We consolidated IPR2016-00895 and IPR2016-00896 for the purpose of issuing a single Final Written Decision for both proceedings. Final Dec. 3. This Request for Rehearing only implicates issues arising from IPR2016-00895.

programmable key programmed by a different programming station is *incapable of arming or disarming the security device.*” Ex. 1001, 29:35–40 (emphasis added). In the Final Written Decision, we determined that Petitioner had not shown, by a preponderance of the evidence, that claim 31 would have been obvious over Rothbaum and Denison. Final Dec. 59–61. In particular, Petitioner failed to “address all of the limitations of claim 31” in its Petition, as “Petitioner’s contentions only discuss the key’s inability to *disarm* a security device and, thus, are incomplete because they do not address the recited inability to *arm* the security device.” *Id.* at 59. This was because “the recited programmable key must be incapable of both arming and disarming [the security device]” according to the claim. *Id.* at 60. Petitioner believes that we improperly changed our construction of claim 31 without allowing Petitioner an opportunity to respond to the construction. Reh’g Req. 4–5. Petitioner also asserts that we applied an incorrect claim construction for claim 31. *Id.* at 5–12. Further, Petitioner asserts that claim 31 would have been obvious even under that “incorrect” construction. *Id.* at 12–14. Finally, Petitioner asserts that it should be allowed to provide further evidence of the unpatentability of claim 31. *Id.* at 14–15. We address each of these arguments in turn.

A. APA and Claim Construction

We agree with Petitioner that our Final Written Decision is subject to the procedural requirements of the Administrative Procedures Act (“APA”). Reh’g Req. 3 (quoting *SAS Inst., Inc. v. ComplementSoft, LLC*, 825 F.3d 1341, 1351 (Fed. Cir. 2016), *cert. granted on different issue*, 137 S.Ct. 2160 (2017)). “The APA requires ‘reasoned decisionmaking’ for both agency

rulemaking and adjudications because it ‘promotes sound results, and unreasoned decisionmaking the opposite.’” *Shaw Indus. Grp., Inc. v. Automated Creel Sys., Inc.*, 817 F.3d 1293, 1303 (Fed. Cir.) (quoting *Allentown Mack Sales & Serv., Inc. v. N.L.R.B.*, 522 U.S. 359, 374–75 (1998) (citation omitted)).

Petitioner asserts that we violated the APA by “*sua sponte* adopt[ing] . . . a new claim construction in the Decision” and that this “deprived [Petitioner] of the opportunity to present arguments under that claim construction.” Reh’g Req. 4. According to Petitioner, we acted in violation of the APA by requiring the programmable key of claim 31 to be incapable of both arming and disarming the security device. *Id.* Petitioner asserts that this is a change from the construction used in the Institution Decision and that this change was not based on any argument advanced during the proceeding. *Id.* We disagree.

Our Institution Decision had only a brief discussion of claim 31. The entirety of that discussion is below:

As to claim 31, Petitioner argues that randomly generated access codes of the sort described in Denison would not be able to unlock vending machines programmed by other external computing devices because those other external computing devices would not have the same access code. Pet. 54. As discussed above, on this record, we are persuaded that randomly generated codes are unique. See § II.A. Thus, randomly generated access codes would be unique to their respective programming stations and therefore, would be incapable of disarming (unlocking) devices programs by another programming station.

Paper 9 (“Inst. Dec.”), 25. This brief discussion of claim 31 did not include a construction of any terms recited in claim 31. Further, our Decision on Institution did not articulate a construction for claim 31 or even state that we

were not providing an express construction because the plain and ordinary meaning of the term controlled. *See* Inst. Dec. 6. Rather, we noted that an express construction was not necessary at that stage of the proceeding because it was not material to resolving the question as to whether Petitioner had established a reasonable likelihood of prevailing on its asserted grounds as required by 35 U.S.C. § 314. *Id.* This is different from the scenario encountered in *SAS*, 825 F.3d 1341. There, the Federal Circuit found it “difficult to imagine either party anticipating that *already-interpreted terms* were actually moving targets, and it is thus unreasonable to expect that they would have briefed or argued, in the alternative, hypothetical constructions not asserted by their opponent.” *SAS*, 825 F.3d at 1351 (emphasis added). Here, there was no prior interpretation, and thus, we did not make a change to a term that had already been interpreted. In *SAS*, the Federal Circuit stated that “[w]hat concerns us is not that the Board adopted a construction in its final written decision, *as the Board is free to do*, but that the Board ‘change[d] theories in midstream.’” *Id.* (quoting *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1080 (Fed. Cir. 2015)) (emphasis added). Further, Petitioner had the opportunity to argue its position as to why claim 31 allegedly is unpatentable over Rothbaum and Denison in its Petition and Reply, and at the oral hearing, in this proceeding. We are not persuaded of the existence of a violation of the APA in this circumstance where we did not change a previous claim construction.

B. Construction of Claim 31

Petitioner further asserts that our construction of claim 31 is incorrect because claim 31 does not recite a limitation as to the programmable key.

Reh’g Req. 5–6. According to Petitioner, “[c]laim 31 merely recites a result of the uniqueness or perhaps purports to impose an additional limitation on the uniqueness of the single security code.” *Id.* at 6.

As noted above, claim 31 recites: “wherein the single security code stored by the programming station is unique such that *a programmable key programmed by a different programming station is incapable of arming or disarming the security device.*” Ex. 1001, 29:35–40 (emphasis added). We agree that claim 31 recites further limitations as to the single security code; however, this code exists in a context that is recited by the claims which are directed to a “programmable security system.” The recited code is stored by the programming station and is unique such that a key programmed by another programming station “is incapable of arming or disarming the security device.” In our Final Written Decision, we noted that the negative phrasing of claim 31 meant “that the recited programmable key must be incapable of both arming and disarming.” Final Dec. 60.

Petitioner asserts that claim 31 does not require a key and that the recitation of arming and disarming is merely a statement of an “intended result” and, thus, it should not be accorded patentable weight. Reh’g Req. 6–9. Petitioner relies on *Texas Instruments Inc. v. ITC*, 988 F.2d 1165, 1172 (Fed. Cir. 1993), where the Court held that “[a] ‘whereby’ clause that merely states the result of the limitations in the claim adds nothing to the patentability or substance of the claim.” Reh’g Req. 7–8. Here, the ’800 patent is directed to a programmable security system that includes a programming station, a programmable key, and a security system. Ex. 1001, Abstract.

Furthermore, since the [security disarm code (SDC)] in the programmable key 5 is unique to the particular programming station 3 of the retail store that was used to program the key with the SDC, that key cannot be taken to another retail store having the same type of alarm module 7 and used during the predetermined time period to disarm that alarm module. The programmable key 5 will not function with the alarm module 7 in the other retail store since that alarm module will have been programmed with a different SDC randomly generated by a different programming station 3. Thus, programmable key 5 overcomes one of the primary disadvantages of current merchandise security systems that use various types of keys since those keys can always be used at other retail stores having similar types of security devices, whether the key is a mechanically, electronically or magnetically actuated type of key.

Ex. 1001, 9:55–10:3. The question before us is whether the key’s inability to function with an alarm module in another retail store is merely the intended result of the claim limitations or is a requirement of the claimed system. We determine that it is a requirement and not a mere intended result because of the language of the specification and the claim itself.

Claim 31 depends from claim 1. Claim 1 is directed to a programmable security system, and claim 31 further limits the “programmable security system of claim 1” by reciting additional limitations as to the “single security code.” Specifically, claim 31 recites that the code is “unique such that a programmable key programmed by a different programming station is incapable of arming or disarming the security device.” *Id.* at 29:38–40. We determine that this indicates a particular and distinct structural meaning for the recited “single security code” that distinguishes it from single security codes generally. The specification indicates that prior art security systems could be thwarted by the use of electronic keys from other retail stores, and thus, the inventive system is

different from the prior art because its system purportedly is structured so that its keys and security codes will not function at other retail establishments. *See* Ex. 1001, 9:55–10:3. Thus, this inability to function is not just an intended result, but a defining requirement of the system.

Petitioner also argues that our construction of claim 31 is improper because it is not the broadest reasonable construction of the phrase. Reh’g Req. 9. According to Petitioner, the natural shortcomings and ambiguities of the English language dictate a broader construction for this phrase. *Id.* at 9–10. “One reasonable interpretation is that a key programmed by another programming station will be incapable of either disarming or arming, but not necessarily both.” *Id.* at 10. Petitioner points out that “it was never a concern that a thief would use a key from a different store to arm a security device.” *Id.* at 11. “Accordingly, the broadest reasonable interpretation of the *incapable* clause in Claim 31 is that a key programmed by a different programming station is not able to (1) arm the security device, (2) disarm the security device, or (3) both arm and disarm the security device.” *Id.* at 12. We disagree.

Under Petitioner’s view, the “full context, intonation and emphasis” could render seemingly any English language phrase ambiguous. *See id.* at 9. We decline Petitioner’s invitation to inject ambiguity into the claim language based on the possibility that varied intonations or other contextual cues could be used to vary the meaning of a phrase.² We instead focus our

² Indeed, Petitioner appears to acknowledge that our interpretation follows the rules of basic logic, but argues that those rules “don’t apply here.” *See* Req. Reh’g 9 (“While it is true that under formal logic and De Morgan’s Laws, ‘not (p or q)’ is equivalent to ‘not p and not q,’ the English language does not follow pure logic.”), 13 n.3.

analysis on the words as written in the claim and read in light of the specification. As noted in the Final Written Decision,

[c]laim 31 is different from the other challenged claims in that the other claims recite a key ‘configured to arm or disarm.’ Ex. 1001, 27:66–67 (claim 1), 29:12–13 (claim 25), 29:60–61 (claim 35), 30:66–67 (claim 46); *see also* 30:27 (claim 39), 30:33–34 (claim 41) (method claims reciting “arming or disarming the security device”). Those claims are written in the alternative such that they may be met by a programmable key that is configured to perform either arming or disarming. The language of claim 31, however, requires the programmable key to lack the ability to arm or disarm a security device, i.e., it is ‘incapable of arming or disarming the security device.’

Final Dec. 59–60. Thus, as noted above, we are presented with claims using two different phrases, specifically “incapable of arming or disarming” (claim 31) and “configured to arm or disarm” (claim 1). We found that the positive “configured to” phrasing should be interpreted to require a key that is configured such that it has the ability to arm or to disarm. Final Dec. 60. The negative “incapable of” phrasing was interpreted to require both the inability to arm and the inability to disarm. *Id.* This interpretation is supported by the specification, which describes a key programmed at another retail establishment as being unable to function at another establishment. *See* Ex. 1001, 9:55–10:3. Thus, we are not persuaded of error in our interpretation of the language of claim 31.

C. Analysis of Claim 31

Petitioner asserts that claim 31 would have been obvious over Rothbaum and Denison under our construction of the claim. Reh’g Req. 12. According to Petitioner, the

‘electronic key switch’ is used for *both* arming *and* disarming the modified Rothbaum system. And of course, for an electronic key to operate the ‘electronic key switch,’ the electronic key has to have the correct ‘security code.’ A key programmed by a different ‘external computing device’ would necessarily not have the correct code, and would therefore lack the ability to arm the security device and to disarm the security device.

Id. at 13. In support of this position, Petitioner cites the final decision in a related case, which involved the same prior art at issue in this proceeding, but different claim language. *Id.* at 14 (citing IPR2016-00899, Paper 30). This argument, however, appears nowhere in the record of this proceeding. *See, e.g.*, Paper 4, 54 (arguing only “disarming,” not “arming”); Ex. 1015 ¶ 183 pp. 98–99; Final Dec. 59. We may not reach through the records of other proceedings in order to inject arguments into this proceeding, and this is especially improper at this stage, after the issuance of a final written decision. As such, we could not have misapprehended or overlooked this argument because it was not presented, and rehearing is not a proper time to raise new arguments.

D. Request to Submit Additional Evidence

Petitioner asks that we permit it to submit new evidence to support its patentability challenge directed to claim 31. Reh’g Req. 15. Petitioner asserts that we should waive our rules and allow the record to be supplemented. *Id.* We are not persuaded that we should expand this case post-Final Written Decision in order to allow Petitioner to assert new arguments and provide new evidence to support its challenge. This proceeding has reached its conclusion; expanding the challenge at this point would be unfair and prejudicial to Patent Owner. *Inter partes* review is not an endless assault on a claim, but rather an opportunity to allow a Petitioner

to present an unpatentability argument and have us decide the merits of that argument. We see no reason to allow Petitioner to fill in the gaps of its argument after receiving a final written decision. Thus, we decline to allow Petitioner to submit new argument and evidence at this time.

IV. CONCLUSION

The Request for Rehearing does not demonstrate that we misapprehended or overlooked any arguments or evidence in determining that Petitioner did not carry its burden to establish the unpatentability of claim 31 of the '800 patent.

V. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Request for Rehearing is *denied*.

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