

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DEPARTMENT OF JUSTICE,
Petitioner,

v.

DISCOVERY PATENTS, LLC,
Patent Owner.

Case IPR2016-01041
Patent 7,323,980 B2

Before MICHAEL A. ZECHER, BART A. GERSTENBLITH, and
MATTHEW R. CLEMENTS, *Administrative Patent Judges*.

CLEMENTS, *Administrative Patent Judge*.

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

I. INTRODUCTION

In this *inter partes* review, instituted pursuant to 35 U.S.C. § 314, the United States Department of Justice (“Petitioner”) challenges claims 11, 12, and 14–31 (“the challenged claims”) of U.S. Patent No. 7,323,980 B2 (Ex. 1003, “the ’980 patent”), owned by Discovery Patents, LLC (“Patent Owner”). We have jurisdiction under 35 U.S.C. § 6. This Final Written Decision is entered pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons discussed below, Petitioner has shown by a preponderance of the evidence that claims 11, 12, 14, 16–18, and 20–31 are unpatentable, but has not shown by a preponderance of the evidence that claims 15 and 19 are unpatentable.

A. Procedural History

Petitioner filed a Petition requesting an *inter partes* review of claims 11–31 of the ’980 patent. Paper 1 (“Pet.”). Patent Owner filed a Preliminary Response. Paper 6. On November 15, 2016, we instituted *inter partes* review only as to claims 11, 12, and 14–31 of the ’980 patent on the following grounds. Paper 10 (“Dec. on Inst.”), 29.

Reference	Basis	Claim(s)
Monroe ’183 ¹	§ 102(e)	11, 12, and 14–31
Pedersen ²	§ 102(b)	31

Thereafter, Patent Owner filed a Patent Owner Response (Paper 17, “PO Resp.”), to which Petitioner filed a Reply (Paper 19, “Pet. Reply”).

¹ U.S. Patent No. 6,970,183 B1; issued Nov. 29, 2005 (Ex. 1009, “Monroe ’183”).

² U.S. Patent No. 5,832,187; issued Nov. 3, 1998 (Ex. 1015, “Pedersen”).

We held a hearing on September 6, 2017, and a transcript of the hearing is included in the record. Paper 28 (“Tr.”).

B. Related Matters

The ’980 patent is involved in *3rd Eye Surveillance, LLC v. United States*, No. 15-cv-00501-CFL (Fed. Cl.), and *3rd Eye Surveillance, LLC v. City of Fort Worth, Tex.*, No. 6:14-cv-00725 (E.D. Tex.). Pet. 1–2; Paper 5, 2. The ’980 patent also was the subject of a previous petition for *inter partes* review filed by a different petitioner: *Stealth Monitoring, Inc. v. Discovery Patents, LLC*, Case IPR2015-00256 (terminated prior to institution). Pet. 2.

C. The ’980 patent (Ex. 1003)

The ’980 patent generally relates to “security alarm system that provides secure, realtime video and/or other realtime imagery of a secured location to one or more emergency response agencies.” Ex. 1003, Abstract. According to the ’980 patent, security alarm systems with video capability were known, but the video captured by such systems was “of limited value” because it was “not available to the appropriate emergency response agency or agencies and their highly trained professional emergency response personnel.” *Id.* at 1:50–55.

Figure 2 is reproduced below.

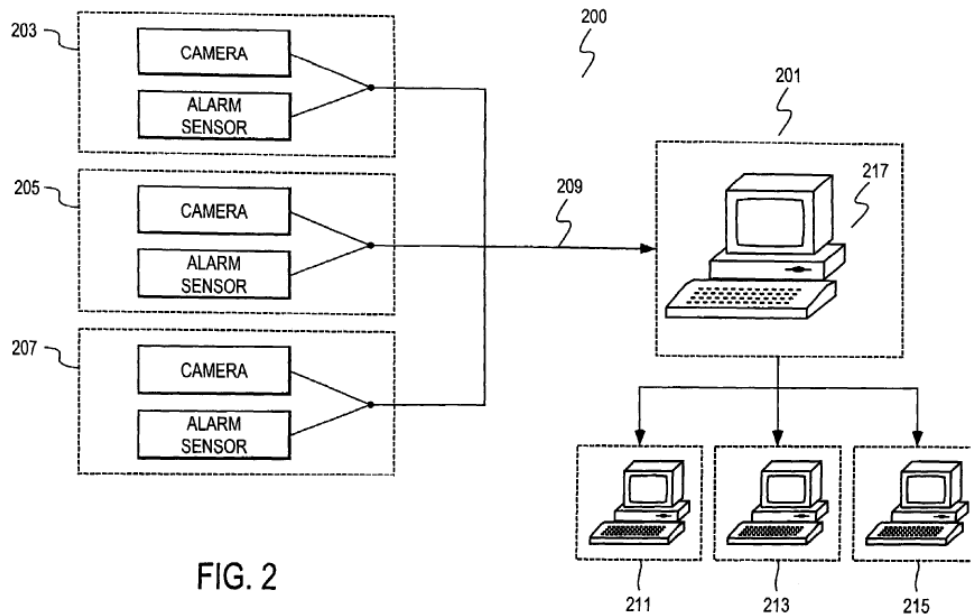


FIG. 2

Figure 2 illustrates a security alarm system in accordance with an exemplary embodiment. *Id.* at 2:65–67. Central monitoring station 201 is connected to a number of secured locations 203–207 via high-speed communications link 209. *Id.* at 3:62–65. At each secured location 203–207, there is at least one video camera and one or more alarm sensors. *Id.* at 3:65–67. Central monitoring station 201 also is connected via a high-speed communications link to one or more emergency response agencies 211–215. *Id.* at 3:67–4:2. According to the '980 patent, central monitoring station 201 may be associated with a private security service or a government agency, and the emergency response agencies may be local, state, or federal agencies. *Id.* at 4:2–6.

D. Illustrative Claims

Of the challenged claims, claims 11, 21, and 31 are independent. Independent claims 11 and 31 are illustrative of the challenged claims and are reproduced below:

11. A method of securing a location comprising the steps of:
 - generating real-time imagery data at a secured location;
 - transmitting the real-time imagery data to a security system central monitoring station over a network connection;
 - processing the received imagery data at the security system central monitoring station;
 - generating additional information associated with the received imagery data; and
 - transmitting the received imagery data and the additional information to a response agency over a network connection, wherein the response agency is identified from among a plurality of response agencies based on at least one of the additional information and the imagery data by a computer system at the security system central monitoring station.

Ex. 1003, 13:21–37.

31. A method of securing a location comprising the steps of:
 - generating real-time imagery of a secured location;
 - transmitting the real-time imagery to a security system central station over a network connection;
 - processing the real-time imagery at the security system central station;
 - transmitting the real-time imagery from the security system central station to a response agency over a network connection; and
 - displaying the real-time imagery at the response agency, wherein the response agency is identified from amongst a plurality of response agencies by a computer system at the security system central station.

Id. at 14:48–61.

II. ANALYSIS

A. Preliminary Matters

1. Petitioner's Use of Claim Charts

Patent Owner argues that Petitioner has not met its burden because its reliance solely on claim charts to map quotes and citations from the prior art references to the elements of the challenged claims neither specifies sufficiently where each element of the claims is found in the applied references nor provides a detailed explanation of the significance of the quotations and citations from the references. PO Resp. 7–9 (citing 35 U.S.C. § 316(e), 37 C.F.R. §§ 42.1(d), 42.104(b)(4), 42.22(a)(2)).

Petitioner counters that its Petition includes more than just claim charts, and that the use of claim charts does not make a Petition procedurally deficient *per se*. Pet. Reply 4–5.

We agree with Petitioner. We previously addressed this argument in our Decision on Institution and found it unpersuasive because

Patent Owner provides no examples from, or analysis specific to, the claims charts in the Petition. Patent Owner asks us, in effect, to determine that any petition that relies solely on claim charts is *per se* insufficient. While reliance solely on claim charts may not present the asserted ground in the best possible light, it is not *per se* insufficient to establish a reasonable likelihood that Petitioner would prevail with respect to the asserted ground.

Dec. on Inst. 6. In its Patent Owner Response, Patent Owner still provides no examples from, or analysis specific to, the claims charts. As a result, we are unpersuaded that the Petition is procedurally deficient.

2. *Real Parties in Interest*

The Petition identifies “The United States as represented by the Department of Justice” as the sole real party in interest. Pet. 1. Patent Owner identifies “Discovery Patents, LLC” as the sole real party in interest, and identifies “3rd Eye Surveillance, LLC” as the exclusive licensee of the ‘980 patent. Paper 5, 2.

Patent Owner contends that the Petition fails to identify IndigoVision, LTD, Datawatch Systems, Inc., Tyco Integrated Security LLC, Diebold, Inc., Vidsys, Inc., EFW Inc., Tactical Micro, Inc., and ICx Technologies, Inc. (collectively, “the Third Parties”) as real parties in interest as required by 35 U.S.C. § 312(a)(2). PO Resp. 30–41. The arguments and evidence on which Patent Owner relies are identical to the arguments and evidence on which Patent Owner relied in its Preliminary Response. Paper 6, 29–37.

A petition for *inter partes* review may be considered only if, *inter alia*, “the petition identifies all real parties in interest.” 35 U.S.C. § 312(a)(2). The Office Patent Trial Practice Guide provides guidance regarding factors to consider in determining whether a party is a real party in interest. 77 Fed. Reg. 48,756, 48,759–60 (Aug. 14, 2012). Considerations may include whether a non-party “funds and directs and controls” an IPR petition or proceeding. *Id.* at 48,760. Additional relevant factors include: the non-party’s relationship with the petitioner; the non-party’s relationship to the petition itself, including the nature and/or degree of involvement in the filing; and the nature of the entity filing the petition. *Id.* Whether a party who is not a named participant in a given proceeding is a real party in interest to that proceeding “is a highly fact-dependent question.” *Id.* at 48,759. There is no “bright line test.” *Id.* Courts invoke the term real party

in interest to describe relationships and considerations sufficient to justify applying conventional principles of estoppel and preclusion. *Id.* A non-party's participation with a petitioner may be overt or covert, and the evidence may be direct or circumstantial, but the evidence as a whole must show that the non-party possessed effective control over the petitioner relating to the *inter partes* review. *Zoll Lifecor Corp. v. Philips Elecs. N. Am. Corp.*, Case IPR2013-00609, slip op. at 10 (PTAB Mar. 20, 2014) (Paper 15).

We have considered Patent Owner's and Petitioner's arguments and evidence, and we determine that Petitioner was not required to identify the Third Parties as real parties in interest because there is insufficient evidence that any of these companies exercised, or could exercise, control over Petitioner with respect to this proceeding. Patent Owner's arguments regarding the motion practice before the Court of Federal Claims and notification of that action to the Third Parties does not reflect otherwise. Although we acknowledge that the existence of the above-identified indemnification clauses supports Patent Owner's argument, we are unaware of any *inter partes* review decision in which a real party in interest finding was based *solely* on evidence of an indemnification clause, and we decline to do so here.

3. *Constitutionality of Inter Partes Review*

Patent Owner asserts that this proceeding is unconstitutional because it "violate[s] Separation of Powers principles and the Seventh Amendment." PO Resp. 41.

We decline to consider Patent Owner's constitutional challenge as, generally, "administrative agencies do not have jurisdiction to decide the

constitutionality of congressional enactments.” *See Riggin v. Office of Senate Fair Employment Practices*, 61 F.3d 1563, 1569 (Fed. Cir. 1995); *see also Harjo v. Pro-Football, Inc.*, 50 USPQ2d 1705, 1710 (TTAB 1999) (“[T]he Board has no authority . . . to declare provisions of the Trademark Act unconstitutional.”); *Amanda Blackhorse v. Pro-Football, Inc.*, 111 USPQ2d 1080 (TTAB 2014), *rev’d on other grounds*, 284 F. Supp. 2d 96 (D.D.C. 2003); *but see Am. Express Co. v. Lunenfeld*, Case CBM2014-00050, slip op. at 9–10 (PTAB May 22, 2015) (Paper 51) (“for the reasons articulated in *Patlex [Corp. v. Mossinghoff]*, 758 F.2d 594 (Fed. Cir. 1985)”, we conclude that covered business method patent reviews, like reexamination proceedings, comply with the Seventh Amendment”).

B. Claim Construction

We interpret claims of an unexpired patent using the broadest reasonable construction in light of the specification of the patent in which they appear. *See* 37 C.F.R. § 42.100(b); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2142–46 (2016) (upholding the use of the broadest reasonable interpretation standard as the claim construction standard to be applied in an *inter partes* review proceeding). Under the broadest reasonable construction standard, claim 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 entire disclosure. *In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007).

1. “secured location”

In our Decision on Institution, we construed “secured location” to mean “any location, outside or inside, which is protected by a security alarm system.” Dec. on Inst. 12–13. Patent Owner purports to agree with this

construction (PO Resp. 5), but argues that, “[b]ased on the types of examples provided in the specification and claims,” “a changeable geographic ‘area’ or ‘region’ without any defined boundaries cannot be a ‘secured location’ within the meaning of the ’980 Patent” (*id.* at 29). In response, Petitioner argues that such exclusions conflict with the ’980 patent, which does not specify that a location cannot be changed and which contemplates explicitly “providing images of large open areas.” Pet. Reply 17–18 (citing Ex. 1003, 3:20–26, 9:32–33). Petitioner further argues that “the observable area of any video based security system is constantly changing.” *Id.* at 18.

We agree with Petitioner. The ’980 patent states that “the term ‘secured location’ may refer to residences, commercial properties, public venues, such as hospitals and sports arenas, government facilities, military installations and any other location, outside or inside, which is protected by a security alarm system.” Ex. 1003, 3:20–24. This definition is non-limiting and does not exclude a changeable area or region.

Based on the record developed during this proceeding, we maintain that the broadest reasonable construction in light of the ’980 patent of “secured location” is “any location, outside or inside, which is protected by a security alarm system.”

2. “response agency”

Neither party proposes to construe this term explicitly. Patent Owner, while arguing about Monroe ’183, suggests that “response agency” means “911, police, or fire departments,” and attempts to distinguish monitor stations 28, 38 of Monroe ’183 from the recited “response agency” on the basis that they are “part of the surveillance system infrastructure.” PO Resp. 12–13. Petitioner asserts that Patent Owner’s arguments are inconsistent

with the '980 patent, which illustrates response agencies 309–313 “merely as networked computers” and contemplates them being on the same intranet as the central station. Pet. Reply 9–11 (citing Ex. 1003, Fig. 3, 4:66–5:7, 9:20–21).

We agree with Petitioner. Although the Specification of the '980 patent gives examples of “response agency,” e.g., Ex. 1003, 1:41–43 (“an emergency response agency (e.g., the police department, the fire department or an emergency medical team)”), Patent Owner does not identify, and we do not find, a definition in the specification limiting “response agency” to 911, police, or fire departments. Patent Owner also does not identify, and we do not find, anything in the entire disclosure of the '980 patent requiring a “response agency” to be distinct from the “surveillance system infrastructure.”

Accordingly, we decline to limit “response agency” to 911, police, or fire departments, or construe it to be distinct from surveillance system infrastructure.

C. Level of Ordinary Skill in the Art

Petitioner contends that a person of ordinary skill in the art, with respect to and at the time of the '980 patent, “would have had a bachelor’s degree in electrical engineering or computer science, or an equivalent degree, and two to three years of experience in the field of digital image systems design and development.” Pet. 4–5 (citing Ex. 1007 (Reader Decl.) ¶ 84). Patent Owner does not dispute this contention. PO Resp.

We agree with Petitioner’s assessment because it is consistent with the '980 patent and the asserted prior art. We, therefore, adopt it and apply it in our evaluation of the instituted grounds. *Okajima v. Bourdeau*, 261 F.3d

1350, 1355 (Fed. Cir. 2001) (“[T]he level of skill in the art is a prism or lens through which a judge, jury, or the Board views the prior art and the claimed invention.”); *Ryko Mfg. Co. v. Nu-Star, Inc.*, 950 F.2d 714, 718 (Fed. Cir. 1991) (“The importance of resolving the level of ordinary skill in the art lies in the necessity of maintaining objectivity in the obviousness inquiry.”).

D. The Parties’ Post-Institution Arguments

In our Decision on Institution, we concluded that the arguments and evidence advanced by Petitioner demonstrated a reasonable likelihood that claims 11, 12, and 14–31 of the ’980 patent are unpatentable under 35 U.S.C. § 102(e) over Monroe ’183, and that claim 31 of the ’980 patent is unpatentable under 35 U.S.C. § 102(b) over Pedersen. Dec. on Inst. 29. We must now determine whether Petitioner has established by a preponderance of the evidence that the specified claims are unpatentable over the cited prior art. 35 U.S.C. § 316(e). We previously instructed Patent Owner that “any arguments for patentability not raised in the [Patent Owner Response] will be deemed waived.” Paper 11, 3; *see also* 37 C.F.R. § 42.23(a) (“Any material fact not specifically denied may be considered admitted.”); *In re Nuvasive, Inc.*, 842 F.3d 1376, 1379–1382 (Fed. Cir. 2016) (holding patent owner waived an argument addressed in the preliminary response by not raising the same argument in the patent owner response). Additionally, the Board’s Patent Trial Practice Guide states that the Patent Owner Response “should identify all the involved claims that are believed to be patentable and state the basis for that belief.” Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,766 (Aug. 14, 2012).

With a complete record before us, we note that we have reviewed arguments and evidence advanced by Petitioner to support its unpatentability

contentions where Patent Owner chose not to address certain limitations in its Patent Owner Response. In this regard, the record now contains persuasive arguments and evidence presented by Petitioner, many of which are unrebutted, regarding the manner in which the asserted prior art teaches corresponding limitations of the claims against which that prior art is asserted. Based on the preponderance of the evidence before us, we conclude that the prior art identified by Petitioner teaches or suggests all uncontested limitations of the reviewed claims. The limitations that Patent Owner contests in the Patent Owner Response are addressed below.

E. Anticipation by Monroe '183

Petitioner contends that claims 11, 12, and 14–31 of the '980 patent are unpatentable under 35 U.S.C. § 102(e) as anticipated by Monroe '183. Pet. 4, 24–40.

1. Principles of Law

To establish anticipation, “all of the elements and limitations of the claim must be shown in a single prior reference, arranged as in the claim.” *Karsten Mfg. Corp. v. Cleveland Golf Co.*, 242 F.3d 1376, 1383 (Fed. Cir. 2001). When evaluating a single prior art reference in the context of anticipation, the reference must be “considered together with the knowledge of one of ordinary skill in the pertinent art.” *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (citing *In re Samour*, 571 F.2d 559, 562 (CCPA 1978)). “[T]he dispositive question regarding anticipation[, therefore, i]s whether *one skilled in the art* would reasonably understand or infer from the [prior art reference’s] teaching’ that every claim element was disclosed in that single reference.” *Dayco Prods., Inc. v. Total Containment, Inc.*, 329 F.3d 1358, 1368 (Fed. Cir. 2003) (alterations in original) (quoting *In re*

Baxter Travenol Labs., 952 F.2d 388, 390 (Fed. Cir. 1991)). We analyze this asserted ground based on anticipation with the principles stated above in mind.

2. Monroe '183 Overview

Monroe '183 relates generally to a multimedia surveillance system based on wireless data transmission, still image and/or step video, video streaming, audio, motion detection, event detection and/or physical condition detection using various network configurations. Ex. 1009, 1:8–14.

Figure 4 of Monroe '183 is reproduced below.

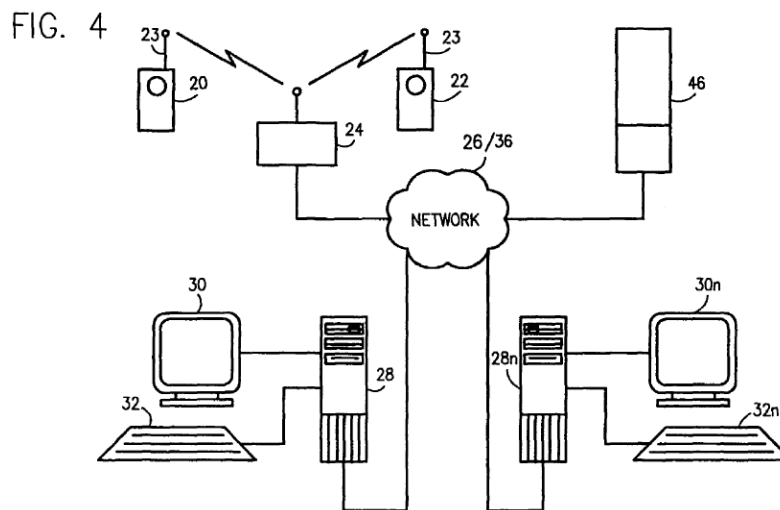


Figure 4 depicts an exemplary embodiment using network 26 (or wide area network 36) between receiver 24 and the various other components, such as server 46 and one or multiple monitoring stations 28–28n. *Id.* at 18:12–15. “The server may be located virtually anywhere on the network.” *Id.* at 18:15–16. Monroe '183 states:

Typically, the sensors will “sense” the presence of unauthorized activity and activate recording from the various audio and/or video equipment and will activate alarms. This will initiate the generation of a signal at each of the activated units. The generated signals will then be transmitted to the monitoring and recording equipment, as described, to permit both real-time

surveillance and recordation of activity at the site. Motion detection may also be determined using video time/change techniques in the well-known manner.

Id. at 29:36–44.

3. *Petitioner’s Initial Positions*

Petitioner contends that Monroe ’183 anticipates claims 11, 12, and 14–31 of the ’980 patent. Pet. 24–40. We have reviewed the Petition, Patent Owner’s Response, and Petitioner’s Reply, as well as the relevant evidence discussed in those papers and other record papers, and are persuaded that the record sufficiently establishes Petitioner’s contentions for claims 11, 12, 14, 16–18, and 20–31, and we adopt Petitioner’s contentions discussed below as our own.

For example, independent claim 11 recites:

generating real-time imagery data at a secured location; [and]
transmitting the real-time imagery data to a security system
central monitoring station over a network connection[.]

Ex. 1003, 13:23–26. Petitioner cites Monroe ’183’s disclosure of a security system for monitoring one or more selected zones that includes imaging devices communicating over a network to a server. *Id.* at 24–25 (citing Ex. 1009, 6:36–42, 11:9–12, 29:36–43). We are persuaded by Petitioner’s showing and find that Monroe ’183’s sensors generate real-time imagery data at a secured location and transmit that real-time imagery data to a base monitoring station.

Independent claim 11 also recites “processing the received imagery data at the security system central monitoring station.” Ex. 1003, 13:27–28. Petitioner cites Monroe ’183’s disclosure of a server that “provides a centralized location for data collection, alarm detection, and processing.” *Id.*

at 25 (citing Ex. 1009, 17:59–63). We are persuaded by Petitioner’s showing and find that Monroe ’183’s server processes the imagery data received from its sensors.

Independent claim 11 also recites “generating additional information associated with the received imagery data.” Ex. 1003, 13:29–30. Petitioner cites Monroe ’183’s disclosure that:

The [multimedia appliance and sensor data, such as audio, video, step video and individual images] is “stamped” with additional information such as time of collection, appliance and sensor identification, trigger condition if applicable, and other significant data, for example environmental data such as temperature, humidity, light, smoke, vapor and gas levels and the like.

Pet. 25 (quoting Ex. 1009, 31:11–16). Although this passage does not attribute the “stamping” to any particular component of the system, the additional information could not be “stamped” upon the multimedia appliance and sensor data unless it was first “generated.” We are persuaded by Petitioner’s showing and find that Monroe ’183’s system generates additional information associated with the received imagery data, such as “time of collection, appliance and sensor identification, trigger condition if applicable, and other significant data, for example environmental data such as temperature, humidity, light, smoke, vapor and gas levels and the like.” Ex. 1009, 31:11–16.

Finally, independent claim 11 recites:

transmitting the received imagery data and the additional information to a response agency over a network connection, wherein the response agency is identified from among a plurality of response agencies based on at least one of the additional information and the imagery data by a computer system at the security system central monitoring station.

Ex. 1003, 13:31–37. Petitioner cites Monroe ’183’s disclosure of “notify[ing] multiple parties,” using “[c]omplex alert ‘decision tree’ sequences . . . for personnel and organization notification,” and “transmit[ting] any detected information to a monitor system located at a base monitoring station, located on site and/or at a remote or roving location.” Pet. 25–27 (citing Ex. 1009, 6:36–40, 7:49–56, 10:7–13, 18:13–19, Fig. 4). Petitioner cites specifically to Monroe ’183’s disclosure of distributing and dispatching information to “appropriate authorities such as, by way of example, . . . the closest police station and the closest fire station.” *Id.* at 27 (citing Ex. 1009, 8:34–36, 8:51–65). Notwithstanding Patent Owner’s arguments, which we have considered and which we address below, we are persuaded by Petitioner’s showing and find that Monroe ’183 discloses transmitting received imagery data and additional information to a response agency over a network connection.

Petitioner performs a similar analysis for independent claims 21 and 31, and for dependent claims 12, 14, 16–18, 20, and 22–30. *Id.* at 27–40. Notwithstanding Patent Owner’s arguments, which we have considered and which we address below, we are persuaded by Petitioner’s showing, which we adopt as our own findings and conclusions, that claims 11, 12, 14, 16–18, and 20–31 are unpatentable as anticipated by Monroe ’183.

*4. Patent Owner's Arguments
about Independent Claims 11, 21, and 31*

Patent Owner argues that Monroe '183 does not anticipate independent claims 11, 21, and 31. PO Resp. 13–20. In particular, Patent Owner argues that (1) Monroe '183 does not disclose “transmitting . . . to a response agency” (PO Resp. 13–16); (2) Monroe '183 does not disclose “transmitting . . . the additional information” (*id.* at 16–17); and (3) Petitioner improperly relies on multiple, distinct embodiments without explaining how they relate to one another (*id.* at 18–20). We address each argument in turn.

*a. Whether Monroe '183 discloses “transmitting . . .
to a response agency” (claims 11, 21, and 31)*

Patent Owner argues that “Petitioner failed to offer any explanation how [Monroe '183's] monitoring stations are response agencies.” PO Resp. 14.

This argument is unpersuasive. As an initial matter, it is based on Patent Owner's proposed construction of “response agency,” which we declined to adopt for the reasons discussed above. As we stated above, we decline to limit “response agency” to 911, police, or fire departments, or require it to be distinct from the “surveillance system infrastructure.” The portions of Monroe '183 cited by Petitioner disclose monitoring stations (Pet. 25 (citing Ex. 1009, Fig. 4, 18:13–19)) that can be “located at a base monitoring station, located on site and/or at a remote or roving location” (*id.* at 26 (quoting Ex. 1009, 6:36–40)). The cited portion of Monroe '183 further describes a server identifying an acoustic sensor “on the specific campus where the event occurred” and sending information “to appropriate authorities such as, by way of example, on site roving guards, to a

centralized school district monitor point, the closest police station and the closest fire station” (*id.* at 27 (quoting Ex. 1009, 8:58–65)). We are persuaded that Monroe ’183’s monitoring stations located “at a remote or roving location” or with “on site roving guards” disclose the recited “response agency.”

Patent Owner also argues that “Petitioner’s claim charts did not . . . include any of the Monroe ’183 excerpts about wireless monitors 44, wireless mobile monitors 44–44n, or roving security officers referred to in the Institution Decision” and, therefore, “the Board should not consider any of these excerpts when determining whether the Petitioner met its burden.” PO Resp. 14–15. This argument is not persuasive because, even without considering wireless monitor 44 and wireless mobile monitors 44–44n, we are persuaded that Monroe ’183’s monitoring stations located “at a remote or roving location” or with “on site roving guards” disclose the recited “response agency” for the reasons discussed in the previous paragraph.

For the foregoing reasons, we are persuaded that Monroe ’183 discloses “transmitting . . . to a response agency,” as recited in independent claim 11, and similarly recited in independent claims 21 and 31.

b. Whether Monroe ’183 discloses “transmitting . . . additional information” (claims 11 and 21)

Patent Owner argues that Petitioner does not explain adequately how the excerpts cited on pages 25 to 27 of the Petition relate to one another, or to the excerpt from column 31 of Monroe ’183 on which Petitioner relies for disclosing “generating additional information.” PO Resp. 17.

Petitioner counters that Monroe ’183 discloses transmitting “additional information” because it transmits “any detected information to a

monitoring system” (Ex. 1009, 6:36–39), including “audio and/or video and/or image data and/or sensor data” (*id.* at 7:50–52). Pet. Reply 12 (citing Pet. 24–26; Ex. 1031 (Second Reader Decl.), 14–15).

We agree with Petitioner. For the step of “generating additional information,” Petitioner cites Monroe ’183’s disclosure that:

The [multimedia appliance and sensor data, such as audio, video, step video and individual images] is “stamped” with additional information such as time of collection, appliance and sensor identification, trigger condition if applicable, and other significant data, for example environmental data such as temperature, humidity, light, smoke, vapor and gas levels and the like.

Pet. 25 (quoting Ex. 1009, 31:11–16). The portions of Monroe ’183 cited by Petitioner for the “transmitting . . . additional information” do not describe explicitly transmitting the information disclosed above—i.e., “time of collection, appliance and sensor identification, trigger condition if applicable, and . . . environmental data such as temperature, humidity, light, smoke, vapor and gas levels and the like.” Nevertheless, we find that the portions of Monroe ’183 unambiguously disclose transmitting “any” detected information to a monitor system, which is described as capable of monitoring “audio and/or video and/or image data and/or sensor data.” Also, we find that at least the disclosed “environmental data such as temperature, humidity, light, smoke, vapor and gas levels and the like” amount to “sensor data” that would be included amongst the “any detected information” transmitted to a monitoring station. As a result, we are persuaded that it is sufficiently clear from the Petition how the cited portions of Monroe ’183 are being asserted as teaching the limitation of “transmitting . . . additional information.”

Patent Owner also argues that “Petitioner improperly picks, chooses and combines multiple, distinct teachings not directly related to each other and fails to show how Monroe ’183 clearly and unequivocally anticipates the step of transmitting the identified additional information to a response agency.” PO Resp. 17. We address this argument in the next section because it is closely associated with Patent Owner’s remaining argument that Petitioner improperly relies on multiple, distinct embodiments without explaining how they relate to one another.

For the foregoing reasons, we are persuaded that Monroe ’183 discloses “transmitting . . . additional information,” as recited in independent claim 11, and similarly recited in independent claim 21.

*c. Whether Petitioner relies improperly
on multiple, distinct embodiments*

Patent Owner argues that the various excerpts quoted in Petitioner’s claim charts “do not directly relate to each other and instead consist of multiple, distinct teachings that Petitioner has selected from wide ranging parts of the extensive Monroe ’183 Specification.” PO Resp. 18–20; *see also id.* at 13 (citing *Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F.3d 1359, 1371 (Fed. Cir. 2008)), 17 (“Petitioner improperly picks, chooses and combines multiple, distinct teachings”). As an example, Patent Owner argues that

quoted excerpts from col. 17, 29 and 31 are drawn from the ‘Detailed Description of the Preferred Embodiments’ section, describing Figure 4 and Figure 41, respectively, in excerpts that are separated by at least 10 columns and six pages . . . yet the Petitioner provides no explanation for how these excerpts relate to one another.

Id. at 18–19. Patent Owner also highlights Petitioner’s reliance on Figure 61 and column 38, lines 45 to 56, for dependent claim 17, noting that “Petitioner does not explain how Figure 61 and the associated disclosure fit together with Figure 4 and 41 and their associated disclosures” relied upon by Petitioner with respect to underlying independent claim 11. *Id.* at 19.

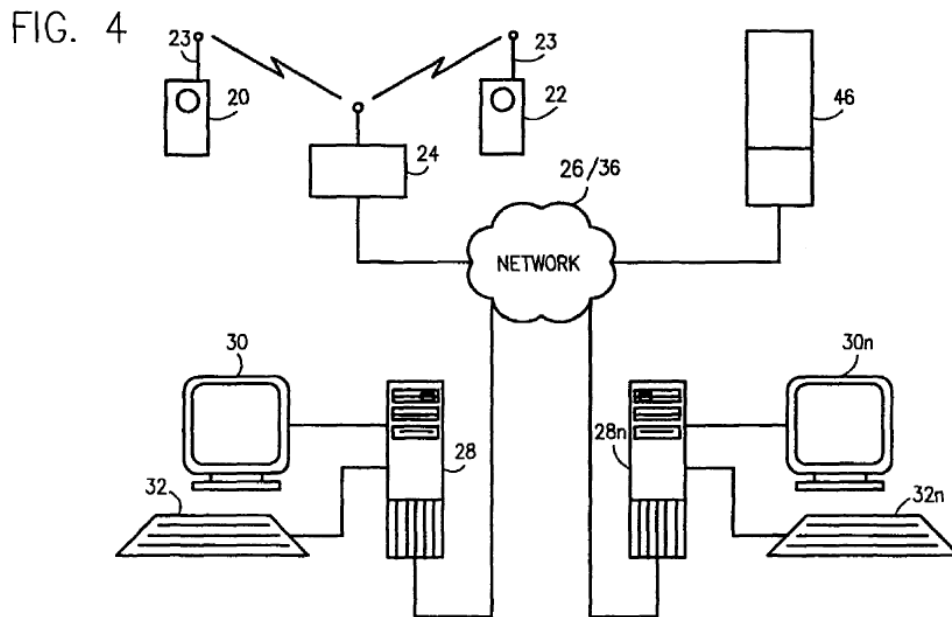
Petitioner counters that Patent Owner “ignores the expandable nature of the system disclosed in Monroe ’183,” which Petitioner contends “contemplates one expandable and configurable invention, not multiple mutually exclusive alternatives.” Pet. Reply 7. Petitioner argues that Monroe ’183 “provide[s] many examples of how the system can be configured, [but] repeatedly describes these various configurations as enhancements or expansions of the invention.” *Id.* at 7–8 (citing Ex. 1009, 12:11–16, 17:30–31, 18:12–15, 20:41–44). Petitioner cites to the testimony of Dr. Reader as evidence that “the expandable and configurable nature of surveillance systems was well understood by [persons of ordinary skill in the art] at the time of [the] invention.” *Id.* at 8 (citing 1007, 31). Petitioner also argues that *Net MoneyIN* is inapposite because, as an appeal from summary judgment, the reference-at-issue was presumed “to show two mutually exclusive payment models,” whereas here “there is unrebutted expert evidence that Monroe ’183 teaches a single expandable and configurable system.” *Id.* (quoting *Net MoneyIN*, 545 F.3d at 1363, n.1).

Having considered both parties’ arguments and evidence, we are persuaded that a person of ordinary skill in the art would have understood the various figures and disclosures on which Petitioner relies to be part of a single, modular surveillance system, rather than multiple, distinct, incompatible embodiments. Patent Owner highlights, as an example,

Petitioner’s reliance on Figure 61 along with Figures 4 and 41, but Monroe ’183 describes Figures 1–9 as depicting “various system configurations,” describes Figures 10–42 as depicting “sensor and network appliance configurations,” and describes Figures 60–66 as depicting “system configurations utilizing various telephone appliances *as part of the overall system of the subject invention.*” Ex. 1009, 11:66–67, 12:28–29, 14:23–25 (emphasis added). Monroe ’183’s description of Figures 60–66 as depicting the use of “various telephone appliances as part of the overall system of the subject invention” supports Petitioner’s contention that the various figures of Monroe ’183 depict different aspects of a single, modular system, rather than multiple, distinct embodiments.

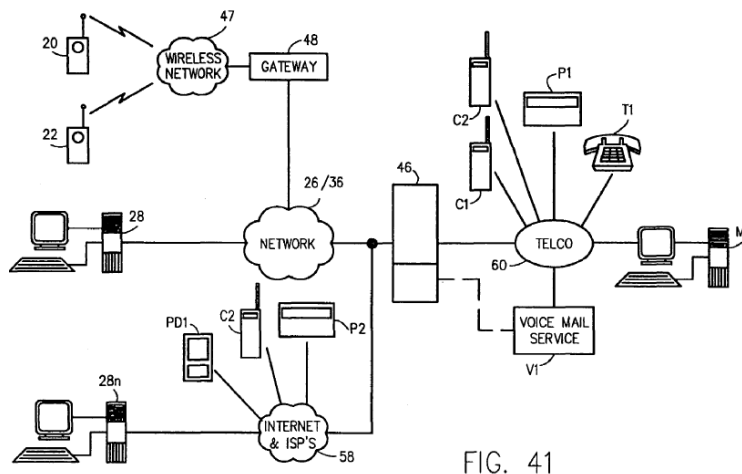
Moreover, Patent Owner does not identify any reason why a person of ordinary skill in the art would have understood Figures 4 and 41, and their associated disclosure, to be incompatible with Figure 61 and its associated disclosure. Based on our review of these figures and their associated disclosure, we are persuaded that a person of ordinary skill in the art would have regarded them as compatible.

Figure 4 of Monroe ’183 is reproduced below.



Ex. 1009, Fig. 4. Figure 4 illustrates a “server-based system using network communications.” *Id.* at 12:7–8. Monroe ’183 discloses that it “is an expanded system using network connection between the receiver 24 and the various other components such as the server 46 and one or multiple monitoring stations 28-28n,” and that “[t]he server may be located virtually anywhere on the network.” *Id.* at 18:12–16.

Figure 41 of Monroe ’183 is reproduced below.



Id. at Fig. 41. Figure 41 illustrates “the server dispatch capabilities for a system configured with telephone access, voice response and voice mail.” *Id.* at 13:40–42. Specifically, it “illustrates examples of the server dispatching techniques that may be employed by the server supported multimedia surveillance system of the subject invention. *It is intended to illustrate examples and is not intended to be all-inclusive.*” *Id.* at 29:45–49 (emphasis added).

Figure 61 of Monroe ’183 is reproduced below.

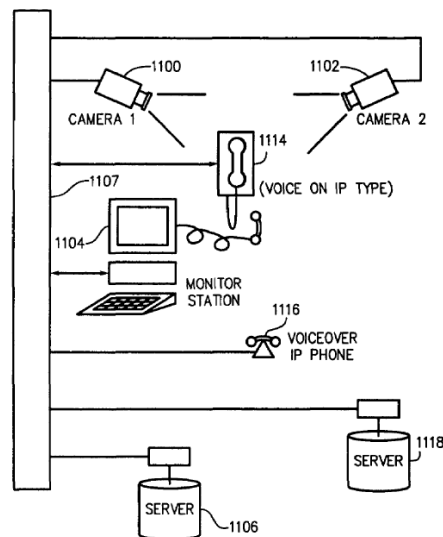


FIG. 61

Id. at Fig. 61. Figure 61 “is similar to FIG. 60, but includes a voice over [Internet Protocol (“IP”)] appliance.” *Id.* at 14:28–29. “The operational aspects of the system are as described in connection with the [plain old telephone service] system of FIG. 60.” *Id.* at 38:58–60. Figure 60 “illustrates an integration of the invention with a local facility [private branch exchange].” *Id.* at 38:23–24. “As there shown, cameras 1100, 1102, monitor 1104 and server 1106 are connected *in the previously described network configuration* as indicated at 1107.” *Id.* at 38:24–26 (emphasis added).

When viewed together, it is clear that Monroe '183 uses Figure 4 to illustrate and describe generally the components of a system connected by network 26/36, uses Figure 41 to illustrate and describe how server 46 uses the information gathered from sensors to dispatch, and uses Figure 61 to illustrate a substantially similar system, but with the addition of voice over IP telephones 1114 and 1116 and voice server 1118. This is consistent with Dr. Reader's testimony that flexible architectures for distributed sensor and surveillance systems were known prior to the effective date of the '980 patent. Ex. 1007 ¶ 63.

For the foregoing reasons, we are persuaded that Petitioner's reliance on the various teachings from Monroe '183 to formulate its grounds based on anticipation is not improper.

5. Dependent claims 14 and 24

Dependent claim 14 recites "wherein the additional information is automatically generated by a computer system associated with the security system central monitoring station." Ex. 1003, 13:51–54. Dependent claim 24 similarly recites "further comprising automatically generating the additional information." *Id.* at 14:26–27. Patent Owner argues that the "excerpt relied upon by Petitioner does not disclose how such additional information was generated at all," but instead "merely discloses the information is stamped by the computer system onto the data received from the camera/sensor unit." PO Resp. 21. Petitioner counters that Monroe '183

discloses the server detecting events and stamping appliance and sensor data with additional information. Pet. Reply 13–14 (citing Ex. 1031, 15–16).³

We agree with Petitioner. The Petition cites column 31, lines 11 to 16, of Monroe '183, which are part of a paragraph beginning at column 30, line 55. The entire paragraph is about the server. Ex. 1009, 30:55–31:16. Specifically, the paragraph discloses that the server “monitors the system for alarm signals and responds with appropriate dispatch of response triggering information,” that “the status of all wired and wireless appliances and sensors is monitored and a malfunction or failure to respond is logged with proper response triggering information . . . dispatched to the appropriate monitoring stations and units,” that “[e]vent detection . . . is likewise monitored, logged, and reacted to,” that “multimedia appliance and sensor data, such as audio, video, step video and individual images are sent to the server,” and that such data “is ‘stamped’ with additional information.” *Id.* Moreover, the data being stamped—e.g., “time of collection, appliance and sensor identification, trigger condition if applicable, and other significant data, for example environmental data such as temperature, humidity, light, smoke, vapor and gas levels and the like”—is data that would be generated by the server itself or by a sensor communicating with the server. In contrast, Patent Owner identifies nothing to suggest that the data is not generated automatically—e.g., generated by personnel. As a result, we are

³ Petitioner also argues that notifications teach this limitation. Pet. Reply 14–15. We do not consider this argument on Reply because Petitioner did not rely on notifications as disclosing “additional information” in the Petition. See, e.g., Pet. 25 (relying only on information being “stamped” on data).

persuaded that a person of ordinary skill in the art would have understood this portion of Monroe '183 to disclose “additional information that is automatically generated by a computer system associated with the security system central monitoring station.”

6. Dependent claim 15

Dependent claim 15 recites “wherein the additional information is generated by personnel associated with the security system central monitoring station.” Ex. 1003, 13:55–57. Patent Owner argues that the “excerpt relied upon by Petitioner does not disclose how such additional information was generated,” but instead merely “discloses the information is stamped by the computer system onto the data received from the camera/sensor unit.” PO Resp. 22. Patent Owner also argues that “reconfiguring the system from any station on the Internet and collecting data by manual selection is not the same as personnel generating additional information.” *Id.* at 23.

We agree with Patent Owner. Petitioner does not explain sufficiently how the cited portions of Monroe '183 relate to the “stamped” data relied upon by Petitioner as disclosing the “additional information.” Pet. 29; Pet. Reply 15.⁴ Column 4, lines 36 to 40, of Monroe '183 describes a security

⁴ Petitioner identifies, for the first time on Reply, disclosure about activating a “panic button.” Pet. Reply 16. We do not consider that argument because Petitioner did not rely on a panic button as disclosing this limitation in the Petition. See Pet. 29. Petitioner argued that it cited the panic button for claim 11, from which claim 15 depends (Tr. 18:13–19:20), but the citation for claim 11 is not a sufficiently “detailed explanation of the significance of the evidence” as to claim 15. 37 C.F.R. § 42.22(a)(2). Stated differently, if Petitioner intended one portion of the Petition (i.e., the panic button cited for

provider having access to configure or reconfigure the system over the Internet, but nothing in that teaching, or elsewhere in the Petition, describes that security provider using that access to generate the “additional information”—i.e., the “time of collection, appliance and sensor identification, trigger condition if applicable, and other significant data, for example environmental data such as temperature, humidity, light, smoke, vapor and gas levels and the like.” Likewise, column 18, lines 23 to 38, of Monroe ’183 describes a master server collecting data from distributed sites by manual selection, but Petitioner does not explain persuasively how manually selecting data to collect discloses manually generating the alleged “additional information”—i.e., the “time of collection, appliance and sensor identification, trigger condition if applicable, and other significant data, for example environmental data such as temperature, humidity, light, smoke, vapor and gas levels and the like.”

Moreover, as discussed in the previous section, the portion of column 31 on which Petitioner relies to disclose “generating additional information” is excerpted from an entire paragraph about functions performed by the server. Ex. 1009, 30:55–31:16. Nothing in that paragraph suggests that personnel are generating any of the alleged “additional information.”

claim 11) to support arguments made in another portion (i.e., the evidence presented and developed for claim 15), it should have provided citations to those portions with particularity. Without such citation, neither we nor Patent Owner had sufficient notice of Petitioner’s position, ultimately expressed in its Reply.

For the foregoing reasons, we are not persuaded that Monroe '183 discloses “wherein the additional information is generated by personnel associated with the security system central monitoring station.”

7. Dependent claim 19

Dependent claim 19 depends from claim 18, which depends from independent claim 11. Dependent claim 18 recites “wherein the additional information is related to the secured location” (Ex. 1003, 14:1–2), and dependent claim 19 recites “wherein the data related to the secured location reflects a structural attribute associated with the secured location” (*id.* at 14:3–5).

Petitioner relies upon Monroe '183's disclosure of a map. Pet. 31–32 (citing Ex. 1009, 35:37–42). Patent Owner argues that Monroe '183's map is not a “structural attribute” because “[i]t does not provide any information about an attribute of the secured location, much less a structural attribute, like a building layout or a floor plan might.” PO Resp. 24.

Even assuming that Monroe '183's map is a “structural attribute” as that term is used in the '980 patent, Petitioner has not explained sufficiently how it relates to information Monroe '183 describes as being stamped—i.e., the “time of collection, appliance and sensor identification, trigger condition if applicable, and other significant data, for example environmental data such as temperature, humidity, light, smoke, vapor and gas levels and the like”—that Petitioner identified as the “additional information” in the generating step of underlying independent claim 11. Petitioner did not identify Monroe '183's map as amongst the types of “additional information” generated for that step, and does not explain persuasively why the map would necessarily be part of that “additional information.”

For the foregoing reasons, we are not persuaded that Monroe '183 discloses “wherein the data related to the secured location reflects a structural attribute associated with the secured location.”

8. Summary

For the foregoing reasons, we are persuaded that Petitioner has established, by a preponderance of the evidence, that claims 11, 12, 14, 16–18, and 20–31 of the '980 patent are unpatentable under 35 U.S.C. § 102(e) as anticipated by Monroe '183. Petitioner, however, has not demonstrated, by a preponderance of the evidence, that claims 15 and 19 of the '980 patent are anticipated by Monroe '183.

F. Anticipation by Pedersen

Petitioner contends that claim 31 of the '980 patent is anticipated under § 102(b) by Pedersen. Pet. 47–58.

1. Pedersen Overview

Pedersen generally relates to a system and method for automatically detecting fires in select areas and reacting thereto to put out the fires. Ex. 1015, Title, Abstract. Figure 1A of Pedersen is reproduced below.

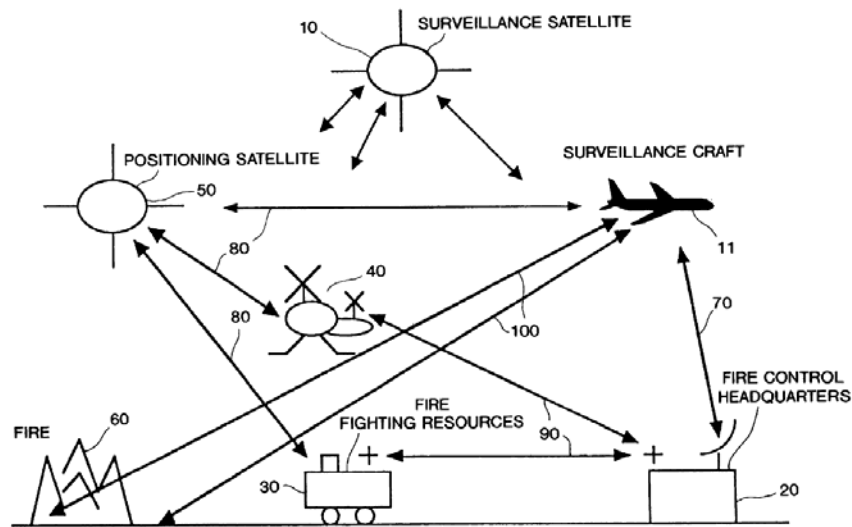


Figure 1A illustrates the use of surveillance satellites and surveillance aircraft for location and fire monitoring, a fire control center, fire fighting resources, and the fire to be detected and fought. *Id.* at 4:28–34.

2. Petitioner’s Initial Contentions

Petitioner contends that claim 31 of the ’980 patent is anticipated under § 102(b) by Pedersen. Pet. 47, 56–58. We have reviewed the Petition, Patent Owner’s Response, and Petitioner’s Reply, as well as the relevant evidence discussed in those papers and other record papers, and are persuaded that the record sufficiently establishes Petitioner’s contentions for claim 31, and we adopt Petitioner’s contentions discussed below as our own.

For example, independent claim 31 recites “generating real-time imagery of a secured location.” Ex. 1003, 14: 50. Petitioner relies upon Pedersen’s disclosure of imaging devices mounted on satellites and aircraft that capture images of selected geographic regions. Pet. 56 (citing Ex. 1015, 2:46–48). Notwithstanding Patent Owner’s arguments, which we have considered and which we address below, we are persuaded by Petitioner’s showing and find that Pedersen’s imaging devices mounted on satellites and aircraft generate real-time imagery of a secured location.

Independent claim 31 also recites:

transmitting the real-time imagery to a security system central station over a network connection; [and]

processing the real-time imagery at the security system central station[.]

Ex. 1003, 14:51–54. Petitioner identifies Pedersen’s computer system at fire control headquarters 20 as the recited “security system central station,” and cites to Pedersen’s disclosure that fire control headquarters “uses available advanced image analysis tools.” Pet. 57 (quoting Ex. 1015, 6:26–28). We

are persuaded by Petitioner's showing and find that Pedersen discloses that real-time imagery is transmitted to the computer system at fire control headquarters, where it is processed.

Finally, independent claim 31 recites:

transmitting the real-time imagery from the security system central station to a response agency over a network connection;
and

displaying the real-time imagery at the response agency,

wherein the response agency is identified from amongst a plurality of response agencies by a computer system at the security system central station.

Ex. 1003, 14:55–61. Petitioner identifies Pedersen's fire fighting resources 30, 40 as the "response agency," cites Pedersen's disclosure that "composite displays of the pertinent fire control conditions" are transmitted "to displays at . . . the various fire control resources 30,40," and that Pedersen's "control processor 208 recommends or initiates the dispatching of appropriate fire fighting resources 30,40 to the higher priority areas." Pet. 57–58 (quoting Ex. 1015, 14:7–10, 20:34–37). We are persuaded by Petitioner's showing and find that Pedersen discloses identifying appropriate fire fighting resources 30, 40 for dispatch to high priority areas and transmitting real-time imagery to those resources, where it is displayed on remote control centers 21–26 and fire control resources 30, 40.

3. Patent Owner's Argument About "secured location"

Patent Owner argues that "Pedersen discloses a changeable geographic area selected for monitoring by a fire control system," and that "the boundaries of any selected geographic area may be loosely defined based on where the surveillance satellite and/or aircraft move over the area."

PO Resp. 28–29. According to Patent Owner, “Pedersen discloses a non-specific, changeable geographic ‘area’ or ‘region’ that is not a recognizable place or property and has no defined boundaries” and, therefore, cannot be the “secured location” recited in claim 31. *Id.* at 30.

Patent Owner’s argument is not persuasive because it is based on an unduly narrow construction of “secured location” that we declined to adopt for the reasons discussed in our claim construction section above. The ’980 patent does not define “location” to exclude an “area” or “region.” Because Pedersen’s “select areas” and “selected geographic regions” are each “a location, outside or inside, which is protected by a security alarm system,” they each are a “secured location,” as we have construed that term.

4. Summary

For the foregoing reasons, we are persuaded that Petitioner has established, by a preponderance of the evidence, that claim 31 of the ’980 patent is unpatentable under 35 U.S.C. § 102(b) as anticipated by Pedersen.

III. CONCLUSION

Petitioner has demonstrated, by a preponderance of the evidence, that (1) claims 11, 12, 14, 16–18, and 20–31 of the ’980 patent are unpatentable under 35 U.S.C. § 102(e) as anticipated by Monroe ’183; and (2) claim 31 of the ’980 patent is unpatentable under 35 U.S.C. § 102(b) as anticipated by Pedersen. Petitioner, however, has not demonstrated, by a preponderance of the evidence, that claims 15 and 19 of the ’980 patent are anticipated by Monroe ’183.

IV. ORDER

Accordingly, it is
ORDERED that claims 11, 12, 14, 16–18, and 20–31 of the
'980 patent are determined to be *unpatentable*;

FURTHER ORDERED that claims 15 and 19 of the '980 patent are
not determined to be *unpatentable*; and

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

IPR2016-01041
Patent 7,323,980 B2

For PETITIONER:

Gary Hausken
Joel Lofgren
Nathan Grebasch
Chun-I Chiang
Lavanya Ratnam
CIVIL DIVISION, DEPARTMENT OF JUSTICE
Gary.Hausken@usdoj.gov
Joel.b.lofgren.civ@mail.mil
Nathan.Grebasch@hq.dhs.gov
Chun-i.Chiang.civ@mail.mil
Lavanya.ratnam@hq.dhs.gov

For PATENT OWNER:

Casey Griffith
Shannon Bates
GRIFFITH BATES CHAMPION & HARPER
casey.griffith@griffithbates.com
shannon.bates@griffithbates.com