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Paper 14
Date: April 6, 2021

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

WYZE LABS, INC.,
Petitioner,

v.

SENSORMATIC ELECTRONICS, LLC,
Patent Owner.

IPR2020-01486
Patent 8,208,019 B2

Before DAVID C. McKONE, TERRENCE W. McMILLIN, and JULIET MITCHELL DIRBA, *Administrative Patent Judges.*

McMILLIN, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. Background and Summary

Wyze Labs, Inc. ("Petitioner")[1] filed a Petition to institute an *inter partes* review of claims 2–4, 7, 8, and 10 of U.S. Patent No. 8,208,019 B2 (Ex. 1001, "the '019 patent") pursuant to 35 U.S.C. § 311 *et seq*. Paper 2 ("Petition" or "Pet."). Sensormatic Electronics, LLC ("Patent Owner")[2] filed a Preliminary Response. Paper 6 ("Preliminary Response" or "Prelim. Resp."). With our permission, Petitioner filed a Reply. Paper 8 ("Reply"). Patent Owner filed a Sur-reply. Paper 12 ("Sur-reply").

We have authority under 35 U.S.C. § 314, which provides that an *inter partes* review may not be instituted unless the information presented in the Petition and the Preliminary Response shows that "there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." 35 U.S.C. § 314(a) (2018). After considering the Petition, the Preliminary Response, the Reply, the Sur-reply, and the evidence of record, we institute an *inter partes* review as to the challenged claims of the '019 patent on the ground of unpatentability presented.

B. Related Proceedings

The parties identify the following related proceeding: *Sensormatic Electronics, LLC v. Wyze Labs, Inc*., C.A. No. 19-1543-CFC-SRF (D. Del.) ("the Delaware case"). Pet. 1; Paper 5, 1. The parties indicate the case is on

[1] Petitioner identifies Wyze Labs, Inc., as the real party-in-interest to this proceeding. Pet. 1.
[2] Patent Owner identifies Sensormatic Electronics, LLC, as the real party-in-interest to this proceeding, and indicates it is a "wholly owned subsidiary of Johnson Controls International, plc." Paper 5, 1.

appeal in the United States Court of Appeals for the Federal Circuit in *Sensormatic Electronics, LLC v. Wyze Labs, Inc*., Case No. 2020-2320. Paper 5, 1; Paper 10, 1; Ex. 2003. The parties also identify related patents that are at issue in IPR2020-01487, IPR2020-01488, IPR2020-01489, and IPR2020-01490. Paper 5, 1–2; Paper 10, 1. The patents in these additional four proceedings also are implicated in the Delaware and Federal Circuit cases.

C. The '019 Patent

The '019 patent is titled "Wireless Video Surveillance System and Method with External Removable Recording." Ex. 1001, code (54). The patent explains that "video surveillance systems have existed in the prior art," but "typically they are wired devices that are difficult, time consuming, and costly to install and operate." *Id.* at 1:29–31. Also, prior art systems "do not provide for wireless systems that are secure from wireless interception or Internet enabled interception and permit remote user access for viewing, reviewing stored information, and controlling the systems components, in particular via Internet connection to a remote controller computer or cellular phone or other Internet connected device." *Id.* at 1:31–37. According to the patent, there exists a need for "simple setup and controls for high quality input capture," and "remote viewing and controls of the ICDs and DIRs via a remote server computer." *Id.* at 1:38–47.

The wireless surveillance system of the '019 patent:

> includes at least one wireless input capture device (ICD) for sensing, capturing and transmitting surveillance inputs from a predetermined input capture location, and a digital input recorder device (DIR) for receiving the surveillance inputs from the at least one wireless ICD and storing those inputs, which are capable of being reviewed by a system user on a controller/server

> computer, wherein the server computer is optionally used for communication with the ICDs and DIRs.

Id. at 6:47–56. The "DIR device is programmable for wireless communication with input capture device, including both transmitting data, settings, controlling instructions and receiving input captured from the ICD." *Id.* at 12:13–17.

Petitioner provided annotated Figure 7 of the '019 patent, reproduced below, which shows an overall system layout of the wireless surveillance system of the '019 patent. *See* Pet. 9.

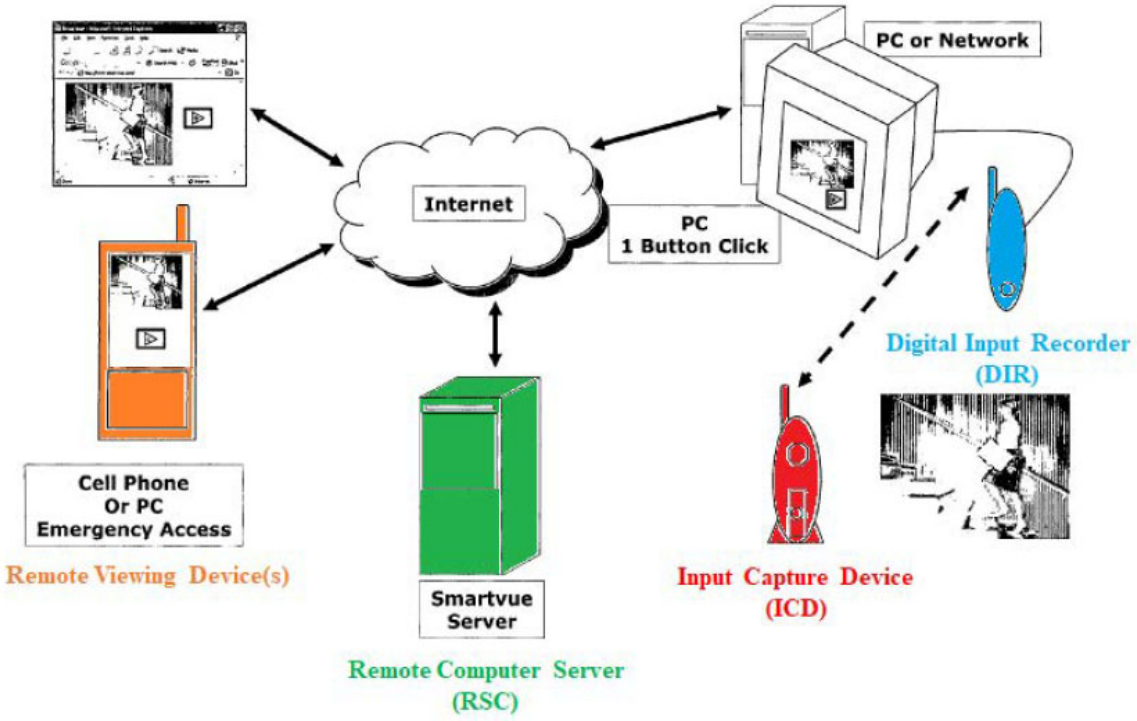


Figure 7 depicts "the interconnection of remote units of the system." Ex. 1001, 5:41–42. Petitioner's annotation of Figure 7 (above) shows a wireless surveillance system, Petitioner's identification of the remote viewing device, remote computer server, input capture device (ICD), and digital input recorder (DIR) identified.

D. Challenged Claims

Petitioner challenges claims 2–4, 7, 8, and 10 of the '019 patent. Pet. 1. Of the challenged claims, claim 2 is an independent method claim, and claim 7 is an independent system claim. Ex. 1001, 16:48–18:30. Claim 2 recites:

> 2. A method for activating communication between at least one wireless digital input capture device (ICD(s)) and a corresponding wireless digital input recorder (DIR) forming a wireless surveillance system comprising the steps of:
>
> a) providing the wireless surveillance system having at least one ICD constructed and configured for wireless digital communication with a corresponding wireless DIR, wherein the DIR has a memory and a data processor for running software is operable for transmitting instructions to and receiving and recording data inputs from the ICD(s); and an external removable data storage device connected to the DIR or ICD(s); wherein the ICDs are operable for direct cross-control of surveillance area settings and cross-communication with each other, wherein the direct cross-communication of ICDs includes data exchange, and wherein the data exchange includes information about the surveillance environment, and wherein the direct cross-control includes the direct exchange of set triggers and trigger events, settings, inputs and combinations thereof;
>
> b) providing a user interface for the DIR operable for establishing or adjusting settings;
>
> c) the DIR searching for a signal from at least one selected ICD;
>
> d) the DIR establishing communication with the selected ICD(s);
>
> e) the ICD(s) capturing inputs associated with a target environment, wherein the inputs include captured inputs by the ICD(S) and data associated with image tagging or flagging based upon the occurrence of a trigger event;
>
> f) the system automatically detecting a trigger event at any of the ICD(S) and responding to occurrence of the trigger

event wherein the trigger event includes a predefined input captured by at least one of the ICDs;

g) transferring of copying data associated with the capture inputs to the external removable data storage device;

thereby providing a method for secure communication in the surveillance system between at least one ICD and corresponding DIR.

Id. at 16:48–17:19.

E. The Asserted Ground

Petitioner challenges claims 2–4, 7, 8, and 10 of the '019 patent based on the ground set forth in the table below.

Claims Challenged	35 U.S.C. §	Reference(s)/Basis
2–4, 7, 8, 10	103(a)	Monroe '183[3], Monroe '344[4], Primm[5]

II. ANALYSIS

A. Patent Owner's Argument under 35 U.S.C. § 314(a) Based on Parallel Proceeding

Institution of *inter partes* review is discretionary. *See Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) ("[T]he PTO is permitted, but never compelled, to institute an IPR proceeding."); 35 U.S.C. § 314(a). The Board has held that the advanced state of a parallel district court action is a factor that may weigh in favor of denying a petition under § 314(a). *See NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 20 (PTAB Sept. 12, 2018) (precedential); Patent Trial and Appeal Board, Consolidated Trial Practice Guide, 58 & n.2 (Nov. 2019) ("Trial Practice Guide"), available at https://www.uspto.gov/sites/default/files/

[3] US 6,970,183 B1, issued Nov. 29, 2005 (Ex. 1003).
[4] US 2003/0061344 A1, published Mar. 27, 2003 (Ex. 1013).
[5] US 7,159,022 B2, issued Jan. 2, 2007 (Ex. 1006).

documents/tpgnov.pdf. We consider the following factors to assess "whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding":

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential) ("*Fintiv*"). In evaluating these factors, we "take[] a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review." *Id.* at 6.

We also consider factors unrelated to parallel proceedings, such as "the filing of serial petitions, parallel petitions challenging the same patent, and considerations implicated by 35 U.S.C. § 325(d)." *Fintiv*, Paper 11 at 16 (footnotes omitted) (citing, *inter alia*, *Gen. Plastic Industr. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential), and *Valve Corp. v. Elec. Scripting Prods., Inc.*, IPR2019-00064, Paper 10 (PTAB May 1, 2019) (precedential)). When Petitioner filed the Petition, the Delaware case was pending, and had a trial date scheduled for October 25, 2021. Pet. 4–5 (citing Ex. 1019). The parties had filed a

joint claim construction brief and served invalidity contentions, but the Delaware court had not held a *Markman* hearing or issued a claim construction order. *Id.* at 5; Prelim. Resp. 2–4. On September 3, 2020, the Delaware court granted Petitioner's motion for judgment on the pleadings and determined that the challenged claims of the '772 patent are invalid under 35 U.S.C. § 101. Prelim. Resp. 3 (citing Ex. 2001).[6] Patent Owner has appealed the Delaware court's decision to the United States Court of Appeals for the Federal Circuit. *Id.*

Patent Owner argues that we should follow the reasoning in the Board decision in *Snap Inc. v. Blackberry Ltd.*, IPR2020-00392, Paper 8 (PTAB July 13, 2020), and deny institution. Prelim. Resp. 6–10. *Snap* involved a decision on whether to institute a second petition filed by the same petitioner, where the decision on institution came after a district court in a parallel action had entered summary judgment that the claims at issue were ineligible under § 101. *Snap*, Paper 8 at 9. The Board also had considered similar challenges to the same patent previously in a decision granting institution of a petition filed by a different petitioner. *Id.* at 10. The Board in *Snap* acknowledged that "the unique background of this proceeding does not fit squarely into a typical situation." *Id.* The Board determined that *Fintiv* factors 1–3 and 5 favored denial. *Id.* at 11–12. The Board also determined that the *General Plastic* factors favored denial. *Id.* at 12–15. The Board ultimately denied the petition after weighing both the *Fintiv* and *General Plastic* factors. *Id.* at 15–16.

[6] Patent Owner argues that it filed the Delaware Complaint on August 19, 2019, and Petitioner filed its motion for judgment on the pleadings on December 23, 2019. Prelim. Resp. 2.

In a case closer in circumstances to the present proceeding, *Stripe, Inc. v. Boom! Payments, Inc.*, CBM2020-00002, Paper 22 (PTAB May 19, 2020), after the petition was filed, a district court in a parallel litigation determined that the challenged claim was ineligible under § 101, and the patent owner had appealed the district court decision to the Federal Circuit. *Id.* at 3, 6–7. The petition in *Stripe* was petitioner's first petition and did not raise *General Plastic* concerns, and the petition raised grounds of unpatentability other than challenges under § 101. The Board in *Stripe* declined to exercise its discretion to deny the petition after consideration of the *Fintiv* factors. *Id.* at 7–10.

Upon consideration of these factors and the parties' arguments, we decline to exercise our discretion to deny the Petition.

1. *Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted*

Fintiv indicated that, in previous Board decisions, the existence of a district court stay pending Board resolution of an *inter partes* review has weighed strongly against discretionary denial, while a denial of such a stay request sometimes weighs in favor of discretionary denial. *Fintiv*, Paper 11 at 6–8.

Patent Owner argues that this factor supports denial because the Delaware case has concluded and cannot be stayed. Prelim. Resp. 7 (citing *Snap*, Paper 8 at 12 ("The district court case cannot be stayed because it has concluded.").

Because a judgment has been entered in the Delaware case, there currently is no case to stay. Nevertheless, as it pertains to the obviousness issue we are being asked to resolve, the Delaware court's judgment has the same effect as a stay, pending the Federal Circuit's decision (should it

reverse the Delaware court), and, similar to the facts in *Stripe*, any trial on the obviousness issues is unlikely to happen before a final written decision would be due in this proceeding. *Cf. Stripe*, Paper 22 at 9 ("The district court proceeding is currently closed and has, in effect, been stayed pending resolution of Patent Owner's appeal."). A granted stay often will weigh against denial because it "allays concerns about inefficiency and duplication of efforts." *Fintiv*, Paper 11 at 6. Because the Delaware court decided an issue that does not overlap with those presented in this proceeding, and the Delaware court is not likely to address the obviousness issues before our final written decision (if it addresses the issues at all), the Delaware court's ruling has allayed any concerns about inefficiency and duplication of efforts between us and the Delaware court. Accordingly, this factor weighs strongly in favor of institution.

2. Proximity of the court's trial date to the Board's projected statutory deadline for a final written decision

The proximity factor in *Fintiv*, on its face, asks us to evaluate our discretion in light of a trial date that has been set in a parallel litigation. *See Fintiv*, Paper 11 at 3, 5 ("*NHK* applies to the situation where the district court has set a trial date to occur earlier than the Board's deadline to issue a final written decision in an instituted proceeding."; "When the patent owner raises an argument for discretionary denial under *NHK* due to an earlier trial date, the Board's decisions have balanced the following factors . . . .") (citing *NHK*, Paper 8 (footnote omitted)). As noted above in the discussion of a stay, *Fintiv* has expressed concern regarding "inefficiency and duplication of efforts." *Id.* at 6. In its analysis of the proximity factor, *Fintiv* echoes that concern in its guidance that "[i]f the court's trial date is at or around the same time as the projected statutory deadline or even

significantly after the projected statutory deadline, the decision whether to institute will likely implicate other factors discussed herein, such as the resources that have been invested in the parallel proceeding." *Fintiv*, Paper 11 at 9. Similarly, in *NHK Spring*, the Board expressed the concern that a trial before the deadline for a final written decision addressing the same prior art and arguments would have undermined the Board's objectives of providing an effective and efficient alternative to district court litigation. *NHK Spring*, Paper 8 at 20 (citing *Gen. Plastic*, Paper 19 at 16–17).

The Delaware court granted Petitioner's motion for judgment on the pleadings that the challenged claims are ineligible under § 101; thus, the Delaware case is closed and no trial is currently scheduled in it. Exs. 2001, 2002. Patent Owner argues that "[i]n the present case, it is ***guaranteed*** that the district court will decide the invalidity of the claims challenged in this IPR as they all presently stand invalidated and the district court case has concluded." Prelim. Resp. 5. According to Patent Owner, our final written decision deadline "would be approximately eighteen months ***after*** the district court entered final judgment on the claims at issue in the Petition." *Id.* at 7 (citing *Snap*, Paper 8 at 12 ("We would endeavor to meet our statutory deadline in December 2020, one year after the district court issued final judgment.").

Here, there is no trial scheduled in the Delaware case, as the Delaware case currently is closed. Although the Delaware court determined that the challenged claims are ineligible under § 101, as Petitioner points out (and consistent with *Stripe*'s reasoning), the Delaware case could be reopened to consider invalidity under § 103 if the Federal Circuit disagrees with the Delaware court. Reply 4–5; *Stripe*, Paper 22 at 9 (reasoning that the district

court only resolved "the § 101 issues and should the Federal Circuit vacate or reverse the district court's judgment, the proceeding would be remanded to the district court to consider Petitioner's defenses, including invalidity . . . under § 103"). As in the *Stripe* case, though, "it is unlikely that any district court trial on any § 103 issues would occur prior to our issuing a final written decision." *Stripe*, Paper 22 at 9. Thus, this is not an instance when "an early trial date should be weighed as part of a 'balanced assessment of all relevant circumstances of the case, including the merits,'" in determining whether to exercise our discretion to deny institution. *Fintiv*, Paper 11 at 5 (quoting *Abbott Vascular, Inc. v. FlexStent, LLC*, IPR2019-00882, Paper 11 at 31 (PTAB Oct. 7, 2019)). Moreover, the Delaware case does not implicate concerns of inefficient duplication or potentially inconsistent results because the Delaware court's ruling decided whether the claims were patent eligible under § 101, not whether the claims would have been obvious under § 103, which Petitioner argues before us. Thus, we conclude that this factor favors institution. *Stripe*, Paper 22 at 9.

3. Investment in the parallel proceeding by the court and the parties

If, at the time of the institution decision, the district court has issued substantive orders related to the challenged patent, such as a claim construction order, this fact weighs in favor of denial. *See Fintiv*, Paper 11 at 9–10. On the other hand, if the district court has not issued such orders, this fact weighs against discretionary denial. *Id.* at 10.

Patent Owner argues that "[t]he parties' and district court's investment in the district court case was substantial – the parties had fully briefed claim construction issues, had substantially completed written discovery and document production, and the Court reached final

adjudication." Prelim. Resp. 7–8. Patent Owner also argues that prior to the closing of the case depositions were beginning. *Id.* at 4. Patent Owner concedes, however, that the Delaware court had not held a *Markman* hearing or issued a claim construction order prior to entering judgment on the pleadings. *Id.*

Petitioner argues that "Patent Owner does not dispute that the parties have only exchanged written discovery, conducted no fact depositions or expert discovery, and the court did not hold a *Markman* hearing" and that "[t]he district court case in *Snap* was far further along than it is here, and any trial scheduled following appeal would be long after the projected statutory deadline for a Final Written Decision ('FWD')." Reply 2–3.

As to the investment factor, the issue is whether the parties and the District Court have "invested substantially in the merits of the invalidity petitions." *Sand Revolution II, LLC v. Continental Intermodal Group—Trucking LLC*, IPR2019-01393, Paper 24, 10 (PTAB June 16, 2020). In *Sand Revolution*, this factor weighed only marginally in favor of denial, despite the district court having held a *Markman* hearing and issued a claim construction order, because "much work remain[ed] in the district court case as it relate[d] to invalidity: fact discovery [was] still ongoing, expert reports [were] not yet due, and substantive motion practice [was] yet to come." *Id.* at 10–11. The Delaware case here terminated on the grant of a motion to dismiss, and thus is substantially less far along than the district court case in *Sand Revolution.* As a result, the Delaware court has conducted no *Markman* hearing and, thus, issued no claim construction order, and the parties have, so far, avoided the bulk of discovery related to invalidity, including depositions and expert discovery. As *Fintiv* provides, the lack of a

claim construction order favors institution. *Fintiv*, Paper 11 at 10. This proceeding is similar to *Stripe*, in which the district court had yet to hold a *Markman* hearing and the parties had not conducted significant fact or expert discovery. *Stripe*, Paper 22 at 8. In contrast, as Petitioner observes (Reply 2–3), the *Snap* district court had conducted a *Markman* hearing and issued a claim construction order, and, thus, the *Snap* district court case was more advanced than the Delaware case is here. Exs. 1030–1033.

Patent Owner argues that we should deny the Petition because Petitioner delayed in filing the Petition until the end of the statutory period under 35 U.S.C. § 315(b). Prelim. Resp. 9–10. Although Patent Owner does not indicate to which *Fintiv* factor this pertains, *Fintiv* addressed Petitioner delay in the investment factor, noting that "[a]s a matter of petition timing, notwithstanding that a defendant has one year to file a petition, it may impose unfair costs to a patent owner if the petitioner, faced with the prospect of a looming trial date, waits until the district court trial has progressed significantly before filing a petition at the Office." *Fintiv*, Paper 11 at 11 (footnote omitted). As explained above, however, the Delaware case terminated at an early stage with relatively little investment by the court and the parties. Thus, we are not persuaded that any delay on

the part of Petitioner in filing the Petition has imposed unfair costs to Patent Owner.[7]

In sum, as the *Fintiv* panel observed, "[t]his investment factor is related to the trial date factor, in that more work completed by the parties and court in the parallel proceeding tends to support the arguments that the parallel proceeding is more advanced, a stay may be less likely, and instituting would lead to duplicative costs." *Fintiv*, Paper 11 at 10. Because the Delaware case terminated at an early stage, the investment already incurred does not reflect the level of investment one would see in an advanced proceeding, and the costs incurred in district court likely will not be duplicated by costs incurred here. Thus, this factor favors institution.

4. Overlap between issues raised in the petition and in the parallel proceeding

"[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial." *Fintiv*, Paper 11 at 12. "Conversely, if the petition includes materially different grounds, arguments, and/or evidence than those presented in the district court, this fact has tended to weigh against exercising discretion to deny institution under *NHK*." *Id.* at 12–13.

[7] The Board has evaluated Petitioner delay under the *General Plastic* factors, namely "the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition," and "whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent." *Gen. Plastic*, Paper 19 at 9–11, 18. Patent Owner concedes that "the *General Plastic* factors are not relevant to this IPR." Prelim. Resp. 6 n.3.

The Petition presents obviousness of the challenged claims under § 103, which is materially different from the legal issue considered by the Delaware court. As explained above, the Delaware court ruled that the challenged claims are ineligible under § 101. Exs. 2001, 2002. We cannot institute a trial in an *inter partes* review to determine whether claims are directed to eligible subject matter under § 101. *See* 35 U.S.C. § 311(b) ("A petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications."). Although issues of obviousness were raised preliminarily in the Delaware case (*see* Ex. 2004, Petitioner's invalidity contentions in the Delaware case),[8] that case is closed, and the Delaware court may not consider obviousness unless the Federal Circuit reverses its § 101 determination. Accordingly, as in *Stripe*, this factor weighs heavily in favor of institution. *Stripe*, Paper 22 at 8.

5. Whether the petitioner and the defendant in the parallel proceeding are the same party

If the petitioner here were unrelated to the defendant in the parallel proceeding, that might weigh against discretionary denial. *See Fintiv*, Paper 11 at 13–14. Here, however, Petitioner was the defendant in the parallel proceeding. This fact could weigh either in favor of, or against, exercising discretion to deny institution, depending on which tribunal was likely to address the challenged patent first. However, as noted above, as to

[8] Petitioner also contends that "[t]his Petition only includes prior art references and arguments not at issue during prosecution of the '019 patent and a ground that are not asserted in the related district court litigation." Pet. 5.

the challenges that could be raised here, the Delaware court did not address them prior to dismissing the case. Thus, this factor does not weigh in favor of exercising our discretion to deny the Petition.

6. Other circumstances that impact the Board's exercise of discretion, including the merits.

As to the sixth factor, Patent Owner argues that the merits weigh in favor of discretionary denial because the "Petition is grounded solely on obviousness" and does not allege anticipation. Prelim. Resp. 8; *see Fintiv*, Paper 11 at 14–15 (noting that the merits of a petitioner's ground may be considered). We are not persuaded that the statutory basis of Petitioner's grounds is per se reflective of their merits. We determine that this factor weighs neither in favor of nor against discretionary denial.

7. Other Considerations, including General Plastic Factors

As noted above, "[o]ther facts and circumstances may also impact the Board's discretion to deny institution," for example, "factors unrelated to parallel proceedings that bear on discretion to deny institution include the filing of serial petitions, parallel petitions challenging the same patent, and considerations implicated by 35 U.S.C. § 325(d)." *Fintiv*, Paper 11 at 16 (citing, *inter alia*, *Gen. Plastic*, Paper 19). The *General Plastic* factors, for example, figured heavily into the *Snap* decision's reasoning. *See Snap*, Paper 8 at 12–16. Patent Owner acknowledges this, but concedes that the *Snap* decision's "analysis of the *General Plastic* factors are not relevant to this IPR as those primarily apply to discretionary denial of IPR petitions where the petition in question was not the first petition filed on that patent by the petitioner." Prelim. Resp. 6 n.3. Nevertheless, Patent Owner raises arguments that could implicate *General Plastic* factors such as "the finite resources of the Board." *Gen. Plastic*, Paper 19 at 9.

Specifically, Patent Owner argues that instituting a trial "would defeat the IPR's purpose of being 'a timely, cost-effective alternative to litigation.'" Prelim. Resp. 8 (citing 77 Fed. Reg. 48680-01). Patent Owner contends that "[t]he parallel district court litigation has advanced far beyond the stage at which institution could possibly conserve resources; indeed, it has already concluded." Sur-Reply 4. Thus, according to Patent Owner, "[t]here are no cost savings to be had by proceeding with §§ 102/103 invalidity challenges that are now moot in view of the terminated district court litigation," and that "such an investment and expenditure of substantial resources – across five challenged patents from the same district court litigation – in the form of IPRs could ultimately be for naught as the Board's final written decision would have ***no*** effect unless the Federal Circuit overturns the district court decision." Prelim Resp. 8–9. Patent Owner argues that "Petitioner is asking the Board to issue a final written decision that is entirely advisory in nature" and that "will have no effect unless the Federal Circuit reverses the district court's § 101 decision." Sur-Reply 4. Nevertheless, Patent Owner contends that it will prevail in its appeal to the Federal Circuit.[9] Prelim. Resp. 9 n.4.

Petitioner responds that denial of institution "would forever bar Petitioner from seeking IPR on the challenged claims, even if one or more are revived by the Federal Circuit." Reply 4. Petitioner further argues that, if the Federal Circuit reverses or remands the case back to the Delaware

[9] For its part, Petitioner argues that "neither party can guarantee how the Federal Circuit will rule on Patent Owner's appeal," and that "[t]his uncertainty is underscored by the shifting nature of the law on patent eligibility under § 101." Reply 4. We express no opinion on the likely outcome of the appeal or the timing of the appeal decision.

court, an earlier final written decision in this proceeding could moot further proceedings in the Delaware court, thus, conserving resources. *Id.* at 5.

We are not persuaded that a trial would be an inefficient use of Board resources. Although the Delaware court has ruled that the challenged claims are ineligible under § 101, that decision is on appeal, and both parties acknowledge uncertainty as to how the Federal Circuit will rule. Thus, we do not agree with Patent Owner that a trial in this proceeding would be aimed at a moot or advisory ruling. If we exercise our discretion to deny institution with the expectation that the challenged claims will finally be determined to be invalid by the Federal Circuit, and the Federal Circuit disagrees with the Delaware court, Petitioner will be time-barred from seeking *inter partes* review of those claims. On the other hand, if we proceed with a trial, and the Federal Circuit disagrees with the Delaware court, we might resolve the parties' dispute and obviate the need for the Delaware court to do so. Thus, these additional considerations do not weigh in favor of exercising our discretion to deny institution.

The parties should keep the Board apprised of the status of the appellate review. Depending on the circumstances, if the judgment of the district court is affirmed in a final, non-appealable judgment, this proceeding may be terminated. *See Chegg, Inc. v. NetSoc, LLC*, IPR2019-01165, Paper 14 at 12 (PTAB Dec. 5, 2019).

8. Holistic Assessment of Factors

We consider the above factors and take "a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review." *Fintiv*, Paper 11 at 6. The Delaware case is on appeal and there is no trial scheduled in a parallel litigation that is likely to address

duplicative issues before our final written decision will be due. Similar to *Stripe*, the Delaware case terminated at an early stage, with little investment toward issues that we are being asked to resolve. The Delaware court based its ruling on § 101, an issue that we do not consider in an *inter partes* review, thus the overlap between this proceeding and the Delaware case will be minimal. Patent Owner's reliance on the *Snap* case is misplaced, because the Board's decision in *Snap* relied heavily on the *General Plastic* factors, which Patent Owner admits are not relevant to this proceeding. And we are not persuaded by Patent Owner's arguments that a trial will address issues that are moot or advisory. After considering the factors outlined in the precedential order in *Fintiv*, we decline to deny institution under § 314(a).

B. Claim Construction

We construe a claim

> using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. 282(b), including construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent.

37 C.F.R. § 42.100(b) (2019); *see also Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc).

Petitioner (Pet. 11–12) contends that the parties provided competing claim construction proposals in the Delaware case, as summarized by the following chart:

Claim Term	Patent Owner Proposed Construction in Delaware Case	Petitioner Proposed Construction in Delaware Case
"input capture device (ICD)" (claims 2, 7)	"*No construction required.* *If construed:* device that captures input" (Ex. 1015, 5–6)	"device, separate from a DIR, for sensing, capturing and transmitting surveillance inputs from a predetermined input capture location" (Ex. 1015, 5–6)
"digital input recorder (DIR)" (claims 2, 7)	"*No construction required*. *If construed:* device that records digital input" (Ex. 1015, 18)	"device, separate from an ICD, for receiving, storing, editing, and/or retrieving stored input from the ICD and controlling the ICD via wireless, remote communication with the ICD" (Ex. 1015, 18)
"external removable (data) storage device" (claims 2, 3, 7, 8)	"*No construction required*. *If construed:* external (data) storage device that is removable" (Ex. 1015, 40)	"data storage device that is outside of the ICD and DIR and that can be connected and removed from the ICD or DIR" (Ex. 1015, 40)

Claim Term	Patent Owner Proposed Construction in Delaware Case	Petitioner Proposed Construction in Delaware Case
"direct cross-communication" (claim 2)	"*No construction required.* *If construed:* communication between client devices that does not require a server device" (Ex. 1015, 70–71)	"two-way communication without going through any other device (e.g., a server)" (Ex. 1015, 70)
"cross-communication" (claims 2, 7)	"*No construction required*. *If construed:* communication between client devices in a system" (Ex. 1015, 73)	"two-way communication without going through any other device (e.g., a server)" (Ex. 1015, 73)
"direct exchange" (claims 2, 7)	"*No construction required.* *If construed:* exchange of data between one device and another (e.g., client-client, client-server, server-server" (Ex. 1015, 78–79)	"two-way transfer of data without going through any other device (e.g., a server)" (Ex. 1015, 78)

Claim Term	Patent Owner Proposed Construction in Delaware Case	Petitioner Proposed Construction in Delaware Case
"wherein the direct cross-control includes the direct exchange of set triggers and trigger events, settings, inputs, and combinations thereof" (claims 2, 7)	"*No construction required.* *If construed:* wherein the direct cross-control includes any of: the direct exchange of set triggers and trigger events, settings, inputs and combinations thereof" (Ex. 1015, 97)	"wherein the direct cross-control is capable of including the direct exchange of each of the following and combinations thereof: set triggers and trigger events, and inputs" (Ex. 1015, 97)
"data exchange" (claims 2, 7)	"*No construction required.* *If construed:* exchange of data" (Ex. 1015, 102)	"two-way transfer of data" (Ex. 1015, 102)

Petitioner does not advocate for particular constructions here, but instead contends that the challenged claims would have been obvious under either party's proposed constructions. Pet. 11. For purposes of this Decision, unless otherwise noted, we apply the prior art under Patent Owner's proposed constructions.

Based on the record before us, we do not find it necessary to provide express claim constructions for any other terms. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (noting that "we need only construe terms 'that are in controversy, and only

to the extent necessary to resolve the controversy'") (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

C. Legal Standards

A patent claim is unpatentable as obvious if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of ordinary skill in the art; and (4) objective evidence of non-obviousness.[10] *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

"In an [*inter partes* review], the petitioner has the burden from the onset to show with particularity why the patent it challenges is unpatentable." *Harmonic*, 815 F.3d at 1363 (citing 35 U.S.C. § 312(a)(3) (requiring *inter partes* review petitions to identify "with particularity . . . the evidence that supports the grounds for the challenge to each claim")). Petitioners cannot satisfy their burden of proving obviousness by employing "mere conclusory statements." *In re Magnum Oil Tools Int'l, Ltd.*, 829 F.3d 1364, 1380 (Fed. Cir. 2016).

D. Level of Ordinary Skill in the Art

With regard to the level of ordinary skill in the art, Petitioner contends a person having ordinary skill in the art would have possessed a Bachelors in

[10] In its Preliminary Response, Patent Owner does not present arguments or objective evidence of non-obviousness. *See generally* Prelim. Resp.

Computer Science, Electrical Engineering, or the equivalent plus either a Masters in the same or a similar field or two years of practical experience in one or more of the following sub-areas: video surveillance, distributed networking, wireless sensors, or the equivalent. Pet. 6–7 (citing Ex. 1002 (Polish Decl.) ¶¶ 9–12). Patent Owner does not address the level of ordinary skill in the art. *See generally* Prelim. Resp. Petitioner's proposal is consistent with the technology described in the Specification and the cited prior art. In order to determine whether Petitioner has demonstrated a reasonable likelihood of showing the unpatentability of at least one of the challenged claims, we adopt Petitioner's proposed level of skill in the art.

E. Cited References

1. Monroe '183 (Ex. 1003)

Monroe '183 is titled "Multimedia Surveillance and Monitoring System Including Network Configuration." Ex. 1003, code (54). The system is:

> a comprehensive, hybrid 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 including both wired and wireless Local Area Network (LAN) and Wide Area Network (WAN) communications and network communication techniques and methods with IP compatibility for communication over the Internet.

Id. at 1:8–18. Monroe '183 states that "it is desirable to monitor an area or a situation with high resolution from a monitor located many miles from the area to be surveyed," but that "none of the prior art systems readily available accommodates this." *Id.* at 3:29–33.

Figure 3, reproduced below, shows a diagram of a system configuration.

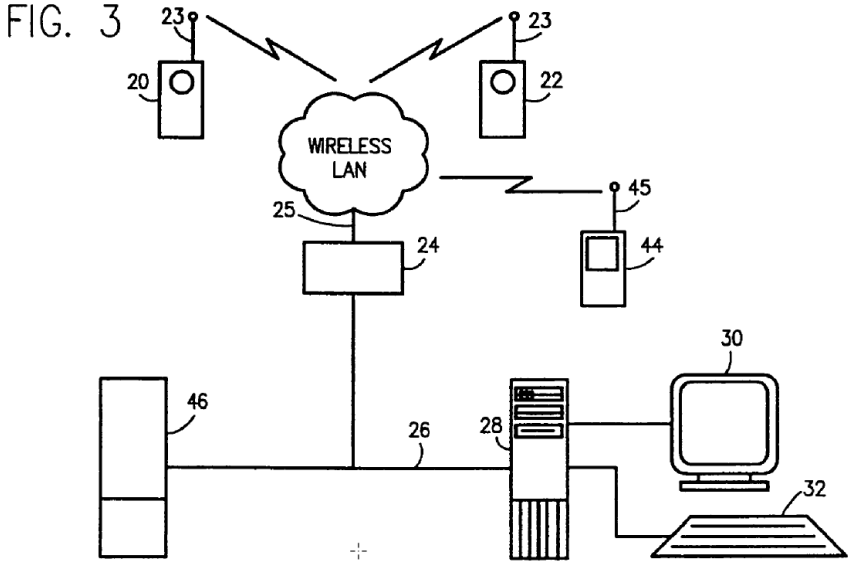


Figure 3 depicts, "a wireless configuration and includes a system server and a wireless monitor terminal." *Id.* at 12:5–6. Figure 3 shows portable, roving wireless monitor 44, security server 46, camera network appliances 20 and 22, receiver 24, and monitor system 28. *Id.* at 16:58–17:57.

2. Monroe '344 (Ex. 1013)

Monroe '344, titled "Multimedia Network Appliances for Security and Surveillance Applications," has the same named inventor as Monroe '183, and incorporates by reference Monroe '183. Ex. 1013, code (54), ¶ 9. The disclosure "is generally related to sensor, monitor and control appliance devices generally utilized in monitoring and surveillance systems and is specifically directed to a network adaptation of such appliances." *Id.* ¶ 2.

Monroe '344 teaches "all sensors or appliances are intelligent due to the presence of the preprogrammed IP controller. This allows a centralized system monitoring station to automatically detect and configure the individual sensors or appliances." *Id.* ¶ 243.

3. Primm (Ex. 1006)

Primm is titled "Method and System for a Set of Network Appliances which can be Connected to Provide Enhanced Collaboration, Scalability, and Reliability." Ex. 1006, code (54). Primm "relates to a method and apparatus for communication between a cluster of network enabled devices and a remote monitoring facility." *Id.* at 1:20–23. Primm's system "may be connected to the remote monitoring system through various means. The network appliances may communicate with peer network appliances through the interconnected network 32. Further, one or more of the network appliances may be in communication with the remote monitoring system 44." *Id.* at 6:24–29.

The monitoring system may employ microphones, cameras, video cameras, and motion detectors. *Id.* at 5:60–6:3. Each network appliance may have local data storage, which "may take various forms. These may include RAM, ROM, Flash memory, hard drives, floppy drives, removable drives, DVD, CD, and memory sticks, among others." *Id.* at 13:48–51.

F. Obviousness Analysis

We determine that Petitioner has shown a reasonable likelihood of establishing the obviousness of claim 2[11] and, on that basis, institute *inter partes* review of all the challenged claims. *See* 37 C.F.R. § 42.108(a) ("When instituting *inter partes* review, the Board will authorize the review to proceed on all the challenged claims.").

[11] The Patent Owner's Preliminary Response and Sur-reply are limited to arguing that institution should be denied under 35 U.S.C. § 314(a). As such, at this stage, we do not have any arguments or evidence submitted by the Patent Owner to consider as to the obviousness of claim 2.

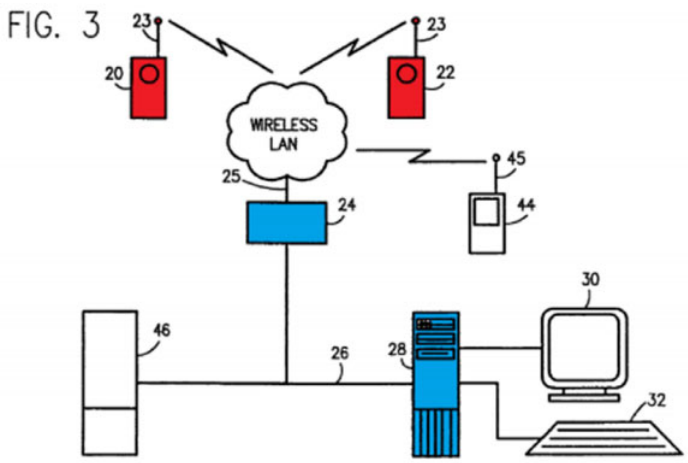
1. Claim 2

Petitioner presents a detailed analysis of the obviousness of claim 2 supported by citations to the asserted art, the Declaration of Nathaniel Polish, Ph.D. (Ex. 1002 ("Polish Decl.")), and other evidence. *See* Pet. 16–45. Our element-by-element consideration of whether Petitioner has shown a reasonable likelihood of establishing the obviousness of claim 2 is provided below.[12]

> *A method for activating communication between at least one wireless digital input capture device (ICD(s)) and a corresponding wireless digital input recorder (DIR) forming a wireless surveillance system comprising the steps of:*

Petitioner does not take a position as to whether the preamble of claim 2 is limiting and relies on Monroe '183 to show that the preamble is taught or suggested by the cited art. Pet. 16 ("To the extent the preamble of claim 2 is limiting, it is fully disclosed and rendered obvious by Monroe '183."). With regard to teaching a "wireless surveillance system," Petitioner cites the Abstract of Monroe '183 which discloses, "[a] comprehensive, wireless multimedia surveillance and monitoring system" and "a WAN (wide area network) or the Internet for providing a worldwide, low cost surveillance system with virtually unlimited geographic application." *Id.* (quoting Ex. 1003, code (57) (Abstract)). With regard to disclosing communication between a "wireless digital input capture device" ("ICD") and a "wireless digital input recorder" ("DIR"), Petitioner relies on Figure 3 of Monroe '183 and its description. *Id.* at 16–17. Petitioner provides an annotated version of Figure 3, reproduced below.

[12] We adopt the Petitioner's parsing of claim 2 in order to follow the presentation in the Petition.



Id. at 17. Annotated Figure 3 depicts, "at least one wireless digital input capture device (ICD), **the camera network appliances 20 and 22**, and a corresponding wireless digital input recorder (DIR), the **monitor station 28 with receiver 24**." *Id.* at 16. With regard to disclosing wireless communication, Petitioner quotes the following passages in Monroe '183: "a suitable wireless LAN [local area network] is the Proxim 'Range LAN2' system, Aeronet 4800 series, or products based on the Intersil Prism chip sets, such as PCMCIA cards of small portable devices and a base station 'access point' that provides an Ethernet connection to the network" and "CDPD data service, CDMA data service, network connected two-way pager service, digital cellular phones, or an Internet connected satellite service such as Iridium can also be used." *Id.* at 17–18 (quoting Ex. 1003, 17:7–12, 18:40–43).

At least at this stage of this proceeding, we need not determine whether the preamble is limiting,[13] because, regardless of whether the preamble is limiting, Petitioner's showing that all the elements of the

[13] *See Allen Eng'g Corp. v. Bartell Indus., Inc.*, 299 F.3d 1336, 1346 (Fed. Cir. 2002) ("Generally, the preamble does not limit the claims.").

preamble are disclosed by Monroe '183 is sufficient to support institution of *inter partes* review.

> *a) providing the wireless surveillance system having at least one ICD constructed and configured for wireless digital communication with a corresponding wireless DIR,*

Petitioner relies on Monroe '183 as disclosing all the elements of this limitation. *See* Pet. 18–21. With regard to teaching an ICD, Petitioner relies on "camera network appliances 20 and 22" depicted in Figures 3 and 5 of Monroe '183 and the statement that "[t]he video and/or image signals captured and/or transmitted by the cameras to the receiver are then transmitted to a monitor station 28." *See id.* at 19 (quoting Ex. 1003, 16:64–66). Petitioner also shows that Monroe '183 discloses other sensors ("door contacts, motion sensors, switch contacts, alarm contacts, environmental sensors") configured to communicate wirelessly. *See id.* at 19 (citing Ex. 1003, 24:35–57, Fig. 29).

With regard to teaching a DIR, the Petition states, "Monroe '183 describes a **monitor station 28** that is 'generally a CPU such as, by way of example, a Pentium class PC, wherein the raw data signals generated by the cameras and/or transmitted by the receiver are processed for display at a central monitor 28, a laptop, other work station or a PDA or the like.'" *Id.* at 20 (quoting Ex. 1003, 17:1–5). And, the Petition states, "Monroe '183 further explains that the monitor station can be adapted to have storing and retrieval functionality." *Id.* (citing Ex. 1003, 6:36–47).

With regard to "wireless digital communication" between an ICD and the DIR, the Petitioner quotes this sentence from Monroe '183:

> In accordance with the teachings of the subject invention, the comprehensive, wireless multimedia surveillance and monitoring system is adapted for transmitting event data, video

> and/or image monitoring information, audio signals and other Network appliance and detector data over significant distances using ***digital data transmission*** over networks such as a local area network (LAN), a wireless LAN (WLAN), a wide area network such as the Internet for other network automatic assessment and response including dispatch of response personnel.

Id. at 21 (quoting Ex. 1003, 4:43–52).

Petitioner's showing as to this limitation is supported and reasonable.

wherein the DIR has a memory and a data processor for running software is operable for transmitting instructions to and receiving and recording data inputs from the ICD(s);

Petitioner relies on Monroe '183 as disclosing all the elements of this limitation. *See* Pet. 21–23. Petitioner relies on Monroe '183's disclosure that monitor station 28 can be a Pentium class PC. *Id.* at 21 (citing Ex. 1003, 17:1–2). Petitioner contends that, "[t]hese processors were ubiquitous around the priority date of Monroe '183 and through the priority date of the '129 patent" and "[a] POSA would have known that such a PC would necessarily have to have software on it to perform the tasks disclosed in Monroe '183." *Id.* at 21–22 (citing Ex. 1002 (Polish Decl.) ¶ 72). We agree with Petitioner and its declarant that a skilled artisan would have known that a Pentium PC would have a data processor for running software.

With regard to disclosing receiving and recording inputs and including memory, the Petition states Monroe '183 teaches that the base station "is adapted to record and make an historic record of the images for archive purposes" and includes "digital random access memory storage devices." *Id.* at 22 (citing Ex. 1003, 6:36–47).

With regard to the DIR being operable for transmitting instructions to the ICDs, the Petitioner refers to these sentences in Monroe '183: "Each

appliance and sensor may be activated for testing on either a programmed or manually triggered basis from a monitoring station" and "The system can be reconfigured from a remote location eliminating the need to physically attend to each appliance and/or sensor to either re-aim it or re-program it." *Id.* at 22 (quoting Ex. 1003, 35:52–54, 35:58–61).

Petitioner's showing as to this limitation is supported and reasonable.

and an external removable data storage device connected to the DIR or ICD(s);

Petitioner relies on Monroe '183 in view of Primm for this limitation. *See* Pet. 23–28. Petitioner contends that "Monroe '183 discloses that both the DIR and ICDs may have storage." *Id.* at 23. This limitation recites "DIR ***or*** ICD(s)" so that Petitioner showing "an external removable data storage device connected to" one of either a DIR or ICD(s), or to both, would satisfy this limitation.

Petitioner relies on its showing with regard to the previous limitation that "Monroe '183 discloses that the DIR is able to record input data from the ICDs to storage." *Id.* Petitioner also relies on Monroe '183 to show a data storage device connected to an ICD. *Id.* at 23–24. Specifically, Petitioner relies on Figure 14 and its detailed description. *Id.* Figure 14 of Monroe '183 is reproduced below.

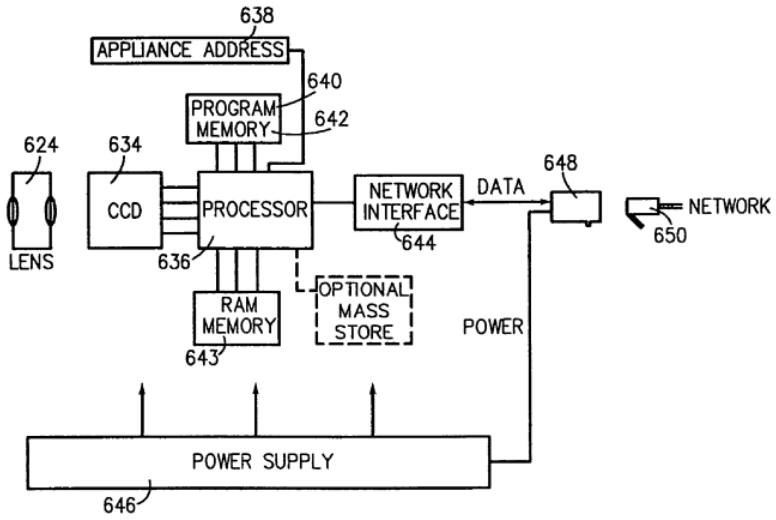


FIG. 14

Figure 14 depicts, "a block circuit diagram for the video camera network appliance . . . with optional mass storage shown in phantom." Ex. 1003, 12:40–42. The detailed description of Figure 14 states, "[a]s shown in phantom in FIG. 14, a mass storage device, such as a flash RAM or hard drive, is added for local storage of motion video, step video, and/or images." *Id.* at 21:48–50. Although not relying on Monroe '183 to show a data storage device that is external or removable, Petitioner contends, based on Dr. Polish's testimony, that, "[a] POSA [person of skill in the art] would be aware at the priority date of the '019 patent that both internal and external removable storage options were available." Pet. 24 (citing Ex. 1002 (Polish Decl.) ¶ 75).

Petitioner further relies on Primm as teaching this limitation. *Id.* at 24–26. Primm is "directed to a network-enabled appliance [that] . . . may aid the remote monitoring of various measured data." Ex. 1006, code (57) (Abstract). Petitioner relies on Figure 8 of Primm to show a "network-enabled appliance" with "storage 120 for storing data among other things." Pet. 25. Figure 8 of Primm is reproduced below.

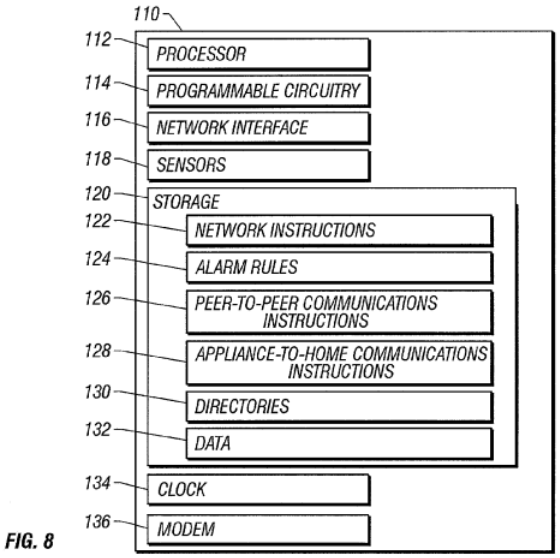


FIG. 8

Figure 8 depicts, "a block diagram of an exemplary embodiment of the network appliance for use in the system." Ex. 1006, 5:11–12. As quoted in the Petition, the detailed description of Figure 8 states, "[t]he storage medium 120 may take various forms. These may include RAM, ROM, Flash memory, hard drives, floppy drives, ***removable drives***, DVD, CD, and ***memory sticks***, among others." Pet. 25 (quoting Ex. 1006, 13:48–51). Based on the testimony of Dr. Polish, Petitioner contends that:

> A POSA would have understood the reference to removable drives to include removable drives that are both internal and external to the network-enabled devices as Primm does not specifically say it is one or the other. (Polish [Ex. 1002], ¶75). Further, a POSA would have recognized that memory sticks would be a type of storage that is external to a device and removable. (*Id.*)

Id. We find the testimony of Dr. Polish on this point to be credible.

With regard to combing these teachings of Monroe '183 and Primm, the Petition states:

> A POSA would have been motivated to combine Primm's teachings as far as additional types of storage devices because Primm discloses storage devices, e.g., a memory stick, that a

> POSA would have understood to be more convenient to use than the "flash RAM or a hard drive" disclosed in Monroe '183. (Monroe '183, 21:48–49; Polish, ¶79.) The ease of use of Primm's storage devices as compared to the ones disclosed by Monroe '183 would have provided sufficient motivation for a POSA to combine Primm's teachings to accomplish one of the purposes of the storage devices in Monroe '183, namely the ability for the mass storage device to be physically removed. (Monroe '183, 21:52–53; Polish, ¶79.)
>
> A POSA would have had a reasonable expectation that the combination would have been successful. The combination would have only entailed the routine application of alternate mass storage medium to improve the existing functionality of local storage at the camera appliance or sensor.

Id. at 27. At least at this stage, we accept that a skilled artisan would have been motivated to combine the relevant teachings of Monroe '183 and Primm because the use of "an external removable data storage device connected to the DIR or ICD(s)" would improve and expand the functionality of the system.

Petitioner's showing as to this limitation is supported and reasonable.

> *wherein the ICDs are operable for direct cross-control of surveillance area settings and cross-communication with each other,*

Petitioner relies on Monroe '183 as disclosing all the elements of this limitation. Pet. 28 ("Monroe '183 discloses and renders obvious this limitation.").[14] Petitioner contends that "Monroe '183 discloses that two

[14] The Petition states, "[s]hould the Board deem that Monroe '183 fails to disclose with particularity the '**direct cross-control . . . and cross-communication**' limitation, a POSA would have found it obvious to incorporate into Monroe '183's camera network appliances the peer-to-peer control and communication teachings of **Primm**. (Polish, ¶86)." Pet. 30. As we deem that Monroe '183 alone sufficiently teaches this limitation for

ICDs, a proximity sensor and a camera, can communicate with one another and control each other." *Id.* at 29. In support of this contention, Petitioner cites Figure 36 and its detailed description. *Id.* at 29–30. Figure 36 of Monroe '183 is reproduced below.

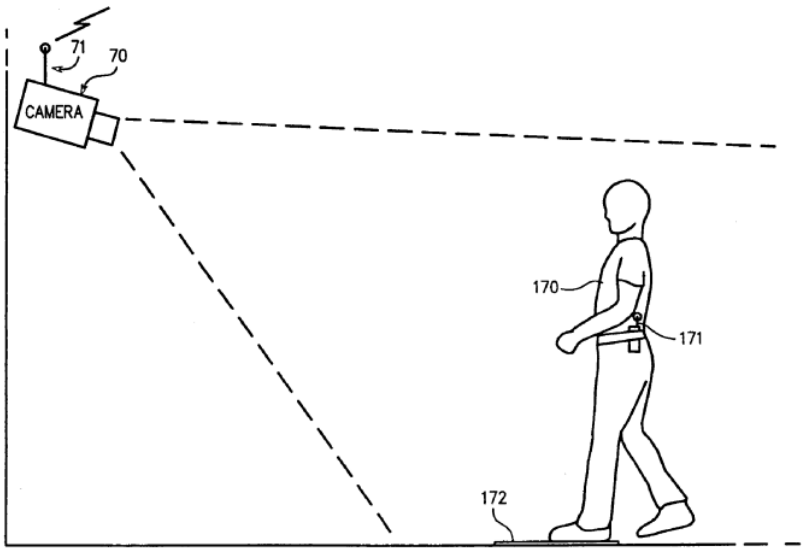


FIG. 36

Figure 36 depicts, "a diagrammatic illustration of a collateral-triggering device for use in connection with the multimedia surveillance system." *Id.* at 13:28–30. The detailed description of Figure 36 states:

> An auxiliary triggering configuration is shown in FIG. 36. For example, a moving unit such as a roving personnel, a vehicle or other device 170 may be outfitted with a geolocation system as indicated by the sensor 171. For example, roving personnel may be outfitted with a PDA unit. When detected by the geographic locator to be in the field of view of the camera 70, the server will send a signal to the camera/sensor 70 via antenna 71 to activate the camera/sensor and collect data for transmission to the system. Other activation sensors can be used as well. For example, the proximity sensor 172 may activate the camera/sensor 70 whenever anything is within the range of the

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purposes of institution, we do not reach Petitioner's alternative contentions based on a combination of the teachings of Monroe '183 and Primm.

> proximity sensor. The proximity sensor signal can directly trigger the camera.

Id. at 26:21–34. Based on the testimony of Dr. Polish, Petitioner contends that:

> A POSA would have understood that the ability to trigger the camera is control of its settings as it would require providing information on what the camera needed to do based on the trigger—*i.e.*, what settings to use when triggered. (Polish, ¶85.) A POSA would have further understood that Monroe '183's treatment of various sensors as interchangeable means that the direct cross-control and cross-communication features of the proximity and camera sensors would generally apply to all of the disclosed sensors or appliance devices that are the claimed ICDs. (Polish, ¶85.)

Pet. 30.

Petitioner's showing as to this limitation is supported and reasonable.

wherein the direct cross-communication of ICDs includes data exchange, and wherein the data exchange includes information about the surveillance environment, and

Petitioner relies on Monroe '183 as disclosing all the elements of this limitation. *See* Pet. 38–39. As discussed with the previous limitation, "Monroe '183 discloses that at least a proximity sensor and a camera are in direct cross-communication where the proximity sensor sends information about the surveillance environment to the camera" and "Monroe '183's various teachings about the interchangeability of sensors and integration of multiple sensors discloses that the ICDs can communicate data with each other." *Id.*

Petitioner's showing as to this limitation is supported and reasonable.

wherein the direct cross-control includes the direct exchange of set triggers and trigger events, settings, inputs and combinations thereof;

Petitioner relies on Monroe '183 as disclosing all the elements of this limitation. *See* Pet. 39–40. Petitioner contends that, as discussed above, "Monroe '183 discloses that the ICDs can transmit input data and information about the surveillance environment including at least video and still images." *Id.* at 39. Petitioner further relies on Monroe '183's disclosure, "in addition to the collection of video and audio data discussed above, that its sensors can collect temperature and humidity data." *Id.* In this regard, Monroe '183 states, "the access control appliance can include other sensors and monitors as well, such as, by way of example, motion sensors and temperature and humidity sensors, thereby providing a comprehensive monitoring device and capability wherever an access control device is installed." Ex. 1003, 40:65–41:3.

And, as discussed above with regard to the use of a proximity sensor together with a camera, Petitioner contends, "Monroe '183 expressly discloses that ICDs can transmit input data and information about the surveillance environment to each other." Pet. 39. Based on the testimony of Dr. Polish, Petitioner contends that, "[a] POSA would have understood the proximity sensor's transmission to encompass inputs, which is the person entering the area, as well as settings information, which is the instruction to the camera to start recording." *Id.* at 40 (citing Ex. 1002 (Polish Decl.) ¶ 103). We find the testimony of Dr. Polish on this point to be credible.

Petitioner's showing as to this limitation is supported and reasonable.

b) providing a user interface for the DIR operable for establishing or adjusting settings;

Petitioner relies on Monroe '183 as disclosing all the elements of this limitation. *See* Pet. 40. Monroe '183 states:

> The monitor station 28 is generally a CPU such as, by way of example, a Pentium class PC, wherein the raw data signals generated by the cameras and/or transmitted by the receiver are processed for display at a central monitor 28, a lap top, other work station, or a PDA or the like. The monitor station 28 may also include an input device such as, by way of example, the keyboard 32.

Ex. 1003, 16:67–17:7. Based on this passage, Petitioner contends, "[t]hus, Monroe '183 discloses a DIR with a user interface." Pet. 40.

In further regard to this limitation and as discussed above, the Petition states, "Monroe '183 further discloses that the DIR is operable for establishing or adjusting settings. Monroe '183 discloses that the DIR is capable of 'reconfiguring' the ICDs, which a POSA would have understood is the ability to adjust the settings." *Id.*

Petitioner's showing as to this limitation is supported and reasonable.

c) the DIR searching for a signal from at least one selected ICD;

Petitioner relies on a combination of Monroe '183 and Monroe '344 as teaching or suggesting this limitation. *See* Pet. 41 ("Monroe '183 discloses and renders obvious this limitation in view of Monroe '344."). Specifically, Petitioner relies on this passage in Monroe '344:

> An additional benefit of the described configuration is that all sensors or appliances are intelligent due to the presence of the preprogrammed IP controller. This allows a centralized system monitoring station to automatically detect and configure the individual sensors or appliances. For example, a device may 'announce' itself immediately upon installation, thus becoming

> automatically recognized and monitored by the centralized monitoring station.

Id. (citing Ex. 1013, ¶ 243). Based on the testimony of Dr. Polish, Petitioner contends, "[a] POSA would have understood that the announcement by the sensor or appliance is the signal that the DIR or monitoring station would be searching for as it is performing the step of 'automatically recognizing' the sensor or appliance." *Id.* (citing Ex. 1002 (Polish Decl.) ¶ 106). At this stage, we find the undisputed testimony of Dr. Polish to be credible and this contention reasonable.

With regard to combining the teachings of Monroe '183 and Monroe '344, the Petition states, "[b]ecause Monroe '344 has the same inventor and incorporates by reference the application that eventually issued as Monroe '183, it discloses a system that is very similar to that of Monroe '183 but focuses on disclosures related to the network appliances or ICDs and their interaction with the other components of the system in Monroe '183." *Id.* We determine it would be reasonable for a skilled artisan to combine the relevant teachings of Monroe '183 and Monroe '344 to arrive at this limitation.

Petitioner's showing as to this limitation is supported and reasonable.

> *d) the DIR establishing communication with the selected ICD(s);*

Petitioner relies on a combination of Monroe '183 and Monroe '344 as teaching or suggesting this limitation. *See* Pet. 41–43. With regard to this limitation, the Petition states:

> As explained above . . . , the combination of Monroe '183 and Monroe '344 discloses this limitation because once the sensor or appliance (ICD) has announced itself and the monitoring station has "automatically recognized" it, Monroe '344 discloses that the

> monitoring station then configures and monitors the sensor or appliance. A POSA would have understood that in order to do the disclosed configuring and monitoring, communication between the DIR and ICD must have been established following the automatic recognition.

Id. at 42. With regard to combining the relevant teachings of Monroe '183 and Monroe '344, the Petition states:

> A POSA would have been highly motivated to combine the disclosures of Monroe '183 and Monroe '344 because they are directed toward essentially the same system. (Polish, ¶108.) They both share the same inventor. Whereas Monroe '183 is directed toward all aspects of a comprehensive surveillance system, Monroe '344 focuses on the network appliances or sensors (ICDs) and how they interact specifically with other aspects of the system—most relevant here, the monitoring station or DIR. Further Monroe '344 expressly states that its disclosures are "particularly well adapted for use in connection with my co-pending patent applications, entitled: Multimedia Surveillance and Monitoring System Including Network Configuration, Ser. No. 09/594,041, filed on Jun. 14, 2000." (Monroe '344, [0009].) Application Serial No. 09/594,041 issued as Monroe '183. Thus, a POSA would have looked to the express teaching of Monroe '344 as being well adapted to work with the system of Monroe '183 and would have every expectation of success in combining the disclosures. (Polish, ¶108.)

Id. at 42–43. We determine that a skilled artisan would reasonably have been motivated to combine the teachings of Monroe '183 and Monroe '344 to arrive at this limitation.

Petitioner's showing as to this limitation is supported and reasonable.

e) the ICD(s) capturing inputs associated with a target environment, wherein the inputs include captured inputs by the

ICD(s) and data associated with image tagging or flagging based upon the occurrence of a trigger event;

Petitioner relies on Monroe '183 as disclosing all the elements of this limitation. *See* Pet. 43–44. As discussed above, "the ICDs in Monroe '183 are capable of capturing inputs associated with a target environment." *Id.* at 43. And, Petitioner argues:

> Monroe '183 further discloses that when an ICD captures an input, there can be data associated with data tagging or flagging based upon the occurrence of a trigger event. For example, Monroe '183 discusses a situation where someone tries to defeat video surveillance by obscuring the camera lens with gum—Monroe'183 calls this video squelching.

Id. Monroe '183 states:

> The detection of video squelching will cause the pull station appliance to generate an alarm, which is sent to the server for processing, and dispatch. Other detection devices for activating the system may also be utilized, such as an acoustic sensor or other sensor which, when activated by an event, would notify the server to take a responsive action, such as to begin recording, to turn on local lighting, to send an alarm or a response signal generator or the like. As described here, the pre-event, event and post-event data would then be tagged, for replay and reconstruction.

Ex. 1003, 35:27–36. Based on the testimony of Dr. Polish, Petitioner contends, "[a] POSA would have understood this passage to disclose the ability of the system in Monroe '183 to tag images coming from the camera with data that would allow for the replay and reconstruction of the image." Pet. 44 (citing Ex. 1002 (Polish Decl.) ¶ 110).

Petitioner's showing as to this limitation is supported and reasonable.

f) the system automatically detecting a trigger event at any of the ICD(S) and responding to occurrence of the trigger event

wherein the trigger event includes a predefined input captured by at least one of the ICDs;

Petitioner relies on Monroe '183 as disclosing all the elements of this limitation. *See* Pet. 44. In reliance upon previously discussed teachings, the Petition states, "the ICDs in Monroe '183 are capable of triggering other ICDs to perform the tasks based on predefined inputs. For example, Monroe '183 discloses a proximity sensor triggering recording by a camera as explained above." *Id.*

Petitioner's showing as to this limitation is supported and reasonable.

g) transferring of copying data associated with the capture inputs to the external removable data storage device; thereby providing a method for secure communication in the surveillance system between at least one ICD and corresponding DIR.

Petitioner relies on previously discussed teachings from the combination of Monroe '183 and Primm for this limitation. *See* Pet. 45. The Petition states:

> As discussed above, Monroe '183 discloses that the ICDs have optional mass storage for storing data associated with the capture inputs. As modified in view of Primm, this optional mass storage is the external removable data storage device as explained above . . . . A skilled artisan would have understood that as the inputs come in from the sensors, a camera in the case of Figure 14 of Monroe '183, the data is transferred and copied to the mass storage device as modified in view of Primm thereby meeting the limitations of this claim for providing a method for secure communication in the surveillance system.

Id. Based on the consideration of the arguments and evidence discussed above, at this stage, we accept the contentions in this paragraph.

Petitioner's showing as to this limitation is supported and reasonable.

Summary as to Claim 2

Petitioner has shown a reasonable likelihood of showing that claim 2 of the '019 patent would have been obvious in view of the cited references.

2. Claims 3, 4, 7, 8, and 10

Petitioner also provides a detailed showing that claims 3, 4, 7, 8, and 10 would have been obvious in view of a combination of the asserted references. *See* Pet. 45–53. As noted previously, Patent Owner does not address the merits of any portion of the Petitioner's obviousness showing. *See generally* Prelim. Resp. Thus, at this stage, Petitioner's obviousness showing as to claims 3, 4, 7, 8, and 10 is undisputed.

We have determined that there is a reasonable likelihood that the Petitioner will prevail with respect to at least one of the claims challenged in the Petition pursuant to 35 U.S.C. § 314 and that *inter partes* review should be instituted. Accordingly, we institute as to all the challenged claims and all the challenges raised in the Petition. *USPTO Guidance on the Impact of SAS on AIA Trial Proceedings* (April 26, 2018) ("[T]he PTAB will institute as to all claims or none . . . if the PTAB institutes a trial, the PTAB will institute on all challenges raised in the petition.").

G. Conclusion

We determine that Petitioner has demonstrated a reasonable likelihood of showing at least one of the claims challenged in the Petition would have been obvious.

III. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of the '019 patent is instituted with respect to the challenged claims and the ground set forth in the Petition; and

FURTHER ORDERED pursuant to 35 U.S.C. § 314(a) and 37 C.F.R. § 42.4(b), *inter partes* review of the '019 patent shall commence on the entry date of this Order, and notice is hereby given of the institution of a trial.

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