Trials@uspto.gov
571-272-7822

Paper 16
Entered: August 4, 2014

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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IRON DOME LLC
Petitioner

v.

E-WATCH, INC.
Patent Owner

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Case IPR2014-00439
Patent 7,365,871

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Before JAMESON LEE, GREGG I. ANDERSON, and MATTHEW R. CLEMENTS, *Administrative Patent Judges*.

CLEMENTS, *Administrative Patent Judge*.

# DECISION
Institution of *Inter Partes* Review
*37 C.F.R. § 42.108*

# I. INTRODUCTION

Iron Dome LLC ("Petitioner") filed a Petition requesting *inter partes* review of claims 1-15 ("the challenged claims") of U.S. Patent No. 7,365,871 (Ex. 1001, "the '871 patent"). Paper 1 ("Pet."). e-Watch, Inc. ("Patent Owner") filed a Preliminary Response. Paper 9 ("Prelim. Resp."). We have jurisdiction under 35 U.S.C. § 314, which provides that an *inter partes* review may only be authorized if "the information presented in the petition . . . and any [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).Upon consideration of the Petition and Preliminary Response, we determine that the information presented by Petitioner establishes that there is a reasonable likelihood that Petitioner would prevail in showing the unpatentability of only claims 1 and 3 of the '871 patent. Accordingly, pursuant to 35 U.S.C. § 314, we institute an *inter partes* review of claims 1 and 3 of the '871 patent.

## *A. Related Proceedings*

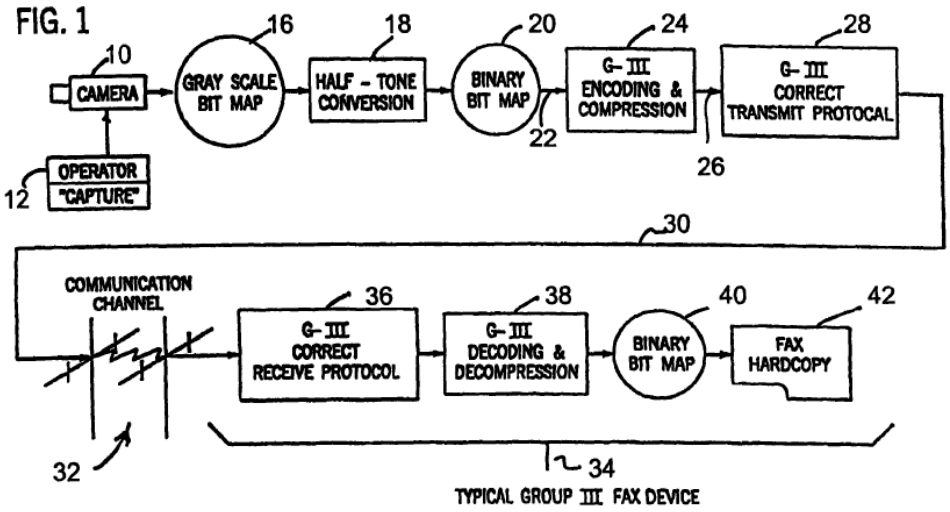
Petitioner and Patent Owner indicate that the '871 patent is involved in eleven co-pending district court cases in the U.S. District Court for the Eastern District of Texas. Pet. 2; Paper 7, 3.

## *B. The '871 Patent*

The '871 patent relates generally to image capture and transmission systems, and is directed specifically to an image capture, compression, and transmission system for use in connection with landline and wireless telephone systems. Ex. 1001, 1:17-20. According to the '871 patent, the

system is particularly well-suited for sending and/or receiving images via a standard Group III facsimile transmission system and permits capture of the image at a remote location using an analog or digital camera. *Id.* at 5:3-7.

Figure 1 of the '871 patent is reproduced below.




"Figure 1 is a block diagram of a basic facsimile camera configuration for capturing an image via a camera and transmitting it via Group III facsimile transmission to a standard hard copy medium." *Id.*at 4:27-30.

Figure 7A of the '871 patent is reproduced below.

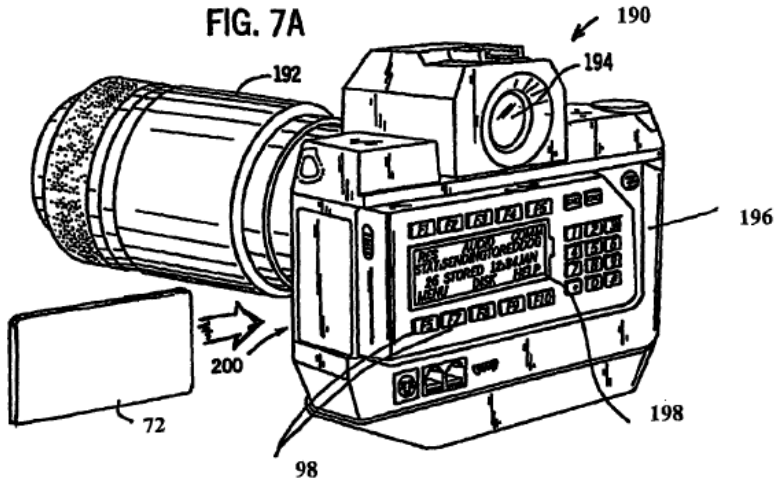


Figure 7A depicts a "hand-held device for capturing, storing, and transmitting an image in accordance with the invention." *Id.* at 4:46-48, 11:3-20.

### *C. Illustrative Claim*

Of the challenged claims, claims 1, 6, 9, and 12 are independent. Claim 1 is reproduced below:

> 1. A handheld self-contained cellular telephone and integrated image processing system for both sending and receiving telephonic audio signals and for capturing a visual image and transmitting it to a compatible remote receiving station of a wireless telephone network, the system comprising:
>
> a manually portable housing;
>
> an integral image capture device comprising an electronic camera contained within the portable housing;
>
> a display for displaying an image framed by the camera, the display being supported by the housing, the display and the electronic camera being commonly movable in the housing when the housing is moved by hand;
>
> a processor in the housing for generating an image data signal representing the image framed by the camera;
>
> a memory associated with the processor for receiving and storing the digitized framed image, accessible for selectively displaying in the display window and accessible for selectively transmitting over the wireless telephone network the digitized framed image;
>
> a user interface for enabling a user to select the image data signal for viewing and transmission;
>
> a telephonic system in the housing for sending and receiving digitized audio signals and for sending the image data signal;
>
> alphanumeric input keys in the housing for permitting manually input digitized alphanumeric signals to be input to the

processor, the telephonic system further used for sending the digitized alphanumeric signals;

a wireless communications device adapted for transmitting any of the digitized signals to the compatible remote receiving station; and

a power supply for powering the system.

*D. References Relied Upon*

Petitioner relies upon the following references:

| | | | |
|---|---|---|---|
| Parulski | US 6,122,526 | Sept. 19, 2000 | Ex. 1002 |
| Reele | US 5,893,037 | April 6, 1999 | Ex. 1003 |

*E. The Asserted Grounds of Unpatentability*

Petitioner argues that the challenged claims are unpatentable as obvious over Parulski and Reele.

## II. ANALYSIS

*A. Status of Parulski and Reele as Prior Art*

As an initial matter, we review whether the references relied upon by Petitioner qualify as prior art. Parulski has an effective filing date of April 24, 1995. Reele has an effective filing date of December 9, 1994. Both Parulski and Reele qualify as prior art under 35 U.S.C. §§ 102(a) and 102(e), because neither was issued or published more than one year prior to the effective filing date of the ’871 patent, but the effective filing date of each is earlier than the effective filing date of the ’871 patent (January 12, 1998). Patent Owner argues that Parulski cannot be prior art in this proceeding, because U.S. Patent No. 5,666,159 to Parulski (“Parulski ’159”), which has the same specification and priority date as Parulski, was determined during prosecution to be antedated and the affidavit submitted during prosecution,

therefore, overcomes all §102(a) and §102(e) prior art having an effective date of April 24, 1995 or later. Prelim. Resp. 3-10 (citing Exs. 2001-2002 (Affidavit of David A. Monroe Under 37 CFR 1.131) ("2004 Monroe Declaration"); Ex. 2003 (Office Action dated August 9, 2005)). Patent Owner is correct that the Examiner determined during prosecution that the 2004 Monroe Declaration sufficiently antedated Parulski '159. Ex. 2003, 2. We are not, however, bound by that determination. We have reviewed the 2004 Monroe Declaration and the prosecution record, and, on the record before us at this time, we find Patent Owner's arguments that Parulski is sufficiently antedated by the 2004 Monroe Declaration to be unpersuasive for the reasons discussed below.

Priority of invention goes to the first party to reduce to practice unless the other party can show that it was the first to conceive the invention and that it exercised reasonable diligence in later reducing that invention to practice. *Brown v. Barbacid*, 276 F.3d 1327, 1337 (Fed. Cir. 2002); *Cooper v. Goldfarb*, 154 F.3d 1321, 1327 (Fed. Cir. 1998); *Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1577 (Fed. Cir. 1996). An inventor's testimony, standing alone, is insufficient to prove conception, as some form of corroboration is required. *Mahurkar*, 79 F.3d at 1577; *Price v. Symsek*, 988 F.2d 1187, 1194 (Fed. Cir. 1993). A rule of reason applies to determine whether the inventor's testimony has been corroborated. *Price*, 988 F.2d at 1194.

During the period in which reasonable diligence must be shown, there must be continuous exercise of reasonable diligence. *In re McIntosh*, 230 F.2d 615, 619 (CCPA 1956); *see also Burns v. Curtis*, 172 F.2d 588, 591 (CCPA 1949) (referring to "reasonably continuous activity"). A party

alleging diligence must account for the entire critical period. *Griffith v. Kanamuru*, 816 F.2d 624, 626 (Fed. Cir. 1987); *Gould v. Schawlow*, 363 F.2d 908, 919 (CCPA 1966). Even a short period of unexplained inactivity is sufficient to defeat a claim of diligence. *Morway v. Bondi*, 203 F.2d 742, 749 (CCPA 1953); *Ireland v. Smith*, 97 F.2d 95, 99-100 (CCPA 1938). In *In re Mulder*, 716 F.2d 1542, 1542-46 (Fed. Cir. 1983), for example, the Federal Circuit affirmed a determination of lack of reasonable diligence, where the evidence of record was lacking for a two-day critical period. Likewise, in *Rieser v. Williams*, 255 F.2d 419, 424 (CCPA 1958), there was no showing of diligence where no activity was shown during the first thirteen days of the critical period.

A party alleging diligence must provide corroboration with evidence that is specific both as to facts and dates. *Gould*, 363 F.2d at 920; *Kendall v. Searles*, 173 F.2d 986, 993 (CCPA 1949). The rule of reason does not dispense with the need for corroboration of diligence that is specific as to dates and facts. *Gould*, 363 F.2d at 920; *Kendall*, 173 F.2d at 993; *see also Coleman v. Dines*, 754 F.2d 353, 360 (Fed. Cir. 1985).

On this record, Patent Owner has not shown that the 2004 Monroe Declaration addresses the continuous exercise of reasonable diligence adequately. For example, the 2004 Monroe Declaration shows extended periods of little activity that have not been adequately explained, such as between 1992 (the first comprehensive circuit for a handheld Remote Image Transceiver ("R.I.T.")) and November 1995 (a concept proposal of a handheld R.I.T. using secure radio transmission), and between November 1995 and mid-1997 (a prototype of the first commercial embodiment of the invention). Both periods are subsequent to the effective filing dates of Reele

and Parulski.

Also, Patent Owner must establish conception and reduction to practice of the subject matter of *each* of the challenged claims. The 2004 Monroe Declaration fails to relate the claims of the '871 patent to the invention that is alleged to be earlier in time. For example, Mr. Monroe testifies to the dates on which he developed several R.I.T.'s, including a commercial handheld R.I.T. completed in late 1997. Ex. 1004 ¶¶ 9-17. The 2004 Monroe Declaration does not, however, relate any of the discussed R.I.T. devices to any element of any claim of the '871 patent. It is not clear, for example, that the 2004 Monroe Declaration adequately accounts for the "telephonic system" element of claim 1. According to the 2004 Monroe Declaration, cellular telephone compatibility was not present in the November 1995 proposal for a handheld R.I.T., but it was present in the final product completed in late 1997. Ex. 1004 ¶¶ 14, 17. As a result, it is not clear when Mr. Monroe conceived of a handheld R.I.T. that included cellular telephone computability. Even assuming that Mr. Monroe conceived of a handheld R.I.T. that included cellular telephone compatibility shortly after November 1995, that would not be earlier than the effective filing dates of Parulski and Reele.

For the foregoing reasons, on the present record, we are persuaded by the Petitioner's argument that the 2004 Monroe Declaration, either by itself or in combination with the evidence currently of record, does not properly antedate Parulski and Reele.

### *B. Claim Construction*

In an *inter partes* review, claim terms in an unexpired patent are interpreted according to their "broadest reasonable construction in light of

the specification of the patent in which they appear." 37 C.F.R. § 42.100(b); Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,766 (Aug. 14, 2012). Also, 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. "image capture device" (claims 1, 2, 9)*

Petitioner proposes that "image capture device" be construed to encompass at least "a digital camera or the electronic component of a digital camera that performs the actual image capture, which is typically a charge coupled device (CCD)." Pet. 6-7. As support for its proposed construction, Petitioner cites the Specification. *Id.* (citing Ex. 1001, Fig. 1, 5:30-32). Patent Owner does not dispute Petitioner's proposed construction.

We, however, conclude that Petitioner's proposed construction is unreasonably narrow to the extent that it excludes an analog image capture device, as described in the '871 patent. Ex. 1001, 5:30-32. On this record, and for purposes of this Decision, we determine that the broadest reasonable interpretation of "image capture device" includes, but is not limited to, a digital camera and the component of a digital camera that performs the actual image capture.

*2. "digitized framed image" (claims 1, 6, 9, 12)*

Petitioner proposes that "digitized framed image" be construed to encompass at least "a digital photo image." Pet. 7. As support for its proposed construction, Petitioner cites the Specification. *Id.* (citing Ex. 1001, Fig. 1, 5:30-32). Patent Owner does not dispute Petitioner's proposed construction. The term "digitized framed image" is not used apart from the

claims. The claims require, however, that the "digitized framed image" be the image framed by the camera. The '871 patent describes an exemplary "image capture device" as "a standard analog or digital camera device 10 for capturing a visual image in the typical fashion." Ex. 1001, 5:30-32. Accordingly, "digitized frame image" must be broad enough to encompass the output of a digital camera device. On this record, and for purposes of this Decision, we determine that "digitized framed image" is broad enough to include a digital photo image.

*3. "remote receiving station" (claim 1)*

Petitioner proposes that "content data" be construed to "encompass at least fax machines, cellular phones, and personal computers." Pet. 7. As support for its proposed construction, Petitioner cites the Specification. *Id.* (citing Ex. 1001, Figs. 1-3, 2:39-43). Patent Owner does not dispute Petitioner's proposed construction. The '871 patent does not define the term "remote receiving station," but describes it being "where the image is downloaded for viewing on a screen or printing on hard paper copy or other medium." Ex. 1001, 4:67-5:2. The '871 patent also describes "remote receiving devices, such as, by way of example, personal computers and network servers" (*id.* at 2:42-43, 13:8-9 and 21-23), "a remote Group-III receiving system 34" (*id.* at 5:54-55), and "a remote facsimile machine" (*id.* at 10:47). On this record, and for purposes of this Decision, we determine that "remote receiving station" is broad enough to encompass at least remote fax machines, remote cellular phones, and remote personal computers.

*4. "alphanumeric input keys" (claims 1 and 9)*

Petitioner proposes that "alphanumeric input keys" be construed to "encompass at least telephone keypads." Pet. 7. As support for its proposed

construction, Petitioner cites the Specification. *Id.* (citing Ex. 1001, Fig. 7, 2:30-32, 11:19-20). Patent Owner does not dispute Petitioner's proposed construction. The term "alphanumeric input keys" is not used in the '871 patent, apart from the claims. The '871 patent does, however, describe an "integrated keyboard" (Ex. 1001, 2:30-32), "operator interface button keys 98" (*id.* at 11:8-9), and a "keypad for the telephone" (*id.* at 11:19-20). Moreover, Figures 6A-C and 7A depict embodiments with a conventional telephone keypad. On this record, and for purposes of this Decision, we determine that "alphanumeric input keys" is broad enough to include a telephone keypad.

*C. Challenged Claims – Obvious over Parulski and Reele*

Petitioner argues that the claims 1-15 are unpatentable under 35 U.S.C. § 103(a) as obvious over Parulski and Reele. Pet. 8-33.

*Parulski (Exhibit 1002)*

Parulski describes an electronic camera system that includes "a transmission mechanism for sending image data to selected receiver units." Ex. 1002, 1:14-16.

Figures 7, 8, and 9 of Parulski are reproduced below.

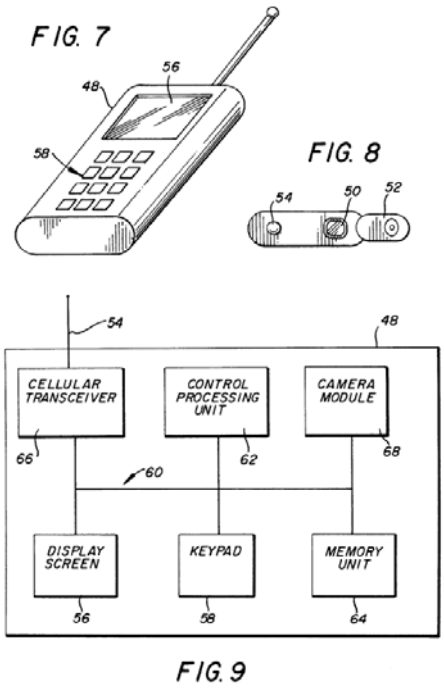



Figure 7 depicts combined telephone/camera unit 48 in accordance with a second embodiment of the invention of Parulski. *Id.* at 2:33-35. Figure 8 depicts a top view of combined telephone/camera unit 48. *Id.* at 2:36-37. Figure 9 is a schematic block diagram of the combined telephone/camera unit 48. *Id.* at 2:38-39. In the depicted embodiment, a cellular telephone is provided with the components of an electronic image camera to form a combined telephone/camera unit 48. *Id.* at 4:34-36. The combined unit 48 includes liquid crystal display screen 56 and telephone keypad 58. *Id.* at 4:38-43.

The user takes a picture by pressing an image capture switch (not shown) or, alternatively, a key on keypad 58. *Id.* at 4:48-53. "The digitized picture data generated by the camera module 68 is stored in memory unit 64 and displayed on display screen 56." *Id.* at 4:53-55 (emphasis omitted). "To transmit the image, the user dials the telephone number of a desired fax

machine that is to receive the image using the keypad 58." *Id.* at 4:56-58 (emphasis omitted). "The number is transmitted to the fax machine via the cellular transceiver 66." *Id.* at 4:58-59 (emphasis omitted). "The stored image is then converted to the appropriate fax standard by control processing unit 62, and is transmitted to the receiving fax machine using the normal cellular telephone system that includes an RF link from cellular transceiver 66 to a cellular base unit, which connects to the normal wire, fiber, and satellite telephone system." *Id.*at 4:62-67 (emphasis omitted).

*Reele (Exhibit 1003)*

Reele describes "an electronic/silver-halide image capture system that is capable of transmitting captured image data via cellular communication transmission." *Id.* at 1:10-14.

Figure 4 of Reele is reproduced below.

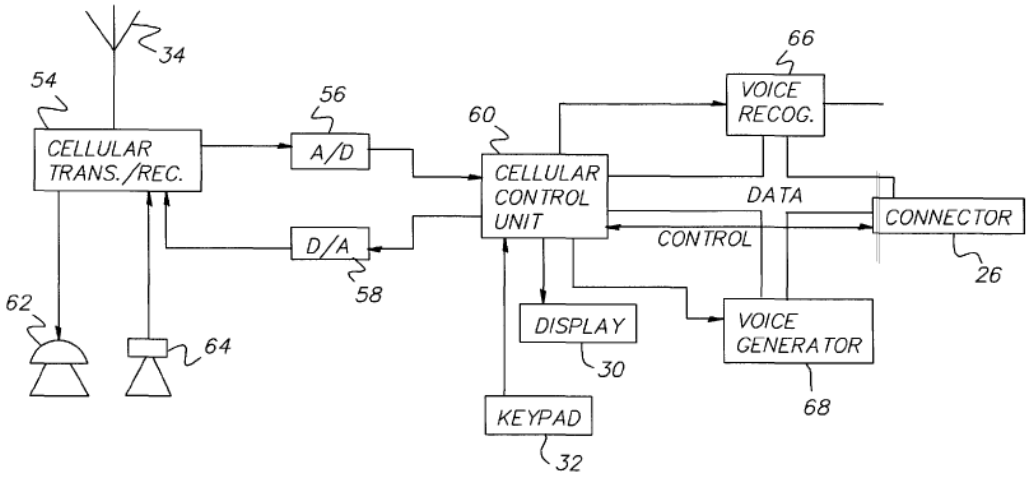



*FIG. 4*

Figure 4 depicts a functional block diagram of cellular telephone 28 illustrated in Figure 2. *Id.* at 2:49-50. Cellular phone 28 includes cellular transmitter/receiver circuit 54 coupled to antenna 34. *Id.* at 3:64-66. Cellular band voice transmission signals received by transmitter/receiver

circuit 54 are supplied to speaker 62. *Id.* at 3:66-4:1. Microphone 64 is coupled to transmitter/receiver circuit 54 to enable cellular band transmission of voice signals to remote locations. *Id.* at 4:1-4. Operation of transmitter/receiver circuit 54 is controlled by cellular control unit 60. *Id.* at 4:4-8. Cellular control unit 60 also is coupled to display 30 and keypad 32. *Id.* A/D converter 56 and D/A converter 58 permit analog signals received by transmitter/receiver circuit 54 from speaker 62 or antenna 34 to be converted to digital signals and supplied to cellular control unit 60. *Id.* at 4:8-15. A/D converter 56 and D/A converter 58 also permit digital data supplied from cellular control unit 60 to be converted to an analog signal for transmission by transmitter/receiver circuit 54. *Id.* Display 30 is used to display various messages to the operator of the telephone. *Id.* at 4:15-17. The reference states that "it will be understood that [telephone 28 and camera 10] may be readily combined within a single housing as an integrated module." *Id.* at 4:47-51 (emphasis omitted).

*Analysis*

In light of the arguments and evidence, Petitioner has established a reasonable likelihood that claims 1-15 are unpatentable as obvious over Parulski and Reele. Specifically, we are persuaded that Petitioner's citations support Petitioner's contentions. For example, Petitioner relies upon the combination of Parulski with Reele. Pet. 14-33. Petitioner argues that "someone of ordinary skill in the art reading Parulski would have strong motivation to consider Reele for its further teachings about combination camera-phone devices," because Reele is listed amongst the References Cited on the face of Parulski and because Reele is directed to the same topic of camera-phone devices. Pet. 8. Petitioner describes Reele's disclosure

and argues that "there is motivation to add useful features disclosed by Reele into the camera-phone of Parulski." Pet. 12. On the record before us, we are persuaded that Petitioner has provided sufficiently an articulated reasoning with some rational underpinning to support the legal conclusion of obviousness. *See KSR*, 550 U.S. 418 (2007) (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006)).

Patent Owner does not argue that Parulski or Reele fails to teach or suggest any limitation of claims 1-15.

*Conclusion*

On this record, we are persuaded that Petitioner has established a reasonable likelihood that it would prevail in showing that claims 1-15 are unpatentable as obvious over Parulski and Reele.

## III. CONCLUSION

For the foregoing reasons, we determine that Petitioner has established that there is a reasonable likelihood that Petitioner would prevail in establishing the unpatentability of claims 1-15 of the '871 patent.

The Board has not made a final determination on the patentability of any challenged claims.

## IV. ORDER

Accordingly, it is

ORDERED that pursuant to 35 U.S.C. § 314, an *inter partes* review is hereby instituted for claims 1-15 under 35 U.S.C. § 103 as obvious over Parulski and Reele; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(d) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial on the

grounds of unpatentability authorized above; the trial commences on the entry date of this Decision.

For PETITIONER:

Steven Yu
ROZMED LLC
syu@patent-intercept.com

For PATENT OWNER:

Robert C. Curfiss
bob@curfiss.com

and

David O. Simmons
IVC Patent Agency
dsimmons1@sbcglobal.net