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Paper 36
Entered: December 2, 2015

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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GLOBAL TEL*LINK CORPORATION,
Petitioner,

v.

SECURUS TECHNOLOGIES, INC.,
Patent Owner.

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Case IPR2014-00825
Patent 7,529,357 B1

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Before KEVIN F. TURNER, BARBARA A. BENOIT, and GEORGIANNA W. BRADEN, *Administrative Patent Judges*.

BENOIT, *Administrative Patent Judge*.

# FINAL WRITTEN DECISION
*35 U.S.C. § 318(a) and 37 C.F.R. § 42.73*

# I. INTRODUCTION

We have jurisdiction to hear this *inter partes* review under 35 U.S.C. § 6(c). This Final Written Decision is issued pursuant to 35 U.S.C. § 318(a) and 37 C.F.R. § 42.73. For the reasons that follow, we determine that Petitioner has shown by a preponderance of the evidence that claims 1, 3, 4, 6, 7, 10, 13, 19, and 20 of U.S. Patent No. 7,529,357 B1 (Ex. 1001, "the '357 patent") are unpatentable, but has not shown by a preponderance of the evidence that claims 2, 5, 8, 9, 11, 12, and 14–18 are unpatentable.

## *A. Procedural History*

Global Tel*Link Corporation ("Petitioner") filed a Petition (Paper 1; "Pet.") for an *inter partes* review of claims 1–20 ("the challenged claims") of the '357 patent. Patent Owner, Securus Technologies, Inc., filed a Preliminary Response opposing institution of a review. Paper 8. On December 8, 2014, pursuant to 35 U.S.C. § 314(a), we instituted an *inter partes* review for claims 1–20 of the '357 patent as unpatentable under 35 U.S.C. § 103(a) over the following references.

| Reference(s) | Claims Challenged |
|---|---|
| Spadaro[1] and Hodge[2] | 1–4, 6–11, 14, 16, 17, 19, and 20 |
| Spadaro, Hodge, and Boykin[3] | 5 and 12 |
| Spadaro, Hodge, and Cree[4] | 13 |
| Spadaro, Hodge, and Nguyen[5] | 15 and 18 |

Paper 9 ("Inst. Dec."), 36.

Subsequent to institution, Patent Owner filed a Patent Owner Response (Paper 15, "PO Resp."), and Petitioner filed a Reply (Paper 19, "Reply"). Patent Owner filed observations on the cross-examination of Petitioner's declarant (Paper 22), to which Petitioner filed a response (Paper 27). An oral hearing was held on July 7, 2015.[6] A transcript of the oral hearing is included in the record.[7] Paper 35 ("Tr.").

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[1] U.S. Patent No. 7,505,406 B1, issued Mar. 17, 2009, filed July 13, 2001 (Ex. 1004, "Spadaro").
[2] U.S. Patent No. 7,333,798 B2, issued Feb. 19, 2008, filed Aug. 8, 2002 (Ex. 1005, "Hodge").
[3] U.S. Patent No. 6,831,556 B1, issued Dec. 14, 2004, filed May 16, 2001 (Ex. 1007, "Boykin").
[4] U.S. Patent No. 6,665,380 B1, issued Dec. 16, 2003, filed Jan. 11, 1999 (Ex. 1008, "Cree").
[5] U.S. Patent No. 5,861,810, issued Jan. 19, 1999, filed Sept. 27, 1996 (Ex. 1009, "Nguyen").
[6] The oral arguments for this proceeding and IPR2014-00824 were conducted at the same time. Paper 26, 2.
[7] The parties filed Objections to Demonstrative Exhibits. Papers 28–31. In this Final Written Decision, we rely directly on the arguments presented properly in the parties' briefs and the evidence of record. The demonstrative exhibits were considered only to the extent that they were consistent with those arguments and evidence. The objections, therefore, are overruled.

### *B. Related Matters*

Petitioner requested *inter partes* review of related patents—U.S. Patent No. 7,899,167 B1 (IPR2014-00493), U.S. Patent No. 8,577,003 B2 (Case IPR2014-00749), and U.S. Patent No. 8,340,260 B1 (Case IPR2014-00824). Final written decisions have been entered in Cases IPR2014-00493 and IPR2014-00749. A final written decision in Case IPR2014-00824 is being issued concurrently with the one in this case.

### *C. The '357 Patent*

The '357 patent, titled "Inmate Management and Call Processing Systems and Methods," issued May 5, 2009 from an application that is a continuation-in-part of an application filed on August 15, 2003 (U.S. Patent Appln. No. 10/642,532, "parent").[8] The parent issued as U.S. Patent No. 7,899,167 (Ex. 3003, "the '167 patent"). The '357 patent includes additional description not part of the '167 patent. *See, e.g.*, Ex. 1001, Fig. 2, 18:15–19:17; Ex. 3003, Figs. 1–2.

The '357 patent describes providing centralized inmate management and call processing capabilities to controlled-environment facilities, such as prisons. Ex. 1001, Abstract, 2:62–65. The described techniques, for example, address information management problems that may occur when an inmate is transferred to a different facility. *Id.* at 2:52–59; *see generally*

[8] A continuation-in-part application contains a portion or all of the disclosure of an earlier application together with added matter not present in that earlier application. *Transco Prods., Inc. v. Performance Contracting, Inc.*, 38 F.3d 551, 555 (Fed. Cir. 1994) (citing Manual of Patent Examining Procedure § 201.08).

*id.* at 1:65–2:51. Such problems include gathering information multiple times, processing the same information by multiple facilities, and storing information about an inmate in different systems so that multiple systems must be accessed to obtain information about an inmate. *Id.* at 2:52–58.

Figure 1 of the ’357 patent is set forth below:

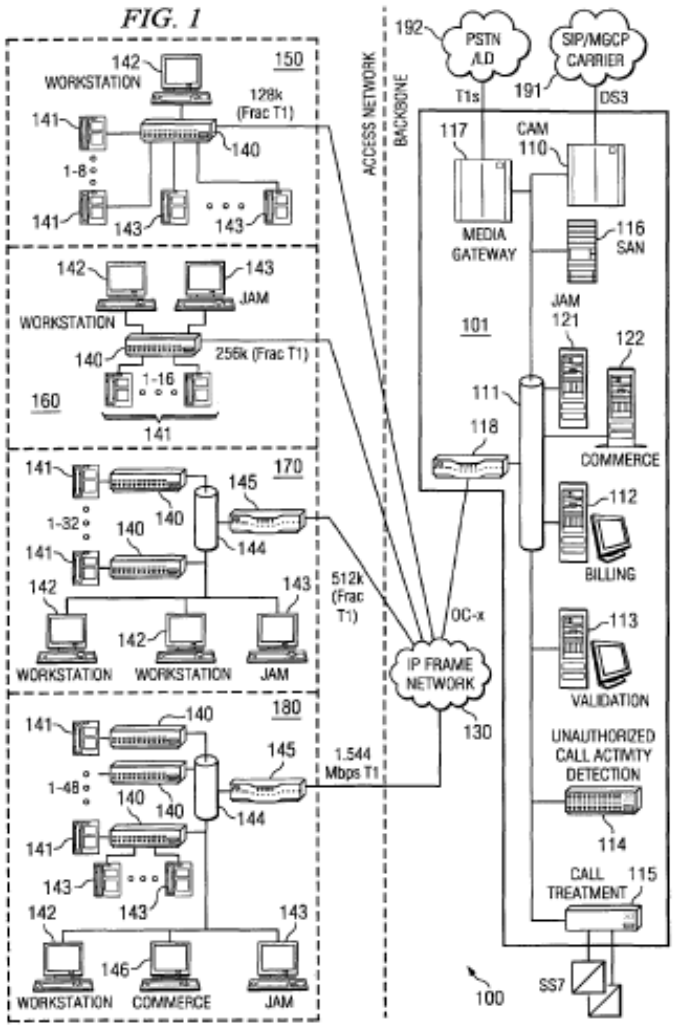


Figure 1 illustrates a centralized inmate management and call processing system 100.

Centralized inmate management and call processing system 100 provides calling services to facilities 150, 160, 170, 180 and includes computer-based platform 101, which communicates with facilities 150, 160, 170, 180 through network 130. *Id.* at 6:37–42, 6:53–55. Call processing gateways 140, at or near sites for which inmate management and calling services are to be provided (i.e., facilities 150, 160, 170, 180), convert analog signals associated with telephone terminals 141 (or visitation telephones 143) to digital data packets sent over network 130. *Id.* at 6:66–7:3, 7:12–16.

Computer-based platform 101 includes, among other components, call application management system 110, which controls completing a call between a party using one of telephone terminals 141 (or visitation telephones 143) and another party using a telephone terminal (not shown), over PSTN 192 or digital network 191. *Id.* at 9:14–21. Call application management system 110 provides a data interface coupling call application management system 110 through network 130 and providing Voice over Internet Protocol ("VoIP") communication between call application management system 110 and facilities 150, 160, 170, 180. *Id.* at 9:34–38.

Computer-based platform 101 also includes validation system 113 and unauthorized call activity detection system 114 to provide "call intelligence" to determine whether a particular call should be permitted. *Id.* at 10:33–39.

Computer-based platform 101 further includes justice application management system 121, which is an information management system providing data collection and sharing among facilities 150, 160, 170, 180.

*Id.* at 8:60–9:9. An inmate management database includes information about inmates and may be managed by justice application management system 121 or a similar inmate management system. *Id.* at 14:47–53. Information for an inmate record may include biometric data (such as finger prints, voice prints, and retina scans), information about an inmate's arrest, visitation records, call records, medical records, and contact information of third parties known to the inmate, who may be notified of an inmate's transfer between facilities. *Id.* at 16:7–13, 16:30–47, 17:37–42.

Records stored into the inmate management database are accessible to multiple facilities, such as county and municipal jails, state penitentiaries, and federal prisons. *Id.* at 17:15–18. An inmate record created upon arrest or during incarceration at a first facility may be used when the inmate is transferred to a subsequent facility. *Id.* at 18:56–59. The '357 patent describes an example in which a person is arrested and taken by a police squad car to the police department. *Id.* at 15:28–32. An inmate record is created in the squad car and then transmitted to the inmate management database of computer-based platform 101, from which the information is accessed during a booking procedure at the police department. *Id.* at 15:28–32, 15:45–51.

### *D. Illustrative Claims of the '357 Patent*

Of the claims in the '357 patent, claims 1 and 10, reproduced below, are independent and illustrative of the claimed subject matter:

> 1. A computer-based system, at a plurality of facilities, for managing inmate information, each of the facilities having one or more telephone terminals and computer terminals, the

computer-based system located remotely from at least one of the plurality of facilities, the system comprising:

a networking device exchanging Voice over Internet Protocol (VoIP) data packets with call processing gateways at the plurality of facilities over digital data links, the call processing gateways processing the VoIP data packets to or from the telephone terminals for transmission over the digital data links;

an inmate management-system coupled to the networking device for providing shared data access of inmate records to computer terminals at said plurality of facilities, said inmate records created with first inmate information collected from a first computer terminal at a first facility of the plurality of facilities and modified responsive to collecting second inmate information from a second computer terminal at a second facility of the plurality of facilities; and

a call application management system connecting a call to or from the telephone terminals over a telephone carrier network responsive to receiving a request for connecting the call and the call being authorized based on the inmate records provided by the inmate management system.

Ex. 1001, 25:26–49.

10. A method for managing inmate information at multiple facilities including a first facility and a second facility, each facility comprising multiple telephone terminals and computer terminals, the method carried out in a computer-based system located remotely from at least one of the multiple facilities, the method comprising:

receiving, from a first computer terminal at the first facility, first inmate information associated with an inmate for creating an inmate record;

receiving, from a second computer terminal at the second facility, second inmate information associated with the inmate for modifying the inmate record;

> storing the inmate record in the computer-based system for shared access across to the inmate record computer terminals in the multiple facilities;
>
> receiving a request from one of the multiple telephone terminals for connection of a call over a telephone carrier network; and
>
> connecting the call from one of the telephone terminals over a telephone carrier network and a digital data link responsive to authorizing the call based on the inmate records stored in the computer-based system.

*Id*. at 26:8–28.

## II. DISCUSSION

### *A. Disqualification of Spadaro as Prior Art*

Patent Owner contends that Spadaro is disqualified prior art under 35 U.S.C. § 103(c)(1)[9] for claims 2, 5, 8, 9, 11, 12, and 14–18 ("the claims at issue"). Section 103(c)(1) provides:

> Subject matter developed by another person, which qualifies as prior art only under . . . [section 102 (e) of this title], shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the claimed invention was made, owned by the same person or subject to an obligation of assignment to the same person.

35 U.S.C. § 103(c)(1).

Crucial to the resolution of this dispute is the allocation of the burdens of proof between Petitioner and Patent Owner when entitlement to an earlier

[9] We refer to the pre-AIA version of § 103(c)(1) because the application of the patent at issue in this case was filed before the date when the Leahy-Smith America Invents Act ("AIA"), Pub. L. No. 112–29 took effect.

filing date is at issue in an obviousness challenge in an *inter partes* review.[10] In addition, application of the written description requirement to the claims at issue is critical to the resolution of this *inter partes* review.

We begin by discussing the allocation of the burdens of proof. "[T]here are two distinct burdens of proof: a burden of persuasion and a burden of production." *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015) (citing *Tech. Licensing Corp. v. Videotek, Inc.*, 545 F.3d 1316, 1326–27 (Fed. Cir. 2008)).[11] "The burden of persuasion 'is the ultimate burden assigned to a party who must prove something to a specified degree of certainty.'" *Id.* (quoting *Tech. Licensing*, 545 F.3d at 1326). "Failure to prove the matter as required by the applicable standard means the party with the burden of persuasion loses on that point." *Id.* at 1378–79 (quoting *Tech. Licensing*, 545 F.3d at 1327).

"A quite different burden is that of going forward with evidence—sometimes referred to as the burden of production—a shifting burden the allocation of which depends on where in the process of trial the issue arises." *Tech. Licensing*, 545 F.3d at 1327 (citations omitted). The burden of production may shift between the parties and may involve "producing additional evidence and presenting persuasive argument based on new

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[10] The Board requested briefing about the burden shifting framework to be applied to disqualification of prior art under § 103(c)(1) in an *inter partes* proceeding. *See* Paper 32 (Order requesting post-hearing briefing); Paper 33 (Petitioner's post-hearing brief); Paper 34 (Patent Owner's post-hearing brief).

[11] *Dynamic Drinkware* issued after the time of the trial hearing and post-hearing briefing.

evidence or evidence already of record." *Dynamic Drinkware*, 800 F.3d at 1379 (quoting *Tech. Licensing*, 545 F.3d at 1327). In *Dynamic Drinkware*, the Federal Circuit affirmed the Board's use of the burden shifting framework in the analysis of a prior art reference relied upon in an anticipation challenge. *Id.*

Applying these principles to the instant case, in an *inter partes* review, the burden of persuasion is on Petitioner to prove "unpatentability by a preponderance of the evidence," 35 U.S.C. § 316(e), and that burden never shifts to the Patent Owner. *See Dynamic Drinkware*, 800 F.3d at 1379. (explaining petitioner "had the burden of persuasion to prove unpatentability by a preponderance of the evidence, and this burden never shifted"). Petitioner also has the initial burden of production. *Id.* Petitioner satisfied its burden of production by arguing in its Petition that Spadaro was prior art under § 102(e) and, in combination with one or more other prior art references, would have rendered claims 1–20 obvious at the time the invention was made under § 103(a). Pet. 4–5, 13–36.

*1. Patent Owner's Burden of Production*

The burden of production then shifted to Patent Owner to argue or produce evidence that Spadaro was not prior art. Patent Owner responded by arguing in its Patent Owner Response that Spadaro is disqualified prior art to the claims at issue because § 103(c)(1) precludes such use of Spadaro. PO Resp. 8–10. According to Patent Owner, both applications that issued as Spadaro and the '357 patent at issue here were owned by Evercom Systems, Inc. ("Evercom") at the time the claimed invention was made. *Id*. Thus,

according to Patent Owner, both the subject matter in Spadaro and the claimed invention of the '357 patent were owned by the same person at the time the claimed invention was made, which under 35 U.S.C. § 103(c) disqualifies Spadaro as prior art to those claims. *Id.* (Patent Owner Response Section III heading reads "Spadaro is not prior art under 35 U.S.C. § 103 for [the claims at issue] of the '357 patent because their applications were owned by the same person at the time the claimed inventions were made" (capitalization removed)).

Patent Owner proffered assignment records of Spadaro (Ex. 2004) and the '357 patent (Ex. 2005) as evidence of co-ownership required under § 103(c). The assignment records of Spadaro support Patent Owner's representation that Evercom acquired Spadaro on January 28, 2004 and maintained ownership until the filing of the '357 patent. Ex. 2004. The assignment records of the '357 patent further support Patent Owner's representation that the subject matter of that patent was assigned to Evercom as of the filing date of the '357 patent. *See* PO Resp. 8; Ex. 2005, 2 (indicating assignment from inventors to Evercom was recorded at Reel/Frame 019552/0045); *id.* at 7–12 (documents showing assignment from inventors to Evercom).

Based on the foregoing, Patent Owner provided sufficient evidence of common ownership of Spadaro and the inventions of the claims at issue on July 12, 2007, the filing date of the '357 patent.

Patent Owner also met its burden of production that July 12, 2007 was the time the invention was made. Patent Owner represents that the

inventions in the claims at issue "are based on material not constructively reduced to practice until the filing of the '357 Application" on July 12, 2007. PO Resp. 9. The filing of a patent application serves as both conception and constructive reduction to practice of the subject matter described in the application. *Hyatt v. Boone*, 146 F.3d 1348, 1352 (Fed. Cir. 1998); *see also Yasuko Kawai v. Metlesics*, 480 F.2d 880, 885 (CCPA 1973) ("[T]he act of filing the United States application has the legal effect of being, constructively at least, a simultaneous conception and reduction to practice of the invention.").

Furthermore, courts sometimes use the filing date of an application as a presumptive date that an invention was made. *See, e.g., Phillips v. AWH Corp*., 415 F.3d 1303, 1313 (Fed. Cir. 2005) ("at the time of the invention, i.e., as of the effective filing date of the patent application"); *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1562 (Fed. Cir. 1991) ("the prima facie date of invention can fairly be held to be the filing date of the application"). Notably, courts do this in the context of an obviousness challenge, which requires showing "the subject matter as a whole would have been obvious *at the time the invention was made*." 35 U.S.C. § 103(a) (emphasis added); *see, e.g., Bausch & Lomb, Inc. v. Barnes-Hind/Hydrocurve, Inc.*, 796 F.2d 443, 449 (Fed. Cir. 1986) (equating the filing date of the patent with "the time of the present invention" in analyzing an obviousness challenge). The Board has done so in analyzing a challenge under § 103(c)(1) to prior art in an *inter partes* review. The Board found that, absent credible factual support to the contrary, the claimed invention was made on the effective

filing date. *Corning Inc. v. DSM IP Assets B.V.*, Case IPR2013-00053, Paper 66, at 19 (PTAB May 1, 2014).

Based on the above analysis, we determine that Patent Owner met its burden of production to show the subject matter in Spadaro and the claimed inventions of the '357 patent were assigned to the same person at the time the claimed inventions were made. Accordingly, Patent Owner met its burden of production to show Spadaro is disqualified prior art as to the claims at issue.

Our determination accords with Office practice that requires a statement, by the applicant seeking to disqualify a prior art reference, of common ownership at the time of the invention was made. *See* MPEP 706.02(l)(2); *see also Dynamic Drinkware*, 800 F.3d at 1380 ("[MPEP] is 'commonly relied upon as a guide to patent attorneys and patent examiners on procedural matters,' *Litton Sys., Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1439 (Fed.Cir.1984)"). The MPEP provides an example of a statement providing sufficient evidence to establish common ownership of the application and the reference asserted as prior art by the examiner and disqualify the reference under § 103(c):

> Applications and references (whether patents, patent applications, patent application publications, etc.) will be considered by the examiner to be owned by, or subject to an obligation of assignment to the same person, at the time the invention was made, if the applicant(s) or patent owner(s) make(s) a statement to the effect that the application and the reference were, at the time the invention was made, owned by, or subject to an obligation of assignment to, the same person.

MPEP 706.02(I)(2) (II. Evidence Required to Establish Common Ownership) (2015). Patent Owner represented in its Patent Owner's Response that the time the inventions of the issued claims were made is the filing date of the parent application (PO Resp. 9) and the prior art reference (Spadaro) and the application both were assigned to Evercom on that date.

As a result of Patent Owner's arguments and evidence cited in its Patent Owner Response, the burden of production returned to Petitioner to show Spadaro was not disqualified prior art under § 103(c).

*2. Petitioner's Burden of Production*

Petitioner responds that Patent Owner did not meet its burden of production for two reasons. First, Petitioner contends Patent Owner did not provide sufficient argument or evidence to establish that the '357 patent was *not* entitled to the filing date of the '167 patent.[12] Reply 6 ("[Patent Owner] provides no argument or evidence to establish that [the claims at issue] . . . do[] not get the benefit of the filing date of the '167 patent."). Petitioner's argument implies a presumption exists that a continuation-in-part (here, the '357 patent) of an earlier filed application (here, the '167 patent) is entitled to the filing date of the earlier filed application.

The Federal Circuit has rejected this argument. *PowerOasis v. T-Mobile USA, Inc.*, 522 F.3d 1299, 1304–06 (Fed. Cir. 2008) (a party seeking to use a priority date of a continuation-in-part had the burden to come

[12] The relevance of Petitioner's contention is that it is undisputed that Evercom did not own Spadaro until after the filing date of the '167 patent and so the common ownership required by § 103(c)(1) would not have been met at the time the invention was made.

forward with evidence to prove a continuation-in-part application is entitled to claim priority to an earlier filing date). Furthermore, in the instant case, Petitioner (not Patent Owner) seeks to use the filing date of the '167 patent to show Spadaro is not disqualified as prior art under § 103(c)(1). Accordingly, Petitioner has the burden of production to prove entitlement of the '357 patent to the filing date of the '167 patent. *Id.* Therefore, we do not agree with Petitioner that Patent Owner had to establish the '357 patent was *not* entitled to the filing date of the '167 patent to meet its burden of production.

Second, Petitioner contends that Patent Owner did not produce evidence identifying the time of conception as required because "at the time the claimed invention was made" required by § 103(c) means at the time of conception. Reply 7–10; Petitioner Post-hearing Br. 3–4.

As Petitioner correctly indicates, "[t]he primary meaning of the word 'invention' in the Patent Act unquestionably refers to the inventor's conception." *Pfaff v. Well Elecs., Inc.*, 525 U.S. 55, 60 (1998); *see* Reply 8 (quoting same); Petitioner's Post-hearing Br. 3 (quoting same). The *Pfaff* court, however, further explained that "invention" in § 102(b) means a complete conception. *Pfaff*, 525 U.S. at 66; *see also Robotic Vision Sys., Inc. v. View Eng'g, Inc.*, 249 F.3d 1307, 1313 (Fed. Cir. 2001) (indicating the *Pfaff* court defined the term "invention" in § 102(b) to mean a complete conception). The test for whether an invention is complete requires proof that the invention was enabled prior to the critical date. *Robotic Vision*, 249 F.3d at 1313 (citing *Pfaff*, 525 U.S. at 67). The *Pfaff* court also indicated

that "reduction to practice ordinarily provides the best evidence that an invention is complete." *Pfaff*, 525 U.S. at 66; *see also Space Sys./Loral, Inc. v. Lockheed Martin Corp.*, 271 F.3d 1076, 1080 (Fed. Cir. 2001) ("the Court [in *Pfaff*] in defining 'invention' was not saying that conception alone equals 'ready for patenting.'").

To support its position, Petitioner cites to *August Technology Corp. v. Camtek, Ltd.*, 655 F.3d 1278, 1288–89 (Fed. Cir. 2011). Petitioner's Post-hearing Br. 4. Petitioner's reliance on *August Technology*, however, is unpersuasive. In *August Technology*, the Federal Circuit addressed the timing between the two *Pfaff* requirements[13] for an on-sale bar. *August Technology*, 655 F.3d at 1288. Specifically, the court addressed "whether the invention must be ready for patenting at the time the alleged offer [for sale] is made." *Id.* The court determined that a commercial offer for sale can only occur after its conception date but may occur before the invention is ready for patenting. *Id.* at 1289. The timing of a commercial-offer-for-sale relative to when the invention was ready-for-patenting in determining § 102(b) on-sale bar has limited probative value in determining what Patent Owner is required to show to meet its burden of production regarding disqualification under § 103(c)(1).

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[13] *Pfaff*, 525 U.S. at 67 defines a two-prong test to determine whether a commercial offer for sale bars patentability of an invention under § 102(b). The Supreme Court held that the § 102(b) on-sale bar applies when two conditions are met before the critical date of the invention: (1) the product must be the subject of a commercial offer for sale, and (2) the invention must be ready for patenting. *Id.*

In further support of its position that the date of conception is the time the invention was made and, therefore, Patent Owner did not provide evidence of common ownership as of the date of conception, Petitioner contends similar language, "the time the invention was made in this country," in § 102(g)(2) informs "the time the invention was made" under § 103(c)(1). *See* Reply 9 (quoting same); Petitioner's Post-hearing Br. 4. According to Petitioner, "the Federal Circuit has held that the language 'the invention was made in this country' requires conception, not reduction to practice or filing, in the United States." Reply 9 (citing *Solvay SA v. Honeywell Int'l*, 622 F.3d 1367, 1376–78 (Fed. Cir. 2010)); Petitioner's Post-hearing Br. 4. Petitioner apparently relies on the court's statement in *Solvay* that "when [§ 102(g)(2)] uses the words 'the invention was made in this country,' it is referring to the act of inventing in the United States." *See Solvay*, 622 F.3d at 1376. The Federal Circuit continued in *Solvay* by reiterating two ways to prove prior inventorship under § 102(g)(2)—by showing (1) reduction to practice of the invention or (2) conception and reasonable diligence in reducing the invention to practice. *Id.* (citing *Mycogen Plant Sci., Inc. v. Monsanto Co.*, 243 F.3d 1316, 1332 (Fed. Cir. 2001)). Rather than supporting Petitioner's position, *Solvay* undercuts Petitioner's position that language "the invention was made in this country" in § 102(g)(2) requires only conception, not reduction to practice or filing. *Cf.* MPEP § 2138.02 ("An invention is made [in the context of § 102(g)] when there is a conception and a reduction to practice.").

For these reasons, Petitioner has not demonstrated persuasively that "the time the invention was made" under § 103(c)(1) requires Patent Owner to have done more than what Patent Owner has done in this case. As noted previously, Patent Owner has (i) represented "the time the invention was made" for each of the claims at issue is the filing date of the '357 patent because claims at issue "are based on material not constructively reduced to practice until the filing of the '357 Application" and (ii) shown Spadaro was assigned to Evercom nearly three-and-a-half years prior to conception and constructive reduction to practice of the claimed invention. *See Hyatt v. Boone*, 146 F.3d at 1352 (indicating the filing of a patent application serves as both conception and constructive reduction to practice of the subject matter described in the application). No evidence of record indicates that the claimed inventions were made prior to the start of that lengthy period following the assignment of Spadaro.

In addition to contending Patent Owner did not carry its burden of production under § 103(c)(1), Petitioner contends it carried its burden of production to show that the '167 patent sufficiently would have conveyed to one of ordinary skill in the art that the Patent Owner had possession of the claimed subject matter and, therefore, the '357 patent is entitled to the benefit of the filing date of the '167 patent. Reply 7. As Petitioner recognizes (*id.* at 6), a claim in an application is entitled, under 35 U.S.C. § 120, to the benefit of the filing date of an earlier filed application only if the disclosure of the earlier application provides support for the

claims in the later application, as required by 35 U.S.C. § 112.
35 U.S.C. § 120; *In re Chu*, 66 F.3d 292 (Fed. Cir. 1995).

Petitioner's argument consists of a single paragraph identifying claim numbers and locations where the '167 patent purportedly describes the subject matter of most, but not all, of the claims at issue and a citation to a single paragraph in its declarant's supplemental declaration supporting Petitioner's Reply. Reply 7 (listing claims 2, 8, 9, 11, and 14–18, but not listing claims 5 and 12; citing Ex. 1020 ¶ 16).

Even if we were to find that Petitioner's citation to two pages of its declarant's testimony, without explanation, does not amount to improper incorporation by reference, the testimony of Petitioner's declarant, Leonard J. Forys, Ph.D., is insufficient to show one of ordinary skill in the art was in possession of the subject matter of the claims at issue. *See* 37 C.F.R. § 42.6(a)(3) ("Arguments must not be incorporated by reference from one document into another document.").

First, the testimony of Petitioner's declarant, Dr. Forys, is conclusory, merely quoting some portions of the '357 patent without adequately explaining how the quoted portions relate to the subject matter recited by the claims. *See* 37 C.F.R. § 42.65(a) ("Expert testimony that does not disclose the underlying facts or data on which the opinion is based is entitled to little or no weight."). Moreover, during cross-examination Dr. Forys explained his analysis, "I just went through the '167 patent and just picked a few things out that seem to indicate that they are already there. . . . So it was illustrative. It's not a detailed analysis. It is just suggestive." Ex. 2006, 48:1–7.

Dr. Forys continues by calling his analysis "cursory." *Id.* at 48:7–10 (stating "[i]n fact, I even say a cursory review of the patent. So I just picked a few things out that says . . . this indicates that as of 2003"). Petitioner recognizes that Dr. Forys "didn't do a detailed analysis" and explains that this "was because 'the burden proof is on [Patent Owner's declarant]' to show" the claims at issue are not supported by the '167 patent. Paper 27, Petitioner's Resp. to Obs. 10 (citing Ex. 2006, 49:9–50:4, 51:7–15) (quoting Dr. Forys).

Second, Petitioner expressly stated in its Petition—"Petitioner does not concede that the claims of the '357 patent are entitled to the benefit of the filing date of the '167 patent." Pet. 1 n.1. Petitioner's equivocal Petition statement, which is not explained or acknowledged in its Reply, further undermines Petitioner's conclusory treatment of written description support in the '167 patent.

Third, Petitioner does not provide any explanation as to where the subject matter of independent claims 1 and 10, from which the claims at issue depend, is supported in the '167 patent. Although independent claim 1 in each of the '167 patent and the '357 patent challenged here are similar, the claim limitations are not identical. For example, challenged claim 1 recites an inmate management system and challenged claim 10 recites receiving inmate information from different facilities. In addition, claim 1 in the '357 patent is directed to a computer-based system for managing inmate information, whereas claim 1 in the '167 patent is directed to a centralized call processing system for providing call processing services to multiple prison facilities. Similarly, independent claim 10 in the '357 patent is

directed to a method for managing inmate information at multiple facilities, whereas method independent claim 17 in the ’167 patent is directed to a method for processing calls for prison facilities. Petitioner has not shown why the cited portions of the ’167 patent provide adequate support for each limitation of each claim at issue.

For these reasons, we determine Petitioner has not demonstrated that the claims at issue are entitled to the benefit of the filing date of the ’167 patent. Petitioner, therefore, has not met its burden to demonstrate that Spadaro is not disqualified under § 103(c).

*3. Conclusion*

Based on the foregoing, we are persuaded that under § 103(c) Spadaro is disqualified prior art and so is *not* available to preclude patentability in an obviousness challenge under § 103(a) against claims 2, 5, 8, 9, 11, 12, and 14–18. We conclude, therefore, that Petitioner has *not* met its burden of persuasion to demonstrate by a preponderance of the evidence that (i) claims 2, 8, 9, 11, 14, 16, and 17 would have been obvious over Spadaro and Hodge, (ii) claims 5 and 12 would have been obvious over Spadaro, Hodge, and Boykin, or (iii) claims 15 and 18 would have been obvious over Spadaro, Hodge, and Nguyen.

*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); *see* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,766

(Aug. 14, 2012); *see also In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1278, 1279 (Fed. Cir. 2015) ("Congress implicitly approved the broadest reasonable interpretation standard in enacting the AIA," and "the standard was properly adopted by PTO regulation."), *reh'g en banc denied*, 793 F.3d 1297 (Fed. Cir. 2015). Under that standard, claim terms are presumed to be 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). An inventor may provide a meaning for a term that is different from its ordinary meaning by defining the term in the specification with reasonable clarity, deliberateness, and precision. *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994). In the absence of such a definition, limitations are not to be read from the specification into the claims. *In re Van Geuns*, 988 F.2d 1181, 1184 (Fed. Cir. 1993).

The only term that requires express construction is "call application management system." Independent claim 1 recites "a call application management system" and expressly recites the functions performed by it—"connecting a call to or from the telephone terminals over a telephone carrier network responsive to receiving a request for connecting the call."

The parties dispute the broadest reasonable construction, in view of the Specification, of "call application management system." Patent Owner contends, with support of embodiments described in the Specification and support of its declarant, Robert Akl, D.Sc., the proper construction of "call application management system" is "a system performing call processing for

a plurality of prisons." PO Resp. 5–7 (citing Ex. 1001, 9:10–14, 9:21–29, 10:33–39; Ex. 2002 ¶¶ 35–37). In essence, Patent Owner seeks to replace the express recitation of a function—"connecting a call to or from the telephone terminals over a telephone carrier network responsive to receiving a request for connecting the call"—with the non-specific term "call processing." Patent Owner and its declarant rely on descriptions of call processing being performed by an embodiment of a call application management system—call application management system 110 in Figure 1—as support for "call processing" functions to be performed by the call application management system. *Id.* (citing Ex. 1001, 9:10–14, 9:21–29, 10:33–39; Ex. 2002 ¶¶ 35–37). Patent Owner and Dr. Akl contend that the name "the call application management system of Claim 1 would be understood [by one of ordinary skill in the art] to *manage*, from start to finish, each call placed or received at the plurality of prisons," presumably because of the term "management." *Id.* at 6 (citing Ex. 2002 ¶ 36).

Petitioner responds that Patent Owner's proposed construction improperly includes call processing functionality not recited in the claim. Reply 1–2. Patent Owner contends Dr. Forys agreed with Dr. Akl's claim construction. Paper 22, Obs. 2. Petitioner's declarant found Patent Owner's construction of a call application management system as "a system performing call processing for a plurality of prisons" reasonable. Ex. 2006, 25:20–24. Dr. Forys, however, also testified that the "functionality being performed by the '*call application management system*' [is] clearly defined within the claim [and it] is merely required to 'connect[] a call to from the

telephone terminals over a telephone carrier network responsive to receiving a request for connecting the call and the call being authorized being authorized based on the inmate records provided by the inmate management system.'" Ex. 1020 ¶ 9.

The '357 patent does not set forth a special definition for "call application management system." As confirmed by Dr. Forys (*id.*), the plain language of the claim specifies the function required to be performed by the call application management system—connecting calls responsive to receiving a request to connect the call. Although Dr. Forys found Patent Owner's proposed construction to be "reasonable," Patent Owner's proposed construction unnecessarily introduces the term "call processing," which is not recited by the claim itself and on its face seems broader than the recited function of a call application management system—to connect a call.

We do not agree with Patent Owner that a call application management system must perform examples of call processing described by the Specification, but not recited in the claim. Limitations from embodiments are not to be imported into the claims. *See In re Van Geuns*, 988 F.2d at 1184. Furthermore, we find that Patent Owner's contention—the name "the call application management system of Claim 1 would be understood [by one of ordinary skill in the art] to *manage*, from start to finish, each call placed or received at the plurality of prisons" (PO Resp. 6)—places too much weight on the term "management" without sufficiently addressing the term "application." We credit the testimony of Petitioner's declarant, who disagrees that call application management system is

required to manage "all call processing, 'from start to finish.'" Ex. 1020 ¶ 8 (emphasis omitted).

Therefore, in light of the plain language of the claim, the Specification of the '357 patent, and according the testimony of Patent Owner's declarant and Petitioner's declarant appropriate weight, we construe "call application management system" to mean a system that performs the enumerated function—"connecting a call to or from the telephone terminals over a telephone carrier network responsive to receiving a request for connecting the call."

*C. Principles of Law*

To prevail in challenging claims of the '357 patent, Petitioner must demonstrate by a preponderance of the evidence that the claims are unpatentable. 35 U.S.C. § 316(e); 37 C.F.R. § 42.1(d). A claim is unpatentable under 35 U.S.C. § 103(a) 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 the following: (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 nonobviousness. *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

In that regard, an obviousness analysis "need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ." *KSR*, 550 U.S. at 418; *see Translogic*, 504 F.3d at 1259. A prima facie case of obviousness is established when the prior art itself would appear to have suggested the claimed subject matter to a person of ordinary skill in the art. *In re Rinehart*, 531 F.2d 1048, 1051 (CCPA 1976).

We analyze the asserted grounds of unpatentability in accordance with the above-stated principles.

*D. Level of Ordinary Skill in the Art*

In determining whether an invention would have been obvious at the time it was made, 35 U.S.C. § 103 requires us to determine the level of ordinary skill in the pertinent art at the time of the invention. *Graham v. John Deere*, 383 U.S. at 17. "The importance of resolving the level of ordinary skill in the art lies in the necessity of maintaining objectivity in the obviousness inquiry." *Ryko Mfg. Co. v. Nu-Star, Inc.*, 950 F.2d 714, 718 (Fed. Cir. 1991). The person of ordinary skill in the art is a hypothetical person who is presumed to have known the relevant art at the time of the invention. *In re GPAC, Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995). Factors that may be considered in determining the level of ordinary skill in the art include, but are not limited to, the types of problems encountered in the art, the sophistication of the technology, and educational level of active workers in the field. *Id.* In a given case, one or more factors may predominate. *Id.*

Generally, it is easier to establish obviousness under a higher level of ordinary skill in the art. *Innovention Toys, LLC v. MGA Entm't, Inc*., 637 F.3d 1314, 1323 (Fed. Cir. 2011) ("A less sophisticated level of skill generally favors a determination of nonobviousness . . . while a higher level of skill favors the reverse.").

With support of their respective declarants, both Petitioner and Patent Owner agree that, based on the disclosure of the '357 patent, one of ordinary skill in the art would have a Bachelor of Science degree in electrical engineering, computer science, or an equivalent field, as well as three to five years of academic or industry experience. Pet. 7 (citing Ex, 1003 ¶ 30); PO Resp. 7 (citing Ex. 2002 ¶ 39). Petitioner indicates communications system (or comparable industry experience) is the relevant academic or industry experience (Pet. 7), whereas Patent Owner indicates telephony systems (PO Resp. 7).

The parties propose similar levels of ordinary skill in the art and do not directly challenge the other's proposal. We consider the level of ordinary skill in the art to be reflected by the prior art of record. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001); *In re GPAC*, 57 F.3d at 1579; *In re Oelrich*, 579 F.2d 86, 91 (CCPA 1978). The prior art references, like the '357 patent, relate to telephone communication systems. *See* Ex. 1001, 1:60–62 (indicating the technical field relates to inmate management and call processing); Ex. 1004, 1:7–9 (indicating the field of the invention relates to the processing of voice telephone calls); Ex. 1005,

1:7–9 (indicating the field of the invention relates to telephone communication systems).

In general, we adopt the areas of agreement in the parties' proposals. Patent Owner's proposed academic or industry experience of telephony[14] systems comports with the level of ordinary skill in the art reflected in the prior art of record, which relate to telephone communication systems. Petitioner has not explained sufficiently why the broader field of communications systems is a more appropriate area of academic or industry experience than telephony systems. Thus, we generally adopt Patent Owner's proposed academic or industry experience in telephony systems.

Therefore, one of ordinary skill in the art would have a Bachelor of Science degree in electrical engineering, computer science, or an equivalent field, as well as at least three years of academic or industry experience in telephony systems.

*E. Obviousness over Spadaro and Hodge*

Of the claims not discussed above, Petitioner contends claims 1, 3, 4, 6, 7, 10, 19, and 20 are unpatentable under 35 U.S.C. § 103(a) as obvious over the combination of Spadaro and Hodge. To support its contentions, Petitioner provides analysis and claim charts, relying on declaration testimony of Dr. Forys. Pet. 8–30 (citing Ex. 1003). Patent Owner responds, relying on declaration testimony of Dr. Akl. PO Resp. 10–36

[14] MCGRAW-HILL DICTIONARY OF SCIENTIFIC AND TECHNICAL TERMS 2112 (6th ed. 2003) (defining telephony as "[t]he transmission of speech to a distant point by means of electric signals") (Ex. 3001).

(citing Ex. 2002). Having considered the parties' contentions and supporting evidence, for the reasons that follow, we determine that Petitioner has demonstrated by a preponderance of the evidence that claims 1, 3, 4, 6, 7, 10, 19, and 20 are unpatentable for obviousness over the combination of Spadaro and Hodge.

*1. Summary of Spadaro*

Spadaro describes monitoring and controlling public telephone usage by inmates at a prison. Ex. 1004, 2:38–42. Telephones are connected to a control computer that establishes a connection to a telephone network, such as a public switched telephone network ("PSTN"). *Id.* at 2:48–57, Fig. 1. The control computer is located at the prison and provides for switching, accessing, routing, timing, billing, and the control of the telephones at the prison. *Id.* at 2:45–49. As a way to control telephone usage, the control computer includes a three-way call detection system. *Id.* at 3:35–42, Fig. 1.

Spadaro describes a multiple site telephone system in Figure 3, which is set forth below:

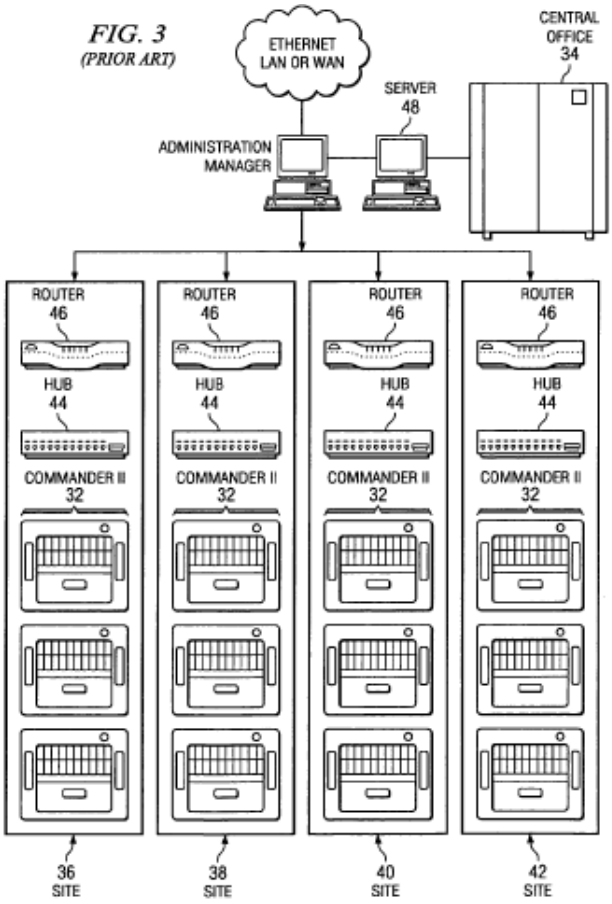


Figure 3 illustrates a multiple site telephone system.

*See* Ex. 1004, 2:25–26. Figure 3 shows four sites 36, 38, 40, 42, each of which has multiple control computers 32 connected through hubs 44 to router 46. *Id.* at 3:53–55. Each of the sites may be a prison in a state-wide prison system. *Id.* at 3:61–62. Calls from each of the four sites are routed from each site's router 46 to server 48, which connects the calls to central office 34. *Id.* at 3:55–57. Spadaro describes obtaining lower cost and efficiency by operating the system shown in Figure 3 over Ethernet and Voice over Internet Protocol ("VoIP") networks. *Id.* at 3:58–62.

Spadaro also describes telephone systems in which control functions are distributed to a remote location over an Ethernet network (*id.* at 4:4–10; Fig. 4) and over a network that includes both VoIP and data (*id.* at 2:30–31; Fig. 5). Spadaro's Figure 5 is set forth below:

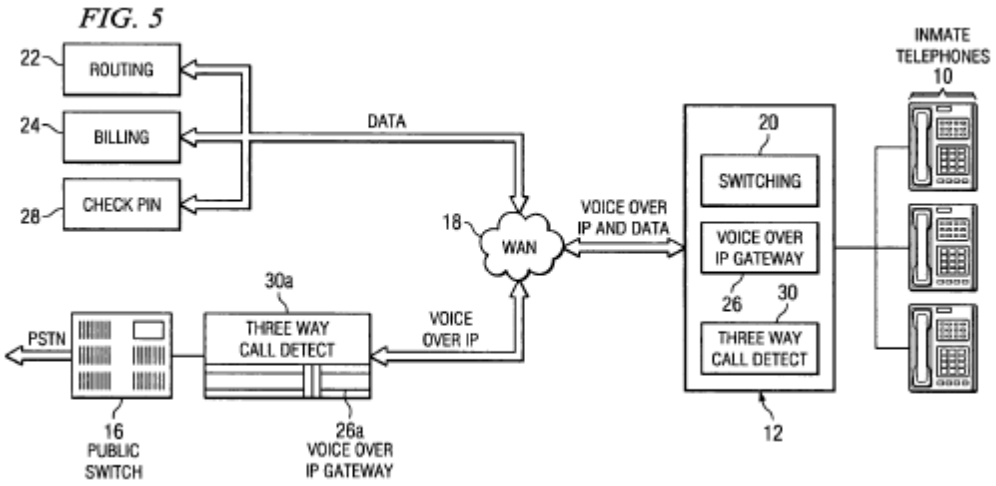


Figure 5 illustrates a telephone system that distributes control functions to a remote location over a VoIP and data network.

Ex. 1004, 2:27–30, 4:4–9, 4:25–27. Figure 5 shows control functions—routing 22, billing 24, and PIN checking 28—distributed to a location remote from the inmate telephones 10. *Id.* at 4:6–10, 4:25. Spadaro explains that an advantage of distributing these functions to a remote location is that "the functions can be centralized with the functions being performed at a central administration location." *Id.* at 4:10–13.

Also shown in Figure 5 is "three-way call detection 30a [that] is moved from the site, i.e. in the control computer 12 as indicated at 30, to a point beyond the VoIP network." *Id.* at 4:27–30. Spadaro explains that VoIP transmission requires voice compression and packetizing, which are

detrimental to the ability to perform three-way call detection. *Id.* at 4:30–32. "Therefore, three way call detection is performed at [three-way call detect system] 30a after the telephony signals have been decompressed and depacketized by the VoIP gateway 26a." *Id.* at 4:32–35.

*2. Summary of Hodge*

As an initial matter, Petitioner represents Hodge is prior art under 35 U.S.C. § 102(e) to the challenged claims. Pet. 4–5. Hodge is a patent, which issued from an application filed on August 8, 2002—a date prior to the earliest effective filing date claimed by the '357 patent (August 15, 2003). Patent Owner does not dispute that Hodge is prior art to the challenged claims.

Hodge describes a secure telephone call management system for use in penal institutions. Ex. 1005, Abstract, 9:48–53. Hodge's secure telephone call management system includes accounting software capable of limiting access to the system based on funds in a user's account. *Id.* at Abstract. Among Hodge's techniques to monitor calls, Hodge describes a live operator using a "shadow workstation" to monitor telephone calls without detection. *Id.* at 20:47–49. If the operator determines a call being monitored is suspicious, the operator may record the telephone call. *Id.* at 20:54–57. Hodge also describes an investigative workstation 125 used to access recorded conversations and used to detect if a third party is present during the telephone call. *Id.* at 21:1–7.

Hodge describes a central site server through which "[a]ll inmate and call information is routed." *Id.* at 19:25, 37–38. According to Hodge, the

shadow workstation and the investigative workstation may be connected to a central site server through a local area network or "may be integral within the central site server." *Id.* at 20:35–36, 20:46–47, 21:13–16. Hodge further describes a WAN configuration in which the site server is connected to multiple devices located in separate institutions, a central database is used for the entire system, and administrative and investigative workstations are located at a central facility to administer all user accounts. *Id.* at 10:41–48 (Summary of Invention).

*3. Independent Claim 1*

Independent claim 1 is a system claim that requires a networking device, an inmate management system, and a call application management system. The networking device is coupled to the inmate management system and exchanges VoIP data packets with call processing gateways located at multiple facilities. The call application management system connects, over a telephone carrier network and under certain conditions, calls to or from telephone terminals located at the facilities.

Petitioner, with support from its declarant, contends that the combination of Spadaro and Hodge would have conveyed to one of ordinary skill in the art the subject matter of claim 1. Pet. 13–19. Petitioner generally relies on Spadaro as describing centralized call processing systems for prisons and Hodge as describing shared information management for centralized prison call processing platforms. *Id*. at 2.

Patent Owner opposes, relying on the testimony of its declarant. PO Resp. 10–36 (citing Ex. 2002).

*Networking Device*

Petitioner, with support of its declarant, contends Spadaro's server 48 depicted in Figure 3 teaches or suggests the networking device recited in claim 1. Pet. 11, 15–16. Petitioner also contends that Spadaro's control computers (also called "Commander™ units" after a particular model) have "a VoIP gateway and Ethernet capability" and so teach or suggest the recited call processing gateways, with which the networking device exchanges VoIP data packets over communication links. Pet. 15 (citing Ex. 1004, 4:1–2).

As shown in Figure 3 (previously shown), Spadaro "depicts four sites 36, 38, 40, and 42 each of which has a plurality of Commander™ units connected through hubs 44 to a router 46. The router 46 *routes calls to a server 48* which connects the calls to a central office 34" of a Publicly Switched Telephone Network (PSTN). Ex. 1004, 3:51–57 (emphasis added); Pet. 15–16 (citing Ex. 1003 ¶ 73). According to Petitioner's declarant, Spadaro's server 48 collects and distributes "call signals between the sites and the central office." Ex. 1003 ¶ 73. Thus, Spadaro's server 48 performs two functions. First, Spadaro's server 48 expressly connects calls from routers 46 located at each site to central office 34—the PSTN. Second, because Spadaro's router 46 routes calls to server 48, Spadaro's server 48 implicitly must receive the calls from router 46 to be able to connect the calls to the PSTN. Relying on Dr. Forys' testimony, Petitioner contends "VoIP packets are collected by the server 48." Pet. 15 (citing Ex. 1003 ¶ 73 (relying on Ex. 1004, 3:55–57 to support Spadaro's disclosure that "call signals between the sites and the central office 34 are collected and

distributed by server 48")). Accordingly, Spadaro's server 48 *receives* calls made from the sites 36, 38, 40, and 42 and connects those calls to the PSTN.

Petitioner relies on Spadaro's statement that "[i]n accordance with the present invention, lower cost and efficiency are obtained by operating systems such as shown in Figs. 2 and 3 over Ethernet and Voice over Internet Protocol networks." Pet. 9, 15–16 (citing Ex. 1004, 3:58–61). Based on this express description, we agree that Spadaro indicates that the multiple site telephone system depicted in Figure 3 can be operated using VoIP and further indicates advantages ("lower cost and efficiency") obtained by doing so.

We do not agree with Patent Owner that Spadaro's server 48 would be redundant in a VoIP context. PO Resp. 17. As noted above, Spadaro expressly states Figure 3 can be used in a VoIP context. Although Spadaro's server 48 might be duplicative if Petitioner's proposed combination relied on server 48 to connect the calls to the PSTN, but that is not Petitioner's position. Pet. 15–16. Petitioner's combination relies on server 48 to exchange VoIP data packets with call processing gateways at the facilities, not for distributing telephone signals to a public switch. *Id.* (citing Ex. 1003 ¶ 73).

Patent Owner also contends that Petitioner's proposed location of Spadaro's server 48 is incongruent with its actual function, because server 48 only connects analog calls to the central office 34. PO Resp. 15–16. Patent Owner does not acknowledge, much less address sufficiently, Spadaro's express disclosure that the multiple site telephone system depicted

in Figure 3, which includes server 48, can be operated using VoIP and indicates advantages obtained by doing so (Ex. 1004, 3:58–61).

Moreover, in Petitioner's proposed combination, Spadaro's server 48 performs the recited functions of the networking device—to exchange VoIP data packets with call processing gateways at the facilities. Patent Owner does not address sufficiently that function of Spadaro's server 48. Thus, we do not agree with Patent Owner that the location of Spadaro's server 48, as indicated by Dr. Forys, in Petitioner's proposed combination is improper. Pet. 11; Ex 1003 ¶ 62.

Patent Owner further contends that Spadaro's server 48 does not perform "intelligent routing" of calls based on the content (voice or data) of the call, as Patent Owner contends would be required in the Petitioner's proposed combination. PO Resp. 17–18 (citing Ex. 2002 ¶ 55). Dr. Akl's testimony does not explain sufficiently why server 48 would require "greatly enhanced functionality" for the interpretation of Petitioner's declarant or why that functionality would not be an inherent part of any VoIP system, which is disclosed in Spadaro. *See* Ex. 2002 ¶ 55.

Patent Owner also contends that Petitioner's reliance on a diagram ("Figure A"), which was created by its declarant and combines Spadaro's Figures 3 and 5, is improper. PO Resp. 13 (citing Pet. 10–11). According to Patent Owner, using Spadaro's server 48 from Figure 3 in Figure 5 to perform the functions of the networking device in claim 1 is "unsupported by Figure 3, Figure 5, or any disclosure in Spadaro." *Id.* at 14. According to Patent Owner, a modification of a prior art reference would not be obvious

absent the suggestion of the desirability of the modification. *Id.* at 13 (citing *In re Gordon*, 733 F.2d 900, 902 (Fed. Cir. 1984); *In re Fritch*, 972 F.2d 1260, 1266 (Fed. Cir. 1992)).

Petitioner replies that Patent Owner applies "stale case law" and argues a more recent case, *Boston Scientific Scimed, Inc. v. Cordis Corp.*, 554 F.3d 982 (Fed. Cir. 2009), is more relevant to the instant case. Reply 12. In *Boston Scientific Scimed*, the Federal Circuit held that limitations found in two embodiments pictured side by side (rather than in a single embodiment) in a prior art patent rendered a claim obvious when the combination of two embodiments does no more than yield predictable results. *Boston Scientific Scimed*, 554 F.3d at 991 (citing *KSR*, 550 U.S. at 417 ("If a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability")); *see also Boston Scientific Scimed*, 554 at 991 ("Combining two embodiments disclosed adjacent to each other in a prior art patent does not require a leap of inventiveness.").

In the combination proposed by Petitioner in the instant case, Spadaro's server 48 performs one of the functions for which server 48 is used in Spadaro—receiving calls from multiple sites. The claims are directed to the electrical arts, which involve predictable factors. *See In re Fisher*, 427 F.2d 833, 839 (CCPA 1970) (indicating patents in the mechanical or electrical arts involve predictable factors). This further supports a finding of obviousness for the reasons given in *Boston Scientific Scimed*. *See also KSR*, 550 U.S. at 416 ("[t]he combination of familiar elements according to known methods is likely to be obvious when it does

no more than yield predictable results"). There is insufficient argument or evidence of record that using Spadaro's server 48 to exchange VoIP data packets in the Petitioner's proposed combination would have been beyond the level of ordinary skill or would not yield predictable results.

Another factor favoring a finding of obviousness in combining Spadaro's Figures 3 and 5 as proposed by Petitioner is the relatively high level of ordinary skill in the art. *Innovention Toys*, 637 F.3d at 1323 ("A less sophisticated level of skill generally favors a determination of nonobviousness . . . while a higher level of skill favors the reverse."). For the reasons discussed previously, the level here requires a Bachelor of Science in electrical engineering or computer science as well as at least three years of experience in telephony systems.

Moreover, as Petitioner correctly indicates (Reply 12–14), that contrary to Patent Owner's position (PO Resp. 14), Spadaro describes that the multiple site telephone system depicted in Figure 3, which includes server 48, can be operated using VoIP and indicates advantages obtained by doing so (Ex. 1004, 3:58–61). As noted previously, Patent Owner does not acknowledge or address sufficiently this express disclosure of Spadaro. Additionally, to the extent that a reason to combine Spadaro's Figures 3 and 5 using server 48 must be found in the reference itself, Spadaro discloses advantages of operating the embodiment including server 48 (Figure 3) using VoIP. Ex. 1004, 3:58–61.

Therefore, we determine that Spadaro's server 48 would have conveyed to one skilled in the art that it exchanges VoIP data packets with

Spadaro's control computers at the multiple sites—the function performed by the recited networking device.

We also note that the determination that Spadaro's server 48 performs the functions recited by the networking device is in accordance with the prosecution history of the application that issued as the '167 patent (i.e., the parent of the '357 patent). *See Microsoft v. Proxyconn*, 789 F.3d 1292, 1298 (Fed. Cir. 2015) ("The PTO should also consult the patent's prosecution history in proceedings in which the patent has been brought back to the agency for a second review."). During examination of the application that issued as the '167 patent, the Examiner rejected a limitation reciting a networking device that was connected via digital data links to call processing gateways located at prison facilities and collected VoIP data packets associated with calls from prison facilities. Ex. 3002, 63–64 (Office action dated January 6, 2010). Specifically, the Examiner relied on Spadaro's server 48[15] as teaching or suggesting that networking device. *Id.* at 63–64 (Office action dated January 6, 2010 citing Spadaro, 3:50–57 for the recited networking device). The Examiner allowed the application after the claim was amended to add a feature unrelated to the networking device.

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[15] Although Spadaro was before the Office during prosecution, Petitioner's arguments concerning Spadaro are not the same arguments applied by the Examiner. For instance, the Examiner relied on the Commando™ units in Figure 3 as disclosing or suggesting the recited call application management system, whereas Petitioner relies on Spadaro's VoIP Gateway 26 in combination with Hodge for teaching or suggesting the call application management system. *Compare* Pet. 11, 18–19, *with* Ex. 3002, 32–33, 64–65.

*See id.* at 31–32 (Office action dated July 21, 2010 continuing to cite Spadaro, 3:50–57 for the recited networking device); *id.* at 9, 18 (applicant advocating that the rejection of claim 1 is overcome in view of the billing system amendment to claim 1); *see also id.* at 1–4 (Notice of Allowance issued November 1, 2010).

*Inmate Management System*

For the recited inmate management system, Petitioner, with support of its declarant, relies on the combination of Spadaro and Hodge. Pet. 17. Petitioner cites to Hodge's description of a site server that is "connected to multiple switchboard devices that are located in separate institutions" and that "serves as the database location for the entire system." Pet. 16 (citing Ex. 1005, 10:41–45); *see also id*. at 17 (citing Ex. 1003 ¶ 76). At the site server, inmate information, including user call information, financial transaction data, call restrictions, personal identification numbers (PINs), and biometric data, is "digitized for efficient data transfer and efficient record keeping." *Id*. at 16–17 (citing Ex. 1005, 19:39–44).

Petitioner, with supporting testimony from Dr. Forys, also relies on Spadaro's teaching of distributing functions that access inmate records to a centralized location, remote from the prisons. Pet. 17 (citing Ex. 1003 ¶ 76); Ex. 1003 ¶ 76 (citing Ex. 1004, 4:4–6). Dr. Forys testifies that, because Spadaro's information is centralized, one of ordinary skill in the art would recognize that stored records would likely be accessed, created, and/or edited by users at any of the different facilities served by Spadaro's centralized call processing system. Ex. 1003 ¶ 76. Dr. Forys

further testifies that, because Spadaro does not provide details of how centralized information is acquired, stored, or maintained, one of ordinary skill in the art would look to Hodge. *Id*. Thus, Petitioner asserts that the combination of Spadaro and Hodge teaches "an inmate management-system coupled to the networking device for providing shared data access of inmate records to computer terminals at said plurality of facilities," recited in claim 1. Pet. 17.

Petitioner also relies on the combination of Spadaro and Hodge teaching that inmate records are created with inmate information collected at one facility and are modified responsive to collecting inmate information from a second facility, as required by claim 1. Hodge teaches administrative workstations, located at each facility, are used to create, edit, and monitor user accounts and telephone calls. *Id*. (citing Ex. 1005, 10:35–37, 44–46). Dr. Forys testifies that, because Hodge's administrative workstations can be used to create and edit user accounts, and are not limited to creating or editing inmate records only for particular facilities or workstations, one of ordinary skill in the art "would understand from Hodge that any of the administrative workstations located at any of the different facilities could create inmate records, and that any of the other workstations at any of the other facilities could edit those records." Ex. 1003 ¶ 79; *see* Pet. 17 (citing Ex. 1003 ¶ 79). Thus, Petitioner concludes, based on Dr. Forys' testimony, that the combination of Spadaro and Hodge teaches or suggests "said inmate records created with first inmate information collected from a first computer terminal at a first facility of the plurality of facilities and modified

responsive to collecting second inmate information from a second computer terminal at a second facility of the plurality of facilities," as recited in claim 1. Pet. 17 (citing Ex. 1003 ¶ 79).

Patent Owner, with supporting testimony from its declarant and citing different portions of Hodge, concludes the opposite—that Hodge indicates that there is not the requisite shared access or modification of records created at a different facility. PO Resp. 18–22. Patent Owner and its declarant, Dr. Akl, rely on Hodge's description, which relates to a sample screen of user information, that a "user must have a system account established in order to make telephone calls from a specific facility" and "[w]hen an inmate is transferred from one facility to another, only the inmate's account information, [class of service[16]], and telephone lists are transferred to that facility." PO Resp. 20–21 (quoting Ex. 1005, 42:14–15, 17–20); *see* Ex. 1005, 42:1–2. According to Patent Owner and Dr. Akl, the need to transfer information indicates there is not shared data access across facilities. PO Resp. 21 (citing Ex. 2002 ¶ 61).

While acknowledging Hodge discloses administrative workstations that can create and edit user accounts are located at every facility, Patent Owner and Dr. Akl assert that "Hodge does not disclose that an administrative workstation at a second facility can modify records created at a first facility" because Dr. Forys' testimony is insufficient. *Id.* Dr. Akl, in contrast to Dr. Forys, concludes that one of ordinary skill in the art only

[16] Ex. 1005, 36:24–25 (indicating "COS" is an abbreviation for "class of service").

would understand Hodge as teaching inmate "records were intended to be created and edited at the administrative workstations that correspond to the records located at the same facility." *Id.* at 22 (citing Ex. 2002 ¶ 62).

Dr. Akl's testimony does not address sufficiently the descriptions on which Petitioner relies (Pet. 16–17)—the central site server "serves as the database location for the entire system" and stores various data, including user call information, call restrictions, and PINs (Ex. 1005, 10:41–45, 19:39–44). Pet. 16–17 (citing same). Furthermore, Patent Owner indicates Hodge also teaches inmate information (i.e., "inmate profile") may be stored on the administrative workstation or the central site server. PO Resp. 21 (citing Ex. 1005, 20:57–59). Patent Owner and its declarant contend that "[t]his would suggest to one of ordinary skill in the art that Hodge does not disclose shared access across all facilities." *Id.*

We disagree because this description in Hodge indicates that the inmate profile may be stored "in a central site server." Rather than supporting Patent Owner's position, this description in Hodge undermines Patent Owner's position that Hodge does not disclose shared data access to inmate records. Moreover, as Petitioner correctly indicates in response to Patent Owner's arguments, Hodge describes "changes can be made at any of the different institutions and then be applied globally or locally." Reply 15 (quoting Ex. 1005, 10:64–67). This supports the position of Petitioner's declarant, Dr. Forys, and further undermines the position of Patent Owner's declarant, Dr. Akl. Thus, we find credible Dr. Forys' testimony that "[w]hen the entirety of Hodge's disclosure is considered, a person having ordinary

skill in the art would recognize that a first administrative workstation located at a first facility could be used to create an inmate record, and a second workstation at a second facility could be used to edit or modify the existing record." Ex. 1020 ¶ 36; *see* Ex. 1003 ¶ 79; *see also In re Applied Materials, Inc.*, 692 F.3d 1289, 1298 (Fed. Cir. 2012) ("A reference must be considered for everything that it teaches, not simply the described invention or a preferred embodiment.").

Weighing the arguments and evidence of Patent Owner and its declarant with those of Petitioner and its declarant, we are persuaded that Petitioner has established by a preponderance of the evidence that Hodge would have conveyed to one of ordinary skill in the art an inmate management system for providing shared data access of inmate records, and the creation and modification of inmate records, as required by claim 1.

*Call Application Management System*

Petitioner asserts the combination of Spadaro and Hodge teach or suggest for the recited call application management system. Pet. 18–19. Regarding Spadaro, Petitioner relies on VoIP Gateway 26a connecting a call to or from the telephone terminals over a telephone carrier network. *Id*. As shown in Figure 5 and noted by Petitioner, Spadaro's VoIP Gateway 26a transmits outgoing calls from the telephone terminals in the prison facility to a telephone carrier network (Spadaro's public switch 16). *Id*. at 18 (citing Ex. 1004, 4:49–53). Petitioner further relies on Spadaro's description of using VoIP calls in a mixed mode for cost efficiency. *Id*. (citing Ex. 1004, 4:56–61). Furthermore, according to Petitioner, Spadaro describes

restricting telephone usage associated with a PIN, which teaches or suggests authorizing calls based on inmate records. *Id*. at 19 (citing Ex. 1004, 3:35–37).

Relying on support from its declarant, Petitioner asserts that a person of ordinary skill in the art would understand Spadaro's call connection as being "responsive to receiving a request for connecting a call," noting the everyday experience of telephone users in which calls are placed responsive to a request by a caller (i.e., dialing a telephone number to be called). *Id*. at 18 (emphasis omitted) (citing Ex. 1003 ¶ 83).

Petitioner also relies on Hodge's description of managing inmate call restrictions at the centralized site server by comparing information in the site server's database with a PIN and denying access to the phone system after enough failed attempts by the user to enter a correct PIN. *Id*. at 19 (citing Ex. 1005, 10:44–45, 11:45–48). Thus, Petitioner contends the combination of Hodge and Spadaro discloses "a call application management system connecting a call . . . responsive to . . . the call being authorized based on the inmate records provided by the inmate management system," as recited in claim 1. *Id*. (emphasis omitted).

Patent Owner opposes. PO Resp. 22–25. Furthermore, as discussed above, we have construed "call application management system" to mean a system that performs its enumerated function—"connecting a call to or from the telephone terminals over a telephone carrier network responsive to receiving a request for connecting the call." For the reasons discussed previously, we reject Patent Owner's contention that additional functions

must be performed by the call application management system. Thus, we do not agree with Patent Owner's position (PO Resp. 23–24) that Spadaro's VoIP gateway 26a could not perform additional processing functions that Patent Owner alleges are required by a call application management system.

Patent Owner also contends that the combination of Spadaro and Hodge does not disclose the recited call application management system because Spadaro's VoIP gateway 26a does not have the capability to authorize calls. *Id*. at 24. The call application management system recited in claim 1, however, is required by the plain language of the claim only to connect a call "responsive to receiving a request for connecting the call and the call being authorized based on the inmate records provided by the inmate management system." The call application management system itself is not required to authorize the call—only that it connects a call that has been authorized based on the inmate records provided by the inmate management system.

Weighing the arguments and evidence of Patent Owner and its declarant with those of Petitioner and its declarant, we are persuaded that Petitioner has established by a preponderance of the evidence that the combination of Spadaro and Hodge would have conveyed to one of ordinary skill in the art the call management system recited in claim 1.

*Reason to Combine*

Having determined that Petitioner's combination of Spadaro and Hodge would have conveyed to one of ordinary skill in the art the limitations in claim 1, our inquiry continues because "rejections on obviousness

grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006). "Care must be taken to avoid hindsight reconstruction by using 'the patent in suit as a guide through the maze of prior art references, combining the right references in the right way so as to achieve the result of the claims in suit.'" *Grain Processing Corp. v. Am. Maize-Prods. Co.*, 840 F.2d 902, 907 (Fed. Cir. 1988) (quoting *Orthopedic Equip. Co. v. United States*, 702 F.2d 1005, 1012 (Fed. Cir. 1983)).

Petitioner, with support from its declarant, indicates the reason that one of ordinary skill in the art would have combined Spadaro and Hodge was the two references were addressing the same problem—control and management of inmate telecommunications. Pet. 12 (citing Ex. 1003 ¶ 64). *KSR*, 550 U.S. at 420 ("Under the correct analysis, any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed.").

Petitioner, also relying on its declarant, contends a one of ordinary skill in the art could have combined the functions of Hodge with the system of Spadaro by known methods and the results of the combination would have been predictable to one of ordinary skill in the art. Pet. 13 (citing Ex. 1003 ¶ 67). Patent Owner disagrees and contends this conclusion of Petitioner's declarant is unsupported and insufficient to articulate the requisite reason to combine. PO Resp. 11. Patent Owner, however, does not

provide evidence or argument as to why Petitioner's proposed combination would not yield predictable results, as Petitioner's declarant contends.

As noted by the Court in *KSR*, "[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results." *KSR*, 550 U.S. at 416. Here, Petitioner relies on the combination of Hodge's teaching of central database for providing shared access to inmate records created with inmate information from two facilities with Spadaro's centrally stored inmate PIN used for authorizing inmate calls. This combination involves the electrical arts, which involve predictable factors and so the record may more readily show a motivation to combine known elements to yield a predictable result. *See In re Fisher*, 427 F.2d at 833 (indicating patents in the mechanical or electrical arts involve predictable factors); *Rothman v. Target Corp*., 556 F.3d 1310, 1319 (Fed. Cir. 2009) ("In the predictable arts, a trial record may more readily show a motivation to combine known elements to yield a predictable result, thus rendering a claimed invention obvious.") (citing *KSR*, 550 U.S. at 418).

Petitioner further contends, with support from its declarant, a person of ordinary skill in the art would have looked to Hodge for how to store and manage the centralized information described by Spadaro. Pet. 12–13 (citing Ex. 1003 ¶ 64). As an example, Dr. Forys indicates Spadaro's centralized PIN checking function requires a centrally stored inmate PIN, but "Spadaro does not describe how such information would be created, edited and/or stored at the central call processing system." *Id*. (citing Ex. 1003 ¶ 64). Thus, according to Dr. Forys, one of ordinary skill in the art

would look "to Hodge, which describes how to create and edit inmate information on a centralized call processing system." *Id.* at 13 (citing Ex. 1003 ¶ 64).

Patent Owner contends that Petitioner "does not explain the need for a person of ordinary skill in the art to seek the separate teachings of Hodge to understand how to create, edit and/or store information." PO Resp. 12. We disagree. As noted above, Petitioner indicates Spadaro uses centralized information but does not teach how to create and edit inmate information, and so, for that reason, would look to Hodge. Pet. 12–13. The rather high level of ordinary skill in the art also favors a finding of obviousness for the reasons discussed earlier.

For these reasons, we determine that Petitioner has articulated sufficient reasoning with some rational underpinning to support the legal conclusion that the subject matter of claim 1 would have been obvious to one of ordinary skill in the art in view of the teachings of Spadaro and Hodge as combined in the manner proposed by Petitioner. *See KSR*, 550 U.S. at 418.

We, therefore, determine that Petitioner has shown, by a preponderance of the evidence, that the subject matter recited in claim 1 as a whole would have been obvious to one of ordinary skill in the art in view of Spadaro and Hodge. *See* 35 U.S.C. § 103(a).

*4. Adequacy of Petitioner's Claim Chart for Claims 10, 19, and 20*

Petitioner indicates independent claim 10 and its dependent claims 19 and 20 are method claims that include substantially the same limitations as

independent claim 1 and its dependent claims 6 and 7. Pet. 23. Petitioner presents a claim chart that maps the limitations of claims 10, 19, and 20 to specific portions of Spadaro and Hodge. *Id.* at 23–29. The cited portions of Spadaro and Hodge in the claim chart correspond to portions of Spadaro and Hodge used in Petitioner's analysis of claims 1, 6, and 7 and refer back to previous sections of analysis in the Petition. *Id.*

Patent Owner repeats, in its Patent Owner Response, its argument in its Preliminary Response that the Petition is in inadequate to establish obviousness of claims 10, 19, and 20 because 37 C.F.R. § 42.22(a)(2) requires a petition to contain a "full statement of the reasons for the relief requested, including a detailed explanation of the significance of the evidence" and 37 C.F.R. § 42.6(a)(3) prohibits incorporation of arguments from another document. *Compare* PO Resp. 29–30, *with* Paper 9 (Patent Owner's Preliminary Response to Petition), 24–25.

As explained in our Decision to Institute, Petitioner's claim charts are adequate and do not violate 37 C.F.R. § 42.22(a)(2). Inst. Dec. 24–25.

*5. Independent Claim 10*

Independent method claim 10 recites various steps that are similar to the functions recited by the independent system claim 1. For example, claim 1 recites "inmate records created with first inmate information collected from a first computer terminal at a first facility of the plurality of facilities and modified responsive to collecting second inmate information from a second computer terminal at a second facility of the plurality of facilities," whereas claim 10 recites "receiving, from a first computer

terminal at the first facility, first inmate information associated with an inmate" and "receiving, from a second computer terminal at the second facility, second inmate information associated with the inmate for modifying the inmate record."

In another example, claim 1 recites "an inmate management system . . . for providing shared data access of inmate records to computer terminals at said plurality of facilities," whereas claim 10 recites "storing the inmate record in the computer-based system for shared access across to the inmate record computer terminals in the multiple facilities." In yet another example, claim 1 recites "connecting a call . . . responsive to . . . the call being authorized based on the inmate records provided by the inmate management system," whereas claim 10 recites "connecting the call . . . responsive to authorizing the call based on the inmate records stored in the computer-based system."

In contending the subject matter of claim 10 would have been obvious to one of ordinary skill in the art, Petitioner relies on cited portions of Spadaro and Hodge that substantially correspond to portions of Spadaro and Hodge used in Petitioner's analysis of claim 1 and relies on substantially the same arguments. Pet. 23–27.

Patent Owner contends, with supporting testimony from Dr. Akl, that Hodge does not disclose "receiving, from a second computer terminal at the second facility, second inmate information associated with the inmate for modifying the inmate record," as recited in independent claim 10. PO Resp. 30–31 (citing Ex. 2002 ¶ 75). According to Patent Owner, "Hodge

does not disclose that an administrative workstation at a second facility can modify records created at a first facility." *Id*. at 31 (citing Ex. 2002 ¶ 75).

Patent Owner's contention seems more appropriate to a patentability challenge based on anticipation, which requires a prior art reference to disclose, expressly or inherently, every limitation of the claim as arranged in the claim. *See Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F.3d 1359, 1369 (Fed. Cir. 2008). In contrast "[t]he test for obviousness is what the combined teachings of the references would have suggested to those having ordinary skill in the art." *In re Mouttet*, 686 F.3d 1322, 1333 (Fed. Cir. 2012). Patent Owner's contention does not address satisfactorily Petitioner's position based on the combination of Spadaro with Hodge's site server that serves as a central database location for the entire system and to which administrative workstations located at each facility and capable of administering user accounts are connected. *See* Pet. 25 (citing Pet. 16–17; Ex. 1005, 10:19–22, 10:41–48).

Patent Owner also contends that Dr. Forys' testimony is insufficient because he "merely alleges that 'Hodge alludes to this functionality'" and "provides no valid reasoning" for his position. PO Resp. 31 (citing Ex. 1003 ¶ 114) (emphasis omitted).

We disagree. In the seven sentences that immediately follow Dr. Forys' sentence quoted by Patent Owner, Dr. Forys provides support for his conclusion that Hodge would have conveyed to one of ordinary skill in the art the requisite modifying. *See* Ex. 1003 ¶ 114. For example, Dr. Forys testifies that Hodge's teaching of changing living unit information for an

inmate would have conveyed to one of ordinary skill in the art that an inmate's location may change. *Id.* (citing Ex. 1005, 37:2–5, 43:19–21); *see* Pet. 25 (citing Ex. 1005, 43:19–21). Along with Hodge's teaching that an inmate can be "transferred from one facility to another," Dr. Forys concludes that Hodge would have conveyed to one of ordinary skill in the art "to provide updating functionality for editing a location of an inmate within his record responsive to an inmate changing facilities." Ex. 1003 ¶ 114 (citing Ex. 1005, 42:18).

Patent Owner contends that Hodge does not disclose "storing the inmate record in the computer-based system for shared access across to the inmate record computer terminals in the multiple facilities," as recited in independent claim 10. PO Resp. 32–33. Patent Owner relies on substantially the same arguments made regarding the "inmate management system . . . for providing shared data access of inmate records to computer terminals at [multiple] facilities," recited in claim 1. *Compare* PO Resp. 32–33, *with id.* at 20–21. For example, Patent Owner asserts, apparently citing Dr. Akl's conclusion, Hodge indicates that there is not the shared access required by claim 10, which is substantially the same argument as made regarding claim 1. *Compare* PO Resp. 32 ("In fact, Hodge indicates that there is not 'shared access across to the inmate record computer terminals in the multiple facilities.'"), *with id.* at 20 ("In fact, Hodge indicates that there is not 'shared access across to the inmate record computer terminals in the multiple facilities.'") (citing Ex. 2002 ¶ 61). For the reasons indicated previously with respect to claim 1, we do not agree with Patent Owner.

For these reasons and for the reasons previously discussed with respect to claim 1, we determine that Petitioner by a preponderance of the evidence has demonstrated that the subject matter recited in claim 10 as a whole would have been obvious to one of ordinary skill in the art in view of Spadaro and Hodge. *See* 35 U.S.C. § 103(a).

*6. Dependent Claims 3 and 4*

Claim 3, which depends from independent claim 1, additionally recites "wherein said inmate records comprise a call record associated with inmates." For this feature, Petitioner relies on Hodge's teaching of logging data about each call and "call detail records" that are generated for inmate calls and stored in a server database on the central site server. Pet. 21 (citing Ex. 1005, 11:32, 25:49–52).

Claim 4, which depends from independent claim 1, additionally recites "wherein said records comprise a call recording associated with inmates." For this feature, Petitioner relies on Hodge's teaching recording the telephone calls and storing the recordings in a database. Pet. 21 (citing Ex. 1005, 10:28–31).

Patent Owner contends that Hodge does not disclose modifying a call record and modifying a call recording, which according to Patent Owner is required by claims 3 and 4, respectively. PO Resp. 25–27. Patent Owner apparently reasons that, because claim 1 requires "inmate records" to be "modified responsive to collecting second inmate information" and because claims 3 and 4 each requires "inmate records" to include certain types of records (i.e., a call record and a call recording, respectively), then claims 3

and 4 require the call record and the call recording, respectively, to be modified in the way required by claim 1. *See id.*

In response, Petitioner asserts that neither claim 3 nor claim 4 requires the types of inmate records enumerated in those claims to be modified. Reply 18–19. To do so, according to Petitioner, would amount to requiring "**all** of the 'inmate records' must be modified responsive to collecting second inmate information from a second computer terminal at a second facility." *Id.* at 18 (italics removed).

The testimony of both Dr. Akl and Dr. Forys provide support for Petitioner's position. As Patent Owner acknowledges (PO Resp. 25), Petitioner's declarant, Dr. Forys, testifies that claim 3 does not require modifying a call record at the second facility. Ex. 2003, 163:2–6. As Petitioner indicates (Reply 18), Patent Owner's declarant, Dr. Akl, testifies that the claimed "inmate records" can include various types of information and that, in any given instance, one of the types of information could be modified while leaving other information in the inmate record unchanged. Ex. 1021, 120:21–25 (agreeing that "a portion of the inmate record could be adjusted or modified, while leaving other portions of the record unchanged"); *see also id.* at 119:19–120:10 (indicating an inmate record could include medical information and contact information for third parties associated with an inmate); *id.*at 120:11–20 (indicating medical information probably could be altered without impacting contact information in an inmate record).

The plain language of the claims provides additional support for Petitioner's position. Neither claim 3 nor claim 4 expressly requires a call record or a call recording to be modified, much less modified responsive to collecting information from a second facility. Rather, claims 3 and 4 require that the recited *inmate records* include a call record or a call recording, respectively. Although the claims require *inmate records* to be "modified responsive to collecting *second inmate informatio*n" from a second facility, neither claim 3 nor claim 4 places any limit as to what type of information comprises "second inmate information." For instance, claims 3 and 4 do not require the "second inmate information" that is collected to be information about a call record or a call recording.

Moreover, claim 2, which depends from independent claim 1, provides some additional support for Petitioner's position. Claim 2 recites "biometric data of the inmates" that may be included in inmate records. The '357 patent provides examples of biometric data: "voice print, finger print, iris and/or retina scan, hand scan, face and/or personal physical attribute recognition, and the like." Ex. 1001, 16:10–13. The inclusion of biometric data measurement of physical characteristics as information that may be included in inmate records further supports Petitioner's position that the claims do not require all types of inmate record information to be modified. Presumably, biometric data of inmates used as a method of identity authentication would rarely, if ever, need to be modified. *See* Ex. 1005, 12:16–28 (prior art reference describing use of biometric data (such as voice prints, face architecture, fingerprints, retinal prints, hand geometry, and

infrared pattern of the face) for authentication to provide access to an inmate telephone management system). The inclusion of biometric data in inmate records provides some additional support to Petitioner's position that claims 3 and 4 do not require a call record and a call recording, respectively, to be modified.

Neither party has identified any support from the written description of the '357 patent for its position. The '357 patent describes "inmate records" being created at one facility and modified by a subsequent facility. For example, the '357 patent indicates "inmate records . . .may be accessed and modified by each facility as the inmate is transferred among those facilities." Ex. 1001, Abs; *see id.* at 3:60–65 (describing modifying at a subsequent facility an inmate's record created at a previous facility); *id.* at 18:54–61 (describing continuing use at a subsequent facility of records created at a previous facility); *id.* at 19:10–17 (describing use of information collected upon arrest as expediting account set up when an inmate is transferred to another facility). The '357 patent also describes updating an account for telephone calls and/or transactions when an inmate is transferred to another facility. *Id.* at 3:46–55.

None of these passages, however, describe expressly a call recording or a call record created at one facility being modified based on information collected from a second facility. Furthermore, the '357 patent describes calling records and call recordings as being associated with the facility to which it belongs (*id.* at 13:57–60), which undermines Patent Owner's position that claims 3 and 4 require a call recording or a call record created

at one facility being modified based on information collected from a second facility.

For these reasons, we determine that Petitioner has demonstrated by a preponderance of the evidence that the combination of Spadaro and Hodge would have conveyed to one of ordinary skill in the art the subject matter of claims 3 and 4.

*7. Dependent Claims 6, 7, 19, and 20*

Claims 6 and 19, which respectively depend from independent claim 1 and independent claim 10, each additionally recite the facilities comprise different types of facilities. For this feature, Petitioner relies on Hodge's teaching that "[i]t is common to utilize a controlled telephone system capable of monitoring outgoing telephone connections in many types of institutional environments." Pet. 21, 29 (emphasis omitted) (citing Ex. 1005, 1:19–24). Hodge continues by providing examples, including "penal institutions, military institutions, . . . or specific types of government institutions." Ex. 1005, 1:19–24. Petitioner's declarant testifies that:

> [because] the claimed computer system is 'for managing inmate information,' [it would have been obvious to a person of ordinary skill in the art that] . . . two different types of institutions associated with managing inmate information would likely have interests in the same information and call processing functions (e.g., three way call detection, PIN checking, etc.).

Ex. 1003 ¶ 96 (emphasis omitted); *see also* Pet. 21 (discussing and citing Ex. 1003 ¶ 96). Petitioner's declarant then concludes that "it would have

been obvious for a government institution (e.g., police, Court system) to share data with prison facilities." Ex. 1003 ¶ 96.

Claims 7 and 20, which respectively depend from independent claim 1 and independent claim 10, each require controlling access to the inmate records based on logon information received from the computer terminals. For this feature, Petitioner, with support of its declarant, relies on Hodge's teaching that "only authorized staff members may have access to customize system settings, based on individual staff member security levels" and the staff member levels may be "determined when a user first logs into the system . . . based upon username and the access level that has been set for each user name by a user manager." Pet. 22 (quoting Ex. 1005, 36:19–24).

Patent Owner does not advance arguments particular to the subject matter additionally recited in claims 6, 7, 19, and 20. Having reviewed the papers submitted by Petitioner and Patent Owner and the evidence cited therein, we determine that Petitioner has demonstrated by a preponderance of the evidence that the combination of Spadaro and Hodge would have conveyed to one of ordinary skill in the art the subject matter of claims 6, 7, 19, and 20.

*8. Conclusion of Obviousness over Spadaro and Hodge*

We have resolved the question of obviousness based on factual determinations of (1) the scope and content of Spadaro and Hodge; (2) differences between the subject matter of claims 1, 3, 4, 6, 7, 10, 19, and 20 and the teachings of Spadaro; (3) the level of ordinary skill in the art; and (4) objective evidence of nonobviousness. *Graham*, 383 U.S. at 17–18.

Patent Owner has not put forth any evidence of secondary considerations for us to consider.

For the foregoing reasons, we determine that Petitioner has established, by a preponderance of the evidence, that the subject matter recited in each of claims 1, 3, 4, 6, 7, 10, 19, and 20 as a whole would have been obvious to one of ordinary skill in the art in view of Spadaro. *See* 35 U.S.C. § 103(a).

*F. Obviousness over Spadaro, Hodge, and Cree*

Petitioner contends claim 13 is unpatentable under 35 U.S.C. § 103(a) as obvious over Spadaro, Hodge, and Cree relying on declaration testimony of Dr. Forys. Pet. 31–32 (citing Ex. 1003). Patent Owner opposes, relying on declaration testimony of Dr. Akl. PO Resp. 44–47 (citing Ex. 2002).

Cree is a patent that describes an inmate messaging system for notifying an inmate in a prison facility of messages received from a caller outside the prison facility. Ex. 1008, Abstract. Cree also describes "an active list of inmates" that may be contacted by a remote caller. *Id.* at 5:51–52. An active list of inmates is included for each account in an account database. *Id.* at 5:50–51. The active list is updated regularly "to account for the release or transfer of inmates." *Id.* at 5:55–58.

Claim 13, depends from independent claim 10 and additionally recites "modifying said inmate record responsive to transferring the inmate from one facility of the multiple facilities to another facility of the multiple facilities." For the reasons discussed previously regarding independent claim 10, we determined that Petitioner had demonstrated by a

preponderance of the evidence that the combination of Spadaro and Hodge would have conveyed to one of ordinary skill in the art the limitations recited in independent claim 10. Notably with regard to claim 13, Petitioner relies on Hodge as teaching creating and editing inmate records, as required by independent claim 10. *See, e.g.*, Pet. 24–25 (citing Ex. 1005, 10:19–22, 10:35–37, 10:41–48.).

*1. Modifying Said Inmate Records Responsive to Inmate Transfer*

Petitioner contends that Cree's disclosure of an active list of inmates stored in a database that is updated when inmates are transferred, in combination with Spadaro and Hodge, would have rendered obvious claim 13. Pet. 31 (citing Ex. 1008, 1:7–10, 5:38–45, 5:55–58). Petitioner also relies on Hodge's description that inmate account information is transferred when the inmate is transferred to another facility. *Id.* at 31–32 (citing Ex. 1005, 42:17–20).

Patent Owner opposes, contending that Cree does not disclose an inmate record that is modified responsive to the transfer of an inmate. PO Resp. 45–46. Rather, according to Patent Owner, Cree only discloses updating information associated with a remote caller, not an inmate, upon transfer of an inmate. *Id.* at 46.

Patent Owner's contentions unduly focus on only capabilities described in Cree. First, this is inconsistent with Petitioner's asserted ground, which also relies on Hodge for teaching inmate records. Patent Owner does not acknowledge, much less address sufficiently, that the "said inmate records" recited in dependent claim 13 are the inmate records for

which Petitioner relies on Hodge. Specifically, Petitioner relies on Hodge for the teaching creating and editing inmate records and transferring inmate information to the new facility when an inmate is transferred. Pet. 31; *see also id.* at 24–25 (citing Ex. 1005, 10:19–22, 10:35–37, 10:41–48); Reply 23–24 (reiterating its combination of Hodge and Cree as relying on Hodge for the creation and modification of inmate records (citing Ex. 1005, 10:35–46) and relying on Cree for modifying records based on transfer of inmates (citing Ex. 1008, 5:55–58)). Petitioner relies on Cree as teaching updating inmate information responsive to the transfer of an inmate. Pet. 31–32.

Second, Patent Owner's contention amounts to an attack on the teaching of Cree alone, without sufficient consideration of what the teaching of Cree in combination with the teaching of Hodge would have suggested to one of ordinary skill in the art regarding the claimed subject matter as a whole. We find this approach unpersuasive. *In re Mouttet*, 686 F.3d at 1333 (Fed. Cir. 2012) (citing *In re Keller*, 642 F.2d 413, 425 (CCPA 1981)) ("[T]he test for obviousness is what the combined teachings of the references would have suggested to those having ordinary skill in the art.").

Nor do we agree with Patent Owner's assertion (PO Resp. 46–47) that, during his deposition, Petitioner's declarant, Dr. Forys, "confirmed that he did not base his analysis on an accurate understanding of [Cree's] active list" (citing Ex. 2003, 255:1–5) and "Petitioner's theory regarding the obviousness of [claim 13] is misled by the false understanding of Dr. Forys" (citing Ex. 2002 ¶ 95). Dr. Forys explains that he did not base his analysis

on an inaccurate understanding of Cree's active list. Rather, as Dr. Forys explains in the same sentence of which a fragment was cited by Patent Owner that his theory relies only on Cree for the "cell block telephone number, which is the contact number of the inmate." Ex. 2003, 255:5–7 (Declarant's complete answer reads: "That's my understanding, yes, but again -- but really, all I use it for is a cell block telephone number, which is the contact number of the inmate."). Thus, Dr. Forys does not rely on Cree's active list as being associated with an inmate. Rather, Dr. Forys relies on Cree's active list for including inmate information (cell block telephone number) that is updated to account for the transfer of inmates. *See* Pet. 32 (citing Ex. 1008, 5:55–58). This is an accurate understanding of Cree and is not disputed by Patent Owner. *See id.*; PO Resp. 46–47. Accordingly, Petitioner's theory regarding the obviousness of claim 13 is not undermined by Dr. Forys' understanding of the entity with which an active list is associated (i.e., a remote caller).

Patent Owner also contends that we should defer to the Examiner's findings regarding Cree in the prosecution history of the '357 patent. PO Resp. 44–45 (citing Ex. 1002 (Part 1), 112). Patent Owner indicates that "[e]ssentially, the Examiner considered the exact same prior art reference for the exact same claim, citing almost identical sections of Cree and found the claim, as allowed, was patentable." *Id*. at 45.

Patent Owner is correct that the Examiner relied on Cree in rejecting the limitation "modifying said inmate record responsive to transferring the inmate from one facility of the multiple facilities to another facility of the

multiple facilities," which is the same as the additional limitation recited in claim 13. As explained previously, however, Petitioner's combination relies on Hodge for teaching modifying inmate records and on Cree for teaching modifying inmate information when an inmate is transferred to another facility. This combination was not before the Examiner and thus, the Examiner did not consider "the exact same prior art reference for the exact same claim." *Id.*

*2. Reason to Combine*

Petitioner contends, with support from its declarant, that one of ordinary skill in the art would have combined the functions of Spadaro and Hodge with those of Cree because both address inmate communications in a prison environment and deal with the transfer of inmates between facilities. Pet. 31–32 (citing Ex. 1003 ¶ 149); *see also KSR*, 550 U.S. at 420 ("Under the correct analysis, any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed."). Petitioner contends the functions of Spadaro and Hodge could have been combined with those of Cree by using known data management and networking methods, which would have had predictable results. *Id.* at 32 (citing Ex. 1003 ¶ 149). This combination involves the electrical arts, which involve predictable factors and, thus, the record may more readily show a motivation to combine known elements to yield a predictable result. *See In re Fisher*, 427 F.2d at 833 (indicating patents in the mechanical or electrical arts involve predictable factors); *see Rothman v. Target Corp.*, 556 F.3d at 1310 ("In the predictable

arts, a trial record may more readily show a motivation to combine known elements to yield a predictable result, thus rendering a claimed invention obvious.") (citing *KSR*, 550 U.S. at 418). Another factor favoring a finding of obviousness is the rather high level of ordinary skill in the art for the reasons discussed earlier.

For these reasons, we determine that Petitioner has articulated sufficient reasoning with some rational underpinning to support the legal conclusion that the subject matter of claim 13 would have been obvious to one of ordinary skill in the art in view of the teachings of Spadaro, Hodge, and Cree as combined in the manner proposed by Petitioner. *See KSR*, 550 U.S. at 418.

*3. Conclusion*

We, therefore, determine that Petitioner has demonstrated, by a preponderance of the evidence, that the subject matter recited in claim 13 as a whole would have been obvious to one of ordinary skill in the art in view of the combination of Spadaro, Hodge, and Cree. *See* 35 U.S.C. § 103(a).

## III. PATENT OWNER'S MOTION FOR OBSERVATION REGARDING CROSS-EXAMINATION TESTIMONY

Patent Owner's observations are directed to the cross-examination testimony of Dr. Forys obtained on May 7, 2015 and concerning his second declaration (Ex. 1020), which was provided in support of Petitioner's Reply. Paper 22; Ex. 2006 (Deposition Transcript). We have considered Patent Owner's observations and Petitioner's responses (Paper 27, "Obs. Resp.") in rendering our decision, and have accorded the testimony appropriate weight.

*See, e.g.*, *Yorkey v. Diab*, 601 F.3d 1279, 1284 (Fed. Cir. 2010) (holding the Board has discretion to give more weight to one item of evidence over another "unless no reasonable trier of fact could have done so"); *In re Am. Acad. of Sci. Tech Ctr*., 367 F.3d 1359, 1368 (Fed. Cir. 2004) ("[T]he Board is entitled to weigh the declarations and conclude that the lack of factual corroboration warrants discounting the opinions expressed in the declarations.").

## IV. CONCLUSION

Petitioner has proven by a preponderance of the evidence that claims 1, 3, 4, 6, 7, 10, 19, and 20 of the '357 patent are unpatentable under 35 U.S.C. § 103(a) as obvious over Spadaro and Hodge, and claim 13 is unpatentable as obvious over Spadaro, Hodge, and Cree. Petitioner has not shown that claims 2, 5, 8, 9, 11, 12, or 14–18 are unpatentable.

## V. ORDER

Accordingly, it is hereby

ORDERED that, based on a preponderance of the evidence, claims 1, 3, 4, 6, 7, 10, 13, 19, and 20 of U.S. Patent No. 7,529,357 B1 are held unpatentable; and

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

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