

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

EXACQ TECHNOLOGIES, INC.,
Petitioner,

v.

JDS TECHNOLOGIES, INC.,
Patent Owner.

Case IPR2016-00567
Patent 8,185,964 B2

Before JONI Y. CHANG, DAVID C. McKONE, and
ROBERT J. WEINSCHENK, *Administrative Patent Judges*.

CHANG, *Administrative Patent Judge*.

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

I. INTRODUCTION

Petitioner, Exacq Technologies, Inc. (“Exacq”), filed a Petition requesting an *inter partes* review of claims 1–4 of U.S. Patent No. 8,185,964 B2 (Ex. 1001, “the ’964 patent”). Paper 2 (“Pet.”). Patent Owner, JDS Technologies, Inc. (“JDS”), filed a Preliminary Response. Paper 6 (“Prelim. Resp.”).

Under 35 U.S.C. § 314(a), an *inter partes* review may not be instituted unless the information presented in the petition “shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Upon consideration of the Petition and Preliminary Response, we determine that Exacq has not established a reasonable likelihood that it would prevail with respect to any of the challenged claims. We, therefore, do not institute an *inter partes* review of the ’964 patent.

A. Related Matters

The parties indicate that the ’964 patent has been asserted in *JDS Technologies, Inc. v. Exacq Technologies, Inc.*, Case No. 2:15-cv-10387-AC-EAS (E.D. Mich.), and *JDS Technologies, Inc. v. Avigilon USA Corp., Inc.*, Case No. 2:15-cv-10385-AC-EAS (E.D. Mich.). Pet. 1; Paper 5, 1. The ’964 patent also is involved in IPR2016-00511. Paper 5, 1.

B. The '964 patent

The '964 patent describes a system for networking digital video cameras. Ex. 1001, Abstract. Figure 1 is reproduced below.

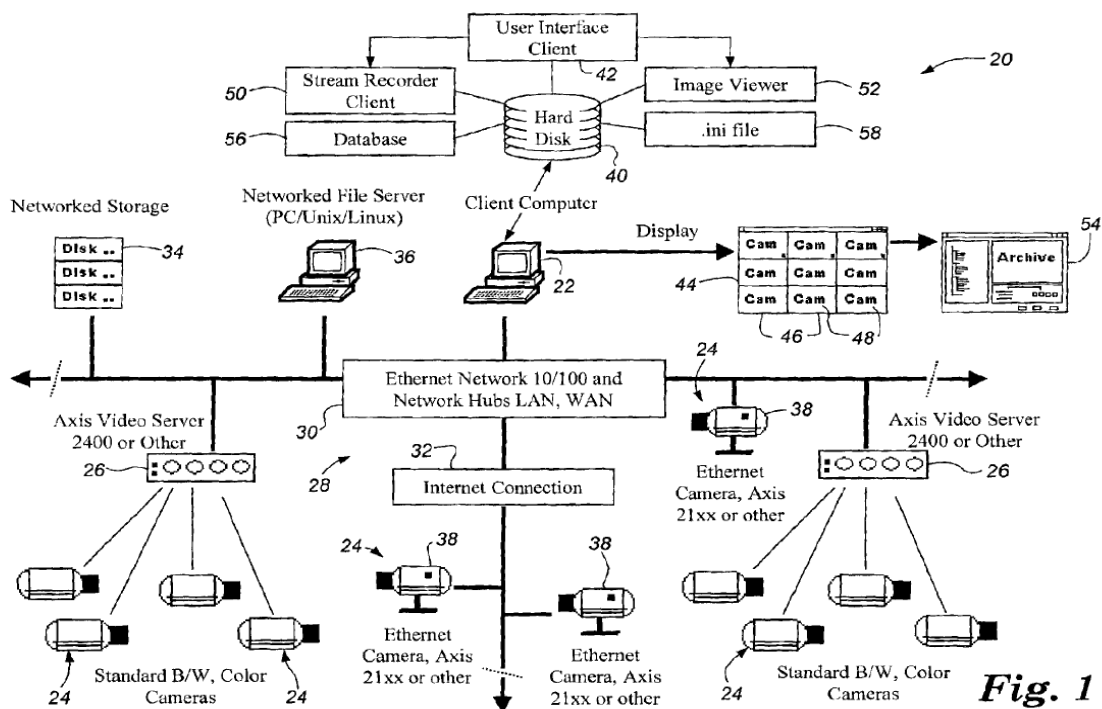


Figure 1 is a block diagram of digital video system 20. *Id.* at 4:26–27. A plurality of digital video cameras 24 are connected to one or more standalone video servers 26. *Id.* at 5:9–10, 5:20–23. Client computer 22 connects to video servers 26 via network 28, which can include private network segment 30 and public network 32 (e.g., the Internet). *Id.* at 5:10–14. Client computer 22 includes a computer readable memory, such as fixed hard drive 40, for storing user interface client application 42. *Id.* at 5:31–34. User interface client application 42 includes a user interface program, in computer readable form, along with additional software components, such as

Web browser extensions, operating system libraries, and compression libraries. *Id.* at 5:30–42.

In one example, each of video cameras 24 has a unique media access control (“MAC”) address. *Id.* at 6:48–51. To validate access to a camera, user interface client program 42 retrieves MAC addresses from database 56 (stored on hard drive 40), queries the camera for its MAC address (using file transfer protocol (“FTP”)), and compares the camera’s MAC address to the MAC addresses from database 56 to verify that the camera’s MAC address is valid. *Id.* at 6:36–51.

C. Illustrative Claim

Of the challenged claims, claims 1 and 4 are independent. Claims 2 and 3 depend directly from claim 1. Claim 1 is illustrative:

1. A method of controlling access by a computer to a video server, comprising the steps of:

[step 1] sending a request from the computer to a video server over a network;

[step 2] receiving at the computer from the video server a unique identifier stored in and identifying the video server, wherein the unique identifier is received by the computer over the network; and

[step 3] determining that access to the video server is authorized by comparing the unique identifier received by the computer to one or more authorized unique identifiers and

[step 4] in response to the determination, obtaining at the computer one or more images from the video server for displaying.

Ex. 1001, 20:49–61 (bracketed matters added).

D. Prior Art Relied Upon

Exacq relies upon the following prior art references:

Acosta	U.S. 6,166,729	Dec. 26, 2000	(Ex. 1004)
Nelson	U.S. 6,292,838 B1	Sept. 18, 2001	(Ex. 1006)

AXIS COMMUNICATIONS AB, AXIS 200 USER’S MANUAL, Rev. 1.6 (Oct. 1998) (Ex. 1007, “AXIS”).¹

E. Asserted Grounds of Unpatentability

Exacq asserts the following grounds of unpatentability (Pet. 4):

Challenged Claim(s)	Basis	Reference(s)
1 and 3	§ 102 ²	Acosta
2 and 3	§ 103(a)	Acosta and AXIS
4	§ 103(a)	Acosta, AXIS, and Nelson

II. ANALYSIS

A. Claim Construction

In an *inter partes* review, claim terms in an unexpired patent are given their broadest reasonable construction in light of the specification of the patent in which they appear. *See* 37 C.F.R. § 42.100(b); *Cuozzo Speed*

¹ The citations to AXIS refer to the original page numbers on the top right or left corner.

² Because the claims at issue have a filing date prior to March 16, 2013, the effective date of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), we apply the pre-AIA version of 35 U.S.C. §§ 102 and 103 in this Decision.

Techs. LLC v. Lee, No. 15–446, 2016 WL 3369425, at *12 (U.S. June 20, 2016) (adopting the broadest reasonable interpretation standard is a reasonable exercise of the Office’s rulemaking authority). Under the broadest reasonable interpretation standard, claim terms generally are given their ordinary and customary meaning, as would be understood by one of ordinary skill in the art in the context of the entire disclosure. *See In re Translogic Tech., Inc.*, 504 F.3d 1249, 1257 (Fed. Cir. 2007).

Exacq does not provide any claim construction. Pet. 5–6. JDS, in its Preliminary Response, proposes constructions for several claim elements. Prelim. Resp. 11–16. We note that only those claim terms and elements which are in controversy need to be construed, and only to the extent necessary to resolve the controversy. *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999). For purposes of this Decision, we find it necessary to address only the order of steps in claims 1 and 4.

Claim 1 recites a method comprising a series of steps. Ex. 1001, 20:49–61. In its Preliminary Response, JDS argues that the language in claim 1 and the Specification of the ’964 patent require a sequential ordering of those steps. Prelim. Resp. 12–14. According to JDS, the Specification supports that requirement because the Specification explains that “each camera and server . . . can be queried via FTP requests to protected areas of the camera or server’s memory” to receive a unique identifier that is embedded in the camera device. *Id.* at 13–14 (citing Ex. 1001, 6:36–38, 6:49–51). We agree with JDS.

As a general rule, “[u]nless the steps of a method actually recite an order, the steps are not ordinarily construed to require one.” *Interactive Gift Express, Inc. v. Compuserve Inc.*, 256 F.3d 1323, 1342 (Fed. Cir. 2001). However, “a claim requires an ordering of steps when the claim language, as a matter of logic or grammar, requires that the steps be performed in the order written, or the specification directly or implicitly requires an order of steps.” *mFormation Techs. v. Research in Motion Ltd.*, 764 F.3d 1392, 1398–99 (Fed. Cir. 2014) (citation and internal quotation marks omitted); *see also Function Media, LLC v. Google, Inc.*, 708 F.3d 1310, 1320 (Fed. Cir. 2013) (concluding that a claim that recites “processing” an “electronic advertisement” necessarily indicates that “the creation of the ad must happen before the processing begins”). A method claim can also require a specific order implicitly, for example, if the language of a claimed step refers to the completed results of the prior step. *E-Pass Techs., Inc. v. 3Com Corp.*, 473 F.3d 1213, 1222 (Fed. Cir. 2007).

Briefly, claim 1 requires a method of controlling access by a computer to a video server, comprising the following steps in the order as written: (1) sending a request from the computer to a video server; (2) receiving at the computer a unique identifier from the video server; (3) determining that access to the video server is authorized using the unique identifier received by the computer; and (4) in response to the determination, obtaining at the computer images from the video server. Ex. 1001, 20:49–61.

Reading claim 1 as a whole, step 1 must be read as one of the steps in a method for controlling access by a computer to a video server. And, thus,

it should have some relationship with the other recited steps. We further note that the claim term “a video server” recited in step 1 provides antecedent basis for “the video server” recited in step 2.

More importantly, the claim language requires step 2 to be performed *after* step 1 because step 2 requires the computer to receive a unique identifier from the specific video server to which a request is sent in step 1. *See Mantech Envtl. Corp. v. Hudson Envtl. Servs., Inc.*, 152 F.3d 1368, 1375–76 (Fed. Cir. 1998) (holding that the steps of a method claim had to be performed in their written order because each subsequent step referenced something logically indicating the prior step had been performed). As JDS explains, step 2 is a result of step 1—a request is sent from the computer to a video server *before* the video server sends a unique identifier to the computer and the computer receives the unique identifier from the video server. Prelim. Resp. 12–14. As matter of logic, step 2 must be performed *after* step 1. *See E-Pass Techs.*, 473 F.3d at 1222; *see also Loral Fairchild Corp. v. Sony Electronics Corp.*, 181 F.3d 1313, 1321 (Fed. Cir. 1999) (holding that the claim language itself indicated that the steps had to be performed in the order written because the second step required the alignment of a second structure with a first structure formed by the prior step).

To interpret otherwise, it would be unclear whether the term “a video server” recited in step 1 refers to a different video server or the same video server recited in step 2. Furthermore, step 1 would have no relationship with the other steps in the method for controlling access to a video server. For

these reasons, it would be *unreasonable* to interpret step 2 as being performed *before*, or simultaneously with, step 1. *See Microsoft Corp., v. Proxyconn, Inc.*, 789 F.3d 1292, 1298 (Fed. Cir. 2015) (Claims should not be construed “so broadly that [their] constructions are *unreasonable* under general claim construction principles.” Emphasis in the original.).

The language of claim 1 also requires other recited steps to be performed in the order written. Notably, step 3 necessarily occurs *after* step 2 because step 3 uses the unique identifier received by the computer in step 2 to determine that access to the video server is authorized. *See Mantech*, 152 F.3d at 1375–76. Step 4 necessarily occurs *after* step 3, as obtaining the images from the video server in step 4 must be performed “in response to the determination” of step 3. *See Loral Fairchild*, 181 F.3d at 1321 (Fed. Cir. 1999).

For the foregoing reasons, we determine that claim 1 requires the recited steps to be performed in the order written.

As to claim 4, the last three method steps recited in claim 4 require the following steps be performed at the computer: (1) “transmitting a request from the computer over the network for a MAC address of the hardware device;” (2) “receiving at the computer the MAC address of the hardware device over the network;” and (3) “determining if the computer program is authorized to access the hardware device by validating the MAC address using data accessible to the computer.” Ex. 1001, 22:1–7.

The language of claim 4 requires step 2 to be performed *after* step 1. Notably, the term “a MAC address” in step 1 provides antecedent basis for

“the MAC address” in steps 2 and 3. Additionally, step 2 is the result of step 1—the MAC address received in step 2 is the MAC address requested in step 1. Likewise, the claim language requires step 3 to be performed *after* step 2 because step 3 uses the MAC address received in step 2 to determine if the computer program is authorized to access the hardware device. Therefore, we determine that the claim language requires the last three method steps of claim 4 to be performed in the order written.

B. Principles of Law

To establish anticipation, each and every element in a claim, arranged as recited in the claim, must be found in a single prior art reference. *See Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F.3d 1359, 1371 (Fed. Cir. 2008). While the elements must be arranged or combined in the same way as in the claim, “the reference need not satisfy an *ipsissimis verbis* test,” i.e., identity of terminology is not required. *In re Gleave*, 560 F.3d 1331, 1334 (Fed. Cir. 2009).

A patent 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. *See KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art;

(3) the level of ordinary skill in the art; and (4) objective evidence of nonobviousness. *See Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

C. Level of Ordinary Skill

In determining the level of ordinary skill in the art, various factors may be considered, including the “type of problems encountered in the art; prior art solutions to those problems; rapidity with which innovations are made; sophistication of the technology; and educational level of active workers in the field.” *In re GPAC, Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995) (citation omitted). Here, relying on Mr. Greg Thompson’s testimony, Exacq contends that one of ordinary skill in the art would have had a Bachelor’s degree in electrical engineering or computer science, and two-to-three years of experience in designing and programming video management system software, or an equivalent combination of education and experience. Pet. 5 (citing Ex. 1003 ¶¶ 27–32). JDS argues that an ordinarily skilled artisan would have had an Associate’s or Bachelor’s degree in electrical engineering or computer science or would have had one year of experience in the field of computer software. Prelim. Resp. 10–11.

We are not persuaded by JDS’s argument. Rather, we agree with Exacq’s contention because Mr. Thompson’s testimony recognizes that, in the context of the ’964 patent, a relevant skilled artisan would have had general knowledge in connection with *video management system*. Ex. 1003 ¶¶ 27–32. Indeed, according to the Specification of the ’964 patent, the disclosed system relates to accessing images from remotely located cameras

over a public or private computer network. Ex. 1001, 1:17–21. More importantly, the claimed subject matter of the '964 patent is directed to a method of controlling access by a computer to a video server, or a hardware device, over a network. *Id.* at 20:49–56, 21:1–7.

For purposes of this Decision, we credit Mr. Thompson's testimony regarding the level of ordinary skill (Ex. 1003 ¶¶ 27–32) and adopt Exacq's statement concerning the level of ordinary skill, as they are consistent with the Specification. We further note that the prior art of record in the instant proceeding reflects the appropriate level of ordinary skill in the art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1354–55 (Fed. Cir. 2001) (“the prior art itself reflects an appropriate level” of ordinary skill in the art).

D. Anticipation by Acosta

Exacq asserts that claims 1 and 3 are unpatentable under 35 U.S.C. § 102(b) as anticipated by Acosta. Pet. 16–28. As support, Exacq directs our attention to a Declaration of Mr. Thompson. Ex. 1003. JDS counters that Acosta fails to describe several claim limitations. Prelim. Resp. 24–30. We first provide a brief overview of Acosta below, and then we address the parties' key contentions in turn.

Overview of Acosta

Acosta describes a system for viewing digital images of remote locations. Ex. 1004, Abstract. Figure 1 is reproduced below.

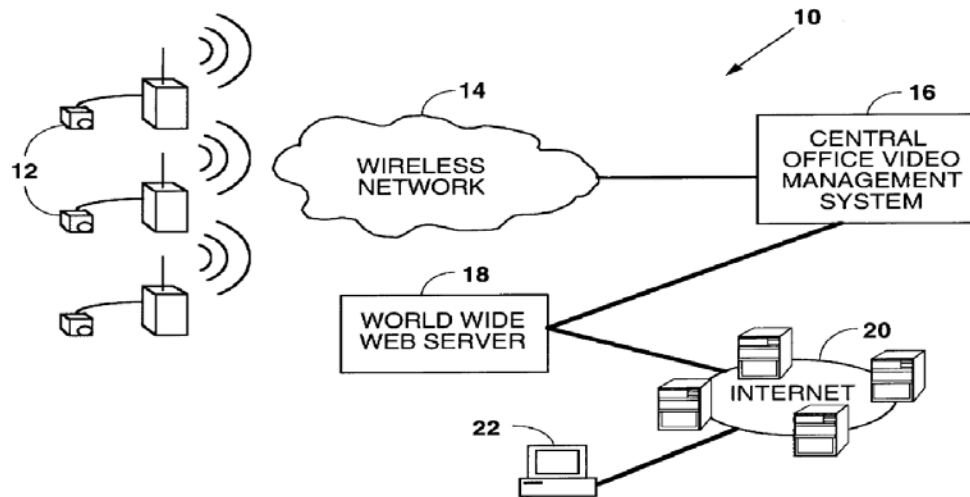


Fig. 1

Figure 1 of Acosta illustrates a block diagram of a system for viewing live images, in real-time, from multiple remote locations over wireless and wired networks. *Id.* at 2:45–49. In remote viewing system 10, camera devices 12 are connected, via wireless network 14, to central office video management system (“COVMS”) 16. COVMS 16, in turn, is connected to World Wide Web server 18 and, via Internet 20, to computer 22. Computer 22 is equipped with a Web browser for accessing information available on Internet 20. *Id.* at 4:26–41. COVMS 16 receives images from camera elements 12 over wireless network 14 and decodes the images. *Id.* at 12:57–61. COVMS 16 performs four distinct operations: the Business Manager, the CommLink Manager, the Image Processing Manager, and the Web Server Communication Manager. *Id.* at 12:64–67.

Claims 1 and 3

Claim 1 recites a method of controlling access by a computer to a video server comprising a series of steps. Ex. 1001, 20:49–61. As discussed above in the claim construction section of this Decision, claim 1 requires the following steps to be performed in the order written: (1) sending a request from the computer to a video server; (2) receiving at the computer a unique identifier from the video server; (3) determining that access to the video server is authorized using the unique identifier received by the computer; and (4) in response to the determination, obtaining at the computer images from the video server. *Id.* Because claim 3 depends from claim 1, claim 3 also requires the steps recited in claim 1 to be performed in the order written. *Id.* at 20:64–67.

Exacq asserts that Acosta discloses a method of controlling access by the COVMS to a camera element over a network. Pet. 16–17 (citing Ex. 1004, 17:41–18:30). According to Exacq, Acosta’s camera elements are video servers because they transmit image data over the network to the COVMS. *Id.* at 17 (citing Ex. 1004, 4:42–45). Exacq also takes the position that Acosta discloses all of the method steps required by claims 1 and 3, relying on the CommLink Manager of the COVMS. *Id.* at 17–27.

JDS counters that Acosta does not disclose the required sequence of the recited steps of claim 1. Prelim. Resp. 29–30. Specifically, JDS alleges that the COVMS does not send a request to a camera element until *after* the authentication steps are completed and an IP address is assigned to the camera, which is opposite of the required order of claim 1. *Id.*

Upon consideration of the evidence before us, we agree with JDS. Figure 20 of Acosta is reproduced below with red and blue annotations added.

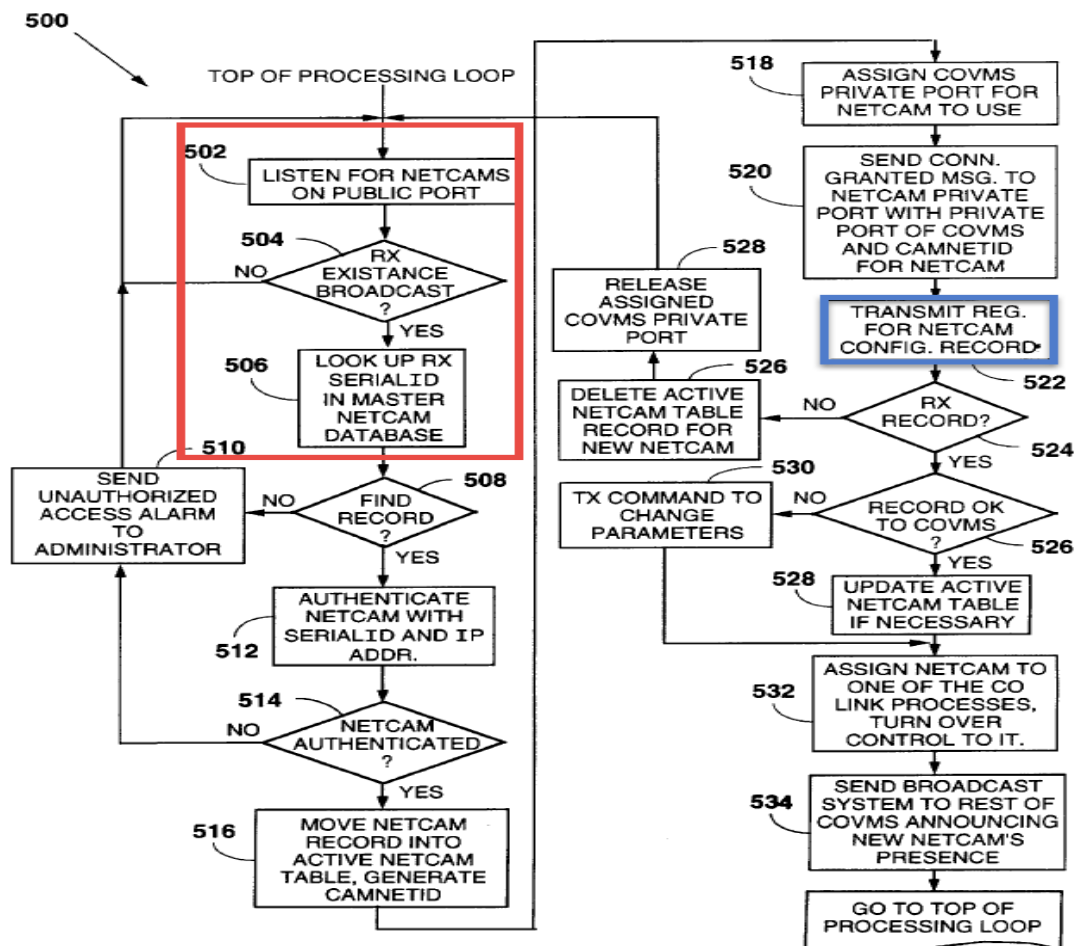


Fig. 20

Figure 20 of Acosta depicts a flow chart of the CommLink Manager process of COVMS 16. *Id.* at 3:44–46. Exacq relies on step 522 (in blue annotation) in process 500 of the CommLink Manager to disclose step 1 of claim 1—namely, “sending a request from the computer to a video server over a network.” Pet. 17–18 (citing Ex. 1004, 18:7–10). However, step 522

as shown in Figure 20 of Acosta occurs *after* steps 502, 504, and 506 (in red annotation), which are relied upon by Exacq to teach step 2 of claim 1—receiving a unique identifier from the video server. Ex. 1004, 17:41–18:10; Pet. 18–21. This is opposite to the order of steps as written in claim 1, which requires step 1 to be performed *before* step 2. As JDS also notes, Acosta’s process does not send the request until *after* its “authentication” steps (steps 508, 510, 512, 514, 516, 518, and 520), which are relied upon by Exacq to teach step 3 of claim 1. Ex. 1004, 17:53–18:7; Pet. 21–25. Thus, we are not persuaded that Acosta discloses the order of steps as written in claim 1.

In support of its contentions, Exacq directs our attention to Mr. Thompson’s testimony (Ex. 1003 ¶¶ 47–51), which relies upon those same processing steps of Acosta and mainly repeats Exacq’s arguments presented in the Petition. *Compare* Ex. 1003 ¶¶ 47–51, *with* Pet. 17–21. Neither the Petition nor Mr. Thompson’s testimony provides meaningful explanations or evidence regarding the order of steps as required by claim 1. Pet. 17–21; Ex. 1003 ¶¶ 47–51.

For the foregoing reasons, we determine that Exacq has not shown adequately that step 1 of claim 1 is performed *before* steps 2 and 3 of claim 1, as required. Therefore, we conclude that Exacq has not demonstrated a reasonable likelihood of prevailing on its assertion that claims 1 and 3 are unpatentable under 35 U.S.C. § 102 as anticipated by Acosta.

E. Obviousness over Acosta and AXIS

Exacq asserts that claims 2 and 3 are unpatentable under 35 U.S.C. § 103(a) as obvious over Acosta in combination with AXIS. Pet. 29–33. In support of its contentions, Exacq directs our attention to a Declaration of Mr. Thompson. Ex. 1003. JDS counters that the combination of Acosta and AXIS does not disclose all of the claim limitations, and Exacq fails to articulate a sufficient reasoning to combine the disclosures of Acosta and AXIS. Prelim. Resp. 30–34.

Claims 2 and 3 each depend directly from claim 1. By virtue of their dependency, claims 2 and 3 also require the steps recited in claim 1 to be performed in the order written. Exacq relies on Acosta to disclose those claim elements of claim 1, essentially relying upon the same arguments and evidence presented in connection with claim 1. Pet. 29–33. In our anticipation analysis above, we have addressed those arguments and conclude that they are likewise unavailing here. Furthermore, Exacq does not contend that AXIS would remedy those deficiencies discussed above with regard to claim 1. *Id.*

For the foregoing reasons, we determine that Exacq has not demonstrated a reasonable likelihood of prevailing on its assertions that claims 2 and 3 are unpatentable under 35 U.S.C. § 103(a) as obvious over the combination of Acosta and AXIS.

F. Obviousness over Acosta, AXIS, and Nelson

Exacq asserts that claim 4 is unpatentable under 35 U.S.C. § 103(a) as obvious over the combination of Acosta, AXIS, and Nelson. Pet. 33–41. In

support of its contentions, Exacq directs our attention to a Declaration of Mr. Thompson. Ex. 1003. JDS counters that the combination of Acosta, AXIS, and Nelson does not disclose all of the claim limitations of claim 4, and Exacq fails to articulate a sufficient reason to combine the prior art teachings. Prelim. Resp. 32–38. We first provide a brief overview of AXIS and Nelson, and then we address the parties’ key contentions in turn.³

Overview of AXIS

AXIS is a user’s manual for an AXIS Network Camera Server. Ex. 1007, 1. The camera server includes a built-in Web server. *Id.* at 5. It provides “live images using standard Internet technology, thus enabling access to live cameras via any standard Web browser” and “support[s] Ethernet as well as PSTN and GSM phone lines.” *Id.* at 4. A user can configure and manage the camera server directly from the server’s Web pages. *Id.* at 6.

Overview of Nelson

Nelson discloses a system and method for determining a MAC layer address of a network interface on a remote device, based on an IP address associated with the same network interface on the remote device. Ex. 1006, Abstract. Nelson uses an Address Resolution Protocol (“ARP”) cache and ARP software residing on a router to maintain a correlation between MAC addresses and corresponding IP addresses for network interfaces of other

³ An overview of Acosta is provided in our anticipation analysis above.

network devices in the subnet to which the router is connected. *Id.* at 9:59–65.

Claim 4

As discussed above in the claim construction section of this Decision, claim 4 requires the following steps be performed at the computer in the order written: (1) “transmitting a request from the computer over the network for a MAC address of the hardware device;” (2) “receiving at the computer the MAC address of the hardware device over the network;” and (3) “determining if the computer program is authorized to access the hardware device by validating the MAC address using data accessible to the computer.” Ex. 1001, 22:1–7.

Exacq asserts that Acosta in combination with AXIS and Nelson discloses a “method of controlling access by a computer to a hardware device,” as required by claim 4, because Acosta discloses a method of controlling access by the COVMS (a computer) to a camera element (hardware device) over a network. Pet. 34 (citing Ex. 1004, 17:41–18:30). Exacq alleges that Acosta’s COVMS accesses the camera element using an IP address associated with the camera element, as required by claim 4, because Acosta’s camera elements communicate with the COVMS, and the camera elements use the TCP/IP protocol suite for communications over the wireless network. *Id.* at 36–37 (citing Ex. 1004, 7:31–33, 17:33–35).

In addition, Exacq contends that the combination of Acosta, AXIS, and Nelson would have rendered the aforementioned method steps of claim 4 obvious. Pet. 9–15, 29–31, 39–41. In particular, relying on the

testimony of Mr. Thompson, Exacq alleges that it would have been obvious to modify Acosta's COVMS "to use the MAC address of the Axis 200 camera for authorization," in view of AXIS, and "to send a request for the MAC address of the AXIS camera," in further view of Nelson. *Id.* at 31, 39–40 (citing Ex. 1003 ¶¶ 34–41, 64–69, 81–85). Exacq contends that each of these modifications of Acosta "would have been a matter of routine design choice yielding predictable results." *Id.*

JDS responds that Exacq does not articulate sufficient reasons why one of ordinary skill in the art would have made those modifications to Acosta's COVMS. Prelim. Resp. 35–39. We agree.

Merely stating that each modification of Acosta would have been "a matter of routine design choice" is not sufficient to explain why it would have been obvious to make those modifications. Exacq must provide a specific reason why an ordinarily skilled artisan would have made the particular design choice. *See In re Warner*, 379 F.2d 1011, 1017 (CCPA 1967) (a showing of obviousness must rest on a factual basis, and it may not resort to speculation, unfounded assumptions or hindsight reconstruction to supply deficiencies in the factual basis).

Acosta does not disclose a MAC address, much less transmitting a request for a MAC address. According to Acosta, the CommLink Manager handles all communications between the camera elements and the COVMS. Ex. 1004, 17:28–29. Each communication between a camera element and the COVMS is assigned an identification ("ID"). *Id.* at 17:31–32. The process of the CommLink Manager begins with the COVMS *listening* for

the camera elements. *Id.* at 17:41–42, Fig. 20, step 502. If an incoming broadcast, which includes the serial ID for the camera, is detected, the COVMS looks up the serial ID assigned to the camera element making the broadcast in a database of the COVMS and obtains an IP address for that camera element. *Id.* at 17: 46–53, Fig. 20, step 506. Therefore, because Acosta does not use a MAC address and it listens for an incoming broadcast, Acosta does not disclose transmitting a request for a MAC address or validating a MAC address, as required by claim 4.

AXIS merely discloses that the serial number for the camera server is the Ethernet address, which is located on the underside label of the camera server. Ex. 1007, 12. Even if we were to assume the Ethernet address referenced in AXIS is the camera server's MAC address, as Exacq asserts (Pet. 29–30), Exacq does not explain how and where AXIS discloses the following steps: transmitting a request from a computer for a MAC address, receiving a MAC address at a computer, and using a MAC address for authentication.

We are not persuaded by Exacq's contention that, in making the COVMS interoperable with the AXIS camera server, it would have been obvious to modify Acosta's COVMS to use the MAC address of the AXIS camera server for authorization. Pet. 29–31, 39–41. Exacq does not explain adequately why it would have been obvious to use a MAC address for such an authorization. *Id.* Neither Acosta nor AXIS suggests using a MAC address for determining if a computer program is authorized to access the camera element or server. In fact, Exacq and Mr. Thompson acknowledge

(*id.* at 36–37; Ex. 1003 ¶ 79) that Acosta’s camera elements communicate with the COVMS over the wireless network using *IP addresses* associated with the camera elements because the camera elements use the TCP/IP protocol suite for communications over the wireless network. Ex. 1004, 7:31–33, 17:33–35, Figs. 1, 20.

AXIS also expressly discloses that, to enable access to the camera server, an appropriate *Internet address* for the camera server must be assigned and downloaded. Ex. 1007, 17. Yet, Exacq does not explain why an ordinarily skilled artisan would have used a MAC address, which is commonly used in *Ethernet* (Ex. 1013), in the communications between a camera element and the COVMS over a *TCP/IP wireless* network. Conclusory statements do not provide adequate justification for why a claim is obvious. *See In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006) (“obviousness cannot be sustained with mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”).

We further are not persuaded by Exacq’s argument that it would have been obvious to modify Acosta’s COVMS to send a request for the MAC address of the AXIS 200 camera, as a matter of routine design choice. Pet. 39–40. According to Nelson, MAC addresses are used within *local subnets* and, when a packet passes through multiple subnets between its source and destination, the packet is said to go through many “hops” along its route, typically via *routers*. Ex. 1006, 1:45–50. Nelson broadcasts an *ARP command* from a router. *Id.* at 9:59–61, 10:10–16. However, Acosta

uses a TCP/IP wireless network and, significantly, does not use ARP commands. Ex. 1004, 7:56–60, Fig. 1. In fact, Acosta expressly states that the “*ARP protocol in the Ethernet environment . . . is replaced with a static mapping mechanism specific to the radio frequency environment.*” Ex. 1004, 7:56–60 (emphasis added). Yet, Exacq does not provide a sufficient reason as to why an ordinarily skilled artisan would have modified Acosta’s non-ARP protocol system to add a router-based ARP command, as described by Nelson.

Given the evidence before us in this record, we determine Exacq has not shown adequately that the combination of Acosta, AXIS, and Nelson discloses the following steps as required by claim 4: transmitting a request for a MAC address, receiving a MAC address, and using a MAC address for authentication. We also determine that Exacq has not articulated a sufficient reason to combine Acosta, AXIS, and Nelson. In view of the foregoing, we conclude that Exacq has not demonstrated a reasonable likelihood of prevailing on its assertion that claim 4 is unpatentable under 35 U.S.C. § 103(a) as obvious over the combination of Acosta, AXIS, and Nelson.

III. CONCLUSION

For the foregoing reasons, the Petition fails to establish that there is a reasonable likelihood that Exacq would prevail in challenging claims 1–4 of the ’964 patent.

IV. ORDER

It is ORDERED that the Petition is *denied*, and no trial is instituted.

IPR2016-00567
Patent 8,185,964 B2

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