Paper No. ___
Filed: January 5, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SECURENET TECHNOLOGIES, LLC,
Petitioner,

v.

ICONTROL NETWORKS, INC.,
Patent Owner.

Case IPR2016-01920
Patent No. 8,473,619

PATENT OWNER'S PRELIMINARY RESPONSE PURSUANT TO 37 C.F.R. § 42.107

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I. STATEMENT OF PRECISE RELIEF REQUESTED

Petitioner SecureNet Technologies, LLC ("Petitioner") filed a petition ("Pet.," PN 1) for *inter partes* review ("IPR") of claims 17-18, 20-22, 29-31, 33, 35-41, 48-53, and 58 of U.S. Patent No. 8,473,619 ("'619 patent," Ex. 1001). Patent Owner Icontrol Networks, Inc. ("Icontrol") requests that the Board deny institution because Petitioner has not met its burden of showing it has a reasonable likelihood of prevailing on at least one claim with respect to any of its proposed grounds of patentability.

II. INTRODUCTION

Petitioner's reliance on U.S. Patent Pub. No. 2004/0260427 ("Wimsatt," Ex. 1004) suffers from a fundamental problem: Wimsatt is a locally distributed system with many control panels and many devices and subsystems that are arranged in a manner completely different from that of the '619 patent, which claims an integrated system with a gateway that communicates with security components, network devices, and a server. *Compare* Ex. 1004 Fig. 1 *with* Ex. 1001 cl. 1. This basic disconnect between Wimsatt and the '619 patent claims results in a ripple effect of problems with the petition throughout, causing Petitioner to mismatch Wimsatt's inadequate disclosures with the '619 patent's claim elements. Further compounding these problems is Petitioner's reliance on U.S. Patent No. 6,580,950 ("Johnson," Ex. 1005), a reference that teaches a system that is incompatible with

and taught away by Wimsatt, and on U.S. Patent No. 4,951,029 ("Severson," Ex. 1006), which is a primitive security system that lacks any of the claimed features of the '619 patent. Indeed, any one of the following problems prevents the Board from instituting IPR as to the challenged claims of the '619 patent:

First, the combination of Wimsatt, Severson, and Johnson does not teach automatically discovering components of a security system. *See infra* Section V.A.1. Petitioner conflates the difference between discovering a system versus discovering that system's components, and improperly relies on prior art disclosure of interrogation (not discovery) that occurs after components have been manually coupled and programmed. *See id.*

Second, the proposed combination of Wimsatt, Severson, and Johnson does not maintain objects at a security server. *See infra* Section V.A.2. Petitioner's reliance on Johnson's "icons" for this point is unexplained and unsupported by the reference, which does not disclose the purpose of the icons let alone disclose any corresponding aspect of the data structure in Johnson's server that would be relevant to the '619 patent claims. *See id.*

Third, the petition fails to demonstrate that the proposed combination of Wimsatt, Severson, and Johnson generates processed data in the manner claimed by the '619 patent. *See infra* Section V.A.3. Merely stating that a "processor" is disclosed does not satisfy Petitioner's burden to explain whether and how the

processed data recited in claim 1 is generated and subsequently used as claimed. *See id.*

Fourth, the petition fails to demonstrate that it would have been obvious to modify Wimsatt to include the remote server discussed in Johnson. Wimsatt teaches away from the use of servers, and Johnson is incompatible with Wimsatt. *See infra* Section V.A.4.

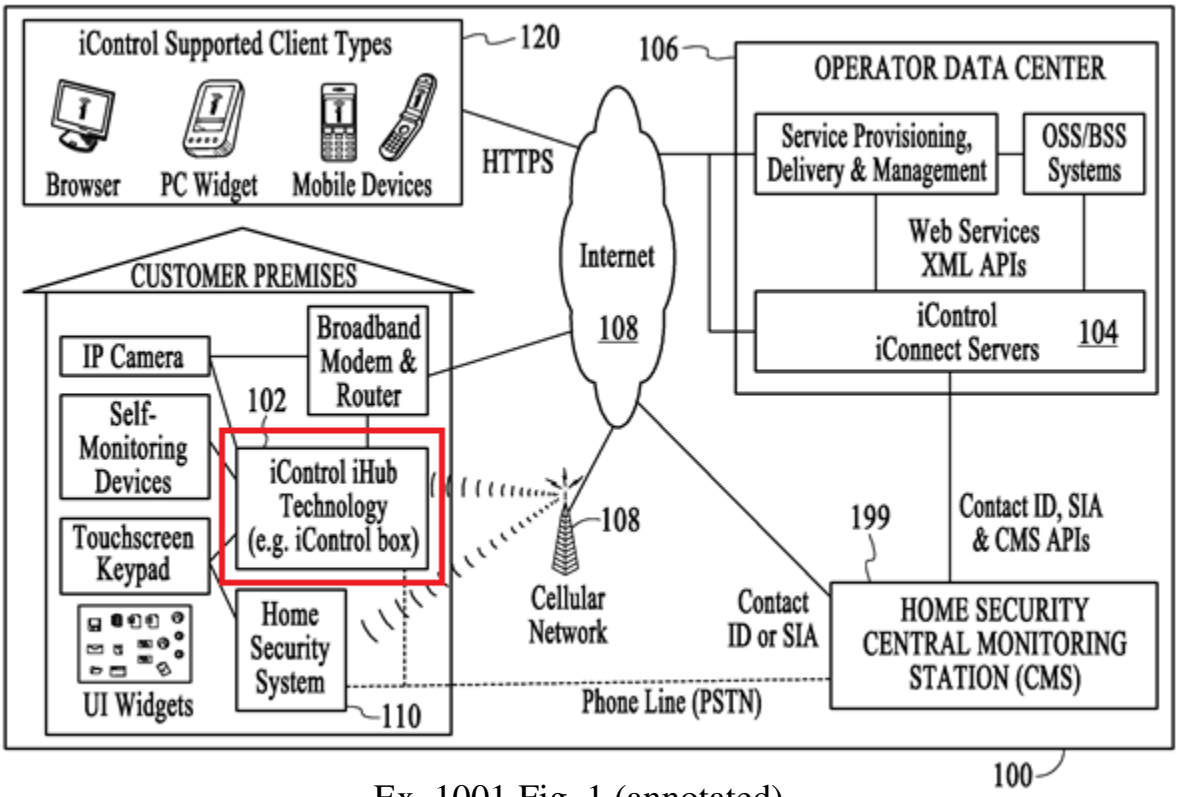
Fifth, Petitioner attempts to form a four-reference combination with U.S. Patent Pub. No. 2003/0062997 ("Naidoo," Ex. 1007); a five-reference combination with U.S. Patent Pub. No. 2003/0137426 ("Anthony," Ex. 1009); and a four-reference combination with U.S. Patent No. 6,748,343 ("Alexander," Ex. 1008) based on two short sentences and the naked assertion that the references are "analogous art." *See infra* Sections V.B, VI., and VII. These conclusory sentences cannot meet Petitioner's burden to demonstrate obviousness. *See id.*

Given the numerous above deficiencies with the Petition, none of the Grounds should be instituted.

III. THE '619 PATENT

The '619 patent, entitled "Security Network Integrated with Premise Security System," describes "an integrated security system . . . that integrates broadband and mobile access and control with conventional security systems and premise devices." *See* Ex. 1001 Title, Abstract. "The integrated security system

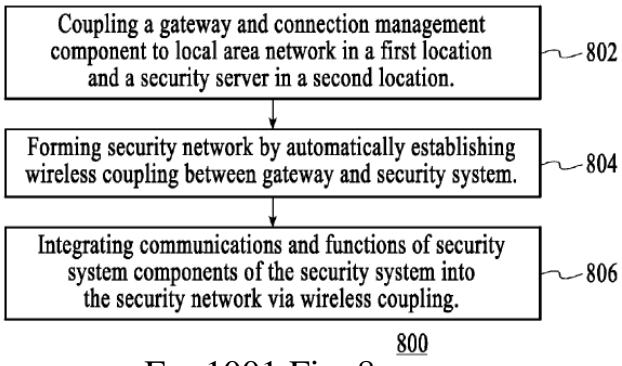
provides a complete system that integrates or layers on top of a conventional host security system" and is not limited to integration with any particular security system. *See id.* 5:19-21, 15:65-16:3. As demonstrated by one embodiment displayed in Fig. 1, the integrated security system 100 includes a single gateway 102 that is coupled to conventional home security system 110. *See id.* 6:54-57.



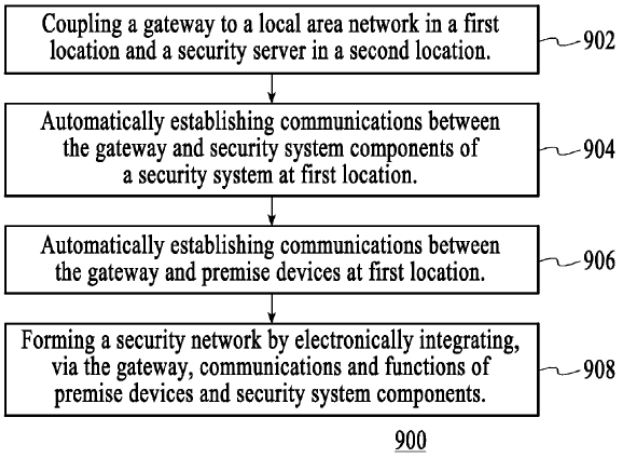
Ex. 1001 Fig. 1 (annotated)

The '619 patent specification explains that "gateway 102 connects and manages the diverse variety of home security and self-monitoring devices." *Id.* 6:57-59. Specifically, the gateway "couples or connects the various third-party cameras, home security panels, sensors and devices . . . ." *Id.* 11:48-53.

Exemplary methods of automatically establishing a wireless coupling between the gateway and the security system components are found at Figs. 8 and 9. *See id.* Figs. 8-9, 19:6-34.



Ex. 1001 Fig. 8

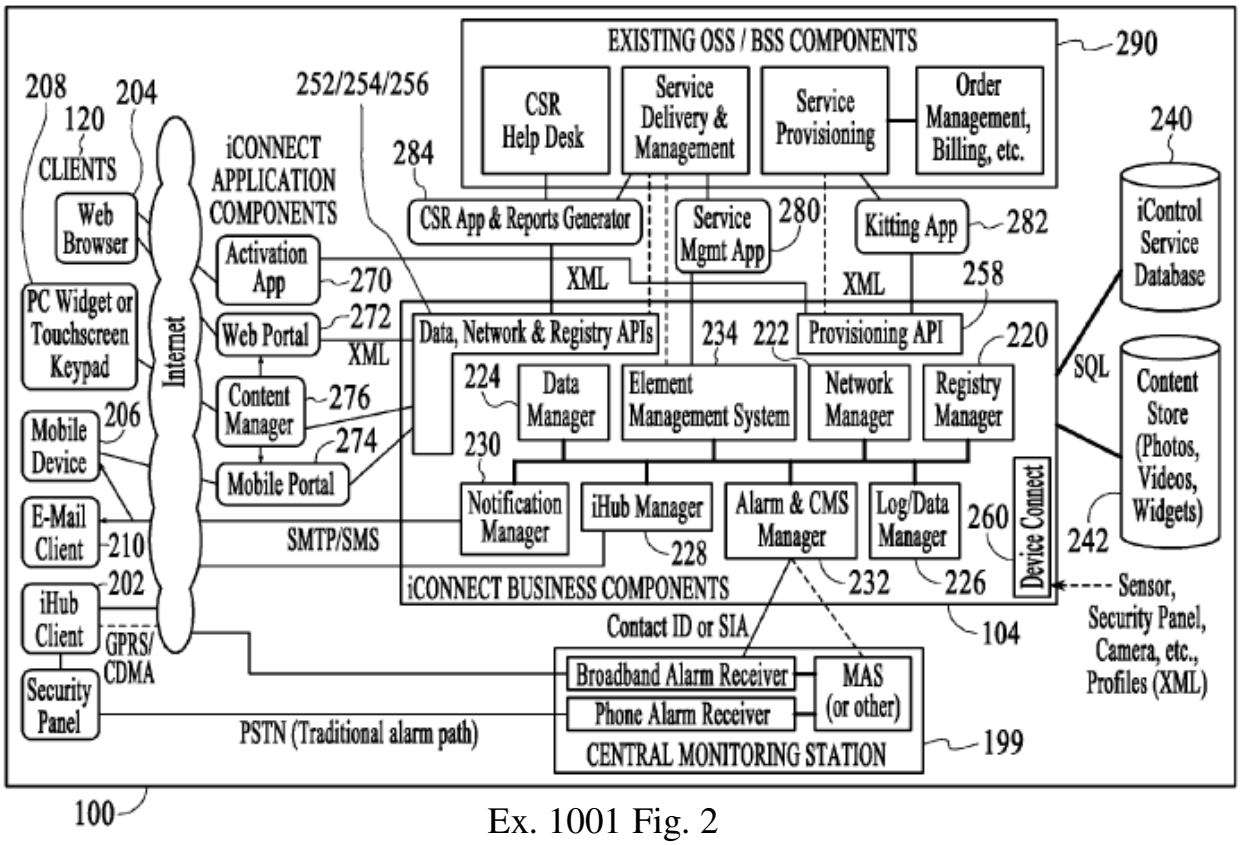


Ex. 1001 Fig. 9

As is apparent from steps 806 and 904, the gateway automatically discovers and couples to the conventional security system's components. *See id.* Figs. 8-9; *see also id.* 25:55-58.

Step 902 also indicates that local gateway 102 is further coupled to security servers 104 via multiple communication channels. *See id.* Fig. 9, 6:54-57, 6:59-64. One of the functions of the gateway is to manage server communication and to implement a main event loop to process events and control messages. *See id.* 23:51-24:3. The gateway also transfers data and information between components in the local area network and wide area network, such as to the servers. *See id.* Figs. 5-6, 14:36-40, 14:64-67.

"These servers 104 manage the system integrations necessary to deliver the integrated system service . . . ." *Id.* 6:64-66. "The server components provide access to, and management of, the objects associated with an integrated security system installation," such as "sensors, cameras, home security panels and automation devices, as well as the controller or processor-based device running the gateway applications." *See id.* 8:29-41. Business components at servers 104 "are responsible for orchestrating all of the low-level service management activities for the integrated security system service. They define all of the users and devices associated with a network (site), analyze how the devices interact, and trigger associated actions (such as sending notifications to users). All changes in device states are monitored and logged." *See id.* 8:53-59. As shown in Fig. 2, connected to servers 104 are a service database 240 that stores information, e.g., about users, networks, and devices, relating to the managed objects, and a content store 242 that stores media objects, such as video, photos, and widget content. *See id.* 9:47-53.



Ex. 1001 Fig. 2

The formation of an integrated security system including these and other functions is summarized in independent system claim 1, from which all challenged claims ultimately depend:

1. A system comprising:

a gateway located at a first location;

a connection management component coupled to the gateway and

automatically establishing a wireless coupling with a security system installed at the first location, the security system including security system components, wherein the connection management component forms a security network by automatically discovering the security system components and integrating communications

and functions of the security system components into the security network; and

a security server at a second location different from the first location, wherein the security server is coupled to the gateway, wherein the gateway receives security data from the security system components, device data of a plurality of network devices coupled to a local network of the first location that is independent of the security network, and remote data from the security server, wherein the gateway generates processed data by processing at the gateway the security data, the device data, and the remote data, wherein the gateway determines a state change of the security system using the processed data and maintains objects at the security server using the processed data, wherein the objects correspond to the security system components and the plurality of network devices.

IV. CLAIM CONSTRUCTION

Petitioner admits that it does not discuss how even a single limitation of the challenged claims should be interpreted by the Board. Pet. 5 ("Petitioner does not propose any claim constructions for this proceeding."). Yet, the burden is on Petitioner to "identify . . . how the challenged claim is to be construed." *See* 37 C.F.R. § 42.104(b)(3).

Petitioner's failure to address its understanding of the proper construction of the challenged claims only compounds the difficulty of discerning the basis of the obviousness challenges and the liberties taken in the petition with respect to

mapping the prior art to the claims. For example, Petitioner hand-waves around the mapping of the prior art's disclosures relating to manual coupling of components to the '619 patent claims' express requirement that components be "automatically discover[ed]." *See infra* Section V.A.1. Petitioner similarly fails to construe terms necessary to understand how the prior art could possibly disclose the limitation "maintains objects at the security server . . . wherein the objects correspond to the security system components and the plurality of network devices" or "generates processed data." *See infra* Sections V.A.2 and V.A.3.

In refusing to comply with its obligations to construe the challenged claims, Petitioner improperly shifts the burden of claim construction to the Board and Icontrol. The Board should not reward Petitioner for doing so.

V. GROUND 1 SHOULD NOT BE INSTITUTED

Each of the challenged claims indirectly depends from claim 1, for which Petitioner relies on the combination of Wimsatt, Johnson, and Severson. Petitioner's contentions regarding claim 1 suffer from numerous flaws discussed below, each of which on its own is sufficient basis to deny the petition. In addition, Petitioner's reliance on Naidoo with regard to the challenged dependent claims is similarly unsound and likewise merits denial of institution.

A. Claim 1 is not obvious

1. Neither Wimsatt nor Severson discloses "automatically discovering the security system components"

Claim 1 requires "automatically discovering the security system components." *See* Ex. 1001 cl. 1, element 1[d].[1] Petitioner alleges that Wimsatt meets this limitation due to its disclosure of "interrogat[ing a] device or subsystem to learn details of the control interface of that particular system." *See* Pet. 14. Petitioner also alleges that Severson meets this limitation because it "explains that 'without human intervention' 'each system controller may be operated to 'self-learn' each of its sensors.'" *See id.* 15. Petitioner does not rely on Johnson for this limitation. *See id.* 14-16.

As explained below, Petitioner's assertions are incorrect.

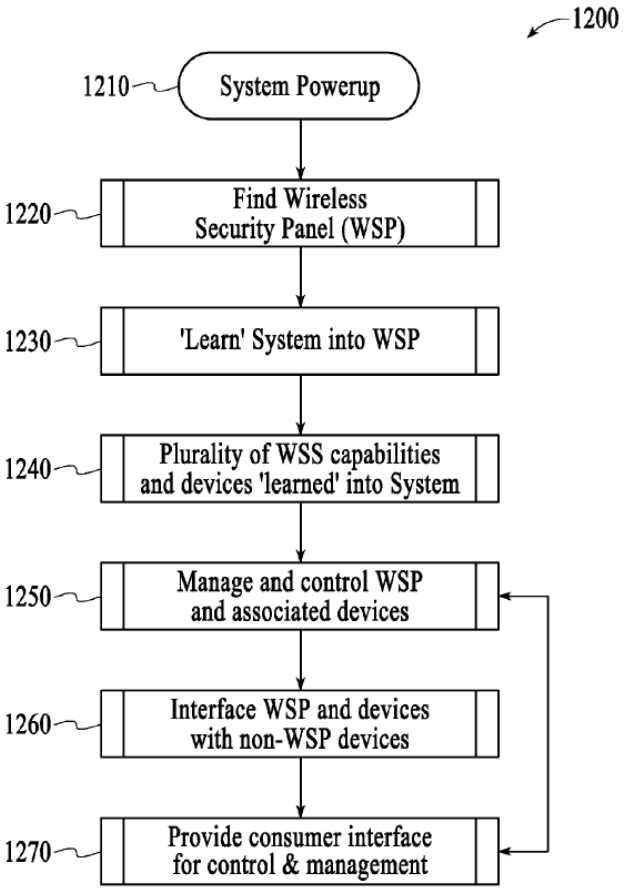
a) Wimsatt does not automatically discover a system or its components

Petitioner admits that Wimsatt does not "disclose that its security system's sensors are automatically discovered." *See* Pet. 15. Petitioner then asserts that Wimsatt "only explicitly discloses that the 'security system' is discovered," but that is not claimed. *See id.* Regardless, Wimsatt does not disclose either the

[1] For the purposes of this preliminary response, Icontrol adopts the claim element designations used in the petition. *See, e.g.*, Pet. 14 (identifying "[c]laim element 1[d]").

claimed limitation of discovering components or the phantom limitation of discovering a system since Petitioner incorrectly equates Wimsatt's disclosure of interrogation with claim 1's requirement of automatic discovery. *See* Pet. 15.

Automatic discovery is explained in part at Fig. 12 of the '619 patent, which "is a flow diagram of a method of integrating an external control and management application system with an existing security system, under an embodiment." *See* Ex. 1001 22:17-19, Fig. 12. As part of the process shown in Fig. 12, the gateway must (1) "locate the extant security system" in step 1220; (2) "'learn' the gateway into the security system" in step 1230; and (3) "discover and learn the existence and capabilities of existing RF devices within the extant security system" in step 1240 before the system becomes operational. *See id.* 22:19-32, 22:41-44.



Ex. 1001 Fig. 12

Wimsatt's control panel does not locate or learn of the existence of a security system or its components. Instead, Wimsatt presupposes that a control panel is coupled to a subsystem during installation ***prior to*** the control panel's interrogation of the subsystem. *See* Ex. 1004 ¶ 39 ("The control panel 101 couples to the subsystem interface using the physical, electrical, and signaling protocols adopted by that subsystem."), ¶ 45 ("When a control panel 101 is coupled to a controlled device or subsystem, it interrogates that device or subsystem to learn details of the control interface of that particular system."). In other words, instead of discovering the subsystem, Wimsatt ***already knows*** about the subsystem when it

interrogates the subsystem. *See id.* The interrogation disclosed by Wimsatt's interrogation is not an automatic discovery as claimed in the '619 patent but rather merely an inquiry regarding the applicable control interface. *Id.* ¶ 45.

Moreover, even if Wimsatt did disclose automatic discovery of a security subsystem, this disclosure does not extend to security system components as required by the claim. Neither Petitioner nor its expert provides any explanation for the conclusory statement that "[a] POSITA would have understood that discovering the security system would also include discovering its sensors." Pet. 15; Ex. 1002 ¶ 92. Such a naked assertion should be given no weight and does not satisfy Petitioner's burden of demonstrating a reasonable likelihood of unpatentability. *See, e.g.*, 37 C.F.R. § 42.65 ("Expert testimony that does not disclose the underlying facts or data on which the opinion is based is entitled to little or no weight."); *Wowza Media Sys., LLC v. Adobe Sys. Inc.*, IPR2013-00054, Paper 16 4-5 (2013) (denying request for rehearing of institution denial and citing *Active Video Networks, Inc. v. Verizon Commc'ns, Inc.*, 694 F.3d 1312, 1327 (Fed. Cir. 2012) (holding that "conclusory statement" in expert testimony "is fraught with hindsight bias" and should be discounted)).

Wimsatt's mention of Universal Plug-and-Play ("UPnP") does not save Petitioner's argument. *See* Pet. 15. The UPnP disclosure is limited to one line: "Universal Plug-and-Play (UPnP™) processes support common protocols and

procedures intended to enhance interoperability among network-enabled PCs, appliances, and wireless devices." *See* Ex. 1004 ¶ 54. Mr. Parker's declaration adds little more than stating that "it was well known at the time of the '619 patent that UPnP™ was used by 2-way devices connected to a shared network." *See* Ex. 1002 ¶ 91. But merely stating that UPnP "was well known" does nothing to explain how UPnP would operate to fulfill the claim limitations of "automatically discovering the security system components." In fact, the disclosure does not even state that UPnP is used by Wimsatt's control panels. *See* Ex. 1004 ¶ 54.

Accordingly, Wimsatt does not disclose automatically discovering a system's components, much less the system itself (which is not claimed).

b) Severson's components must be programmed prior to discovery so the process is not automatic

Because Wimsatt does not disclose automatic discovery of a system's components, Petitioner relies on Severson in an attempt to save its Grounds. *See* Pet. 15. However, Severson also does not disclose "automatically discovering the security system components."

Severson discloses that each sensor must be programmed. *See* Ex. 1006 25:3-6 ("Even further and without human intervention, *once the sensors transducers are initially programmed*, each system controller may be operated to 'self-learn' each of its sensors.") (emphasis added), 25:22-24 ("If [the controller] is in a program mode and *the sensor was previously initialized*, the CPU checks to

see if the sensor is either a hardwired or an RF sensor.") (emphasis added). As a matter of fact, the programming is a lengthy and involved manual process: "In the above regard and during system initialization, the installer at his/her shop typically develops a tabular listing of each of the S/T numbers to be assigned to the various sensors and transducers to be placed about the subscriber premises. The preconditioning parameters of each sensor are also defined, if different from those normally set by the system, such as the NO/NC transducer state, restore, lockout delay or other parameters which are separately programmable for each RF sensor. The installer then separately programs each sensor with this data via the hand held programmer 11." *See id.* 25:51-61.

In other words, the sensors that are to be "self-learned" must already be assigned to the controller. *See id.* 25:3-13, 23:60-26:7. This so-called "self-learning" of sensors in Severson, which requires extensive programming and component assignment prior to its operation, differs markedly from the '619 patent's claim limitations of "automatically discovering" components and devices.

Accordingly, Severson also does not disclose claim element 1[d], and does not remedy the deficiencies of Wimsatt.

c) Severson only discloses discovering its own components

A further problem with Severson is that its security system only discovers its ***own*** components—not those of another system. *See* Pet. 15. Severson discloses

what the '619 patent refers to as a "conventional host security system." *See* Ex. 1001 Abstract. Severson does not "integrate[] or layer[] on top of a conventional host security system." *See id.*; *see also generally* Ex. 1006. This is evident in that each sensor is coupled to a controller and that the controller self-learns "each of ***its*** sensors." *See id.* 24:64-25:6.

In contrast, claim 1 of the '619 patent requires coupling a ***gateway*** to a security system and then discovering that other system's components. *See* Ex. 1001 cl. 1. As a result, the cited disclosure of Severson cannot fulfill claim 1's limitation of "automatically discovering the plurality of security system components." Nor does Petitioner explain why the claimed automatic coupling and discovery by a "connection management component coupled to the gateway" would have been obvious in view of the combination of Wimsatt and Severson. At best, the combination proposed by Petitioner would result in Wimsatt's security subsystem automatically discovering its own components, not Wimsatt's control panel 101 that Petitioner relies on as disclosing the claimed gateway.

Moreover, Petitioner's contention that the proposed combination would result in an "easier sensor installation process" (Pet. 16) is at odds with Wimsatt's consistent description of its control panel network as in communication with a security system, not the underlying security system components (e.g., security sensors). *See, e.g.,* Ex. 1004 ¶ 30 ("In one implementation, when a security system

is triggered indicating a fire, intruder, or other hazard, passive elements such as backgrounds and borders change color or flash to alert the user of the condition."), ¶ 31 ("In another example, tripping a zone on a burglar alarm . . . causes control units to display a security screen having controls that allow the alarm to be de-activated by entry of a valid code."); *see also id.* ¶ 5, ¶ 23, ¶ 58, ¶ 62, ¶ 65. Because Wimsatt's control panels are limited to functionality regarding the ***status*** of a security system, not to ***communication with or control over*** individual security system components, Petitioner's proposed modification would unnecessarily complicate installation, not simplify it.

Because Petitioner fails to demonstrate that the combination of Wimsatt, Severson, and Johnson discloses automatic discovery, the Board should not institute IPR on Ground 1.

2. Johnson does not disclose the limitation "maintains objects at the security server using the processed data, wherein the objects correspond to the security system components and the plurality of network devices"

Petitioner relies solely on Johnson for its alleged disclosure of claim element 1[h]'s limitation of "maintains objects at the security server using the processed data, wherein the objects correspond to the security system components and the

plurality of network devices." Pet. 27-30. Petitioner asserts that the "icons" displayed in Fig. 3 of Johnson are the claimed "objects." *Id.* 29.[2]

Petitioner's assertion is unsupported and incorrect.

a) Johnson's icons do not correspond to security system components

The icons do not correspond to security system components and network devices. *See* Ex. 1005 6:36-50. Mr. Parker's bald opinion that a POSITA would have understood the icons to represent particular controlled devices is illogical and should be afforded no weight. *See* Ex. 1002 ¶ 119. In reality, Johnson does not provide description of the nature of the icons and they do not appear to directly correspond to any elements described elsewhere in the reference. For example, the icons displayed on the control page do not correspond to the control devices 40 disclosed in Fig. 2 that connect to control unit 30. *Compare* Ex. 1005 Fig. 3 *with id.* Fig. 2.

Likewise, the "Camera" icon does not correspond to any one camera in the security system. As demonstrated elsewhere in Johnson, there are many cameras, not just one camera, so it would be illogical for the "Camera" icon to correspond to a particular one of those cameras. *Compare id.* Fig. 4 (showing many different

[2] The term "icons" does not appear in Johnson and is a characterization introduced by Petitioner.

camera views) *with id.* Fig. 3 (showing only one "Camera" icon). To get around this, Petitioner apparently refers to Wimsatt's IP camera 109 rather than any camera within Johnson—but does so without any cite or explanation of why that would make sense. *See* Pet. 29.

Similarly, there is only one "Window" icon and one "Door" icon in Johnson's Figure 3, but a house would typically comprise many windows and multiple doors so it would be illogical for these icons to "correspond . . . to the security system components and the network devices." *Compare, e.g.*, Ex. 1005 Fig. 4 (showing multiple windows) *with id.* Fig. 2 (showing only one "Window" icon). Petitioner's assertion that the "Door" icon and the "Window" icon would correspond to "a door sensor and a window sensor, respectively" is presented with no cite to Johnson, Mr. Parker, or any evidence in the record. *See* Pet. 29.

Additionally, the other icons are labeled "Mode," "Smoke," "Water," "Temp," "Alerts," "Lights," and "Shopping Cart." *See* Ex. 1005 Fig. 3. At least some of these are plainly not components of a security system, and Mr. Parker does not explain why a POSITA would think they are. *See* Ex. 1002 ¶ 119. Indeed, Johnson is devoid of any written description of the icons displayed in Fig. 3, failing even to use the term "icon." *See generally* Ex. 1005. Moreover, to the extent some of the icons, such as "Mode" or "Alerts" may potentially relate to security system functions, Petitioner provides no explanation as to how they

disclose the recited server-maintained "objects," nor does Petitioner address the role of the "Door" and "Window" icons relative to these other icons. Johnson, as well, is silent on these points.

As a result, Petitioner has failed to demonstrate that Johnson discloses icons that correspond to the plurality of security system components and the network devices.

b) Johnson's icons are not maintained at the security server

The '619 patent explains that "server components provide access to, and management of, the objects associated with an integrated security system installation." *See* Ex. 1001 8:29-31. Business components at the server "are responsible for orchestrating all of the low-level service management activities for the integrated security system service," and "all changes in device states are monitored and logged." *See id.* 8:53-55, 8:58-59. The specification also states that the business components "store information about the objects that they manage" in a service database 240 and in a content store 22, and that they manage all data storage and retrieval. *See id.* 9:47-55.

As described above, Johnson completely lacks written description relating to the "icons" identified by Petitioner. *See supra* Section V.A.2.a). There is no explanation regarding where those icons are maintained or what they even represent. *See id.* Instead, Petitioner merely claims that a POSITA would

understand "that the data center 20 server maintains the status of each of these objects" because "it would be difficult to change a device's settings without knowing the current status of that device." *See* Pet. 29. But this leap in logic is in direct contradiction to Fig. 7 of Johnson, which shows that commands are transmitted without any prior knowledge of control devices' status; Fig. 8, which shows that commands and requests are stored at the data center for intermittent download/upload to the control unit; and Fig. 9, which shows that the control unit—not the data center—appears to maintain control devices. *See* Ex. 1005 Figs. 7-9, 6:22-34. Combined with Petitioner's failure to address the meaning of this claim term, it is impossible to understand Petitioner or Mr. Parker's basis for claiming that Johnson's icons fulfill the claim limitation. *See supra* Section IV.

Accordingly, Petitioner fails to meet its burden of showing that this claim limitation is met by Johnson (or any of the other references), so the Board should not institute IPR.

3. Mere reference to a processor does not disclose "generat[ing] processed data by processing at the gateway the security data, the device data, and the remote data"

Claim element 1[g] requires that the gateway "generates processed data by processing at the gateway the security data, the device data, and the remote data." Petitioner points to the alleged existence of security data, device data, remote data, and a processor 201 to fulfill this limitation. *See* Pet. 24-26. Petitioner does not

rely on Severson or Johnson for any disclosures relating to this claim limitation. *See id.*

This is plainly insufficient for Petitioner to meet its burden. At best, Petitioner shows that the combination fulfills the limitations of "security data," "device data," and "remote data." *See id.* But stating that there is a processor so therefore the data must be processed is circular reasoning that fails to convey how Petitioner interprets "processed data" in the context of the '619 patent claims, what in the cited combination discloses "processed data," or how the security data, device data, and remote data are processed to generate the claimed processed data. *See Alarm.com Inc. v. Vivint, Inc.*, No. IPR2015-02003, Paper No. 15 (P.T.A.B. Mar. 31, 2016) (denying institution because "it is not enough to find that a prior art device is capable of being modified to operate in the manner claimed . . . [r]ather, the asserted prior art apparatus, as disclosed, must be capable of performing the recited function, not merely that it might be modified to include such capability") (citing *Typhoon Touch Techs., Inc. v. Dell, Inc.*, 659 F.3d 1376, 1380 (Fed. Cir. 2011)). Mr. Parker's parroting of the petition fails to provide additional explanation of how this limitation is met. *See* Ex. 1002 ¶¶ 109-112. Further, as discussed above, the burden is on Petitioner to "identify . . . how the challenged claim is to be construed." *See* 37 C.F.R. § 42.104(b)(3); *supra* Section IV. Petitioner fails to do so, making its argument unintelligible. *See* Pet. 24-26.

Thus, because Petitioner has failed to demonstrate that the combination of Wimsatt, Severson, and Johnson discloses that the gateway "generates processed data," the Board should not institute IPR on Ground 1.

4. The petition fails to demonstrate that Wimsatt's system would be modified to include a remote server

In addressing claim element 1[e], requiring "a security server at a second location different from the first location, wherein the security server is coupled to the gateway," Petitioner contends that it would have been obvious to modify Wimsatt to communicate with a remote server in view of Johnson. Pet. 19-21. Petitioner's argument overlooks that Wimsatt discusses problems with a server-oriented approach and provides an alternative to avoid those known shortcomings. Petitioner also fails to demonstrate that the server-based modifications it proposes would have been compatible with Wimsatt's disclosure.

a) Wimsatt teaches away from use of servers

Although Petitioner is correct that Wimsatt does not disclose a remotely located security server (*see* Pet. 20-21), Petitioner is not correct that a POSITA would be motivated to combine Wimsatt with a reference that discloses servers. Instead, Wimsatt expressly teaches away from use of servers. *See* Ex. 1004 ¶ 9.

It is improper to combine references where the references teach away from their combination. *See In re Grasselli*, 713 F.2d 731, 743 (Fed. Cir. 1983). A reference teaches away when it "suggests that the line of development flowing

from the reference's disclosure is unlikely to be productive of the result sought by the applicant." *Medichem, S.A. v. Rolabo, S.L.*, 437 F.3d 1157, 1165 (Fed. Cir. 2006) (quoting *In re Gurley*, 27 F.3d 551, 553 (Fed. Cir. 1994)). "A reference may be said to teach away when a person of ordinary skill, upon reading the reference, would be discouraged from following the path set out in the reference, or would be led in a direction divergent from the path that was taken by the applicant." *In re Kahn*, 441 F.3d 977, 990 (Fed. Cir. 2006) (internal quotation marks omitted).

> In its discussion of problems with prior art systems, Wimsatt explains:
>
> Server-based systems . . . are more complex to install as each of the controlled devices must be coupled to and in communication with the central server. Moreover, because the server must be programmed to interact with the various controlled devices and/or subordinate controls, the operator must still become intimately familiar with the protocols and vagaries of each controlled device, defeating the advantages of a single software interface.

Ex. 1004 ¶ 9. Because of these problems with server-based systems, Wimsatt teaches a system that is locally-based to provide "a home automation and control architecture that is easy to install, easy to use, and at the same time flexible and extensible to accommodate new devices and new functionality." *See id.* ¶ 11. While Wimsatt does disclose that its system can be scaled up for application in a wide area network, Wimsatt teaches the use of distributed nodes (i.e., its control

panels) as a way of overcoming the acknowledged problems with a server-based architecture. *Id.* ¶¶ 9, 24.

Although Petitioner presents expert testimony regarding motivation to combine, "[m]otivation to combine in the face of an express teaching away must be found in the prior art itself . . . ." *See Dr. Reddy's Labs., Inc. v. Pozen Inc.*, No. IPR2015-00802, Paper No. 28 at 26 (P.T.A.B. Oct. 9, 2015) (denying institution of IPR based on obviousness ground due to teaching away). None of Mr. Parker's reasoning is found in Wimsatt, and the words he plucks from Johnson directly contradict the improvement over the prior art described in Wimsatt, which is the later-filed reference. *See* Pet. 20-21; *compare* Ex. 1005 at 1 (showing filing date of April 28, 2000 and issuance date of June 17, 2003) *with* Ex. 1004 at 1 (showing filing date of April 8, 2004 and publication date of December 23, 2004). Because Mr. Parker's testimony is directly contradicted by the face of the prior art, which teaches away from the proposed combination, the Board should not give it any weight.

Thus, Petitioner's Ground 1 fails because Wimsatt may not be combined with Johnson.

b) Wimsatt is incompatible with Johnson

Petitioner's analysis fails to consider whether Wimsatt would still be suitable for its intended purpose after being modified by Johnson. *See In re*

Gordon, 733 F.2d 900, 902 (Fed. Cir. 1984) (holding that there is no adequate basis to make proposed modification if it would render prior art invention unsatisfactory for intended purpose).

Wimsatt teaches that it is critical that the "home automation and control architecture [be] easy to install, easy to use, and at the same time flexible and extensible to accommodate new devices and new functionality." *See* Ex. 1002 ¶ 11. In particular, this extends to eschewing "server-based control systems," which "are more complex to install as each of the controlled devices must be coupled to and in communication with the central server" and that require "the operator [to] become intimately familiar with the protocols and vagaries of each controlled device, defeating the advantages of a single software interface." *See id.* ¶ 9. Yet, neither the petition nor Mr. Parker ever addresses whether Johnson's server would be a suitable addition to the system taught by Wimsatt such that it avoids the complexities of installation and operation. *See* Pet. 20-21. Indeed, the combination of Johnson's server-based system with Wimsatt's locally-based system should cause precisely that problem, given the concerns espoused in Wimsatt. *See* Ex. 1002 ¶ 11. Without addressing this critical feature, Petitioner has failed to articulate an adequate basis for motivation to combine Wimsatt with Johnson.

Therefore, because Petitioner has failed to demonstrate a *prima facie* case of obviousness with respect to independent claim 1, from which each of the challenged claims depends, the Board should not institute IPR on Ground 1.

B. The challenged claims are not obvious

1. Naidoo does not remedy the deficiencies of Wimsatt, Severson, and Johnson

Petitioner relies solely on the combination of Wimsatt, Severson, and Johnson in its contention that independent claim 1 would have been obvious. Pet. 9-30. Petitioner only adds Naidoo for its purported disclosures of claim limitations relating to transmitting event data to a central monitoring station or to remote client services in dependent claims 17-18, 21-22, 29-31, 33, 36, and 58. *See* Pet. 32-57. Petitioner does not rely on Naidoo for any other disclosure. *Id*. at 9-57. Because claims 17-18, 21-22, 29-31, 33, 36, and 58 ultimately depend on independent claim 1, they include the same limitations and suffer from the same deficiencies discussed above. As such, Petitioner has failed to demonstrate that claims 17-18, 21-22, 29-31, 33, 36, and 58 are unpatentable for the same reasons as set forth in Section V.A. above. *See Hartness Int'l, Inc. v. Simplimatic Eng'g Co.*, 819 F.2d 1100, 1108 (Fed. Cir. 1987) (holding that where independent claim is novel and nonobvious, dependent claim is also novel and nonobvious due to containing all limitations of independent claim plus further limitations).

2. Petitioner fails to establish that Naidoo may be combined with Wimsatt, Severson, and Johnson

In addition, Petitioner does not provide any reasoned analysis regarding why a person of ordinary skill in the art would have combined the cited prior art in the manner proposed. *See, e.g.,* Pet. 33-34, 39. Instead, Petitioner just provides a slew of "conclusory statements to find a motivation to combine." *See In re Magnum Oil Tools Int'l, Ltd.*, 829 F.3d 1364, 1380 (Fed. Cir. 2016); *see also In re Kahn*, 441 F.3d at 988. Additionally, this combination suffers from the same problems of teaching away from use of servers by Wimsatt and incompatibility of Wimsatt with Johnson and further with Naidoo, which both disclose server-based systems. *See supra* Section V.A.4. Accordingly, the Board should not institute IPR on Ground 1.

3. Claims 22 and 31: The petition fails to explain how the prior art discloses the three types of claimed event data

Claim 22 requires that event data transmitted by the gateway to remote client devices (as recited in claim 21) comprises three types of information: "changes in device states of the security system components, data of the security system components, ***and*** data received by the security system components." Ex. 1001 cl. 22 (emphasis added). The petition merely cites to Naidoo's disclosure of transmission of "the alarm signal and alarm video corresponding to the alarm condition" and incorporates the reasoning applied to claim 21. Pet. 37-38.

Petitioner fails to provide any explanation as to whether or how Naidoo's alarm signal and alarm video correspond to any of the three types of claimed information, let alone all three as required by the claim. Without even a cursory attempt to explain how the three types of information are disclosed by, or obvious in view of, the prior art, Petitioner cannot meet its burden of demonstrating a reasonable likelihood that claim 22 is unpatentable.

Similarly, claim 31 requires that the event data recited in claim 29 "comprises changes in devices states of the network devices, data of the network devices, and data received by the network devices." Ex. 1001 cl. 31. Petitioner cites to Naidoo's disclosure of an "alarm condition and information relating to the alarm condition, which may include alarm video." Pet. 40-41. Petitioner provides no explanation as to how the alarm condition and related information, including alarm video, satisfies the requirement for all three types of information recited in claim 31. Nor does Petitioner explain how the same cited alarm signal/condition and alarm video from Naidoo can satisfy the claim 22 requirement that the information relate to security system components and the claim 31 requirement that the information relate to network devices. In truth Naidoo discloses neither in the information recited in claim 22 nor that required by claim 31, and Petitioner provides no obviousness analysis to bridge the gap.

VI. GROUND 2 SHOULD NOT BE INSTITUTED

A. Anthony does not remedy the deficiencies of Wimsatt, Severson, Johnson, and Naidoo

Ground 2 adds Anthony due to Anthony's alleged disclosure of "a General Packet Radio Service (GPRS) coupling" as required by claims 20 and 35. *See* Pet. 35-36, 42. Petitioner does not rely on Anthony for any other disclosure. *See id.* Claim 20 depends from claim 16, which depends from claim 1, and claim 35 depends from claim 32, which depends from claim 24, which depends from claim 1. *See* Ex. 1001 cl. 16, 20, 24, 32, 35. Thus, Ground 2 suffers from the same deficiencies as those discussed above with respect to Ground 1. *See Hartness Int'l, Inc.*, 819 F.2d at 1108; *supra* Section V. Accordingly, Ground 2 should not be instituted for the same reasons that Ground 1 should not be instituted.

B. Petitioner fails to establish that Anthony may be combined with Wimsatt, Severson, Johnson, and Naidoo

Petitioner proposes a five-reference combination and offers two short, conclusory sentences to explain it: "It would be obvious to a POSITA to combine Naidoo with Wimsatt, Johnson and Severson so that the control panel 101 in Wimsatt can communicate with the central monitoring station via the mobile communications network disclosed in Naidoo. It would further be obvious to a POSITA to combine Anthony with Naidoo, Wimsatt, Johnson and Severson to utilize available mobile communication modes, such as GPRS." *See* Pet. 35-36

(citation omitted). Mr. Parker's declaration merely parrots the same short sentences, offering no additional rationale for the combination. *See* Ex. 1002 ¶¶ 155.

These two short sentences fall far short of meeting Petitioner's burden of articulating a *prima facie* case of obviousness. *See In re Magnum Oil Tools Int'l*, 829 F.3d at 1380 (reversing Board's finding of obviousness because petitioner failed to provide more beyond "conclusory statements to find a motivation to combine"); *In re NuVasive, Inc.*, No. 2015-1670, 2016 U.S. App. LEXIS 21748, at *8-16 (Fed. Cir. 2016) (rejecting conclusory statements lacking reasoned explanation).

Petitioner's conclusory analysis is improper because Petitioner bears the burden of articulating a *prima facie* case of obviousness. *See* 35 U.S.C. 316(e). "[T]he ultimate burden of persuasion of obviousness must remain on the patent challenger." *In re Magnum Oil Tools Int'l*, 829 F.3d at 1376. "[T]hat burden never shifts to the patentee." *Id.* at 1375 (quotation marks and citation omitted).

In fact, the only portion of Anthony that Petitioner and Mr. Parker cite in connection with the two-sentence obviousness analysis is paragraph 38, but that paragraph has nothing to do with premises security. *See* Pet. 35-36; Ex. 1002 ¶¶ 153-155. Instead, the cited portion of Anthony only teaches a security system for automobiles, unlike Wimsatt, Severson, Johnson, and Naidoo, which all teach

security systems for buildings, such as homes or offices. *Compare* Ex. 1009 ¶ 38 ("automobile") *with* Ex. 1004 ¶ 3 ("home automation systems"); Ex. 1005 Abstract ("home communications system"); Ex. 1006 at 1:17 ("homeowner"); Ex. 1007 ¶ 27 ("residential homes"). Given the disparity between the actual field of invention of Anthony (automobile security) and that of Wimsatt, Severson, Johnson, and Naidoo (home security), it is unclear how Anthony could be considered "analogous art" or compatible with Wimsatt, Severson, Johnson, and Naidoo, and the petition provides no explanation why this would be so. *See* Pet. 8.

Accordingly, Petitioner has failed to establish that Anthony may be combined with Wimsatt, Severson, Johnson, and Naidoo and the Board should not institute IPR on Ground 2.

VII. GROUND 3 SHOULD NOT BE INSTITUTED

A. Alexander does not remedy the deficiencies of Wimsatt, Severson, and Johnson

Petitioner only adds Alexander for its purported disclosures of claim limitations relating to functions performed by the security server in dependent claims 37-41 and 48-53. *See* Pet. 42-57. Because claims 37-41 and 48-53 ultimately depend on independent claim 1, they include the same limitations and suffer from the same deficiencies discussed above. As such, Petitioner has failed to demonstrate that claims 37-41 and 48-53 are unpatentable for the same reasons as set forth in *supra* Section V. *See Hartness Int'l, Inc.*, 819 F.2d at 1108.

Accordingly, Ground 3 should not be instituted for the same reasons that Ground 1 should not be instituted.

B. Petitioner fails to establish that Alexander may be combined with Wimsatt, Severson, and Johnson

Petitioner does not provide any reasoned analysis regarding why a POSITA would have combined the prior art cited in Ground 3 in the manner proposed. *See* Pet. 42-57. Instead, Petitioner just provides a slew of "conclusory statements to find a motivation to combine." *See In re Magnum Oil Tools Int'l*, 829 F.3d at 1380; *see also In re Kahn*, 441 F.3d at 988. Additionally, this combination suffers from the same problems of teaching away from use of servers by Wimsatt and incompatibility of Wimsatt with Johnson and further with Alexander, which both disclose server-based systems. *See supra* Section V.A.4. Accordingly, the Board should not institute IPR on Ground 3.

VIII. SECONDARY CONSIDERATIONS

While the petition makes an unsupported, conclusory claim that there is no objective evidence of non-obviousness, *see* Pet. 57-58, the Board need not consider secondary considerations in order to deny institution in view of the numerous deficiencies identified above. However, should the Board determine that the petition demonstrates a reasonable likelihood that any claim is unpatentable and institute trial, Icontrol reserves the right to present evidence of secondary indicia of nonobviousness.

IX. CONCLUSION

Petitioner has failed to meet its burden to show a reasonable likelihood of prevailing on any of its proposed grounds of unpatentability. Accordingly, institution of IPR should be denied.

Respectfully submitted,

Date: January 5, 2017

/ Matthew A. Argenti /
Matthew A. Argenti, Lead Counsel
Reg. No. 61,836

CERTIFICATE OF COMPLIANCE

Pursuant to §42.24(d), the undersigned certifies that this paper contains no more than 14,000 words, not including the portions of the paper exempted by §42.24(b). According to the word-processing system used to prepare this paper, the paper contains 6,912 words.

Respectfully submitted,

Date: January 5, 2017

/ Matthew A. Argenti /
Matthew A. Argenti, Lead Counsel
Reg. No. 61,836

CERTIFICATE OF SERVICE

I certify that the foregoing Patent Owner's Preliminary Response Pursuant to 37 C.F.R. § 42.107 was served on this 5th day of January, 2017, on the Petitioner at the correspondence address of the Petitioner as follows:

Erik B. Milch
Jennifer Volk
Frank Pietrantonio
Cooley LLP ATTN: Patent Group
1299 Pennsylvania Ave., NW, Suite 700
Washington, DC 20004
Tel: (703)456-8573
Fax: (703)456-8100
emilch@cooley.com
jvolkfortier@cooley.com
fpietrantonio@cooley.com
zSecureNetIPR@cooley.com
zpatdcdocketing@cooley.com

Respectfully submitted,

Date: January 5, 2017

/ Matthew A. Argenti /
Matthew A. Argenti, Lead Counsel
Reg. No. 61,836