

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INVUE SECURITY PRODUCTS, INC.
Petitioner

v.

MERCHANDISING TECHNOLOGIES, INC.
Patent Owner

Case IPR2013-00122
Patent 7,909,641 B1

Before JOSIAH C. COCKS, JENNIFER S. BISK, and
GEORGIANNA W. BRADEN, *Administrative Patent Judges*.

BRADEN, *Administrative Patent Judge*

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

I. INTRODUCTION

InVue Security Products, Inc. (InVue) filed a petition (Paper 6, “Pet.”) requesting *inter partes* review of claims 1-6 of U.S. Patent No. 7,909,641 B2 (Ex. 1001, “the ’641 Patent”) pursuant to 35 U.S.C. §§ 311 et seq. In response, Merchandising Technologies, Inc. (“MTI”) filed a preliminary response¹ (Paper 16, “Prelim. Resp.”). We have jurisdiction under 35 U.S.C. § 314.

The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a) which provides as follows:

THRESHOLD -- The Director may not authorize an *inter partes* review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 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 patent owner preliminary response, we determine that the information presented in the petition establishes that there is a reasonable likelihood that InVue would prevail with respect to at least one claim of the ’641 Patent. Accordingly, pursuant

¹ MIT’s preliminary response only addresses whether InVue is barred from pursuing *inter partes* review of the ’641 Patent under 35 U.S.C. § 315(a)(1).

to 35 U.S.C. § 314, we authorize an *inter partes* review to be instituted as to claims 1-6 of the '641 Patent.

A. Related Proceedings

InVue indicates that claims 1-6 of the '641 Patent were involved in an action for declaratory judgment captioned *InVue Security Products Inc. v. Merchandising Technologies, Inc.*, Case No. 3:12-cv-88-RJC-DSC (W.D. N.C.). Pet. 3. However, following MTI's motion to dismiss for lack of subject matter jurisdiction, the Court dismissed InVue's complaint without prejudice. Pet. 4.

B. The '641 Patent

The '641 Patent describes tethering a variety of handheld electronic devices (cell phones, digital cameras, etc.) to a display counter in a retail store. Ex. 1001, 1:13-17. The '641 Patent is related to a cable management system for displaying such handheld electronic devices. *Id.*, Title.

Figure 10 of the '641 Patent is reproduced below:

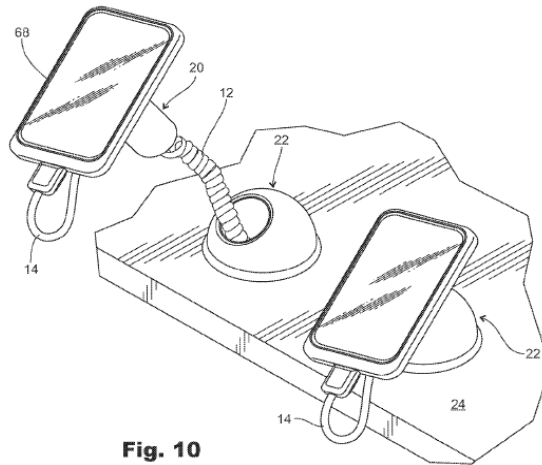


Figure 10 illustrates a cable retraction mechanism for displaying merchandise mounted on a display, such that the merchandise can be lifted, extended, and retracted. *Id.*, Abstract, 1:6-9, 1:58-60, and Fig. 10.

According to the '641 Patent, the invention includes: (1) a first cable assembly having an elastically stretchable length (*id.*, 1:66-67); (2) a tubular housing for the cable assembly (*id.*, 2:7-23); (3) a shuttle with a spring attached to the cable assembly (*id.*, 2:12-34 and Figs. 3 and 5); (4) a mounting member for connecting to an electronic device that is to be displayed (*id.*, 2:35-37); (5) an in-line swivel to alleviate tangling of the cable assembly (*id.*, 2:51-56); and (6) optionally, a second cable assembly that provides electrical power to the electronic device on display (*id.*, 2:65-3:12).

Figure 5 of the '641 Patent is reproduced below:

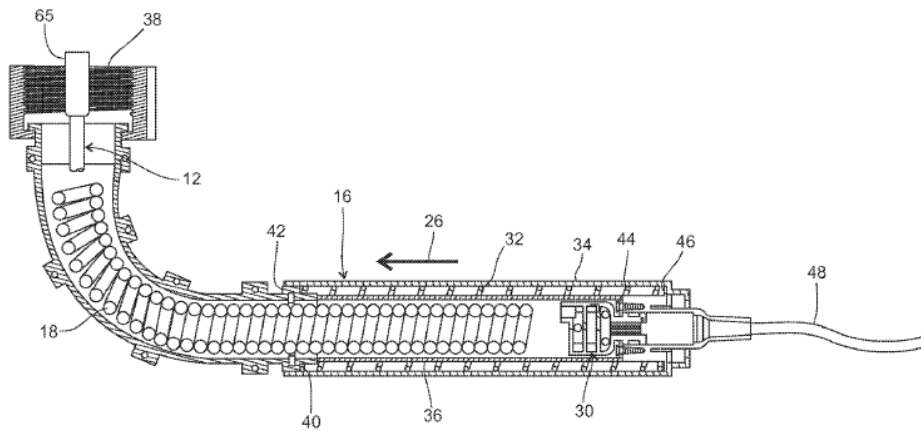


Fig. 5

Figure 5 illustrates a cord 12 with an elastically stretchable length consisting of a plurality of coils 18. *Id.*, 4:38-40. The cord 12 is attached to a shuttle 30. Tension in the cord 12 causes the shuttle 30 to move in the direction of the arrow 26 and against the bias of a spring 32. *Id.*, 4:51-54. The spring 32 assists the return of the first cable assembly back into the coaxial assembly 16 as the mounting member 20 (shown above in Figure 10) returns to its original position. *Id.*, 5:41-46.

C. Exemplary Claim

Of the challenged claims, claims 1 and 4 are independent claims and recite similar limitations. As to the dependent claims, claims 2-3 directly depend from claim 1, and claims 5-6 directly depend from claim 4.

Claims 1 and 3 are exemplary of the claimed subject matter of the

'641 Patent, and are reproduced as follows with disputed claim limitations

italicized (emphasis added):

1. A cable management system for use in displaying one of a plurality of electronic devices in a commercial setting, comprising:
 - a cable assembly that provides an *electrical coupling* to a displayed electronic device, *the cable assembly being extendable and retractable*;
 - a mounting member for carrying the displayed electronic device, and wherein the cable assembly at least partially extends into and is electrically coupled to the mounting member, and further, the cable assembly is connected to the mounting member in a manner so as to facilitate extension and retraction movements of the cable assembly and mounting member for respectively lifting and replacing the mounting member to and from a retail display while the mounting member is coupled to the cable assembly; and
 - a swivel assembly* that is in-line in the cable assembly for enabling at least a portion of the cable assembly to rotate while maintaining the electrical coupling to the displayed electronic device during extension and retraction movements of the cable assembly, in a manner so as to reduce torsional forces placed on the cable assembly during said extension and retraction movements.

3. The cable management system of claim 1, wherein the extendable and retractable cable assembly has a first end connected to the mounting member and a second end connected to an upstream power supply, and wherein the *swivel assembly couples the second end of the cable assembly to the upstream power supply*.

D. Prior Art Relied Upon

InVue relies upon the following references:

Deconinck	US 7,209,038	April 24, 2007	Ex. 1008
Deconinck	US 7,101,187	Sept. 5, 2006	Ex. 1009
Sedon	US 7,053,774	May 30, 2006	Ex. 1013

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Englemore	US 4,590,337	May 20, 1986	Ex. 1014
Fredericksen	US 6,946,961	Sept. 20, 2005	Ex. 1015
Belden	US 7,385,522	June 10, 2008	Ex. 1016

PowerPro System, published in 2006 (“PowerPro System”), Ex. 1010

Instructions for PowerPro Sensor Head, published in 2007 (“PowerPro Sensor Head”), Ex. 1011

Instructions for PowerPro Detangler, published in 2005 (“PowerPro Detangler”), Ex. 1012

E. Asserted Grounds of Unpatentability

InVue alleges that the challenged claims are unpatentable based on the following grounds:

1. Claims 1, 2, and 4-6 are unpatentable under 35 U.S.C. § 102(e) as anticipated by Deconinck ’038 (Pet. 43);
2. Claims 1, 2, and 4-6 are unpatentable under 35 U.S.C. § 102(e) as anticipated by PowerPro System, Power Pro Sensor Head, and PowerPro Detangler (Pet. 49);
3. Claims 1 and 3 are unpatentable under 35 U.S.C. § 102(e) as anticipated by Sedon (Pet. 54);
4. Claims 1, 2, and 4-6 are unpatentable under 35 U.S.C. § 103 over Deconinck ’038 and Beldon ’522 (Pet. 55);
5. Claims 1-6 are unpatentable under 35 U.S.C. § 103 over Deconinck ’038 and Englemore (Pet. 57)²;

² Although the heading pertaining to this ground (appearing on page 57) of InVue’s Petition refers only to claims 1, 2, and 4-6, it is apparent from the ensuing discussion in support of the ground (appearing on page 58) that

6. Claims 1, 2, and 4-6 are unpatentable under 35 U.S.C. § 103 over Deconinck '038 and Deconinck '187 (Pet. 58);
7. Claims 3 and 5 are unpatentable under 35 U.S.C. § 103 over Deconinck '038 and Frederickson (Pet. 59); and
8. Claims 3 and 5 are unpatentable under 35 U.S.C. § 103 over Deconinck '038 and Sedon (Pet. 59).

II. ANALYSIS

A. *Whether Petitioner has Standing Under 35 U.S.C. § 315(a)*

A threshold issue is MTI's contention that InVue is barred from pursuing *inter partes* review under 35 U.S.C. § 315(a)(1), which provides as follow:

An *inter partes* review may not be instituted if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.

According to MTI, a complaint seeking declaratory judgment of non-infringement and invalidity of the '641 Patent was filed by InVue on February 9, 2012, in the U.S. District Court for the Western District of North Carolina. Prelim. Resp. 2. MTI contends that the plain language of the statute indicates that a "filed" complaint is sufficient to trigger the bar under 35 U.S.C. § 315 (a). *Id.* MTI argues that by filing the declaratory action,

InVue also contends that claim 3 is unpatentable over Deconinck '038 and Engelmere.

regardless of its disposition, InVue is now prohibited from bringing an *inter partes* review. *Id.* We disagree with MTI's contention.

Although InVue filed a cause of action for declaratory judgment of non-infringement and invalidity regarding claims 1-6 of the '641 Patent, the Court dismissed the complaint without prejudice for lack of subject matter jurisdiction. The complaint was dismissed before MTI filed a responsive pleading and prior to any action on the merits. In fact, the outcome of the case, dismissed for lack of subject matter jurisdiction, indicates that the Court never had authority to hear the case. *See Gould, Inc. v. U.S.*, 67 F.3d 925, 929 (Fed. Cir. 1995).

The Federal Circuit consistently has interpreted the effect of dismissals without prejudice as leaving the parties as though the action had never been brought. *Graves v. Principi*, 294 F.3d 1350, 1356 (Fed. Cir. 2002) ("The dismissal of an action without prejudice leaves the parties as though the action had never been brought."); *Jet, Inc. v. Sewage Aeration Systems*, 223 F.3d 1360, 1364 (Fed. Cir. 2000) ("Dismissal without prejudice indicates that judgment is not on the merits and will have no preclusive effect."); *see also, U.S. ex rel. Koch v. Koch Indus., Inc.*, 188 F.R.D. 617 (D.C. Okla. 1999) (finding that dismissal without prejudice due to lack of subject matter jurisdiction means the "law deems the first suit to

have never in fact existed.”); *Macuto U.S.A. v. BOS GmbH & KG*, IPR2012-00004, Paper 18 at 14-16 (PTAB, Jan. 14, 2013) (holding that a dismissal without prejudice nullified the effect of service for purposes of 35 U.S.C. § 315(b)).

A petitioner whose complaint was dismissed without prejudice for lack of subject matter jurisdiction was never in a position to litigate invalidity on multiple fronts simultaneously, the situation prevented by 35 U.S.C. § 315(a). Thus, we conclude the dismissal of the declaratory judgment action without prejudice, under the particular circumstances of this case, does not trigger the statutory bar prohibiting under 35 U.S.C. § 315(a) InVue from filing a petition for an *inter partes* review.

B. 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. 37 C.F.R. § 42.100(b). Under the broadest reasonable construction 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 at the time of the invention. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) (en banc). An inventor may rebut that presumption by providing a definition of the term in the specification with

reasonable clarity, deliberateness, and precision. *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994). Therefore, the words of the claim will be given their plain meaning, unless the plain meaning is inconsistent with the specification. *In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989).

InVue provides its interpretations for three claim terms, “cable assembly” (Pet. 23), “electrically coupled” (Pet. 27), and “modular connector” (Pet. 29). MTI does not submit any contentions regarding claim construction and does not address the issue of claim interpretation. Prelim. Resp. 1-3.

1. “Cable Assembly” (Claims 1-6)

InVue asserts that the term “cable assembly” should be interpreted as “an insulated wire or wires having a protective casing and used for transmitting electrical signals to a displayed electronic device, the assembly being extendable and retractable.” Pet. 23 (citing “the April 2010 Oxford Dictionaries”). InVue further contends that the limitation “having an elastically stretchable length” should not be read into the claims of the ’641 Patent from the Specification. Pet. 24.

To determine the correct construction, we begin our analysis by reviewing the pertinent portions of the specification of the ’641 Patent. *See Phillips*, 415 F.3d at 1317 (stating that the specification “is the single best

guide to the meaning of a disputed term”). The ’641 Patent (at Ex. 1001) specifically discloses that “[t]he cable management system includes a *first* cable assembly having an elastically stretchable length. Ex. 1001, 1:66-67, emphasis added. While the embodiments disclosed in the Specification teach the use of a “*first* cable assembly” that has “an elastically stretchable length” (*Id.*, 2:1-6, 2:23-31, 4:38-48, 4:55-61, 5:47-54, and Figs. 3 and 5), we must be careful not to read embodiments appearing in the written description into the claim if the claim language is broader than the embodiment (*In re Van Geuns*, 988 F.2d 1181, 1184 (Fed. Cir. 1993)).

The ’641 Patent’s disclosure (1) does not provide an explicit definition of the term “cable assembly,” and (2) implies that there is more than one cable assembly with only the first cable assembly having an elastically stretchable length. Therefore, there is no disclosure in the specification that is sufficient to overcome the presumption that the claim term “cable assembly” should be given its ordinary and customary meaning. *Id.* at 1313.

InVue further contends that the limitation “an elastically stretchable length” should not be read into the claims, because the limitation was specifically included in claims of U.S. Patent No. 7,744,404 (“the ’404 Patent”). Pet. 23-24, citing Ex. 1002. The ’641 Patent and ’404 Patent share

a common Specification and have the same inventors. Independent claims 1, 5, and 9 of the '404 Patent expressly recite the limitation “an elastically stretchable length.” According to InVue, “it can be presumed that the decision to exclude that same limitation from the claims of the '641 Patent was intentional.” *Id.*, 24.

We agree with InVue’s position, because claim terms should be interpreted consistently across both parent and child patents/applications that share a common specification. *See NTP v. RIM*, 418 F.3d 1282, 1292 (Fed. Cir. 2005)(When construing claim in patents that derive from the same parent application and share common terms, “we must interpret the claims consistently across all asserted patents.”); *see also, Laryngeal Mask Co. Ltd v. Ambu*, 618 F. 3d 1367, 1373 (Fed. Cir. 2010) (using two prior art patents from the same inventor as informative as to the meaning of a disputed claim term); *Augustine Med. Inc. v. Gaymar Indus., Inc.*, 181 F.3d 1291 (Fed. Cir. 2000) (citing *Jonsson v. Stanley Works*, 903 F.2d 812, 818, 14 USPQ2d 1863, 1870 (Fed. Cir. 1990)), holding that because the prosecution history of a parent application may limit the scope of a later application using the same claim term, these claim amendments and arguments restrict the scope of the claims in each of the later issued patents containing the “self-erecting” limitation.)

The interpretation of the claim term “cable assembly” as requiring “an elastically stretchable length” would indicate that such language found in the ’404 Patent would be superfluous and unnecessary. There is no evidence in the prosecution history to indicate that the claim language of the ’404 Patent was unwittingly added or unnecessary.

Based on the foregoing, and applying the broadest reasonable interpretation standard, we conclude that the claim term “cable assembly” does not require a cable “having an elastically stretchable length.”

2. “*Electrically Coupled*” (Claims 1 and 4)

A second claim recitation that InVue contends requires interpretation is “the cable assembly . . . is electrically coupled to the mounting member” in Claim 1 and the related recitation “a swivel assembly ... for electrically coupling the cable assembly to the mounting member.” Pet. 27. According to InVue, there is no specific disclosure in the Specification that the cable assembly is electrically coupled to the mounting member, but instead a second cable assembly 14 is electrically coupled to the first cable assembly 12 via the mounting member 20, and the second cable assembly electrically couples the mounting member to an electronic device 68. *Id.* (citing Ex. 1001, 6:42-44).

Based on the use of the second cable assembly for the electrical coupling through the mounting member in one embodiment in the '641 Patent, InVue urges the Board to construe the claim term “electrically coupled” as requiring that (i) “the mounting member includes electronics for providing power and/or a sensor for the displayed electronic device,” and (ii) “the cable assembly must include a second cable assembly, or at least a second portion of the cable assembly, that electrically connects the mounting member electronics and the cable assembly to the displayed electronic device.” *Id.*, 28.

We do not adopt InVue’s interpretation, which would prevent the term “electrically coupled” from including something other than a mounting member, because the Specification states that “[t]here are also alternative ways of accomplishing the coupling function without using the mounting member as a connecting means.” Ex. 1001, 2:62-64.

Further, we do not adopt InVue’s interpretation because InVue does not direct our attention to any special definition provided in the specification that would limit “electrically coupled” to only including a second cable assembly. While the Specification provides embodiments where the second cable assembly is used electrically to couple the electronic device to the first cable assembly, it would be improper to import such a limitation from the

specification into the claims. *See Phillips*, 415 F.3d at 1323 (“[A]lthough the specification often describes very specific embodiments of the invention, we have repeatedly warned against confining the claims to those embodiments.”). In fact, the Specification of the ’641 Patent uses non-limiting language, such as “a second cable assembly *may be* used . . .” (Ex. 1001, 2:57), “*If used*, the second cable assembly couples the first cable assembly to the electronic device . . .” (*Id.*, 2:65-66), and “The terminology ‘electrically coupling’ is intended to capture all of the variations described above and equivalent variations. In some cases, more than one ‘secondary’ cable assembly will be connected to the first one” (*Id.*, 3:5-8). Further, the Specification specifically states “[t]here are also alternative ways of accomplishing the coupling function without using the mounting member as a connecting means.” *Id.*, 2:62-64.

Applying the broadest reasonable interpretation standard, in view of the disclosure in the Specification (*see e.g.*, *Id.*, 2:65-3:12), we construe the claim term “electrically coupled” as establishing an electrical connection providing, for instance, power to an electronic device.

3. “Modular Connector” (Claim 4)

InVue asserts that the term “modular connector” should be interpreted as a plug or socket connector configured for use with RJ (registered jack)

twisted pair wires, such as an RJ plug or RJ socket, also commonly referred to as an “RJ jack.” Pet. 28-29, (citing Ex. 1001 at 6:25-27). The basis for that interpretation is said to be a “definition provided by PC Magazine Encyclopedia,” for which no particular citation is given or other evidentiary support identified in the record. The terms “modular” or “modular connector” are not described or defined in the Specification.

We have considered InVue’s comments and proposed construction, but determine that the limitation discussed need not be construed in a manner that departs from its ordinary and customary meaning for the purposes of this decision. We understand the ordinary meaning of “modular” as “constructed with standardized units or dimensions for flexibility and variety in use.”³ The ordinary meaning of the term “connector” is a device that connects components.⁴ Therefore, we construe the claim term “modular connector” as a device of standardized units or dimensions that connects components.

C. Claims 1, 2, and 4-6 – Anticipated by Deconinck ’038

InVue asserts that claims 1, 2, and 4-6 of the ’641 Patent are unpatentable under 35 U.S.C. § 102(e) as anticipated by Deconinck ’038.

³ See www.merriam-webster.com/dictionary/modular - last accessed June 11, 2013.

⁴ *Id.*

Pet. 33-34, 43-49. In support of this asserted ground of unpatentability, InVue provides detailed explanations as to how each claim limitation is met by Deconinck '038. Pet. 43-49, (citing to Ex. 1008, 1:66-2:6, 10:29-49, 10:50-59). In its patent owner's preliminary response, MTI did not address any of InVue's prior art challenges. Prelim. Resp. 2-3.

Upon review of InVue's analysis and supporting evidence, we determine that InVue has demonstrated that there is a reasonable likelihood that it would prevail with respect to claims 1, 2, and 4-6 on the ground that these claims are anticipated by Deconinck '038.

Deconinck '038

Deconinck '038 describes a security system for powering and displaying a handheld electronic device, wherein power may be provided to a displayed device such that the device may be operated by a prospective purchaser. Ex. 1008, 1:60-65. Figure 1 of Deconinck '038 is reproduced below:

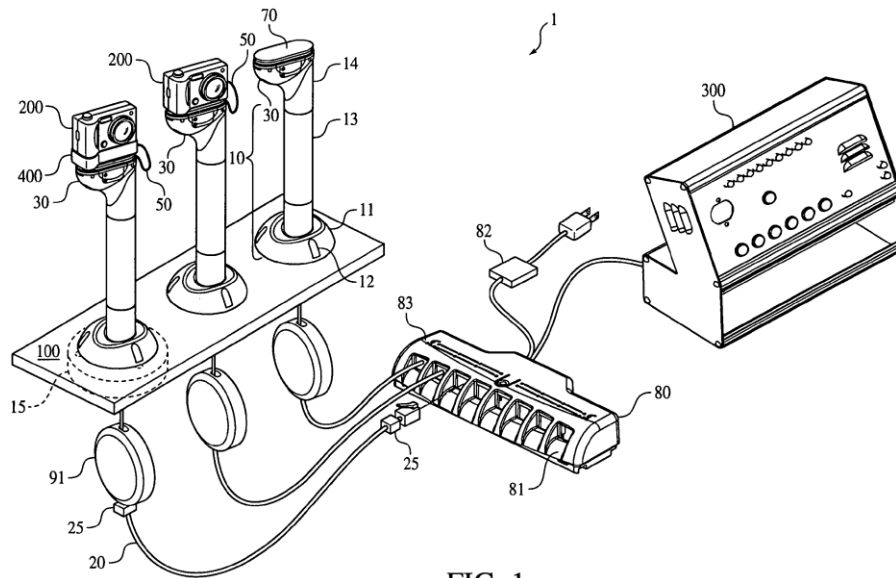


FIG. 1

Figure 1 illustrates a stand assembly 10 that is mounted to a support such as a counter, tabletop, or wall. *Id.*, 1:67-2:1.

Deconinck '038 discloses the use of retractable cable 20 that is coupled at one end to an output jack 81 of satellite 80 and at another end to housing 30. *Id.*, 3:10-12. The retractable cable 20 may be coupled to a retractor 91 for recoiling the retractable cable 20. The retractable cable may comprise one or more discrete lengths of cable. *Id.*, 10:37-38. A detangler 90 also may be coupled to the retractable cable. *Id.*, 10:31-32.

Figure 2 of Deconinck '038 is reproduced below:

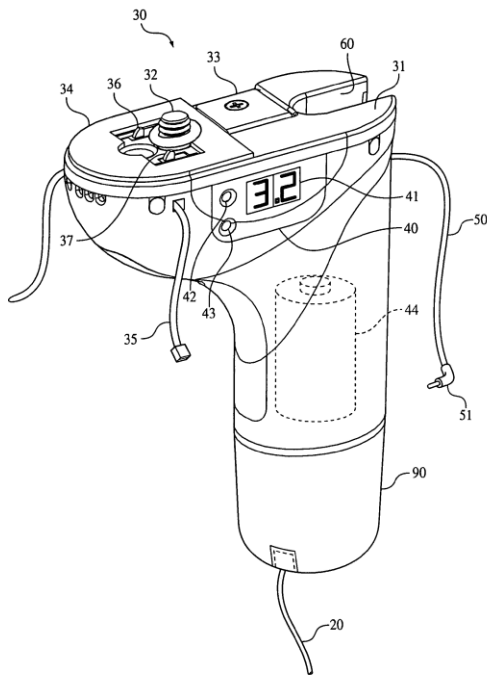


FIG. 2

Figure 2 illustrates a detangler 90 (with the ability to swivel) attached to the retractable cable 20 through the housing 30. Deconinck '038 specifically states: “Detangler 90 permits housing to be freely rotated when coupled to retractable cable 20 without tangling retractable cable 20 and interfering with the recoiling of retractable cable 20.” *Id.*, 10:32-35.

Whether Deconinck '038 describes the claim limitations

InVue contends that the retractable cable 20 of Deconinck '038 is a cable assembly as required by claims 1, 2, and 4-6 of the '641 Patent, because the cable 20 is extendable and retractable (retractor 91) and a swivel assembly (detangler 90) that is in-line in the cable assembly. Pet. 33-34.

InVue further contends that, as shown in Figure 1 of Deconinck '038, a

power cable 50 provides electrical power to a displayed electronic device (i.e., camera) 200, while the cable assembly 20 of Figure 1 is connected to a mounting member (housing 30) and to an upstream power supply 82 through a satellite 80. *Id.*, 34. According to Invue, the Detangler 90 enables the cable 20 to rotate relative to the housing 30, while maintaining the electrical coupling to the displayed electronic device during extension and retraction movements of the cable assembly. *Id.*

We have reviewed InVues's analysis and supporting evidence, and determine that InVue's assertion has merit. On this record, InVue has demonstrated that there is a reasonable likelihood that it would prevail with respect to claims 1, 2, and 4-6 based on the ground that these claims are unpatentable over Deconinck '038.

D. Claims 1-6 – Obvious in view of Deconinck '038 and Englmor

InVue asserts that claims 1-6 of the '641 Patent are unpatentable under 35 U.S.C. § 103(a) as unpatentable over Deconinck '038 and Englmor. Pet. 57-58. In support of this asserted ground of unpatentability, InVue provides detailed explanations as to how each claim limitation is met by the combination of Deconinck '038 and Englmor. Pet. 43-49, citing to Ex. 1008 at 1:66-2:6, 10:29-49, 10:50-59, and Pet. 57-58, citing to Ex. 1014.

Upon review of InVue's analysis and supporting evidence, and for the reasons set forth below, we determine that InVue has demonstrated that there is a reasonable likelihood that it would prevail with respect to claims 1-6 on the ground that these claims are obvious in view of Deconinck '038 (discussed *supra*) and Englemore.

Englemore

Englemore describes a rotatable electrical connector for coiled telephone cords. Ex. 1014, Title. Figure 1 of Englemore is reproduced below:

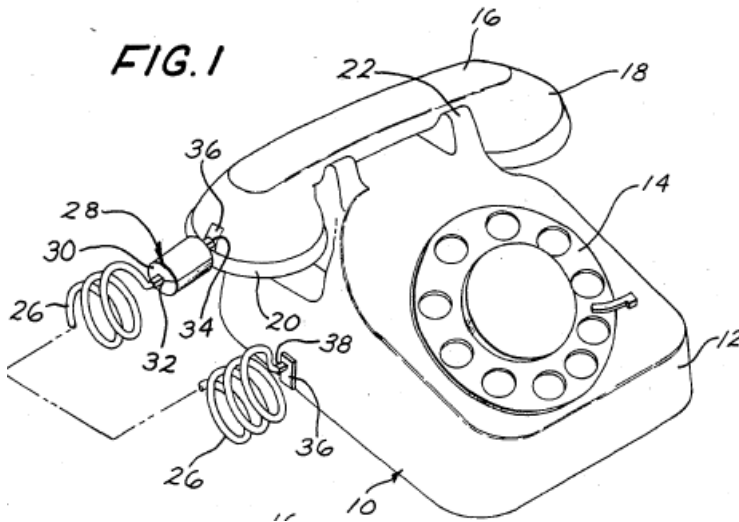


Figure 1 of Englemore illustrates a low friction rotatable electrical connector 28 for cooperation with a coiled telephone cord 26 to ensure that the movement of the handset 16 away from the base 12 will not cause a kink or twist to occur in the coiled telephone cord 26. *Id.*, 4:48-53.

Englemore specifically discloses that a coiled telephone cord is conventionally used to join electrically the base of a phone with the handset, because the coiled cord is compact and because “it is capable of stretching to several times its normal length for the convenience of the user in moving the handset 16 away from the base unit 12.” *Id.*, 4:35-42. In addition, Englemore discloses a low friction rotatable electrical connector 28 for cooperation with the coiled telephone cord 26 to ensure that the movement of the handset 16 away from the base 12 will not cause a kink or twist to occur in the coiled telephone cord 26. *Id.*, 4:49-53 and Figure 1. Englemore teaches that the low friction rotatable electrical connector 28 can be located in multiple locations between the telephone base and the handset. *Id.*, Figures 1-3.

Whether Deconinck '038 and Englemore meet the claim limitations

InVue contends that the retractable cable 20 of Deconinck '038 is a cable assembly as required by claims 1-6 of the '641 Patent, because the cable 20 is extendable and retractable (retractor 91) and a swivel assembly (detangler 90) that is in-line in the cable assembly. Pet. 33-34. InVue further contends that, as shown in Figure 1 of Deconinck '038, a power cable 50 provides an electrical power to a displayed electronic device (i.e., camera) 200, while the cable assembly 20 of Figure 1 is connected to a

mounting member (housing 30) and to an upstream power supply 82 through a satellite 80. *Id.* According to Invue, the Detangler 90 enables the cable 20 to rotate relative to the housing 30, while maintaining the electrical coupling to the displayed electronic device during extension and retraction movements of the cable assembly. *Id.*

InVue contends that it would have been known by those skilled in the merchandising display and retail security art that the straight cord and retractor mechanism disclosed by Deconinck '038 and a coiled cord having an elastically stretchable length are interchangeable. Pet. 57, (citing Ex. 1014 and Ex. 1016). Thus, InVue concludes that it would have been obvious to one skilled in the art at the time of the invention to provide the cable management system of the merchandise display disclosed by Deconinck '038 with the coiled telephone cord taught by Engelmores, so that the cable assembly is extendable and retractable to facilitate extension and retraction movements of the of the cable assembly and the mounting member as required by the challenged claims. *Id.*, 57-58.

With respect to claim 3, InVue asserts that Engelmores teaches that the swivel assembly couples an end of the coiled telephone cord to the handset and/or to the telephone base. *Id.*, 58. According to InVue, the telephone base acts as an upstream power supply. *Id.* Further, the disclosure of

Englemore renders it obvious that the swivel can be at either end of the cable assembly. *Id.*; *see* Englemore, Figures 1-3. We agree that (1) the low friction rotatable electrical connector 28 of Englemore functions as a swivel assembly and (2) the telephone base can function to supply power to the handset.

InVue also contends that a straight cord with retractor mechanism as disclosed by Deconinck '038 is interchangeable with a coiled cord having an elastically stretchable length, and therefore, a person of skill in the art would find it obvious to combine the teachings of Deconinck '038 and Englemore. *Id.*, 57. We agree.

We have reviewed InVue's analysis and determined that InVue's assertions are persuasive. On this record, InVue has demonstrated that there is a reasonable likelihood that it would prevail with respect to claims 1-6 based on the ground that these claims are unpatentable over Deconinck '038 and Englemore.

E. Claims 1, 2, and 4-6 – Obvious in view of Deconinck '038 and Deconinck '187

InVue asserts that claims 1, 2, and 4-6 of the '641 Patent are unpatentable under 35 U.S.C. § 103(a) as obvious over the combination of Deconinck '038 and Deconinck '187. Pet. 33-35, 58-59. In support of this

asserted ground of unpatentability, InVue provides detailed explanations as to how each claim limitation is met by Deconinck '038 and Deconinck '187. Pet. 58-59, (citing to Ex. 1008; Ex. 1009, 4:30-37).

Upon review of InVue's analysis and supporting evidence, and for the reasons set forth below, we determine that InVue has demonstrated that there is a reasonable likelihood that it would prevail with respect to claims 1, 2, and 4-6 on the ground that these claims are obvious in view of the combination of Deconinck '038 (detailed *supra*) and Deconinck '187.

Deconinck '187

Deconinck '187 discloses a portable and rotatable electrical connector that provides a tangle free electrical connection between a cable and a device. Ex. 1009, Abstract. Figure 1 of Deconinck '187 is reproduced to the right:

Figure 1 of Deconinck '187 illustrates a rotatable electrical connector 10, which contains a male subassembly 40 with a modular plug 41 and a female subassembly 50. *Id.*, 4:38-40. The female subassembly 50 may be inserted into a

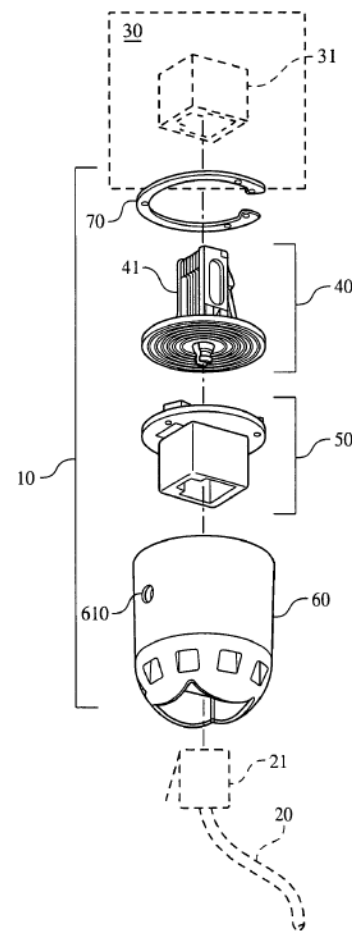


FIG. 1

housing 60. *Id.*, 7:13-14. The rotatable electrical connector 10 provides a connection between a cable 20 having a modular male plug 21 and a device 30 having a modular female jack 31. *Id.*, 4:26-30.

Deconinck '187 further teaches that the rotatable electrical connector 10 may be employed to provide a tangle-free connection between *a telephone handset and a cable connecting the handset to a base*, between a housing of a security system for displaying a handheld electronic device and a retractable cable coupled to the housing, or between any other cable and device wherein a tangle free electrical connection is desirable. *Id.*, 4:30-37 (emphasis added).

Whether Deconinck '038 and Deconinck '187 describe the claim limitations

InVue contends that the combination of Deconinck '038 and Deconinck '187 renders the claims obvious because (1) the combination Deconinck '038 and Deconinck '187 collectively teaches all of the claim limitations, and (2) a person of ordinary skill in the art at the time of the invention would have combined the prior art teachings. In particular, Deconinck '187 teaches the use of a swivel in-line with a coiled curly-Q (telephone) cord attached to a housing (mounting member) of a security system for displaying a handheld electronic device. Deconinck '187 further discloses that the cable 20 has a modular connector (plug) 21. This modular

connector (plug) 21, in conjunction with the Detangler 90 of Deconinck '038, indicates that the swivel assembly is received within the mounting member head for electrically coupling the cable assembly to the mounting member head and the displayed electronic device via the modular connector (Pet. 35, citing Ex. 1009, 4:30-37), a person of ordinary skill in the art at the time of the invention would have known to utilize the swivel connector taught by Deconinck '187 in the merchandise display device having the cable management system of Deconinck '038 because both provide a solution to a tangling electrical cable (*id.*, 58-59).

We have reviewed InVue's analysis and determined that InVue's assertions are persuasive. On this record, InVue has demonstrated that there is a reasonable likelihood that it would prevail with respect to claims 1, 2, and 4-6 based on the ground that these claims are unpatentable over Deconinck '038 and Deconinck '187.

F. Claims 1 and 3 – Anticipated by Sedon

InVue asserts that claims 1 and 3 of the '641 Patent are unpatentable under 35 U.S.C. § 102(e) as anticipated by Sedon. Pet. 38-39, 54-55. In support of this asserted ground of unpatentability, InVue provides detailed explanations as to how each claim limitation is met by Sedon. Pet. 54-55, (citing to Ex. 1013, 3:56-63, 8:7-16, Figure 6, 14, and 15).

Upon review of InVue's analysis and supporting evidence, and for the reasons set forth below, we determine that InVue has demonstrated that there is a reasonable likelihood that it would prevail with respect to claims 1 and 3 on the ground that these claims are anticipated by Sedon.

Sedon

Sedon discloses an alarming merchandise display system that allows a potential customer to handle the item while it is secured to the display system. Ex. 1013, Abstract. Figure 6 of Sedon is reproduced below:

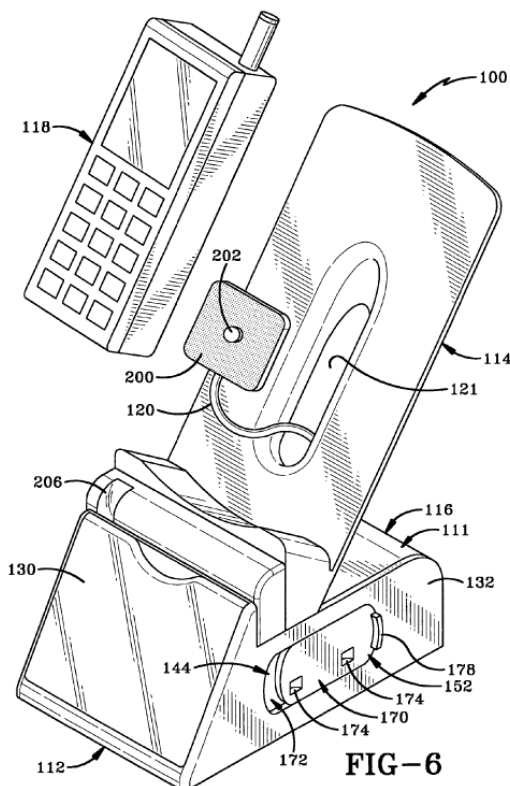


Figure 6 of Sedon illustrates one embodiment of the display system, which teaches that item 118 is connected to alarm unit 116 with an alarm

cable 120, which is designed to trigger an alarm carried by alarm unit 116 if cable 120 is cut, removed from item 118, or removed from alarm unit 116.

Id., 5:57-60.

Figure 14 of Sedon is reproduced below:

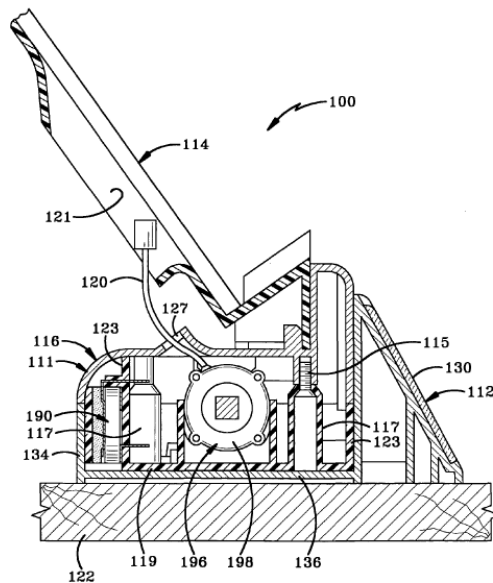


FIG-14

Figure 14 of Sedon illustrates that alarm unit 116 is a self-contained alarm system that includes its own power source 190 (optionally, a power cord may be used to power system 100), alarm circuitry 192, alarm indicator 194, and alarm tether 196. *Id.*, 8:1-4. In the exemplary embodiment shown in Figure 14, power source 190 is a battery, the alarm indicator 194 is a speaker and/or a light, and alarm tether 196 includes a retractor 198 and alarm cable 120. *Id.*, 8:6-9. Sedon teaches that cable 120 has an outer end that is connected to item 118 with a self-adhesive sensor 200 having a plunger

switch 202 that creates a signal when sensor 200 is removed from item 118 (as can be seen in Figure 6). *Id.*, 8:10-13. Sedon then teaches that retractor 198 includes a spring-loaded coil and a swivel, and the coil is adapted to automatically rewind cable 120 after cable 120 has been unwound. *Id.*, 8:13-15. The swivel allows the electric cables to exit the coil without twisting. *Id.*, 8:15-16.

Figure 24 of Sedon is reproduced below:

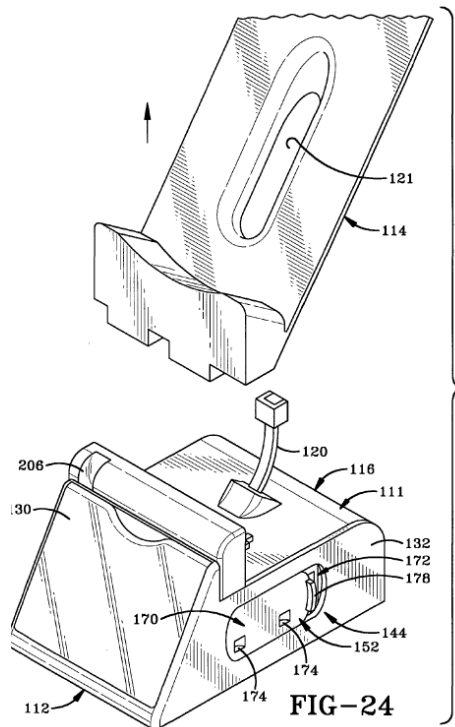


Figure 24 of Sedon illustrates a view of the display system where the shelf 114 is removed from the alarm unit 116, and where the cable 120 includes a modular connector. Ex. 1013, Figure 24 and 3:28-30.

Whether Sedon describes the claim limitations

InVue contends that the spring-loaded coil adapted to rewind cable 120 automatically “described in Sedon” is a cable assembly as required by claims 1, 2, and 4-6 of the ’641 patent, because the cable 120 is extendable and retractable (retractor 198) and has a swivel. Pet. 38. InVue further contends that Sedon discloses that the alarm cable 120 is attached to a mounting member, in the form of a security sensor 200, for carrying the displayed electronic device, and further, that the alarm cable 120 is electrically coupled to the sensor 200 and the item 118 via a modular connector. *Id.*, (citing Ex. 1013 at Figure 24).

Upon review of InVue’s analysis and supporting evidence, we determine that InVue has demonstrated that there is a reasonable likelihood that it would prevail with respect to claims 1 and 3 on the ground that these claims are anticipated by Sedon.

G. Claims 3 and 5 – Obvious over Deconinck ’038 and Frederiksen

InVue asserts that claims 3 and 5 of the ’641 Patent are unpatentable under 35 U.S.C. § 103(a) as obvious over Deconinck ’038 and Frederiksen. Pet. 59-60. In support of this asserted ground of unpatentability, InVue provides detailed explanations as to how each claim limitation is met by Deconinck ’038 and Frederiksen. *Id.*

Upon review of InVue's analysis and supporting evidence, we determine that InVue has demonstrated that there is a reasonable likelihood that it would prevail with respect to claims 3 and 5 on the ground that these claims are unpatentable in view of Deconinck '038 and Frederiksen.

Frederiksen

Frederiksen discloses a security system with a mechanism for controlling cord twisting by using the combination of a flexible cord, a housing, and a connector on the cable. Abstract. Figure 1 of Frederiksen is reproduced below:

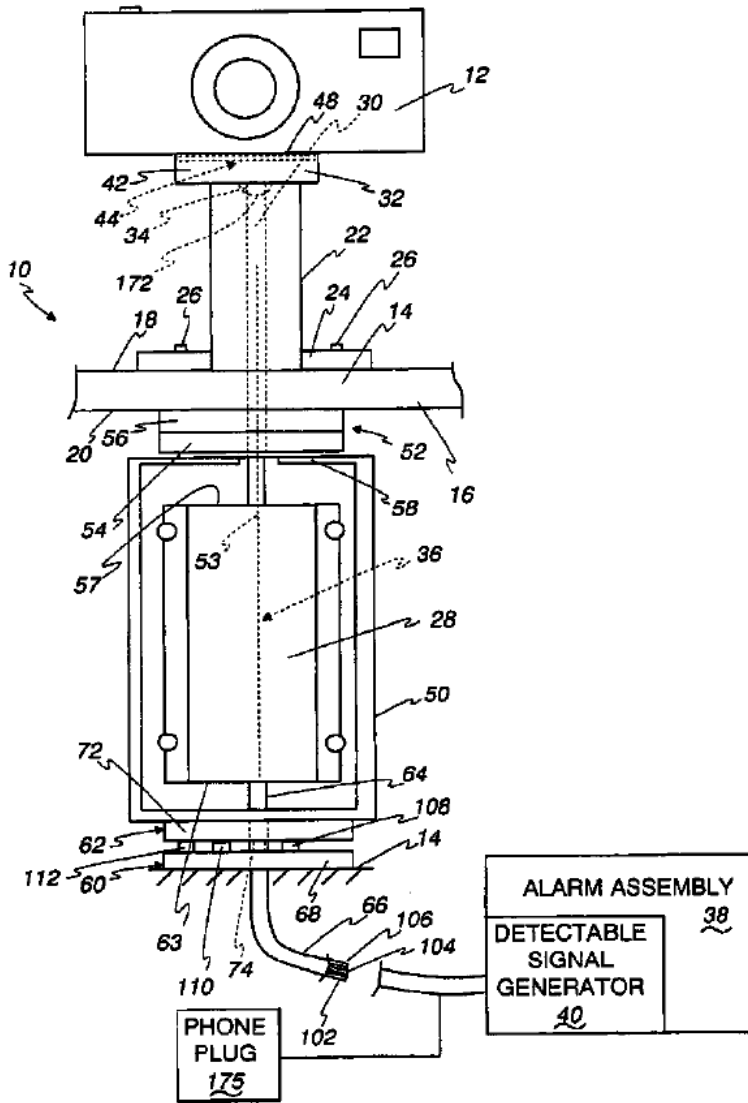


Figure 1 of Frederiksen illustrates a swivel assembly in the form of cooperating first and second connector assemblies 60, 62 that maintain a commutative electrical connection between the ends of first and second discrete parts 64, 66 of the cord 30 (7:5-7), wherein the second discrete part 66 is electrically coupled to an alarm assembly 38 providing an upstream

power supply for a mounting member 32 carrying a displayed electronic device 12 (7:10-13).

Whether Deconinck '038 and Frederiksen meet the claim limitations

InVue contends that Deconinck '038 discloses all of the elements and limitations of independent claim 1 and independent claim 4, but does not disclose expressly that the swivel assembly couples the second end of a cable assembly to an upstream power supply as required by dependent claims 3 and 5. Pet. 59-60. According to InVue, Frederiksen teaches such a swivel assembly. *Id.* Therefore, InVue contends that the combination of Deconinck '038 and Frederiksen renders claims 3 and 5 obvious.

Upon review of InVue's analysis and supporting evidence, we determine that InVue has demonstrated that there is a reasonable likelihood that it would prevail with respect to claims 3 and 5 on the ground that these claims are unpatentable in view of Deconinck '038 and Frederiksen.

H. Claims 1, 2, and 4-6 – Anticipated by PowerPro System

InVue asserts that claims 1, 2, and 4-6 of the '641 Patent are unpatentable under 35 U.S.C. § 102(e) as anticipated by the combination of (i) PowerPro System, published in 2006 (Ex. 1010), (ii) Instructions for PowerPro Sensor Head, published in 2007 (Ex. 1011), and (iii) Instructions for PowerPro Detangler, published in 2005 (Ex. 1012) (collectively, the

“PowerPro Publications”). Pet. 36-38. While the PowerPro Publications apparently describe a single product, they are nonetheless three separate documents published independently at three different times. In support of its claim of anticipation, InVue provides a single claim chart with citations to the three PowerPro Publications in an attempt to explain how each claim limitation is met by the combined PowerPro Publications. *Id.*, 49-53 (citing to Ex. 1010-1012).

To establish anticipation, each and every element of a claim must be found in a single prior art reference. *Karsten Mfg. Corp. v. Cleveland Golf Co.*, 242 F.3d 1376, 1383 (Fed. Cir. 2001). Upon review of InVue’s analysis and supporting evidence, we determine that InVue has not demonstrated that there is a reasonable likelihood that it would prevail with respect to claims 1, 2, and 4-6 on the ground that these claims are anticipated by the PowerPro Publications. InVue’s challenge fails because (1) InVue’s analysis is based on a combination of three separate documents, and (2) InVue has failed to indicate that the second and third references merely demonstrate that the first reference inherently discloses the claimed features. Therefore, we are unpersuaded that any single PowerPro Publication can meet each and every limitation recited in claims 1, 2, and 4-6 of the ’641 Patent.

I. *Claims 3 and 5 – Obvious over Deconinck '038 and Sedon*

InVue asserts that claims 3 and 5 of the '641 Patent are unpatentable under 35 U.S.C. § 103(a) as obvious over Deconinck '038 and Sedon. Pet. 33-34, 38, 59-60. In support of this asserted ground of unpatentability, InVue provides detailed explanations as to how each claim limitation is met by Deconinck '038 and Sedon. *Id.*, 59-60.

Upon review of InVue's analysis and supporting evidence, we determine that the asserted challenge is denied as redundant in light of (1) the multiple grounds presented by InVue, who makes no meaningful distinction between the different grounds, and (2) the determination that there is a reasonable likelihood that the challenged claims are unpatentable based on the grounds of unpatentability on which we institute an *inter partes* review. *See* 37 C.F.R. § 42.108(a).

J. *Claims 1, 2, and 4-6 – Obvious in view of Deconinck '038 and Belden*

InVue asserts that claims 1, 2, and 4-6 of the '641 Patent are unpatentable under 35 U.S.C. § 103(a) as unpatentable over Deconinck '038 and Belden. Pet. 33-34, 43-49, and 55-56. In support of the asserted ground of unpatentability based on Deconinck '038 and Belden, InVue provides detailed explanations as to how each claim limitation is met by those

references. Pet. 43-49, (citing to Ex. 1008 at 1:66-2:6, 10:29-49, 10:50-59), and Pet. 55-56, (citing to Ex. 1016).

Upon review of InVue's analysis and supporting evidence, we determine that the asserted challenge is denied as redundant in light of (1) the multiple grounds presented by InVue, who makes no meaningful distinction between the different grounds, and (2) the determination that there is a reasonable likelihood that the challenged claims are unpatentable based on the grounds of unpatentability on which we institute an *inter partes* review. See 37 C.F.R. § 42.108(a).

K. Other Asserted Grounds

InVue also asserts that the '641 Patent is not patentable under 35 U.S.C. § 102(b) due to MTI's public use of the claimed invention. Pet. 32-33. However, the grounds for seeking *inter partes* review are limited to issues raised under 35 U.S.C. §§ 102 or 103 and only on the basis of prior art consisting of patents or printed publications. 35 U.S.C. § 311(b). The record does not establish sufficiently that the 2008 MTI PowerPoint presentation (Ex. 1006) and the 2009 MTI video relied upon by InVue qualify as printed publications. Based on the record presented, InVue has failed to demonstrate that the 2008 MTI PowerPoint presentation and the 2009 MTI were sufficiently accessible to the public interested in the art. We

conclude that the presentation and video have not been shown on this record to be prior art printed publications. *See e.g., In re Lister*, 583 F.3d 1307, 1311 (Fed. Cir. 2009).

III. CONCLUSION

For the foregoing reasons, we determine that the information presented in the petition establishes that there is a reasonable likelihood that InVue would prevail with respect to claims 1-6 of the '641 Patent based on the challenges listed below. However, we have further determined that InVue has not demonstrated a reasonable likelihood of prevailing on their anticipation assertion based upon the PowerPro Publications.

IV. ORDER

Accordingly, it is

ORDERED that pursuant to 35 U.S.C. § 314, an *inter partes* review is hereby instituted as to claims 1-6 of the '641 Patent for the following grounds:

1. Claims 1, 2, and 4-6 are unpatentable under 35 U.S.C. § 102(e) over Deconick '038.
2. Claims 1 and 3 are unpatentable under 35 U.S.C. § 102(e) over Sedon.

3. Claims 1-6 are unpatentable under 35 U.S.C. § 103(a) over Deconick '038 and Englemore;
4. Claims 1, 2, and 4-6 are unpatentable under 35 U.S.C. § 103(a) over Deconick '038 and Deconick '187; and
5. Claims 3 and 5 are unpatentable under 35 U.S.C. § 103(a) over Deconick '038 and Frederickson.

FURTHER ORDERED that the trial is limited to the grounds identified above, and no other grounds are authorized.

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

FURTHER ORDERED that an initial conference call with the Board is scheduled for 2:00 PM Eastern Time on July 31, 2013; the parties are directed to the Office Trial Practice Guide⁵ for guidance in preparing for the initial conference call, and should come prepared to discuss any proposed changes to the Scheduling Order entered herewith and any motions the parties anticipate filing during the trial.

⁵ *Office Patent Trial Practice Guide*, 77 Fed. Reg. 48756, 48765-66 (Aug. 14, 2012).

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