

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ALARM.COM INC.,  
Petitioner,

v.

VIVINT, INC.,  
Patent Owner.

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Case IPR2016-01091  
Patent 6,717,513 B1

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Before MICHAEL R. ZECHER, JAMES B. ARPIN, and  
CHARLES J. BOUDREAU, *Administrative Patent Judges*.

ARPIN, *Administrative Patent Judge*.

DECISION

Denying Institution of *Inter Partes* Review  
*35 U.S.C. § 314(a) and 37 C.F.R. § 42.108*

## I. INTRODUCTION

On May 24, 2016, Alarm.com Incorporated (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting an *inter partes* review of claims 1–21 (“the challenged claims”) of U.S. Patent No. 6,717,513 B1 (Ex. 1201, “the ’513 patent”).<sup>1</sup> Pet. 1. Vivint, Incorporated (“Patent Owner”) filed a Preliminary Response. Paper 10 (“Prelim. Resp.”).

Based on the particular circumstances of this case, we exercise our discretion under 37 C.F.R. § 42.108 and do not institute an *inter partes* review of the challenged claims.

## II. BACKGROUND

### A. *Related Matters*

The ’513 patent is the subject of a district court action between the parties titled *Vivint, Inc. v. Alarm.com Inc.*, No. 2:15-cv-00392-CW-BCW (D. Utah 2015), filed June 2, 2015. Pet. 1; Paper 8, 2. In addition to the present Petition, Petitioner has filed two other petitions challenging claims 1–21 of the ’513 patent. Case IPR2015-01997, Paper 1 (“the ’1997 petition” or “’1997 Pet.”); Case IPR2016-00129, Paper 1 (“the ’129 petition” or “’129 Pet.”). We denied institution in each of Cases IPR2015-01997 and IPR2016-00129.

Petitioner also has filed fifteen other petitions, challenging certain claims of the following other patents owned by Patent Owner: (1) U.S. Patent No. 6,147,601 (Cases IPR2015-02004, IPR2016-00116, IPR2016-00155, and IPR2016-01080); (2) U.S. Patent No. 6,535,123 B2 (Cases

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<sup>1</sup> The subject matter of the ’513 patent is described in the Decisions on Institution in IPR2015-01997 and IPR2016-00129 and is not repeated here. *E.g.*, IPR2016-00129, Paper 13, 2–5.

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IPR2015-01995, IPR2016-00173, and IPR2016-01126); (3) U.S. Patent No. 6,462,654 B1 (Cases IPR2015-02003, IPR2016-00161, IPR2016-01110, and IPR2016-01124); (4) U.S. Patent No. 6,924,727 B2 (Cases IPR2015-01977 and IPR2015-02008); and (5) U.S. Patent No. 7,884,713 B1 (Cases IPR2015-01965 and IPR2015-01967). Pet. 2; Paper 8, 1–2.

*B. Illustrative Claims*

Of the challenged claims, claims 1, 7, 8, 15, and 19–21 are independent. Claim 1 is illustrative and is reproduced below:

1. A method of monitoring and controlling remote equipment, comprising the steps of:
  - a) determining a state of at least one parameter of at least one piece of the remote equipment;
  - b) communicating a message indicative of the state from the piece of remote equipment to a computer server as an incoming message;
  - c) enabling a user to remotely configure or modify a user-defined message profile containing outgoing message routing instructions, the user-defined message profile being storable on the computer server;
  - d) enabling a user to remotely send command messages to the remote equipment via the computer server to remotely control the remote equipment;
  - e) determining whether an incoming message is an incoming exception message indicative of improper operation of the piece of remote equipment;
  - f) if it is determined in step e) that an incoming message is an incoming exception message, forwarding at least one outgoing exception message based on the incoming message to at least one user-defined communication device specifiable in the user-defined message profile, wherein the

user can remotely configure or modify the user-defined message profile by remotely accessing the computer server.

Ex. 1201, col. 16, ll. 26–51. Like claim 1, independent claims 5 and 7 are directed to methods of monitoring and controlling remote equipment; and, like claim 8, independent claims 15 and 19–21 are directed to systems for monitoring and controlling remote equipment. *Id.* at col. 16, l. 61–col. 17, l. 13, col. 17, ll. 19–33, col. 18, ll. 21–48, col. 18, l. 59–col. 20, l. 29. Challenged claims 2–4 depend directly or indirectly from claim 1; challenged claim 6 depends from claim 5; challenged claims 9–14 depend directly or indirectly from claim 8; and challenged claims 16–18 depend directly or indirectly from claim 15. *Id.* at col. 16, ll. 52–60, col. 17, ll. 14–18, col. 17, l. 62–col. 18, l. 21, col. 18, ll. 49–58.

*C. Applied References and Declaration*

Petitioner relies upon the following references and declaration in support of its grounds for challenging the claims of the '513 patent:

<b>Exhibit</b>	<b>References and Declaration</b>
1205	U.S. Patent No. 5,808,907, issued Sept. 15, 1998 (“Shetty”) <sup>2</sup>
1206	U.S. Patent No. 5,134,644, issued July 28, 1992 (“Garton”) <sup>3</sup>
1207	U.S. Patent No. 6,040,770, issued Mar. 21, 2000, filed Sept. 4, 1998 (“Britton”) <sup>4</sup>

<sup>2</sup> On October 30, 2015, Petitioner previously asserted Shetty against U.S. Patent No. 6,147,601, owned by Patent Owner in Case IPR2016-00116. Case IPR2016-00116, Paper 1, 4; *see supra* Section II.A.

<sup>3</sup> On September 28, 2015, Petitioner previously asserted Garton against the '513 patent in Case IPR2015-01997. 1997 Pet. 5–6; *see supra* Section II.A.

<sup>4</sup> On September 28, 2015, Petitioner previously asserted Britton against U.S. Patent No. 6,535,123 B2, owned by Patent Owner, in Case IPR2015-01995. Case IPR2015-01995, Paper 1, 5; *see supra* Section II.A.

Exhibit	References and Declaration
1208	U.S. Patent No. 5,917,405, issued June 29, 1999, filed July 18, 1996 (“Joao”) <sup>5</sup>
1209	Declaration of V. Thomas Rhyne, III, Ph.D., P.E., R.P.A. <sup>6</sup>

Pet. 5–6.

*D. Asserted Grounds of Unpatentability*

Petitioner challenges the patentability of claims 1–21 of the ’513 patent on the following grounds:

Ground	References	Claim(s)
35 U.S.C. § 103(a)	Shetty and Joao	1–13 and 15–21
35 U.S.C. § 103(a)	Shetty, Joao, and Britton	14
35 U.S.C. § 103(a)	Shetty, Joao, and Garton	8–13 and 15–21
35 U.S.C. § 103(a)	Shetty, Joao, Britton, and Garton	14

Pet. 6–7.

### III. DISCUSSION

*A. Discretionary Non-Institution*

Institution of *inter partes* review is discretionary. *See* 35 U.S.C. § 314(a); 37 C.F.R. § 42.108. There is no *per se* rule against a petitioner filing a second petition to address a patent claim on which the Board previously declined to institute a review. Rather, panels of this Board have considered a variety of factors in deciding whether to exercise their discretion not to institute review, including, *inter alia*:

- (1) the finite resources of the Board;

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<sup>5</sup> On November 2, 2015, Petitioner previously asserted Joao against the ’513 patent in Case IPR2016-00129. 129 Pet. 5; *see supra* Section II.A.

<sup>6</sup> In Cases IPR2015-01997 and IPR2016-00129, Petitioner relied upon [Declarations of Arthur Zatarain, PE. Case IPR2015-01997, Ex. 1009; Case IPR2016-00129, Ex. 1109.](#)

- (2) the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than one year after the date on which the Director notices institution of review;
- (3) whether the same petitioner previously filed a petition directed to the same claims of the same patent;
- (4) whether, at the time of filing of the earlier petition, the petitioner knew of the prior art asserted in the later petition or should have known of it;<sup>7</sup>
- (5) whether, at the time of filing of the later petition, the petitioner already received the patent owner's preliminary response to the earlier petition or received the Board's decision on whether to institute review in the earlier petition;<sup>8</sup>
- (6) the length of time that elapsed between the time the petitioner learned of the prior art asserted in the later petition and the filing of the later petition;
- (7) whether the petitioner provides adequate explanation for the time elapsed between the filing dates of multiple petitions directed to the same claims of the same patent; and

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<sup>7</sup> See *Conopco, Inc. v. Proctor & Gamble Co.*, Case IPR2014-00506, slip op. at 4 (PTAB Dec. 10, 2014) (Paper 25) (informative), and slip op. at 6 (PTAB July 7, 2014) (Paper 17); *Toyota Motor Corp. v. Cellport Sys., Inc.*, Case IPR2015-01423, slip op. at 8 (PTAB Oct. 28, 2015) (Paper 7) (“*Toyota Motor Corp.*”).

<sup>8</sup> See *Conopco, Inc. v. Proctor & Gamble Co.*, Case IPR2014-00628, slip op. at 11 (PTAB October 20, 2014) (Paper 21) (discouraging filing of a first petition that holds back prior art for use in later challenges against the same patent if the first petition is denied); *Toyota Motor Corp.*, slip op. at 8 (“[T]he opportunity to read Patent Owner’s Preliminary Response in IPR2015-00634, prior to filing the Petition here, is unjust.”).

(8) whether the same or substantially the same prior art or arguments previously were presented to the Office.<sup>9</sup>

*See LG Electronics Inc. v. Core Wireless Licensing S.A.R.L.*, Case IPR2016-00986, slip op. at 6–7 (PTAB Aug. 22, 2016) (Paper 12) (“*LG Elecs.*”); *NVIDIA Corp. v. Samsung Elec. Co.*, Case IPR2016-00134, slip op. at 6–7 (PTAB May 4, 2016) (Paper 9); *Unified Patents, Inc. v. PersonalWeb Techs., LLC*, Case IPR2014-00702, slip op. at 7–9 (PTAB July 24, 2014) (Paper 13); *see also* Amendments to the Rules of Practice for Trials Before the Patent Trial and Appeal Board, 81 Fed. Reg. 18750, 18759 (Apr. 1, 2016) (“[T]he current rules provide sufficient flexibility to address the unique factual scenarios presented to handle efficiently and fairly related proceedings before the Office on a case-by-case basis, and that the Office will continue to take into account the interests of justice and fairness to both petitioners and patent owners where multiple proceedings involving the same patent claims are before the Office.”). These factors guide our decision to exercise discretion, but all factors need not be present, and we not need give equal weight to each factor in reaching our decision.

With these factors in mind, and for the reasons that follow, we exercise our discretion and do not institute a review in the current Petition.

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<sup>9</sup> *See* 35 U.S.C. § 325(d) (“In determining whether to institute or order a proceeding under . . . chapter 31 [providing for *inter partes* review], the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.”).

### 1. Previous Challenges

As mentioned above, Petitioner has filed two other petitions requesting an *inter partes* review of claims 1–21 of the ’513 patent. Pet. 3–4.

In the ’1997 petition, filed September 28, 2015, Petitioner challenged claims 1 and 4–21 of the ’513 patent as anticipated by ScadaWare,<sup>10</sup> claims 2 and 3 as obvious over ScadaWare and Austin,<sup>11</sup> and claims 8–21 as obvious over ScadaWare and Garton. ’1997 Pet. 5–6. In a decision denying institution, entered on April 7, 2016, we concluded that Petitioner had failed to demonstrate a reasonable likelihood that it would prevail at trial in demonstrating that any challenged claim is unpatentable on the asserted grounds, and we did not institute an *inter partes* review with respect to any of those claims. Case IPR2015-01997, Paper 15, 35.

In the ’129 petition, filed November 2, 2015, Petitioner challenged claims 1–9, 13, 15, 16, and 19–21 as anticipated by Johnson;<sup>12</sup> claims 10–12, 14, 17, and 18 as obvious over Johnson and Joao; and claim 14 as obvious over Johnson, Joao, and BACnet.<sup>13</sup> ’129 Pet. 9. In a decision denying institution, entered on May 3, 2016, we concluded that Petitioner

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<sup>10</sup> SCADAWARE™ *System Design Concepts*, Doc. 1010-03 (Total Engineering Services Team, Inc., New Orleans, La.) (“ScadaWare”).

<sup>11</sup> U.S. Patent No. 6,370,569 B1, issued April 9, 2002, filed November 3, 1998 (“Austin”).

<sup>12</sup> U.S. Patent No. 6,553,336 B1, issued April 22, 2003, filed June 26, 2000 (priority claimed to U.S. Provisional Patent Application No. 60/140,793, filed June 25, 1999) (“Johnson”).

<sup>13</sup> American Society of Heating, Refrigerating and Air Conditioning Engineers, Inc., *BACnet®: A Data Communication Protocol for Building Automation and Control Networks*, ANSI/ASHRAE Standard 135-1995 (including ANSI/ASHRAE Addendum 135a-1999), (©1995) (“BACnet”).

had failed to demonstrate a reasonable likelihood that it would prevail at trial in demonstrating that any challenged claim is unpatentable on the asserted grounds, and we did not institute an *inter partes* review with respect to any of those claims.<sup>14</sup> Case IPR2016-00161, Paper 16, 18.

## 2. *Discretionary Factors*

With regard to the third factor listed above, the instant Petition represents Petitioner's *third* petition specifically challenging each of claims 1–21, each of these claims having been challenged previously in Cases IPR2015-01997 and IPR2016-00129.

Turning to the fourth and sixth factors, Petitioner does not allege that the references relied upon in the Petition previously were unknown to it. *See* Prelim. Resp. 13–15. Nor could it, because, as set forth above, Petitioner previously relied on Garton<sup>15</sup> in Case IPR2015-01997, and also relied on Joao in Case IPR2016-00129. Moreover, as noted above, Petitioner asserted grounds based on Britton in Case IPR2015-01995 and based on Shetty in Case IPR2016-00116. Referring to the timeline set forth in Exhibit 3001, Petitioner had asserted each of Garton, Britton, Shetty, and Joao against

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<sup>14</sup> *See* 35 U.S.C. § 315(d) (“[D]uring the pendency of an inter partes review, if another proceeding or matter involving the patent is before the Office, the Director may determine the manner in which the inter partes review or other proceeding or matter may proceed, including providing for stay, transfer, consolidation, or termination of any such matter or proceeding.”).

<sup>15</sup> Petitioner incorrectly argues that none of the references asserted in the Petition was asserted in the petition in Case IPR2015-01997. Pet. 3; *see* Prelim. Resp. 6–7 (accusing Petitioner of “a false statement”). Petitioner, however, clearly relied on Garton in its asserted ground challenging claims 8–21 in Case IPR2015-01997. ’1997 Pet. 5–6.

patents owned by Patent Owner by November 2, 2015, more than six months prior to the filing date of the instant Petition on May 24, 2016.

With respect to the fifth and seventh factors, in view of the timeline in Exhibit 3001, Petitioner had received both the preliminary responses and our decisions in each of the cases previously challenging claims 1–21 of the ’513 patent (Cases IPR2015-01997 and IPR2016-00129) before filing the instant Petition. Pet. 3–4. In addition, Petitioner had received both the preliminary responses and our decisions in each of the cases in which the applied references were asserted: Garton (Case IPR2015-01997), Britton (Case IPR2015-01995), Shetty (Case IPR2016-00116), and Joao (Case IPR2016-00129)). Ex. 3001.

Patent Owner contends that Petitioner used our decisions in the earlier cases as a roadmap for attempts to remedy deficiencies in its earlier petitions. Prelim. Resp. 4–5, 15–16. Patent Owner points to Petitioner’s discussion of its earlier unsuccessful challenges to claims 1–21 of the ’513 patent as evidence of Petitioner’s improper use of our decisions in an effort to perfect its present challenges. *Id.* We agree. Further, Petitioner acknowledges that the instant Petition attempts to refine the construction of the term “message profile containing outgoing message routing instructions” in view of our construction of that term in our decision to institute review in challenges, based on Shetty, to claims in Case IPR2016-00116. Pet. 17 n.5. Petitioner also provides no explanation as to why claims 1–21 of the ’513 patent could not have been challenged over Shetty and Joao, alone or in combination with Britton and or Garton, in the ’129 petition or in a contemporaneously filed petition. Thus, the instant Petition is essentially a composite response to our decisions in those earlier proceedings. Petitioner

also offers no other explanation for the length of time that elapsed between the time it learned of the referenced art here asserted, i.e., at least November 2, 2015, and the filing date of the instant Petition, i.e., May 24, 2016.

Because the instant Petition was filed only about one week prior to the raising of the Section 315(b) bar against further challenges to claims 1–21 of the '513 patent, we can discern no other motivation apart from the information to be gleaned from Patent Owner's preliminary responses and our decisions on institution in the related cases. *See* Prelim. Resp. 16–17.

Finally, with regard to the eighth factor, Patent Owner contends that Petitioner's current challenges present the same or substantially the same art or arguments as those previously presented to the Office. Prelim. Resp. 5–13; *see* 35 U.S.C. § 325(d). Initially, we note that Patent Owner contends that two of the four references relied upon in the instant Petition previously were relied upon by Petitioner in challenges to claims 1–21 of the '513 patent. Prelim. Resp. 12–13. In relying on Shetty, Joao, and Britton, Petitioner appears to be applying new references to replace Scadaware and Johnson, which it relied upon in Cases IPR2015-01997 and IPR2016-00129, respectively. *Id.* at 6–8. The added references were intended merely to correct deficiencies noted in references relied upon in the earlier petitions, but Patent Owner maintains that the new references are substantially the same as the previous references (*id.* at 12–13) and that the new arguments remain substantially the same as the previous arguments after insertion of the new art (*id.* at 5–12). Further, in making the determination whether Petitioner's current challenges present the same or substantially the same art or arguments as those previously presented to the Office, we may consider whether Petitioner uses information gleaned from our earlier decisions to

bolster challenges it advanced unsuccessfully. *See NRT Tech. Corp v. Everi Payments Inc.*, Case CBM2016-00080, slip op. at 10 (PTAB Nov. 10, 2016) (Paper 12) (citing *Unilever, Inc. v. Procter & Gamble Co.*, Case IPR2014-00506, slip op. at 8 (PTAB July 7, 2014) (Paper 17) (informative)).

Petitioner acknowledges that this is the case here. *See, e.g.*, Pet. 17 n.5.

These facts suggest that at least this latest proceeding is a case of undesirable, incremental petitioning, in which a petitioner relies on a patent owner's contentions and/or a Board decision in an earlier proceeding or proceedings involving the same parties, the same patent, and the same claims to mount another challenge after an earlier, unsuccessful or only partially successful challenge, by fixing deficiencies, noted by the Board, that were within the petitioner's capacity to avoid in the earlier petition or petitions. *See LG Elecs.*, slip op. at 11. As Patent Owner points out in its Preliminary Response, the Board repeatedly has exercised its discretion to deny petitions where petitioners similarly have used prior Board decisions as a roadmap to correct past deficiencies. Prelim. Resp. 4–5, 8–11, 15–17; *see also Travelocity.com L.P. v. Cronos Tech., LLC*, Case CBM2015-00047, slip op. at 13 (PTAB June 15, 2015) (Paper 7) (“Moreover, a decision on a petition . . . is not simply part of a feedback loop by which a petitioner may perfect its challenges through a subsequent filing.”). As the Board explained in *Butamax Advanced Biofuels LLC v. Gevo, Inc.*, cited by Patent Owner (Prelim. Resp. 15), “[a]llowing similar, serial challenges to the same patent, by the same petitioner, risks harassment of patent owners and frustration of Congress’s intent in enacting the Leahy-Smith America Invents Act.” Case IPR2014-00581, slip op. at 12–13 (PTAB Oct. 14, 2014) (Paper 8) (citing H.R. Rep. No. 112-98, pt. 1, at 48 (2011)).

Consequently, with regard to the first and second factors, the following discussion from *LG Electronics* is particularly apt:

We are concerned about the limited resources of the Board and fundamental fairness for both Petitioner and Patent Owner. Petitioner cannot expect automatic acceptance of multiple petitions for consideration, if they are against the same claims of the same patent and filed so long apart that Petitioner received the benefit of having studied Patent Owner's Preliminary Response in the first petition or the Board's decision on whether to institute review in the first petition, prior to filing the second petition. *That is especially so if Petitioner, at the time of filing of the first petition was aware of or should have been aware of the prior art references applied in the second petition.*

The potential for inequity resulting from a petitioner's filing of serial attacks against the same claims of the same patent, while having the opportunity to adjust litigation positions along the way based on either the patent owner's contentions responding to prior challenges or the Board's decision on prior challenges, is real and cannot be ignored. This is not to say, however, that multiple petitions against the same claims of the same patent are never permitted. Rather, each case depends on its own facts. We look to and consider, in each case, as we do here, what rationale a petitioner offers for filing multiple petitions and for the time elapsed between those filings.

*LG Elecs.*, slip op. at 7–8 (emphasis added); *see also Samsung Elec. Co. v. Rembrandt Wireless Techs., LP*, Case IPR2015-00114, slip op. at 6 (PTAB Jan. 28, 2015) (Paper 14) (“[I]t is more efficient for the parties and the Board to address a matter once rather than twice.”); *ZTE Corp. v. ContentGuard Holdings, Inc.*, Case IPR2013-00454, slip op. at 5–6 (PTAB Sept. 25, 2013) (Paper 12) (“The Board is concerned about encouraging, unnecessarily, the filing of petitions which are partially inadequate.”). The Board's resources would be more fairly expended on initial petitions, rather than on follow-on petitions, such as the Petition in this case. This is

especially apparent when, as here, we are confronted with the third challenge to a patent and a total of eighteen challenges to six, commonly-owned patents. *See supra* Section II.A.; *see also* Prelim. Resp. 16 (providing a table identifying fourteen challenges to four related patents).

After weighing the factors identified above, we conclude that those factors weigh in favor of denying institution of review based on the instant Petition.

*B. Conclusion*

For the reasons discussed above, and especially given the limited resources of the Board, we exercise our discretion not to institute review in this proceeding. *See* 35 U.S.C. § 314(a); 37 C.F.R. § 42.108.

IV. ORDER

Accordingly, it is

ORDERED that the Petition is *denied*, and no trial or *inter partes* review is instituted for claims 1–21 of the '513 patent on any asserted ground.

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